



SAB ZENZELE KABILI HOLDINGS (RF) LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2019/616052/06)

JSE share code: SZK ISIN: ZAE000284196

("SAB Zenzele Kabili" or the "Company")

PROSPECTUS

Corporate Advisor and Transaction Sponsor



SAB Zenzele Kabili Administrator



Legal Advisor to AB InBev, SAB and
SAB Zenzele Kabili



Independent Reporting Accountants to
SAB Zenzele Kabili



The definitions and interpretations commencing on page 17 of this document apply, *mutatis mutandis*, through the entire document, including this cover page.

This Prospectus is not an offer to the general public and only constitutes: (i) an invitation to Qualifying Investors (being: (i) SAB Zenzele Retailer Shareholders; and (ii) the beneficiaries of The SAB Zenzele Employee Trust) to participate in the Reinvestment Offer; and (ii) an application for listing of the Settlement Shares pursuant to the BEE Listing, in each case on the terms and conditions set out herein.

On the same date as the posting of this Prospectus, SAB Zenzele has posted the SAB Zenzele Scheme Circular, in terms of which the SAB Zenzele Board has requested SAB Zenzele Shareholders to approve the SAB Zenzele Scheme.

If the SAB Zenzele Scheme is duly approved and implemented, then:

- (i) SAB Zenzele Retailer Shareholders will be deemed to have ceded 15% of their respective rights and entitlements to receive AB InBev Shares (pursuant to their SAB Zenzele Retailer Settlement Entitlements which will vest under the Existing Empowerment Transaction), to SAB Zenzele Kabili; and
- (ii) in consideration for such cession, each SAB Zenzele Retailer Shareholder will receive SAB Zenzele Kabili Ordinary Shares of proportional value to the portion of SAB Zenzele Retailer Settlement Entitlements ceded to SAB Zenzele Kabili pursuant to the SAB Zenzele Scheme.

In addition, if the SAB Zenzele Scheme is implemented, then the New Empowerment Transaction can be implemented and Qualifying Investors will be provided with an option to elect to cede all or a portion of their Settlement Entitlements (which, in the case of SAB Zenzele Retailer Shareholders, will be their entitlements remaining after having taken into account the portion of their Settlement Entitlements ceded to SAB Zenzele Kabili pursuant to the SAB Zenzele Scheme, if approved and implemented), in exchange for SAB Zenzele Kabili Ordinary Shares of Proportional Value pursuant to the Reinvestment Offer.

Accordingly, the Reinvestment Offer made pursuant to this Prospectus comprises only: (i) an offer to retailer shareholders of SAB Zenzele (being the SAB Zenzele Retailer Shareholders); and (ii) an "employee" offer to employees and former employees of the SAB group who are beneficiaries of the SAB Zenzele Employee Trust.

The Reinvestment Offer is in addition to and distinct from the SAB Zenzele Scheme and does not amend the terms and conditions of the unwind of the Existing Empowerment Transaction, but represents an additional option under the New Empowerment Transaction made available to Qualifying Investors to invest in SAB Zenzele Kabili in exchange for their Settlement Entitlements (which, in the case of SAB Zenzele Retailer Shareholders, will be their entitlements remaining after having taken into account the portion of their Settlement Entitlements ceded to SAB Zenzele Kabili pursuant to the SAB Zenzele Scheme, if approved and implemented). The Reinvestment Offer is an offer to Qualifying Investors to apply to receive SAB Zenzele Kabili Ordinary Shares from SAB Zenzele Kabili, by completing and duly delivering a Participation Form in accordance with the instructions set out in this Prospectus and the Participation Form.

The SAB Zenzele Kabili Ordinary Shares which will be used to settle the various components of the New Empowerment Transaction (including the Reinvestment Offer and the SAB Zenzele Scheme), being the Settlement Shares, will be listed on the BEE Segment pursuant to the BEE Listing, which will allow holders of SAB Zenzele Kabili Ordinary Shares to trade their SAB Zenzele Kabili Ordinary Shares from the outset with BEE Verified Persons.

This Prospectus is not an invitation to the general public to subscribe for SAB Zenzele Kabili Ordinary Shares, but is issued for the limited purposes of providing statutorily required information in connection with the:

- (i) **Reinvestment Offer:** being an invitation to Qualifying Investors to participate in the Reinvestment Offer, which offer is being made to Qualifying Investors on the terms and subject to the conditions set out herein; and
- (ii) **BEE Listing:** being the listing of 40,550,000 SAB Zenzele Kabili Ordinary Shares (being the Settlement Shares), as Asset Backed Securities on the BEE Segment.

Accordingly, this Prospectus comprises a combined:

- (i) "registered prospectus", prepared in accordance with the applicable substance and form requirements for a prospectus set out in the Companies Act and the Companies Regulations; and **[Reg 51(4)]**
- (ii) pre-listing statement prepared in accordance with the applicable JSE Listings Requirements.

The JSE has approved this Prospectus and granted SAB Zenzele Kabili a listing in the Non-equity Investment Instruments sub-sector, in the BEE Segment, in respect of the 40,550,000 SAB Zenzele Kabili Ordinary Shares (being the Settlement Shares), under the full name "*SAB Zenzele Kabili Holdings (RF) Limited*" with the abbreviated name of "*SABKabil*" under JSE ordinary share code: "SZK" and the ISIN: ZAE000284196, with effect from the commencement of trade on **Wednesday, 15 April 2020**.

In addition, this Prospectus, accompanied by the documents referred to under "*Documents available for inspection*" as set out in Section 4, paragraph 6 on page 62 of this Prospectus, was registered with the CIPC on or about 17 February 2020.

As at the BEE Listing Date, the authorised stated capital of SAB Zenzele Kabili will comprise:

- (i) 50,000,000 SAB Zenzele Kabili Ordinary Shares; and
- (ii) 1,000,000 SAB Zenzele Kabili Preference Shares.

As at the BEE Listing Date, no SAB Zenzele Kabili Shares are held in treasury.

This Prospectus and the BEE Listing only relates to SAB Zenzele Kabili Ordinary Shares, and: (i) no invitation or offer to subscribe is being made to any person in relation to the SAB Zenzele Kabili Preference Shares; and (ii) no application for listing on the JSE has been made in respect of the SAB Zenzele Kabili Preference Shares.

The SAB Zenzele Kabili Ordinary Shares are subject to various restrictions as set out in the SAB Zenzele Kabili MOI, including, *inter alia*, that they may only be transferred to BEE Verified Persons. Subsequent to the BEE Listing and for the duration of the BEE Listing Period, the trading in, and transfer of, SAB Zenzele Kabili Ordinary Shares will be subject to the BEE Listing Terms and Conditions including the Trading Terms and Conditions.

Qualifying Investors in SAB Zenzele Kabili should ensure that they fully understand the nature of the SAB Zenzele Kabili Ordinary Shares and the extent of their exposure to risks in respect thereof, and that they consider the suitability of the SAB Zenzele Kabili Ordinary Shares as an investment in light of their own circumstances and financial position. Investment in SAB Zenzele Kabili Ordinary Shares is subject to a number of risks, including the risk of SAB Zenzele Kabili Ordinary Shares losing some or a significant part of their initial value. Qualifying Investors should be prepared to sustain a loss of their entire investment in such securities. Specialist securities such as the SAB Zenzele Kabili Ordinary Shares involve a high degree of risk, including the risk of losing some or a significant part of an investor's initial investment. SAB Zenzele Kabili Ordinary Shares represent general, unsecured, unsubordinated, contractual obligations of the Company and rank *pari passu* in all respects with each other. Qualifying Investors in SAB Zenzele Kabili are reminded that the SAB Zenzele Kabili Ordinary Shares constitute obligations of the Company only and of no other person. Therefore, Qualifying Investors in SAB Zenzele Kabili should understand that they are relying on the credit worthiness of the Company.

The JSE's approval of the BEE Listing should not be taken in any way as an indication of the merits of the BEE Listing. The JSE takes no responsibility for the contents of this Prospectus or the annual financial statements of the Company (as amended or restated from time to time), makes no representation as to the accuracy or completeness of any of the foregoing documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of this document or the annual financial report (as amended or restated from time to time). The JSE has not verified the accuracy of the contents of this Prospectus and, to the extent permitted by law, the JSE will not be liable for any claim of whatever kind pursuant to the contents of this document not being accurate. No claims may be made against the JSE Guarantee Fund in respect of the SAB Zenzele Kabili Ordinary Shares other than pursuant to the trading of the SAB Zenzele Kabili Ordinary Shares on the JSE and in accordance with the terms of the rules of the JSE Guarantee Fund.

SAB Zenzele Kabili will list on the BEE Segment pursuant to the use of a BEE Verification Agent as contemplated in the JSE Listings Requirements. The SAB Zenzele Kabili Ordinary Shares will only be traded on the JSE in Dematerialised form. No documents of title will be issued to Successful Participants.

All the Directors, whose names are set out herein, collectively and individually, accept full responsibility for the accuracy of the information given in this Prospectus as it pertains to SAB Zenzele Kabili and certify that, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement false or misleading and that they have made all reasonable enquiries to ascertain such facts and that this document contains all information required by law, the prospectus requirements under the Companies Act and Companies Regulations and the pre-listing disclosure requirements under the JSE Listings Requirements.

Each of SAB Zenzele Kabili's Transaction Sponsor, corporate advisor, legal advisor, BEE Verification Agent, the SAB Zenzele Kabili Administrator and the Independent Reporting Accountant have consented in writing to act in the capacity stated (and to its name being stated) in this document and has not withdrawn its consent prior to the publication of this document.

An abridged version of this document will be published on SENS and in the press on **Friday, 27 March 2020**.

The Reinvestment Offer opens at 09:00 on 19 February 2020 and closes at 16:00 on Friday, 7 April 2020.

Date of issue: **19 February 2020**

This Prospectus is only available in English. Copies of this Prospectus will be made available on the Company's website at: www.investecsp.co.za and may also be obtained during normal business hours from the registered office of the Company and the offices of the Transaction Sponsor at their respective addresses set out in the "Corporate Information and Advisors" section of this Prospectus from the date of issue hereof until 7 April 2020.

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Documents incorporated by reference:

The following information has been incorporated by reference and is available for viewing on the URLs indicated below:

| Information incorporated by reference: | Specific location on website: |
|--|---|
| Historical financial information of AB InBev for the three financial years ended 31 December 2016, 2017 and 2018 | https://www.ab-inbev.com/investors.html . |
| SAB Zenzele Kabili King Code (IV) Compliance Register | www.investecsps.co.za |

CORPORATE INFORMATION AND ADVISORS

Registration Number of SAB Zenzele Kabili:

2019/616052/06

Registered Office of SAB Zenzele Kabili

SAB Zenzele Kabili Holdings (RF) Limited
c/o The South African Breweries Proprietary Limited
65 Park Lane
Sandown
Sandton
2196
(PO Box 782178, Sandton, 2146)

**Place and Date of Incorporation of
SAB Zenzele Kabili**

Incorporated in the South Africa on
5 December 2019

Holding company of SAB Zenzele Kabili

The South African Breweries Proprietary Limited
(Registration number: 1998/006375/07)
65 Park Lane
Sandown
Sandton
2196
(PO Box 782178, Sandton, 2146)

Corporate Advisor and Transaction Sponsor

Rand Merchant Bank (A division of
FirstRand Bank Limited)
(Registration number: 1929/001225/06)
4 Merchant Place
Corner Fredman Drive and Rivonia Road
Sandton, 2146
(PO Box 650149, Benmore, 2010)

SAB Zenzele Kabili Administrator

Investec Share Plan Services
Proprietary Limited
(Registration number: 2000/016211/07)
100 Grayston Drive
Sandown
Sandton
2196
(PO Box 785700, Sandton, 2196)

BEE Verification Agent

EmpowerLogic Proprietary Limited
(Registration number: 1995/000523/07)
9 Autumn Street
Devcon Place
Rivonia
2128
(PO Box 3868, Rivonia, 2128)

Company Secretary

Rilapax Proprietary Limited
(t/a William Radcliffe)
(Registration number: 2013/068456/07)
33 Victoria Street
Rosettenville
Johannesburg
2190
(PO Box 71664, Bryanston, 2021)

**Legal Advisor to AB InBev, SAB and
SAB Zenzele Kabili**

Bowman Gilfillan Inc.
(Registration number: 1998/021409/21)
11 Alice Lane
Sandton
2196
South Africa
(PO Box 785812, Sandton, 2146)

**Independent Reporting Accountants to
SAB Zenzele Kabili**

PricewaterhouseCoopers Inc.
(Registration number: 1998/012055/21)
4 Lisbon Lane
Waterfall City
Jukskei View
2090
(Private Bag X36, Sunninghill, 2157)

Transfer Secretaries to SAB Zenzele Kabili

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

IMPORTANT INFORMATION

The definitions and interpretations commencing on page 17 of this document apply, *mutatis mutandis*, to the entire document, including this Section.

DISCLAIMER

Notwithstanding that this document constitutes a Prospectus, it (and the Reinvestment Offer) is not an offer to the general public and only constitutes: (i) an invitation to Qualifying Investors to participate in the Reinvestment Offer; and (ii) an application for listing of the Settlement Shares pursuant to the BEE Listing. Consequently, this Prospectus is addressed only to Qualifying Investors, and does not constitute an offer or an invitation or solicitation of an offer to subscribe for securities of the Company in any jurisdiction in which such an offer or invitation would be unlawful.

The release, publication or distribution of this Prospectus in jurisdictions other than South Africa may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than South Africa should inform themselves about, and observe, any applicable requirements or restrictions. No action has been taken or will be taken to permit the possession or distribution of this Prospectus (or any other offering or publicity materials relating to the Reinvestment Offer) in any jurisdiction where action for that purpose may be required or doing so is restricted or prohibited by law. Accordingly, neither this Prospectus, nor any advertisement, nor any other offering material may be distributed or published except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Information included in this Prospectus relating to AB InBev has been presented for the benefit of Qualifying Investors and has been derived from publicly available sources and information made available to SAB Zenzele Kabili. Consequently, the integrity of the information quoted herein, is dependent on the accuracy and completeness of publicly available information, and such information has not been independently reviewed by the Directors. Subject to the foregoing, and to the maximum extent permitted by law, SAB Zenzele Kabili and the Directors and officers disclaim all liability for information concerning AB InBev included in this Prospectus.

FORWARD-LOOKING STATEMENTS

Some statements in this Prospectus are forward-looking and involve risks and uncertainties. These generally include, but are not limited to, terminology such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate” and “believe”. These include statements regarding, amongst others, the future financial position, prospects, growth in markets, projected costs, estimates of capital expenditures and plans and objectives of management for the future operation of SAB Zenzele Kabili, SAB and/or AB InBev. The actual performance could differ materially from these forward-looking statements.

Because many factors, including the risk factors referred to in this Prospectus, could cause the actual results or outcomes to differ materially from those expressed in any forward-looking statements made in this Prospectus, do not place undue reliance on these forward-looking statements. Further, any forward-looking statement speaks only as at the date on which it is made, and neither AB InBev, SAB Zenzele Kabili nor SAB undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events or to advise any person of such changes, except where required to do so by law. New factors may emerge in the future, and it is not possible for AB InBev, SAB Zenzele Kabili and/or SAB to predict and list such factors. In addition, AB InBev, SAB Zenzele Kabili and/or SAB cannot assess the effect of each factor on their respective businesses or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those described in any forward-looking statements.

PROSPECTUS COMPLIES WITH THE COMPANIES ACT

This Prospectus complies with section 100 of the Companies Act and Parts B and C of Chapter 4 of the Companies Regulations. The written consents of the experts and advisors set out in the “*Corporate Information and Advisors*” section of this Prospectus have been attached to the copy of this Prospectus filed with the CIPC. Each of the aforementioned experts and advisors have consented to the use of any statement made by them in this Prospectus and/or the use of their names in this Prospectus, as the case may be, and have not withdrawn such consents as at the date of this Prospectus. The number of each applicable regulation of the Companies Regulations is given in square brackets after appropriate headings or sub-headings, and marked “*Reg*”.

PROSPECTUS COMPLIES WITH THE APPLICABLE PRE-LISTING STATEMENT REQUIREMENTS

This Prospectus complies with the applicable disclosure requirements for a pre-listing statement prepared in accordance with the JSE Listings Requirements.

OBTAINING COPIES OF THIS PROSPECTUS

Copies of this Prospectus may be obtained during normal business hours from 09:00 on Wednesday, **19 February 2020** until 16:00 on Tuesday, **7 April 2020** from the Registered Office of SAB Zenzele Kabili (see the “*Corporate Information and Advisors*” section of this Prospectus for these details).

Unless permitted otherwise, copies will be limited to one per person.

Due to logistical constraints, the Company cannot guarantee that physical copies of this Prospectus will be available at all times at the above locations. You can also download copies of this Prospectus from SAB Zenzele Kabili’s website at: www.investecsp.co.za.

DATE OF INFORMATION PROVIDED

Unless the context clearly indicates otherwise, all information provided in this Prospectus is provided as at the Last Practicable Date.

OVERVIEW OF THE NEW EMPOWERMENT TRANSACTION, REINVESTMENT OFFER AND BEE LISTING

This Section provides a summary of the most important aspects of the: (i) Reinvestment Offer; and (ii) BEE Listing, each of which forms part of the New Empowerment Transaction.

For a more detailed understanding of the Reinvestment Offer, the BEE Listing and other component parts of the New Empowerment Transaction, you should read this entire Prospectus.

Furthermore, if you are a Qualifying Investor who is a SAB Zenzele Retailer Shareholder, you are advised to read this Prospectus in conjunction with the SAB Zenzele Scheme Circular posted to you by SAB Zenzele, which sets out details of the SAB Zenzele Scheme, amongst other things.

The information set out below is summary in nature, is not comprehensive and must be read together with the detailed information and terms set out in this Prospectus and, in the case of SAB Zenzele Retailer Shareholders, the SAB Zenzele Scheme Circular.

1. WHAT IS THE NEW EMPOWERMENT TRANSACTION ALL ABOUT?

1.1 The New Empowerment Transaction proposed by AB InBev and SAB is designed, amongst other things, to facilitate a reinvestment opportunity for Qualifying Investors of their respective rights and entitlements to receive AB InBev Shares on the unwind of the Existing Empowerment Transaction. Such rights and entitlements vest on the Vesting Date.

1.2 AB InBev and SAB intend to implement the proposed New Empowerment Transaction through SAB Zenzele Kabili, by means of the following core elements:

1.2.1 **The SAB Zenzele Scheme:** The SAB Zenzele Scheme will be proposed by the SAB Zenzele Board between SAB Zenzele and the SAB Zenzele Retailer Shareholders, in terms of which it is proposed that each SAB Zenzele Retailer Shareholder cedes to SAB Zenzele Kabili 15% of its right and entitlement to receive AB InBev Shares pursuant to the unwind of the Existing Empowerment Transaction, in exchange for SAB Zenzele Kabili Ordinary Shares of proportional value; and

1.2.2 conditional on the SAB Zenzele Scheme being duly approved and implemented:

1.2.2.1 **The Reinvestment Offer:** SAB Zenzele Kabili will make an offer to Qualifying Investors to cede all or a portion of their rights and entitlements (in the case of SAB Zenzele Retailer Shareholders, less their SAB Zenzele Scheme Entitlements) to receive AB InBev Shares pursuant to the unwind of the Existing Empowerment Transaction to SAB Zenzele Kabili, in exchange for SAB Zenzele Kabili Ordinary Shares of Proportional Value. This is effectively the Reinvestment Offer described and made pursuant to this Prospectus;

1.2.2.2 **New ESOP subscription:** The New ESOP will sell to SAB Zenzele Kabili the equivalent of R600 million worth of the AB InBev Shares contributed to it by SAB, and as consideration SAB Zenzele Kabili will issue to the New ESOP new SAB Zenzele Kabili Ordinary Shares of proportional value;

1.2.2.3 **SAB Foundation subscription:** The SAB Foundation has committed to reinvest up to R400 million worth of AB InBev Shares (circ. 21% of its entitlements from the unwinding of the Existing Empowerment Transaction) into SAB Zenzele Kabili. In this respect, The SAB Foundation will sell AB InBev Shares worth approximately R344 million to SAB Zenzele Kabili, and as consideration SAB Zenzele Kabili will issue to The SAB Foundation new SAB Zenzele Kabili Ordinary Shares of proportional value. The balance of the R56 million will be applied towards the Liquidity Option;

1.2.2.4 **SAB Vendor Funding:** SAB will sell the equivalent of R2 973 million worth of AB InBev Shares to SAB Zenzele Kabili, and as consideration SAB Zenzele Kabili will issue to SAB Zenzele Kabili Preference Shares, representing vendor funding of R2 973 million from SAB. The terms of the SAB Zenzele Kabili Preference Shares to be issued to SAB are set out in Section 1, paragraph 4.3 on page 37 of this Prospectus; **[Reg 65]**

- 1.2.2.5 **Discount Shares:** As an incentive to the Qualifying Investors to participate in the New Empowerment Transaction, following the implementation of the SAB Zenzele Scheme, SAB will contribute the equivalent of R811 million worth of AB InBev Shares (as at 31 March 2020) to SAB Zenzele Kabili at no further cost to SAB Zenzele Kabili. Accordingly, the Qualifying Investors will have exposure through SAB Zenzele Kabili to additional AB InBev Shares to which they would not have had exposure; and
 - 1.2.2.6 **BEE Listing:** Simultaneously, or shortly after, implementation of the SAB Zenzele Scheme, SAB Zenzele Kabili will be listed on the BEE Segment pursuant to the BEE Listing, which would allow Qualifying Investors to freely trade the SAB Zenzele Kabili Ordinary Shares received pursuant to the SAB Zenzele Scheme and the Reinvestment Offer from the outset with any BEE Verified Persons. This is effectively the BEE Listing application made pursuant to this Prospectus.
- 1.3 A key condition precedent required to be satisfied for the New Empowerment Transaction to proceed, is that the SAB Zenzele Scheme, proposed by the SAB Zenzele Board between SAB Zenzele and the SAB Zenzele Retailer Shareholders in terms of the SAB Zenzele Scheme Circular, must be duly approved and be implemented in accordance with the terms and conditions set out in the SAB Zenzele Scheme Circular.
- 1.4 If the SAB Zenzele Scheme is not duly approved and implemented, then:
- 1.4.1 the New Empowerment Transaction will not proceed (and the Reinvestment Offer will not be available to Qualifying Investors), and the Existing Empowerment Transaction will unwind in accordance with the terms set out in the Amended and Restated Exchange Agreement on or about 31 March 2020 and the SAB Zenzele MOI; and
 - 1.4.2 in place of the proposed New Empowerment Transaction, SAB will put in place an empowerment transaction in which only the New ESOP will participate.
- 1.5 If the SAB Zenzele Scheme is duly approved and implemented, then pursuant to the New Empowerment Transaction, each Qualifying Investor shall be entitled to cede all or a portion of their remaining entitlements to AB InBev Shares (in the case of SAB Zenzele Retailer Shareholders, less their SAB Zenzele Scheme Entitlements) to SAB Zenzele Kabili in exchange for SAB Zenzele Kabili Ordinary Shares of Proportional Value pursuant to the Reinvestment Offer.
- 1.6 In respect of entitlements to AB InBev Shares that a Qualifying Investor has not ceded, pursuant to the SAB Zenzele Scheme and the Reinvestment Offer, such Qualifying Investor may elect to either:
- 1.6.1 be equity settled in AB InBev Shares, pursuant to the AB InBev Shares Settlement; or
 - 1.6.2 have its AB InBev Shares sold on the JSE and/or the Euronext on its behalf by the SPV Trust and to be paid the cash proceeds arising from such sale, less associated costs and taxes, pursuant to the Sale Proceeds Settlement.
- 1.7 Accordingly, amongst other things, the New Empowerment Transaction comprises the following components: (i) the SAB Zenzele Scheme; (ii) the Reinvestment Offer; (iii) the BEE Listing; (iv) the AB InBev Shares Settlement; and/or (v) the Sale Proceeds Settlement.
- 1.8 This Prospectus relates only to the Reinvestment Offer and the BEE Listing. In particular, please refer to Section 2B commencing on page 47 of this Prospectus for further details.
- 1.9 Further details of the SAB Zenzele Scheme, the AB InBev Shares Settlement and the Sale Proceeds Settlement have been communicated separately to the various categories of Qualifying Investors. In the case of SAB Zenzele Retailer Shareholders, these details are set out in the SAB Zenzele Scheme Circular and in the case of the beneficiaries of The SAB Zenzele Employee Trust, details will be communicated to qualifying employees by the trustees of The SAB Zenzele Employee Trust.

2. **WHAT DOES THIS PROSPECTUS RELATE TO?**

- 2.1 This Prospectus is not an invitation to the general public to subscribe for SAB Zenzele Kabili Ordinary Shares.
- 2.2 Instead, this Prospectus is issued for the limited purpose of providing statutorily required information in connection with the:

- 2.2.1 **Reinvestment Offer:** being an invitation to Qualifying Investors (being: (i) SAB Zenzele Retailer Shareholders; and (ii) the beneficiaries of The SAB Zenzele Employee Trust) to participate in the Reinvestment Offer, which offer is made to Qualifying Investors on the terms and subject to the conditions set out herein; and
 - 2.2.2 **BEE Listing:** being the listing of the Settlement Shares, as Asset Backed Securities on the BEE Segment.
- 2.3 Accordingly, this Prospectus only constitutes: (i) an invitation to Qualifying Investors to participate in the Reinvestment Offer; and (ii) an application for listing of the Settlement Shares pursuant to the BEE Listing, in each case on the terms and conditions set out herein.

3. WHAT IS THE REINVESTMENT OFFER ABOUT?

- 3.1 If the SAB Zenzele Scheme is duly approved and implemented, the New Empowerment Transaction will be unconditional and operative and additionally Qualifying Investors (being: (i) SAB Zenzele Retailer Shareholders; and (ii) the beneficiaries of The SAB Zenzele Employee Trust) will be provided with an election to cede all or a portion of their Settlement Entitlements (which, in the case of SAB Zenzele Retailer Shareholders, will be their entitlements remaining after having taken into account the portion of their Settlement Entitlements ceded to SAB Zenzele Kabili pursuant to the SAB Zenzele Scheme, if approved and implemented) in exchange for SAB Zenzele Kabili Ordinary Shares of Proportional Value pursuant to the Reinvestment Offer which is distinct from and in addition to the SAB Zenzele Scheme.
- 3.2 As such, the Reinvestment Offer made pursuant to this Prospectus comprises only: (i) an offer to retailer shareholders of SAB Zenzele (being the SAB Zenzele Retailer Shareholders); and (ii) an “employee” offer to employees and former employees of the SAB Group who are beneficiaries of The SAB Zenzele Employee Trust.
- 3.3 Accordingly, the Reinvestment Offer is then made to Qualifying Investors pursuant to the terms and conditions set out in this Prospectus, and Qualifying Investors should note the following in connection with participating in the Reinvestment Offer:
- 3.3.1 The Reinvestment Offer opens at 09:00 on **Wednesday, 19 February 2020** and closes at 16:00 on **Tuesday, 7 April 2020**.
 - 3.3.2 On or before **Wednesday, 4 March 2020**, the SAB Zenzele Administrator will inform you of the Rand value of your Settlement Entitlement (which, in the case of SAB Zenzele Retailer Shareholders, will be your entitlement remaining after having taken into account the portion of your Settlement Entitlement ceded to SAB Zenzele Kabili pursuant to the SAB Zenzele Scheme, if approved and implemented).
 - 3.3.3 If you qualify to take part in the Reinvestment Offer, you will have until **Tuesday, 7 April 2020** to complete your Participation Form (*green*) and submit it to the SAB Zenzele Kabili Administrator to cede all or a portion of your Settlement Entitlement (which, if you are a SAB Zenzele Retailer Shareholder, will be your entitlement remaining after having taken into account the portion of your Settlement Entitlement ceded to SAB Zenzele Kabili pursuant to the SAB Zenzele Scheme, if approved and implemented) in exchange for SAB Zenzele Kabili Ordinary Shares.
 - 3.3.4 Once duly completed Participation Forms for SAB Zenzele Kabili Ordinary Shares have been received, SAB Zenzele Kabili will then allocate such number of SAB Zenzele Kabili Ordinary Shares to be determined in accordance with the Proportional Value formula as illustrated in **Annexure 1** to this Prospectus. Such SAB Zenzele Kabili Ordinary Shares will be listed on, and can be traded on, the BEE Segment.

4. WHAT IS THE BEE LISTING ABOUT?

- 4.1 It is intended that Qualifying Investors participating in the New Empowerment Transaction (including the SAB Zenzele Scheme and Reinvestment Offer) will receive SAB Zenzele Kabili Ordinary Shares which are listed on the BEE Segment and thereby such Qualifying Investors will have the ability to trade the SAB Zenzele Kabili Ordinary Shares from the outset of implementation of the SAB Zenzele Scheme and the Reinvestment Offer (if applicable) with other BEE Verified Persons (thereby creating liquidity on day 1).
- 4.2 Accordingly, this Prospectus relates to the information required in terms of the applicable JSE Listings Requirements for an application for admission to listing of the Settlement Shares as Asset Backed Securities on the BEE Segment pursuant to the BEE Listing.

5. **WHY SHOULD I REINVEST MY SETTLEMENT ENTITLEMENT INSTEAD OF HOLDING SHARES IN AB INBEV DIRECTLY?**

- 5.1 As an incentive to the Qualifying Investors to participate in the New Empowerment Transaction, it is contemplated that following implementation of the SAB Zenzele Scheme, SAB will contribute additional AB InBev Shares to the value of approximately R811 million as at 31 March 2020 to SAB Zenzele Kabili at no further cost to SAB Zenzele Kabili, being the Discount Shares.
- 5.2 The Discount Shares will be in addition to the AB InBev Shares that will have been acquired by SAB Zenzele Kabili under the SAB Zenzele Scheme and the Reinvestment Offer. As a result, following implementation of the New Empowerment Transaction, the Qualifying Investors will have exposure, through SAB Zenzele Kabili, to a greater number of AB InBev Shares than they would have had but for the New Empowerment Transaction.

OVERVIEW OF THE PARTICIPATION PROCESS

This Section provides a summary of the most important aspects of the process for participation in the Reinvestment Offer, and settlement of the Reinvestment Offer.

For a more detailed understanding of the Reinvestment Offer, and other component parts of the New Empowerment Transaction, you should read this entire Prospectus.

The information set out below is summary in nature, is not comprehensive and must be read together with the detailed information and terms set out in this Prospectus.

1. WHO CAN APPLY FOR ZENZELE KABILI ORDINARY SHARES UNDER THE REINVESTMENT OFFER?

- 1.1 Only the SAB Zenzele Retailer Shareholders and the beneficiaries of The SAB Zenzele Employee Trust, may apply for SAB Zenzele Kabili Ordinary Shares under the Reinvestment Offer pursuant to this Prospectus.
- 1.2 Accordingly, this Prospectus is not an offer to the general public to subscribe for SAB Zenzele Kabili Ordinary Shares, but represents an offer addressed to the Qualifying Investors to apply to receive SAB Zenzele Kabili Ordinary Shares, on the terms and subject to the conditions set out herein.

2. WHEN IS THE REINVESTMENT OFFER PERIOD?

The Reinvestment Offer Period will open on **Wednesday, 19 February 2020** at 09:00 and closes on **Tuesday, 7 April 2020** at 16:00.

3. HOW DO I APPLY TO PARTICIPATE IN THE REINVESTMENT OFFER?

- 3.1 On or before **Wednesday, 4 March 2020**, the SAB Zenzele Administrator will inform you of the Rand value of your Settlement Entitlement (which, if you are a SAB Zenzele Retailer Shareholder, will be your entitlement remaining after having taken into account the portion of your Settlement Entitlement ceded to SAB Zenzele Kabili pursuant to the SAB Zenzele Scheme, if approved and implemented).
- 3.2 If you qualify to take part in the Reinvestment Offer, you will have until **Tuesday, 7 April 2020** to complete your Participation Form (*green*) and submit it to the SAB Zenzele Kabili Administrator to cede all or a portion of your Settlement Entitlement (which, if you are a SAB Zenzele Retailer Shareholder, will be your entitlement remaining after having taken into account the portion of your Settlement Entitlement ceded to SAB Zenzele Kabili pursuant to the SAB Zenzele Scheme, if approved and implemented) in exchange for SAB Zenzele Kabili Ordinary Shares.
- 3.3 Any changes to these dates and times (if any) will be released on SENS and published in at least one English language South African newspaper. All times referred to in this Prospectus are South African times.

4. WHO CAN HELP IF I HAVE ANY QUESTIONS ABOUT THE REINVESTMENT OFFER AND HELP ME COMPLETE THE PARTICIPATION FORM?

- 4.1 It is recorded that the SAB Zenzele Kabili Administrator, namely Investec Share Plan Services Proprietary Limited, pursuant to an administration services agreement entered into between the SAB Zenzele Kabili Administrator, the Company and SAB: (i) will provide ongoing support services in respect of, amongst other things, the New Empowerment Transaction; and (ii) other specified matters, including SAB Zenzele Kabili general meetings.
- 4.2 Accordingly, if you have any queries relating to the Reinvestment Offer, the Participation Form, the New Empowerment Transaction and/or actions you are required to take relating to the unwind of the Existing Empowerment Transaction, the SAB Zenzele Scheme and/or the Reinvestment Offer, please make contact with the SAB Zenzele Kabili Administrator at:

4.2.1 **SAB Zenzele Kabili Administrator**

Investec Share Plan Services Proprietary Limited
(Registration number: 2000/016211/07)
100 Grayston Drive
Sandown
Sandton
2196
(PO Box 785700, Sandton, 2196)
Email: sab.retail@investec.co.za

4.2.2 Or call the SAB Zenzele Kabili call centre, operated by the SAB Zenzele Kabili Administrator, on 0861 900 903 during the hours of 09:00 to 17:00 from Monday to Friday.

5. **WHAT DOCUMENTS MUST I SUBMIT WITH MY PARTICIPATION FORM?**

SAB Zenzele Kabili is entitled to verify your details and you are obligated to assist in such verification promptly when requested to do so.

6. **CAN I WITHDRAW MY PARTICIPATION AFTER SUBMITTING THE PARTICIPATION FORM?**

Applications for SAB Zenzele Kabili Ordinary Shares under the Reinvestment Offer are irrevocable after submission of the Participation Form (*green*) and may not be withdrawn once received by or on behalf of SAB Zenzele Kabili, unless SAB Zenzele Kabili issues, registers and publishes a supplement to this Prospectus, in which event applications made prior to the date of issue or publication of the supplement may be withdrawn on written notice to SAB Zenzele Kabili within 20 business days after the date of publication of the supplement to this Prospectus.

7. **WHAT HAPPENS IF MY DETAILS CHANGE AFTER HAVING SUBMITTED MY PARTICIPATION FORM?**

If any of your information provided in (and together with) the Participation Form change after the close of the Reinvestment Offer Period, please contact the SAB Zenzele Kabili call centre, operated by the SAB Zenzele Kabili Administrator on 0861 900 903 during the hours of 09:00 to 17:00 from Monday to Friday.

8. **IF THE SAB ZENZELE KABILI ADMINISTRATOR ACCEPTS MY INFORMATION, DOES THAT MEAN NO FURTHER INFORMATION IS REQUIRED?**

The obligation to give full and accurate information rests on each Participant. The acceptance of a Participation Form and supporting documentation by the SAB Zenzele Kabili Administrator, and the issuance of SAB Zenzele Kabili Ordinary Shares following acceptance of the application, does not imply that any such information has been verified or accepted as true and correct, and will not prevent SAB, SAB Zenzele, AB InBev and/or SAB Zenzele Kabili from taking action in connection therewith, including after the SAB Zenzele Kabili Ordinary Shares have been issued or transferred to you.

9. **HOW ARE APPLICATIONS PROCESSED?**

Once the Reinvestment Offer closes on **Tuesday, 7 April 2020**, the share allocation process will start, and SAB Zenzele Kabili has full discretion over how the SAB Zenzele Kabili Ordinary Shares are ultimately allocated against receipt of duly completed Participation Forms, save that the procedure below has relevance.

9.1 **Allocation of SAB Zenzele Kabili Ordinary Shares:** SAB Zenzele Kabili will allocate such number of SAB Zenzele Kabili Ordinary Shares to be determined in accordance with the Proportional Value formula, (as illustrated in **Annexure 1** to this Prospectus), to Qualifying Investors who have duly applied (through the delivery of a duly completed Participation Form) for SAB Zenzele Kabili Ordinary Shares in exchange for their Settlement Entitlement (which, in the case of SAB Zenzele Retailer Shareholders, will be their entitlement remaining after having taken into account the portion of their Settlement Entitlement ceded to SAB Zenzele Kabili pursuant to the SAB Zenzele Scheme, if approved and implemented). Such SAB Zenzele Kabili Ordinary Shares will be listed on, and can be traded on the BEE Segment of the JSE. Whilst SAB Zenzele Kabili has full discretion over how the SAB Zenzele Kabili Ordinary Shares are ultimately allocated under the Reinvestment Offer, it intends to apply the following allocation principles:

9.1.1 Only whole numbers of SAB Zenzele Kabili Ordinary Shares to which Qualifying Investors will become entitled, will be issued and delivered to Qualifying Investors and any fractional entitlements will be rounded: (i) upwards, in the case of fractional entitlements of 0.5 or greater; and (ii) downwards, in the case of fractional entitlements less than 0.5; and

9.1.2 Qualifying Investors who have delivered a duly completed Participation Form indicating the percentage of their Settlement Entitlement (which, in the case of SAB Zenzele Retailer Shareholders, will be their entitlement remaining after having taken into account the portion of their Settlement Entitlement ceded to SAB Zenzele Kabili pursuant to the SAB Zenzele Scheme, if approved and implemented) which they are willing to cede pursuant to the Reinvestment Offer, will be advised by the SAB Zenzele Administrator how many SAB Zenzele Kabili Ordinary Shares they will be entitled to, subject to the following principles:

9.1.2.1 each SAB Zenzele Kabili Ordinary Share will be issued at R40;

9.1.2.2 the total number of SAB Zenzele Kabili Ordinary Shares that can be issued pursuant the Reinvestment Offer is capped at 8.6 million SAB Zenzele Kabili Ordinary Shares or an aggregate Rand amount of R344 million (the “**Reinvestment Offer Cap**”);

9.1.2.3 each Qualifying Investor who applies, pursuant to the delivery of duly completed Participation Forms, for SAB Zenzele Kabili Ordinary Shares of up to R5 000, is likely to receive 100% of the value of such application under the Reinvestment Offer (or a maximum of 125 SAB Zenzele Kabili Ordinary Shares in the event that an application is for SAB Zenzele Kabili Ordinary Shares worth R5 000);

9.1.2.4 if some (and not all) Qualifying Investors have applied, pursuant to the delivery of duly completed Participation Forms, for SAB Zenzele Kabili Ordinary Shares in excess of R5 000 per application, then settlement of the amount above R5 000 will be considered and will be settled on a *pro rata* basis after having settled those applications between R40 and R5000; and

9.1.2.5 to the extent that all (and not only some) Qualifying Investors apply, pursuant to the delivery of duly completed Participation Forms, for SAB Zenzele Kabili Ordinary Shares in excess of R5 000, then the Reinvestment Offer will be oversubscribed (i.e. applications under the Reinvestment Offer in aggregate exceed the Reinvestment Offer Cap), and the consequence of this will be that all such applications in excess of R5,000 per Qualifying Investor will be considered and settled on a *pro rata* basis.

9.1.2.6 The following table is illustrative of the above:

| Amount applied for: | Rate of allocation¹ |
|----------------------------|---|
| R40 to R5,000 | 100% |
| R5,000 and above | R5,000 plus 100% of the amount above R5,000 subject to the Reinvestment Offer Cap ² , which if breached will result in all offers above R5,000 being settled on a <i>pro rata</i> basis ³ |

Notes:

1. Allocations under the Reinvestment Offer will be granted in increments of R40 per SAB Zenzele Kabili Ordinary Share.
2. The Reinvestment Offer is capped at R344 million or 8.6 million SAB Zenzele Kabili Ordinary Shares.
3. Represents a balancing figure. Applications above R5,000 will be settled on a *pro rata* basis.

9.2 **Status updates:** SAB Zenzele Kabili will provide updates, as and when appropriate, on the allocation process and the Reinvestment Offer in general, on SENS, the press, its website and *via* SMS.

9.3 **Confirmation of allocation:** Successful Participants will be notified, by no later than **Thursday, 9 April 2020**, by way of telephone, email or SMS of the number of SAB Zenzele Kabili Ordinary Shares allocated to them and the number of AB InBev Shares comprising their Settlement Entitlement that have been ceded to SAB Zenzele Kabili.

10. HOW WILL ALLOCATED SAB ZENZELE KABILI ORDINARY SHARES BE SETTLED?

10.1 The SAB Zenzele Kabili Ordinary Shares allocated to Successful Participants will be issued in Dematerialised form only (i.e. you will not receive a share certificate).

10.2 Accordingly, SAB Zenzele Kabili will cause a Dematerialised securities account to be opened with the SAB Zenzele Kabili Administrator (or a third party service provider). On the Effective Date, SAB Zenzele Kabili will cause to be issued and transferred to such Successful Participants, the allocated SAB Zenzele Kabili Ordinary Shares due to them, which will be credited and delivered to either:

- 10.2.1 the securities account with a CSDP or Broker specified by the Successful Participant in the Participation Form; or
- 10.2.2 if the Successful Participant does not have such a securities account in place, an individual sub-account with a new Dematerialised securities account to be opened with the SAB Zenzele Kabili Administrator (or a third party service provider).

11. ARE THERE ANY HIDDEN COSTS IN APPLYING FOR ZENZELE KABILI SHARES UNDER THE REINVESTMENT OFFER?

There are no hidden commissions or incentives for which you will be liable under the Reinvestment Offer.

12. I AM AN SAB ZENZELE RETAILER SHAREHOLDER – AM I GUARANTEED THE RIGHT TO REINVEST MY AB INBEV SHARES INTO SAB ZENZELE KABILI UNDER THE REINVESTMENT OFFER?

- 12.1 No. The opportunity to reinvest all or some of the value of your AB InBev Shares into SAB Zenzele Kabili is subject to the SAB Zenzele Scheme being duly approved and implemented, and consequently the New Empowerment Transaction proceeding.
- 12.2 If the SAB Zenzele Scheme is not duly approved by SAB Zenzele Shareholders or does not otherwise proceed, there will be no option to reinvest a portion of the value of your AB InBev Shares into SAB Zenzele Kabili.
- 12.3 Assuming the SAB Zenzele Scheme is duly approved and proceeds, then 15% of the respective rights and entitlements of SAB Zenzele Retailer Shareholders to the Settlement Entitlement under the Existing Empowerment Transaction will automatically be reinvested pursuant to the SAB Zenzele Scheme. Should SAB Zenzele Retailer Shareholders wish to reinvest all or a portion of their remaining Settlement Entitlement (being their entitlement remaining after having taken into account the portion of their Settlement Entitlement ceded to SAB Zenzele Kabili pursuant to the SAB Zenzele Scheme, if duly approved and implemented), then the number of SAB Zenzele Kabili Ordinary Shares to be allocated to a SAB Zenzele Retailer Shareholder will be determined in accordance with the Proportional Value formula as illustrated in **Annexure 1** to this Prospectus.

COMPLETING YOUR PARTICIPATION FORM

The process for applying for SAB Zenzele Kabili Ordinary Shares under the Reinvestment Offer is set out in the section titled: “*Overview of Participation Process*” on page 10 of this Prospectus and set out in further detail below.

1. PARTICIPATION PROCEDURE FOR QUALIFYING INVESTORS WHO ARE SAB ZENZELE RETAILER SHAREHOLDERS

On or before **Wednesday, 4 March 2020**, the SAB Zenzele Administrator will inform you of the Rand value of your Settlement Entitlement (which, in the event that you are a SAB Zenzele Retailer Shareholder, will be your entitlements remaining after taking into account the portion of your Settlement Entitlement ceded to SAB Zenzele Kabili pursuant to the SAB Zenzele Scheme, if approved and implemented).

You may, in respect of your Settlement Entitlement (as notified to you by the SAB Zenzele Administrator), complete the Participation Form (*green*) enclosed hereto and indicate the percentage of AB InBev Shares comprising your Settlement Entitlement (which, in the event that you are a SAB Zenzele Retailer Shareholder, will be your entitlements remaining after taking into account the portion of your Settlement Entitlement ceded to SAB Zenzele Kabili pursuant to the SAB Zenzele Scheme, if approved and implemented) that you wish to cede and transfer to SAB Zenzele Kabili pursuant to the Reinvestment Offer.

The Participation Form (*green*) must be completed and returned to the SAB Zenzele Kabili Administrator by no later than 16:00 on **Tuesday, 7 April 2020** either: (i) by hand at the following address: Investec Share Plan Services Proprietary Limited 100 Grayston Drive, Sandown, Sandton, 2196; (ii) by fax to 011 291 6556; or (iii) by email to sab.retail@investec.co.za.

Once the Reinvestment Offer closes on **Tuesday, 7 April 2020**, the share allocation process will start. The SAB Zenzele Kabili Administrator will notify you by way of telephone, email or SMS by no later than **Thursday, 9 April 2020** of the number of SAB Zenzele Kabili Ordinary Shares allocated to you and the number of AB InBev Shares comprising your Settlement Entitlement that have been ceded to SAB Zenzele Kabili.

2. PARTICIPATION PROCEDURE FOR QUALIFYING INVESTORS WHO ARE THE BENEFICIARIES OF THE SAB ZENZELE EMPLOYEE TRUST

On or before **Wednesday, 4 March 2020**, the trustees of The SAB Zenzele Employee Trust will inform you of the Rand value of your Settlement Entitlement.

You may, in respect of your Settlement Entitlement (as notified to you by the trustees of The SAB Zenzele Employee Trust), complete the Participation Form (*green*) enclosed hereto and indicate the percentage of AB InBev Shares comprising your Settlement Entitlement that you wish to cede and transfer to SAB Zenzele Kabili pursuant to the Reinvestment Offer.

The Participation Form (*green*) must be completed and returned to the SAB Zenzele Kabili Administrator by no later than 16:00 at **Tuesday, 7 April 2020** either: (i) by hand at the following address: Investec Share Plan Services Proprietary Limited 100 Grayston Drive, Sandown, Sandton, 2196; (ii) by fax to 011 291 6556; or (iii) by email to sab.retail@investec.co.za.

Once the Reinvestment Offer closes on **Tuesday, 7 April 2020**, the share allocation process will start. The SAB Zenzele Kabili Administrator will notify you by way of telephone, email or SMS by no later than **Thursday, 9 April 2020** of the number of AB InBev Shares that have been ceded to SAB Zenzele Kabili and the number of SAB Zenzele Kabili Ordinary Shares allocated to you pursuant to the Reinvestment Offer.

3. PARTICIPATIONS FORMS IRREVOCABLE

Once you have submitted a duly completed Participation Form in respect of some or all of your Settlement Entitlement (which, if you are a SAB Zenzele Retailer Shareholder, will be your entitlement remaining after having taken into account the portion of your Settlement Entitlement ceded to SAB Zenzele Kabili pursuant to the SAB Zenzele Scheme, if approved and implemented) that election will be irrevocable, final and binding on you and cannot be subsequently withdrawn or varied.

4. **GENERAL ASSISTANCE**

4.1 If you have any queries relating to the Reinvestment Offer, Participation Form, the New Empowerment Transaction and/or actions you are required to take relating to the unwind of the Existing Empowerment Transaction, the SAB Zenzele Scheme and/or the Reinvestment Offer, please make contact with the SAB Zenzele Kabili Administrator at:

4.1.1 **SAB Zenzele Kabili Administrator**

Investec Share Plan Services Proprietary Limited
(Registration number: 2000/016211/07)
100 Grayston Drive
Sandown
Sandton
2196
(PO Box 785700, Sandton, 2196)
Email: sab.retail@investec.co.za

4.1.2 Or call the SAB Zenzele Kabili call centre, operated by the SAB Zenzele Kabili Administrator, on 0861 900 903 during the hours of 09:00 to 17:00 from Monday to Friday.

IMPORTANT DATES AND TIMES

2020

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| Terms (and publication of Prospectus) announcement published in the South African press | Monday, 17 February |
| Opening date of the Reinvestment Offer at 09:00 on | Wednesday, 19 February |
| Abridged version of this Prospectus published on SENS and in the South African press on | Friday, 27 March |
| Closing date of the Reinvestment Offer at 16:00 on | Tuesday, 7 April |
| Successful Participants advised of allocations and results of the Reinvestment Offer released on SENS on | Thursday, 9 April |
| Results of the Reinvestment Offer published in the South African press on | Thursday, 9 April |
| Expected BEE Listing Date at 09:00 | Wednesday, 15 April |
| Successful Participants in respect of the Reinvestment Offer expected to receive their allocated SAB Zenzele Kabili Ordinary Shares, being the date on which SAB Zenzele Kabili Ordinary Shares are credited to dematerialised securities accounts opened with the SAB Zenzele Kabili Administrator or the brokerage or securities accounts of Successful Participants | Wednesday, 15 April |

Notes:

1. All times shown in this Prospectus are South African times, unless otherwise stated.
2. The above dates and times are subject to amendment. Any material amendment will be published in the South African press.

DEFINITIONS AND INTERPRETATIONS

In this Prospectus (and its annexures), unless otherwise stated or clearly indicated by the context, the words in the first column have the meanings stated opposite them in the second column, words in the singular include the plural and *vice versa*, words importing one gender include the other genders and references to a natural person include references to a juristic person and *vice versa*.

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| “AB InBev” | means Anheuser-Busch InBev SA/NV, a Belgian public limited liability company (société à responsabilité limitée/naamloze vennootschap) registered with the Belgian Crossroads Bank for Enterprises under number 0417.497.106 RPM (Brussels); |
| “AB InBev Shares” | means ordinary shares in the share capital of AB InBev; |
| “AB InBev Shares Settlement” | has the meaning ascribed to the term in Section 2A, paragraph 2.9.2.1 on page 46 of this Prospectus; |
| “Amended Exchange Transaction” | has the meaning ascribed to the term in Section 2A, paragraph 1.5 on page 41 of this Prospectus, being the transaction in terms of which AB InBev assumed the obligations of SABMiller to settle the SAB Zenzele Participants in AB InBev Shares in accordance with the provisions of the Amended and Restated Exchange Agreement; |
| “Amended and Restated Exchange Agreement” | means the amended and restated exchange agreement entered into between SAB, SABMiller, The SAB Zenzele Employee Trust, The SAB Foundation, SAB Zenzele, and AB InBev and last dated 11 October 2016, as amended, which, in conjunction with the SAB Zenzele MOI, sets out the terms and conditions of the Amended Exchange Transaction; |
| “Asset Backed Securities” | has the meaning ascribed to the term in the JSE Listings Requirements; |
| “Authorised Dealer” | means an authorised dealer of the South African Reserve Bank, designated as such in accordance with the Exchange Control Regulations; |
| “Authorised User” | has the meaning ascribed to the term in the Financial Markets Act; |
| “BEE” | means broad-based black economic empowerment as defined in the BEE Legislation; |
| “BBBEE Act” | means the Broad-Based Black Economic Empowerment Act, No. 53 of 2003 and any regulations and codes of good practice published thereunder (including the Codes), as amended from time to time; |
| “BEE Legislation” | means the BBBEE Act and any regulations published under such legislation and any other legislation or licence conditions relating to BEE that are imposed from time to time, as applicable to the SAB Group; |
| “BEE Listing” | means the admission to listing of the Settlement Shares as BEE Securities on the BEE Segment; |
| “BEE Listing Date” | means the proposed date of the BEE Listing, which is expected to be on Wednesday, 15 April 2020 ; |
| “BEE Listing Period” | means the period commencing on the date upon which the BEE Listing takes place (if applicable) and ending on the date on which the BEE Listing terminates for any reason; |
| “BEE Listing Terms and Conditions” | means the terms and conditions applicable to the holding and/or transfer of the SAB Zenzele Kabili Ordinary Shares (and beneficial interests therein) listed on the BEE Segment pursuant to the BEE Listing, as set out in the SAB Zenzele Kabili MOI, the Trading Terms and Conditions and any other terms and conditions notified by or on behalf of the Company from time to time; |
| “BEE Securities” | has the meaning ascribed to the term in the JSE Listings Requirements from time to time; |

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| “BEE Segment” | means a segment of the JSE’s main board on which an issuer may list its BEE Securities and where trading in such securities is restricted to BEE compliant persons (as defined in the JSE Listings Requirements); |
| “BEE Verification” | means the verification of a person by the BEE Verification Agent, which verification must conclude, <i>inter alia</i> , that: <ul style="list-style-type: none"> • the person is an Eligible Person; • such Eligible Person has been notified of the necessary restrictions, limitations and requirements applicable to Ordinary Shares from time to time as set out in this Memorandum and has agreed to be bound by the provisions thereof; and • such Eligible Person has accepted the Trading Terms and Conditions and has signed all documents and contracts required in terms of the Trading Terms and Conditions, and “BEE Verified” shall have a corresponding meaning; |
| “BEE Verification Agent” | means during the BEE Listing Period, a person appointed from time to time by SAB and/or SAB Zenzele Kabili (with the consent of SAB), to fulfil the functions assigned in respect of performing BEE Verification, as at the Last Practicable Date being EmpowerLogic Proprietary Limited, a private company incorporated in accordance with the laws of South Africa under registration number: 1995/000523/07; |
| “BEE Verified Person” | means during the BEE Listing Period, any Eligible Person that SAB Zenzele Kabili (or its nominee, delegatee or agent) confirms as having successfully completed BEE Verification, and whose BEE Verification status has not expired or been withdrawn in accordance with the Trading Terms and Conditions; |
| “Black Company” | means a company incorporated in accordance with the laws of South Africa, and which is a Black Majority Owned Company, and a reference to “company” in this definition shall include a reference to a close corporation; |
| “Black Entity” | means: (i) a vesting trust; (ii) a broad-based ownership scheme; (iii) an employee share ownership programme; and (iv) an unincorporated entity or association, including a partnership, joint venture, syndicate or stokvel, in each case under (i) to (iii) as may be determined from time to time (generally or in relation to any particular Black Entity or category of Black Entities) by SAB in its sole discretion as an entity which qualifies under the BEE Legislation (and the Codes in particular) for recognition and measurement of ownership, economic interest and control by Black People such that the SAB Group may claim recognition of at least 51% of the rights of ownership under the Codes held by the entity as being held by Black People; |
| “Black Group” | means a Black Company or Black Entity; |
| “Black Majority Controlled Company” | means a “BEE Controlled Company” (or comparable term) as defined from time to time under the Codes; |
| “Black Majority Owned Company” | means a “BEE Owned Company” (or comparable term) as defined from time to time under the Codes; |
| “Black People” or “Black Person” | means a natural person who falls into the category of “black people” as defined in the BBBEE Act; |
| “Board” or “Directors” | means the board of directors of the Company as at the Last Practicable Date, whose names appear in Section 1, paragraph 2.1.2 on page 28 of this Prospectus; |
| “Broker” | means any person registered as a broking member (equities) in terms of the rules of the JSE made in accordance with the provisions of the Financial Markets Act; |

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| “Cession in Security” | means the written agreement titled “ <i>Cession in Security</i> ”, with SAB (as cessionary) in terms of which, <i>inter alia</i> , the Company cedes in security to SAB, all of its rights, title and interests in and to the Company Account (as defined therein), as security for the payment and performance obligations or indebtedness at any time due, owing, scheduled or contracted to be paid, performed or incurred by the Company to SAB under or in connection with any Finance Document (as defined in the SAB Zenzele Kabili Preference Share Subscription Agreement); |
| “CIPC” | means the Companies and Intellectual Property Commission, established pursuant to section 185 of the Companies Act, or its successor body; |
| “Codes” | means the Codes of Good Practice on Broad-Based Black Economic Empowerment published by the Minister of Trade and Industry in terms of Section 9 of the BBEE Act under Government Notice 1019 in Government Gazette 36928 of 11 October 2013 and Government Notice 408 in Government Gazette 38766 of 6 May 2015, as amended from time to time; |
| “Common Monetary Area” | means, collectively, South Africa, the Republic of Namibia and the Kingdoms of Lesotho and eSwatini; |
| “Company Secretary” or “William Radcliffe” | means Rilapax Proprietary Limited trading as William Radcliffe, a company incorporated in accordance with the laws of South Africa, under registration number: 2013/068456/07; |
| “Companies Act” | means the Companies Act, No. 71 of 2008, as amended from time to time; |
| “Companies Regulations” | means the Companies Regulations, 2011, as promulgated in terms of section 223 of the Companies Act, as amended from time to time; |
| “Contribution Agreement” | means the Contribution Agreement entered into between SAB Zenzele Kabili and SAB on or about 6 February 2020, in terms of which SAB agrees to contribute the Discount Shares to SAB Zenzele Kabili; |
| “Controlled Client” | means a controlled client of a JSE Member as contemplated under the JSE Equities Rules and Directives; |
| “CSDP” | means a central securities depository participant, being a “ <i>participant</i> ” as defined in section 1 of the Financial Markets Act; |
| “Custody Entity” | means the person designated by SAB from time to time to act in such capacity, the Custody Entity initially being Investec Share Plan Services Proprietary Limited; |
| “Dematerialise” | means the process whereby shares are recorded by electronic records of ownership in the Strate system in the sub-register of the Company maintained by a CSDP or broker, “ Dematerialised ” and “ Dematerialisation ” shall have a corresponding meaning; |
| “Director” | means a member of the Board; |
| “Discount Shares” | has the meaning ascribed to the term to it in Section 2A, paragraph 2.1.2.2.5 on page 42 of this Prospectus; |
| “Documents of Title” | means valid share certificates, certified transfer deeds, balance receipts or any other proof of ownership of SAB Zenzele Shares; |
| “Effective Date” | means the date on which SAB Zenzele Kabili Ordinary Shares are allotted and issued to Successful Participants under the Reinvestment Offer, which date is presently scheduled to be Wednesday, 15 April 2020 ; |
| “Eligible Person” | means a Black Person or a Black Group; |
| “Euronext” | means Euronext N.V., a European stock exchange with registered office in Amsterdam and which operates markets in Amsterdam, Brussels, London, Lisbon, Dublin, Oslo and Paris; |

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| “Exchange Controls” | means the restrictions applicable to residents and non-residents under Exchange Control Regulations on, <i>inter alia</i> , the remittance of funds from the Common Monetary Area to a country outside of the Common Monetary Area; |
| “Exchange Control Regulations” | means the South African Exchange Control Regulations, 1961, promulgated in terms of section 9 of the South African Currency and Exchanges Act, No. 9 of 1933, as amended from time to time; |
| “Existing Empowerment Transaction” | means the BEE transaction implemented by SABMiller in 2010, as more fully described in Section 2A, paragraph 1.1 on page 40 of this Prospectus; |
| “FICA” | means the Financial Intelligence Centre Act, No. 38 of 2001, as amended from time to time; |
| “Financial Markets Act” | means the Financial Markets Act, No. 19 of 2012, as amended from time to time; |
| “Implementation Agreement” | has the meaning ascribed to the term in Section 2A, paragraph 2.8.1.1 on page 45 of this Prospectus; |
| “Independent Reporting Accountant” | means PricewaterhouseCoopers Inc., a personal liability company incorporated in accordance with the laws of South Africa under registration number: 1198/012055/21; |
| “JSE” | means, as the context requires, either: (i) the JSE Limited, a public company incorporated in accordance with the laws of South Africa under registration number: 2005/022939/06 and licensed as an exchange under the Financial Markets Act; or (ii) the securities exchange operated by the aforementioned company; |
| “JSE Equities Rules and Directives” | means the rules and directives governing the JSE equities trading system; |
| “JSE Guarantee Fund” | has the meaning ascribed to the term in the JSE Listings Requirements from time to time; |
| “JSE Listings Requirements” | means the listings requirements of the JSE, as amended from time to time; |
| “JSE Member” | means a member of the JSE; |
| “Last Practicable Date” | means the last practicable date prior to the finalisation of this Prospectus, being 10 February 2020; |
| “Liquidity Option” | means the mechanism to assist SAB Zenzele Retailer Shareholders who: (i) have voted against the SAB Zenzele Scheme; and (ii) subsequently wish to dispose of the SAB Zenzele Kabili Ordinary Shares received by them pursuant to the Scheme, by enabling them to sell some or all of such SAB Zenzele Kabili Ordinary Shares to the New ESOP and/or The SAB Foundation. Details of the Liquidity Option will be communicated to the relevant SAB Zenzele Retailer Shareholders after implementation of the SAB Zenzele Scheme; |
| “King Code” | means the King IV Code on Corporate Governance for South Africa (as amended or replaced from time to time); |
| “Market Participant” | means a JSE Member, registered holder, CSDP and/or relevant intermediary, as the context may require; |
| “n/m” | means not meaningful; |
| “New Empowerment Transaction” | means the new BEE transaction proposed by SAB and AB InBev as more fully described in Section 2A, paragraph 1.9.2 on page 41 of this Prospectus; |
| “New Empowerment Transaction Agreements” | means, collectively, the agreements listed in Section 2A, paragraph 2.8 on page 45 of this Prospectus; |

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| “New ESOP” | means “ <i>The SAB Zenzele II Employee Trust</i> ”, a trust registered: (i) in accordance with the laws of South Africa under Master’s reference number: IT02112/2019(G); and (ii) for the benefit of the employees of SAB; |
| “New ESOP Subscription Agreement” | means the New ESOP Subscription Agreement entered into between SAB Zenzele Kabili and the New ESOP on or about 6 February 2020, in terms of which the New ESOP agrees to: (i) contribute to SAB Zenzele Kabili the equivalent of AB InBev Shares with a value of approximately R600 million in exchange for SAB Zenzele Kabili Ordinary Shares of a proportional value; and (ii) convert AB InBev Shares with a value of approximately R120 million to cash and use the proceeds to acquire SAB Zenzele Kabili Ordinary Shares from the Qualifying Retailer Shareholders that participate in the Liquidity Option or in the market following the implementation of the New Empowerment Transaction; |
| “Non-Controlled Client” | means a non-controlled client of a JSE Member as contemplated under the JSE Equities Rules and Directives; |
| “Off Market Transfer” | means any sale, purchase or transfer of SAB Zenzele Kabili Ordinary Shares not reported through an Authorised User; |
| “Off Market Transfer Process” | means the process of holding, buying, selling or otherwise transferring SAB Zenzele Kabili Ordinary Shares by a BEE Verified Person pursuant to an Off Market Transfer, as contemplated in the Off Market Transfers Process Terms and Conditions; |
| “Off Market Transfers Process Terms and Conditions” | means the document titled “ <i>Off Market Transfers Process: Verification Requirements, Terms and Conditions</i> ” available at www.investecsp.co.za , which document records the terms, conditions, restrictions and limitations applicable to each BEE Verified Person who elects to hold, buy, sell or otherwise transfer any SAB Zenzele Kabili Ordinary Shares pursuant to an Off Market Transfer, and which are acknowledged and accepted by such BEE Verified Person during the BEE Verification process; |
| “Original Exchange Agreement” | means the exchange agreement between SAB Zenzele, SAB, SABMiller, The SAB Foundation and The SAB Zenzele Employee Trust, dated 27 January 2010, which, in conjunction with the SAB Zenzele MOI, sets out the terms and conditions of the Original Exchange Transactions; |
| “Original Exchange Transactions” | has the meaning ascribed to the term in Section 2A, paragraph 1.4.3 on page 40 of this Prospectus; |
| “Own-Broker Trading Process” | means the process of holding, buying, selling or otherwise transferring SAB Zenzele Kabili Ordinary Shares from time to time in accordance with the SAB Zenzele Kabili BEE Contract; |
| “Own-Broker Trading Process Terms and Conditions” | means the document titled “ <i>SAB Zenzele Kabili Own-Broker Trading Process: Verification Requirements, Terms and Conditions</i> ” available at www.investecsp.co.za , which document records the terms, conditions, restrictions and limitations applicable to each BEE Verified Person who elects to hold, buy, sell or otherwise transfer any SAB Zenzele Kabili Ordinary Shares in terms of the Own-Broker Trading Process, and which are acknowledged and accepted by such BEE Verified Person during the BEE Verification process; |
| “Participants” | means a Qualifying Investor wishing to participate in the Reinvestment Offer; |
| “Participation Form(s)” | means the participation form (<i>green</i>) for applying for SAB Zenzele Kabili Ordinary Shares pursuant to the Reinvestment Offer, in the form annexed to this Prospectus; |
| “Prime” | means First National Bank Limited’s prime overdraft lending rate; |

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| “Proportional Value” | means the portion of their Settlement Entitlement (in the case of SAB Zenzele Retailer Shareholders, less their SAB Zenzele Scheme Entitlements) which each category of Qualifying Investor elects to reinvest pursuant to the Reinvestment Offer, divided by 40 (on the basis that this number represents the issue price of R40 for each SAB Zenzele Kabili Ordinary Share). In this respect, please see the column “ <i>Reinvestment election</i> ” in the worked example set out in Annexure 1 to this Prospectus; |
| “Prospectus” | means this entire document and all the annexures to it; |
| “Qualifying Investors” | means, collectively: (i) the SAB Zenzele Retailer Shareholders; and (ii) the beneficiaries of The SAB Zenzele Employee Trust, and “ Qualifying Investor ” shall mean any one of them as the context may require; |
| “Rand” or “R” | means South African rand, the official currency of South Africa; |
| “Registered Office of SAB Zenzele Kabili” | means the registered office of SAB Zenzele Kabili, being: 65 Park Lane, Sandown, Sandton, 2196; |
| “Reinvestment Offer” | means an invitation to Qualifying Investors to cede all or a portion of their Settlement Entitlement (which, in the case of SAB Zenzele Retailer Shareholders, will be their entitlement remaining after having taken into account the portion of their Settlement Entitlement ceded to SAB Zenzele Kabili pursuant to the SAB Zenzele Scheme, if approved and implemented) in exchange for SAB Zenzele Kabili Ordinary Shares of Proportional Value; |
| “Reinvestment Offer Cap” | has the meaning ascribed to the term in paragraph 9.1.2.2 of the section titled: “ <i>Overview of Participation Process</i> ” on page 12 of this Prospectus; |
| “Reinvestment Offer Period” | means the period between the opening of the Reinvestment Offer and its closing, presently scheduled to be from 09:00 on Wednesday, 19 February 2020 to 16:00 on Tuesday, 7 April 2020 ; |
| “Retailer Exchange Transaction” | means the transaction contemplated on maturity of the Existing Empowerment Transaction, pursuant to which the SAB Zenzele Retailer Shareholders would transfer their SAB Zenzele Shares to AB InBev (or its nominee), and in exchange AB InBev would allot and issue AB InBev Shares to such SAB Zenzele Retailer Shareholders, in such number as determined in accordance with the formula set out in the Amended and Restated Exchange Agreement; |
| “SAB” | means The South African Breweries Proprietary Limited, a private company incorporated in accordance with the laws of South Africa under registration number: 1998/006375/07; |
| “SAB Group” | means SAB and its subsidiaries and associated companies; |
| “SABMiller” | means SABMiller plc, a public company registered in accordance with the laws of England and Wales under registration number: 3528416, as it was prior to its combination with AB InBev in 2016; |
| “SAB Vendor Funding” | has the meaning ascribed to the term in Section 2A, paragraph 2.1.2.2.4 on page 42 of this Prospectus; |
| “SAB Vendor Funding Security Agreements” | means, collectively, the Cession in Security Agreement and the Share Pledge Agreement; |
| “SAB Zenzele” | means SAB Zenzele Holdings (RF) Limited, a public company incorporated in accordance with the laws of South Africa under registration number: 2009/022656/06; |

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| “SAB Zenzele Administrator” | means Investec Share Plan Services, formerly known as Investec Employee Incentive Scheme Services Proprietary Limited, a private company incorporated in accordance with the laws of South Africa under registration number: 2000/016211/07, appointed by SAB pursuant to the maintenance and support agreement, dated on or about 14 May 2010, entered into between the SAB Zenzele Administrator, SAB Zenzele and SAB, in terms of which the SAB Zenzele Administrator provides certain ongoing services in respect of the Existing Empowerment Transaction; |
| “SAB Zenzele Board” | means the board of directors of SAB Zenzele, from time to time; |
| “SAB Zenzele Exchange” | has the meaning ascribed to the term in Section 2A, paragraph 1.4.1 on page 40 of this Prospectus; |
| “SAB Zenzele MOI” | means the memorandum of incorporation of SAB Zenzele in force; |
| “SAB Zenzele Remaining Retailer Settlement Entitlements” | means, after taking into account any portion of a Retailer Settlement Entitlement ceded to SAB Zenzele Kabili as part of the SAB Zenzele Scheme and any participation by a SAB Zenzele Retailer Shareholder in the Reinvestment Offer, the remaining right and entitlement of each SAB Zenzele Retailer Shareholder to receive AB InBev Shares in terms of the Amended Exchange Transaction; |
| “SAB Zenzele Retailer Settlement Entitlements” | means, in respect of each SAB Zenzele Retailer Shareholder, their rights and entitlements to receive AB InBev Shares in terms of the Retailer Exchange Transaction, which entitlements will vest on the Vesting Date; |
| “SAB Zenzele Retailer Shareholders” | means qualifying retailers who were issued SAB Zenzele Shares under the Existing Empowerment Transaction; |
| “SAB Zenzele Shares” | means ordinary shares in the share capital of SAB Zenzele; |
| “SAB Zenzele Scheme” | means the scheme of arrangement in terms of section 114(1) of the Companies Act, proposed by the SAB Zenzele Board between SAB Zenzele and the SAB Zenzele Retailer Shareholders, which scheme of arrangement is more fully described in the SAB Zenzele Scheme Circular, in terms of which each SAB Zenzele Retailer Shareholder will, if the SAB Zenzele Scheme is implemented, cede their SAB Zenzele Scheme Entitlements in consideration for SAB Zenzele Kabili Ordinary Shares; |
| “SAB Zenzele Scheme Circular” | means the circular posted to SAB Zenzele Shareholders, at the same time as the date of this Prospectus, for purposes of, <i>inter alia</i> : <ul style="list-style-type: none"> (i) the SAB Zenzele Board proposing the SAB Zenzele Scheme; and (ii) containing an election form pursuant to which each SAB Zenzele Retailer Shareholder may elect whether they wish to receive their SAB Zenzele Remaining Retailer Settlement Entitlements in cash or AB InBev Shares; |
| “SAB Zenzele Scheme Entitlements” | means 15% of each SAB Zenzele Retailer Settlement Entitlements which will vest on the Vesting Date under the Amended Exchange Transaction and pursuant to the unwind of the Existing Empowerment Transaction; |
| “SAB Zenzele Shareholders” | means The SAB Foundation, SAB and the SAB Zenzele Retailer Shareholders collectively; |
| “SAB Zenzele Kabili” or “the Company” | means SAB Zenzele Kabili Holdings (RF) Limited a public company: (i) incorporated in accordance with the laws of South Africa under registration number: 2019/616052/06; and (ii) whose ordinary shares are to be listed on the BEE Segment; |
| “SAB Zenzele Kabili Administrator” | means Investec Share Plan Services Proprietary Limited, a private company incorporated in accordance with the laws of South Africa under registration number: 2000/016211/07; |

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| “SAB Zenzele Kabili BEE Contract” | has the meaning ascribed to the term in the Own-Broker Trading Process Terms and Conditions (this is a bespoke contract required in respect of the SAB Zenzele Kabili Ordinary Shares and is distinct from the agreement referred to in the JSE Listings Requirements as a “BEE contract”); |
| “SAB Zenzele Kabili MOI” | means the memorandum of incorporation of SAB Zenzele Kabili currently in force; |
| “SAB Zenzele Kabili Ordinary Shares” | means ordinary shares in the share capital of SAB Zenzele Kabili having the rights and limitations set out in the SAB Zenzele Kabili MOI; |
| “SAB Zenzele Kabili Preference Shares” | means the cumulative redeemable no par value Class A preference shares in the share capital of SAB Zenzele Kabili, having the preferences, rights and limitations set out in the SAB Zenzele Kabili MOI; |
| “SAB Zenzele Kabili Preference Share Subscription Agreement” | has the meaning ascribed to the term in Section 2A, paragraph 2.8.1.3 on page 45 of this Prospectus; |
| “SAB Zenzele Kabili Shares” | means shares in the share capital of SAB Zenzele Kabili, including the SAB Zenzele Kabili Ordinary Shares and SAB Zenzele Kabili Preference Shares as at the Last Practicable Date; |
| “Sale Proceeds Settlement” | has the meaning ascribed to the term in Section 2A, paragraph 2.9.2.2 on page 46 of this Prospectus; |
| “Settlement Entitlement” | means, in respect of each Qualifying Investor, its rights and entitlements to receive AB InBev Shares in terms of the Amended Exchange Transaction, which rights and entitlements will vest in favour of the Qualifying Investors on the Vesting Date and the total value of which, for each category of Qualifying Investor, is indicated in the column: “ <i>Value of Settlement Entitlement at unwind date</i> ” in Annexure 1 , and “ Settlement Entitlements ” shall have a corresponding meaning; |
| “Settlement Shares” | means 40,550,000 of SAB Zenzele Kabili Ordinary Shares, being the number of SAB Zenzele Kabili Ordinary Shares required to settle participants in the New Empowerment Transaction (including participants in the SAB Zenzele Scheme and the Reinvestment Offer), which Settlement Shares include the 8,595,657 SAB Zenzele Kabili Ordinary Shares being offered as part of the Reinvestment Offer; |
| “SENS” | means the Stock Exchange News Service of the JSE; |
| “Share Pledge Agreement” | means the written agreement titled “ <i>Share Pledge Agreement</i> ”, with SAB (as pledgee) in terms of which, <i>inter alia</i> , the Company grants in security to SAB, a first ranking pledge over the Pledged Assets (as defined therein), as security for all present and future obligations and liabilities of the Company to SAB under the Class A Preference Shares and the Preference Share Subscription Agreement or arising as a result of any amendment, novation, restructuring, increase, extension, refinancing of the Class A Preference Shares or the Preference Share Subscription Agreement; |
| “South Africa” | means the Republic of South Africa; |
| “SPV Trust” | means a trust established in accordance with the laws of South Africa under Master’s reference number: IT002160/2019(G), being the special purpose trust to be utilised by AB InBev for purposes of performing its obligations under the unwind of the Existing Empowerment Transaction and/or facilitate implementation of the New Empowerment Transaction; |
| “Standard Trading Process” | means the process of purchasing, holding and/or transferring (including by way of trading), SAB Zenzele Kabili Ordinary Shares from time to time in terms of which a BEE Verified Person enters into a contractual custody arrangement with a Custody Entity (who shall act as the registered shareholder) and a mandate arrangement with the Trading Entity for the purposes of effecting transfers of its SAB Zenzele Kabili Ordinary Shares through the JSE’s trading processes, as contemplated in the Standard Trading Process Terms and Conditions; |

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| “Standard Trading Process Terms and Conditions” | means the document titled “SAB Zenzele Kabili Standard Trading Process: Verification Requirements, Terms and Conditions” available at www.investecsp.co.za , which document records the terms, conditions, restrictions and limitations applicable to each BEE Verified Person who elects to hold, buy or sell any SAB Zenzele Kabili Ordinary Shares in terms of the Standard Trading Process, and which are acknowledged and accepted by such BEE Verified Person during the BEE Verification process; |
| “Strate” | means the share settlement and clearing system utilised by the JSE for all share transactions concluded on the JSE, managed by Strate Proprietary Limited, a private company incorporated in accordance with the laws of South Africa under registration number: 1998/022242/07; |
| “Strate Rules and Directives” | means the rules and directives governing Strate; |
| “Sub Stock Lending Agreement (SAB Zenzele Kabili and New ESOP)” | has the meaning ascribed to the term in Section 2A, paragraph 2.8.1.4 on page 45 of this Prospectus; |
| “Sub Stock Lending Agreement (SAB Zenzele Kabili and SAB)” | has the meaning ascribed to the term in Section 2A, paragraph 2.8.1.2 on page 45 of this Prospectus; |
| “Sub Stock Lending Agreement (SAB Zenzele Kabili and The SAB Foundation)” | has the meaning ascribed to the term in Section 2A, paragraph 2.8.1.8 on page 46 of this Prospectus; (together with the Sub Stock Lending Agreement (SAB Zenzele Kabili and New ESOP) and the Sub Stock Lending Agreement (SAB Zenzele Kabili and SAB), collectively the “Sub Stock Lending Agreements”) |
| “Successful Participants” | means Qualifying Investors whose applications for SAB Zenzele Kabili Ordinary Shares in terms of the Reinvestment Offer are determined successful; |
| “The SAB Foundation” | means a trust established in accordance with the laws of South Africa under Master’s reference number: IT 67/2010; |
| “The SAB Foundation Subscription Agreement” | has the meaning ascribed to the term in Section 2A, paragraph 2.8.1.7 commencing on page 46 of this Prospectus; |
| “The SAB Zenzele Employee Trust” | means a trust established in accordance with the laws of South Africa under Master’s reference number: IT 68/2010; |
| “Trading Entity” | means the person designated by SAB Zenzele Kabili from time to time to act in such capacity, which shall act as agent on behalf of each SAB Zenzele Kabili Shareholder who elects to use the Standard Trading Process, the Trading Entity initially being Investec Share Plan Services Proprietary Limited; |
| “Trading Terms and Conditions” | means the terms, conditions, restrictions and limitations applicable to each BEE Verified Person and acknowledged and accepted by such BEE Verified Person during the BEE Verification process, being as the context may require: <ul style="list-style-type: none"> • the Standard Trading Process Terms and Conditions; • the Own-Broker Trading Process Terms and Conditions; and • Off Market Transfer Process Terms and Conditions; |
| “Transaction Sponsor” | means Rand Merchant Bank, a division of FirstRand Bank Limited, a public company incorporated in accordance with the laws of South Africa under registration number: 1929/001225/06; |
| “Transfer Secretaries” | means Computershare Investor Services Proprietary Limited, a private company incorporated in accordance with the laws of South Africa under registration number: 2004/003647/07; and |

“Vesting Date”

means, as the context requires:

- (i) the “*SAB Zenzele Exchange Date*” as defined in the Amended and Restated Exchange Agreement, which is the date on which the Retailer Settlement Entitlements will vest in favour of the SAB Zenzele Retailer Shareholders under the Existing Empowerment Transaction and in accordance with the terms of the Amended and Restated Exchange Agreement, which is expected to be 31 March 2020; and/or
- (ii) the “*Employee Exchange Date*” as defined in the Amended and Restated Exchange Agreement, which is the date on which the rights and entitlements to receive AB InBev Shares in terms of the Amended Exchange Agreement vest in favour of The SAB Zenzele Employee Trust under the Existing Empowerment Transaction and in accordance with the terms of the Amended and Restated Exchange Agreement, which is expected to be 31 March 2020.

SECTION 1: INFORMATION ABOUT SAB ZENZELE KABILI [Reg 56]

This Section provides an overview of the main business of SAB Zenzele Kabili, its future prospects and performance.

1. NAME, ADDRESS AND INCORPORATION [Reg 57]

- 1.1 SAB Zenzele Kabili Holdings (RF) Limited (registration number: 2019/616052/06) was registered and incorporated in accordance with the laws of South Africa as a ring-fenced public company on 5 December 2019. **[Reg 57 (1)(a) and (c)]**
- 1.2 The Company was incorporated for the specific purpose of the New Empowerment Transaction. On 21 January 2020, SAB subscribed for one SAB Zenzele Kabili Ordinary Share to enable the Company to pass all necessary shareholder approvals required for the implementation of the New Empowerment Transaction. The Company thus became a subsidiary of SAB. Details of SAB's registered office are set out in the "*Corporate Information and Advisors*" section of this Prospectus. Following the implementation of the New Empowerment Transaction, the Company will cease to be a subsidiary of SAB. **[Reg 57 (3)(a)]**
- 1.3 The Company's primary purpose is to: (i) receive and hold AB InBev Shares on behalf of participants in the New Empowerment Transaction; (ii) issue SAB Zenzele Kabili Ordinary Shares to participants in the New Empowerment Transaction in exchange for the receipt of such AB InBev Shares; and (iii) seek a listing of the SAB Zenzele Kabili Ordinary Shares to be issued to participants in the New Empowerment Transaction, on the BEE Segment, thereby providing liquidity for the participants of the New Empowerment Transaction who wish to, and are entitled, to trade their SAB Zenzele Kabili Ordinary Shares.
- 1.4 The Directors confirm that the Company is in compliance with the provisions of the Companies Act relating to incorporation and that the Company is operating in conformity with the SAB Zenzele Kabili MOI.
- 1.5 The address of the Registered Office of SAB Zenzele Kabili and the address of the Transfer Secretaries is set out in the "*Corporate Information and Advisors*" Section on page 3 of this Prospectus. **[Reg 57 (1)(b)]**

2. SAB ZENZELE KABILI DIRECTORS, OTHER OFFICE HOLDERS, OR MATERIAL THIRD PARTIES [Reg 58]

2.1 Directors of SAB Zenzele Kabili

- 2.1.1 SAB Zenzele Kabili is a special purpose company which only has non-executive Directors. The board of Directors of SAB Zenzele Kabili is currently made up of 5 non-executive Directors, 3 of whom are independent.

2.1.2 The full names, business addresses, qualifications, positions and functions in the Company and experience of the Directors are set out below:

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| Name: | Moses (Moss) Modidima Ngoasheng |
| Position: | Independent non-executive Director and chairman of the Board |
| Qualifications: | <ul style="list-style-type: none">• Bachelors Degree in Economics and International Politics• Honours Degree in Industrial Sociology• Masters Degree in Development Studies |
| Appointed: | 4 February 2020 |
| Age: | 62 |
| Nationality: | South African |
| Business address: | 65 Park Lane, Sandown, Sandton, 2196 |
| Committees: | Audit Committee and Social and Ethics Committee |
| Other directorships held: | Refer to Annexure 2 of this Prospectus |
| Background and Experience | <p>Moss is one of South Africa's most distinguished business people.</p> <p>Moss is the chairman of the Trustees of The SAB Foundation and chief executive officer of Safika Holdings. He has served on a number of boards, including those of Dimension Data Middle East and Africa and the Nelson Mandela Children's Fund.</p> <p>As a young man, Moss joined the African National Congress' underground units which operated inside South Africa in the fight against apartheid. In 1978 he was jailed for his anti-apartheid activities and served seven years on Robben Island as a political prisoner, alongside Nelson Mandela. While in prison he completed a Bachelor's degree in Economics and International Politics. On his release in 1985, he became a founder member of the United Democratic Front in Limpopo (then known as the Northern Transvaal).</p> <p>In 1987, Moss graduated with a first class Honours degree in Industrial Sociology from the University of Natal (now the University of KwaZulu-Natal) after which he studied at the Institute of Development Studies at the University of Sussex in Brighton, England, gaining a Masters degree in Development Studies (First Class).</p> <p>When democracy came to South Africa, Moss served as economic advisor in the Presidency from 1995 to 2000. He also served on the African National Congress' economic policy unit for a number of years.</p> <p>Moses has been a consultant to the World Bank and the National Housing Forum in South Africa, advising on various aspects of economic policy. He has lectured on sociology at the University of KwaZulu-Natal and worked as an assistant research fellow at the university's Departments of Sociology and Town and Regional Planning. He has also been a visiting assistant director in the Department of Economic History at the University of Cape Town.</p> |

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| Name: | Itumeleng (Tumi) Dlamini |
| Position: | Independent non-executive Director |
| Qualifications: | <ul style="list-style-type: none"> • Bachelors Degree in Social Sciences • Bachelor of Laws • Masters in Public Administration and Public Policy |
| Appointed: | 4 February 2020 |
| Age: | 46 |
| Nationality: | South African |
| Business address: | 65 Park Lane, Sandown, Sandton, 2196 |
| Committees: | Audit Committee and Social and Ethics Committee (Chair) |
| Other directorships held: | Refer to Annexure 2 of this Prospectus |
| Background and Experience | <p>Tumi has a multi-disciplinary background in public policy, corporate and commercial law and development. She is currently an Advisor to the African Peer Review Mechanism (APRM) responsible for leading and promoting corporate governance standards and initiatives on the African continent and for expanding global partnerships for good governance in Africa. She is also the founding director of the African Network on Corporate Governance of State-Owned Enterprises (a joint project of APRM, the World Bank and African Development Bank).</p> <p>Prior to this, she was the Executive Director at Master Builders South Africa (MBSA), a business association for employers in the construction and infrastructure industry in South Africa. She was the first woman and first black person to hold the position in the organisation's 110 year history. Tumi has also been the Honorary Consul Designate for the Republic of Cote d'Ivoire in South Africa where she was instrumental in assisting to set up the Southern Africa Trade and Investment Office which facilitates and promotes trade and investment relations between South Africa and Cote d'Ivoire.</p> <p>Tumi is an admitted Attorney of the High Court of South Africa. She was a partner at Bowman Gilfillan, an international law firm. She specialized in corporate, commercial and financial law.</p> <p>She has served on several boards and is passionate about promoting access to quality education. She served as the Chairperson of the Board of the CIDA Empowerment Fund, established to build an investment portfolio to secure a sustainable source of funding to the CIDA Education Group, South Africa's first tertiary education institution for the economically and socially disadvantaged rural black South Africans. She has also served on the boards of BUSA, the Tourism Enterprise Programme, a public private partnership funded agency as well as the National Economic Development and Labour Council, a vehicle by which South African government, labour, business and community organisations seek to cooperate on economic, labour and development issues facing the country.</p> |

| | |
|---------------------------|--|
| Name: | Ernest Kwinda |
| Position: | Independent non-executive Director |
| Qualifications: | <ul style="list-style-type: none"> • Bachelor of Commerce (Honours) • Masters in Commerce (South African and International Tax) |
| Appointed: | 4 February 2020 |
| Age: | 44 |
| Nationality: | South African |
| Business address: | 65 Park Lane, Sandown, Sandton, 2196 |
| Committees: | Audit Committee (Chair) and Social and Ethics Committee |
| Other directorships held: | Refer to Annexure 2 of this Prospectus |
| Background and Experience | <p>Ernest is co-founder and Executive Director of Identity Advisory, a boutique corporate finance advisory firm. The business was founded in 2016 and focuses mainly on corporate finance advisory services. Ernest has over 13 years of Investment Banking experience having worked for Rand Merchant Bank's Corporate Finance Division specialising in mergers and acquisitions, listings, disposals, valuations and Black Economic Empowerment. He served on RMB's Investment Banking Division's Board for a number of years and in later years was Investment Banking Coverage Director specialising in BEE transactions.</p> <p>As a dealmaker, he gathered significant experience having advised on some of the landmark and innovative M&A transactions in the country. Prior to joining RMB, Ernest worked for De Beers Consolidated Mines for two years, firstly as a Financial Accountant and then moved on to become Project Accountant for the group. He served his articles with Deloitte and spent some time on secondment at their New York offices. Ernest currently serves as a non-executive trustee for the National Empowerment Fund (NEF) as well as Anglo Platinum's Zenzele Itireleng Trust.</p> <p>Ernest is a Chartered Accountant and holds a BCom (Hons) degree from the University of Natal, MCom (Tax) from University of Johannesburg as well as an Executive Management course from INSEAD.</p> |

| | |
|---------------------------|--|
| Name: | Andrew Scott Murray |
| Position: | Non-executive Director |
| Qualifications: | <ul style="list-style-type: none"> • Bachelor of Arts (Mathematics and Economic) • Masters of Business Administration (Finance and Social Enterprise) |
| Appointed: | 5 December 2019 |
| Age: | 37 |
| Nationality: | United States of America |
| Business address: | 65 Park Lane, Sandown, Sandton, 2196 |
| Committees: | None |
| Other directorships held: | Refer to Annexure 2 of this Prospectus |
| Background and Experience | <p>Andrew is currently the Vice President Finance for AB InBev Africa Zone. He joined AB InBev in 2013 and was most recently the Global Director for Mergers and Acquisitions, having worked in special projects with a focus on business processes optimisation.</p> <p>He had previously worked as team leader and consultant manager at Bain & Co, a leading global strategy consulting firm.</p> |

| | |
|---------------------------|---|
| Name: | Richard (Boris) Temple Rivett-Carnac |
| Position: | Non-executive Director |
| Qualifications: | <ul style="list-style-type: none"> • Bachelor of Business Science (Business Finance) • Bachelor of Commerce Honours (Accounting) • CA (SA) |
| Appointed: | 5 December 2019 |
| Age: | 43 |
| Nationality: | South African and British |
| Business address: | 65 Park Lane, Sandown, Sandton, 2196 |
| Committees: | None |
| Other directorships held: | Refer to Annexure 2 of this Prospectus |
| Background and Experience | <p>Boris is the SAB Mergers and Acquisitions Director.</p> <p>Before being appointed to run the SAB Thrive Fund, Boris' roles within SAB included being District Manager of District Johannesburg Central, Executive Assistant to the former Managing Director, and was a member of the SABMiller plc Corporate Finance and Development team based in the United Kingdom focusing on mergers and acquisitions for the SABMiller plc Group.</p> <p>Prior to joining SABMiller plc in London in 2009, Boris qualified as a Chartered Accountant (SA) in Johannesburg with KPMG and then worked in London for 7 years in investment banking.</p> |

2.2 Changes to the Board

- 2.2.1 Mr. Andrew Murray, Mr. Richard Rivett-Carnac and Mr. Warren Van Rooyen were the first Directors of the Company.
- 2.2.2 On Tuesday, 4 February 2020: (i) Moses Ngoasheng, Itumeleng Dlamini and Ernest Kwinda were appointed as independent non-executive Directors of SAB Zenzele Kabili; and (ii) Warren Van Rooyen resigned, each with effect from that day.

2.3 SAB Zenzele Kabili advisors and Company Secretary

- 2.3.1 The Company Secretary is Rilax Proprietary Limtied (t/a William Radcliffe), whose address is set out in the “*Corporate Information and Advisors*” section on page 3 of this Prospectus. William Radcliffe provides company secretarial services to a number of JSE listed companies. The members of the William Radcliffe team who will provide company secretarial services to SAB Zenzele Kabili have significant company secretarial experience and hold various legal and/or company law qualifications. The Board has considered and satisfied itself as to the competence, qualifications and experience of the company secretary. **[Reg 58(2)(b)(iii)]**
- 2.3.2 The names and business of SAB Zenzele Kabili's legal advisors, bankers, the Transaction Sponsor, the SAB Zenzele Kabili Administrator and the Independent Reporting Accountant are set out in the “*Corporate Information and Advisors*” section on page 3 of this Prospectus. **[Reg 58(2)(b) (i) and (ii)]**
- 2.3.3 The Company Secretary and the Company's advisors do not have any interest in the Company as at the Last Practicable Date.

2.4 Directors' appointment, remuneration and service contracts [Reg 58 (3)(a)]

- 2.4.1 The Company has signed letters of appointment with each non-executive Director referred to in Section 1, paragraph 2.1.2 on page 28 of this Prospectus, in terms of which, among other things, each such non-executive director has agreed to serve as a Director of the Company. The salient terms of the letters of appointment are set out in **Annexure 3** to this Prospectus.
- 2.4.2 Each Director named in Section 1, paragraph 2.1.2 on page 28 of this Prospectus will hold office until the first annual general meeting of the Company after the BEE Listing, at which annual general meeting each such director will retire in accordance with the terms of the

SAB Zenzele Kabili MOI and make himself or herself available for re-election. Thereafter, at each subsequent annual general meeting one third (or, if the number is not three or a multiple of three, the nearest to one third, but not less than one third) of all the non-executive Directors of the Company will retire by rotation in accordance with the SAB Zenzele Kabili MOI and may make themselves available for re-election.

- 2.4.3 A summary of the provisions of the SAB Zenzele Kabili MOI relating to the qualification and remuneration of Directors, any power (and any restriction thereto) enabling the Directors to vote on remuneration to themselves or any member of the Board, and the retirement of Directors is set out in **Annexure 4** to this Prospectus.

2.5 Remuneration of Directors [Reg 58 (3)(b)]

- 2.5.1 As SAB Zenzele Kabili is newly incorporated, there have been no Directors' emoluments to date.

- 2.5.2 No fees have been paid to any third party *in lieu* of Directors' fees.

- 2.5.3 Each Director will initially receive the following fees and remuneration for services rendered to the Company in accordance with the following scale:

| Service as Director/Chair/Board Committee | Gross Fee payable per annum |
|--|------------------------------------|
| Chairperson | R270,000 |
| Director (other than chairperson) | R150,000 |
| Audit Committee (Chair)* | R120,000 |
| Audit Committee Member | R60,000 |
| Social and Ethics Committee (Chair)* | R40,000 |
| Social and Ethics Committee Member | R20,000 |

Notes:

* Payable in addition to Director fee of R150,000.

- 2.5.4 Remuneration of non-executive Directors will from time to time be determined in accordance with the provisions of section 66 of the Companies Act, as read with the SAB Zenzele Kabili MOI.

- 2.5.5 The remuneration payable to Directors will not be varied as a consequence of the New Empowerment Transaction.

- 2.5.6 Save as set out in this Prospectus, no basic salary, bonus or performance related payment, or other allowance and material benefits has been paid to any Director since the incorporation of SAB Zenzele Kabili.

- 2.5.7 As at the Last Practicable Date, none of the Directors have received remuneration for any management, consulting, technical or other fees directly or indirectly, including payments to management companies, a part of which is paid to a Director. No Director has received any other material benefits, contributions under any pension scheme, and commission, gain or profit share, any share options, any shares in terms of a share purchase or option agreement from the Company or its associates.

2.6 Director declarations

- 2.6.1 None of the Directors:

2.6.1.1 have been declared bankrupt, insolvent or have entered into any individual voluntary compromise arrangements;

2.6.1.2 have been directors with an executive function of any company put under, or proposed to be put under, any business rescue plans, or that is or was the subject of an application for business rescue, any notices in terms of section 129(7) of the Companies Act, receiverships, compulsory liquidations, creditors voluntary liquidations, administrations, company voluntary arrangements or any compromise or arrangements with creditors generally or any class of creditors, at the time of such event or within the 12 months preceding any such event;

2.6.1.3 have been partners in a partnership that was the subject of any compulsory liquidation, administration or partnership voluntary arrangement, at the time of such event or within the 12 months preceding any such event;

2.6.1.4 have entered into any receiverships of any asset(s) or of a partnership where such Directors are or were partners during the preceding 12 months; **[Reg 7.B.2 (i)]**

- 2.6.1.5 have been publicly criticised by a statutory or regulatory authority, including recognised professional bodies, or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;
 - 2.6.1.6 have been involved in any offence of dishonesty;
 - 2.6.1.7 have been removed from an office of trust, on the grounds of misconduct, involving dishonesty; or
 - 2.6.1.8 have been the subject of any court order declaring him delinquent or placing him under probation in terms of section 162 of the Companies Act and/or section 47 of the Close Corporations Act, No. 69 of 1984 or been disqualified by a court to act as a director in terms of section 219 of the Companies Act.
- 2.6.2 All the Directors have submitted the director's declarations to the JSE in compliance with Schedule 13 of the JSE Listings Requirements.

2.7 Management of SAB Zenzele Kabili

- 2.7.1 SAB Zenzele Kabili is a special purpose company which only has non-executive Directors. SAB Zenzele Kabili has no employees and has engaged various service providers with the necessary expertise to provide certain day-to-day administration and other services of SAB Zenzele Kabili, including:
- 2.7.1.1 communication with shareholders;
 - 2.7.1.2 custody management services;
 - 2.7.1.3 administrative support in respect of shareholder meetings;
 - 2.7.1.4 preparation of, and keeping of accounting records and financial statements; and
 - 2.7.1.5 statutory and company secretarial services.
- 2.7.2 In terms of the administrator services agreement between the Company, SAB and the SAB Zenzele Kabili Administrator, the SAB Zenzele Kabili Administrator is responsible for the day-to-day management functions of SAB Zenzele Kabili. **[Reg 58 (3)(d)]**
- 2.7.3 The SAB Zenzele Kabili Administrator's name and address is set out in the "*Corporate Information and Advisors*" section on page 3 of this Prospectus. **[Reg 58 (3)(d)(i)]**
- 2.7.4 The SAB Zenzele Kabili Administrator's functions and responsibilities as well as the basis on which the SAB Zenzele Kabili Administrator will be compensated, in each case, in relation to the management of SAB Zenzele Kabili are set out in the Administrator Services Agreement, which agreement is available for inspection on the Company's website at: www.investecsp.co.za. **[Reg 58 (3)(d)(ii) and (iii)]**

2.8 Borrowing powers of SAB Zenzele Kabili exercisable by the Directors **[Reg 58 (3)(e)]**

- 2.8.1 SAB Zenzele Kabili is restricted under the SAB Zenzele Kabili MOI from incurring any indebtedness, save for any liability or indebtedness permitted in terms of the New Empowerment Transaction Agreements or to refinance the SAB Zenzele Kabili Preference Shares. As at the Last Practicable Date, the borrowing powers of SAB Zenzele Kabili have not been exceeded.
- 2.8.2 Save as otherwise set out in this Prospectus, there have been no material loans which SAB Zenzele Kabili has: (i) made to; or (ii) received from, any third party.

2.9 Approach to corporate governance and establishment of board committees **[Reg 54 (1)(b) (i) and (ii)]**

- 2.9.1 As a company listed on the JSE, SAB Zenzele Kabili and its Directors will be subject to the corporate governance and financial reporting requirements contemplated by the JSE Listings Requirements and the King Code as they apply to it.
- 2.9.2 The Board embraces the principles of good corporate governance as espoused in the King Code and recognizes that it is ultimately accountable and responsible for the performance and affairs of SAB Zenzele Kabili. The Board is committed to business integrity, transparency and professionalism in all its activities to ensure that it acts ethically and responsibly to enhance the value of its business for the benefit of all stakeholders.
- 2.9.3 In connection with the above, the Board has issued the corporate governance statement as set out in **Annexure 5** to this Prospectus which, amongst other things, contains details of the composition of the committees of the Board established in line with the Companies Act, the JSE Listings Requirements and the King Code.

3. HISTORY, STATE OF AFFAIRS AND PROSPECTS OF SAB ZENZELE KABILI [Reg 59]

3.1 History and general business description

- 3.1.1 SAB Zenzele Kabili was incorporated and registered as a public company on 5 December 2019 in South Africa. As a result, SAB Zenzele Kabili has not traded and has not conducted any business, other than in connection with the preparation of this Prospectus.
- 3.1.2 The Company was established with the intended purpose of being a special purpose company, with the sole objective of facilitating participation in the New Empowerment Transaction, principally through:
- 3.1.2.1 acquiring AB InBev Shares pursuant to the SAB Zenzele Scheme (if the SAB Zenzele Scheme is duly approved by SAB Zenzele Shareholders and implemented) and in consideration issuing SAB Zenzele Kabili Ordinary Shares;
 - 3.1.2.2 acquiring additional AB InBev Shares pursuant to the Reinvestment Offer from Qualifying Investors and in consideration issuing SAB Zenzele Kabili Ordinary Shares;
 - 3.1.2.3 receiving the Discount Shares to be contributed by SAB following the implementation of the SAB Zenzele Scheme;
 - 3.1.2.4 acquiring AB InBev Shares pursuant to the SAB Vendor Funding (as more fully described in Section 2A, paragraph 2.1 on page 41 of this Prospectus) and in consideration issuing SAB Zenzele Kabili Preference Shares; and
 - 3.1.2.5 implementing the BEE Listing, being the listing of the Settlement Shares, such that, after the implementation of the New Empowerment Transaction, SAB Zenzele Kabili will hold up to approximately 0.2% of the issued shares of AB InBev.
- 3.1.3 SAB Zenzele Kabili is therefore a newly incorporated company with no historical performance and no subsidiaries.
- 3.1.4 The Board have appointed PricewaterhouseCoopers Inc. as the auditors to SAB Zenzele Kabili, who confirm, in the Independent Reporting Accountant's report contained in **Annexure 12** to this Prospectus, that the Company has not completed its first financial year since incorporation and therefore has not produced its first set of annual financial statements.
- 3.1.5 Given that SAB Zenzele Kabili will not conduct any business other than holding AB InBev Shares (received pursuant to implementation of the several components of the New Empowerment Transaction), Qualifying Investors are referred to AB InBev's audited annual financial statements for the financial years ended 31 December 2016, 2017 and 2018, respectively, which are hereby incorporated by reference into this Prospectus. For the avoidance of doubt, corporate actions undertaken by AB InBev may affect SAB Zenzele Kabili and other holders of AB InBev Shares. Qualifying Investors are referred to Section 5 commencing on page 64 of this Prospectus, for further information on AB InBev and the AB InBev Shares.
- 3.1.6 Subject to the provisions of the SAB Zenzele Kabili MOI, SAB Zenzele Kabili's sole business and objective is to:
- 3.1.6.1 enter into and perform its obligations under the New Empowerment Transaction and the New Empowerment Transaction Agreements to which it is a party;
 - 3.1.6.2 carry on the business of holding and managing its AB InBev Shares, cash and such other property as may be received or acquired solely by virtue of or in relation to the AB InBev Shares, in each case in accordance with and subject to the New Empowerment Transaction Agreements to which it is a party;
 - 3.1.6.3 receive, distribute and otherwise deal with any dividends and other distributions it receives in respect of its AB InBev Shares in each case in terms of the New Empowerment Transaction Agreements to which it is a party;
 - 3.1.6.4 maintain its listing on the BEE Segment and/or on another recognised securities exchange licensed in South Africa;
 - 3.1.6.5 appoint such advisors as the Board may consider to have the requisite knowledge and experience required to assist the Company to achieve its objects; and
 - 3.1.6.6 do such things and perform such functions as are ancillary to the foregoing.
- 3.1.7 SAB Zenzele Kabili's capacity and authority (and that of the Board) is accordingly limited to the purposes described above. These limitations are set out in the SAB Zenzele Kabili MOI, an extract of such key limitations is included in **Annexure 4** to this Prospectus.

3.2 Government protection and investment encouragement law

There is no government protection or investment encouragement law affecting SAB Zenzele Kabili.

3.3 Material Changes

3.3.1 Since its incorporation, SAB Zenzele Kabili has:

- 3.3.1.1 issued one SAB Zenzele Kabili Ordinary Share to SAB, to enable the Company to obtain all the necessary shareholder approvals required for implementation of the New Empowerment Transaction;
- 3.3.1.2 concluded the New Empowerment Transaction Agreements to which it is a party and adopted the SAB Zenzele Kabili MOI; and
- 3.3.1.3 taken various preparatory steps to enable implementation of the BEE Listing and the New Empowerment Transaction.

3.3.2 No other material changes in the assets or liabilities or the financial and trading position of SAB Zenzele Kabili or the state of affairs of SAB Zenzele Kabili have taken place between the date of its incorporation and the date of this Prospectus. The Board has made this negative statement after due and careful inquiry and there has been no involvement by the auditors of the Company in making the foregoing negative statement.

3.4 Subsidiary companies, principal immovable property and capital commitments

3.4.1 As at the Last Practicable Date, other than as set out in this Prospectus, SAB Zenzele Kabili has no:

- 3.4.1.1 subsidiary companies; or
- 3.4.1.2 immovable property (owned or leased); or
- 3.4.1.3 material capital commitments, lease payments or contingent liabilities.

3.5 Prospects

3.5.1 SAB Zenzele Kabili's performance is dependent upon many market factors, including *inter alia*: (i) the performance of the underlying AB InBev Shares held by SAB Zenzele Kabili (including as to movements in the share price and the timing, size and frequency, if any, of dividends derived thereon); (ii) movements in the financing rates applicable to the preference shares issued to SAB pursuant to the SAB Vendor Funding (as more fully described in Section 2A, paragraph 2.1.2.2.4 on page 42 of this Prospectus); and (iii) any movements in the financing rates with respect to any further debts incurred by SAB Zenzele Kabili, if applicable.

3.5.2 Qualifying Investors are referred to AB InBev's: (i) latest annual report for the financial year ended 31 December 2018; (ii) Form 20-F for the financial year ended 31 December 2018; and (iii) the unaudited interim results for the six month period ended 30 June 2019. Copies of this information is available on AB InBev's website at: <https://www.ab-inbev.com/investors.html>. **The information contained therein has not been independently reviewed, audited, verified or updated by SAB Zenzele Kabili, SAB and/or any of its or their directors, employees, professional advisors, external auditors or the like, and no such persons take any responsibility for the accuracy or completeness of its contents, or the matters reflected therein.**

3.5.3 Furthermore, the prospects of SAB Zenzele Kabili are dependent on the factors set out in paragraph 3.6 below.

3.5.4 Having considered these factors, the Board is of the opinion that the prospects of SAB Zenzele Kabili are satisfactory.

3.6 Key factors associated with SAB Zenzele Kabili Ordinary Shares

3.6.1 Following implementation of the New Empowerment Transaction, SAB Zenzele Kabili's only material investment and asset will consist of AB InBev Shares.

3.6.2 Consequently, the value and the dividend return of a SAB Zenzele Kabili Ordinary Share is dependent primarily on the following key factors:

- 3.6.2.1 the market price of the AB InBev Shares, which may decline;
- 3.6.2.2 the dividends received on the AB InBev Shares;
- 3.6.2.3 the preferential dividend payable on the SAB Zenzele Kabili Preference Shares (in this regard, please refer to **Annexure 6** to this Prospectus setting out the key provisions of the SAB Zenzele Kabili Preference Shares);

- 3.6.2.4 the financing costs and related liabilities of SAB Zenzele Kabili;
 - 3.6.2.5 the total expenses and taxes incurred by SAB Zenzele Kabili in its day-to-day running and operation;
 - 3.6.2.6 tax implications pursuant to the holding of such SAB Zenzele Kabili Ordinary Shares;
 - 3.6.2.7 the risks associated with the business of AB InBev, and accordingly Qualifying Investors are generally referred to the risk factors set out in AB InBev's Form 20-F for the financial year ended 31 December 2018 (a copy of which is available on AB InBev's website at: <https://www.ab-inbev.com/investors.html>), and summarised in Section 5 of this Prospectus.
- 3.6.3 **There is no guarantee that an active trading market for the SAB Zenzele Kabili Ordinary Shares will develop and continue after the BEE Listing. In addition, the BEE Segment may prove to offer less liquidity than other segments of the JSE or other internationally-recognised stock exchanges. Given its listing on the BEE Segment, the SAB Zenzele Kabili Ordinary Shares are subject to various restrictions as set out in this Prospectus, including, inter alia, that they may only be transferred to BEE Verified Persons. Subsequent to the BEE Listing and for the duration of the BEE Listing Period, any person who wishes to buy or receive transfer of SAB Zenzele Kabili Ordinary Shares will be required to complete the BEE Verification process and become a BEE Verified Person. Accordingly, there may be a limited pool of persons eligible to buy and sell SAB Zenzele Kabili Ordinary Shares.**

4. STATED CAPITAL OF SAB ZENZELE KABILI [Reg 54(1)(A) and 60]

4.1 Authorised and issued stated capital

As at the Last Practicable Date, the authorised and issued stated capital of the company is as follows:

Authorised stated capital:

| | |
|--------------------------------------|------------|
| SAB Zenzele Kabili Ordinary Shares | 50,000,000 |
| SAB Zenzele Kabili Preference Shares | 1,000,000 |

Issued stated capital:

| | |
|---------------------------------------|-----|
| SAB Zenzele Kabili Ordinary Shares | 1 |
| SAB Zenzele Kabili Preference Shares* | nil |

Notes:

* On 31 March 2020, 10,000 SAB Zenzele Kabili Preference Shares will be issued to SAB pursuant to the SAB Vendor Funding, in exchange for the AB InBev Shares worth R2,973 million.

4.2 Rights attaching to SAB Zenzele Kabili Ordinary Shares

- 4.2.1 Each SAB Zenzele Kabili Ordinary Share entitles the holder to one vote at a general meeting of shareholders of SAB Zenzele Kabili.
- 4.2.2 Subject to the terms of SAB Zenzele Kabili Preference Shares, which impact upon the payment of dividends on the SAB Zenzele Kabili Ordinary Shares, each SAB Zenzele Kabili Ordinary Share entitles the holder to:
 - 4.2.2.1 receive any distribution in accordance with the holder's voting power;
 - 4.2.2.2 receive, on a liquidation of SAB Zenzele Kabili, the net assets of SAB Zenzele Kabili in accordance with the holder's voting power;
 - 4.2.2.3 all of the preferences, rights or other terms set out in the Companies Act and the SAB Zenzele Kabili MOI; and
 - 4.2.2.4 any other rights at common law insofar as such rights are not inconsistent with Companies Act and the SAB Zenzele Kabili MOI.

4.3 Rights attaching to SAB Zenzele Kabili Preference Shares

- 4.3.1 The SAB Zenzele Kabili Preference Shares have the preferences, rights and terms summarised in **Annexure 6** to the Prospectus.
- 4.3.2 In particular, Qualifying Investors are referred to the key provision paragraph titled: “*Cash-Flow Waterfall*” in **Annexure 6**, which describes how dividends received by the Company in respect of all of the AB InBev Shares held by the Company will be applied.

4.4 Changes to the authorised and issued share capital

- 4.4.1 On incorporation, the Company’s share capital comprised of: (i) 50,000,000 authorised but unissued SAB Zenzele Kabili Ordinary Shares of no par value; (ii) 1,000,000 authorised but unissued unclassified preference shares of no par value; and (iii) 0 issued SAB Zenzele Kabili Ordinary Shares and SAB Zenzele Kabili Preference Shares.
- 4.4.2 On 13 February 2020 the Company substituted its memorandum of incorporation with the SAB Zenzele Kabili MOI, which, amongst other things, provides that the Company’s share capital comprises of: (i) 50 000 000 authorised but unissued SAB Zenzele Kabili Ordinary Shares of no par value; and (ii) 1,000,000 SAB Zenzele Kabili Preference Shares. The rights attaching to the SAB Zenzele Kabili Ordinary Shares and the SAB Zenzele Kabili Preference Shares are set out above in Section 1, paragraphs 4.2 and 4.3, respectively.
- 4.4.3 The only alterations to the stated capital of the Company prior to the date of issue of this Prospectus have been that after incorporation, on 21 January 2020, SAB Zenzele Kabili issued one SAB Zenzele Kabili Ordinary Share to SAB, to enable the Company to obtain all necessary shareholder approvals required for implementation of the New Empowerment Transaction, including the Reinvestment Offer.
- 4.4.4 It is anticipated that the SAB Zenzele Kabili Preference Shares will be issued to SAB on or about **31 March 2020** pursuant to the SAB Zenzele Kabili Preference Share Subscription Agreement. The preferential rights attached to the issued SAB Zenzele Kabili Preference Shares are set out in **Annexure 6** to this Prospectus.
- 4.4.5 No consolidations or subdivisions of securities of SAB Zenzele Kabili have occurred since its incorporation.
- 4.4.6 SAB, as the sole shareholder of SAB Zenzele Kabili prior to the implementation of the New Empowerment Transaction, is the only controlling and major shareholder of SAB Zenzele Kabili. It is expected that, following implementation of the New Empowerment Transaction, SAB Zenzele Kabili will not have a controlling or major shareholder, as such terms are understood in the JSE Listings Requirements.

4.5 Authority to issue SAB Zenzele Kabili Shares

- 4.5.1 On 4 February 2020, SAB, as the sole shareholder of the Company, passed a special resolution in terms of section 41 of the Companies Act, in terms of which the Company was authorised to issue SAB Zenzele Kabili Ordinary Shares pursuant to the New Empowerment Transaction (including the SAB Zenzele Scheme and the Reinvestment Offer), and such share issuance was additionally approved by resolutions of the Board on 6 February 2020 and 12 February 2020.
- 4.5.2 On 6 February 2020, SAB, as the sole shareholder of the Company, passed a special resolution in terms of section 41 of the Companies Act, in terms of which the Company was authorised to issue SAB Zenzele Kabili Preference Shares pursuant to the New Empowerment Transaction and the SAB Zenzele Kabili Preference Share Subscription Agreement, and such share issuance was additionally approved by a resolution of the Board on 6 February 2020.
- 4.5.3 A list of all of the resolutions passed by the sole shareholder of the Company (namely, SAB) since the Company’s incorporation are described in **Annexure 7** to this Prospectus.
- 4.5.4 The Board controls the issue or disposal of the authorised share capital of the Company, in each case subject to the provisions of the Companies Act and the SAB Zenzele Kabili MOI (the relevant extracts of which are set out in **Annexure 4** to this Prospectus).

4.6 Listings

None of the securities of the Company are, or have previously been, listed on any stock exchange.

4.7 Public offers in the last three years

There have been no offers for subscription or sale of any SAB Zenzele Kabili Shares to the public prior to the date of issue of this Prospectus.

5. OPTIONS OR PREFERENTIAL RIGHTS IN RESPECT OF SAB ZENZELE KABILI SHARES [Reg 54(1)(A) and 61]

Save as provided in the SAB Zenzele Kabili Preference Share Subscription Agreement, no options or preferential rights to subscribe for any share in SAB Zenzele Kabili, have been granted prior to the date of issue of this Prospectus.

6. COMMISSIONS PAID OR PAYABLE IN RESPECT OF UNDERWRITING [Reg 62]

- 6.1 The Company has not entered into any underwriting agreement in respect of the Reinvestment Offer and there have been no commissions paid or payable by the Company in respect of underwriting from its incorporation date up to the Last Practicable Date.
- 6.2 No other commissions, discounts or brokerages have been paid nor have any other special terms been granted in connection with the issue of shares by the Company.

7. MATERIAL CONTRACTS [Reg 63]

7.1 Directors and managerial remuneration, royalties and secretarial and technical fees payable

- 7.1.1 The remuneration payable to Directors (whom are all non-executives) is detailed in this Section 1, paragraph 2.4 on page 31 of this Prospectus.
- 7.1.2 Save for the arms-length appointments of:
- 7.1.2.1 Rilapax Proprietary Limited (t/a William Radcliffe) as Company Secretary;
 - 7.1.2.2 Computershare Investor Services Proprietary Limited as Transfer Secretaries; and
 - 7.1.2.3 Investec Share Plan Services Proprietary Limited as the SAB Zenzele Kabili Administrator,

the Company has not entered into any agreements relating to the payment of any royalties and has not entered into any agreements, written or oral, relating to secretarial and/or technical fees.

7.2 Material contracts

- 7.2.1 The only material contracts that have been entered into by SAB Zenzele Kabili are the New Empowerment Transaction Agreements to which it is a party, namely.
- 7.2.1.1 the Implementation Agreement as described in Section 2A, paragraph 2.8.1.1 on page 45 of this Prospectus;
 - 7.2.1.2 the Sub Stock Lending Agreements concluded with each of SAB, The SAB Foundation and the New ESOP as described in Section 2A, paragraphs 2.8.1.2, 2.8.1.4 and 2.8.1.8 commencing on page 45 of this Prospectus;
 - 7.2.1.3 the SAB Zenzele Kabili Preference Share Subscription Agreement and SAB Vendor Funding Security Agreements concluded between SAB and SAB Zenzele Kabili as described in Section 2A, paragraph 2.8.1.3 on page 45 of this Prospectus;
 - 7.2.1.4 the New ESOP Subscription Agreement concluded between the New ESOP and SAB Zenzele Kabili as described in Section 2A, paragraph 2.8.1.5 on page 45 of this Prospectus;
 - 7.2.1.5 the Contribution Agreement concluded between the New ESOP and SAB Zenzele Kabili as described in Section 2A, paragraph 2.8.1.6 on page 45 of this Prospectus; and
 - 7.2.1.6 The SAB Foundation Subscription Agreement concluded between The SAB Foundation and SAB Zenzele Kabili as described in Section 2A, paragraph 2.8.1.7 on page 46 of this Prospectus.
- 7.2.2 These contracts, collectively known as the New Empowerment Transaction Agreements, are available for inspection at the Registered Office of SAB Zenzele Kabili as described in Section 4, paragraph 6 on page 62 of this Prospectus.

8. INTEREST OF DIRECTORS AND PROMOTERS [Reg 64]

- 8.1 No consideration has been paid, or agreed to be paid, within the previous three years before the date of issue of this Prospectus to any Directors or to any of their associates to induce such Director or associated party to become a Director, or to qualify as a Director, or for services rendered by him or her or by a company, partnership, syndicate or other association in connection with the promotion or formation of SAB Zenzele Kabili.
- 8.2 The Directors have no direct or indirect material interest in:
- 8.2.1 the promotion of the Company;
 - 8.2.2 any property proposed to be acquired by the Company out of the proceeds of the Reinvestment Offer; and
 - 8.2.3 any property acquired or proposed to be acquired by the Company during the three year period immediately before the date of this Prospectus, but to the extent that any of them are Qualifying Investors they may freely participate in the Reinvestment Offer.
- 8.3 The Directors are, if they qualify as Eligible Persons, not precluded from participating in the Reinvestment Offer. Should they so participate, they will not have any special rights or enjoy any special privileges, or be awarded any special allocations

9. LOANS [Reg 65]

Save as otherwise set out in this Prospectus, as at the Last Practicable Date and at the issue date of this Prospectus, SAB Zenzele Kabili had no material loans outstanding.

10. SHARES ISSUED OR TO BE ISSUED OTHER THAN FOR CASH [Reg 66]

Save for the SAB Zenzele Kabili Ordinary Shares and SAB Zenzele Kabili Preference Shares proposed to be issued pursuant to the New Empowerment Transaction, no securities have been issued, or have been agreed to be issued within the three years immediately before the date of issue of this Prospectus and the Last Practicable Date, by SAB Zenzele Kabili since its incorporation on 5 December 2019, to any person other than for cash.

11. PROPERTY ACQUIRED OR TO BE ACQUIRED [Reg 67]

SAB Zenzele Kabili has not in the three years preceding the issue date of this Prospectus, and does not propose to, acquire any material immovable property, any other material fixed asset or option to acquire such properties, and has not entered into any agreement to acquire any immovable property or material fixed assets.

12. AMOUNTS PAID OR PAYABLE TO PROMOTERS [Reg 68]

No amount has been paid or is proposed to be paid and no benefit has been or will be given by SAB Zenzele Kabili, to any promoter, or to any partnership, syndicate or other association of which the promoter is or was a member, in relation to the issue of SAB Zenzele Kabili Shares.

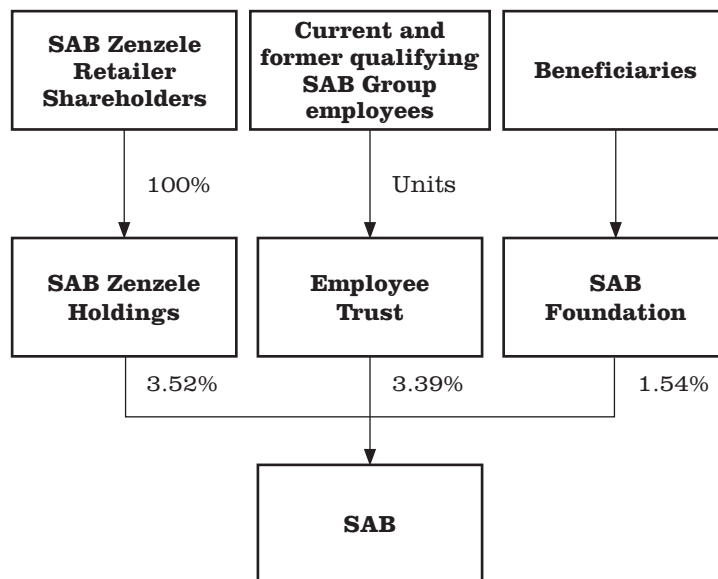
13. PRELIMINARY EXPENSES AND ISSUE EXPENSES [Reg 69]

The cost of the BEE Listing and the Reinvestment Offer, including the cost applicable to this Prospectus and its preparation, shall be borne by SAB. Following the implementation of the New Empowerment Transaction, SAB Zenzele Kabili will be responsible for its own operating expenses, which shall be paid from income derived from dividends received by SAB Zenzele Kabili in respect of its AB InBev Shares

SECTION 2A: INFORMATION ABOUT THE NEW EMPOWERMENT TRANSACTION [Reg 56]

1. INTRODUCTION AND BACKGROUND

- 1.1 In 2010, SABMiller (through its South African subsidiary, SAB) implemented a BEE transaction known as SAB Zenzele (the “**Existing Empowerment Transaction**”). Amongst other things, the Existing Empowerment Transaction involved SAB issuing:
- 1.1.1 approximately 3.52% of its total issued shares at the time to SAB Zenzele, who in turn offered to issue SAB Zenzele Shares to SAB Zenzele Retailer Shareholders;
 - 1.1.2 approximately 3.39% of its total issued shares at the time to The SAB Zenzele Employee Trust, which held such shares for the benefit of certain qualifying employees of the SAB Group; and
 - 1.1.3 approximately 1.54% of its total issued shares at the time to The SAB Foundation.
- 1.2 The following diagram depicts the Existing Empowerment Transaction structure:



- 1.3 The Existing Empowerment Transaction was established as a 10 year scheme to, amongst other things, give qualifying SAB Group retailers and employees a chance to indirectly own shares in SAB through their ownership of SAB Zenzele Shares and to participate in, and become entitled to, the profits of SAB and, at the end of the 10 year transaction term, to become direct shareholders of SABMiller, the ultimate shareholder of SAB.
- 1.4 The Original Exchange Agreement, which was entered into in 2010, defined the basis of the unwind of the Existing Empowerment Transaction. It was originally intended that, on maturity of the Existing Empowerment Transaction’s 10 year term, the following exchange transactions would occur at the end of March 2020:
- 1.4.1 qualifying SAB Zenzele Retailer Shareholders who had been holding SAB Zenzele Shares under the Existing Empowerment Transaction would transfer their SAB Zenzele Shares to SABMiller (or its nominee) and in exchange, SABMiller would issue such number of SABMiller shares to the SAB Zenzele Retailer Shareholders as determined in accordance with the formula set out in the Original Exchange Agreement (the “**SAB Zenzele Exchange**”);
 - 1.4.2 The SAB Zenzele Employee Trust would transfer the SAB shares held by it on behalf of SAB employees to SABMiller and in exchange, SABMiller would issue such number of SABMiller shares to The SAB Zenzele Employee Trust as determined in accordance with the formula set out in the Original Exchange Agreement (and such SABMiller shares would ultimately be distributed to the relevant SAB employees); and
 - 1.4.3 The SAB Foundation would transfer the SAB shares held by it to SABMiller and in exchange, SABMiller would issue such number of SABMiller shares to The SAB Foundation as determined in accordance with the formula set out in the Original Exchange Agreement,

(the SAB Zenzele Exchange, together with the exchange transactions in this Section 2A, paragraphs 1.4.2 and 1.4.3 on page 40 of this Prospectus, the “**Original Exchange Transactions**”).

- 1.5 In 2016, following implementation of the Existing Empowerment Transaction, SABMiller entered into a combination transaction with AB InBev. As part of this transaction, SABMiller’s obligations in respect of the Original Exchange Transactions were assumed by AB InBev in terms of the Amended and Restated Exchange Agreement, with the result that AB InBev (and not SABMiller) would be required to transfer, or procure the transfer of, AB InBev Shares to SAB Zenzele Participants on the unwind of the Existing Empowerment Transaction (the “**Amended Exchange Transaction**”).
- 1.6 The Existing Empowerment Transaction is due to unwind on or about 31 March 2020 in accordance with the Amended Exchange Transaction, with the effect that the SAB Zenzele Participants would receive such number of AB InBev Shares, as determined in accordance with the formula set out in the Amended and Restated Exchange Agreement.
- 1.7 Amongst other things, SAB Zenzele Retailer Shareholders will, pursuant to the Amended Exchange Transactions, be required to exchange their SAB Zenzele Shares for such number of AB InBev Shares, as is determined in accordance with the formula set out in the Amended and Restated Exchange Agreement.
- 1.8 In conjunction with the contemplated unwind of the Existing Empowerment Transaction on 31 March 2020, SAB has received consistent feedback from certain participants of the Existing Empowerment Transaction that they wish to be provided with an opportunity to reinvest some or all of the value to which they will be entitled to on the unwind of the Existing Empowerment Transaction.
- 1.9 Having taken such feedback into account, AB InBev and SAB appointed financial and other advisors to explore options available to make such reinvestment opportunity available to SAB Zenzele Retailer Shareholders (as well as other Qualifying Investors). As a result, it was decided that:
 - 1.9.1 the Existing Empowerment Transaction will unwind in the ordinary course in accordance with its terms, that is: (i) each SAB Zenzele Retailer Shareholder’s SAB Zenzele Shares will be transferred to AB InBev; and (ii) in exchange, the SAB Zenzele Retailer Shareholder will be entitled to its Retailer Settlement Entitlement which will vest on the Vesting Date under the Existing Empowerment Transaction; and
 - 1.9.2 in conjunction with the unwind of the Existing Empowerment Transaction and to afford SAB Zenzele Retailer Shareholders the opportunity to reinvest all (or a portion) of their Retailer Settlement Entitlements, AB InBev is proposing implementation of a new BEE ownership transaction, known as SAB Zenzele Kabili (the “**New Empowerment Transaction**”), which will (amongst other things) comprise of the SAB Zenzele Scheme and the Reinvestment Offer. Details of the New Empowerment Transaction are discussed in more detail in this Section 2A, paragraph 2 on page 41 of this Prospectus below. The SAB Zenzele Board believes the New Empowerment Transaction is an economically attractive proposal for all participants.
- 1.10 Participants in the New Empowerment Transaction will include the SAB Zenzele Retailer Shareholders, The SAB Foundation, the beneficiaries of The SAB Zenzele Employee Trust and the New ESOP.

2. **THE NEW EMPOWERMENT TRANSACTION [Reg 70]**

2.1 **New Empowerment Transaction**

- 2.1.1 The New Empowerment Transaction proposed by AB InBev and SAB is designed, amongst other things, to facilitate a reinvestment opportunity for Qualifying Investors of their right and entitlement to receive AB InBev Shares on the unwind of the Existing Empowerment Transaction. Such rights and entitlements vest on the Vesting Date.
- 2.1.2 AB InBev and SAB intend to implement the proposed New Empowerment Transaction through SAB Zenzele Kabili, by means of the following core elements:
 - 2.1.2.1 **The SAB Zenzele Scheme:** The SAB Zenzele Scheme proposed by the SAB Zenzele Board between SAB Zenzele and the SAB Zenzele Retailer Shareholders, in terms of which it is proposed that each SAB Zenzele Retailer Shareholder cedes to SAB Zenzele Kabili 15% of its right and entitlement to receive AB InBev Shares pursuant to the unwind of the Existing Empowerment Transaction, in exchange for SAB Zenzele Kabili Ordinary Shares of proportional value;

- 2.1.2.2 conditional on the SAB Zenzele Scheme being duly approved and implemented:
- 2.1.2.2.1 **The Reinvestment Offer:** SAB Zenzele Kabili will make an offer to Qualifying Investors to cede all or a portion of their rights (in the case of SAB Zenzele Retailer Shareholders, less their SAB Zenzele Scheme Entitlements) to receive AB InBev Shares pursuant to the unwind of the Existing Empowerment Transaction to SAB Zenzele Kabili, in exchange for SAB Zenzele Kabili Ordinary Shares of Proportional Value. This is effectively the Reinvestment Offer described and made pursuant to this Prospectus;
 - 2.1.2.2.2 **New ESOP subscription:** The New ESOP will sell to the Company the equivalent of R600 million worth of the AB InBev Shares contributed to it by SAB, and as consideration the Company will issue new SAB Zenzele Kabili Ordinary Shares of an equivalent value to the New ESOP, on the terms and subject to the conditions set out in the New ESOP Subscription Agreement;
 - 2.1.2.2.3 **The SAB Foundation subscription:** The SAB Foundation has committed to reinvest up to R400 million (i.e. 20% of its proceeds/entitlements from the unwinding of the Existing Empowerment Transaction) into the Company. To this end, The SAB Foundation will sell AB InBev Shares worth approximately R344 million to the Company, and as consideration the Company will issue to The SAB Foundation new SAB Zenzele Kabili Ordinary Shares of proportional value, on the terms and subject to the conditions of The SAB Foundation Subscription Agreement;
 - 2.1.2.2.4 **SAB Vendor Funding:** SAB will sell the equivalent of R2 973 million worth of AB InBev Shares to SAB Zenzele Kabili, and as consideration SAB Zenzele Kabili will issue SAB Zenzele Kabili Preference Shares to SAB pursuant to the terms of the SAB Zenzele Kabili Preference Share Subscription Agreement and the SAB Vendor Funding Security Agreements, representing vendor funding of R2 973 million from SAB ("**SAB Vendor Funding**"). The terms of the SAB Zenzele Kabili Preference Shares to be issued to SAB are set out in Section 1, paragraph 4.3 on page 37 of this Prospectus and **Annexure 6; [Reg 65]**
 - 2.1.2.2.5 **Discount Shares:** As an incentive to the Qualifying Investors to participate in the New Empowerment Transaction, following implementation of the SAB Zenzele Scheme, SAB will contribute the equivalent of AB InBev Shares to the value of approximately R811 million (as at 31 March 2020) to SAB Zenzele Kabili at no further cost to SAB Zenzele Kabili (the "**Discount Shares**"). Accordingly, the Qualifying Investors will have exposure through SAB Zenzele Kabili to additional AB InBev Shares, to which they would not have had exposure;
 - 2.1.2.2.6 **BEE Listing:** Simultaneously, or shortly after, implementation of the SAB Zenzele Scheme, SAB Zenzele Kabili will be listed on the BEE Segment pursuant to the BEE Listing, which would allow Qualifying Investors to freely trade the SAB Zenzele Kabili Ordinary Shares received pursuant to the SAB Zenzele Scheme and the Reinvestment Offer from the outset with any BEE Verified Persons. In this respect, the JSE has granted SAB Zenzele Kabili, subject to the SAB Zenzele Scheme being duly approved and implemented, a listing in the Non-equity Investment Instruments sub-sector, in the BEE Segment, under share code "SZK", ISIN code ZAE000284196 and the abbreviated name "*SABKabil*", with effect from the commencement of business on **Tuesday, 15 April 2020**. This is effectively the BEE Listing application made pursuant to this Prospectus.

2.5 Rationale for the New Empowerment Transaction (and the Reinvestment Offer)

SAB is of the view that the New Empowerment Transaction is compelling for, amongst others, the following reasons:

- 2.5.1 It has received consistent feedback from participants of the Existing Empowerment Transaction that they wish to be provided with a reinvestment opportunity on the unwind of the Existing Empowerment Transaction, as has been provided by other South African companies on the unwind of similar type of BEE transactions. The New Empowerment Transaction has been designed to facilitate such further re-investment of some or all of the value realised by them under the Existing Empowerment Transaction.
- 2.5.2 Under the Existing Empowerment Transaction, participants indirectly hold shares in unlisted SAB and consequently do not have the ability to freely trade their shares (until such time as liquidity is delivered in the form of AB InBev Shares on the unwind of the Existing Empowerment Transaction). In contrast, the New Empowerment Transaction facilitates liquidity from the outset of implementation, as SAB Zenzele Kabili Ordinary Shares to be received by Qualifying Investors in the New Empowerment Transaction will be listed on the BEE Segment and thereby allow them the ability to trade their SAB Zenzele Kabili Ordinary Shares from the outset of implementation of the Reinvestment Offer with BEE Verified Persons (thereby creating liquidity on day one).
- 2.5.3 As an incentive to SAB Zenzele Retailer Shareholders to participate in the New Empowerment Transaction, following implementation of the SAB Zenzele Scheme, SAB will contribute the Discount Shares to SAB Zenzele Kabili, being such number of AB InBev Shares equal to the value of approximately R811 million as at 31 March 2020. As a result, the participants in the New Empowerment Transaction will have exposure through SAB Zenzele Kabili to additional AB InBev Shares to which the SAB Zenzele Retailer Shareholders would not have had exposure but for the New Empowerment Transaction.
- 2.5.4 Under the Existing Empowerment Transaction, the commencement gearing was 100% of the total asset value. The capital structure of the New Empowerment Transaction has been designed on a sustainable basis, with the commencement gearing level at 55% of the total asset value. This is made possible by the 15% entry discount and 30% equity contribution level. Furthermore, the SAB Vendor Funding provided by SAB will be at a very attractive rate of 70% of Prime.
- 2.5.5 The Existing Empowerment Transaction was (at its inception) implemented at the South Africa operations level. The New Empowerment Transaction will be implemented at the AB InBev group level. The advantage of implementing the New Empowerment Transaction at the listed level is a transparent value proposition allowing the various BEE participants the ability to value the underlying net asset value on a continuous basis and provides global diversification to the BEE participants through exposure to all of AB InBev's operations.

2.6 Rationale for the BEE Listing

- 2.6.1 It is anticipated that the BEE Listing will provide the shareholders of SAB Zenzele Kabili with:
 - 2.6.1.1 enhanced liquidity due to wider access to buyers and sellers;
 - 2.6.1.2 easier price discovery as JSE prices are published in most major print and electronic financial publications; and
 - 2.6.1.3 increased investor protection as a result of: (i) the JSE being a regulated market; and (ii) monitoring of market abuse activities in connection with the SAB Zenzele Kabili Ordinary Shares, including insider trading.
- 2.6.2 On the other hand, there are certain consequences that arise from listing on the BEE Segment including:
 - 2.6.2.1 the incremental once-off and ongoing costs that will be incurred by SAB Zenzele Kabili in respect of the implementation and maintenance of the BEE Listing;
 - 2.6.2.2 SAB Zenzele Kabili being required in terms of the JSE Listings Requirements to indemnify the JSE and certain Market Participants (see Section 2B, paragraph 12 on page 57 of this Prospectus); and
 - 2.6.2.3 it will be necessary for any person who wishes to buy or receive transfer of SAB Zenzele Kabili Ordinary Shares following implementation of the New Empowerment Transaction to complete the BEE Verification process and become a BEE Verified Person. Further details on the BEE Verification process are set out in Section 2B, paragraph 11 on page 54 of this Prospectus.

2.7 New Empowerment Transaction condition precedent

- 2.7.1 The implementation of the Reinvestment Offer and the BEE Listing is subject to the suspensive condition that the SAB Zenzele Scheme is approved by the requisite majority of SAB Zenzele Shareholders and its successful implementation in accordance with its terms as more fully set out in the SAB Zenzele Scheme Circular.
- 2.7.2 If the SAB Zenzele Scheme is not duly approved and implemented, then:
- 2.7.2.1 the New Empowerment Transaction will not proceed (and the Reinvestment Offer will not be available to Qualifying Investors), and the Existing Empowerment Transaction will unwind in accordance with the terms set out in the Amended and Restated Exchange Agreement on or about 31 March 2020; and
- 2.7.2.2 in place of the proposed New Empowerment Transaction, SAB may put in place an empowerment transaction in which only the New ESOP and/or The SAB Foundation will participate.

2.8 Agreements to implement the New Empowerment Transaction

- 2.8.1 SAB Zenzele Kabili has entered into the following transaction agreements in order to implement the New Empowerment Transaction (collectively, the **“New Empowerment Transaction Agreements”**):
- 2.8.1.1 **Implementation Agreement:** The implementation agreement entered into between SAB, AB InBev, SAB Zenzele, SAB Zenzele Kabili and the SPV Trust on or about 12 February 2020, which sets out the respective rights and obligations of each party thereto in respect of the implementation of the New Empowerment Transaction, including the SAB Zenzele Scheme and the Reinvestment Offer (the **“Implementation Agreement”**);
- 2.8.1.2 **Sub Stock Lending Agreement (SAB Zenzele Kabili and SAB):** The sub stock lending agreement entered into between SAB and SAB Zenzele Kabili, dated on or about 18 December 2019. In terms of this agreement, SAB agrees to procure the delivery of: (i) AB InBev Shares to the value of approximately R2 973 million being the vendor funding shares referred to above; and (ii) the Discount Shares, following implementation of the SAB Zenzele Scheme (**“Sub Stock Lending Agreement (SAB Zenzele Kabili and SAB)”**);
- 2.8.1.3 **SAB Zenzele Kabili Preference Share Subscription Agreement:** The SAB Zenzele Kabili preference share subscription agreement entered into between SAB and SAB Zenzele Kabili, on or about 6 February 2020. In terms of this agreement, SAB Zenzele Kabili agrees to issue the SAB Zenzele Kabili Preference Shares to SAB as consideration for the R2 973 million worth of AB InBev Shares referred to in this Section 2A, paragraph 2.8.1.2 on page 45 of this Prospectus, (the **“SAB Zenzele Kabili Preference Share Subscription Agreement”**);
- 2.8.1.4 **Sub Stock Lending Agreement (SAB Zenzele Kabili and New ESOP):** The sub stock lending agreement (SAB Zenzele Kabili and New ESOP) entered into between SAB Zenzele Kabili and the New ESOP, dated on or about 18 December 2019. In terms of this agreement, the New ESOP agrees to procure the delivery of AB InBev Shares to the value of approximately R720 million in exchange for SAB Zenzele Kabili Ordinary Shares of Proportional Value (**“Sub Stock Lending Agreement (SAB Zenzele Kabili and New ESOP)”**);
- 2.8.1.5 **New ESOP Subscription Agreement:** The New ESOP subscription agreement entered into between SAB Zenzele Kabili and the New ESOP, dated on or about 6 February 2020. In terms of this agreement, the New ESOP agrees to contribute to SAB Zenzele Kabili the equivalent of AB InBev Shares with a value of approximately R600 million in exchange for SAB Zenzele Kabili Ordinary Shares of a proportional value on the terms and subject to the conditions set out in the Contribution Agreement (defined below) (the **“New ESOP Subscription Agreement”**). In addition, it is anticipated that the New ESOP will appoint a placement agent to sell, on its behalf, AB InBev Shares with a value of approximately R120 million and use the sale proceeds to give effect to its obligations under the Liquidity Option or in the market following the implementation of the New Empowerment Transaction.
- 2.8.1.6 **Contribution Agreement:** The contribution agreement entered into between SAB Zenzele Kabili and SAB, on or about 6 February 2020. In terms of this agreement, SAB agrees to contribute the Discount Shares to SAB Zenzele Kabili (the **“Contribution Agreement”**).

- 2.8.1.7 **The SAB Foundation Subscription Agreement:** The SAB Foundation subscription agreement entered into between The SAB Foundation and SAB Zenzele Kabili, on or about 6 February 2020. In terms of this agreement, The SAB Foundation agrees to cede to SAB Zenzele Kabili the right to receive up to 20% of AB InBev Shares and as consideration, SAB Zenzele Kabili will issue new SAB Zenzele Kabili Ordinary Shares of proportional value (“**The SAB Foundation Subscription Agreement**”). The number of SAB Zenzele Kabili Ordinary Shares that The SAB Foundation is obliged to subscribe for will be reduced to the extent of the Qualifying Investors’ acceptance of the Reinvestment Offer, in accordance with the terms and conditions of The SAB Foundation Subscription Agreement.
- 2.8.1.8 **Sub Stock Lending Agreement (SAB Zenzele Kabili and The SAB Foundation):** The Sub Stock Lending Agreement (SAB Zenzele Kabili and The SAB Foundation), entered into between SAB Zenzele Kabili and The SAB Foundation, dated on or about 18 December 2019. In terms of this agreement, The SAB Foundation agrees to procure the delivery of AB InBev Shares worth a maximum amount of approximately R344 million in exchange for SAB Zenzele Kabili Ordinary Shares of proportional value on the terms and subject to the conditions set out in The SAB Foundation Subscription Agreement”). (“**Sub Stock Lending Agreement (SAB Zenzele Kabili and The SAB Foundation)**”).

2.9 The relevance of this Prospectus to the New Empowerment Transaction

- 2.9.1 If the SAB Zenzele Scheme is duly approved and implemented, then pursuant to the New Empowerment Transaction, each Qualifying Investor shall be entitled to cede all a portion of their Settlement Entitlement (which, in the case of SAB Zenzele Retailer Shareholders, will be their entitlement remaining after having taken into account the portion of their Settlement Entitlement ceded to SAB Zenzele Kabili pursuant to the SAB Zenzele Scheme, if approved and implemented) to AB InBev Shares to SAB Zenzele Kabili in exchange for SAB Zenzele Kabili Ordinary Shares of Proportional Value pursuant to the Reinvestment Offer.
- 2.9.2 In respect of entitlements to AB InBev Shares that a participant of the Existing Empowerment Transaction has not ceded, pursuant to the SAB Zenzele Scheme and the Reinvestment Offer, such participant may elect to either:
- 2.9.2.1 be equity settled in AB InBev Shares (the “**AB InBev Shares Settlement**”); or
- 2.9.2.2 have their AB InBev Shares sold on the JSE and/or the Euronext on their behalf by the SPV Trust and to be paid the cash proceeds arising from such sale, less associated costs and taxes (the “**Sale Proceeds Settlement**”).
- 2.9.3 Accordingly, amongst other things, the New Empowerment Transaction comprises of the following components: (i) the SAB Zenzele Scheme; (ii) Reinvestment Offer; (iii) the BEE Listing; (iv) the AB InBev Shares Settlement; and/or (v) the Sale Proceeds Settlement.
- 2.9.4 This Prospectus relates only to the Reinvestment Offer and the BEE Listing. In particular, please refer to Section 2B commencing on page 47 of this Prospectus for further details on the Reinvestment Offer and the BEE Listing.
- 2.9.5 Further details of the SAB Zenzele Scheme, the AB InBev Shares Settlement and the Sale Proceeds Settlement have been communicated separately to the various categories of Qualifying Investors. In the case of SAB Zenzele Retailer Shareholders, these details are set out in the SAB Zenzele Scheme Circular and in the case of the beneficiaries of The SAB Zenzele Employee Trust, details will be communicated by the trustees of The SAB Zenzele Employee Trust.

SECTION 2B: INFORMATION ABOUT THE REINVESTMENT OFFER AND BEE LISTING

[Reg 56]

This Section sets out the terms, conditions, process and procedures in terms of which SAB Zenzele Kabili invites Qualifying Investors to participate in the Reinvestment Offer.

Qualifying Investors should make their investment decision to participate in the Reinvestment Offer on the basis of the disclosures of the New Empowerment Transaction, AB InBev and AB InBev Shares and other disclosures through this Prospectus.

1. REINVESTMENT OFFER AND BEE LISTING

- 1.1 If the SAB Zenzele Scheme is duly approved and is implemented, the New Empowerment Transaction will become unconditional and operative and additionally Qualifying Investors will be provided with an election to cede all or a portion of their Settlement Entitlement (which, in the case of SAB Zenzele Retailer Shareholders, will be their entitlement remaining after having taken into account the portion of their Settlement Entitlement ceded to SAB Zenzele Kabili pursuant to the SAB Zenzele Scheme, if approved and implemented) in exchange for SAB Zenzele Kabili Ordinary Shares of Proportional Value pursuant to the Reinvestment Offer which is distinct from and in addition to the SAB Zenzele Scheme.
- 1.2 The terms and conditions subject to which the Reinvestment Offer is made to Qualifying Investors is set out in this Section 2B commencing on page 47 of this Prospectus.
- 1.3 The rationale for the Reinvestment Offer and BEE Listing, to be considered collectively with the other components of the New Empowerment Transaction, is set out in Section 2A, paragraphs 2.5 and 2.6 on page 44 of this Prospectus.

2. TIME AND DATE OF THE OPENING AND CLOSING OF REINVESTMENT OFFER [Reg 71]

The Reinvestment Offer will open on **Wednesday, 19 February 2020** at 09:00 and close on **Tuesday, 7 April 2020** at 16:00.

3. PARTICULARS OF THE REINVESTMENT OFFER [Reg 72]

3.1 General

| | |
|---|--|
| Class of SAB Zenzele Kabili Shares forming the subject matter of the Reinvestment Offer | 8,595,657 SAB Zenzele Kabili Ordinary Shares of no par value |
| Price per SAB Zenzele Kabili Ordinary Share | R40.00 |

- 3.2 Save for the initial issue of one SAB Zenzele Kabili Ordinary Share to SAB as described in Section 1, paragraph 4.4.3 on page 37 of this Prospectus, SAB Zenzele Kabili has not issued any other securities since its incorporation on 5 December 2019, nor has it issued any securities for a premium.

4. MINIMUM SUBSCRIPTION [Reg 73]

There is no minimum subscription in respect of the Reinvestment Offer. However, implementation of the Reinvestment Offer is dependent on the approval and successful implementation of the SAB Zenzele Scheme. If the SAB Zenzele Scheme is not approved by SAB Zenzele Shareholders, the Reinvestment Offer and BEE Listing will not be implemented.

5. QUALIFYING MEMBERS

- 5.1 Only Qualifying Investors (being: (i) SAB Zenzele Retailer Shareholders; and (ii) the beneficiaries of The SAB Zenzele Employee Trust) qualify to participate in Reinvestment Offer.
- 5.2 The SAB Zenzele Kabili Ordinary Shares which will be issued to Successful Participants pursuant to the Reinvestment Offer and other components of the New Empowerment Transaction will be listed on the BEE Segment. The JSE generally operates on the principle that there are no restrictions

in respect of the transferability of the securities that are listed on it. The BEE Segment differs, however, in that the transfer of securities listed on that segment (i.e. BEE Securities) is restricted and may only be made to purchasers that are deemed to be BEE Verified Persons. The JSE Listings Requirements and rules of the JSE provide that BEE Securities may only be transferred between BEE Verified Persons.

- 5.3 However, as part of the New Empowerment Transaction: (i) certain Qualifying Investors who are not Black Groups will become SAB Zenzele Kabili Ordinary Shareholders on implementation of the New Empowerment Transaction; and (ii) certain beneficiaries of the New ESOP who are not Black People may from time to time become SAB Zenzele Kabili Ordinary Shareholders. In this regard, such persons shall: (i) only be entitled to hold SAB Zenzele Kabili Ordinary Shares in a nominee account with the Custody Entity; (ii) only be entitled to sell, transfer or otherwise dispose of their SAB Zenzele Kabili Ordinary Shares to a BEE Verified Person through the Trading Entity; and (iii) shall not be entitled to acquire any further SAB Zenzele Kabili Ordinary Shares. Should any such person wish to sell, transfer or otherwise dispose of their SAB Zenzele Kabili Ordinary Shares, they will need to contact the SAB Zenzele Kabili call centre, operated by the SAB Zenzele Kabili Administrator on 0861 900 903 during the hours of 09:00 to 17:00 from Monday to Friday.

6. PARTICIPATION IN REINVESTMENT OFFER

6.1 Participation and participation procedure

- 6.1.1 On or before **Wednesday, 4 March 2020**, the SAB Zenzele Administrator will inform each Qualifying Investor of the Rand value of its Settlement Entitlement (which, in the case of SAB Zenzele Retailer Shareholders, will be their entitlement remaining after having taken into account the portion of their Settlement Entitlement ceded to SAB Zenzele Kabili pursuant to the SAB Zenzele Scheme, if approved and implemented).
- 6.1.2 Each Qualifying Investor may, in respect of its Settlement Entitlement (as notified to such Qualifying Investor in terms of this Section 2B, paragraph 6.1.1 on page 48), complete the Participation Form (*green*) enclosed hereto and indicate the percentage of AB InBev Shares comprising its Settlement Entitlement that it wishes to cede and transfer to SAB Zenzele Kabili pursuant to the Reinvestment Offer.
- 6.1.3 The Participation Form (*green*) must be completed and returned to the SAB Zenzele Kabili Administrator by no later than 16:00 on **Tuesday, 7 April 2020** either: (i) by hand at the following address: Investec Share Plan Services Proprietary Limited, 100 Grayston Drive, Sandown, Sandton, 2196; (ii) by fax to 011 291 6556; or (iii) by email to sab.retail@investec.co.za.
- 6.1.4 Once the Reinvestment Offer closes on **Tuesday, 7 April 2020**, the share allocation process will start. The SAB Zenzele Kabili Administrator will notify each Participant by no later than **Thursday, 9 April 2020** whether or not its application has been successful. Successful Participants will be notified of the number of SAB Zenzele Kabili Ordinary Shares allocated to them and the number of AB InBev Shares comprising their Settlement Entitlement that have been ceded to SAB Zenzele Kabili.
- 6.1.5 **Annexure 1** to this Prospectus provides Qualifying Investors with an illustrative worked example of how the Proportional Value formula will be applied to determine the number of SAB Zenzele Kabili Ordinary Shares to be issued to a Qualifying Investor participating in the Reinvestment Offer, save that the illustrative example is subject to the allocation principles discussed in paragraph 7 below.
- 6.1.6 Should you require assistance in completing your Participation Form (*green*), you can contact the SAB Zenzele Kabili call centre, operated by the SAB Zenzele Kabili Administrator, on 0861 900 903. The SAB Zenzele Kabili call centre operating hours are from 09:00 until 17:00 from Monday to Friday.

6.2 Participations Forms irrevocable

Duly completed and submitted Participation Forms for SAB Zenzele Kabili Ordinary Shares under the Reinvestment Offer are irrevocable and may not be withdrawn once received by or on behalf of SAB Zenzele Kabili, unless SAB Zenzele Kabili issues, registers and publishes a supplement to this Prospectus, in which event applications made prior to the date of issue or publication of the supplement may be withdrawn on written notice to SAB Zenzele Kabili within 20 business days after the date of publication.

6.3 **Obligation to give accurate information**

6.3.1 The obligation to give full and accurate information rests on each Qualifying Investor wishing to participate in the Reinvestment Offer. SAB Zenzele Kabili is entitled to verify your details (for BEE, FICA and other purposes) and you are obligated to assist in such verification promptly when requested to do so. Failing to do so may result in you being disqualified from participating in the Reinvestment Offer.

6.3.2 Providing false information could result in persons, including SAB Zenzele Kabili and SAB, having claims and rights against you.

6.4 **Deemed discharge of settlement obligations**

In respect of each Qualifying Investor's portion of the Settlement Entitlements which is ceded pursuant to the Reinvestment Offer, SAB Zenzele, SAB, AB InBev and SAB Zenzele Kabili shall, by giving effect to the obligations owing to Qualifying Investors arising from their participation in the Reinvestment Offer, be deemed to have fully discharged their respective settlement obligations owing to Qualifying Investors in terms of the Existing Empowerment Transaction as set out in the Amended Exchange Transaction and the Amended and Restated Exchange Agreement and the New Empowerment Transaction as established under the New Empowerment Transaction Agreements.

6.5 **Deemed surrender of Documents of Title**

In connection with the unwind of the Existing Empowerment Transaction, Qualifying Investors need not take any action regarding the surrender of their Documents of Title as the process will be handled by the SAB Zenzele Administrator. In this regard, each Qualifying Investor irrevocably and *in rem suam* authorises the SAB Zenzele Administrator, as principal, with full power of substitution, to take such actions and steps (including the signing or execution of any deed, instrument and transfer form), and doing all other things, as may be necessary or expedient in order to give effect to the unwind of the Existing Empowerment Transaction in accordance with the New Empowerment Transaction Agreements and the terms and conditions of this Reinvestment Offer.

6.6 **Tax implications**

THE SUMMARY OF SOUTH AFRICAN INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL QUALIFYING INVESTORS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF DISPOSING OF THEIR ENTITLEMENT TO AB INBEV SHARES AS CONSIDERATION FOR THE ISSUE OF SHARES IN SAB ZENZELE KABILI (PURSUANT TO THE REINVESTMENT OFFER), INCLUDING THE APPLICABILITY AND EFFECT OF OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

QUALIFYING INVESTORS WHO ARE SAB ZENZELE RETAILER SHAREHOLDERS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF: (I) DISPOSING OF THEIR SAB ZENZELE SHARES IN RETURN FOR AB INBEV SHARES WHEN THE EXISTING EMPOWERMENT TRANSACTION IS UNWOUND; (II) DISPOSING OF THEIR AB INBEV SHARES IN RETURN FOR THE ISSUE OF SHARES IN SAB ZENZELE KABILI (PURSUANT TO THE SAB ZENZELE SCHEME AND/OR REINVESTMENT OFFER); AND (III) DISPOSING OF THEIR AB INBEV SHARES FOR CASH (PURSUANT TO THE SALE PROCEEDS SETTLEMENT).

QUALIFYING INVESTORS WHO ARE BENEFICIARIES OF THE SAB ZENZELE EMPLOYEE TRUST SHOULD CONSULT THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES APPLICABLE TO THEM OF: (I) THE VESTING OF THEIR SETTLEMENT ENTITLEMENTS; (II) DISPOSING OF THEIR SETTLEMENT ENTITLEMENTS/AB INBEV SHARES IN RETURN FOR THE ISSUE OF SHARES IN SAB ZENZELE KABILI (PURSUANT TO THE REINVESTMENT OFFER); AND (III) DISPOSING OF THEIR AB INBEV SHARES FOR CASH (PURSUANT TO THE SALE PROCEEDS SETTLEMENT).

6.6.1 **Overview**

6.6.1.1 The South African income tax system is a residence-based system of taxation, in terms of which South African tax residents are subject to tax in South Africa on their worldwide income, while non-resident persons for South African tax purposes are subject to tax on income from a South African source.

6.6.1.2 A natural person is a South African tax resident if he or she is "ordinarily resident" in South Africa or, if not "ordinarily resident" in South Africa, was physically present in South Africa for certain prescribed periods in the five tax years prior to and during the tax year in question. These periods require a physical presence in South Africa of more than 91 days in each tax year and more than 915 days

during the five preceding tax years. A natural person (who is not “ordinarily resident” in South Africa) who meets the prescribed periods of physical presence who is physically absent from South Africa for a continuous period of 330 full days is deemed to be a non-resident from the day on which he or she ceased to be physically present in South Africa.

6.6.1.3 A person other than a natural person (i.e. a juristic person or a trust) is a South African tax resident if it is incorporated, established or formed in South Africa or has its place of effective management in South Africa.

6.6.1.4 The definition of a resident specifically excludes any person who is deemed to be exclusively a resident of another country for purposes of an applicable agreement for the avoidance of double taxation entered into between South Africa and the other relevant jurisdiction (a “**DTA**”). Prospective purchasers and subscribers with questions regarding their tax residency should consult their tax advisors.

6.6.2 **Vesting of Settlement Entitlements**

6.6.2.1 In terms of section 8C of the Income Tax Act, any gain or loss made by an employee as a result of the “vesting” of an “equity instrument” during any year of assessment must be included in or deducted from the income of the employee. The section applies to any person who acquired an equity instrument by virtue of their employment. Each of the beneficiaries of The SAB Zenzele Employee Trust received their Settlement Entitlements by virtue of their employment with the SAB Group.

6.6.2.2 The Settlement Entitlements are “equity instruments” which will vest in the beneficiaries on 31 March 2020, when the beneficiaries become entitled to receive AB InBev Shares. As the beneficiaries gave no consideration for their Settlement Entitlements, the gain that will be triggered in the hands of each beneficiary will be equal to the market value of the AB InBev Shares that s/he becomes entitled to on 31 March 2020. This amount will be included in the income of the beneficiary and will be subject to income tax. The SAB Zenzele Administrator will obtain a tax directive from the South African Revenue Service for each beneficiary and will sell a sufficient number of AB InBev Shares on behalf of each beneficiary in order to cover their tax liability. The SAB Zenzele Administrator will pay the tax to the South African Revenue Service.

6.6.2.3 As none of the SAB Zenzele Retailer Shareholders are employed by the SAB Group, section 8C of the Income Tax Act will not apply to the SAB Zenzele Retailer Settlement Entitlements.

6.6.3 **Exchange of SAB Zenzele Shares for AB InBev Shares when the Existing Empowerment Transaction is unwound**

Unless the shares are held on revenue account and section 9C of the Income Tax Act does not apply to deem proceeds on the disposal of the shares to be capital in nature, South African tax residents should be subject to tax at the lower capital gains tax (“**CGT**”) rate on the proceeds derived upon the disposal of their SAB Zenzele Shares. In general, the determination of whether or not shares are held as capital assets is a question of fact and depends primarily upon the intention with which the shares were acquired and held. Section 9C of the Income Tax Act deems certain amounts (excluding dividends) received by or accruing to a shareholder from the disposal of shares to be of a capital nature and therefore subject to CGT, if the shareholder held those shares for a continuous period of at least three years immediately preceding the date of disposal. These provisions may apply to the disposal of the SAB Zenzele Shares depending on each SAB Zenzele Retail Shareholder’s personal circumstances. If the SAB Zenzele Shares are held on revenue account and section 9C of the Income Tax Act does not apply, the disposal will be subject to income tax.

6.6.4 **Capital gains tax**

Upon a disposal of SAB Zenzele Shares as capital assets, a SAB Zenzele Retailer Shareholder is expected to realise a capital gain for South African tax purposes as the proceeds from the disposal should exceed the SAB Zenzele Retailer Shareholder’s base cost in the SAB Zenzele Shares (on the basis that the base cost of the SAB Zenzele Shares will be the subscription price of the SAB Zenzele Shares).

6.6.5 **Income Tax**

SAB Zenzele Retailer Shareholders will be subject to income tax on the proceeds arising upon the disposal of SAB Zenzele Shares if the shares disposed of are held for speculative purposes (i.e. as trading stock) as opposed to capital assets and section 9C of the Income Tax Act does not apply.

- 6.6.6 **Exchange of AB InBev Shares for SAB Zenzele Kabili Ordinary Shares pursuant to the Reinvestment Offer**
- 6.6.6.1 Due to the short shareholding period, section 9C of the Income Tax Act will not apply to the disposal of the AB InBev Shares and, as such, the capital or revenue nature of the proceeds arising in respect of the disposal will be determined by applying South African common law principles.
- 6.6.6.2 Upon a disposal of AB InBev Shares as capital assets, a Qualifying Investor may realise a capital gain or capital loss for South African tax purposes depending on whether the proceeds from the disposal exceed the Qualifying Investor's base cost in the AB InBev Shares (the base cost of the AB InBev Shares should essentially be equal to the market value of the AB InBev Shares on the Effective Date).
- 6.6.6.3 However, if the AB InBev Shares are disposed of to SAB Zenzele Kabili in return for the issue of SAB Zenzele Kabili Ordinary Shares in accordance with section 42 of the Income Tax Act, the disposal will not give rise to a capital gain or a capital loss and the Qualifying Investor's base cost in the AB InBev Shares will be "rolled over" to become the base cost of the SAB Zenzele Kabili Ordinary Shares acquired by the Qualifying Investor.
- 6.6.7 **Disposal of AB InBev Shares / Settlement Entitlements in terms of the Sale Proceeds Settlement**
- 6.6.7.1 Due to the short shareholding period, section 9C of the Income Tax Act will not apply to the disposal of the AB InBev Shares / Settlement Entitlements and, as such, the capital or revenue nature of the proceeds arising in respect of the disposal will be determined by applying South African common law principles.
- 6.6.7.2 Upon a disposal of AB InBev Shares as capital assets, a Qualifying Investor may realise a capital gain or capital loss for South African tax purposes depending on whether the proceeds from the disposal exceed the Qualifying Investor's base cost in the AB InBev Shares.
- 6.6.8 **Securities Transfer Tax**
- 6.6.8.1 Securities Transfer Tax ("**STT**") is a tax levied on every transfer of a security, including a share in a company which is: (i) incorporated, established or formed in South Africa (such as SAB Zenzele Kabili); or (ii) incorporated, established or formed outside South Africa and listed on the JSE (such as AB InBev). The tax is triggered by a transfer of beneficial ownership, including the cancellation of a share. There is no STT payable on the issue of a share by a company.
- 6.6.9 **Vesting of Settlement Entitlements**
- STT could be payable on the transfer of AB InBev Shares to beneficiaries.
- 6.6.10 **Exchange of SAB Zenzele Shares for AB InBev Shares when the Existing Empowerment Transaction is unwound**
- STT could be payable on the disposal of the SAB Zenzele Shares by SAB Zenzele. STT could also be payable on the transfer of the AB InBev Shares to the SAB Zenzele Retailer Shareholders.
- 6.6.11 **Exchange of AB InBev Shares for SAB Zenzele Kabili Ordinary Shares pursuant to the Reinvestment Offer**
- STT will be payable on the transfer of AB InBev Shares to SAB Zenzele Kabili under the Reinvestment Offer, unless the transfer takes place in terms of section 42 of the Income Tax Act and the exemption in section 8(1)(a)(i) of the Securities Transfer Act, No. 25 of 2007 is applicable. No STT will be payable on the issue of shares in SAB Zenzele Kabili.
- 6.6.12 **Disposal of AB InBev Shares in terms of the Sale Proceeds Settlement**
- The purchaser of the AB InBev Shares will be liable for STT payable on the disposal of such shares under the Sale Proceeds Settlement.
- 6.6.13 **Dividends on SAB Zenzele Kabili Shares or AB InBev Shares**
- 6.6.13.1 South Africa imposes a 20% withholding tax on dividends ("**Dividends Tax**") paid by a South African resident company (such as SAB Zenzele Kabili) and a foreign company with shares listed on the JSE (such as AB InBev).
- 6.6.13.2 There is an exemption from Dividends Tax for dividends which are paid to South African resident companies.

6.6.14 Dividends paid to non-resident persons may qualify for a reduced rate of Dividends Tax in terms of an applicable DTA. The exemptions or reduced rates apply provided that the prescribed legal formalities are complied with by the beneficial owners of the dividends (with the beneficial owners essentially being required to, by a date determined by the company paying the dividend, or, if the company has not determined a date, by the date of payment of the dividend, submitted a declaration that the dividend is exempt from Dividends Tax (or is subject to Dividends Tax at a reduced rate) and a written undertaking to inform the company in writing should the circumstances affecting the exemption that applies to the beneficial owner change or should the beneficial owner cease to be the beneficial owner). Accordingly, unless a shareholder qualifies for one of the exemptions provided for, or qualifies to be taxed at a reduced rate of Dividends Tax in terms of the applicable provisions of a DTA and has delivered the required declaration or undertaking as the case may be, a dividend paid to such shareholder in respect of an ordinary share will be subject to Dividends Tax at a rate of 20%.

7. ALLOCATION AND SETTLEMENT OF SAB ZENZELE KABILI ORDINARY SHARES

7.1 Once the Reinvestment Offer closes on **Tuesday, 7 April 2020**, the share allocation process will start, and SAB Zenzele Kabili has full discretion over how the SAB Zenzele Kabili Ordinary Shares are ultimately allocated against receipt of duly completed Participation Forms, save that the procedure below has relevance.

7.2 SAB Zenzele Kabili will allocate such number of SAB Zenzele Kabili Ordinary Shares to be determined in accordance with the Proportional Value formula (as illustrated in **Annexure 1** to this Prospectus), to Qualifying Investors who have duly applied (through the delivery of a duly completed Participation Form) for SAB Zenzele Kabili Ordinary Shares in exchange for their Settlement Entitlement (which, in the case of SAB Zenzele Retailer Shareholders, would be their entitlement remaining after having taken into account the portion of their Settlement Entitlement ceded to SAB Zenzele Kabili pursuant to the SAB Zenzele Scheme, if approved and implemented). Such SAB Zenzele Kabili Ordinary Shares will be listed on, and can be traded on the BEE Segment. Whilst SAB Zenzele Kabili has full discretion over how the SAB Zenzele Kabili Ordinary Shares are ultimately allocated under the Reinvestment Offer, it intends to apply the following allocation principles:

7.2.1 only whole numbers of SAB Zenzele Kabili Ordinary Shares to which Qualifying Investors will become entitled, will be issued and delivered to Qualifying Investors and any fractional entitlements will be rounded: (i) upwards, in the case of fractional entitlements of 0.5 or greater; and (ii) downwards, in the case of fractional entitlements less than 0.5; and

7.2.2 Qualifying Investors who have delivered a duly completed Participation Form indicating the percentage of Settlement Entitlement (which, in the case of SAB Zenzele Retailer Shareholders, would be their entitlement remaining after having taken into account the portion of their Settlement Entitlement ceded to SAB Zenzele Kabili pursuant to the SAB Zenzele Scheme, if approved and implemented) which they are willing to cede pursuant to the Reinvestment Offer will be advised by the SAB Zenzele Administrator how many SAB Zenzele Kabili Ordinary Shares they will be entitled to, subject to the following principles:

- each SAB Zenzele Kabili Ordinary Share will be issued at R40;
- the total number of SAB Zenzele Kabili Ordinary Shares that can be issued pursuant the Reinvestment Offer is capped at the Reinvestment Offer Cap;
- each Qualifying Investor who applies, pursuant to the delivery of duly completed Participation Forms, for SAB Zenzele Kabili Ordinary Shares of up to R5,000, is likely to receive 100% of the value of such application under the Reinvestment Offer (or a maximum of 125 SAB Zenzele Kabili Ordinary Shares in the event that an application is for SAB Zenzele Kabili Ordinary Shares worth R5,000);
- if some (and not all) Qualifying Investors have applied, pursuant to the delivery of duly completed Participation Forms, for SAB Zenzele Kabili Ordinary Shares in excess of R5,000 per application, then settlement of the amount above R5,000 will be considered and will be settled on a *pro rata* basis after having settled those applications between R40 and R5,000;
- to the extent that all (and not only some) Qualifying Investors apply, pursuant to the delivery of duly completed Participation Forms, for SAB Zenzele Kabili Ordinary Shares in excess of R5,000, then the Reinvestment Offer will be oversubscribed (i.e. applications under the Reinvestment Offer in aggregate exceed the Reinvestment Offer Cap), and the consequence of this will be that all such applications in excess of R5,000 per Qualifying Investor will be considered and settled on a *pro rata* basis.

The following table is illustrative of the above:

| Amount applied for: | Rate of allocation¹ |
|----------------------------|---|
| R40 to R5,000 | 100% |
| R5,000 and above | R5,000 plus 100% of the amount above R5,000 subject to the Reinvestment Offer Cap ² , which if breached will result in all offers above R5,000 being settled on a <i>pro rata</i> basis ³ |

Notes:

1. Allocations under the Reinvestment Offer will be granted in increments of R40 per SAB Zenzele Kabili Ordinary Share.
 2. The Reinvestment Offer is capped at R344 million or 8.6 million SAB Zenzele Kabili Ordinary Shares.
 3. Represents a balancing figure. Applications above R5,000 will be settled on a *pro rata* basis.
- 7.3 SAB Zenzele Kabili will provide updates, as and when appropriate, on SENS, the press, its website and *via* SMS, on the allocation process and the Reinvestment Offer in general.
- 7.4 Successful Participants will be notified by way of telephone, email or post of the number of SAB Zenzele Kabili Ordinary Shares allocated to them and the number of AB InBev Shares comprising their Settlement Entitlement that have been ceded to SAB Zenzele Kabili.
- 7.5 The SAB Zenzele Kabili Ordinary Shares allocated to Successful Participants will be issued in Dematerialised form only.
- 7.6 Accordingly, SAB Zenzele Kabili will cause a Dematerialised securities account to be opened with the SAB Zenzele Kabili Administrator (or a third party service provider). On the Effective Date, SAB Zenzele Kabili will cause to be issued and transferred to such Successful Participants, the allocated SAB Zenzele Kabili Ordinary Shares due to them, which will be credited and delivered to either:
- 7.6.1 the securities account with a CSDP or Broker specified by the Successful Participant in the Participation Form; or
 - 7.6.2 if the Successful Participant does not have such a securities account in place, an individual sub-account with a new Dematerialised securities account to be opened with the SAB Zenzele Kabili Administrator (or a third party service provider).

8. RESERVATION OF RIGHTS AND GENERAL DISCRETION

- 8.1 SAB Zenzele Kabili reserves the right to accept or refuse any application pursuant to a duly completed Participation Form as it determines in its sole and absolute discretion, and may reject any application or decline to make any allocation at any time prior to SAB Zenzele Kabili Ordinary Shares being allotted and issued thereunder
- 8.2 SAB Zenzele Kabili reserves the right to appoint a valid BEE Verification Agency, or use other methods acceptable to it, to verify that you are a Qualifying Investor, but shall not be obliged to do so. You remain fully responsible for the accuracy and completeness of the information set out in your Participation Form (*green*) and for all information provided in connection therewith.
- 8.3 SAB Zenzele Kabili also reserves a general discretion to relax or deviate from the specific process or procedures set out herein, including as to cut-off times, and otherwise to exercise a general discretion in respect of its receipt and handling of applications and monies under the Reinvestment Offer. SAB Zenzele Kabili shall further have the right at any time and from time to time to take any action it considers reasonably necessary to correct any errors or omissions which may occur howsoever under or in connection with the Reinvestment Offer, and is authorised by each applicant to take such steps. Although SAB Zenzele Kabili accepts no obligation to do so, this right includes the right to correct payment errors into or from SAB Zenzele Kabili's account and/to reverse allocations and/or issues of SAB Zenzele Kabili Ordinary Shares which are allocated and/or issued to a Qualifying Investor as a result of another Participant using the incorrect unique reference number, and to transfer and/or issue the relevant SAB Zenzele Kabili Ordinary Shares to the intended participant Qualifying Investor, and/or to make fresh issues of SAB Zenzele Kabili Ordinary Shares to Qualifying Investors and/or otherwise register such SAB Zenzele Kabili Ordinary Shares in its name.
- 8.4 Section 3, paragraph 8 on page 53 of this Prospectus applies notwithstanding anything else to the contrary in this Prospectus and provided elsewhere.

9. REPRESENTATION AND EXCLUSION OF LIABILITY

- 9.1 Once you submit a Participation Form (*green*), you shall be deemed to have represented that you were in possession of a copy of this Prospectus at the time of your application.
- 9.2 You agree that SAB Zenzele Kabili, SAB, AB InBev, SAB Zenzele and its and their directors, officers, employees, agents, advisors and contractors shall – to the fullest extent permitted by applicable law – be excluded from any direct or indirect loss, liability or expense howsoever incurred or suffered by you as a direct or indirect result of, or arising from, SAB Zenzele Kabili, SAB, AB InBev, SAB Zenzele's receiving, rejecting, handling, processing or dealing in any way with your application and/or Participation Form (*green*) including in respect of any refunds made or to be made thereunder, and any such claims are waived by you.

10. CONDITION PRECEDENT AND IMPLEMENTATION

The implementation of the Reinvestment Offer and the BEE Listing is conditional on the approval of the SAB Zenzele Scheme by the requisite majority of SAB Zenzele Shareholders and its successful implementation in accordance with its terms as more fully set out in the SAB Zenzele Scheme Circular.

11. VERIFICATION, TRADING AND SETTLEMENT OF SAB ZENZELE KABILI ORDINARY SHARES DURING THE BEE LISTING PERIOD

11.1 Overview

- 11.1.1 The SAB Zenzele Kabili Ordinary Shares which will be issued to Successful Participants pursuant to the Reinvestment Offer and other components of the New Empowerment Transaction will be listed on the BEE Segment. The JSE generally operates on the principle that there are no restrictions in respect of the transferability of the securities that are listed on it. The BEE Segment differs, however, in that the transfer of securities listed on that segment (i.e. BEE Securities) is restricted and may only be made to purchasers that are deemed to be BEE Verified Persons. The JSE Listings Requirements and rules of the JSE provide that BEE Securities may only be transferred between BEE Verified Persons. Notwithstanding the foregoing, as part of the New Empowerment Transaction: (i) certain Qualifying Investors who are not Black Groups will become SAB Zenzele Kabili Ordinary Shareholders on implementation of the New Empowerment Transaction; and (ii) certain beneficiaries of the New ESOP who are not Black People may from time to time become SAB Zenzele Kabili Ordinary Shareholders. In this regard, such persons shall: (i) only be entitled to hold SAB Zenzele Kabili Ordinary Shares in a nominee account with the Custody Entity; (ii) only be entitled to sell, transfer or otherwise dispose of their SAB Zenzele Kabili Ordinary Shares to a BEE Verified Person through the Trading Entity; and (iii) shall not be entitled to acquire any further SAB Zenzele Kabili Ordinary Shares. Should any such person wish to sell, transfer or otherwise dispose of their SAB Zenzele Kabili Ordinary Shares, they will need to contact the SAB Zenzele Kabili Administrator on 0861 900 903 during the hours of 09:00 to 17:00 from Monday to Friday.
- 11.1.2 SAB Zenzele Kabili Ordinary Shares, which would be classified as BEE Securities, may only be traded via a JSE Member who will place an order in the trading system to purchase or sell BEE Securities. Prior to placing the order, the JSE Member must receive confirmation from the issuer of the BEE Securities or its BEE Verification Agent that the proposed registered owner or beneficial owner, as the case may be, qualifies as a BEE Verified Person. Further information regarding the BEE Verification process is laid out in this Section 2B, paragraphs 11.2 through to 11.6 on pages 55 to 56 of this Prospectus.
- 11.1.3 The JSE's settlement authority will monitor for any transactions that are concluded where the purchaser is not a BEE Verified Person and will instruct the JSE member to take applicable actions, as detailed in the JSE's Rules and Directives, to rectify the transaction.
- 11.1.4 The JSE's surveillance department will investigate instances of non-compliance by JSE Members with the JSE Rules and Directives and will instigate disciplinary action, where appropriate.
- 11.1.5 In all other respects, the JSE's ordinary trading rules will apply to the trading of SAB Zenzele Kabili Ordinary Shares. Settlement will take place via the local CSDP, Strate. The principle features of Strate are as follows:
- 11.1.5.1 trades executed on the JSE must be settled on a T+3 basis, being three trading days after the date of the trade;

11.1.5.2 electronic record of ownership has replaced share certificates and the physical delivery thereof; and

11.1.5.3 all investors are required to appoint either a Broker or CSDP to act on their behalf and to handle their settlement requirements.

11.1.6 The BEE Segment operates during the normal JSE trading hours.

11.2 **BEE Verification**

11.2.1 SAB Zenzele Kabili has elected to implement the BEE Listing on the basis that it will be subject to the use of a BEE Verification Agent. Acquiring SAB Zenzele Kabili Ordinary Shares is restricted to BEE Verified Persons and the role of the BEE Verification Agent will be to conduct a BEE Verification process to ensure that only those persons that have been confirmed as a BEE Verified Person may become registered or beneficial owners, as the case may be, of SAB Zenzele Kabili Ordinary Shares.

11.2.2 This means all persons who wish to buy or receive transfer of SAB Zenzele Kabili Ordinary Shares will first have to provide a valid BEE status or complete the BEE Verification process, in terms of which:

- their eligibility to trade in SAB Zenzele Kabili Ordinary Shares will be assessed;
- if confirmed to be a BEE Verified Person, they will be required to accept the relevant Trading Terms and Conditions; and
- they will be required to enter into such contractual and mandate arrangements as required in terms of the trading process they have elected. The nature of the documentation to be completed will depend on which of the three trading processes (as set out in this Section 2B, paragraph 11.3 commencing on page 55 of this Prospectus) has been elected by the BEE Verified Person.

11.2.3 In terms of the JSE Listings Requirements, the JSE Equities Rules and Directives and the Strate Rules and Directives, a Market Participant may not implement a transaction in SAB Zenzele Kabili Ordinary Shares unless it has received confirmation from the BEE Verification Agent that the relevant purchaser is a BEE Verified Person. A BEE Verified Person who wishes to move his/her/its account to another Market Participant is required to complete a BEE Verification process in respect of such new Market Participant.

11.2.4 As part of the New Empowerment Transaction: (i) certain Qualifying Investors who are not Black Groups will become SAB Zenzele Kabili Ordinary Shareholders on implementation of the New Empowerment Transaction; and (ii) certain beneficiaries of the New ESOP who are not Black People may from time to time become holders of SAB Zenzele Kabili Ordinary Shares. In this regard, such persons shall: (i) only be entitled to hold SAB Zenzele Kabili Ordinary Shares in a nominee account with the Custody Entity; (ii) only be entitled to sell, transfer or otherwise dispose of their SAB Zenzele Kabili Ordinary Shares to a BEE Verified Person through the Trading Entity; and (iii) shall not be entitled to acquire any further SAB Zenzele Kabili Ordinary Shares. Should any such person wish to sell, transfer or otherwise dispose of their SAB Zenzele Kabili Ordinary Shares, they will need to contact the SAB Zenzele Kabili call centre, operated by the SAB Zenzele Kabili Administrator on 0861 900 903 during the hours of 09:00 to 17:00 from Monday to Friday.

11.3 **Trading, clearing, settlement and custody of SAB Zenzele Kabili Ordinary Shares**

11.3.1 In order to trade in SAB Zenzele Kabili Ordinary Shares, BEE Verified Persons have the choice to use:

- the Standard Trading Process;
- the Own-Broker Trading Process; or the
- the Off-Market Transfers Process.

11.3.2 The nature of the BEE Verification process will depend on whether the BEE Verified Person will trade using the Standard Trading Process, the Own-Broker Trading Process or the Off-Market Transfers Process.

11.4 **BEE Verification process for the Standard Trading Process**

11.4.1 The Standard Trading Process is the most cost effective and simplest trading process available to BEE Verified Persons. Those investors that make use of this process will not be required to appoint a CSDP or open an account with a Broker and will thus avoid the costs associated therewith.

- 11.4.2 The objective of the Standard Trading Process is to provide a simple, accessible and cost effective trading option to the majority of the holders of SAB Zenzele Kabili Ordinary Shares, who, in the absence of this facility, would not ordinarily and easily access trading in SAB Zenzele Kabili Ordinary Shares through the usual channels for trading listed securities on the JSE.
- 11.4.3 To this end, holders of SAB Zenzele Kabili Ordinary Shares that wish to make use of the Standard Trading Process will enter into a trading mandate with the Trading Entity. The Trading Entity will provide and operate a website and a call centre (with multiple language optionality) and thereby accept buy and sell orders from BEE Verified Persons. The Trading Entity will route these buy and sell orders to the Trading Entity's appointed JSE Member(s) for execution on the JSE. Orders will be taken daily placed on a best execution basis.
- 11.4.4 The trading mandate concluded between the BEE Verified Person and the Trading Entity regulates the process of placing buy and sell orders *via* the website or call centre, which orders the Trading Entity will effect through the Standard Trading Process.
- 11.4.5 BEE Verified Persons will be required to sign a custody and settlement mandate with the Custody Entity, which will hold their Dematerialised SAB Zenzele Kabili Ordinary Shares and cash on their behalf.
- 11.4.6 The Trading Entity will be responsible for settlement and not the JSE nor any other person.

11.5 **BEE Verification process for the Own-Broker Trading Process**

- 11.5.1 SAB Zenzele Kabili shareholders who have not yet been verified as BEE Verified Persons that wish to make use of their own JSE Member or CSDP will be required to follow the Own-Broker Trading Process. This process is more complicated than the Standard Trading Process.
- 11.5.2 Such a person will be required to enter into a SAB Zenzele Kabili BEE Contract (this is a bespoke contract required in respect of the SAB Zenzele Kabili Ordinary Shares and is distinct from the agreement referred to in the JSE Listings Requirements as a "BEE contract"). The SAB Zenzele Kabili BEE Contract must also be signed by SAB Zenzele Kabili, the relevant CSDP, the JSE Member (who will provide broker services to the holder of SAB Zenzele Kabili Ordinary Shares) and each other Market Participant that will act as either an intermediary holder or an intermediary holder that also acts as registered holder in relation to such SAB Zenzele Kabili Shareholder, and in respect of whom such BEE Verified Person has been verified as a BEE Verified Person.
- 11.5.3 SAB Zenzele Kabili shareholders that wish to follow this route will be required to enter into a SAB Zenzele Kabili BEE Contract, which amongst other things will:
 - 11.5.3.1 regulate the custodian relationship applicable to the relevant SAB Zenzele Kabili Ordinary Shares;
 - 11.5.3.2 record the various obligations and responsibilities of the relevant Market Participants;
 - 11.5.3.3 regulate the liability of such market participants if they fail to comply with the SAB Zenzele Kabili BEE Contract;
 - 11.5.3.4 regulate the liability of the BEE Verified Person if they fail to comply with the SAB Zenzele Kabili BEE Contract; and
 - 11.5.3.5 prescribe the minimum requirements for the mandates to be concluded between BEE Verified Persons and the Market Participants, and that such mandates must be approved by SAB Zenzele Kabili.

11.6 **BEE Verification process for the Off-Market Transfers Process**

No Off-Market Transfer of SAB Zenzele Kabili Ordinary Shares may be effected in favour of a buyer or transferee of SAB Zenzele Kabili Ordinary Shares that has not successfully been confirmed as BEE Verified by the BEE Verification Agent. Accordingly, BEE Verified Persons that wish to make use of the Off-Market Transfers Process must do so in compliance with the Off-Market Transfers Process Terms and Conditions. Existing SAB Zenzele Kabili Ordinary Shareholders and prospective shareholders are advised to contact the BEE Verification Agent on 086 111 4003 for guidance as to the BEE Verification process for Off-Market Transfers that do not involve a JSE Member.

11.7 **Controlled Clients**

If a prospective shareholder who has not yet been verified as a BEE Verified Person or a person already verified as being a BEE Verified Person wishes to trade SAB Zenzele Kabili Ordinary Shares as a Controlled Client by way of the Own-Broker Trading Process, they will need to inform the BEE Verification Agent of the identity of the JSE Member with whom they intend opening a trading account. The BEE Verification Agent will, on completion of the BEE Verification process in respect of the prospective shareholder and ratification of the eligibility status of the previously verified BEE Verified Person, issue a confirmation to the nominated JSE Member, which states that the BEE Verification process has been successfully concluded in respect of their client and that as a BEE Verified Person, they may trade in SAB Zenzele Kabili Ordinary Shares.

11.8 **Non-Controlled Clients**

If a prospective shareholder that has not yet been verified as a BEE Verified Person or person already verified as being a BEE Verified Person wishes to trade SAB Zenzele Kabili Ordinary Shares as a Non-Controlled Client of a JSE Member by way of the Own-Broker Trading Process, they will need to inform the BEE Verification Agent of the identity of the JSE Member with whom they intend opening a trading account and the identity of the registered holder and/or CSDP who will hold in safe custody their SAB Zenzele Kabili Ordinary Shares. The BEE Verification Agent will, on completion of the BEE Verification process in respect of the prospective shareholder and ratification of the eligibility status of the previously verified BEE Verified Person, issue a confirmation to the nominated JSE Member and the nominated registered holder and/or CSDP, which states that the BEE Verification process has been successfully concluded in respect of their client and that as a BEE Verified Person, they may trade in SAB Zenzele Kabili Ordinary Shares.

11.9 **Own name client of a CSDP without a trading account with the JSE Member**

If a prospective shareholder that has not yet been verified as BEE Verified Person or a person already verified as being a BEE Verified Person wishes to open an account in their own name (i.e. as a registered shareholder) at a CSDP to hold their SAB Zenzele Kabili Ordinary Shares, and does not have a trading account with a JSE Member, the relevant prospective shareholder or person verified as being a BEE Verified Person will be required to inform the BEE Verification Agent of the identity of the CSDP with whom they intend entering into a mandate arrangement. The BEE Verification Agent will, on completion of the BEE Verification process, issue a confirmation to the nominated CSDP, which states that BEE Verification has been successfully concluded in respect of their client and that as a BEE Verified Person, they may trade in SAB Zenzele Kabili Ordinary Shares.

12. **INDEMNITY GRANTED BY ZENZELE KABILI**

12.1 As SAB Zenzele Kabili has elected to pursue the BEE Listing subject to the use of a BEE Verification Agent, SAB Zenzele Kabili (as an issuer) is required, in terms of Section 4.32B of the JSE Listings Requirements to grant certain indemnities in favour of the JSE and relevant Market Participants in accordance with (but subject to the limitations and qualifications contained in) Section 4.32B of the JSE Listings Requirements. The contents of the indemnities granted by SAB Zenzele Kabili to the JSE are set out in **Annexure 14** of this Prospectus. The giving of such indemnities is required by the JSE as a condition to the BEE Listing.

12.2 In addition to the indemnities required to be given by SAB Zenzele Kabili pursuant to the JSE Listings Requirements, SAB Zenzele Kabili may be required contractually to give other indemnities in favour of its service providers for purposes of and in connection with the BEE Listing, and to any other person for purposes of establishing, implementing and facilitating the infrastructure required for, or incidental to, the BEE Listing. Additionally, the operation of the Own-Broker Trading Process, the Off-Market Transfers Process and the Standard Trading Process (the latter being operated by the Trading Entity and the Custody Entity), together with the BEE Verification Agent, will entail a degree of facilitation or subsidisation by SAB Zenzele Kabili from a costs point of view. The operation of the Standard Trading Process, in particular, is aimed at ensuring an accessible entry point for the bulk of the SAB Zenzele Kabili Ordinary Shareholders within the JSE's listed trading environment.

13. **BEE PRINCIPLES IN ZENZELE MOI**

13.1 Trading in SAB Zenzele Kabili Ordinary Shares will be subject to: (i) the JSE Rules and Directives; (ii) the JSE Listings Requirements; (iii) the SAB Zenzele Kabili MOI; and (iv) the BEE Legislation.

13.2 The SAB Zenzele Kabili MOI imposes certain restrictions on the sale and/or encumbrance of SAB Zenzele Kabili Ordinary Shares and contain various other rights in favour of and/or obligations on Zenzele Shareholders, which include that, for the duration of the BEE Listing Period:

13.2.1 only Eligible Persons shall be permitted to hold SAB Zenzele Kabili Ordinary Shares;

13.2.2 the Company shall not issue SAB Zenzele Kabili Ordinary Shares, securities convertible into SAB Zenzele Kabili Ordinary Shares, or rights exercisable for SAB Zenzele Kabili Ordinary Shares otherwise than to Eligible Persons or approved nominees who will hold such Ordinary Shares on behalf of Eligible Persons; and

13.2.3 no holder of SAB Zenzele Kabili Ordinary Shares shall dispose of or otherwise transfer its SAB Zenzele Kabili Ordinary Shares other than to an Eligible Person or an approved nominee who will hold such SAB Zenzele Kabili Ordinary Shares on behalf of Eligible Persons.

13.3 The SAB Zenzele Kabili MOI prohibits SAB Zenzele Kabili Ordinary Shareholders from giving any instruction to their brokers or CSDPs (or any nominee or intermediary thereof) which would constitute or result in a contravention of the provisions of the SAB Zenzele Kabili MOI and the BEE Listing Terms and Conditions.

13.4 Repurchase right in favour of the Company

13.4.1 SAB Zenzele Kabili shareholders must comply with the above restrictions and obligations of the SAB Zenzele Kabili MOI and failing to do so could result in a Repurchase Event and the relevant SAB Zenzele Kabili Shares being acquired by the Company (or its nominee) at a discount. A “**Repurchase Event**” will arise in respect of a holder of SAB Zenzele Kabili Ordinary Shares (the “**Defaulting Party**”), if, at any time during the BEE Listing Period, that Defaulting Party:

13.4.1.1 being a Black Group, ceases to be a Black Group;

13.4.1.2 has misrepresented or misstated that it/he/she is an Eligible Person;

13.4.1.3 has made a fraudulent, untrue or inaccurate statement in respect of any transfer of SAB Zenzele Kabili Ordinary Shares, or in any documents supporting such transfer, or any information provided to the BEE Verification Agent and/or any other service provider in respect of any transfer of SAB Zenzele Kabili Ordinary Shares which cannot thereafter be verified to the Company's satisfaction; or

13.4.1.4 commits an act, or there arises an event or circumstance (howsoever arising) constituting or resulting in a breach by or in respect of such person (and/or the SAB Zenzele Kabili Ordinary Shares held by him/her/it) of key provisions of the Trading Terms or the SAB Zenzele Kabili MOI, and fails to remedy any such breach within the time period (if any) provided or, if no such express remedy period is provided, within 30 days of receiving written notice from the Company to do so (or such additional period as the Company may agree to in writing).

13.4.2 For so long as the Repurchase Event persists, the Company shall be entitled, but not obliged, by giving written notice to the Defaulting Party (or its nominee) to that effect to require such Defaulting Party to sell to the Company (or its nominee) all its SAB Zenzele Kabili Ordinary Shares (the “**Repurchase Right**”), or such number thereof as the Company may elect (“**Repurchase Shares**”) and the Defaulting Party shall be obliged to sell the Repurchase Shares to the Company (or its nominee). The Repurchase Shares shall be acquired by the Company (or its nominee) at a price equal to 60% of the 30 day volume weighted average price of SAB Zenzele Kabili Ordinary Shares, reckoned from the date on which the Repurchase Right is exercised.

13.5 Exemptions to the BEE restrictions

Notwithstanding any of the above restrictions, the SAB Zenzele Kabili MOI records that as part of the New Empowerment Transaction: (i) certain Qualifying Investors who are not Black Groups will become holders of SAB Zenzele Kabili Ordinary Shares on implementation of the New Empowerment Transaction; and (ii) certain beneficiaries of the New ESOP who are not Black People may from time to time become holders of SAB Zenzele Kabili Ordinary Shares. Such persons shall be entitled to hold SAB Zenzele Kabili Ordinary Shares subject to the restrictions that they shall: (i) only be entitled to hold their SAB Zenzele Kabili Ordinary Shares in a nominee account with the Custody Entity; (ii) only be entitled to sell, transfer or otherwise dispose of their SAB Zenzele Kabili Ordinary Shares to a BEE Verified Person through the Trading Entity; and (iii) not be entitled to acquire any further SAB Zenzele Kabili Ordinary Shares.

SECTION 3: STATEMENTS AND REPORTS RELATING TO THE REINVESTMENT OFFER

[Reg 56]

1. STATEMENT AS TO ADEQUACY OF CAPITAL [Reg 74]

The Directors are of the opinion that the issued share capital and working capital of SAB Zenzele Kabili will be adequate for the purpose of the business of SAB Zenzele Kabili, for at least 12 months after the date of this Prospectus.

2. REPORT BY ZENZELE KABILI DIRECTORS AS TO MATERIAL CHANGES [Reg 75]

The Directors report that, other than in terms of this Prospectus and the SAB Zenzele Scheme Circular, there has been no material change in the assets or liabilities or the financial and trading position of SAB Zenzele Kabili since the date of incorporation on 5 December 2019 until the issue date of this Prospectus.

3. STATEMENT AS TO LISTING ON STOCK EXCHANGE [Reg 76]

3.1 SAB Zenzele Kabili applied to the JSE and the JSE has granted SAB Zenzele Kabili a listing of the Settlement Shares in the Non-equity Investment Instruments sub-sector, in the BEE Segment under the full name “SAB Zenzele Kabili Holdings (RF) Limited” with the abbreviated name of “*SABKabili*” (the JSE share code will be “SZK” and the ISIN will be ZAE000284196. It is anticipated that the BEE Listing will be effective as from the commencement of trade on **Wednesday, 15 April 2020**.

3.2 SAB Zenzele Kabili will list on the BEE Segment pursuant to the use of a BEE Verification Agent as contemplated in the JSE Listings Requirements. The SAB Zenzele Kabili Ordinary Shares will only be traded on the JSE in Dematerialised form.

4. REPORT BY AUDITOR WHERE THE COMPANY WILL ACQUIRE A SUBSIDIARY [Reg 78]

The acquisition by SAB Zenzele Kabili of AB InBev Shares pursuant to the New Empowerment Transaction will not result in AB InBev becoming a subsidiary of SAB Zenzele Kabili. Accordingly, no report of an auditor contemplated in Regulation 78 of the Companies Regulations is contained in this Prospectus.

5. PRO FORMA FINANCIAL INFORMATION

5.1 The table below sets out the *pro forma* financial effects of the New Empowerment Transaction and has been prepared for illustrative purposes only, in order to enable Qualified Investors to assess the impact the New Empowerment Transaction would have if it were implemented on the dates indicated in the notes below, and because of its nature may not fairly present the financial position and results of operations.

5.2 The *pro forma* financial effects have been prepared using the accounting policies of SAB Zenzele Kabili which are consistent with IFRS and the historical financial information referred to in this Section 3, paragraph 6.1 on page 60.

5.3 The preparation of the *pro forma* financial effects is the responsibility of the Directors. Consistent with the foregoing, the *pro forma* financial effects set out in the table below are based on available information and certain assumptions and estimates, which the Board believe, are reasonable.

5.4 The *pro forma* figures below have been given no greater prominence than unadjusted financial figures, are presented in a manner consistent with both the format and accounting policies adopted in the historical financial information of SAB Zenzele Kabili and adjustments have been quantified on the same basis as would normally be calculated in preparing financial statements.

| Rands | Before the Transaction Note 1 | <i>Pro forma</i> After the Transaction Note 2 |
|-----------------------------|--|---|
| Net asset value per share | nil | 60.00 |
| Earnings per share (note 3) | – | n/m |
| Shares in issue | nil | 40,550,000 |

Notes:

1. Extracted from audited historical financial information of SAB Zenzele Kabili as at 31 January 2020.
 2. The financial information included in the “*Pro forma* After the Transaction” column has been prepared based on SAB Zenzele Kabili’s published audited results for the period ended 31 January 2020 adjusted for the effects of the New Empowerment Transaction. The detailed notes in respect of the assumptions applied in arriving at the “*Pro forma* After the New Empowerment Transaction” amounts are included in **Annexure 8**.
 3. *Pro forma* earnings per share is not meaningful as the quantum of income and expenditure to be earned and incurred by SAB Zenzele Kabili is currently uncertain and subject to future decisions.
- 5.5 The *pro forma* financial effects set out above, should be read in conjunction with the full *pro forma* statement of financial position, and related detailed notes and assumptions, as set out in **Annexure 8** to this Prospectus, together with the reasonable assurance report of the Independent Reporting Accountant set out in **Annexure 9** to this Prospectus.

6. FINANCIAL INFORMATION

6.1 Historical financial information

The historical financial information of SAB Zenzele Kabili are set out in **Annexure 10** to this Prospectus, and the Independent Reporting Accountant’s report on the historical financial information is set out in **Annexure 11** to this Prospectus.

6.2 *Pro forma* financial information

The *pro forma* financial effects of the New Empowerment Transaction on SAB Zenzele Kabili are set out in **Annexure 8** to this Prospectus, and the Independent Reporting Accountant’s report on the *pro forma* financial information of SAB Zenzele Kabili is set out in **Annexure 9** to this Prospectus.

6.3 Report by auditor of SAB Zenzele Kabili [Reg 79]

In terms of Regulation 79 of the Companies Regulations, the auditor is required to prepare a report on the profits and losses, dividends and assets and liabilities of the Company. In this regard, **Annexure 12** of this Prospectus sets out the auditor’s report in respect of the financial information required.

SECTION 4: ADDITIONAL MATERIAL INFORMATION [Reg 56]

1. LITIGATION STATEMENT

There are no legal or arbitration proceedings, including any proceedings that are pending or threatened, of which SAB Zenzele Kabili is aware, that may have or have had in the recent past, being at least the previous 12 months, a material effect on SAB Zenzele Kabili's financial position.

2. ADVISOR'S INTERESTS

None of SAB Zenzele Kabili's Transaction Sponsor, corporate advisor, legal advisor, BEE Verification Agent, the SAB Zenzele Kabili Administrator nor the Independent Reporting Accountant have an interest in the issued share capital of SAB Zenzele Kabili as at the Last Practicable Date.

3. EXPERTS' CONSENTS

Each of SAB Zenzele Kabili's Transaction Sponsor, corporate advisor, legal advisor, BEE Verification Agent, the SAB Zenzele Kabili Administrator and the Independent Reporting Accountant, have consented in writing to act in the capacity stated and to its name being stated in this document and has not withdrawn its consent prior to the publication of this document.

4. DIRECTORS' AND SAB ZENZELE KABILI'S RESPONSIBILITY STATEMENT

4.1 The Directors, whose names are given in Section 1, paragraph 2.1.2 on page 28 of this Prospectus, collectively and individually, accept full responsibility for the accuracy of the information given herein and certify that, to the best of their knowledge and belief, no facts have been omitted the omission of which would make any statement false or misleading in any material way and that they have made all reasonable enquiries to ascertain such facts and that this Prospectus contains all information required by law, the prospectus requirements under the Companies Act and Companies Regulations and the pre-listing disclosure requirements under the JSE Listings Requirements.

4.2 SAB Zenzele Kabili accepts full responsibility for the accuracy of the information given herein and certifies that, to the best of its knowledge and belief, no facts have been omitted the omission of which would make any statement false or misleading in any material way and all reasonable enquiries have been made to ascertain such facts and that this Prospectus contains all information required by law, the prospectus requirements under the Companies Act and Companies Regulations and the pre-listing disclosure requirements under the JSE Listings Requirements.

5. EXCHANGE CONTROL

5.1 The Company is not aware of any Qualifying Investors who are South African non-residents from an Exchange Control perspective. However, to the extent that any Qualifying Investors are South African non-residents, such Qualifying Investors are referred to the following summary:

5.1.1 South African law provides for Exchange Controls which, amongst other things, regulate the flow of capital from the "**Common Monetary Area**" which comprises South Africa, the Republic of Namibia and the Kingdoms of Lesotho and eSwatini. The Currency and Exchanges Act No. 9 of 1933 empowers the President of South Africa to make regulations in relation to any matter directly or indirectly relating to currency, banking or exchanges. The South African Minister of Finance is responsible for all matters regarding exchange control policy, and certain of these powers and functions have been delegated to the Financial Surveillance Department of the South African Reserve Bank. The Financial Surveillance Department has wide discretion in how it administers Exchange Controls. Such discretion is subject to the policy guidelines laid down by the Minister of Finance, the Director General of the South African Department of Finance and the South African Reserve Bank.

5.1.2 Certain South African banks have been appointed to act as "**Authorised Dealers**". Authorised Dealers may buy and sell foreign exchange subject to conditions and within limits prescribed by the Financial Surveillance Department of the South African Reserve Bank.

5.1.3 The Authorised Dealers are also required to assist the Financial Surveillance Department in administering the regulations, rulings and circulars of the Financial Surveillance Department regarding the implementation of Exchange Controls. All applications to the

Financial Surveillance Department are required to be made through an Authorised Dealer. The Exchange Control rulings, issued by the Financial Surveillance Department, set out the conditions, permissions and limits applicable to transactions in foreign exchange which Authorised Dealers may undertake, as well as details of related administrative responsibilities. The Currency and Exchanges Manual for Authorised Dealers, which is administered by the Financial Surveillance Department is applied and regulates transactions involving South African exchange control residents, including companies. Each member of the Common Monetary Area applies Exchange Controls in a similar manner and residents may only transact through an Authorised Dealer in the country in which they are resident.

- 5.1.4 The broad ambit of South African exchange control regulation is to prohibit the export of capital from South Africa by South African residents. It is the stated objective of the authorities to achieve equality of treatment between residents and non-residents for exchange control purposes as it relates to inflows and outflows of capital. While the South African government has relaxed Exchange Controls in recent years (as announced from time to time in budget speeches and medium-term budget policy statements issued by the South African Minister of Finance), the Company expects current Exchange Controls to remain in place for the foreseeable future.
- 5.1.5 Any Qualifying Investor resident outside the Common Monetary Area who wishes to participate in the Reinvestment Offer should obtain advice as to whether any governmental and/or other legal consent is required and/or any other formality must be observed to enable them to subscribe for SAB Zenzele Kabili Ordinary Shares.
- 5.1.6 Where a Qualifying Investor subscribes for SAB Zenzele Kabili Ordinary Shares and such SAB Zenzele Kabili Ordinary Shares are subsequently re-materialised and issued in certificated form, they will be endorsed 'Non-Resident' in terms of the Exchange Control Regulations.
- 5.2 Further to the above summary, and in line with the provisions of the The Currency and Exchanges Manual for Authorised Dealers, the Company is required to include the following disclosure in this Prospectus:

"In terms of the Exchange Control Regulations of South Africa:

1. *a former resident of the Common Monetary Area who has emigrated, may use funds in the emigrant capital account to subscribe for shares in terms of this prospectus;*
2. *all payments in respect of subscriptions for shares by an emigrant, using funds from an emigrant's capital account, must be made through the Authorised Dealer controlling the remaining assets;*
3. *any 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;*
4. *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; and*
5. *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 prospectus, 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.*
6. *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."*

6. DOCUMENTS AVAILABLE FOR INSPECTION [Reg 53]

- 6.1 The following documents, or copies thereof, will be available for inspection at the registered offices of SAB Zenzele Kabili from **19 February 2020 to 7 April 2020**, during normal business hours:
- 6.1.1 the SAB Zenzele Kabili MOI;
 - 6.1.2 a signed copy of this Prospectus;
 - 6.1.3 the New Empowerment Transaction Agreements to which SAB Zenzele Kabili is a party;
 - 6.1.4 the written consents of experts and advisors referred to in this Section 4, paragraph 3 on page 61 of this Prospectus;

- 6.1.5 the letter of appointment of the non-executive Directors as briefly described in **Annexure 3**;
- 6.1.6 the report of historical financial information of SAB Zenzele Kabili as set out in **Annexure 10**;
- 6.1.7 the Independent Reporting Accountant's report of historical financial information of SAB Zenzele Kabili as set out in **Annexure 11**; and
- 6.1.8 the Independent Reporting Accountant's report on the *pro forma* financial information of SAB Zenzele Kabili as set out in **Annexure 9**;
- 6.1.9 the Independent Reporting Accountant's report in terms of regulation 79 of the Companies Regulations as set out in **Annexure 12**.

7. DOCUMENTS INCORPORATED BY REFERENCE

The following information has been incorporated by reference and is available for viewing on the URLs indicated below:

| Information incorporated by reference: | Specific location on website: |
|--|---|
| Historical financial information of AB InBev for the three financial years ended 31 December 2016, 2017 and 2018 | https://www.ab-inbev.com/investors.html . |
| SAB Zenzele Kabili King Code (IV) Compliance Register | www.investecsps.co.za |

SECTION 5: ADDITIONAL INFORMATION CONCERNING AB INBEV

Given that successful implementation of the New Empowerment Transaction will result in SAB Zenzele Kabili owning AB InBev Shares, and such shares representing the sole asset of SAB Zenzele Kabili and consequently the performance of SAB Zenzele Kabili and the value of SAB Zenzele Kabili Shares will be dependent on the performance of the AB InBev Shares, the additional information set out below relating to AB InBev is provided.

Importantly, the information below has been presented for the benefit of Qualifying Investors and has been derived from publicly available sources and information made available to SAB Zenzele Kabili. Consequently, the integrity of the information quoted below, is dependent on the accuracy and completeness of publicly available information, and such information has not been independently reviewed by the Directors. Subject to the foregoing, and to the maximum extent permitted by law, SAB Zenzele Kabili and the Directors and officers disclaim all liability for information concerning AB InBev included in this Prospectus.

1. ABOUT AB INBEV

The information reflected in this Section 5, paragraph 1 on page 64 through to page 65 of this Prospectus has been sourced from: (i) the AB InBev annual report for the financial year end 31 December 2018; (ii) Form 20-F for the financial year ended 31 December 2018; and (iii) the unaudited interim results for the six month period ended 30 June 2019. Copies of which are available on AB InBev's website at: <https://www.ab-inbev.com/investors.html>. Such information has not been independently reviewed, audited, verified or updated by SAB Zenzele Kabili, SAB and/or any of its or their directors, employees, professional advisors, external auditors or the like, and no such persons take any responsibility for the accuracy or completeness of its contents, or the matters reflected therein.

1.1 Business

1.1.1 AB InBev is the world's largest brewer by volume and one of the world's top ten consumer products companies by revenue. As a consumer-focused, insights-driven company, it produces, markets, distributes and sells a diversified portfolio of well over 500 beer and other malt beverage brands. These include brands with significant international distribution, such as Budweiser, Corona (except in the United States), Stella Artois, Beck's, Leffe, Hoegaarden, Castle Lager (except in the United States), Castle Lite (except in the United States), and Redd's (except in the United States); and brands primarily distributed to local markets such as Bud Light and Michelob Ultra in the United States; Corona Light, Modelo Especial, Negra Modelo, Victoria and Pacifico in Mexico; Skol, Brahma and Antarctica in Brazil; Aguila and Poker in Colombia; Cristal and Pilsen Callao in Peru; Quilmes in Argentina; Jupiler in Belgium and the Netherlands; Franziskaner in Germany; Carling Black Label and Hansa Pilsener in South Africa; Hero in Nigeria; Safari and Kilimanjaro in Tanzania; Harbin and Sedrin in China; Cass in South Korea; and Victoria Bitter and Carlton Draught in Australia. AB InBev also produces and distributes soft drinks, particularly in Central and South America and Africa, and near beer products, such as the Rita family and Bon & Viv Spiked Seltzer in the United States; Palm Bay and Mike's Hard Lemonade in Canada; and Lexington Hill in Australia.

1.1.2 AB InBev's dedication to quality goes back to a brewing tradition of more than 600 years with the Den Hoorn brewery in Leuven, Belgium, as well as the pioneering spirit of the Anheuser & Co. brewery, with origins in St. Louis, U.S.A. since 1852, and the history of the South African Breweries with its origins in Johannesburg in 1895. As of 31 December 2018, it employed approximately 175,000 people based in nearly 50 countries worldwide. As a result, it has a global footprint with a balanced exposure to developed and developing markets and production facilities spread across its geographic regions.

1.2 Registration and main corporate details

AB InBev was incorporated on 3 March 2016 for an unlimited duration under the laws of Belgium under the original name Newbelco SA/NV. It has the legal form of a public limited liability company (naamloze vennootschap/société anonyme). Its registered office is located at Grand-Place/Grote Markt 1, 1000 Brussels, Belgium, and it is registered with the Register of Legal Entities of Brussels under the number 0417.497.106. Its global headquarters are located at Brouwerijplein 1, 3000 Leuven, Belgium (tel.: +32 16 27 61 11). AB InBev is a publicly traded company, with a primary listing on Euronext Brussels under the symbol "ABI". It also has secondary listings on the Johannesburg Stock Exchange under the symbol "ANH" and the Mexican Stock Exchange under the symbol "ANB". American depositary shares representing rights to receive AB InBev Shares are listed and trade on the NYSE under the symbol "BUD".

1.3 History and development of the company

AB InBev's dedication to quality goes back to a brewing tradition of more than 600 years and the Den Hoorn brewery in Leuven, Belgium. In 1717, Sébastien Artois, master brewer of Den Hoorn, took over the brewery and renamed it Sébastien Artois. In 1987, the two largest breweries in Belgium merged: Brouwerijen Artois NV, located in Leuven, and Brasserie Piedboeuf SA, founded in 1853 and located in Jupille, resulting in the formation of Interbrew S.A. Interbrew operated as a family-owned business until December 2000, the time of its initial public offering on Euronext Brussels. The period since the listing of Interbrew on Euronext Brussels has been marked by increasing geographical diversification. Since 2000, AB InBev has completed the following major combinations, acquisitions and sales:

- In 2002, Interbrew acquired Beck's for 3.5 billion German marks.
- In 2004, Interbrew combined with Ambev, a Brazilian company originally formed by the combination of Brahma and Antarctica in 1999 –2000, resulting in the creation of InBev. Ambev is listed on the New York Stock Exchange and on the São Paulo Stock Exchange. As of 31 December 2018, AB InBev had a 61.9% voting and economic interest in Ambev.
- In July 2008, InBev combined with Anheuser-Busch Companies by way of an offer for USD 54.8 billion, as a result of which AB InBev changed its name to Anheuser-Busch InBev SA/NV.
- In 2013, AB InBev announced the completion of its combination with Grupo Modelo in a transaction valued at USD 20.1 billion, following which AB InBev owned approximately 95% of Grupo Modelo's outstanding shares. AB InBev acquired the remaining shares via a mandatory tender offer, which completed in August 2015.
- In 2013, in another transaction related to the combination with Grupo Modelo, Grupo Modelo completed the sale of its U.S. business to Constellation Brands, Inc. for approximately USD 4.75 billion, in aggregate. The transaction included the sale of Grupo Modelo's Piedras Negras brewery, Grupo Modelo's 50% stake in Crown Imports and perpetual rights to certain of Grupo Modelo's beer brands in the United States. As a consequence, AB InBev granted Constellation Brands, Inc. the exclusive and perpetual right to market and sell Corona and certain other Grupo Modelo beer brands in the 50 states of the United States, the District of Columbia and Guam. In December 2016, AB InBev also completed the sale of its brewery plant located in Obregón, Sonora, México to Constellation Brands, Inc. for a sale price of approximately USD 600 million.
- In October 2016, AB InBev completed its combination with SABMiller, valued at a gross purchase consideration of USD 114 billion.
- On 30 March 2018, AB InBev combined Russia and Ukraine businesses with those of Anadolu Efes through the creation of a new company called AB InBev Efes ("AB InBev Efes"). Following the closing of this transaction, the newly combined business is fully consolidated into Anadolu Efes.

1.4 Main markets

AB InBev is a global brewer, with sales in over 150 countries across the globe. The last two decades have been characterized by rapid growth in fast-growing developing markets, notably in certain regions of Africa, Asia and Central and South America, where it has significant sales. Each market in which it operates has its own dynamics and consumer preferences and trends. Given the breadth of its brand portfolio, it believes that it is well-placed to address changing consumer needs in the various categories (premium, core and value) within any given market. It is organized into six segments for financial reporting purposes. The six segments are:

- North America;
- Middle Americas;
- South America;
- EMEA;
- Asia Pacific; and
- Global Export and Holdings Companies.

1.5 **Annexure 13** to this Prospectus sets out the aggregate volumes and values traded in AB InBev Shares, and the highest and lowest prices traded, for each month over the 12 months prior to the date of issue of this Prospectus and for each day over the 30 days preceding the Last Practicable Date.

1.6 For further information in respect of AB InBev, Qualifying Investors are referred to its (i) the Annual Report for the financial year ended 31 December 2018; (ii) Form 20-F for the financial year ended 31 December 2018; and (iii) the unaudited interim results for the six month period ended 30 June 2019 (copies of which are available on AB InBev's website at: <https://www.ab-inbev.com/investors.html>).

2. **SHARE CAPITAL OF AB INBEV**

2.1 AB InBev's share capital is divided into two classes of shares, being ordinary shares and restricted shares. For further details on the rights and preferences attaching to AB InBev's ordinary and restricted shares, please refer to AB InBev's Corporate Governance Charter and Bylaws (copies of which are available on AB InBev's website at: <https://www.ab-inbev.com/investors/corporate-governance/corporate-governance-documents.html>).

2.1.1 As at 31 December 2019 AB InBev had a total of 2,019,241,973 issued shares, consisting of:

2.1.2 1,693,242,156 ordinary shares which are admitted to trading on Euronext Brussels (including 59,862,847 ordinary shares held in treasury by AB InBev and certain of its subsidiaries); and

2.1.3 325,999,817 restricted shares which are unlisted, not admitted to trading on any stock exchange, not capable of being deposited in an American Depositary Receipt program and are subject to, among other things, restrictions on transfer until converted into AB InBev ordinary shares, subject to certain limited exceptions. The restricted shares will be convertible at the election of the holder into AB InBev ordinary shares on a one-for-one basis with effect from 10 October 2021. The restricted shares rank equally with AB InBev ordinary shares as regards dividends and voting rights.

3. **RISK FACTORS ASSOCIATED WITH THE BUSINESS OF AB INBEV**

3.1 **Risks related to AB InBev's business and AB InBev Shares**

The performance and market price of AB InBev Shares is subject to fluctuations due to, amongst other things, changes in sentiment in the market in response to various facts and events, any regulatory changes affecting its operations, variations in AB InBev's results of operations and the business developments of AB InBev or its competitors or changes in financial estimates by securities analysts. Stock markets have, from time to time, experienced significant price and volume fluctuations that have affected the market prices for securities and which may be unrelated to its business model, activities or prospects. Furthermore, its prospects may, from time to time, be below the expectations of market analysts and investors. Any of these events could adversely affect the performance and market price of AB InBev Shares, and AB InBev cannot ensure that the public trading market prices of AB InBev Shares will not decline.

3.2 **Regulatory and compliance risk**

Changes in laws and regulations and/or governmental interpretations of such laws and regulations may have a material adverse effect on AB InBev's business, financial condition, results of operations and prospects. Furthermore, changes in laws and regulations and/or governmental interpretations of such laws and regulations may require AB InBev to devote a significant amount of time and resources to assess and, if required, to adjust its business model to any such changes, which could also have a material adverse effect on its business, financial condition and prospects. Any significant delays in assessing the impact and/or, if required, in adapting to changes in laws and regulations and/or governmental interpretations of such laws and regulations may also have a material adverse effect on its business, financial condition, results of operations and prospects.

3.3 **Risks associated with litigation and regulatory proceedings**

AB InBev is involved, from time to time, as a party to various lawsuits, arbitrations, regulatory proceedings or other disputes. Litigation, arbitration, regulatory proceedings and other types of disputes involve inherent uncertainties and, as a result, AB InBev faces risks associated with adverse judgments or outcomes in these matters. Even in cases where AB InBev may ultimately prevail on the merits of any such dispute, AB InBev may face significant costs defending its rights, lose certain rights or benefits during the pendency of any such litigation, arbitration, regulatory proceeding or other dispute, or suffer reputational damage as a result of its involvement therewith. AB InBev may be exposed to onerous tax liabilities, cash flow pressures and unwarranted reputational risk. There can be no assurance as to the outcome of any litigation, arbitration, regulatory proceeding or other dispute, and the adverse determination of material litigation could have a materially adverse effect on its business, operating results and financial condition.

3.4 **There are risks associated with investing in emerging markets such as South Africa**

South Africa is generally considered by international investors to be an emerging market. Emerging markets are typically thought to have certain characteristics and be subject to many risks, including:

- adverse changes in economic and governmental policy;
- abrupt changes in currency values;
- high levels of inflation;
- relatively low levels of disposable consumer income;
- relatively high levels of crime;
- volatility in capital markets;
- relatively unstable institutions;
- unpredictable changes in the legal and regulatory environment;
- inconsistent application of existing laws and regulations;
- slow or insufficient legal remedies; and
- Ethical sourcing of product.

AB InBev cannot assure investors that political, economic, social and other developments in South Africa will not have a material adverse effect on its business, financial condition, results of operations and prospects or the value of the ordinary shares.

SECTION 6: INAPPLICABLE OR IMMATERIAL MATTERS [Reg 56]

The following paragraphs of the Companies Regulations dealing with the requirements for a Prospectus are not applicable to this Prospectus:

| Regulation Number | Regulation Heading |
|--------------------------|---|
| 52(2) | Signing, date and issue, of prospectus |
| 54(2) | General statement of required information |
| 54(3) | General statement of required information |
| 55 | Specific matters to be addressed for a limited offer |
| 57(2) | Name, address and incorporation |
| 57(3)(b) | Name, address and incorporation |
| 59(4) | History, state of affairs and prospects of the company |
| 64(2)(c) | Interest of directors and promoters |
| 73(4)(a) – (f) | Minimum subscription |
| 77 | Report by auditor where business undertaking to be acquired |
| 78 | Report by auditor where company will acquire a subsidiary |
| 80 | Requirements for prospects of mining company |

By order of the Board **[Reg 52 (1), (3), (4) and (5)]**

19 February 2020



SAB Zenzele Kabili Holdings (RF) Limited
c/o The South African Breweries Limited
65 Park Lane
Sandown
Sandton
2196

ANNEXURE 1: PROPORTIONAL VALUE WORKED EXAMPLE

The definitions and interpretations commencing on page 17 of the Prospectus apply, *mutatis mutandis*, to this Annexure unless the context provides otherwise.

The table below illustrates the number of SAB Zenzele Kabili Ordinary Shares to be issued to each category of Qualifying Investor following the implementation of the SAB Zenzele Scheme and the Reinvestment Offer, based on a range of amounts invested in 2010, and by implication the number of SAB Zenzele Shares acquired. SAB Zenzele Kabili Ordinary Shares will be issued at a fixed subscription price of R40 per share. The number of SAB Zenzele Kabili Ordinary Shares to be issued to a Qualifying Investor will be determined by dividing the portion of Settlement Entitlement reinvested, by the R40 subscription price.

| Amount invested in 2010 (category of Qualifying Investor) ¹ | Number of SAB Zenzele Shares acquired in 2010 ² | Value of Settlement Entitlements at unwind date ³ | Reinvestment election | | | | | Number of SAB Zenzele Kabili Ordinary Shares acquired ⁵ | | | | |
|--|--|--|-----------------------|---------|---------|----------|----------|--|-------|-------|-------|-------|
| | | | 5% | 10% | 15% | 20% | 25% | | | | | |
| R100 | 317 | R76,738 | R3,837 | R7,674 | R11,511 | R15,348 | R19,184 | 96 | 192 | 288 | 384 | 480 |
| R2,500 | 634 | R153,476 | R7,674 | R15,348 | R23,021 | R30,695 | R38,369 | 192 | 384 | 576 | 767 | 959 |
| R5,000 | 951 | R230,214 | R11,511 | R23,021 | R34,532 | R46,043 | R57,553 | 288 | 576 | 863 | 1,151 | 1,439 |
| R7,500 | 1,268 | R306,952 | R15,348 | R30,695 | R46,043 | R61,390 | R76,738 | 384 | 767 | 1,151 | 1,535 | 1,918 |
| R10,000 | 1,585 | R383,690 | R19,184 | R38,369 | R57,553 | R76,738 | R95,922 | 480 | 959 | 1,439 | 1,918 | 2,398 |
| R12,500 | 1,902 | R460,428 | R23,021 | R46,043 | R69,064 | R92,086 | R115,107 | 576 | 1,151 | 1,727 | 2,302 | 2,878 |
| R14,306 | 2,131 | R515,863 | R25,793 | R51,586 | R77,379 | R103,173 | R128,966 | 645 | 1,290 | 1,934 | 2,579 | 3,224 |

Notes and assumptions:

1. This column illustrates a range of amounts originally invested by Qualifying Investors in the Existing Empowerment Transaction in 2010, and accordingly is indicative of categories of Qualifying Investors.
2. This column illustrates the number of SAB Zenzele Shares which each Qualifying Investor holds.
3. This column illustrates the total Rand value of the Settlement Entitlement which each category of Qualifying Investor may be entitled to on the unwind of the Existing Empowerment Scheme (before taxes and related transaction costs, and in the case of SAB Zenzele Retailer Shareholders, before cession of SAB Zenzele Scheme Entitlement pursuant to SAB Zenzele Scheme). **Please note that, in the case where a Qualifying Investor is a SAB Zenzele Retailer Shareholder, the values reflected in this column do not yet take into account the portion of the Settlement Entitlement of a SAB Zenzele Retailer Shareholder (i.e. the SAB Zenzele Scheme Entitlements) ceded to SAB Zenzele Kabili pursuant to the SAB Zenzele Scheme. Consequently, an appropriate adjustment of the numbers and figures in the column titled "Reinvestment election" will be made in respect of any reinvestment election by a SAB Zenzele Retailer Shareholder pursuant to the Reinvestment Offer, to recognise that such reinvestment election would be made in respect of 85% of their current Settlement Entitlement value illustrated in the column "Value of Settlement Entitlements at unwind date" (given that 15% of their total Settlement Entitlement would already have been ceded to pursuant to the SAB Zenzele Scheme if approved and implemented).**
4. This column assumes an election by each category of Qualifying Investor of a certain percentage of their Settlement Entitlement and indicates the current Rand value of entitlements that would be reinvested into SAB Zenzele Kabili.
5. This column indicates the amount of SAB Zenzele Kabili Ordinary Shares which each category of Qualifying Investor would be entitled to, relative to the Rand value which it elected to reinvest, divided by 40 (which number represents the issue price of R40 for each Zenzele Kabili Ordinary Shares).

ANNEXURE 2: DIRECTORSHIPS OF SAB ZENZELE KABILI DIRECTORS

The definitions and interpretations commencing on page 17 of the Prospectus apply, *mutatis mutandis*, to this Annexure, unless the context provides otherwise.

The companies and partnerships of which the Directors have been directors or partners at any time during the previous five years preceding the Last Practicable Date are set out below:

Moses Modidima Ngoasheng

| Current | Designation |
|---|---|
| Dimension Data | Non-Executive Director |
| Global Credit Rating Co | Non-Executive Director |
| Modidima Ventures | Director |
| Safika Holdings | Deputy Chairman and Chief Executive Officer |
| Unitrade 1239 | Director |
| South African Golf Development Board | Non-Executive Director |
| Safika | Director |
| Safika House | Director |
| Safika Resources | Director |
| Modidima Properties | Director |
| Temo Capital | Director |
| Ntsimbintle Holdings | Director |
| Tutuwa Strategic Holdings 2 | Director |
| Ntsimbintle Holdings | Director |
| Dangote Cement South Africa | Alternate Director |
| Sephaku Holdings | Non-Executive Director |
| The Ernie Els and Fancourt Foundation | Chairman |
| Temo Capital 2 | Director |
| Safika Industrial | Director |
| Safika Two Investments | Director |
| Investec Property Fund | Non-Executive Director |
| Safika Iron Ore | Director |
| Ntsimbintle Mining | Director |
| Mokobela Investments Holdings | Director |
| Nelson Mandela Children's Hospital | Director |
| Mokala Manganese | Director |
| Circumq IP (RF) | Director |
| Circumq Trading (RF) | Director |
| Safika International Holdings | Director |
| Khwara Manganese | Director |
| KGI Holdings | Director |
| Dimension Data Middle East and Africa | Non-Executive Director |
| Dimension Data Investments South Africa | Director |
| MSQ Health | Chairman |
| Shankwazi Coal Trading | Director |
| SAB Zenzele Kabili Holdings | Non-Executive Director |
| Previous | Designation |
| Kemtek Imaging Systems Holdings | Director |
| Resultant Finance | Director |
| Dangote Cement South Africa | Alternate Director |
| Branch Engineering | Director |
| SG Coal | Director |
| Capricorn Fm | Director |
| Molapo Technology** | Director |
| Safika Cement Holdings | Director |
| Safika Logistics Holdings | Director |

Moses Modidima Ngoasheng

| Previous | Designation |
|--|------------------------|
| PL Steel Services | Director |
| View Tanks | Director |
| Central Welding Works | Director |
| Friedshelf 1239 | Director |
| The South African Breweries | Non-Executive Director |
| Torre Industries | Non-Executive Director |
| Sabsa Holdings | Director |
| Izandla Property Fund | Non-Executive Director |
| Mprojects | Director |
| Mokobela Moneko | Director |
| 8 Mile Investments 511 | Director |
| Andisa Capital | Director |
| Andisa Capital Investments | Director |
| Andisa Consortium | Director |
| Benefit Recovery Services | Director |
| Biopath Laboratories | Director |
| Bohwa 1 Gaming | Director |
| Castle Cement | Director |
| Coega Development Corporation | Non-Executive Director |
| Dimension Date Holdings PLC | Non-Executive Director |
| Dimension Data SA | Director |
| easyGolf Worldwide | Director |
| Endorse Excellence Sports Management | Director |
| Excellent Gems Sports Management | Director |
| Fox Software Systems | Director |
| Freeworld Coatings | Director |
| G4S Cash Services (SA) (Fidelity Cash Management Services) | Non-Executive Director |
| Global Credit Rating | Non-Executive Director |
| Goal Technology Solutions Networks | Non-Executive Director |
| Goal Technology Solutions Services | Non-Executive Chairman |
| Hot Slots Gaming Enterprises | Director |
| Industrial Development Corporation | Non-Executive Director |
| Intrax Investments 57 | Director |
| Investec Property Fund Limited | Non-Executive Director |
| Lexshell 618 Investments | Director |
| Logical Options Staffing | Director |
| Majestic Warrior Investments 13 | Director |
| Safika Ventures | Director |
| Next Generation Network Telecommunications | Director |
| Safika Advisory | Director |
| Quantam Leap Investments 740 | Director |
| Safika Asset Finance | Director |
| Safika Capital Partners | Director |
| Safika Communication Engineering | Director |
| Safika Engineering | Director |
| Safika Fund Management | Director |
| Safika Investments | Director |
| Safika Project Execution Group | Director |
| Samkela Consortium | Director |
| Seolwana Investments Holdings | Director |
| Stanlib | Director |
| The Kelly Group | Director |
| Tjare Communications | Director |
| Tshipi e ntle Manganese Mining | Director |
| Tutuwa Strategic Holdings | Director |
| Umsongo Biotechnology | Director |

Moses Modidima Ngoasheng

| Previous | Designation |
|--------------------------|------------------------|
| Wade Walker | Director |
| Wingate Group Holdings | Non-Executive Director |
| Zeros & Ones Networks | Director |
| Lexshell 620 Investments | Director |

Itumeleng Dlamini

| Current | Designation |
|--|------------------------|
| Africa Milestone Investments* | Director |
| Africa Cup of Nations 2013 Local Organising Committee South Africa | Director |
| Kwenile Bik Projects** | Director |
| ITD Kaelo And Associate** | Director |
| Organization for Global African Cooperation | Director |
| WeGrow Farming Enterprises | Director |
| SAB Zenzele Kabili Holdings | Non-Executive Director |

Previous

| | |
|---|----------|
| Transunion Credit Bureau | Director |
| Thuto Empowerment** | Director |
| Strategic Partners in Tourism* | Director |
| Tourism Micro Enterprises Support Fund* | Director |

Ernest Kwindu

| Current | Designation |
|-----------------------------|------------------------|
| Zenzele Itereleng (RF) | Director |
| Phedza Holdings** | Director |
| Identity Advisory | Director |
| Emargin Holdings** | Director |
| Popshell 305 | Director |
| Shingai Investments | Director |
| SAB Zenzele Kabili Holdings | Non-Executive Director |

Previous

| | |
|--------------|----------|
| Pop2position | Director |
|--------------|----------|

Andrew Scott Murray

| Current | Designation |
|---|--------------------|
| The South African Breweries | Director |
| S A Breweries* | Director |
| Anheuser-Busch InBev Africa | Director |
| Other Beverage Interests | Director |
| SAB Global Consulting Services* | Director |
| AB InBev Finance South Africa B V | Director |
| Sabsa Holdings | Director |
| Export Compliance Services* | Director |
| Project Jordan Holding Company | Director |
| Jumpventures | Director |
| AB InBev Finance South Africa Limited (Incorporated in Cardiff) | Director |
| SAB Zenzele Kabili Holdings | Director |

Previous

| | |
|----------------------------|----------|
| Coca-Cola Beverages Africa | Director |
|----------------------------|----------|

Richard Temple Rivett-Carnac

Current**Designation**

| | |
|-----------------------------|------------------------|
| SAB Zenzele Holdings (RF) | Non-executive Director |
| The SAB Thrive Fund | Director |
| Farmsol Africa | Director |
| Liquidlogic Thrive** | Director |
| Isanti Glass 1 | Director |
| Isanti Glass 2 | Director |
| SAB Zenzele Kabili Holdings | Director |

Previous

| | |
|----------------------------|------------------------|
| Coca-Cola Fortune | Non-Executive Director |
| Zelpy 1185 | Director |
| Voicevine | Director |
| Coca-Cola Beverages Africa | Alternate Director |
| Product Genesis Designs | Director |
| Voicevine Thrive | Director |
| Songo Africa Thrive | Director |
| SA Hops Thrive | Director |
| Product Genesis Thrive | Director |
| Songo Africa | Director |
| DDS Thrive | Director |
| BBD Thrive | Director |
| Go Farming Thrive | Director |
| Hightech Thrive | Director |
| Henro Thrive | Director |
| Energy Led Thrive | Director |
| Steam Generation Thrive | Director |
| K2017282568 (South Africa) | Director |

* Company deregistration final/company dissolved

** Company in the process of deregistration/voluntary liquidation

ANNEXURE 3: SALIENT TERMS OF DIRECTORS' LETTERS OF DIRECTOR APPOINTMENT

This Annexure sets out the salient terms of the letters of appointment of the non-executive Directors specified on page 31 of this Prospectus.

Capitalised terms used in this Annexure, but not defined in this Prospectus shall bear the meanings ascribed to such terms in the SAB Zenzele Kabili MOI.

LETTERS OF APPOINTMENT WITH THE NON-EXECUTIVE DIRECTORS

Term

Each non-executive Director's appointment will continue until such time as it is terminated as a result of, among other things, the occurrence of any event specified in the SAB Zenzele Kabili MOI for the vacation of office as a non-executive Director, including, without limitation, retirement by rotation (which includes any requirement to resign at the first annual general meeting of the Company post implementation of the BEE Listing) in accordance with the SAB Zenzele Kabili MOI. Each non-executive Director agrees to make himself available for re-election as a non-executive Director following his retirement at the first annual general meeting of the Company post implementation of the BEE Listing. Each non-executive Director who wishes to resign shall give three months' written notice.

Duties

Each non-executive Director will have all the duties usually attendant on that office. In performing his duties and exercising his powers as a non-executive Director, he is obliged to comply with all statutory and common law duties of a director in general, and with the provisions of the SAB Zenzele Kabili MOI.

Indemnities

The Company indemnifies each Director, to the fullest extent permitted in law, against all claims, awards, damages, costs, losses and expenses which may be made against the Director, or which the Director may incur or become liable to pay, at any time, by reason of any contract entered into, or any act or omission done or omitted to be done by the Director, in discharge of his duties as a Director or in his capacity as a Director or as a member of any committee of the Board.

Conflicts of interest

During each Director's period of office, he will not accept, save as may be agreed with the Company in writing, any engagements or instructions from any other person, firm or company which would result in a conflict of interest with his appointment.

ANNEXURE 4: EXTRACTS FROM THE SAB ZENZELE KABILI MOI

Capitalised terms used in this Annexure, but not defined in this Prospectus shall bear the meanings ascribed to such terms in the SAB Zenzele Kabili MOI.

3.3 Powers of the Company

- 3.3.1 The objects and activities of the Company shall be restricted to:
- 3.3.1.1 entering into the Transaction Documents to which it is a party;
 - 3.3.1.2 exercising its rights and performing its obligations under the Transaction Documents to which it is a party and implementing the SAB Zenzele Kabili Transaction;
 - 3.3.1.3 carry on the business of holding and managing its AB InBev Shares, cash and such other property as may be received or acquired solely by virtue of or in relation to the AB InBev Shares, in each case in accordance with and subject to the Transaction Documents to which it is a party;
 - 3.3.1.4 receiving and distributing dividends and other distributions to its securities holders in accordance with the terms of this Memorandum and the Transaction Documents to which it is a party;
 - 3.3.1.5 maintaining its listing on the Empowerment Segment of the JSE and/or on another recognised securities exchange licensed in South Africa; and
 - 3.3.1.6 appointing such advisors as the board may consider to have the requisite knowledge and experience required to assist the Company to achieve its objects.
- 3.3.2 The Company has all of the powers and capacity to enable it to realise its main and ancillary objects as set out in article 3.3.1.
- 3.3.3 None of the following shall be of any force or effect (and, to the maximum extent permitted by law, the powers of the board and each other body and organ shall be restricted accordingly):
- 3.3.3.1 any holding by the Company of any investment or conducting of any business, other than as set out in Articles 3.3.1 and 3.3.2;
 - 3.3.3.2 any disposal of or encumbrance or entry into of any other transaction in respect of the AB InBev shares held (or any rights and interests therein), save as contemplated in this and/or the Transaction Documents;
 - 3.3.3.3 any incurrence of any debt other than: (i) as permitted under the Transaction Documents; and (ii) as part of the redemption and/or refinancing of the Class A Preference Shares;
 - 3.3.3.4 any disposal of or encumbrance or ceasing to exercise direct control over the whole or any material part of its present or future assets (including the AB InBev Shares held by it), undertakings, rights or revenues, whether in terms of one action or a series of actions; or
 - 3.3.3.5 any entering into of any merger, consolidation, or amalgamation or similar restructuring.

3.4 Memorandum of Incorporation and Company Rules

- 3.4.1 This Memorandum does not provide any different requirements than those set out in section 16(1)(c)(i) of the Act regarding proposals for amendments to this Memorandum.
- 3.4.2 Unless otherwise permitted by the JSE, the board shall not have the power to make, amend or repeal any necessary or incidental rules relating to the governance of the Company in respect of matters that are not addressed in the Act or this Memorandum, in accordance with the provisions of sections 15(3) to 15(5) of the Act.
- 3.4.3 If the board, or any individual authorised by the board, alters this Memorandum or any rules made by it in any manner necessary to correct a patent error in spelling, punctuation, reference, grammar or similar defect on the face of the document, it must publish a notice of such alteration by publishing it on the Company's website, and must file a notice of alteration in the manner prescribed by the Act

4.2 Authorisation for, and Issue of, Shares

- 4.2.1 In accordance with the Act and the Listings Requirements, the Company is authorised to issue the shares specified in Schedule 1, provided that, if required by the Act or the Listings Requirements, the Company may only issue:
- 4.2.1.1 unissued shares to shareholders of a particular class of shares, pro rata to the shareholders' existing shareholding, unless any such shares are to be issued for an acquisition of assets;
 - 4.2.1.2 unissued shares or grant options otherwise than as envisaged in Article 4.2.1.1 above, for cash, as the directors in their discretion think fit, if approved by shareholders in general meeting; and
 - 4.2.1.3 shares that are fully paid up.

4.3 Alteration of shares

- 4.3.1 Any amendment to this Memorandum, including but not limited to any amendment to:
- 4.3.1.1 create any class of shares;
 - 4.3.1.2 determine the preferences, rights, limitations or other terms of any class of authorised shares or amend any preferences, rights, limitations or other terms so determined;
 - 4.3.1.3 convert one class of shares into one or more other classes;
 - 4.3.1.4 increase or decrease the number of authorised shares of any class of shares;
 - 4.3.1.5 consolidate or sub-divide shares;
 - 4.3.1.6 reclassify any shares that have been authorised but not issued; and
 - 4.3.1.7 change the name of the Company,
- must be approved by: (i) a special resolution; and (ii) for so long as any Class A Preference Shares remains outstanding, a special resolution of the holders of Preference Shares, save where such an amendment is ordered by a court in terms of sections 16(1)(a) and 16(4) of the Act.
- 4.3.2 Should a fraction of a share come into being as a result of any corporate action, the treatment of such fraction, together with any consequential cash payment, will be subject to compliance with the treatment of fractions as set out in the JSE Listings Requirements.

4.4 Amendment of class, preferences, rights, limitations or other terms

- 4.4.1 To the extent applicable, if any proposed amendment to this Memorandum relates to the variation of any preferences, rights, limitations or other terms attaching to any class of shares already in issue other than the Ordinary Shares, such amendment shall be subject to the prior approval of the holders of that other class passed at a separate class meeting of the holders of that class by way of a special resolution of the holders of that class of shares. The holders of such other class (if the shares of that class have voting rights at the relevant time), may be allowed to vote at the meeting of Ordinary Shareholders convened for the purposes of considering such proposal, subject to Article 4.13.
- 4.4.2 The provisions of this Memorandum and the Act relating to shareholders meetings of the Company shall, *mutatis mutandis*, apply to any such separate class meeting except that, subject to the Act, the necessary quorum shall be 2 (two) persons (unless all the shares of that class are held by 1 (one) person) holding or representing by proxy not less than one-third of the issued shares of the class (provided that if at any adjourned meeting of such holders a quorum is not present, those shareholders who are present in person or by proxy shall be a quorum).
- 4.4.3 The special rights attached to the shares of any class shall not, unless otherwise expressly provided by the conditions of issue of such shares, be deemed to be varied by the creation or issue of further shares, ranking *pari passu* with, or enjoying lesser rights, and which do not have preference over the first-mentioned shares.
- 4.4.4 For so long as is required by the Listings Requirements, the preferences, rights, limitations or other terms of any class of shares may not be varied, and no resolution may be proposed to shareholders for rights to include any variation, in response to any objectively ascertainable external fact or facts as provided for in sections 37(6) and (7) of the Act.

4.5 **Financial assistance for the subscription or purchase of securities or options**

This Memorandum does not limit, restrict or qualify the authority of the board to authorise the Company to provide direct or indirect financial assistance to any person for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or a related or inter-related company, or for the purchase of any securities of the Company or any related or inter-related company, in accordance with the Act.

4.6 **Capitalisation Shares**

Subject to Article 4.2.1, this Memorandum does not limit, restrict or qualify the authority of the board, in terms of section 47 of the Act, to –

- 4.6.1 approve the issue of any authorised shares of the Company as capitalisation shares, on a pro rata basis to the shareholders of one or more classes of shares;
- 4.6.2 approve the issue of shares of one class as capitalisation shares in respect of shares of another class; or
- 4.6.3 permit shareholders to elect to receive a cash payment in lieu of a capitalisation share, at a value determined by the board.

4.7 **Company or subsidiary acquiring Company's shares and distributions**

The Company or a subsidiary company may acquire the Company's shares (and subject to Article 9.5.2, any consequent distribution to shareholders) will be subject to the provisions of the Act and the Listings Requirements

4.8 **Debt Instruments**

This Memorandum does not limit, restrict or qualify the authority of the board to authorise the Company to issue secured or unsecured debt instruments, provided that the board may not grant special privileges regarding the attending and voting at general meetings of the Company or the appointment of directors in respect of such debt instruments, except as may otherwise be permitted by the JSE.

4.9 **Registration of beneficial interests**

- 4.9.1 This Memorandum does not limit or restrict the holding of the Company's issued securities by, or the registration of the Company's issued securities in the name of, 1 (one) person for the beneficial interest of another, provided however, that (i) as a condition to such holding, the person who holds any securities of the Company for the beneficial interest of another (the **Registered Holder**) recognises and complies with the terms and restrictions on transfer in respect of such securities as contained in this Memorandum and the BEE Listing Terms and Conditions; and (ii) such Registered Holder shall not be entitled to give any instructions in respect of such securities of the Company which would constitute or result in a contravention of this Memorandum and the BEE Listing Terms and Conditions.
- 4.9.2 If a security of the Company is registered in the name of a Registered Holder who is not the holder of the beneficial interest in such security, that Registered Holder of such security must disclose:
 - 4.9.2.1 the identity of the person on whose behalf that security is held; and
 - 4.9.2.2 the identity of each person with a beneficial interest in the securities so held, the number and class of securities held for each such person with a beneficial interest, and the extent of each such beneficial interest.
- 4.9.3 The information required in terms of Article 4.9.2 must:
 - 4.9.3.1 be disclosed in writing to the Company within 5 (five) business days after the end of every month during which a change has occurred in the information contemplated in Article 4.9.2, or more promptly or frequently to the extent so provided by the requirements of a central securities depository; and
 - 4.9.3.2 otherwise be provided on payment of a prescribed fee charged by the registered holder of securities.

4.10 **Holdings by persons who are not Black People or Black Groups**

It is recorded that as part of the SAB Zenzele Kabili Transaction: (i) certain Qualifying Investors who are not Black Groups will become SAB Zenzele Kabili Ordinary Shareholders on implementation of the New Empowerment Transaction; and (ii) certain beneficiaries of the New ESOP who are not Black

People may from time to time become SAB Zenzele Kabili Ordinary Shareholders. Notwithstanding anything to the contrary in this Memorandum such persons shall be entitled to hold Ordinary Shares subject to the restrictions that they shall:

- 4.10.1 only be entitled to hold their Ordinary Shares in a nominee account with the Custody Entity;
- 4.10.2 only be entitled to sell, transfer or otherwise dispose of their Ordinary Shares to a BEE Verified Person through the Trading Entity; and
- 4.10.3 not be entitled to acquire any further Ordinary Shares.

4.11 Commission

The Company may pay commission to any person in consideration of such person subscribing or agreeing to subscribe, or of such person procuring, or agreeing to procure, subscriptions for any securities of the Company, provided that such commission shall be subject to any limitations in the Act or the Listings Requirements, which as at the date of the adoption of this Memorandum, include the limitation that any such commission may not exceed 10% (ten percent) of the aggregate consideration payable for the subscription for such securities.

4.12 Transfer of Ordinary Shares

- 4.12.1 The Ordinary Shares in the capital of the Company shall only be held in dematerialised form and no share certificates shall be issued by the Company in respect of these securities.
- 4.12.2 Each person providing custody and/or administration services in respect of the Ordinary Shares must be an Approved Nominee and shall accordingly be required to recognise the restrictions imposed upon the holding and/or transfer of such Ordinary Share as contained in this Memorandum and the BEE Listing Terms and Conditions.
- 4.12.3 The relevant Ordinary Shareholder shall not give any instruction to its broker or CSDP (or any nominee or intermediary thereof) which would constitute or result in a contravention of the provisions of this Memorandum and the BEE Listing Terms and Conditions.
- 4.12.4 Subject to the provisions of Article 4.10, for so long as the Ordinary Shares are listed on the Empowerment Segment, and to ensure compliance with the Empowerment Segment of the JSE, all the Ordinary Shares will be subject to the restrictions that
 - 4.12.4.1 only Eligible Persons shall be permitted to be holders thereof;
 - 4.12.4.2 the Company shall not issue Ordinary Shares, securities convertible into Ordinary Shares, or rights exercisable for Ordinary Shares otherwise than to Eligible Persons or Approved Nominees who will hold such Ordinary Shares on behalf of Eligible Persons; and
 - 4.12.4.3 no Ordinary Shareholder shall dispose of or otherwise transfer its Ordinary Shares other than to an Eligible Person or an Approved Nominee who will hold such Ordinary Shares on behalf of Eligible Persons,

such that only Eligible Persons may be the beneficial holders of Ordinary Shares, only Eligible Persons or Approved Nominees (who will hold such Ordinary Shares on behalf of Eligible Persons) may be the Registered Holders of Ordinary Shares.
- 4.12.5 Without prejudice to any specific restrictions with regard thereto, Ordinary Shareholders shall be entitled to encumber their Ordinary Shares in favour of persons that are not Eligible Persons, provided that any disposal of such Ordinary Shares shall be subject to the restrictions on the transfer of Ordinary Shares set out in this Article 4.11.

4.13 Authority to sign transfer deeds

- 4.13.1 All authorities to sign transfer deeds granted by holders of securities for the purpose of transferring securities that may be lodged, produced or exhibited with or to the Company at any of its transfer offices shall, as between the Company and the grantor of such authorities, be taken and deemed to continue and remain in full force and effect, and the Company may allow the same to be acted upon until such time as express notice in writing of the revocation of the same shall have been given and lodged at the Company's transfer offices at which the authority was lodged, produced or exhibited.
- 4.13.2 Even after the giving and lodging of such notices, the Company shall be entitled to give effect to any instrument signed under the authority to sign, and certified by any officer of the Company, as being in order before the giving and lodging of such notice.

5. REPURCHASE RIGHT IN FAVOUR OF THE COMPANY

5.1 A “Repurchase Event” will arise in respect of an Ordinary Shareholder (the “Defaulting Party”), if at any time during the BEE Listing Period, that Defaulting Party:

- 5.1.1 being a Black Group, ceases to be a Black Group;
- 5.1.2 has misrepresented or misstated that it/he/she is an Eligible Person;
- 5.1.3 has made a fraudulent, untrue or inaccurate statement in respect of any transfer of Ordinary Shares, or in any documents supporting such transfer, or any information provided to the BEE Verification Agent and/or any other service provider in respect of any transfer of Ordinary Shares which cannot thereafter be verified to the Company’s satisfaction; or
- 5.1.4 commits an act, or there arises an event or circumstance (however arising) constituting or resulting in a breach by or in respect of such person (and/or the Ordinary Shares held by it/he/she) of key provisions of the Trading Terms and Conditions or this Memorandum, and fails to remedy any such breach within the time period (if any) provided or, if no such express remedy period is provided, within 30 days of receiving written notice from the Company to do so (or such additional period as the Company may agree to in writing).

5.2 For so long as the Repurchase Event persists, the Company shall be entitled, but not obliged, by giving written notice to the Defaulting Party (or its nominee) to that effect to require such Defaulting Party to sell to the Company (or its nominee) all its Ordinary Shares (the “Repurchase Option”), or such number thereof as the Company may elect (“Repurchase Shares”) and the Defaulting Party shall be obliged to sell the Repurchase Shares to the Company (or its nominee). The Repurchase Shares shall be acquired by the Company at a price equal to 60% of the 30 day volume weighted average price of the Ordinary Shares, reckoned from the date on which the Repurchase Option is exercised.

6. SHAREHOLDERS RIGHTS AND PROXY FORMS

6.1 Information rights of persons holding a beneficial interest in shares

This Memorandum does not establish any information rights of any person in addition to the information rights provided in sections 26(1) and (2) of the Act.

6.2 Representation by concurrent proxies

This Memorandum does not limit or restrict the right of a shareholder to appoint 2 (two) or more persons concurrently as proxies (concurrent proxies), or to appoint more than one proxy to exercise voting rights attached to different securities held by that shareholder; provided that the instrument appointing the concurrent proxies clearly states the order in which the concurrent proxies votes are to take precedence in the event that both or all of the concurrent proxies are present, and vote, at the relevant meeting.

6.3 Authority of proxy to delegate

This Memorandum prohibits the right of a proxy to delegate the proxy’s authority to act on behalf of the shareholder appointing him to another person.

6.4 Requirement to deliver proxy instrument to the Company

A copy of the instrument appointing a proxy must be delivered to the office of the Company, or to any other person specified by the Company as acting on its behalf, not less than 48 (forty-eight) hours ((excluding Saturdays, Sundays and public holidays) or such lesser period as the directors may determine in relation to a particular meeting) before the time appointed for the holding of the meeting (including an adjourned meeting) at which the person(s) named in the proxy form proposes to vote; and if the instrument of proxy is not so delivered, the form of proxy shall not be treated as valid unless the chairperson of the meeting decides otherwise.

6.5 Proxy without direction

This Memorandum does not limit or restrict the right of a proxy to exercise, or abstain from exercising, any voting right of the shareholder appointing him without direction, except to the extent that the instrument of proxy provides otherwise.

6.6 Revocation of proxy

Subject to the Act, a vote by virtue of a power of attorney or an instrument appointing a proxy shall be valid notwithstanding the previous incapacity of the principal or revocation of the power of attorney or instrument appointing a proxy or the transfer of the share in respect of which the vote is cast, unless notification in writing of such legal incapacity, revocation or transfer is received by the Company at the registered office or transfer office of the Company at which such power or instrument is registered not less than 24 (twenty four) hours before the commencement of the shareholders meeting or the taking of the poll at which the instrument of proxy is to be used.

6.7 Record date for exercise of shareholder rights

A record date for any action or event shall be determined in accordance with the Act and the Listings Requirements.

7. SHAREHOLDERS' MEETINGS

7.1 Convening of shareholders' meetings

The board or any person authorised by the board may call a shareholders meeting.

7.2 Shareholders' right to requisition a meeting

This Memorandum does not specify a lower percentage of voting rights than the percentage specified in section 61(3) of the Act required for the requisition by shareholders of a shareholder's meeting.

7.3 Location of shareholders' meetings

This Memorandum does not limit, restrict or qualify the authority of the board to determine the location of any shareholders' meeting, which may be in the Republic or in any foreign country.

7.4 Notice of shareholders' meetings

7.4.1 This Memorandum does not provide a different period of notice of shareholders' meetings to the period prescribed by the Act and the Listings Requirements.

7.4.2 Notice of shareholders meetings shall be delivered to each shareholder entitled to vote at such meeting and who has elected to receive such notice.

7.5 Electronic participation in shareholders' meetings

Unless authorised by the board for a particular shareholders meeting, shareholders meetings may not be conducted by electronic communication, nor may one or more shareholders, or proxies for shareholders, participate in any shareholders meeting by electronic communication.

7.6 Quorum for shareholders' meetings

7.6.1 This Memorandum does not specify a different percentage in place of the percentage required in terms of section 64(1) of the Act for a shareholders' meeting to begin or for any matter to be decided at any shareholders' meeting to begin to be considered. In addition, for so, long as is required by the Listings Requirements, a general meeting may not begin or a matter begin to be debated unless at least 3 (three) shareholders entitled to attend and vote thereat are present in person or by proxy

7.6.2 This Memorandum specifies 30 (thirty) minutes in substitution of the time period specified in sections 64(4) and 64(5) of the Act for a quorum to be established before a shareholders' meeting may be adjourned

7.7 Adjournment of shareholder meetings

7.7.1 This Memorandum does not specify a different period than the period of one week provided in section 64(4) of the Act for the adjournment of a shareholders' meeting.

7.7.2 This Memorandum does not provide different maximum periods for adjournment than those specified in section 64(12) of the Act.

7.8 Chairperson

The chairperson (if any) of the board, or in his absence, the deputy or vice chairperson (if any), shall preside as chairperson at every general meeting of the Company. If there is no such chairperson or deputy chairperson or vice chairperson, or at any general meeting neither is present within 10 (ten)

minutes after the time appointed for holding the meeting and willing to act, the directors present shall choose one of their number (or, if no director is present or if all of the directors present decline to take the chair, the shareholders present and entitled to vote shall choose one of their number) to be the chairperson of the meeting.

7.9 **Voting at shareholders' meetings**

- 7.9.1 Subject to any special terms as to voting upon which any share may be issued or which may from time to time attach to a share, on a show of hands, every shareholder present in person or by proxy and entitled to vote on a resolution shall have one vote, and on a poll, every shareholder present in person or by proxy and entitled to vote on a resolution shall have one vote for each share held by it.
- 7.9.2 The parent or guardian of a minor, the curator bonis of a lunatic shareholder and any person entitled to the transfer of any shares pursuant to Article 9.2, may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of those shares, provided that at least 48 (forty-eight) hours before the time of holding the shareholders meeting at which he proposes to vote, he satisfies the directors that he is such parent, guardian or curator or that he is entitled to transfer shares pursuant to Article 9.2, or that the directors have previously admitted his right to vote in respect of those shares.
- 7.9.3 Where 2 (two) or more persons are registered as joint holders of a share, any one of them, whether in person or by proxy, may vote as if he is the sole holder thereof, provided that if more than one of such joint holders are present at a shareholders meeting in person or by proxy, only that holder who is present and whose name appears first in the securities register in respect of the share, shall be entitled to vote.
- 7.9.4 At a general meeting, a resolution put to the vote of the general meeting shall be decided by a show of hands, unless a poll is demanded:
- 7.9.4.1 by the chairperson of the general meeting;
- 7.9.4.2 by at least 5 (five) persons having the right to vote on that resolution, either as a shareholder or a proxy representing a shareholder; or
- 7.9.4.3 a person who is, or persons who together are, entitled to exercise at least 10% (ten per cent) of the voting rights entitled to be exercised on that resolution.
- 7.9.5 A demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairperson of the general meeting. A demand so withdrawn shall not be taken to have invalidated the result on a show of hands declared before the demand was made.
- 7.9.6 A poll shall be taken in such manner and at such time as the chairperson of the general meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting in which the poll was demanded.
- 7.9.7 The chairperson of the general meeting may:
- 7.9.7.1 appoint any firm or persons to act as scrutineers for the purpose of checking the powers of attorney/proxies received and for counting the votes at the general meeting; and
- 7.9.7.2 act on a certificate given by any such scrutineers without requiring production at the general meeting of the forms of proxy or himself counting the votes.
- 7.9.8 Any objection to the admissibility of any vote (whether on a show of hands or on a poll) shall be raised:
- 7.9.8.1 at the general meeting or adjourned general meeting at which the vote objected to was recorded; or
- 7.9.8.2 at the general meeting or adjourned general meeting at which the result of the poll was announced,
- and every vote not then disallowed shall be valid for all purposes. Any objection made timeously shall be referred to the chairperson of the general meeting for adjudication, whose decision shall be final and conclusive.
- 7.9.9 Even if he is not a shareholder, any director or the Company's attorney or auditor (or where the Company's attorneys or auditors are a firm or a company, any partner or director thereof), may attend and speak at any general meeting, but may not vote, unless he is also a shareholder or the proxy of a shareholder.

7.10 Shareholders' resolutions

- 7.10.1 Subject to the Listings Requirements, this Memorandum does not require a higher percentage of voting rights to approve an ordinary resolution than the percentage voting rights specified in the Act.
- 7.10.2 This Memorandum does not require a different percentage of voting rights to approve a special resolution than the percentage voting rights specified in the Act.
- 7.10.3 Subject to the Listings Requirements, this Memorandum does not require a special resolution for any other matter not contemplated in section 65(11) of the Act.
- 7.10.4 No shareholders resolution in terms of sections 20(2) and 20(6) of the Act may be proposed if such resolution would result in the ratification of any act that is contrary to the Listings Requirements, unless otherwise permitted by the JSE.

7.11 Shareholders meetings in terms of the Listings Requirements

Shareholders meetings that are called for the purpose of passing any resolution required in terms of the Listings Requirements may not be voted on in writing as provided for in section 60 of the Act, except to the extent specifically permitted by the by the JSE or the Listings Requirements, which includes, as at the date of the adoption of this Memorandum, resolutions passed by the shareholders to authorise: (i) a change of name; (ii) odd lot offers; (iii) an increase in authorised share capital of the Company; and (iv) approval of amendments to this Memorandum.

7.12 Notice of shareholders meetings to the JSE

- 7.12.1 In accordance with the Listings Requirements, a copy of all notices of shareholders meetings or adjournment thereof must be sent to the JSE at the same time as notices are sent to shareholders.
- 7.12.2 All notices of shareholders meetings or adjournment thereof must also be announced through the Stock Exchange News Service (SENS), the official news service of the JSE, at the same time as notices are sent to shareholders, or as soon thereafter as is practicable.

8. DIRECTORS AND OFFICERS

8.1 Composition of the Board of Directors

- 8.1.1 This Memorandum specifies 4 (four) directors as the minimum number of directors of the Company, which number is not higher than the minimum number of directors required in terms of section 66(2) of the Act.
- 8.1.2 Subject to Article 8.2, the shareholders shall elect the directors, and shall be entitled to elect one or more alternate directors, in accordance with the provisions of section 68(1) of the Act.
- 8.1.3 This Memorandum does not provide for:
 - 8.1.3.1 the direct appointment or removal of any director or alternate director by any particular person; or
 - 8.1.3.2 the appointment of any person as an ex officio director of the Company.
- 8.1.4 This Memorandum does not stipulate any additional qualifications or eligibility requirements other than those set out in the Act for a person to become or remain a director or a prescribed officer of the Company.
- 8.1.5 At the first annual general meeting of the Company all of the directors of the Company shall retire, but all of them shall be eligible for re-election. At every subsequent annual general meeting, one third of the non-executive directors (as defined in the Listings Requirements) for the time being or, if their number is not a multiple of 3 (three), then the number nearest to but not less than one third, or if there are less than 3 (three) non-executive directors, then all of the non-executive directors, shall retire from office, provided that the directors appointed in terms of Article 8.2 shall not be taken into account in determining which directors are to retire by rotation at the annual general meeting immediately following their appointment.
- 8.1.6 The non-executive directors so to retire at every subsequent annual general meeting shall be those who have been longest in office since their last election. In the case of persons who became non-executive directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. The length of time a non-executive director has been in office shall be computed from his last election, appointment or date upon which he was deemed re-elected.

- 8.1.7 A director retiring at a general meeting shall retain office until the election of directors at that general meeting has been completed.
- 8.1.8 A retiring director may be re-elected, provided that the board has recommended his eligibility, taking into account past performance and contribution made.
- 8.1.9 For so long as required by the Listings Requirements, life directorships and directorships for an indefinite period are not permissible.

8.2 Vacancies

- 8.2.1 The board may appoint any person who satisfies the requirements for election as a director to fill any vacancy and serve as a director on a temporary basis until the vacancy is filled by election in accordance with section 68(1) of the Act.
- 8.2.2 Should the number of directors fall below 4 (four), the remaining directors must, as soon as possible, and, in any event, not later than 3 (three) months from the date that the number of directors falls below that number, fill the vacancies or call a shareholders meeting for the purpose of filling the vacancies. A failure by the Company to have 4 (four) directors during the 3 (three) month period does not limit or negate the authority of the board or invalidate anything done by the board or the Company. After the expiry of the 3 (three) month period, the remaining directors shall only be permitted to act for the purpose of filling vacancies or calling a shareholders meetings.
- 8.2.3 The appointment of a director to fill a vacancy or as an addition to the board must be confirmed by shareholders at the next annual general meeting.

8.3 Authority of the Board of Directors

The authority of the board to manage and direct the business and affairs of the Company, as contemplated in section 66(1), is not limited, restricted or qualified by this Memorandum.

8.4 Directors' Meetings

- 8.4.1 Notwithstanding the provisions of section 73(1)(a) of the Act, the chairperson may call a meeting of the board at any time.
 - 8.4.1.1 This Memorandum:
 - 8.4.1.1.1 does not specify a different percentage of directors upon whose request a meeting of the board must be called in terms of section 73(1)(b)(i) of the Act; and
 - 8.4.1.1.2 specifies the higher of 25% (twenty five percent) and 2 (two) directors upon whose request a meeting of the board must be called in terms of section 73(1)(b)(ii) in substitution for the number set out therein.
- 8.4.2 A decision that could be voted on at a meeting of the board may instead be adopted by written consent of a majority of the directors (or their alternate directors, if applicable), given in person, or by electronic communication, provided that each director (or their alternate directors, if applicable) has received notice of the matter to be decided. A resolution passed in the aforementioned way shall be as valid and effective as if it had been passed at a board meeting. Any such resolution may consist of several documents, each of which may be signed by one or more directors (or their alternate directors, if applicable) and shall be deemed to have been passed on the date on which it was signed by the last director required to constitute a majority of the directors (unless a statement to the contrary is made in that resolution). A resolution passed in the aforementioned manner shall be inserted in the minute book.
- 8.4.3 This Memorandum does not restrict the board from conducting meetings, or directors from participating in meetings, by electronic communication, as contemplated in section 73(3) of the Act.
- 8.4.4 This Memorandum does not limit, restrict or qualify the authority of the board to determine the manner and form of giving notice of its meetings.
- 8.4.5 This Memorandum does not limit, restrict or qualify the authority of the Board to proceed with a board meeting in accordance with the requirements of section 73(5)(a) of the Act, despite a failure or defect in giving notice of the meeting.
- 8.4.6 The quorum requirement for a directors' meeting to begin, the voting rights at such a meeting, and the requirements for approval of a resolution at such a meeting, as set out in section 73(5) of the Act, are not varied by this Memorandum.

8.5 Chairperson

- 8.5.1 The directors may elect from their number a chairperson and a deputy or vice chairperson (to act in the absence of the chairperson) of their meetings and determine the period for which each is to hold office. The directors may also remove any of them from such office at any time.
- 8.5.2 If no chairperson or deputy or vice chairperson is elected, or if at any meeting of the directors, the chairperson or deputy or vice chairperson is not present within 10 (ten) minutes after the time appointed for holding the meeting, the directors present shall choose 1 (one) of their number to be chairperson at such meeting.
- 8.5.3 In the case of an equality of votes at any meeting of the directors, the chairperson shall not have a second or casting vote.

8.6 Director may be employed in the Company or subsidiary

- 8.6.1 A director may be employed in any other capacity in the Company or as a director or employee of a subsidiary of the Company and, in such event, his appointment and remuneration in respect of such other office must be determined by a disinterested quorum of directors.
- 8.6.2 Without derogation from Article 8.6.1, the board may from time to time:
 - 8.6.2.1 appoint from their number managing and other executive directors (with or without specific designation) of the Company;
 - 8.6.2.2 confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions, as they think expedient; and
 - 8.6.2.3 from time to time revoke, withdraw or vary such powers.

8.7 Directors compensation and financial assistance to directors and related persons

- 8.7.1 This Memorandum does not limit, restrict or qualify the power of the Company to pay remuneration to its directors for their service as directors in accordance with section 66(9) of the Act.
- 8.7.2 Subject to the provisions of the Act, any director who is required to:
 - 8.7.2.1 perform extra services;
 - 8.7.2.2 be specifically occupied about the Company's business;
 - 8.7.2.3 resides outside the Republic for the purpose of the Company; or
 - 8.7.2.4 otherwise performs or binds himself to perform services which, in the opinion of the directors, are outside the scope of the ordinary duties of a director,may be paid such extra remuneration or allowances in addition to or in substitution for any other remuneration to which he may be entitled as a director, as a disinterested quorum of directors may from time to time determine.
- 8.7.3 The directors shall also be paid all their travelling and other expenses properly and necessarily expended by them:
 - 8.7.3.1 in and about the business of the Company; and
 - 8.7.3.2 in attending general meetings of the directors or of committees of the directors of the Company.
- 8.7.4 This Memorandum does not limit, restrict or qualify the authority of the board to authorise the Company to provide direct or indirect financial assistance to directors or persons related to directors contemplated in section 45 of the Act.

8.8 Indemnification of Directors

- 8.8.1 For the purposes of this Article 8.8, 'director' shall have the meaning ascribed to that term in section 78(1) of the Act.
- 8.8.2 This Memorandum does not limit, restrict or qualify the ability of the Company to advance expenses to a director to defend any legal proceedings arising from his service to the Company, or to indemnify a director against such expenses if the proceedings are abandoned or exculpate the director or arise in respect of any liability for which the Company may indemnify the director in terms of sections 78(5) and 78(6) of the Act.

- 8.8.3 This Memorandum does not limit, restrict or qualify the power of the Company to indemnify a director in respect of any liability arising out of the director's service to the Company to the fullest extent permitted by the Act.
- 8.8.4 This Memorandum does not limit, restrict or qualify the ability of the Company to purchase insurance to protect a director against any liability or expenses for which the Company is permitted to indemnify a director in terms of the Act and this Memorandum, or to protect the Company against any contingency including, but not limited to:
 - 8.8.4.1 any expenses that the Company is permitted to advance or for which the Company is permitted to indemnify a director in terms of the Act; or
 - 8.8.4.2 any liability for which the Company is permitted to indemnify a director in terms of the Act.

8.9 Committees of the Board

- 8.9.1 Nothing in this Memorandum limits, restricts or qualifies the authority of the board to appoint any number of committees of directors, and to delegate to any such committee any of the authority of the board.
- 8.9.2 Except to the extent that a board resolution establishing a committee provides otherwise and subject to the Act and the Listings Requirements, the members of the committee -
 - 8.9.2.1 may include persons who are not directors of the Company but any such person must not be ineligible or disqualified to be a director in terms of section 69 of the Act, and any such persons shall not have a vote on any matter to be decided by the committee;
 - 8.9.2.2 may consult with or receive advice from any person; and
 - 8.9.2.3 have the full authority of the board in respect of any matter referred to it.

9.5 Distributions

- 9.5.1 The board, alone, shall have the authority to make distributions, in accordance with the Act and the Listings Requirements.
- 9.5.2 Distributions are payable to shareholders registered as at the date subsequent to the date of declaration or the date of confirmation of the dividend, whichever is later and for so long as required by the Listings Requirements, no repayment of capital to shareholders shall be made on the basis that it may be called up again.
- 9.5.3 Manner of payment
 - 9.5.3.1 Any distribution, interest or other sum payable in cash to the holder of a share may be paid by:
 - 9.5.3.1.1 cheque sent through the post addressed to:
 - 9.5.3.1.1.1 the holder at his registered address;
 - 9.5.3.1.1.2 in the case of joint holders, the holder whose name stands first in the securities register in respect of the share, at his registered address; or
 - 9.5.3.1.1.3 such person and at such address as the holder or joint holders may in writing direct,
 - 9.5.3.1.2 by electronic bank transfer to:
 - 9.5.3.1.2.1 the holder into such bank account as the holder may direct in writing;
 - 9.5.3.1.2.2 in the case of joint holders, the holder whose name stands first in the securities register in respect of the share, into such bank account as he may direct in writing.
 - 9.5.3.2 Every such payment shall be at the risk of the person or persons entitled to the money represented thereby.
 - 9.5.3.3 A payment by electronic bank transfer in accordance with the bank account details given by the holder shall be a good discharge by the Company.
 - 9.5.3.4 A payment of a cheque by the banker upon whom it is drawn, and any transfer or payment in terms of this Article 9.5.3.4 shall be a good discharge by the Company.

- 9.5.3.5 Every such cheque shall be made payable to the order of the person to whom it is addressed, and be sent at the risk of the holder or joint holders.
- 9.5.3.6 The Company shall not be responsible for the loss in transmission of any cheque or of any document (whether similar to a cheque or not) sent by post as aforesaid.
- 9.5.3.7 A holder or any 1 (one) of 2 (two) or more joint holders, or his or their agent duly appointed in writing, may give valid receipts for any monies paid in respect of a share held by such holder or joint holders.
- 9.5.3.8 A distribution may also be paid in any other way determined by the directors, and if the directives of the directors are complied with, the Company shall not be liable for any loss or damage which a shareholder may suffer as a result thereof.
- 9.5.3.9 Subject to the provisions of this Memorandum and to the rights attaching to any shares, any distribution payable on or in respect of a share may be paid in such currency as the directors may determine, using such exchange rate for currency conversions as the directors may select.
- 9.5.3.10 The Company may cease to send any cheque by post for any distribution on any shares which is normally paid in that manner if in respect of at least 2 (two) consecutive distributions payable on those shares the cheque has been returned undelivered or remains uncashed but, subject to the provisions of this Memorandum, shall commence sending cheques in respect of the distributions payable on those shares if the holder or person entitled by transmission claims the arrears of dividend and does not instruct the Company to pay future distributions in some other way.
- 9.5.3.11 Without derogation from any other provision of this Article 9.5, the directors may from time to time make such regulations as they think fit regarding the payment of distributions to shareholders having registered addresses outside the Republic. Such regulations may provide for the payment of such distributions in any foreign currency and the rate of exchange at which such payment shall be made.
- 9.5.3.12 Where any difficulty arises in regard to any distribution involving a specific asset or assets, the directors may settle that difficulty as they think expedient and in particular may fix the value which shall be placed on such specific assets or asset on distribution.

9.5.4 No interest

No distribution shall bear interest against the Company, except as otherwise provided under the conditions of issue of the shares in respect of which such distribution is payable.

9.5.5 Unclaimed distributions

For so long as is required by the Listings Requirements, any unclaimed distributions must be held in trust subject to prescription laws.

9.6 Delivery of documents and notices

- 9.6.1 Any notice or document required to be sent or distributed in terms of this Memorandum, the Act or the Listings Requirements may be delivered electronically by sending such notice or document to the email address of the relevant person.
- 9.6.2 Each shareholder may give the Company its email address for the purposes of Article 9.6.1.

ANNEXURE 5: CORPORATE GOVERNANCE AND THE KING CODE

The definitions and interpretations commencing on page 17 of the Prospectus apply, *mutatis mutandis*, to this Annexure.

CORPORATE GOVERNANCE REVIEW

The Board considers sound corporate governance practices to be a critical element in delivering sustainable growth for the benefit of all stakeholders. In conducting the affairs of the Company, the Board endorses the principles of integrity, competence, responsibility, accountability, fairness and transparency advocated by the principles of the King Code.

In regularly reviewing the Company's governance structures, the Board exercises and ensures effective and ethical leadership, always acting in the best interests of the Company, at the same time concerning itself with the sustainability of its business operations.

A register of all King Code principles and the extent of SAB Zenzele Kabili's compliance therewith is available on the Company's website at: www.investecsp.com.

1. BOARD OF DIRECTORS

The balance and composition of the Board has been thoroughly considered taking into account the needs of the Company. The Board as a whole believes that the current balance of knowledge, skill and experience meets the requirements to lead the Company effectively.

The Board is responsible for the strategic direction and control of the Company. It exercises control through a governance framework that includes the review and implementation of detailed reporting presented to it and its subcommittees.

The Board comprises five non-executive Directors, of whom three are independent non-executive Directors. Owing to the nature of the Company as a special purpose vehicle whose functions are effectively limited to holding AB InBev Shares and managing that investment in AB InBev Shares by collecting and distributing dividends to the SAB Zenzele Kabili shareholders, the Company does not have any executive Directors.

The chairman of the Board, Moss Ngoasheng, is an independent non-executive Director. In line with the JSE Listings Requirements and the recommendations of King Code, the chairman does not exercise the functions of a chief executive officer in respect of the Company.

The entire Board is fully responsible and accountable for the operations of the Company. The chairman leads the Board and facilitates constructive relations between the stakeholders and the Board. The chairman holds no other listed Company chairman positions.

The Board has adopted a charter that sets out the practices and processes it follows to discharge its responsibilities. The charter specifically sets a description of roles, functions, responsibilities and powers of the Board, the chairman, individual Directors, Company Secretary, and other prescribed officers of the Company.

The terms of reference of the Board and its committees deal with such matters as corporate governance, Directors' dealings in securities, declarations of conflicts of interest, Board meeting documentation and procedures for the nomination, appointment, induction, training and evaluation of the Directors.

There is an appropriate balance of power and authority on the Board so that no individual has unfettered powers of decision-making and no individual dominates the Board's deliberations and decisions.

Any Director appointed during the year is required to have the appointment confirmed by Shareholders at the next annual general meeting.

At the first annual general meeting all Directors shall retire from office and stand for re-election. At each subsequent annual general meeting one third of the non-executive Directors for the time being, or if the number is not three or a multiple of three, the number nearest to one third, but not less than one third, shall retire from office.

The Board has delegated certain specific responsibilities to the following committees:

- Audit committee; and
- Social and ethics committee.

The committees assist the Board in discharging its responsibilities and duties under King Code, whilst overall responsibility remains with the Board. Full transparency and disclosure of committee deliberations is encouraged and the minutes of all committee meetings are available to all Directors.

Directors are encouraged to take independent advice at the cost of the Company for the proper execution of their duties and responsibilities. The Board has unrestricted access to the external Auditors, professional advisors, the services of the Company Secretary and relevant service providers of the Company at any given time. An induction programme is provided for new Directors by the Company's JSE sponsor.

A detailed assessment of all Board members, including the chairman, will be undertaken annually. Directors and committee members are supplied with comprehensive information that allows them to properly discharge their responsibilities. The members of the Board bring a mix of skills, experience and technical expertise. The Board shall meet at least four times a year.

2. THE AUDIT COMMITTEE

The audit committee comprises three independent non-executive directors. As at the date of this document, Ernest Kwindia chairs the Company's audit committee, of which Moss Ngoasheng and Itumeleng Dlamini are also members. The members of the committee are appointed by the Board from amongst the independent non-executive directors of the Company.

A representative of PricewaterhouseCoopers, the Company's independent external auditors, attends committee meetings by invitation. The committee will meet at least three times a year. The audit committee provides the Board with additional assurance regarding the quality and reliability of financial information used by the Board and the financial statements of the Company. In addition, the audit committee reviews the internal control systems, the financial control systems, the accounting systems and reporting, the internal audit functions and ensures that a combined assurance model is applied to provide a co-ordinated approach to all assurance activities. It also liaises with the Company's external auditors, monitors compliance with legal requirements, ensures management addresses any identified internal control weakness, assesses the performance of financial management, assesses the Company's going concern status, approves external audit fees, budgets, plans and performance, conducts an annual review and assessment of the financial reporting risks the Company faces and has established a policy regarding non-audit services provided by the external auditors.

The number of audit committee meetings held will be disclosed in each of the Company's integrated annual reports

3. THE SOCIAL AND ETHICS COMMITTEE

Moss Ngoasheng and Ernest Kwindia are the members of the Company's social and ethics committee, which is chaired by Itumeleng Dlamini. The committee will meet at least three times a year. The committee considers matters pertaining to the Company's activities, having regard to any relevant legislation, other legal requirements and prevailing codes of best practice, in respect of social and economic development, good corporate citizenship (including the promotion of equality, prevention of unfair discrimination; the environment, health and public safety, including the impact of the Company's activities and of its products or services), consumer relationships and labour and employment issues. The responsibility of this committee is further to advise the Board on all relevant aspects that may have a significant impact on the long-term sustainability of the Company and which influence the Company's integrated reporting. The members of the Board may attend meetings by invitation.

4. THE COMPANY SECRETARY

The Board is assisted by a Company Secretary, Rilapax Proprietary Limited (t/a William Radcliffe). The Board is satisfied that the Company Secretary maintains an arms-length relationship with the Board and is sufficiently qualified and experienced to execute the required duties. The Company Secretary advises the Board on appropriate procedures for management of meetings and ensures the corporate governance framework is maintained.

The Directors have unlimited access to advice and services of the Company Secretary. Nothing has come to the attention of the Board of Directors that indicate non-compliance by the Company with applicable laws and regulations.

The Board will satisfy itself on an annual basis on the competence, qualifications and experience of the Company Secretary.

5. APPLICATION OF THE KING CODE

The Company's key point of reference for its governance structures is King Code. A register of all King Code principles and the extent of SAB Zenzele Kabili's compliance therewith is available on the Company's website at: www.investecsps.co.za.

ANNEXURE 6: KEY PROVISIONS OF THE SAB ZENZELE KABILI PREFERENCE SHARES

| | |
|-----------------------------------|--|
| Issuer: | SAB Zenzele Kabili Holdings (RF) Limited Registration number: 2019/616052/06 |
| Holder/Subscriber: | The South African Breweries Proprietary Limited Registration number: 1998/006375/07 |
| Preference Shares: | Authorised: 1,000,000 classified and unspecified shares: To be issued: up to 10,000 cumulative, redeemable, non-participating preference shares. |
| Purpose: | The Issuer shall apply the proceeds of the Preference Share funding towards the acquisition of AB InBev shares and costs relating thereto which will be a <i>qualifying purpose</i> for purpose of the Income Tax Act. |
| First Issue Date: | 31 March 2020. |
| Ranking: | The Preference Shares rank in priority to the ordinary shares of the Issuer in relation to distributions, but behind all debt in the Issuer. |
| Issue Price: | R500,000 per Preference Share. |
| First Subscription Price: | The Subscription Price to be paid on the First Issue Date to be determined closer to the First Issue Date. |
| Security: | Security typical for a transaction of this nature, including but not limited to: a) Security over all of the shares held by the Issuer in AB InBev, to be governed by Belgian law; b) Cession and pledge in security over all of the Issuer's bank accounts, to be governed by South African law; and c) Negative pledge provisions. |
| Subscriptions: | The Subscriber may subscribe for the Preference Shares in multiple subscriptions. |
| Dividend Rate: | 70% of Prime Rate, nominal, annual and compounded monthly. |
| Dividends: | The Holder shall be entitled to preference dividends, calculated from the Issue Date, determined by multiplying the Dividend Rate with the sum of the Issue Price and all compounded/accumulated preference dividends for the compounding periods preceding the Dividend Payment Date. |
| Dividend Payment Dates: | The date 20 Business Days after the Issuer receives any Received Amounts. Any unpaid preference dividends will become due and payable on the Redemption Date, as part of the Redemption Amount. |
| Sale Event: | Any event in terms of which the Issuer disposes of any of its assets or disposes of any AB InBev shares (or any right, title or interests in respect thereof) in the capital and/or shareholder claims against any third party and/or any of its subsidiaries. |
| Permitted Sale Event: | A Sale Event can only occur: a) with the prior written consent of the Holder; or b) for the purpose of redeeming the Preference Shares. |
| Scheduled Redemption Date: | the date which is 10 years + 1 day after the relevant Issue Date. One year prior to the Scheduled Redemption Date, the Holder and the Issuer will commence <i>bona fide</i> discussions in respect of the redemption of the Preference Shares on the Scheduled Redemption Date, in particular: a) how such redemption will be financed or refinanced; and b) whether an extension will be required in respect of the Scheduled Redemption Date. |

| | |
|--|--|
| Redemption Amount: | On the Redemption Date, the redemption amount for each Preference Share which is being redeemed will be equal to: the Issue Price; plus any unpaid accumulated or accrued preference dividends up to and including such date; plus any other amounts due and payable in accordance with the preference share terms by the Issuer to the Holder. |
| Voluntary Redemption Date: | Any date, prior to the Scheduled Redemption Date, on which the Issuer elects to redeem any Preference Shares, subject to the payment of all accrued/accumulated preference dividends to date. |
| Redemption Date: | Earlier of Scheduled Redemption Date, the Voluntary Redemption Date on which the last Preference Share is redeemed, or a date as set out in a demand following a Redemption Notice. |
| Received Amounts: | All distributions received by the Issuer in respect of all of the AB InBev shares held by the Issuer and all proceeds received from a Sale Event. |
| Cash-flow Waterfall: | Received Amounts shall be applied to the following: a) firstly: <ul style="list-style-type: none"> • the payment of taxes and properly incurred, reasonable administration cost and expenses, including audit and statutory filings which are due and payable by the Issuer; • retaining sufficient proceeds to pay the taxes, costs and expenses contemplated above, reasonably expected to be incurred in the succeeding six-month period, which is limited to a maximum of R15,000,000 per annum and indexed to CPI; b) secondly, the balance of the Received Amounts shall be applied as follows: <ol style="list-style-type: none"> i. 75% towards payment of all accumulated preference dividends (if any) and thereafter all accrued preference dividends in respect of the Preference Shares; and ii. 25% towards payment of ordinary dividends provided no Potential Trigger Event has occurred; and iii. thereafter, at the discretion of the Issuer, towards the voluntary redemption of any Preference Shares or alternatively, to be reserved in the Issuer's bank account. |
| Conditions Precedent: | Conditions precedent usual for transactions of this nature, including the necessary authorisations/resolutions. |
| Representations and Warranties: | Representations and warranties usual for transactions of this nature by the Issuer, where and to the extent applicable, including without limitation: Status; Corporate Existence; Binding Obligations; Non-conflict with other Obligations; Power and Authority; Compliance with Laws; Preference Dividends; Solvency; Business Rescue. |
| Undertakings: | Positive and negative undertakings as are standard for a transaction of this nature, including without limitation: Maintenance of corporate existence; Compliance with laws; Preference Dividends; Maintenance of authorisations. |

| | |
|--------------------------------------|--|
| Potential Trigger Events: | <p>The Potential Trigger Events will be those usual for a transaction of this nature, including without limitation:</p> <ul style="list-style-type: none"> a) Non-payment of any amounts due in accordance with these terms; b) Non-compliance with these terms; c) Material adverse event; d) Sanctioned transactions; e) Insolvency event occurs or insolvency proceedings commencing; f) The de-listing of the Issuer or AB InBev; g) Business rescue proceedings; h) Failure to maintain BEE status; or i) Failure to adhere to the terms of the constitutional documents of the Issuer. <p>All of these events will be subject to agreed remedy periods which will not be less than 1 business day and following failure to remedy, the Holder may issue a notice requiring the Issuer to redeem the Preference Shares (Redemption Notice).</p> |
| Voting: | <p>No voting rights attach to the Preference Shares, other than:</p> <ul style="list-style-type: none"> a) with respect to any amendments to the Preference Share terms which may not be made without the Holder's consent; and b) unwinding or deregistration of the Issuer, sale of the whole or major part of the business of the Issuer or upon the occurrence of a Potential Trigger Event, <p>in which case the Holder will be entitled to exercise 90% of the voting rights entitled to be exercised.</p> |
| Right to Nominate: | <p>The Holder shall be entitled to nominate one person for election to the board of directors of the Issuer.</p> |
| Indemnities and Tax Gross-Up: | <p>Tax and regulatory indemnity and gross-up provisions usual for a transaction of this nature to place the Holder in the same position it would have been if no tax was suffered/regulatory change occurred.</p> |
| Relevant Agreements | <ul style="list-style-type: none"> a) Preference share subscription agreement; b) Preference Share Terms (to be attached to the preference share subscription agreement); and c) the necessary security documents. |

ANNEXURE 7: SHAREHOLDER RESOLUTIONS

Below is an extract from resolutions of the sole shareholder of SAB Zenzele Kabili (namely, SAB), passed between the date of incorporation of SAB Zenzele Kabili (i.e. 05 December 2020) and the Last Practicable Date:

RESOLVED:

Ordinary resolutions:

- Appointment of PricewaterhouseCoopers as auditors of the Company and Chantal Marais Roux as designated partner until the date of the next annual general meeting;
- Election of Mr. MM Ngoasheng to the Board;
- Election of Ms. I Dlamini to the Board;
- Election of Mr. E Kwinda to the Board;
- Establishment of the Audit Committee; and
- Appointment of Rilapax Proprietary Lintied (t/a William Radcliffe) as the Company Secretary.

Special resolutions:

- Approving Non-Executive Directors' fees payable for the 2020/21 financial year to the next annual general meeting;
- Authority to issue Settlement Shares;
- Authority to issue SAB Zenzele Kabili Preference Shares;
- Authority to provide financial assistance in terms of section 44 of the Companies Act;
- Authority to provide financial assistance in terms of section 45 of the Companies Act; and
- Authorisation of the adoption of the SAB Zenzele Kabili MOI approved by the JSE.

ANNEXURE 8: PRO FORMA FINANCIAL INFORMATION OF SAB ZENZELE KABILI

The *Pro Forma* Financial Information presented below has been prepared for illustrative purposes only and because of its nature may not fairly present SAB Zenzele Kabili's financial position, changes in equity, results of operations or cash flows.

The *Pro Forma* Financial Information is based on the audited report of historical financial information of SAB Zenzele Kabili as at and for the period ended 31 January 2020, included as **Annexure 10** to the Prospectus.

The *Pro Forma* Financial Information has been prepared using the accounting policies of SAB Zenzele Kabili which comply with IFRS and are consistent with those applied in the report of historical financial information of SAB Zenzele Kabili, set out in **Annexure 10** to the Prospectus.

The *Pro Forma* Financial Information is the responsibility of the SAB Zenzele Kabili directors. Their responsibility includes determining that the *Pro Forma* Financial Information has been properly compiled on the basis stated, and that the *pro forma* adjustments are appropriate for purposes of the *Pro Forma* Financial Information disclosed pursuant to the Listings Requirements.

The independent reporting accountant's report on the *Pro Forma* Financial Information is set out in **Annexure 9** to the Prospectus.

Pro forma Statement of Financial Position

The *pro forma* statement of financial position has been prepared on the assumption that the New Empowerment Transaction was effective 31 January 2020.

PRO FORMA STATEMENT OF FINANCIAL POSITION

| R'000 | Before ¹ | Retailer Scheme ² | New ESOP ³ | SAB Founda- tion ⁴ | SAB Vendor Loan ⁵ | Discount shares ⁶ | <i>Pro forma</i> After ⁸ |
|-------------------------------------|---------------------|---------------------------------|-----------------------|-------------------------------------|------------------------------------|---------------------------------|--|
| Assets | | | | | | | |
| Financial asset ⁹ | | 678,174 | 600,000 | 343,826 | 2,973,000 | 811,000 | 5,406,000 |
| Cash and cash equivalents | | | | | | | - |
| Total assets | - | 678,174 | 600,000 | 343,826 | 2,973,000 | 811,000 | 5,406,000 |
| Share capital | | 678,174 | 600,000 | 343,826 | | | 1,622,000 |
| Capital reserves | | | | | | 811,000 | 811,000 |
| Preference shares | | | | | 2,973,000 | | 2,973,000 |
| Total Equity and Liabilities | - | 678,174 | 600,000 | 343,826 | 2,973,000 | 811,000 | 5,406,000 |
| Shares in issue ⁷ | | 16,954,343 | 15,000,000 | 8,595,657 | | | 40,550,000 |
| NAV and NTAV per share (Rands) | 0 | | | | | | 60.00 |

Notes:

1. Extracted from audited historical financial information of SAB Zenzele Kabili as at 31 January 2020.
2. Represents the estimated unwind value of SAB Zenzele (R4,521 million) multiplied by the minimum reinvestment percentage (15%). The estimated unwind value is calculated based on the provisions of the Amended and Restated Exchange Agreement entered into between SAB, SABMiller, the BEE parties and AB InBev.
3. Represents the sale of R600 million AB InBev Shares by the New ESOP to SAB Zenzele Kabili in exchange for SAB Zenzele Kabili Ordinary Shares.
4. Represents the sale of R344 million AB InBev Shares by The SAB Foundation to SAB Zenzele Kabili in exchange for SAB Zenzele Kabili Ordinary Shares.
5. Represents the commitment by SAB to sell R2,973 million AB InBev Shares to SAB Zenzele Kabili in exchange for 5,946 preference shares in SAB Zenzele Kabili at an issue price of R500,000 per preference share.
6. SAB has committed to contribute a further R811 million AB InBev Shares at no cost to SAB Zenzele Kabili.
7. The number of SAB Zenzele Kabili shares is based on the expected issue price of R40 per share.
8. Represents the *pro forma* financial position after accounting for the New Empowerment Transaction.
9. Based on the AB InBev share price at the Last Practicable Date (R1,112) SAB Zenzele Kabili will own 4 861 511 underlying AB InBev Shares.

Pro forma statement of comprehensive income

A *pro forma* statement of comprehensive income has not been prepared. The requirement for a *pro forma* statement of comprehensive income serves to provide shareholders with additional information for the purposes of their assessment of the impact of the corporate action. A *pro forma* statement of comprehensive income is prepared using historical information. Given that SAB Zenzele Kabili is a newly incorporated entity, the Company is of the view that a *pro forma* statement of comprehensive income will not be meaningful.

ANNEXURE 9: INDEPENDENT REPORTING ACCOUNTANT’S REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION

To the Directors of SAB Zenzele Kabili Holdings (RF) Limited

Report on the Assurance Engagement on the Compilation of *Pro Forma* Financial Information included in a Pre-listing Statement

We have completed our assurance engagement to report on the compilation of the *pro forma* financial information of SAB Zenzele Kabili Holdings (RF) Limited (the “Company” or “SAB Zenzele Kabili”) by the directors. The *pro forma* financial information, as set out in Section 3, paragraph 5 and Annexure 8 of the Pre-listing Statement, consist of the *pro forma* balance sheet as at 31 January 2020. The applicable criteria on the basis of which the directors have compiled the *pro forma* financial information are specified in the JSE Limited (JSE) Listings Requirements and described in Section 3, paragraph 5 and Annexure 8 of the Pre-listing Statement.

The financial information has been compiled by the directors to illustrate the impact of the proposed BEE transaction between SAB Zenzele Kabili and AB InBev. As part of this process, information about the Company’s financial position has been extracted by the directors from the Company’s historical financial information for the period ended 31 January 2020, on which an audit report has been published.

Directors’ responsibility

The directors of the Company are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in Section 3, paragraph 5 and Annexure 8 of the Prelisting Statement.

Our independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Professional Conduct for Registered Auditors*, issued by the Independent Regulatory Board for Auditors’ (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

The firm applies International Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountant’s responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis of the applicable criteria specified in the JSE Listings Requirements and described in Section 3, paragraph 5 and Annexure 8 of the Pre-listing Statement based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any report of historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

The purpose of *pro forma* financial information is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the company as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the *pro forma* financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to those criteria; and
- The *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgment, having regard to our understanding of the nature of the Company, the event or transaction in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in Section 3, paragraph 5 and Annexure 8 of the Pre-listing Statement.

PricewaterhouseCoopers Inc.
Director: Chantal Marais Roux
Registered Auditor
Johannesburg
13 February 2020

ANNEXURE 10: REPORT OF HISTORICAL FINANCIAL INFORMATION

SAB ZENZELE KABILI HOLDINGS (RF) LIMITED**STATEMENT OF FINANCIAL POSITION**
as at 31 January 2020

| | Notes | 2020 Rand |
|--|--------------|----------------------|
| ASSETS | | |
| Current assets | | |
| Shareholder's Loan | | 0.10 |
| Total current assets | | 0.10 |
| Total assets | | 0.10 |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders | | |
| Share capital and share premium | 2 | 0.10 |
| Total equity | | 0.10 |
| Total equity and liabilities | | 0.10 |

STATEMENT OF CHANGES IN EQUITY**for the period ended 31 January 2020**

| | Share capital and share premium Rand | Total equity Rand |
|-----------------------------------|---|----------------------------------|
| Balance at 5 December 2019 | – | – |
| Share Capital Issue | 0.10 | 0.10 |
| Balance at 31 January 2020 | 0.10 | 0.10 |

NOTES TO THE HISTORICAL FINANCIAL INFORMATION for the period ended 31 January 2020

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the company's historical financial information are set out below. These policies have been consistently applied to the period since incorporation, unless otherwise stated.

1.1 Basis of preparation

The historical financial information of SAB Zenzele Kabili Holdings (RF) Limited have been prepared in accordance with IFRS, IFRIC Interpretations and the requirements of the South African Companies Act.

The historical financial information are prepared under the historical cost convention, except for certain financial instruments as described in the accounting policies below. The accounts have been prepared on a going concern basis.

The preparation of historical financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the company's accounting policies. Actual results could differ from those estimates.

A statement of comprehensive income and statement of cash flows have not been prepared, given that there were no transactions from the date of incorporation to the end of the reporting the period, 31 January 2020.

1.2 New Standards and Interpretations

There were a number of new standards and interpretations effective and adopted in the current year.

The company assessed that there is no significant impact of the following standards and amendments to existing standards mandatory for the first time for the company's 2020 financial year:

- IFRIC 23 Uncertainty over Income Tax Treatments, effective 1 January 2019
- Amendments to IFRS 9- Prepayment Features with Negative Compensation, effective 1 January 2019
- IFRS 16- Leases, effective 1 January 2019
- Amendment to IAS 19, 'Employee benefits' on plan amendment, curtailment or settlement'
- Amendment to IAS 28, 'Investments in associates and joint ventures'-long term interests in associates and joint ventures, effective 1 January 2019.
- Annual improvements to IFRS Standards 2015-2017, effective 1 January 2019.

Published standards, amendments and interpretations not yet effective and not early adopted:

The following new accounting standards, interpretations and amendments are not expected to have a material impact on the results, financial position or cash flows of the Company:

- IFRS 17-Insurance contracts (1 January 2021)
- Amendment to IAS 1, 'Presentation of financial statements' and IAS 8, 'Accounting policies, changes in accounting estimates and errors' on the definition of material.
- Amendment to IFRS 3, 'Business combinations' - Definition of a business

1.3 Significant judgements and estimates

In determining and applying accounting policies, judgement is often required where the choice of specific policy, assumption or accounting estimate to be followed could materially affect the reported results or net position of SAB Zenzele Kabili, should it later be determined that a different choice be more appropriate.

1.4 Revenue recognition

Revenue from dividend income

Revenue from dividend income is recognised when the right to receive payment is established.

1.5 Financial assets and financial liabilities

Financial assets and financial liabilities are initially recorded at fair value (plus any directly attributable transaction costs where applicable). For those financial instruments that are not subsequently held at fair value, SAB Zenzele Kabili assesses whether there is any objective evidence of impairment at each balance sheet date.

Financial assets are recognised when SAB Zenzele Kabili has rights or other access to economic benefits. Such assets consist of cash, equity instruments, a contractual right to receive cash or another financial asset, or a contractual right to exchange financial instruments with another entity on potentially favourable terms. Financial assets are derecognised when the right to receive cash flows from the asset have expired or have been transferred and SAB Zenzele Kabili has transferred substantially all risks and rewards of ownership.

Financial liabilities are recognised when there is an obligation to transfer benefits and that obligation is a contractual liability to deliver cash or another financial asset or to exchange financial instruments with another entity on potentially unfavourable terms. Financial liabilities are derecognised when they are extinguished, that is discharged, cancelled or expired.

If a legally enforceable right exists to set off recognised amounts of financial assets and liabilities, which are in determinable monetary amounts, and there is the intention to settle net, the relevant financial assets and liabilities are offset.

Interest costs are charged to the income statement in the year in which they accrue.

The company has the following categories of financial assets and financial liabilities.

(i) *Financial assets and financial liabilities at fair value through profit or loss*

Financial assets and financial liabilities at fair value through profit or loss include derivative assets and derivative liabilities not designated as effective hedging instruments.

All gains or losses arising from changes in the fair value of financial assets or financial liabilities within this category are recognised in the income statement.

Derivative financial assets and financial liabilities:

Derivative financial assets and financial liabilities are financial instruments whose value changes in response to an underlying variable, require little or no initial investment and are settled in the future.

Derivative financial assets and liabilities are analysed between current and non-current assets and liabilities on the face of the balance sheet, depending on when they are expected to mature.

For derivatives that have not been designated to a hedging relationship, all fair value movements are recognised immediately in the income statement.

(ii) *Financial assets held at amortised cost*

Other receivables, accrued income and cash and cash equivalents.

a. Other receivables

Other receivables are mainly amounts due to the company on dividends declared not yet received and are initially recognised at fair value and subsequently measured at amortised cost less provision for impairment. Other receivables are amounts due on dividends declared and due to the entity. The company holds the other receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The entity applies the IFRS 9 simplified approach to measuring expected credit loss losses on other receivables, which uses lifetime expected credit loss allowance for other receivables. The movement in the provision is recognised in the statement of comprehensive income.

b. Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank deposits repayable on demand.

(iii) *Financial liabilities held at amortised cost*

Financial liabilities held at amortised cost include accruals, other payables and borrowings. Redeemable and preference shares are classified as liabilities. The dividends on those preference shares are recognised in profit and loss as finance costs.

a. Other payables

Other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. Other payables are analysed between current and non-current liabilities on the face of the balance sheet, depending on when the obligation to settle will be realised.

1.6 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.7 Capital reserves

Capital reserves are contributions from group companies in their capacity as owners of the entity where the contribution has not resulted in the issue of new shares or options.

1.8 Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in other comprehensive income or directly in equity, respectively.

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. SAB Zenzele Kabili's liability for current taxation is calculated using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full using the balance sheet liability method, in respect of all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the historical financial information, except where the temporary difference arises from goodwill or from the initial recognition (other than a business combination) of other assets and liabilities in a transaction that affects neither accounting nor taxable profit.

Deferred tax is measured at the tax rates expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted at balance sheet date. Deferred tax is measured on a non-discounted basis.

1.9 Dividend distributions

Dividend distributions to equity holders of SAB Zenzele Kabili are recognised as a liability in SAB Zenzele Kabili's historical financial information in the period in which the dividends are approved by SAB Zenzele Kabili's directors. Interim dividends are recognised when paid. Dividends declared after the balance sheet date is not recognised as there is no present obligation at the balance sheet date.

2. SHARE CAPITAL AND SHARE PREMIUM

Authorised share capital comprises 50,000,000 ordinary shares of no par value and 1,000,000 classified preference shares.

| | Rand |
|--|-------------|
| Authorised ordinary share capital | - |
| Authorised preference shares | - |
| Issued share capital comprises of 1 share issued to SAB of R0.10 each. | |
| | 2020 |
| | Rand |
| Share capital | 0.10 |
| | 0.10 |

The unissued shares are under the control of the directors until the execution of scheme and distribution of shares to the participants in April 2020.

3. EVENTS AFTER REPORTING DATE

Subsequent to the period end, AB InBev and SAB intend to implement the proposed new empowerment transaction which is conditional on the approval and implementation of the conditions as set out in the prospectus document. This is expected to conclude in April 2020.

4. GOING CONCERN

The Directors have prepared the historical financial information on the going concern basis. The going concern of the Company is dependent on the successful implementation of the new empowerment transaction and the listing of SAB Zenzele Kabili on the JSE both of which the Directors are confident will be approved by special resolution to be voted on in March 2020 as part of the circular and prospectus issued to the shareholders of Zenzele Holdings Limited.

Further, as at 31 January 2020 the entity has no debt or contingent liabilities which supports the going concern basis of preparation for the historical financial information as at 31 January 2020.

ANNEXURE 11: INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION

To the Directors of SAB Zenzele Kabili Holdings (RF) Limited

Our opinion

SAB Zenzele Kabili Holdings (RF) Limited (the “Company” or “SAB Zenzele Kabili”) is issuing a prospectus (the “Prospectus”) pursuant to the proposed listing of the Company’s shares on the JSE (the “Proposed Transaction”).

In our opinion, the historical financial information as set out in Annexure 10 of the Prospectus (the “historical financial information”) presents fairly, in all material respects, the financial position of SAB Zenzele Kabili Holdings (RF) Limited (the “Company”) as at 31 January 2020 in accordance with International Financial Reporting Standards and the requirements of the JSE Limited Listings Requirements.

What we have audited

At your request and solely for the purpose of the Prospectus to be dated on or about 19 February 2020, we have audited SAB Zenzele Kabili’s historical financial information, which comprises:

- The statement of financial position as at 31 January 2020;
- the statement of changes in equity for the period then ended; and
- the notes to the historical financial information, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Reporting accountant’s responsibilities for the audit of the historical financial information* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Independent Regulatory Board for Auditors’ *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

Purpose of this report

This report has been prepared for the purpose of the Prospectus and for no other purpose.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the historical financial information for the period ended 31 January 2020. We have determined that there are no key audit matters in respect of the historical financial information to communicate in our report.

Responsibilities of the directors for the historical financial information

The directors of SAB Zenzele Kabili are responsible for the preparation, contents and presentation of the Prospectus and are responsible for ensuring that the SAB Zenzele Kabili complies with the requirements of the JSE Limited Listings Requirements.

The directors of SAB Zenzele Kabili are responsible for the preparation and fair presentation of the historical financial information in accordance with International Financial Reporting Standards and the requirements of the JSE Limited Listings Requirements, and for such internal control as the directors determine is necessary to enable the preparation of historical financial information that are free from material misstatement, whether due to fraud or error.

In preparing the historical financial information, the directors of SAB Zenzele Kabili are responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Reporting accountant's responsibilities for the audit of the historical financial information

Our objectives are to obtain reasonable assurance about whether the historical financial information as a whole are free from material misstatement, whether due to fraud or error, and to issue a reporting accountant's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this historical financial information.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the historical financial information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of SAB Zenzele Kabili.
- Conclude on the appropriateness of the directors of SAB Zenzele Kabili's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our reporting accountant's report to the related disclosures in the historical financial information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our reporting accountant's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the historical financial information, including the disclosures, and whether the historical financial information represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the historical financial information. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the directors of SAB Zenzele Kabili regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors of SAB Zenzele Kabili with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

PricewaterhouseCoopers Inc.
Director: Chantal Marais Roux
Registered Auditor
Johannesburg
13 February 2020

**ANNEXURE 12: REPORT BY INDEPENDENT REPORTING ACCOUNTANT IN TERMS OF
REGULATION 79 OF THE COMPANIES REGULATIONS**

Board of Directors

SAB Zenzele Kabili Holdings (RF) Limited
c/o The South African Breweries Limited
65 Park Lane
Sandown
Sandton
2196
13 February 2020

Dear Sirs

Report by the auditor in terms of Regulation 79 of the Companies Act 71 of 2008 of South Africa

PricewaterhouseCoopers Inc. (“PwC”, “we” or “us”) are the appointed registered auditor of SAB Zenzele Kabili Holdings (RF) Limited (the “Company” or “SAB Zenzele Kabili”). We have been advised that the Company intends to issue a prospectus on or about 19 February 2020 to its shareholders (the “Prospectus”) pursuant to the proposed listing of the Company’s shares on the JSE (the “Proposed Transaction”). For that purpose Regulation 79 of the Companies Act 71 of 2008 of South Africa (the “Act”) requires a report by the auditor of the Company to be issued in relation to the annual financial statements of the Company.

SAB Zenzele Kabili has not completed its first financial year since incorporation and therefore the Company has not produced its first set of annual financial statements before the issue of the prospectus.

Restriction on use and distribution

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties.

PricewaterhouseCoopers Inc.
Director: Chantal Marais Roux
Registered Auditor
Johannesburg
13 February 2020

ANNEXURE 13: PRICE HISTORY OF AB INBEV SHARES ON THE JSE

Set out below is a table of the aggregate volumes and values traded in AB InBev Shares, and the highest and lowest prices traded, for each month over the 12 months prior to the date of issue of the Prospectus and for each day over the 30 days preceding the Last Practicable Date:

| Month | Volume ('000) | Value (R'000) | Highest (cents per AB InBev share) | Lowest (cents per AB InBev share) |
|--------------|----------------------|----------------------|---|--|
| January | 2,912 | 3,313,639 | 119,774 | 107,550 |
| December | 1,966 | 2,256,258 | 118,037 | 111,100 |
| November | 4,005 | 4,692,986 | 122,274 | 114,501 |
| October | 5,829 | 7,399,415 | 147,237 | 116,000 |
| September | 3,676 | 5,185,093 | 144,916 | 135,000 |
| August | 4,929 | 7,181,767 | 151,318 | 137,501 |
| July | 5,269 | 6,983,864 | 145,308 | 120,372 |
| June | 2,610 | 3,285,806 | 130,593 | 116,841 |
| May | 2,214 | 2,687,130 | 129,076 | 116,000 |
| April | 4,594 | 5,693,673 | 129,773 | 118,120 |
| March | 5,455 | 6,421,820 | 122,972 | 110,000 |

| Date | Volume ('000) | Value (R'000) | Highest (cents per AB InBev share) | Lowest (cents per AB InBev share) |
|-------------|----------------------|----------------------|---|--|
| 10-Feb-20 | 95 | 105,588 | 112,508 | 111,165 |
| 07-Feb-20 | 885 | 998,073 | 113,924 | 111,181 |
| 06-Feb-20 | 364 | 414,179 | 114,812 | 112,820 |
| 05-Feb-20 | 80 | 91,094 | 113,480 | 111,746 |
| 04-Feb-20 | 80 | 90,177 | 114,900 | 111,359 |
| 03-Feb-20 | 72 | 80,910 | 114,075 | 111,445 |
| 31-Jan-20 | 123 | 138,738 | 113,399 | 110,956 |
| 30-Jan-20 | 305 | 339,454 | 111,930 | 110,445 |
| 29-Jan-20 | 171 | 189,494 | 111,930 | 110,560 |
| 28-Jan-20 | 121 | 133,882 | 110,609 | 109,658 |
| 27-Jan-20 | 70 | 76,807 | 112,567 | 109,167 |
| 24-Jan-20 | 253 | 284,724 | 113,226 | 107,550 |
| 23-Jan-20 | 235 | 261,998 | 113,447 | 111,280 |
| 22-Jan-20 | 202 | 226,514 | 114,954 | 112,026 |
| 21-Jan-20 | 51 | 57,565 | 115,255 | 113,662 |
| 20-Jan-20 | 48 | 55,643 | 115,881 | 114,550 |
| 17-Jan-20 | 362 | 418,086 | 116,178 | 113,800 |
| 16-Jan-20 | 185 | 212,069 | 115,900 | 113,600 |
| 15-Jan-20 | 88 | 101,110 | 115,998 | 114,173 |
| 14-Jan-20 | 226 | 261,571 | 116,984 | 114,042 |
| 13-Jan-20 | 54 | 62,851 | 117,225 | 115,749 |
| 10-Jan-20 | 61 | 71,662 | 116,680 | 115,231 |
| 09-Jan-20 | 30 | 35,456 | 117,250 | 115,486 |
| 08-Jan-20 | 55 | 64,162 | 118,123 | 115,502 |
| 07-Jan-20 | 49 | 58,467 | 119,774 | 116,614 |
| 06-Jan-20 | 65 | 77,395 | 118,955 | 116,799 |
| 03-Jan-20 | 100 | 118,204 | 118,998 | 116,709 |
| 02-Jan-20 | 58 | 67,787 | 117,007 | 114,013 |
| 31-Dec-19 | 81 | 93,472 | 117,500 | 115,518 |
| 30-Dec-19 | 30 | 35,251 | 117,030 | 115,485 |

ANNEXURE 14: INDEMNITY GRANTED BY SAB ZENZELE KABILI

The applicant hereby agrees to indemnify:

- (a) the JSE against all and any legal costs incurred (including attorney and own client costs) to the extent that, as a result of the member not complying with the BEE verification process as required in terms of the JSE Equities Rules and Directives, the JSE takes any legal action and is not able to recover its costs from the parties to the legal action pursuant to a costs order awarded in the legal action;
- (b) if:
 - i. if the applicant issuer, or such other person as is entitled to do so pursuant to the relevant BEE scheme documents (“the designated person”) elects, by reason of a breach in the terms and conditions of the relevant BEE scheme documents or the BEE verification process not having been correctly executed by the BEE verification agent, to enforce the terms and conditions of the relevant BEE scheme documents against the beneficial owner of BEE securities and, if applicable, other parties, by either repurchasing the BEE securities or nominating a third party to so purchase and such third party purchases, the BEE securities; and
 - ii. the relevant CSDP, or its nominee, is then instructed to effect the necessary entries relating to such repurchase or purchase of the BEE securities,

and, as a consequence, litigation ensues and the registered holder and/or the CSDP or its nominee and/or any JSE member (“joined parties”) is/are joined in such litigation, the applicant issuer indemnifies such joined parties and their directors, employees, servants, agents or contractors or other persons for whom, in law, they may be liable (*stipulatio alteri*) against all and any costs (including attorney and own client costs) which may be awarded against any of them as a consequence of such litigation provided that:

- 1. the joined parties shall (unless they were joined by the applicant issuer or designated person) notify the applicant issuer, in writing, of such joinder within a reasonable time of becoming aware thereof, to enable the applicant issuer or designated person to take steps to act on their behalf as contemplated in paragraph(2) below;
- 2. subject to paragraph (3) below, the applicant issuer or designated person, as applicable, shall be entitled to contest (which shall include an appeal to a court of law) the litigation in the name of the joined parties and shall be entitled to control the proceedings in regard thereto and the joined parties shall take no steps in the litigation which are not approved in writing by the applicant issuer or designated person;
- 3. if the applicant issuer or designated person joined the joined parties, they shall merely abide by the decision of the court;
- 4. the indemnity in this paragraph 4.32B(b) shall not apply to such joined party in circumstances where the litigation arises from:
 - i. a breach by such joined party of any of its obligations under the JSE equity rules and directives or Strate rules and directives, as applicable, or
 - ii. any breach of an applicable contract between such joined party, the applicant issuer and/or any designated person, and
- 5. paragraph 4.32B(b) constitutes a right in favour of the joined parties and their directors, employees, servants, agents or contractors, or other persons for whom in law they may be liable (*stipulatio alteri*), which they will be entitled to invoke, at any time, by notifying the applicant issuer in writing thereof.

PARTICIPATION FORM



SAB ZENZELE KABILI HOLDINGS (RF) LIMITED

(Incorporated in the Republic of South Africa)
(Registration number: 2019/616052/06)
JSE share code: SZK ISIN: ZAE000284196
("SAB Zenzele Kabili" or the "Company")

This document is important and requires your immediate attention

Unless the context dictates otherwise, all terms defined in the Prospectus to which this document is attached shall bear the same meanings herein.

This document constitutes the Participation Form in respect of your participation in the Reinvestment Offer as contemplated by the Prospectus.

This Participation Form must be completed by each Qualifying Investor who wishes to participate in the Reinvestment Offer.

PART A: DETAILS OF QUALIFYING INVESTOR

Title: _____

Name: _____

Surname: _____

ID number/registration number: _____

Tel: _____

Cell: _____

Email: _____

Physical address: _____

PART B: ELECTION TO PARTICIPATE IN THE REINVESTMENT OFFER

I/we hereby agree to cede to SAB Zenzele Kabili: _____ % of my/our Settlement Entitlement (which, in the case of SAB Zenzele Retailer Shareholders, would be their entitlement remaining after taking into account the portion of the Settlement Entitlement ceded to SAB Zenzele Kabili under the SAB Zenzele Scheme, if approved and implemented), pursuant to the Reinvestment Offer in exchange for SAB Zenzele Kabili Ordinary Shares of Proportional Value, on the terms and subject to the conditions of the Reinvestment Offer as set out in the Prospectus.

PART C: ONLY FOR COMPLETION BY QUALIFYING INVESTORS WHO WISH TO RECEIVE THE SAB ZENZELE KABILI ORDINARY SHARES IN THEIR SPECIFIED SECURITIES ACCOUNT WITH THEIR CHOSEN CSDP OR BROKER

Name of account holder: _____

Name of broker: _____

Name of CSDP: _____

CSDP account number: _____

Broker account number: _____

SAB Zenzele Holdings Limited Reference Number (for SAB Zenzele Retailer Shareholders only): _____

PART D: SIGNATURE

Signed at

on

2020

NOTES TO THE PARTICIPATION FORM IN RESPECT OF THE SETTLEMENT ENTITLEMENT

1. Before completing this form, you should read the Prospectus carefully. If you are a SAB Zenzele Retailer Shareholder, you should also read the SAB Zenzele Scheme Circular carefully.
2. The Participation Form (*green*) must be completed and returned to the SAB Zenzele Kabili Administrator by no later than 16:00 on **Tuesday, 7 April 2020** either: (i) by hand at the following address: Investec Share Plan Services Proprietary Limited 100 Grayston Drive, Sandown, Sandton, 2196; (ii) by fax to 011 291 6556; or (iii) by email to sab.retail@investec.co.za.
3. Applications for SAB Zenzele Kabili Ordinary Shares under the Reinvestment Offer are irrevocable, final and binding after submitting the Participation Form and may not be withdrawn once received by or on behalf of SAB Zenzele Kabili, unless SAB Zenzele Kabili issues, registers and publishes a supplement to the Prospectus, in which event applications made prior to the date of issue or publication of the supplement may be withdrawn on written notice to SAB Zenzele Kabili within 20 business days after the date of publication.
4. Any alteration to this form must be signed in full and not merely initialed.
5. 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.
6. If this form is signed on behalf of a company, pension or provident fund or any other body corporate, it must be accompanied by a certified copy of the resolution authorising the signature.
7. 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 Company or the SAB Zenzele Kabili Administrator.