

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

The definitions and interpretations commencing on page 26 of this Circular apply throughout this Circular, including the cover page, except where the context indicates a contrary intention.

This Circular supersedes and replaces the Original Circular in its entirety. Shareholders should accordingly disregard the contents of the Original Circular and should only refer to this Circular for information in connection with the matters set out herein.

Action required by Shareholders:

- This Circular is important and should be read with particular attention to the section entitled: “*Action Required by Shareholders*”, which commences on page 7.
- If you are in any doubt as to what action you should take, please consult the Administrator or your banker, legal advisor, any Broker, any CSDP or other professional advisor immediately.

The Independent Board and SAB Zenzele do not accept responsibility, and will not be held liable, for any action of, or omission by, the Administrator or any advisor, agent or custodian to any Shareholder, including, without limitation, any failure on the part of the Administrator or such advisor, agent, custodian of any Shareholder, to notify the Shareholder of the actions required of them pursuant to this Circular or to take any action on behalf of such Shareholder.



SAB ZENZELE HOLDINGS (RF) LIMITED

(Incorporated in South Africa)
(Registration number: 2009/022656/06)
("SAB Zenzele" or "the Company")

REPLACEMENT CIRCULAR TO SHAREHOLDERS

Investment bank and financial advisor
to
SAB Zenzele Kabili, AB InBev and SAB



Independent Auditor



Legal advisor to SAB Zenzele Kabili,
AB InBev and SAB



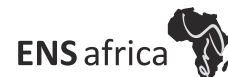
Administrator



Independent Expert



Independent Legal Advisors to SAB
Zenzele and the Independent Board



in connection with, amongst other things:

- **the approval of certain amendments to the SAB Zenzele MOI, in order to:**
 - permit all Retailer Shareholders to participate in the Scheme and the Reinvestment Offer; and
 - provide all Retailer Shareholders with additional optionality as to the manner in which their entitlements on the unwind of the Existing Empowerment Transaction is to be settled (i.e. the option to elect to be equity settled in the form of: (i) receiving AB InBev Shares directly; and/or (ii) cash proceeds (less associated taxes and costs), arising from a market-related sale of those AB InBev Shares on the JSE and/or the Euronext), which not all Retailer Shareholders currently have; and
- **the approval required in terms of section 114 read with section 115(2)(a) of the Companies Act, for the Scheme proposed by the SAB Zenzele Board between SAB Zenzele and the Retailer Shareholders, in terms of which, if the Scheme becomes Operative:**
 - each Retailer Shareholder will cede 63.5% of its right and entitlement to receive AB InBev Shares pursuant to its Retailer Settlement Entitlements which will vest under the Existing Empowerment Transaction, to SAB Zenzele Kabili (being the Scheme Entitlements); and
 - in consideration for such cession, each Retailer Shareholder will receive SAB Zenzele Kabili Shares of Proportional Value to the Retailer Settlement Entitlement ceded to SAB Zenzele Kabili;

and noting that:

- **if the Scheme becomes Operative, then in respect of the remaining portion of the Retailer Settlement Entitlements not ceded by the Retailer Shareholders pursuant to the Scheme, that being the Remaining Retailer Settlement Entitlements (i.e. the 36.5% of each Retailer Shareholder's Retailer Settlement Entitlements not ceded pursuant to the Scheme), each Retailer Shareholder shall have an election to:**
 - transfer all (or a portion) of its Remaining Retailer Settlement Entitlements to SAB Zenzele Kabili, in exchange for additional SAB Zenzele Kabili Shares pursuant to the Reinvestment Offer (being the invitation and offer by SAB Zenzele Kabili to each Retailer Shareholder to reinvest, as made on the terms and conditions set forth in the SAB Zenzele Kabili Prospectus); and/or
 - receive, pursuant to the Settlement Election, the remaining portion of its Remaining Retailer Settlement Entitlement:
 - in AB InBev Shares, pursuant to the AB InBev Shares Settlement, thereby giving them a direct shareholding in AB InBev; and/or
 - in cash proceeds (less associated taxes and costs), arising from a market-related sale on the JSE and/or the Euronext of the AB InBev Shares which such Retailer Shareholder is entitled to, pursuant to the Sale Proceeds Settlement; or
- **if the Scheme does not become Operative for any reason, then all Retailer Shareholders will have their Retailer Settlement Entitlements settled in the ordinary course pursuant to the Existing Empowerment Transaction and as provided for in the SAB Zenzele MOI and the Amended and Restated Exchange Agreement, save that under such circumstances, only a Retailer Shareholder who is entitled to more than 100 AB InBev Shares on the unwind of the Existing Empowerment Transaction will be entitled to make an election as to whether it wishes to be equity settled in the form of: (i) receiving AB InBev Shares directly; and/or (ii) cash proceeds (less associated taxes and costs), arising from a market-related sale of those AB InBev Shares on the JSE and/or the Euronext, pursuant to the Settlement Election by delivering a duly completed Election Form (*blue*) to the Administrator which indicates the manner in which it wishes to be settled on the unwind of the Existing Empowerment Transaction. For the avoidance of doubt, if the Scheme does not become Operative for any reason, a Retailer Shareholder who is entitled to less than 100 AB InBev Shares on the unwind of the Existing Empowerment Transaction shall only be entitled to receive the cash proceeds (less associated taxes and costs) arising from a sale of those AB InBev Shares on the JSE and/or the Euronext pursuant to the unwind of the Existing Empowerment Transaction and therefore shall not be required to complete the Election Form (*blue*) as such Retailer Shareholder shall be deemed to have elected a settlement in cash proceeds which deemed election shall be consistent with the terms of the current SAB Zenzele MOI;**

and incorporating:

- **a report prepared by the Independent Expert in respect of the Scheme, in terms of section 114(3) of the Companies Act and Companies Regulations 90 and 110;**
- **a statement of Dissenting Shareholders' Appraisal Rights in terms of section 164(2) of the Companies Act;**
- **extracts of sections 114 and 115 of the Companies Act, dealing with the approvals required for fundamental transactions (which includes schemes of arrangement), and section 164 of the Companies Act, dealing with Dissenting Shareholders' Appraisal Rights;**
- **a notice convening the Shareholders' Meeting (to be conducted entirely by electronic communication) as contemplated in section 63(2)(a) of the Companies Act and in accordance with the SAB Zenzele MOI;**
- **a form of proxy in respect of the Shareholders' Meeting (*pink*);**
- **the Election Form (*blue*) in respect of settlement of, as the case may be, the:**
 - Retailer Settlement Entitlements (if the Scheme does not become Operative) of the Retailer Shareholders who qualify to participate in the Settlement Election; or
 - Remaining Retailer Settlement Entitlement (if the Scheme does become Operative, and by implication the New Empowerment Transaction becomes operative);

and accompanied by:

- **the SAB Zenzele Kabili Prospectus, in respect of the listing of SAB Zenzele Kabili and the Reinvestment Offer, prepared in terms of the applicable disclosure requirements under the JSE Listings Requirements and section 100 of the Companies Act and Companies Regulations 51 to 79.**

Date of issue: 8 April 2021

This Circular is only available in English. Copies of this Circular may be obtained from the registered offices of SAB Zenzele and the Administrator, whose addresses are set out in the "Corporate Information and Advisors" section of this Circular, and from the financial advisor (RMB), from 8 April 2021 until 28 May 2021. A copy of this Circular will also be available on SAB Zenzele's website, <http://www.investecsp.co.za>, during the same period.

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CORPORATE INFORMATION AND ADVISERS

Registration number of SAB Zenzele

2009/022656/06

Registered office of SAB Zenzele

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

Place and date of incorporation of SAB Zenzele

South Africa
23 November 2009

**Investment bank, financial advisor
to AB InBev, SAB and SAB Zenzele Kabili**

Rand Merchant Bank (A division of
FirstRand Bank Limited)
(Registration number: 1929/001225/06)
4 Merchant Place
Corner Fredman Drive and Rivonia Road
Sandton, 2196
(PO Box 650149, Benmore, 2010)

Administrator to SAB Zenzele

Investec Share Plan Services Proprietary Limited
(Registration number: 2000/016211/07)
100 Grayston Drive
Sandown
Sandton
2196
(PO Box 785700, Sandton, 2146)

Independent registered auditor to SAB Zenzele

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

Company secretary

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

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

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

Independent Expert

BDO Corporate Finance Proprietary Limited
(Registration number: 1983/002903/07)
Wanderers Office Park
52 Corlett Drive
Illovo
Johannesburg
2196
(Private Bag X60500, Houghton, 2041)

**Legal advisor to SAB Zenzele and the Independent
Board**

Edward Nathan Sonnenbergs Inc.
(Registration number: 2006/018200/21)
The MARC, Tower 1
129 Rivonia Road
Sandton, 2196
(PO Box 783347, Sandton, 2146)

Assistance with Shareholders' Meeting queries, Forms of Proxy and actions relating to the Scheme:

Please make contact with:

Administrator to SAB Zenzele

Investec Share Plan Services Proprietary Limited

(Registration number: 2000/016211/07)

100 Grayston Drive

Sandown

Sandton

2196

(PO Box 785700, Sandton, 2146)

Email: sab.retail@investec.co.za

Or call:

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

IMPORTANT LEGAL NOTICES

The definitions and interpretations commencing on page 26 of this Circular apply, *mutatis mutandis*, to this section and throughout this Circular.

This Circular supersedes and replaces the Original Circular in its entirety. Shareholders should accordingly disregard the contents of the Original Circular and should only refer to this Circular for information in connection with the matters set out herein.

DISCLAIMER

Nothing in this Circular constitutes, or forms part of, any offer to sell or an invitation to purchase or subscribe for any securities or a solicitation of any vote or approval, including in any jurisdiction where such offer, invitation or solicitation would be unlawful.

The release, publication or distribution of this Circular 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. Any failure to comply with the applicable requirements or restrictions may constitute a violation of the securities laws of any such jurisdiction.

APPLICABLE LAWS

The Scheme is proposed solely in terms of this Circular, which includes the terms and conditions on which the Scheme is to be implemented. The Scheme is governed by the laws of South Africa and is subject to any applicable laws and regulations, including the Companies Act and the Takeover Regulations.

This Circular has been prepared for purposes of complying with the applicable disclosure requirements of the Companies Act and the Takeover Regulations published in terms thereof, and the information disclosed may not be the same as that which would have been disclosed if this Circular had been prepared in accordance with the laws and regulations of any jurisdiction outside of South Africa or the listings requirements of any other stock exchange.

Shareholders are advised to read this Circular, which contains the terms and conditions of the Scheme, with care. Any decision to approve the Scheme or any other response to the proposals should be made only on the basis of the information in this Circular.

Any Retailer Shareholder who is in doubt as to its position, including, without limitation, its tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

FORWARD-LOOKING STATEMENTS

This Circular contains statements about SAB Zenzele, SAB Zenzele Kabili, the AB InBev Group and/or SAB that are, or may be, forward-looking statements. All statements, other than statements of historical fact are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning: strategy; the economic outlook for the industry; production; cash costs and other operating results; growth prospects and outlook for operations, individually or in the aggregate; liquidity and capital resources and expenditure and the outcome and consequences of any pending litigation proceedings. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as “believe”, “aim”, “expect”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “estimated”, “potential” or similar words and phrases.

Examples of forward-looking statements include statements regarding a future financial position or future profits, cash flows, corporate strategy, anticipated levels of growth, estimates of capital expenditures, acquisition strategy, expansion prospects or future capital expenditure levels and other economic factors, such as, amongst other things, interest rates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. SAB Zenzele cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industry in which SAB Zenzele, SAB Zenzele Kabili, the AB InBev Group and/or SAB operate may differ materially from those made in, or suggested by, the forward-looking statements contained in this Circular.

All these forward-looking statements are based on estimates and assumptions, with regards to SAB Zenzele, made or as communicated in publicly available documents by, SAB Zenzele, SAB Zenzele Kabili, the AB InBev

Group and/or SAB, where appropriate, all of which estimates and assumptions, although SAB Zenzele believes them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those statements or assumptions include other matters not yet known to SAB Zenzele or not currently considered material by SAB Zenzele.

Shareholders should keep in mind that any forward-looking statement made in this Circular or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of SAB Zenzele, SAB Zenzele Kabili, the AB InBev Group and/or SAB not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statements are not known. SAB Zenzele has no duty to, and does not intend to, update or revise the forward-looking statements contained in this Circular after the date of this Circular, except as may be required by law.

DATE OF INFORMATION PROVIDED

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

ACTION REQUIRED BY SHAREHOLDERS

The definitions and interpretations commencing on page 26 of this Circular apply, *mutatis mutandis*, to this section.

Shareholders are requested to take note of the following information regarding the actions required by them in connection with this Circular:

1. If you are in any doubt as to what action to take, you should consult the Administrator, your Broker, CSDP, banker, accountant, attorney or other financial advisor.
2. This Circular contains information relating to:
 - 2.1 the resolution required from Shareholders to approve certain amendments to the SAB Zenzele MOI, to:
 - 2.1.1 permit all Retailer Shareholders to participate in the Scheme and the Reinvestment Offer; and
 - 2.1.2 provide all Retailer Shareholders with the option to elect to be equity settled in the form of: (i) receiving AB InBev Shares directly; and/or (ii) cash proceeds (less associated taxes and costs), arising from a market-related sale of those AB InBev Shares on the JSE and/or the Euronext, on the unwind of the Existing Empowerment Transaction (i.e. the Settlement Election);
 - 2.2 the resolution required from Shareholders to approve and implement the Scheme, the effect of which would be that Retailer Shareholders will cede 63.5% of their rights and entitlements to receive AB InBev Shares pursuant to the Retailer Settlement Entitlements to SAB Zenzele Kabili, in exchange for the Scheme Consideration;
 - 2.3 the Scheme, offering each Retailer Shareholder the ability to reinvest 63.5% of its rights and entitlements to AB InBev Shares (being the Scheme Entitlements) in exchange for SAB Zenzele Kabili Shares of Proportional Value;
 - 2.4 the Reinvestment Offer that will be made if the Scheme becomes Operative, pursuant to which each Retailer Shareholder will be provided, on the terms and conditions set out in the SAB Zenzele Kabili Prospectus, with an election to transfer all or a portion of the AB InBev Shares received by it (after taking into account any rights and entitlements to AB InBev Shares ceded under the Scheme) pursuant to the unwind of the Existing Empowerment Transaction to SAB Zenzele Kabili, in exchange for further SAB Zenzele Kabili Shares of Proportional Value pursuant to the Reinvestment Offer; and/or
 - 2.5 the Settlement Election to be exercised by, as the case may be:
 - 2.5.1 each Retailer Shareholder in respect of the remaining portion of its Remaining Retailer Settlement Entitlements (if the Scheme becomes Operative, and by implication the New Empowerment Transaction becomes operative), after taking account of any participation by such Retailer Shareholder in the Reinvestment Offer, which election shall be notified to the Administrator and shall confirm whether such Retailer Shareholder:
 - 2.5.1.1 elects to receive its Remaining Retailer Settlement Entitlements in the form of AB InBev Shares, as provided for under the Amended and Restated Exchange Agreement and the original unwind of the Existing Empowerment Transaction; and/or
 - 2.5.1.2 elects that its AB InBev Shares that comprise the Remaining Retailer Settlement Entitlements, to be sold on its behalf on the JSE and/or the Euronext and to be paid the cash proceeds arising from such sale, less associated costs and taxes; or
 - 2.5.2 those Retailer Shareholders who are entitled to more than 100 AB InBev Shares on the unwind of the Existing Empowerment Transaction if the Scheme does not become Operative for any reason.

3. Consequently, you should carefully read through this Circular in its entirety and decide: (i) how you wish to vote on the Resolutions (as set forth in the Notice of the Shareholders' Meeting attached hereto) to be proposed at the Shareholders' Meeting; and (ii) in respect of the Remaining Retailer Settlement Entitlements, how you wish to participate in the Reinvestment Offer and/or the AB InBev Shares Settlement and/or the Sale Proceeds Settlement.

4. **SHAREHOLDERS' MEETING**

- 4.1 In light of the restrictions on travel and the holding of large public gatherings pursuant to the regulations issued in terms of section 27(2) of the Disaster Management Act arising from the COVID-19 pandemic as at the date of this Circular and as enforced by the South African government, it is commonplace that the Shareholders have been made aware of the continuing and varying COVID-19 (i.e. the adjusted COVID-19 alert levels) measures taken by the South African government to prevent the spread of COVID-19, including guidelines on stringent physical distancing. Such restrictions and measures impact the manner in which traditional shareholder meetings are held. In line with these measures the SAB Zenzele Board has resolved to hold the Shareholders' Meeting electronically on **10 May 2021**.
- 4.2 The Shareholders' Meeting will be conducted entirely by way of electronic communication and electronic facilities. Shareholders will not be able to physically attend the Shareholders' Meeting.
- 4.3 Shareholders are invited to participate electronically in the Shareholders' Meeting, convened in terms of the Notice of Shareholders' Meeting (which is attached to, and forms part of, this Circular) for purposes of considering and, if deemed fit, passing, with or without modification, the Resolutions.
- 4.4 The Shareholders' Meeting will be held entirely by way of electronic communication as contemplated in section 63(2)(a) of the Companies Act at <https://sabzenzele.virtual-meetings.online/login> at **10:00 (South African Standard Time) on 10 May 2021**, or such other adjourned or postponed date and time determined and announced in accordance with the provisions of the Companies Act.

5. **VOTING AND ATTENDANCE AT THE SHAREHOLDERS' MEETING**

- 5.1 The Shareholders' Meeting will only be accessible through electronic communication, as permitted by the JSE and in accordance with the provisions of the Companies Act and the SAB Zenzele MOI. Shareholders will have the opportunity to cast their votes electronically through the iProxy platform prior to the Shareholders' Meeting, or send in their proxy forms, or to participate and/or vote online, using their smartphone, tablet or computer. Please refer to the Notice of Shareholders' Meeting for details on how to participate in the Shareholders' Meeting.
- 5.2 Shareholders will be liable for their own network charges in relation to electronic participation in and/or voting at the Shareholders' Meeting. Any such charges will not be for the account of the JSE, the Company or any service provider retained for purposes of hosting and/or facilitating the electronic Shareholders' Meeting. None of the JSE, the Company or any such service provider can be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which may prevent any such shareholder from participating in and/or voting at the Shareholders' Meeting.

6. **IDENTIFICATION OF SHAREHOLDERS AND PROXIES**

- 6.1 Shareholders are further advised that in terms of section 63(1) of the Companies Act, any person (including proxies) attending or participating at the Shareholders' Meeting must present reasonably satisfactory identification before being entitled to attend or participate in and vote at the Shareholders' Meeting. The Company has retained the services of Ince Proprietary Limited to provide the voting platform and the webcast, and to validate (in consultation with the Company and, in particular, the Administrator, your Broker or CSDP) each shareholder's entitlement to participate in and/or vote at the Shareholders' Meeting, before providing you with the necessary means to access the Shareholders' Meeting and the associated voting platform.
- 6.2 Shareholders are advised, and strongly encouraged, to participate in the Shareholders' Meeting electronically and, for administrative ease, to make use of the online proxy platform as outlined in Notice of Shareholders' Meeting ahead of the Shareholders' Meeting.

7. ADMINISTRATOR

- 7.1 It is recorded that the Administrator, Investec Share Plan Services Proprietary Limited, pursuant to the administrator services agreement entered into between the Administrator and SAB dated on or about 14 May 2010: (i) provides ongoing support services in respect of, amongst other things, SAB Zenzele general meetings; and (ii) currently holds all the share certificates representing the SAB Zenzele Shares held by Retailer Shareholders, in escrow.
- 7.2 If you have any queries relating to the Shareholders' Meeting, Forms of Proxy and/or actions you are required to take relating to the unwind of the Existing Empowerment Transaction, the Scheme and/or the Reinvestment Offer, please make contact with the Administrator at: Investec Share Plan Services Proprietary Limited, 100 Grayston Drive, Sandown, Sandton, 2196, (PO Box 785700, Sandton, 2146), Telephone: 0861 900 903 during the hours of 09:00 to 17:00 from Monday to Friday, E-mail: sab.retail@investec.co.za.

8. HIGH-LEVEL SUMMARY OF STEPS TAKEN IN RESPONSE TO COVID-19 PANDEMIC

- 8.1 Details of the unwind of the Existing Empowerment Transaction and the implementation of the New Empowerment Transaction were originally announced on Monday, 17 February 2020 and the Original Circular was posted to Shareholders on Wednesday, 19 February 2020 giving notice of a special general meeting of Shareholders of SAB Zenzele to consider matters now dealt with in terms of this Circular, subject to certain updates and amendments.
- 8.2 On Thursday, 19 March 2020, it was announced that the originally envisaged meeting of Shareholders had been postponed until Wednesday, 25 March 2020, in order to provide the time for the necessary arrangements to be put in place for that meeting, and voting thereat, to be fully conducted by electronic communication (as contemplated in section 63(2)(a) of the Companies Act and in accordance with the SAB Zenzele MOI), as a consequence of various measures introduced to combat the COVID-19 pandemic, including the South African government enacted prohibition of gatherings of more than 100 people pursuant to the regulations issued in terms of section 27(2) of the Disaster Management Act.
- 8.3 Subsequent to such announcement, the Independent Board continued to monitor the impact of the COVID-19 pandemic on the unwind of the Existing Empowerment Transaction and the implementation of the New Empowerment Transaction and, on Monday, 23 March 2020, the Independent Board, together with SAB and SAB Zenzele Kabili, resolved to postpone the unwind of the Existing Empowerment Transaction and the launch of the New Empowerment Transaction for an indefinite period, provided that it shall have occurred by 31 March 2021, which accordingly also involved the postponement of the Scheme, and the meeting convened to consider and approve it, and the postponement of the Reinvestment Offer and the BEE Listing. Those matters are again presented to Shareholders in terms of this Circular.
- 8.4 The Independent Board, together with SAB, recognised approximately at the time they resolved to postpone the Scheme that such postponement would have a significant impact on the anticipated cash flows of Retailer Shareholders, which had been exacerbated by the COVID-19 pandemic and related factors. The SAB Zenzele Board accordingly: (i) obtained (through its financial advisors) and considered documentation setting out the economic net value of the right and entitlement of each Retailer Shareholder to receive AB InBev Shares and/or cash as the case may be, pursuant to the unwind of the Existing Empowerment Transaction ("**Original Entitlements**"); and (ii) resolved, together with SAB, that each Retailer Shareholder would be paid a cash amount (in the form of a special dividend distribution) equal to 77.4% of the value of the Original Entitlements as at Tuesday, 31 March 2020, less applicable costs and taxes as a cash payment ("**Partial Payment**"). The Partial Payment was made on Wednesday, 15 April 2020, in consideration for the renunciation by each Retailer Shareholder of 77.4% of its Original Entitlements ("**Renounced Entitlements**") which was effected by way of certain amendments to SAB's memorandum of incorporation, including a proportional reduction of the guaranteed floor value set out therein.
- 8.5 The 22.6% of each Retailer Shareholder's Original Entitlements (being the Original Entitlements remaining after the Renounced Entitlements were paid) equates to the aggregate of: (i) 15% of the Original Entitlements (equal in value to the entitlements which would have been ceded under the scheme of arrangement contemplated in the Original Circular, if approved); and (ii) the maximum amount that could have been reinvested by each Retailer Shareholder pursuant to the reinvestment offer contemplated in the Original Prospectus.
- 8.6 Accordingly, the principal consequences of these steps, as described in greater detail in this Circular, is that, whereas it was originally intended that the Scheme would involve the cession

of 15% of each Retailer Shareholder's Original Entitlements, the Scheme as contemplated in this Circular proposes that each Retailer Shareholder will cede 63.5% of its right and entitlement to receive AB InBev Shares pursuant to its Retailer Settlement Entitlements which will vest under the Existing Empowerment Transaction, to SAB Zenzele Kabili (being the Scheme Entitlements), and in consideration for such cession, each Retailer Shareholder will receive SAB Zenzele Kabili Shares of Proportional Value to the Retailer Settlement Entitlement ceded to SAB Zenzele Kabili. As a consequence, the Remaining Retailer Settlement Entitlements will be an amount of 36.5% of each Retailer Shareholder's Retailer Settlement Entitlements not ceded pursuant to the Scheme, rather than the originally envisaged 85% of the Original Entitlements (as a result of the Partial Payment).

9. HIGH-LEVEL SUMMARY OF THE PROPOSED NEW EMPOWERMENT TRANSACTION

- 9.1 The New Empowerment Transaction proposed by the SAB Zenzele Board, SAB and AB InBev is designed, amongst other things, to facilitate a reinvestment opportunity for Retailer Shareholders of their respective AB InBev Shares or their rights and entitlements to receive AB InBev Shares on the unwind of the Existing Empowerment Transaction (as applicable). Such rights and entitlements vest on the Vesting Date.
- 9.2 A key condition precedent required to be satisfied for the New Empowerment Transaction to proceed, is that the Scheme, proposed by the SAB Zenzele Board between SAB Zenzele and the Retailer Shareholders in terms of this Circular, must be duly approved and become Operative.
- 9.3 The Scheme is the most efficient and effective way to facilitate further reinvestment by Retailer Shareholders, given that there are circ. 29,000 Retailer Shareholders, who are widely dispersed.
- 9.4 If the requisite majority of Retailer Shareholders (being Retailer Shareholders capable of exercising voting rights in aggregate of at least 75%) do not approve the Scheme or if more than 25% of the Retailer Shareholders vote against the Scheme, or if the Scheme does not become Operative (please see the Scheme Conditions Precedent in paragraph 5.4 (below) on page 41 of this Circular), then:
 - 9.4.1 the New Empowerment Transaction will not proceed (and the Reinvestment Offer will not be available), and the Existing Empowerment Transaction will unwind in accordance with the terms set out in the Amended and Restated Exchange Agreement on or about 30 June 2021 (as a result of the extension of the Vesting Date pursuant to certain amendments to the memorandum of incorporation of SAB). In particular, Retailer Shareholders will receive their full Retailer Settlement Entitlements that that they are entitled to under the Existing Empowerment Transaction (taking into account the Partial Payment and the resultant Renounced Entitlements), but will not have the benefit of: (i) re-investing all or part of their Retailer Settlement Entitlements as contemplated under the Reinvestment Offer forming part of the New Empowerment Transaction and the Scheme; and (ii) the additional AB InBev Shares which SAB proposes to contribute to SAB Zenzele Kabili under the New Empowerment Transaction as discussed in paragraph 10.2.3 below under this section entitled: "*Action Required by Shareholders*" and paragraph 3.1.1.2.5 below on page 36 of this Circular, being the Discount Shares; and
 - 9.4.2 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.
- 9.5 If the Scheme is duly approved and becomes Operative, then pursuant to the New Empowerment Transaction, each Retailer Shareholder shall:
 - 9.5.1 pursuant to the Scheme, have ceded 63.5% of its rights and entitlements to receive AB InBev Shares (upon the vesting of such rights and entitlement under the Existing Empowerment Transaction, being the Scheme Entitlements), to SAB Zenzele Kabili, in exchange for such number of SAB Zenzele Kabili Shares equal to the Proportional Value to the Scheme Entitlements; and
 - 9.5.2 **pursuant to the Reinvestment Offer (which is separate from the Scheme but conditional on the Scheme becoming Operative) if so elected**, be entitled, over and above the 63.5% rights and entitlements reinvested pursuant to the Scheme (being the Scheme Entitlements), to transfer all or a portion of the AB InBev Shares received by it pursuant to the unwind of the Existing Empowerment Transaction to SAB Zenzele Kabili in exchange for SAB Zenzele Kabili Shares of Proportional Value; and/or
 - 9.5.3 have the AB InBev Shares received by it (after taking into account any portion of (i) the Retailer Settlement Entitlements ceded to SAB Zenzele Kabili pursuant to the Scheme and/or (ii) the AB InBev Shares transferred by such Retailer Shareholders pursuant to the Reinvestment Offer) pursuant to the unwind of the Existing Empowerment Transaction, settled as follows:

- 9.5.3.1 **pursuant to the AB InBev Shares Settlement (if so elected by any Retailer Shareholder)**, settled in AB InBev Shares, thereby giving them a direct shareholding in AB InBev; and/or
 - 9.5.3.2 **pursuant to the Sale Proceeds Settlement (if so elected by any Retailer Shareholder)**, have their AB InBev Shares to be received pursuant to the unwind of the Existing Empowerment Transaction, sold on the JSE and/or the Euronext on their behalf and be paid the cash proceeds arising from such marked-related sale, less associated costs and taxes.
- 9.6 To incentivise Retailer Shareholders to participate in the New Empowerment Transaction (and vote in favour of the Scheme), SAB will, following implementation of the Scheme, contribute additional AB InBev Shares equal to the estimated value of approximately R811 million (as at 28 May 2021) to SAB Zenzele Kabili. As a result, the Retailer Shareholders (along with any other participants in the New Empowerment Transaction) will have exposure through SAB Zenzele Kabili to additional AB InBev Shares, to which the Retailer Shareholders would not have had exposure but for the Scheme. It is specifically recorded that if Retailer Shareholders capable of exercising voting rights in aggregate of more than 25% elect to vote against the Scheme, the additional AB InBev Shares contemplated in this paragraph will not be available to any Retailer Shareholder as the Scheme shall have failed as a result thereof.
- 9.7 Simultaneously, or shortly after, the Scheme has become Operative, SAB Zenzele Kabili will be listed on the BEE Segment, which would allow Retailer Shareholders to freely trade the SAB Zenzele Kabili Shares (received pursuant to the Scheme becoming Operative and, if applicable, the Reinvestment Offer) from the outset with any other qualifying BEE investor.
- 9.8 Accordingly, amongst other things, the New Empowerment Transaction comprises the following components: (i) the Scheme; (ii) the Reinvestment Offer; (iii) AB InBev Shares Settlement; and (iv) the Sale Proceeds Settlement, as the case may be.
- 9.9 For further detailed information on the New Empowerment Transaction, please see paragraphs 1 and 3 (below) on pages 32 and 35 of this Circular, respectively.

10. HIGH-LEVEL SUMMARY IN RELATION TO THE OPERATION OF THE SCHEME

- 10.1 If the Scheme becomes Operative, then the Scheme Participants will, with effect from the Scheme Implementation Date:
- 10.1.1 be deemed to have ceded all of their Scheme Entitlements to SAB Zenzele Kabili, in exchange for the Scheme Consideration;
 - 10.1.2 in respect of each such Scheme Participant, either:
 - 10.1.2.1 have its securities account with a CSDP or Broker appropriately credited with SAB Zenzele Kabili Shares due to it; or
 - 10.1.2.2 if it does not have such a securities account in place, have the SAB Zenzele Kabili Shares due to it credited to 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); and
 - 10.1.3 be deemed to have irrevocably authorised and instructed each of SAB Zenzele, SAB Zenzele Kabili, the Administrator and the SAB Zenzele Kabili Administrator, *in rem suam*, as agent and with full power of substitution, to cause the Scheme Entitlements to be ceded (and the AB InBev Shares equal to such Scheme Entitlements delivered) to SAB Zenzele Kabili on or at any time after the Scheme Implementation Date and to take such steps and sign all such documents as may be necessary to procure such cession.
- 10.2 The effect of the Scheme becoming Operative, is that the New Empowerment Transaction will take effect and result in:
- 10.2.1 SAB Zenzele Kabili, with effect from the Scheme Implementation Date, having acquired the Scheme Entitlements through the cession by the Retailer Shareholders, giving it a right to receive delivery of such number of AB InBev Shares equal to the Scheme Entitlements, from AB InBev in substitution of the Retailer Shareholders in terms of the Amended and Restated Exchange Agreement;

- 10.2.2 Retailer Shareholders: (i) having received such number of SAB Zenzele Kabili Shares equal to the Proportional Value of their Scheme Entitlements; and (ii) through such holdings of SAB Zenzele Kabili Shares, maintain an indirect exposure to JSE-listed AB InBev Shares held by SAB Zenzele Kabili at any point in time;
- 10.2.3 Retailer Shareholders, along with any other participants in the New Empowerment Transaction, indirectly benefitting from SAB, following successful implementation of the Scheme, contributing additional AB InBev Shares equal to the estimated value of approximately R811 million (as at 28 May 2021) to SAB Zenzele Kabili, as they will have exposure through SAB Zenzele Kabili to additional AB InBev Shares, to which the Retailer Shareholders would not have had exposure but for the Scheme. It is specifically recorded that if Retailer Shareholders capable of exercising voting rights in aggregate of more than 25% elect to vote against the Scheme, the additional AB InBev Shares contemplated in this paragraph will not be available to any Retailer Shareholder as the Scheme shall have failed as a result thereof;
- 10.2.4 simultaneously with, or shortly after, implementation of the Scheme, SAB Zenzele Kabili would be listed on the BEE Segment, which will allow Retailer Shareholders to freely trade their SAB Zenzele Kabili Shares on the JSE with any BEE investor. In this respect, the JSE has granted SAB Zenzele Kabili, subject to the Scheme becoming Operative, a listing on the BEE Segment, under share code "SZK", ISIN code ZAE000284196 and the abbreviated name SAB Zenzele Kabili, with effect from the commencement of business on 28 May 2021. For this purpose, the SAB Zenzele Kabili Prospectus has been sent to, amongst others, Retailer Shareholders together with this Circular, which should be read in conjunction with each other.
- 10.3 If the requisite majority of Retailer Shareholders (being Retailer Shareholders capable of exercising voting rights in aggregate of at least 75%) do not approve the Scheme or if more than 25% of the Retailer Shareholders vote against the Scheme, or if the Scheme does not become Operative (please see the Scheme Conditions Precedent in paragraph 5.4 (below) on page 41 of this Circular), then:
- 10.3.1 the New Empowerment Transaction will not proceed (and the Reinvestment Offer will not be available), and the Existing Empowerment Transaction will unwind as originally contemplated under the SAB Zenzele MOI and the Amended and Restated Exchange Agreement. In particular, Retailer Shareholders will receive their full Retailer Settlement Entitlements that they are entitled to under the Existing Empowerment Transaction, but will not have the benefit of: (i) re-investing all or part of their Retailer Settlement Entitlements as contemplated under the Reinvestment Offer forming part of the New Empowerment Transaction and/or the Scheme; and (ii) the additional AB InBev Shares which SAB proposes to contribute to SAB Zenzele Kabili under the New Empowerment Transaction as discussed in paragraph 10.2.3 above and paragraph 3.1.1.2.5 below on page 36 of this Circular, being the Discount Shares; and
- 10.3.2 in place of the proposed New Empowerment Transaction, if the Scheme fails, SAB may put in place an empowerment transaction in which only the New ESOP and/or The SAB Foundation participate.
- 10.4 For further, more detailed information on the Scheme, please see paragraph 5 (below) on page 39 of this Circular.

11. HIGH-LEVEL SUMMARY OF REINVESTMENT OFFER

- 11.1 If the Scheme becomes Operative, the New Empowerment Transaction will be implemented and additionally provide Scheme Participants with the election to transfer all or a portion of the Remaining Retailer Settlement Entitlement received by them pursuant to the unwind of the Existing Empowerment Transaction to SAB Zenzele Kabili in exchange for further SAB Zenzele Kabili Shares of Proportional Value pursuant to the Reinvestment Offer.
- 11.2 Such Reinvestment Offer is in addition to the Scheme and is made pursuant to the terms and conditions of the SAB Zenzele Kabili Prospectus, which has been sent to Retailer Shareholders together with this Circular. The SAB Zenzele Kabili Prospectus will include additional detail on how to participate in the Reinvestment Offer.
- 11.3 As highlighted above, SAB Zenzele Kabili Shares will be listed on the BEE Segment on the Scheme becoming Operative or shortly thereafter, such that Retailer Shareholders shall be able to freely trade their SAB Zenzele Kabili Shares on the JSE with any BEE investor.

11.4 Retailer Shareholders will be required to make an election on whether they wish to participate in the Reinvestment Offer and receive additional SAB Zenzele Kabili Shares, by completing an election form as provided for in the SAB Zenzele Kabili Prospectus and strictly following the instructions in the SAB Zenzele Kabili Prospectus and the election form provided therein. **Retailer Shareholders wishing to participate in the Reinvestment Offer will need to complete an additional form attached to the SAB Zenzele Kabili Prospectus.**

11.5 The number of SAB Zenzele Kabili Shares being offered by SAB Zenzele Kabili pursuant to the Reinvestment Offer is capped at 8.6 million SAB Zenzele Kabili Shares or an aggregate Rand amount of R344 million. Accordingly, it is possible that a Retailer Shareholder who applies for SAB Zenzele Kabili Shares pursuant to the Reinvestment Offer may not be allocated the full number of SAB Zenzele Kabili Shares that they applied for. In this regard, please refer to the allocation principles set out in the SAB Zenzele Kabili Prospectus which will be applied by the SAB Zenzele Kabili directors in respect of the Reinvestment Offer.

11.6 For further, more detailed information on the Reinvestment Offer, please refer to the SAB Zenzele Kabili Prospectus and see paragraph 6 on page 44 of this Circular.

12. **HIGH-LEVEL SUMMARY OF THE SETTLEMENT OF THE REMAINING RETAILER SETTLEMENT ENTITLEMENTS PURSUANT TO THE AB INBEV SHARES SETTLEMENT AND/OR SALE PROCEEDS SETTLEMENT**

12.1 If the Scheme becomes Operative, each Retailer Shareholder will be entitled to receive the remaining portion of its Remaining Retailer Settlement Entitlements which it has not elected to transfer pursuant to the Reinvestment Offer.

12.2 In respect of such Remaining Retailer Settlement Entitlements, each Retailer Shareholder shall be required to exercise an election ("**Settlement Election**") in terms of which it notifies the Administrator, by duly completing the Election Form (*blue*) attached to this Circular (the "**Election Form**") whether:

12.2.1 it would prefer to receive its Remaining Retailer Settlement Entitlements in the form of AB InBev Shares, as provided for under the Amended and Restated Exchange Agreement and the original unwind of the Existing Empowerment Transaction (the "**AB InBev Shares Settlement**"); and/or

12.2.2 it would prefer for their AB InBev Shares that comprise the Remaining Retailer Settlement Entitlements, to be sold on its behalf on the JSE and/or the Euronext and to be paid the cash proceeds arising from such sale, less associated costs and taxes ("**Sale Proceeds Settlement**").

12.3 If the requisite majority of Retailer Shareholders (being Retailer Shareholders capable of exercising voting rights in aggregate of at least 75%) do not approve the Scheme or if more than 25% of the Retailer Shareholders vote against the Scheme, or if the Scheme does not become Operative, then the New Empowerment Transaction will not become operative and the Existing Empowerment Transaction will unwind as originally contemplated under the SAB Zenzele MOI and the Amended and Restated Agreement and the SAB Zenzele MOI, in that the Settlement Election will:

12.3.1 not be applicable to a Retailer Shareholder who is entitled to receive less than 100 AB InBev Shares upon the unwind of the Existing Empowerment Transaction, and, consistent with the current SAB Zenzele MOI, such Retailer Shareholder will be deemed to have elected the Sale Proceeds Settlement (i.e. to have its AB InBev Shares equal to its Retailer Settlement Entitlements sold on its behalf on the JSE and/or the Euronext and to be paid the cash proceeds arising from such sale, less associated costs and taxes, by electronic transfer into the bank account into which the most recent SAB Zenzele dividend has been paid); and

12.3.2 be applicable to a Retailer Shareholder who is entitled to receive more than 100 AB InBev Shares upon the unwind of the Existing Empowerment Transaction, with such Retailer Shareholder being required to deliver a duly completed Election Form to the Administrator prior to 25 May 2021, and the Administrator to have regard to such Election Form as indicative of the manner in which such Retailer Shareholder wishes its Retailer Settlement Entitlements to be settled. If the Administrator is not provided with such Election Form prior to 25 May 2021, then AB InBev will procure the market-related sale of such Retailer Shareholder's AB InBev Shares (underlying its Retailer Settlement Entitlements) on the JSE and/or the Euronext, and such Retailer Shareholder will be paid the cash proceeds arising from such sale, less associated costs and taxes, into the designated bank account which SAB Zenzele has on record for such Retailer Shareholder.

- 12.4 Regardless of whether the Scheme is implemented or not, each Retailer Shareholder should still instruct the Administrator of the election it wishes to make (i.e. elections pursuant to the AB InBev Shares Settlement and/or Sale Proceeds Settlement and/or a combination as provided for under the Existing Empowerment Transaction), by completing the Election Form (*blue*) and returning same to the Administrator. The Settlement Election is not contingent on the Scheme being approved or implemented at all, save that if the Scheme does not become Operative, the Administrator shall ignore any Election Forms duly delivered by Retailer Shareholders who are entitled to less than 100 AB InBev Shares upon the unwind of the Existing Empowerment Transaction (other than if such form updates the bank account of such Retailer Shareholder), and such Retailer Shareholder will, consistent with the current SAB Zenzele MOI, be deemed to have elected the Sale Proceeds Settlement (i.e. to have its AB InBev Shares equal to its Retailer Settlement Entitlements sold on its behalf on the JSE and/or the Euronext and to be paid the cash proceeds arising from such sale, less associated costs and taxes, by electronic transfer into the bank account into which the most recent SAB Zenzele dividend has been paid).
- 12.5 All elections must be made in sufficient time to ensure that the Administrator receives a duly completed Election Form by no later than **12:00 on 25 May 2021** (the “**Election Due Date**”).
- 12.6 In the absence of a valid Settlement Election being received by the Administrator on or before the Election Due Date, you will be deemed to have elected to receive the Sale Proceeds Settlement in respect of your Retailer Settlement Entitlement (if the Scheme does not become Operative) or your Remaining Retailer Settlement Entitlement (if the Scheme becomes Operative, and by implication the New Empowerment Transaction becomes operative), as the case may be, which deemed election will be irrevocable, final and binding on you and cannot be subsequently withdrawn or varied.
- 12.7 Once you have made the Settlement Election before 12:00 on the Election Due Date in respect of some or all of your Retailer Settlement Entitlement (if the Scheme does not become Operative) or your Remaining Retailer Settlement Entitlement (if the Scheme becomes Operative, and by implication the New Empowerment Transaction becomes operative), as the case may be, that election will be irrevocable, final and binding on you and cannot be subsequently withdrawn or varied.
- 12.8 If you are a Retailer Shareholder that is either exempt from DWT or subject to DWT at a reduced rate, you are strongly encouraged to provide the Administrator with the requisite SARS declaration and undertaking as soon as possible but in any event before 12:00 on the Scheme Record Date, failing which SAB Zenzele may be required to withhold the applicable dividends tax amount in respect of your shareholding.
- 12.9 **You must complete the attached Election Form (*blue*). Retailer Shareholders who have elected or default (deemed to have elected) to the Sale Proceeds Settlement will receive the cash consideration by electronic transfer into the bank account into which the most recent SAB Zenzele dividend has been paid. If you wish to update your bank account details, please contact the Administrator as soon as possible, but in any event by not later than 3 Business Days prior to the Scheme Implementation Date.**
- 12.10 The Sale Proceeds Settlement (if so elected by any Retailer Shareholder) will be effected as follows:
- 12.10.1 AB InBev Shares that comprise the remaining portion of the Remaining Retailer Settlement Entitlements (after taking into account any portion of the Remaining Retailer Settlement Entitlements transferred to SAB Zenzele Kabili as part of the Reinvestment Offer), will be sold on the JSE and/or the Euronext on behalf of the relevant Retailer Shareholder and such Retailer Shareholder will be paid the cash proceeds arising from such marked-related sale;
 - 12.10.2 the relevant Retailer Shareholder will be responsible for payment of transaction and brokerage costs and taxes that pertain to such sale, which amounts will be deducted from the proceeds paid to the relevant Retailer Shareholder; and
 - 12.10.3 the Sale Proceeds Settlement amount will be paid into the same account into which SAB Zenzele dividends are paid or such other bank account notified to the Administrator pursuant to paragraph 12.9 above under this section entitled: “*Action Required by Shareholders*”.
- 12.11 For further, more detailed information on the Settlement Election, please see paragraph 7 on page 45 of this Circular.

13. GENERAL

13.1 Shareholder approval of the Scheme

In accordance with section 115(2)(a) of the Companies Act and the SAB Zenzele MOI, the Scheme must be approved by a special resolution of Shareholders, at the Shareholders' Meeting, at which meeting for quorum purposes: (i) at least three Shareholders must be present in person or by proxy, of which one Shareholder must be SAB as holder of the SAB Special Share; and (ii) such Shareholders present must be entitled to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised at the Shareholders' Meeting (as contemplated in section 64 of the Companies Act). In order to be approved, special resolution number 2 in the Notice of Shareholders' Meeting must be supported by at least 75% of voting rights exercised on the special resolution number 2.

13.2 Shareholder approval of certain amendments to the SAB Zenzele MOI

In accordance with section 16(1)(c) of the Companies Act and the SAB Zenzele MOI, an amendment to the SAB Zenzele MOI must be approved by a special resolution of Shareholders, at the Shareholders' Meeting, at which meeting for quorum purposes: (i) at least three Shareholders must be present in person or by proxy, of which one Shareholder must be SAB as holder of the SAB Special Share; and (ii) such Shareholders present must be entitled to exercise, in aggregate, at least 0.5% of all of the voting rights that are entitled to be exercised at the Shareholders' Meeting. In order to be approved, special resolution number 1 in the Notice of Shareholders' Meeting, must be supported by at least 75% of voting rights exercised on the special resolution number 1.

13.3 SAB approval of certain amendments to the SAB Zenzele MOI

In accordance with article 1.4.1.7 of the SAB Zenzele MOI, an amendment to the SAB Zenzele MOI may only be implemented effectively following the prior written approval of SAB being obtained.

13.4 Potential Court approval

13.4.1 Shareholders are advised that, in accordance with section 115(3) of the Companies Act, SAB Zenzele may in certain circumstances not proceed to implement the Scheme without the approval of the Court, despite the fact that the Scheme Resolution set out in the Notice of Shareholders' Meeting will have been duly adopted at the Shareholders' Meeting.

13.4.2 In this regard, a copy of section 115 of the Companies Act which details the circumstances under which Court approval may be required for implementation of the Scheme, is set out in **Annexure 4** to this Circular.

13.5 Dissenting Shareholders' Appraisal Rights

13.5.1 Shareholders who wish to exercise their rights in terms of the aforementioned section are required, before the Scheme Resolution to approve the Scheme is voted on at the Shareholders' Meeting, to give notice to SAB Zenzele in writing objecting to the Scheme Resolution and to then vote against the Scheme Resolution at the Shareholders' Meeting, and thereafter to comply with the procedural requirements of section 164 of the Companies Act.

13.5.2 Shareholders who wish to exercise their rights in terms of section 164 of the Companies Act are referred to paragraph 5.8 on page 43 of this Circular and **Annexure 4** which contains an extract of section 164 of the Companies Act.

13.6 TRP approval

13.6.1 Shareholders are advised that SAB Zenzele, being a public (unlisted) company, is a regulated company in terms of the Companies Act and the Scheme constitutes an "*affected transaction*" as defined in section 117(1)(c)(iii) of the Companies Act, and as such, the Scheme is regulated by the Companies Act and the Takeover Regulations.

13.6.2 Shareholders should take note that the TRP does not consider the commercial advantages or disadvantages of "*affected transactions*" when it approves transactions.

13.7 General assistance

If you have any queries relating to the Shareholders' Meeting, Forms of Proxy and/or actions you are required to take relating to the unwind of the Existing Empowerment Transaction, the Scheme the Reinvestment Offer, the AB InBev Shares Settlement and/or the Sale Proceeds Settlement, please make contact with:

13.7.1 Administrator to SAB Zenzele

Investec Share Plan Services Proprietary Limited
(Registration number: 2000/016211/07)
100 Grayston Drive
Sandown
Sandton
2196
(PO Box 785700, Sandton, 2146)

Email: sab.retail@investec.co.za

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

SALIENT DATES AND TIMES RELATING TO THE SCHEME

The definitions and interpretations commencing on page 26 of this Circular shall apply to this section on Salient Dates and Times relating to the Scheme.

2021

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| Last Practicable Date | Thursday, 1 April |
| Posting Record Date for purposes of receiving this Circular | Thursday, 1 April |
| Circular posted to Shareholders | Thursday, 8 April |
| Notice convening the Shareholders' Meeting published in the South African press on | Friday, 9 April |
| Meeting Record Date | Friday, 30 April |
| For administrative purposes, form of proxy (<i>pink</i>) for Shareholders' Meeting should be received by 10:00 | Friday, 7 May |
| Last day for any Shareholder to deliver a written notice to the Company objecting to the Scheme Resolution in the Notice of Shareholders' Meeting in accordance with section 164(3) of the Companies Act by 10:00 | Monday, 10 May |
| Shareholders' Meeting held electronically at 10:00, on | Monday, 10 May |
| Results of Shareholders' Meeting published in South African press, on | Tuesday, 11 May |
| <i>If the Scheme is duly approved by Shareholders at the Shareholders' Meeting:</i> | |
| Last date for Shareholders who voted against the Scheme at the Shareholders' Meeting to require SAB Zenzele to seek Court approval for the Scheme in terms of section 115(3)(a) of the Companies Act, if special resolution number 2 (as set out in the Notice of Shareholders' Meeting) in terms of section 115 of the Companies Act was opposed by at least 15% of the voting rights that were exercised | Monday, 17 May |
| Last date for Shareholders who voted against the Scheme Resolution at the Shareholders' Meeting to be granted leave by a Court to apply for a review of the Scheme in terms of section 115(3)(b) of the Companies Act | Monday, 24 May |
| Last date for SAB Zenzele to give notice of adoption of the Scheme Resolution (in terms of section 115 of the Companies Act) approving the Scheme in terms of section 164(4) of the Companies Act to Shareholders who delivered written notices to the Company objecting to special resolution number 2 (as set out in the Notice of Shareholders' Meeting) in accordance with section 164 of the Companies Act | Monday, 24 May |
| <i>If no Shareholders exercise their rights in terms of section 115(3) of the Companies Act and all the Conditions Precedent to the Scheme are satisfied:</i> | |
| Expected date for TRP compliance certificate delivered in terms of section 121(b) of the Companies Act | Tuesday, 25 May |
| Election Due Date on which Shareholders must deliver their Election Form indicating their Settlement Election to the Company by 12:00 | Tuesday, 25 May |
| Expected Scheme Record Date, being the date and time on which Shareholders must be recorded in the Register to receive the Scheme Consideration, which is expected to be by 17:00 | Tuesday 25 May |
| Scheme Implementation Date expected to be | Friday, 28 May |
| SAB Zenzele Kabili expected to have AB InBev Shares (underlying the Scheme Entitlements) credited to its nominated dematerialised securities account | Friday, 28 May |
| Listing of SAB Zenzele Kabili expected from commencement of trade | Friday, 28 May |
| Scheme Participants expected to receive Scheme Consideration, being the date on which SAB Zenzele Kabili Shares (and additional SAB Zenzele Kabili Shares pursuant to the Reinvestment Offer, if applicable) are credited to dematerialised securities accounts opened with the SAB Zenzele Kabili Administrator or their brokerage accounts | Friday, 28 May |
| Expected date on which Retailer Shareholders having elected the Sale Proceeds Settlement, will have their bank accounts settled | Tuesday, 8 June |

Notes:

1. All times shown in this Circular are South African Standard Time, unless otherwise stated.
2. The above dates and times are subject to amendment. Any material amendment will be published in the South African press.
3. If the Shareholders' Meeting is adjourned or postponed, forms of proxy submitted for the Shareholders' Meeting will remain valid in respect of any adjournment or postponement of the Shareholders' Meeting, unless the contrary is stated on the relevant form of proxy.
4. To the extent that a form of proxy is not received by 10:00 on Friday, 7 May 2021, as envisaged in the table above, the form of proxy may be handed to the chairperson of the Shareholders' Meeting, prior to the commencement of the meeting.

OVERVIEW OF THE SCHEME

This section gives a summary of the: (i) the Existing Empowerment Transaction; (ii) the Scheme; and (iii) other component parts of the New Empowerment Transaction.

For a more detailed understanding of the Scheme and other component parts of the New Empowerment Transaction, you should read the entire Circular.

Shareholders should also read the entire SAB Zenzele Kabili Prospectus which accompanies this Circular, which is the document pursuant to which SAB Zenzele Kabili has made application for a listing on the BEE Segment and the document on the basis of which the Reinvestment Offer is made.

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 the entire Circular and the SAB Zenzele Kabili Prospectus.

1. RECENT DEVELOPMENTS RELATING TO COVID-19 AND THEIR IMPACT ON THE SCHEME

- 1.1 Details of the unwind of the Existing Empowerment Transaction and the implementation of the New Empowerment Transaction were originally announced on Monday, 17 February 2020 and the Original Circular was posted to Shareholders on Wednesday, 19 February 2020 which gave notice of a special general meeting of Shareholders of SAB Zenzele that was intended to have been convened for the consideration of the matters now dealt with in terms of this Circular, subject to certain updates and amendments.
- 1.2 On Thursday, 19 March 2020, it was announced that the originally envisaged meeting of Shareholders had been postponed until Wednesday, 25 March 2020, in order to provide the Independent Board, together with SAB, with adequate time to procure that the necessary arrangements were put in place to ensure that such meeting, and voting thereat, was capable of being fully conducted by electronic communication, as a consequence of various measures introduced to combat the COVID-19 pandemic, including the South African government enacted prohibition of gatherings of more than 100 people.
- 1.3 Subsequent to such announcement, the Independent Board continued to monitor the impact of the COVID-19 pandemic on the unwind of the Existing Empowerment Transaction and the implementation of the New Empowerment Transaction and, on Monday, 23 March 2020, the Independent Board, together with SAB and SAB Zenzele Kabili, resolved to indefinitely postpone the unwind of the Existing Empowerment Transaction and the launch of the New Empowerment Transaction, which accordingly also involved the postponement of the Scheme, and the meeting convened to consider and approve it, and the postponement of the Reinvestment Offer and the BEE Listing. Those matters are again presented to Shareholders in terms of this Circular.
- 1.4 The Independent Board, together with SAB, recognized approximately at the time they resolved to postpone the Scheme that such postponement would have a significant impact on the anticipated cash flows of Retailer Shareholders, which had been exacerbated by the COVID-19 pandemic and related factors. The SAB Zenzele Board accordingly (i) obtained (through its financial advisors) and considered documentation setting out the economic net value of the Retailer Shareholders' Original Entitlements; and (ii) resolved, together with SAB, that each Retailer Shareholder would be paid a cash amount (in the form of a special dividend distribution) equal to 77.4% of the value of Original Entitlements as at Tuesday, 31 March 2020, less applicable costs and taxes as a cash payment (being the Partial Payment). The Partial Payment was made on Wednesday, 15 April 2020, in consideration for the renunciation by each Retailer Shareholder of 77.4% of its Original Entitlements (being the Renounced Entitlements), which was effected by way of certain amendments to SAB's memorandum of incorporation, including a proportional reduction of the guaranteed floor value set out therein.
- 1.5 The 22.6% of each Retailer Shareholder's Original Entitlements (being the Original Entitlements remaining after the Renounced Entitlements were paid) equates to the aggregate of: (i) 15% of the Original Entitlements (equal in value to the entitlements which would have been ceded under the scheme of arrangement contemplated in the Original Circular, if approved); and (ii) the maximum amount that could have been reinvested by each Retailer Shareholder pursuant to the reinvestment offer contemplated in the Original Prospectus.
- 1.6 Accordingly, the principal consequences of these steps, as described in greater detail in this Circular, is that, whereas it was originally intended that the Scheme would involve the cession

of 15% of each Retailer Shareholder's Original Entitlements, the Scheme as contemplated in this Circular propose that each Retailer Shareholder will cede 63.5% of its right and entitlement to receive AB InBev Shares pursuant to its Retailer Settlement Entitlements which will vest under the Existing Empowerment Transaction, to SAB Zenzele Kabili (being the Scheme Entitlements), and in consideration for such cession, each Retailer Shareholder will receive SAB Zenzele Kabili Shares of Proportional Value to the Retailer Settlement Entitlement ceded to SAB Zenzele Kabili. As a consequence, the Remaining Retailer Settlement Entitlements will be an amount of 36.5% of each Retailer Shareholder's Retailer Settlement Entitlements not ceded pursuant to the Scheme, rather than the originally envisaged 85% of the Original Entitlements (as a result of the Partial Payment).

2. WHAT IS THE SCHEME ALL ABOUT?

- 2.1 Pursuant to the Existing Empowerment Transaction, Retailer Shareholders own SAB Zenzele Shares.
- 2.2 The Existing Empowerment Transaction unwinds by no later than 28 May 2021, the effect being that Retailer Shareholders will be required to exchange all of 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.
- 2.3 SAB has received consistent feedback from Retailer Shareholders that they wish to be provided with a reinvestment opportunity in respect of their rights and entitlements which will vest on the unwind of the Existing Empowerment Transaction. Accordingly, in conjunction with the contemplated unwind of the Existing Empowerment Transaction by no later than 30 June 2021, the SAB Zenzele Board, SAB and AB InBev are proposing a reinvestment opportunity in the form of a new BEE transaction in South Africa, known as **SAB Zenzele Kabili**.
- 2.4 Notwithstanding the SAB Zenzele Kabili proposal, it is contemplated that the Existing Empowerment Transaction will unwind in accordance with the terms of the Amended and Restated Exchange Agreement, in that (amongst other things) by no later than 30 June 2021: (i) the SAB Zenzele Shares held by each Retailer Shareholder will be transferred to SAB; and (ii) in consideration for such transfer, each Retailer Shareholder will become entitled to receive such number of AB InBev Shares, as is determined in accordance with the formula set out in the Amended and Restated Exchange Agreement.
- 2.5 The reinvestment opportunity offered through SAB Zenzele Kabili, involves giving Retailer Shareholders the opportunity to reinvest all (or a portion) of the AB InBev Shares and/or the rights and entitlement to AB InBev Shares which will vest on the unwind of the Existing Empowerment Transaction.
- 2.6 In this respect and as part of SAB Zenzele Kabili, a scheme of arrangement (i.e. the Scheme) is being proposed between SAB Zenzele and the Retailer Shareholders, in terms of which, if approved by the requisite majority of Retailer Shareholders (being Retailer Shareholders capable of exercising voting rights in aggregate of at least 75%), each Retailer Shareholder will cede to SAB Zenzele Kabili 63.5% of its right and entitlement to receive AB InBev Shares upon the vesting of such rights and entitlement (being the Scheme Entitlements), in exchange for SAB Zenzele Kabili Shares of Proportional Value.
- 2.7 The effect of the Scheme being duly approved and becoming Operative, is that:
 - 2.7.1 each Retailer Shareholder will either:
 - 2.7.1.1 have its securities account with a CSDP or Broker appropriately credited with SAB Zenzele Kabili Shares due to it; or
 - 2.7.1.2 if it does not have such a securities account in place, have the SAB Zenzele Kabili Shares due to it credited to 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);
 - 2.7.2 in turn, SAB Zenzele Kabili will have acquired the rights to receive AB InBev Shares pursuant to the Retailer Settlement Entitlements ceded to it under the Scheme; and
 - 2.7.3 SAB Zenzele Kabili will own such number of AB InBev Shares as represents approximately 0.32% of AB InBev and be listed on the BEE Segment, which will allow Retailer Shareholders to trade their SAB Zenzele Kabili Shares from the outset.

- 2.8 Simultaneously with, or shortly after, implementation of the Scheme, SAB Zenzele Kabili would be listed on the BEE Segment, which will allow Retailer Shareholders to freely trade their SAB Zenzele Kabili Shares on the JSE with any BEE investor. In this respect, the JSE has granted SAB Zenzele Kabili, subject to the Scheme becoming Operative, a listing on the BEE Segment, under share code “SZK”, ISIN code ZAE000284196 and the abbreviated name SAB Zenzele Kabili, with effect from the commencement of business on Friday, 28 May 2021. For this purpose, the SAB Zenzele Kabili Prospectus has been sent to, amongst others, Retailer Shareholders together with this Circular, which should be read in conjunction with each other.
- 2.9 As an incentive to the Retailer Shareholders to participate in the New Empowerment Transaction (and vote in favour of the Scheme), following implementation of the Scheme, SAB will contribute AB InBev Shares equal to the estimated value of approximately R811 million (as at 28 May 2021) to SAB Zenzele Kabili. As a result, the Retailer Shareholders (along with any other participants in the New Empowerment Transaction) will have exposure through SAB Zenzele Kabili to additional AB InBev Shares to which the Retailer Shareholders will not have had exposure but for the Scheme. It is specifically recorded that if Retailer Shareholders capable of exercising voting rights in aggregate of more than 25% elect to vote against the Scheme, the additional AB InBev Shares contemplated in this paragraph 2.9 will not be available to any Retailer Shareholder as the Scheme shall have failed as a result thereof.
- 2.10 If the requisite majority of Retailer Shareholders (being Retailer Shareholders capable of exercising voting rights in aggregate of at least 75%) do not approve the Scheme or if more than 25% of the Retailer Shareholders vote against the Scheme, or if the Scheme does not become Operative (please see the Scheme Conditions Precedent in paragraph 5.4 (below) on page 41 of this Circular), then:
- 2.10.1 the New Empowerment Transaction will not proceed (and the Reinvestment Offer will not be available), and the Existing Empowerment Transaction will unwind in accordance with the terms set out in the Amended and Restated Exchange Agreement. In particular, Retailer Shareholders will receive their full Retailer Settlement Entitlements that they are entitled to under the Existing Empowerment Transaction, but will not have the benefit of: (i) re-investing all or part of their Retailer Settlement Entitlements as contemplated under the Reinvestment Offer forming part of the New Empowerment Transaction and the Scheme; and (ii) the additional AB InBev Shares which SAB proposes to contribute to SAB Zenzele Kabili under the New Empowerment Transaction as discussed in paragraph 3.1.1.2.5 below on page 36 of this Circular, being the Discount Shares; and
- 2.10.2 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 participate.
- 2.11 For further, more detailed information on the Scheme, please see paragraph 5 on page 39 of this Circular.

3. DOES THE SAB ZENZELE BOARD SUPPORT THE SCHEME?

- 3.1 Yes. The SAB Zenzele Board has considered the terms and conditions of the Scheme and, taking into account the opinion of an Independent Expert, recommends that you vote in favour of the Scheme at the Shareholders’ Meeting.
- 3.2 An Independent Expert has been appointed to evaluate the Scheme and based on their opinion (which is set out in **Annexure 2** to this Circular), considers it to be fair and reasonable to you.

4. WHAT IS THE REINVESTMENT OFFER ALL ABOUT?

- 4.1 If the Scheme becomes Operative, the New Empowerment Transaction will be unconditional and operative and additionally Scheme Participants will be provided with the election to transfer all or a portion of the Remaining Retailer Settlement Entitlements in exchange for further SAB Zenzele Kabili Shares of Proportional Value pursuant to the Reinvestment Offer (which is distinct from and in addition to the Scheme).
- 4.2 If the Scheme is not approved by the requisite majority of Retailer Shareholders (being Retailer Shareholders capable of exercising voting rights in aggregate of at least 75%) or if more than 25% of the Retailer Shareholders vote against the Scheme, or if the Scheme does not become Operative, then there will be no Reinvestment Offer available to Retailer Shareholders. Accordingly, the Reinvestment Offer is conditional on the Scheme becoming Operative.

- 4.3 If the Scheme becomes Operative, then the Reinvestment Offer is made pursuant to the terms and conditions of the SAB Zenzele Kabili Prospectus, which has been sent to, amongst others, the Retailer Shareholders together with this Circular, and such SAB Zenzele Kabili Prospectus will include additional detail on how to participate in the Reinvestment Offer.
- 4.4 As mentioned above, all SAB Zenzele Kabili Shares will be listed on the BEE Segment on the Scheme becoming Operative (or shortly thereafter), such that Retailer Shareholders shall be able to freely trade any SAB Zenzele Kabili Shares received as part of the Reinvestment Offer on the JSE with any BEE investor.
- 4.5 Retailer Shareholders will be required to make an election on whether they wish to participate in the Reinvestment Offer and receive additional SAB Zenzele Kabili Shares, by completing an election form as provided for in the SAB Zenzele Kabili Prospectus and strictly following the instructions in the SAB Zenzele Kabili Prospectus and the election form provided therein. **Participants in respect of the Reinvestment Offer will need to complete an additional form attached to the SAB Zenzele Kabili Prospectus.**
- 4.6 The number of SAB Zenzele Kabili Shares being offered by SAB Zenzele Kabili pursuant to the Reinvestment Offer is capped at 8.6 million SAB Zenzele Kabili Shares or an aggregate Rand amount of R344 million. Accordingly, it is possible that a Retailer Shareholder who applies for SAB Zenzele Kabili Shares pursuant to the Reinvestment Offer may not be allocated the full number of SAB Zenzele Kabili Shares that they applied for. In this regard, please refer to the allocation principles set out in the SAB Zenzele Kabili Prospectus which will be applied by the SAB Zenzele Kabili directors in respect of the Reinvestment Offer.
- 4.7 For further detailed information on the Reinvestment Offer, please refer to the SAB Zenzele Kabili Prospectus, paragraph 11 under the section entitled: “*Action Required by Shareholders*” on page 12 and see paragraph 6 on page 44 of this Circular.

5. WHAT IS THE SETTLEMENT ELECTION ALL ABOUT?

- 5.1 If the Scheme becomes Operative, each Retailer Shareholder will be entitled to elect the form in which it wishes its remaining portion of Remaining Retailer Settlement Entitlements, which it has not reinvested pursuant to the Reinvestment Offer, to be delivered and settled.
- 5.2 In respect of such Remaining Retailer Settlement Entitlements, Retailer Shareholders must duly complete the Election Form (*blue*) in accordance with the instructions therein, and submit it to the Administrator by no later than the Election Due Date.
- 5.3 In the Election Form, Retailer Shareholders may elect the following options in which their Remaining Retailer Settlement Entitlements can be settled: “*AB InBev Shares Settlement*” and/or the “*Sale Proceeds Settlement*” and/or a combination thereof, which election must be done by completing and submitting the Election Form (*blue*) by the Election Due Date.
- 5.4 Each Retailer Shareholder must complete the relevant box which indicates the preference in which it wishes for its Remaining Retailer Settlement Entitlements to be delivered and settled.
- 5.5 If the Retailer Shareholder wishes to receive its Remaining Retailer Settlement Entitlement:
 - 5.5.1 in AB InBev Shares, it must complete the “*AB InBev Shares Settlement*” box; or
 - 5.5.2 in cash resulting from the sale of the AB InBev Shares underlying the Remaining Retailer Settlement Entitlement, then the Retailer Shareholder must complete the “*Sale Proceeds Settlement*” box; or
 - 5.5.3 in AB InBev Shares and cash (i.e. a combination of the options set out in paragraph 5.5.1 and 5.5.2 above), the Retailer Shareholder must complete the “*AB InBev Shares Settlement*” and “*Sale Proceeds Settlement*” boxes.
- 5.6 If the requisite majority of Retailer Shareholders (being Retailer Shareholders capable of exercising voting rights in aggregate of at least 75%) do not approve the Scheme or if more than 25% of the Retailer Shareholders vote against the Scheme, or if the Scheme does not become Operative, then the New Empowerment Transaction will not become operative and the Existing Empowerment Transaction will unwind as originally contemplated under the SAB Zenzele MOI and the Amended and Restated Agreement and the SAB Zenzele MOI, in that the Settlement Election will:

5.6.1 not be applicable to a Retailer Shareholder who is entitled to receive less than 100 AB InBev Shares upon the unwind of the Existing Empowerment Transaction, and, consistent with the current SAB Zenzele MOI, such Retailer Shareholder will be deemed to have elected the Sale Proceeds Settlement (i.e. to have its AB InBev Shares equal to its Retailer Settlement Entitlements sold on its behalf on the JSE and/or the Euronext and be paid the cash proceeds arising from such sale, less associated taxes and costs, by electronic transfer into the bank account into which the most recent SAB Zenzele dividend has been paid); and

5.6.2 be applicable to a Retailer Shareholder who is entitled to receive more than 100 AB InBev Shares upon the unwind of the Existing Empowerment Transaction, with such Retailer Shareholder being required to deliver a duly completed Election Form to the Administrator prior to 25 May 2021, and the Administrator will have regard to such Election Form as indicative of the manner in which such Retailer Shareholder wishes its Retailer Settlement Entitlements to be settled. If the Administrator is not provided with such Election Form prior to 25 May 2021, then AB InBev will procure the sale of such Retailer Shareholder's AB InBev Shares (underlying its Retailer Settlement Entitlements) on the JSE and/or the Euronext, and such Retailer Shareholder will be paid the cash proceeds arising from such sale, less associated costs and taxes, by electronic transfer into the bank account into which the most recent SAB Zenzele dividend has been paid.

5.7 For further more detailed information on the Settlement Election, please refer to paragraph 12 under the section entitled: "*Action Required by Shareholders*" on page 13 of this Circular and see paragraph 7 on page 45 of this Circular.

6. **WHAT HAPPENS IF I DO NOT MAKE AN ELECTION IN RESPECT OF MY REMAINING RETAILER SETTLEMENT ENTITLEMENT?**

If you do not duly complete and submit the Election Form by the Election Due Date, then you will be deemed to have chosen the Sale Proceeds Settlement option. As such, the AB InBev Shares equal to your Remaining Retailer Settlement Entitlements will be sold on your behalf on the JSE and/or the Euronext and the proceeds of such sale, less associated costs and taxes, will be paid to you. This deemed election will be irrevocable, final and binding on you and cannot be subsequently withdrawn or varied. Accordingly, if you wish to have your Remaining Retailer Settlement Entitlements settled in AB InBev Shares, please ensure that you choose the "*AB InBev Shares Settlement*" box in the Election Form, and submit it to the Administrator by no later than the Election Due Date.

7. **CAN I WITHDRAW MY ELECTION?**

Once you have made the Settlement Election before 12:00 on the Election Due Date in respect of your Remaining Retailer Settlement Entitlements, that election will be irrevocable, final and binding on you and cannot be subsequently withdrawn or varied.

8. **CAN I BE COMPELLED TO CEDE MY SCHEME ENTITLEMENTS EVEN IF I VOTED AGAINST THE SCHEME?**

8.1 Yes. If the requisite majority of Retailer Shareholders (being Retailer Shareholders capable of exercising voting rights in aggregate of at least 75%) approve the Scheme and the rest of the Scheme Conditions Precedent (see paragraph 5.4 on page 41 of this Circular) are fulfilled or, where appropriate, waived, you will be deemed to have ceded your Scheme Entitlements to SAB Zenzele Kabili.

8.2 However, to assist those Retailer Shareholders who: (i) vote against the Scheme; and (ii) subsequently wish to dispose of their SAB Zenzele Kabili Shares (received as a result of implementation of the Scheme) ("**Qualifying Retailer Shareholders**"), the New ESOP and The SAB Foundation have been capacitated with a limited amount of cash, being an aggregate amount of R176 million for purposes of acquiring SAB Zenzele Kabili Shares from the Qualifying Retailer Shareholders, thereby providing the Qualifying Retailer Shareholders with the opportunity to sell some or all of their SAB Zenzele Kabili Shares ("**Liquidity Option**"). Whilst further details of the Liquidity Option and the applicable procedure for participation in it will be communicated to Retailer Shareholders entitled to participate in the Liquidity Option within 10 Business Days following the Scheme Implementation Date, we note the following high-level terms:

8.2.1 the New ESOP and The SAB Foundation have only been capacitated with, and set aside, R120 million and R56 million, respectively (less associated costs and taxes) for purposes of the Liquidity Option. Accordingly, if the number of Qualifying Retailer Shareholders who duly elect to participate in the Liquidity Option hold SAB Zenzele Kabili Shares to the

aggregate value in excess of R176 million (less associated costs and taxes), then their SAB Zenzele Kabili Shares will be acquired on a *pro rata* basis in accordance with allocation rules to be determined and communicated by SAB, the New ESOP and The SAB Foundation;

8.2.2 the Liquidity Option is limited to the SAB Zenzele Kabili Shares delivered to Qualifying Retailer Shareholders as a result of the Scheme becoming Operative; and

8.2.3 the price at which each such SAB Zenzele Kabili Share will be acquired, will be communicated as part of the aforementioned communication.

8.3 As a result, should you vote against the Scheme and indicate an unwillingness to hold SAB Zenzele Kabili Shares, you will be entitled to sell a portion of those SAB Zenzele Kabili Shares for cash in accordance with further terms to be communicated to Qualifying Retailer Shareholders. Further details of the Liquidity Option and the procedure for participation in the Liquidity Option will be communicated to Qualifying Retailer Shareholders entitled to participate in the Liquidity Option within 10 Business Days following the Scheme Implementation Date.

8.4 If you are unhappy with the consideration payable under the Scheme, you can exercise your Appraisal Rights in terms of section 164 of the Companies Act. For more information, please see paragraph 5.8 on page 43 of this Circular.

9. WHEN WILL I RECEIVE MY SCHEME CONSIDERATION AND REMAINING RETAILER SETTLEMENT ENTITLEMENTS (IF THE SCHEME BECOMES OPERATIVE, AND BY IMPLICATION THE NEW EMPOWERMENT TRANSACTION BECOMES OPERATIVE)?

If the Scheme becomes Operative, it is expected that you will receive your Scheme Consideration on the Scheme Implementation Date. In respect of your Remaining Retailer Settlement Entitlement, it is expected that you will receive your Remaining Retailer Settlement Entitlement on the Scheme Implementation Date if you elect the AB InBev Shares Settlement in the Election Form. If you elect (or are deemed to have elected) the Sale Proceeds Settlement in Election Form, it is expected that your Sale Proceeds Settlement will be transferred to your designated bank account on or about 8 June 2021.

10. HOW WILL MY SCHEME CONSIDERATION BE SETTLED?

On the Scheme Implementation Date, SAB Zenzele Kabili will issue the SAB Zenzele Kabili Shares which constitute the Scheme Consideration to the Scheme Participants. Such issuance shall constitute full and final discharge of the Scheme Consideration.

11. WHEN WILL I KNOW WHETHER THE SCHEME HAS BEEN APPROVED AND WILL BE IMPLEMENTED?

11.1 SAB Zenzele will announce in the South African press whether the Shareholders approved the Scheme by the requisite majority (being Retailer Shareholders capable of exercising voting rights in aggregate of at least 75%) and when all the Scheme Conditions Precedent have been fulfilled or, where appropriate, waived, in which case the Scheme will become binding and will be implemented.

11.2 It is anticipated that SAB Zenzele will be in a position to announce in the press by no later than 25 May 2021 whether the rest of the Scheme Conditions Precedent have been fulfilled or, where appropriate, waived, and if the Scheme will be implemented.

12. WHEN WILL I RECEIVE MY RETAILER SETTLEMENT ENTITLEMENTS (IF THE SCHEME DOES NOT BECOME OPERATIVE)?

If the Scheme does not become Operative, the Existing Empowerment Transaction will unwind in accordance with the terms of the SAB Zenzele MOI and the Amended and Restated Exchange Agreement, in that (amongst other things) by no later than 30 June 2021: (i) the SAB Zenzele Shares that you own will be transferred to SAB; and (ii) in consideration for such transfer:

12.1 if you are a Retailer Shareholder who is entitled to receive less than 100 AB InBev Shares upon the unwind of the Existing Empowerment Transaction, you will, consistent with the current SAB Zenzele MOI, be deemed to have elected the Sale Proceeds Settlement (i.e. to have your AB InBev Shares equal to your Retailer Settlement Entitlements sold on your behalf on the JSE and/or the Euronext and be paid the cash proceeds arising from such sale, less associated costs and taxes, by electronic transfer into the bank account into which the most recent SAB Zenzele dividend has been paid); or

- 12.2 if you are a Retailer Shareholder who is entitled to receive more than 100 AB InBev Shares upon the unwind of the Existing Empowerment Transaction, you may elect the following options in which would prefer your Retailer Settlement Entitlements to be settled: “*AB InBev Shares Settlement*” and/or the “*Sale Proceeds Settlement*” and/or a combination thereof, which election must be done by completing and submitting the Election Form (*blue*) by the Election Due Date.

13. WHAT WILL HAPPEN TO MY SAB ZENZELE SHARES AFTER THE UNWIND OF THE EXISTING EMPOWERMENT TRANSACTION?

- 13.1 As part of the unwind of the Existing Empowerment Transaction, the SAB Zenzele Shares of each Retailer Shareholder will be transferred to SAB in accordance with the terms of the Amended and Restated Exchange Agreement.
- 13.2 In consideration for such transfer, each Retailer Shareholder will be entitled to AB InBev Shares in accordance with the terms of the Amended and Restated Exchange Agreement.
- 13.3 Regardless of whether the Scheme is duly approved and is implemented, your SAB Zenzele Shares will be transferred to SAB by no later than 30 June 2021, in accordance with the terms of the Amended and Restated Exchange Agreement. However, whether or not the Scheme is duly approved and implemented will affect the form of consideration which you will receive for your SAB Zenzele Shares. Accordingly:
- 13.3.1 if the Scheme is duly approved and you also elect to participate in the Reinvestment Offer (in addition to the Scheme), then your Remaining Retailer Settlement Entitlement will be received in the form elected in the Election Form, and if you fail to deliver a duly completed Election Form, then you will be deemed to have elected to be settled by way of the Sale Proceeds Settlement in exchange for your SAB Zenzele Shares; and
- 13.3.2 if the Scheme is not duly approved, or if the Scheme does not become Operative, then you will receive 100% of your Retailer Settlement Entitlement in the form that you have elected in the Election Form, and if you fail to deliver a duly completed Election Form, then you will be deemed to have elected to be settled by way of the Sale Proceeds Settlement in exchange for your SAB Zenzele Shares.
- 13.4 Consequently, all your SAB Zenzele Shares will be transferred to SAB as originally envisaged under the Amended and Restated Exchange Agreement, whether or not the Scheme becomes Operative, or you elect to participate in the Reinvestment Offer, and the Scheme becoming Operative (and any participation by you in the Reinvestment Offer) will only impact how your Retailer Settlement Entitlements will be settled.

DEFINITIONS AND INTERPRETATION

In this Circular, unless the context indicates the contrary, the following expressions have the meanings assigned to them below and an expression which denotes any gender includes the other genders, any reference to a natural person includes a juristic person and *vice versa* and the singular includes the plural and *vice versa*.

| | |
|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “AB InBev” | means Anheuser-Busch InBev SA/NV, Belgian public limited liability company (<i>société anonyme/naamloze vennootschap</i>) registered with the Belgian Crossroads Bank for Enterprises under number 0417.497.106 RPM/RPR (Brussels); |
| “AB InBev Group” | means AB InBev and its associates and subsidiaries, including joint ventures where appropriate from time to time; |
| “AB InBev Shares” | means ordinary shares in the share capital of AB InBev; |
| “AB InBev Shares Settlement” | has the meaning ascribed to such term in paragraph 12.2.1 under the section entitled: “ <i>Action Required by Shareholders</i> ” on page 13 of this Circular; |
| “Administrator” | means Investec Share Plan Services Proprietary Limited, a private company incorporated under the laws of South Africa under registration number: 2000/016211/07; |
| “Amended and Restated Exchange Agreement” | means the amended and restated exchange agreement, dated on or about 11 October 2016, entered into between SAB, SABMiller, The SAB Zenzele Employee Trust, The SAB Foundation, SAB Zenzele, and AB InBev, as amended on or about 6 April 2020, which, in conjunction with the SAB Zenzele MOI, sets out the terms and conditions of the Amended Exchange Transaction; |
| “Amended Exchange Transactions” | has the meaning ascribed to the term in paragraph 1 (Introduction and Background) on page 32 of this Circular, 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; |
| “Appraisal Rights” | means the rights afforded to Shareholders in terms of section 164 of the Companies Act, an extract of which is set out in Annexure 4 ; |
| “Appraisal Rights Offer” | means an offer made by SAB Zenzele (or a nominee) to a Dissenting Shareholder in terms of section 164(11) of the Companies Act; |
| “BEE” | means broad-based black economic empowerment as defined in the BEE Act; |
| “BEE Act” | means the Broad-Based Black Economic Empowerment Act, No. 53 of 2003, as amended from time to time; |
| “BEE Listing” | means the admission to listing of SAB Zenzele Kabili Shares as BEE securities (as defined in the JSE Listings Requirements) on the BEE Segment; |
| “BEE Segment” | means a segment of the JSE’s Main Board on which an issuer may list its BEE securities (as defined in the JSE Listings Requirements) and where trading in such securities is restricted to BEE compliant persons (as defined in the JSE Listings Requirements); |
| “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; |
| “Business Day” | means any day other than a Saturday, Sunday or official public holiday in South Africa; |
| “cents” or “c” | means South African cents, a denomination of the official currency of South Africa; |

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| “Circular” | means the circular to Shareholders set out in this document; |
| “Companies Act” | means the Companies Act, No. 71 of 2008, as amended; |
| “Companies Regulations” | means the Companies Regulations, 2011, as promulgated in terms of section 223 of the Companies Act, as amended; |
| “Court” | means any South African court with competent jurisdiction to: (i) approve the implementation of the Scheme Resolution set out in the Notice of Shareholders’ Meeting pursuant to section 115 of the Companies Act and/or (ii) determine the fair value of SAB Zenzele Shares pursuant to section 164(14) of the Companies Act; |
| “CSDP” | means a central securities depository participant, being a “participant” as defined in section 1 of the Financial Markets Act; |
| “Dematerialised” | means the process whereby physical share certificates are replaced with electronic records evidencing ownership of shares in accordance with the rules of Strate and for trading on the JSE, being “uncertificated securities” as defined in section 1 of the Financial Markets Act; |
| “Disaster Management Act” | means the Disaster Management Act, No. 57 of 2002, as amended; |
| “Discount Shares” | has the meaning ascribed to the term in paragraph 3.1.1.2.5 on page 36 of this Circular; |
| “Dissenting Shareholders” | means a Shareholder who has validly exercised his, her or its Appraisal Rights and demanded, in terms of sections 164(5) to 164(8) of the Companies Act, that SAB Zenzele pay him, her or it the fair value of all his, her or its SAB Zenzele Shares, for so long as none of the circumstances contemplated in section 164(9) of the Companies Act have occurred in relation to such Shareholder; |
| “Documents of Title” | means valid share certificates, certified transfer deeds, balance receipts or any other proof of ownership of SAB Zenzele Shares; |
| “DWT” | means Dividend Withholdings Tax, as levied in terms of Part VIII of Chapter II of the Income Tax Act; |
| “Election Due Date” | has the meaning ascribed to such term in paragraph 12.5 under the section entitled: “ <i>Action Required by Shareholders</i> ” on page 14 of this Circular; |
| “Election Form” | has the meaning ascribed to such term in paragraph 12.2 under the section entitled: “ <i>Action Required by Shareholders</i> ” on page 13 of this Circular; |
| “ESOP” | means an employee share ownership plan; |
| “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; |
| “Existing Empowerment Transaction” | has the meaning ascribed to the term in paragraph 1.1 (Introduction and Background) on page 32 of this Circular; |
| “Extended Long Stop Date” | has the meaning ascribed to the term in paragraph 5.4.1 on page 41 of this Circular; |
| “Financial Markets Act” | means the Financial Markets Act, No. 19 of 2012, as amended; |
| “Foundation Special Share” | means the special share in the capital of the Company issued to The SAB Foundation; |
| “Implementation Agreement” | means the transaction implementation agreement, dated on or about 12 February 2020, entered into, amongst others, between AB InBev, SAB, SAB Zenzele and SAB Zenzele Kabili, as amended, restated or substituted from time to time, in terms of which all required parties agree the steps and implementation mechanics for the New Empowerment Transaction insofar as it relates to the Retailer Shareholders; |
| “Income Tax Act” | means the Income Tax Act, No. 58 of 1962, as amended; |

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| “Independent Board” | means collectively, Mr. PM Maduna, Mr. SL Mbatha and Mr. J Awbrey, being the Directors that the Company has indicated are independent directors as envisaged in regulation 81 of the Takeover Regulations; |
| “Independent Expert” | means BDO Corporate Finance Proprietary Limited, a private company incorporated in accordance with the laws of South Africa under registration number: 1983/002903/07, appointed as independent expert by the Company to prepare and deliver the Independent Expert’s Report; |
| “Independent Expert’s Report” | means the report prepared by the Independent Expert in accordance with section 114 of the Companies Act and regulations 90 and 110 of the Takeover Regulations, a copy of which is set out in Annexure 2 to this Circular; |
| “Last Practicable Date” | means the last practicable date prior to the finalisation of this Circular, being Thursday, 1 April 2021; |
| “Liquidity Option” | has the meaning ascribed to the term in paragraph 8 under the section entitled: “ <i>Overview of the Scheme</i> ” on page 23 of this Circular; |
| “Long Stop Date” | has the meaning ascribed to the term in paragraph 5.4.1 on page 41 of this Circular; |
| “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 Listings Requirements” | means the listings requirements of the JSE, as amended from time to time; |
| “Meeting Record Date” | means the last date on which a Shareholder must be recorded in the Register in order to attend, speak and vote at the Meeting, which is expected to be Friday, 30 April 2021; |
| “New Empowerment Transaction” | means the new BEE transaction proposed by the SAB Zenzele Board, SAB and AB InBev, subject to the terms and conditions described more fully in paragraph 3 (New Empowerment Transaction and Rationale) on page 35 of this Circular; |
| “New ESOP” | means “The SAB Zenzele II Employee Share Trust”, a trust established: (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 the SAB group; |
| “Notice of Shareholders’ Meeting” | means the notice of the Shareholders’ Meeting incorporated in this Circular; |
| “Operative” | means, in relation to the Scheme, all the Scheme Conditions Precedent have been fulfilled or, where appropriate, waived, and the Scheme has become binding on the Scheme Participants; |
| “Original Circular” | means the circular issued by the Company to Shareholders dated 19 February 2020 which has been superseded and replaced in its entirety by this Circular; |
| “Original Entitlements” | has the meaning ascribed to the term in paragraph 8.4 on page 47 of this Circular; |
| “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 Transaction; |
| “Original Exchange Transaction” | has the meaning ascribed to the term in paragraph 1.4 on page 32 of this Circular; |

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| “Original Prospectus” | means the prospectus issued by SAB Zenzele Kabili to certain qualifying investors dated 19 February 2020 and posted at the same time and date as the Original Circular, which prospectus has been superseded and replaced in its entirety by the SAB Zenzele Kabili Prospectus; |
| “Partial Payment” | has the meaning ascribed to the term in paragraph 8.4 on page 47 of this Circular; |
| “Posting Record Date” | means the date determined by the SAB Zenzele Board in terms of section 59 of the Companies Act for Shareholders to be eligible to receive this Circular, being Friday, 1 April 2021; |
| “Prime” | means First National Bank Limited’s prime overdraft lending rate; |
| “Proportional Value” | means in respect of each Retailer Shareholder, the value of its Scheme Entitlements, divided by 40, on the basis that the issue price for each SAB Zenzele Kabili Share will be R40 – in this respect, see the worked example referred to in paragraph 11 (Value of Scheme and New Empowerment Transaction for Retailer Shareholders) on page 48 of this Circular and set out in Annexure 6 ; |
| “Qualifying Retailer Shareholders” | has the meaning ascribed to the term in paragraph 8.2 under the section entitled: “ <i>Action Required by Shareholders</i> ” on page 9 of this Circular; |
| “Register” | means the securities register of SAB Zenzele, maintained in accordance with section 50 of the Companies Act; |
| “Reinvestment Offer” | has the meaning ascribed to the term in paragraph 3.1.1.2 on page 35 of this Circular; |
| “Remaining Retailer Settlement Entitlements” | means, the AB InBev Shares received by a SAB Zenzele Retailer Shareholder in terms of the Amended Exchange Transaction, after taking into account any portion of the Retailer Settlement Entitlements ceded to SAB Zenzele Kabili as part of the Scheme; |
| “Renounced Entitlements” | has the meaning ascribed to the term in paragraph 8.4 on page 47 of this Circular; |
| “Resolutions” | means the Scheme Resolution and the SAB Zenzele MOI Amendment Resolution, collectively; |
| “Retailer Exchange Transaction” | means the transaction contemplated upon maturity of the Existing Empowerment Transaction, pursuant to which the 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 Retailer Shareholders, in such number as determined in accordance with the formula set out in the Amended and Restated Exchange Agreement; |
| “Retailer Settlement Entitlements” | means, in respect of each Retailer Shareholder, its right and entitlement to receive AB InBev Shares in terms of the Retailer Exchange Transaction, which entitlements will vest on the Vesting Date, and “ Retailer Settlement Entitlement ” bears a corresponding meaning; |
| “Retailer Shareholders” | means qualifying retailers who were issued SAB Zenzele Shares under the Existing Empowerment Transaction, and “ Retailer Shareholder ” shall mean any one of them as the context may require; |
| “SAB” | means The South African Breweries Proprietary Limited, a private company registered 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 Special Share” | means the special share in the capital of the Company allotted and issued to SAB; |

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| “SAB Zenzele” or “the Company” | means SAB Zenzele Holdings (RF) Limited, a public company incorporated in accordance with the laws of South Africa under registration number: 2009/022656/06; |
| “SAB Zenzele Board” | means the board of directors of SAB Zenzele, from time to time; |
| “SAB Zenzele Kabili” | means SAB Zenzele Kabili Holdings Limited, a public company: (i) incorporated in accordance with the laws of South Africa under registration number: 2019/616052/06; and (ii) to be listed on the BEE Segment pursuant to the terms of the SAB Zenzele Kabili Prospectus; |
| “SAB Zenzele Kabili Administrator” | means Investec Share Plan Services Proprietary Limited, a private company incorporated under the laws of South Africa under registration number: 2000/016211/07; |
| “SAB Zenzele Kabili Prospectus” | means the document comprising: (i) a prospectus, prepared in accordance with the prospectus disclosure requirements in section 100 of the Companies Act and Companies Regulations 51 to 79, in terms of which Retailer Shareholders are invited to participate in the Reinvestment Offer; and (ii) a pre-listing statement, prepared in terms of the applicable disclosure requirements under the JSE Listings Requirements, relating to the BEE Listing; |
| “SAB Zenzele Kabili Shares” | mean ordinary shares in the share capital of SAB Zenzele Kabili, which shares are to be listed on the BEE Segment as provided for in the SAB Zenzele Kabili Prospectus; and |
| “SAB Zenzele MOI” | means the memorandum of incorporation (or such other applicable constitutional documents) of SAB Zenzele in force; |
| “SAB Zenzele MOI Amendments Resolution” | means special resolution number 1 (as set out in the Notice of Shareholders’ Meeting), approving certain amendments to the SAB Zenzele MOI, to the extent necessary for the implementation of the Reinvestment Offer, the AB InBev Shares Settlement and Sale Proceeds Settlement as contemplated by the New Empowerment Transaction, as more fully described in paragraph 8 (below) on page 47 of this Circular and in the Notice of Shareholders’ Meeting; |
| “SAB Zenzele Participants” | means participants in the Existing Empowerment Transaction, namely, amongst others, The SAB Zenzele Employee Trust, The SAB Foundation and the Retailer Shareholders collectively; |
| “SAB Zenzele Shares” | means ordinary shares in the share capital of SAB Zenzele; |
| “Sale Proceeds Settlement” | has the meaning ascribed to such term in paragraph 12.2.2 under the section entitled: “ <i>Action Required by Shareholders</i> ” on page 13 of this Circular; |
| “SARS” | means the South African Revenue Service, a national Tax-collecting authority established by section 2 of the South African Revenue Service Act, No. 34 of 1997; |
| “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 Retailers Shareholders, which scheme of arrangement is more fully described in paragraph 5 (below) of this Circular, in terms of which each Retailer Shareholder will, if the Scheme becomes Operative, cede its Scheme Entitlements to SAB Zenzele Kabili in consideration for the Scheme Consideration, subject to any amendment or variation, as contemplated in paragraph 5.10 on page 43 of this Circular; |
| “Scheme Conditions Precedent” | means the conditions precedent to which the Scheme is subject, as set out and described in more detail in paragraph 5.4 on page 41 of this Circular, which are required to be fulfilled or, where appropriate, waived, prior to the implementation of the Scheme and “ Scheme Condition Precedent ” shall mean any one of them as the context may require; |
| “Scheme Consideration” | means such number of SAB Zenzele Kabili Shares of Proportional Value to the Scheme Entitlements that each Scheme Participant has ceded to SAB Zenzele Kabili pursuant to the Scheme becoming Operative; |

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| “Scheme Entitlements” | means 63.5% of the Retailer Settlement Entitlements of each Retailer Shareholder which will vest on the Vesting Date under the Amended Exchange Transaction and pursuant to the unwind of the Existing Empowerment Transaction; |
| “Scheme Implementation Date” | <p>means the date on which the Scheme is expected to be implemented, in terms of which:</p> <p>(i) SAB Zenzele Kabili shall have such number of AB InBev Shares equal to the Scheme Entitlements credited to its nominated dematerialised securities account; and</p> <p>(ii) in consideration, the Scheme Participants will have acquired entitlements to be credited with the Scheme Consideration,</p> <p>which date is expected to be 28 May 2021;</p> |
| “Scheme Participants” | means the Retailer Shareholders recorded as such in the Register on the Scheme Record Date, including Dissenting Shareholders who become entitled to receive the Scheme Consideration pursuant to paragraph 5.8.5 on page 43 of this Circular; |
| “Scheme Record Date” | means the date and time on which Retailer Shareholders must be recorded in the Register in order to participate in the Scheme and receive the Scheme Consideration, which date is expected to be Friday, 25 May 2021; |
| “Scheme Resolution” | means special resolution number 2 (as set out in the Notice of Shareholders’ Meeting), to be considered at the Shareholders Meeting for purposes of approving the Scheme, as more fully described in paragraph 5.2 (below) on page 39 of this Circular and in the Notice of Shareholders’ Meeting; |
| “Settlement Election” | has the meaning ascribed to such term in paragraph 12 under the section entitled: “ <i>Action Required by Shareholders</i> ” on page 13 of this Circular; |
| “Shareholders” | means The SAB Foundation, SAB and the Retailer Shareholders collectively; |
| “Shareholders’ Meeting” | means the special general meeting of shareholders of SAB Zenzele, to be held on 10 May 2021 at 10:00 (South African Standard Time), entirely by electronic communication on the iProxy platform hosted or facilitated by the InceProprietary Limited (including any adjournment or postponement thereof) to consider and, if deemed fit, passing, with or without modification, the Resolutions; |
| “Strate” | means Strate Proprietary Limited, a private company: (i) incorporated in accordance with the laws of South Africa under registration number: 1998/022242/07; and (ii) a registered central securities depository in terms of the Financial Markets Act, which is responsible for the electronic settlement systems or transactions to be settled and transfer of ownership to be recorded electronically; |
| “Takeover Regulations” | means the provisions set out in chapter 5 of the Companies Regulations; |
| “The SAB Foundation” | means a trust established in accordance with the laws of South Africa under Master’s reference number: IT67/2010; |
| “The SAB Zenzele Employee Trust” | means a trust established in accordance with the laws of South Africa under Master’s reference number: IT68/2010; |
| “TRP” | means the Takeover Regulation Panel, established in terms of section 196 of the Companies Act; |
| “Vesting Date” | means 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 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 24 May 2021; and |
| “ZAR”, “Rand” or “R” | means South African rand, the official currency of South Africa. |

REPLACEMENT CIRCULAR TO SHAREHOLDERS

Directors of SAB Zenzele:

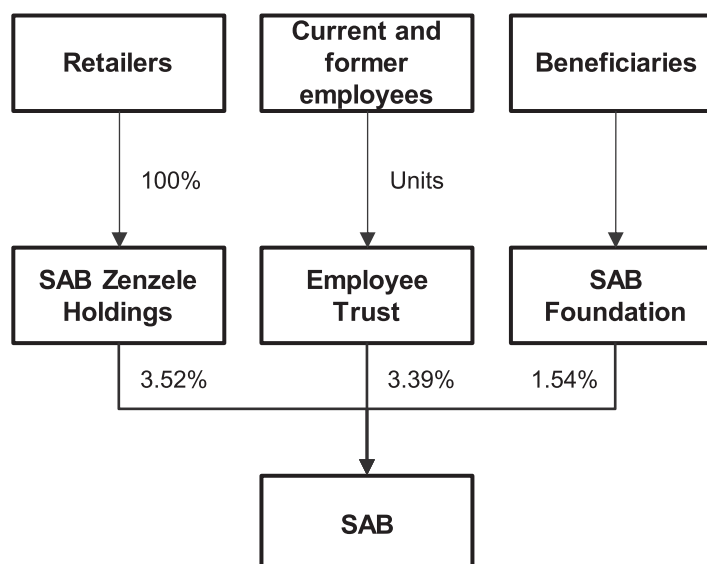
Maduna, Penuell Mpapa (Chairman)
Mbatha, Senzo Lloyd
Awbrey, John
Dlamini, Raesibe
Rivett-Carnac, Richard Temple

The definitions and interpretations commencing on page 26 of this Circular apply throughout this Circular.

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 qualifying black people who are retail liquor license holders, retail liquor license applicants or registered customers of ABI, the soft drinks division of SAB (“**Qualifying Retailers**”);
 - 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 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 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 retailers who had been holding SAB Zenzele Shares under the Existing Empowerment Transaction (i.e. the Retailer Shareholders) would transfer their SAB Zenzele Shares to SABMiller (or its nominee) and in exchange, SABMiller would issue such number of SABMiller shares to the Retailer Shareholders as determined in accordance with the formula set out in the Original Exchange Agreement (“**SAB Zenzele Exchange**”);
 - 1.4.2 The SAB Zenzele Employee Trust would transfer certain 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 certain 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 Foundation 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)
- (SAB Zenzele Exchange, together with the exchange transactions in paragraphs 1.4.2 and 1.4.3 above, the “**Original Exchange Transactions**”).
- 1.5 In 2016, following implementation of the Existing Empowerment Transaction, SABMiller entered into a combination transaction with AB InBev in terms of which, amongst other things, SABMiller and AB InBev merged into a new entity under the name AB InBev. As part of such 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 issue, or procure the transfer of, AB InBev Shares to SAB Zenzele Participants on the unwind of the Existing Empowerment Transaction (the “**Amended Exchange Transactions**”).
 - 1.6 In terms of with the Amended Exchange Transactions, on the relevant exchange date the SAB Zenzele Participants have or will receive such number of AB InBev Shares as determined in accordance with the formula set out in the Amended and Restated Exchange Agreement, or the cash proceeds from the disposal of those shares (less costs and taxes). In this regard, on Wednesday, 15 April 2020, by reference to an exchange date of Monday, 6 April 2020, The SAB Zenzele Employee Trust and The SAB Foundation were settled in accordance with the Amended Exchange Transactions. However, by virtue of the COVID-19 related consequences described in paragraph 1 of the section entitled “*Overview of the Scheme*” on page 16 above, the exchange date for SAB Zenzele was postponed. Each Retailer Shareholder received a cash payment (in the form of a special dividend distribution) equal to 77.4% of the value of the Original Entitlements as at Tuesday, 31 March 2020, less applicable costs and taxes as a cash payment (being the Partial Payment), in consideration for the renunciation by each Retailer Shareholder of 77.4% of its Original Entitlements, which was effected by way of certain amendments to SAB’s memorandum of incorporation, including a proportional reduction of the guaranteed floor value set out therein.
 - 1.7 The exchange date for SAB Zenzele has now been set to occur by no later than 30 June 2021, with effect from which date the Retailer Shareholders will, pursuant to the Amended Exchange Transactions, deliver their SAB Zenzele Shares to SAB and in return will be entitled to receive such number of AB InBev Shares, as is determined in accordance with the formula set out in the Amended and Restated Exchange Agreement (“**Amended SAB Zenzele Exchange Transaction**”).
 - 1.8 In conjunction with the contemplated unwind of the Existing Empowerment Transaction, SAB has received consistent feedback from Retailer Shareholders 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 Retailer Shareholders. 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 Retailer Shareholder’s SAB Zenzele Shares will be transferred to SAB; and (ii) in exchange, the 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 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**” or “**SAB Zenzele Kabili Transaction**”), which will (amongst other things) comprise of the Scheme and the Reinvestment Offer. Details of the New Empowerment Transaction are discussed in more detail in paragraph 3 (*New Empowerment Transaction and Rationale*) 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 Retailer Shareholders, The SAB Foundation and the New ESOP.
- 1.11 As part of facilitating implementation of the New Empowerment Transaction, the SAB Zenzele Board has resolved that a scheme of arrangement in terms of section 114 of the Companies Act, is the most efficient and effective way to facilitate further reinvestment by Retailer Shareholders in the New Empowerment Transaction, given that there are circ. 29,000 Retailer Shareholders, who are widely dispersed.
- 1.12 Accordingly, the New Empowerment Transaction will comprise, amongst other things:
 - 1.12.1 the Scheme proposed by the SAB Zenzele Board between SAB Zenzele and the Retailer Shareholders, in terms of which it is proposed that each Retailer Shareholder cedes to SAB Zenzele Kabili 63.5% of its right and entitlement to receive AB InBev Shares upon the vesting of such rights and entitlement pursuant to the unwind of the Existing Empowerment Transaction (being the Scheme Entitlements), in exchange for SAB Zenzele Kabili Shares of Proportional Value;
 - 1.12.2 conditional on the Scheme being duly approved and becoming Operative:
 - 1.12.2.1 a Reinvestment Offer to the Retailer Shareholders to transfer all or a portion of the AB InBev Shares received by them pursuant to the unwind of the Existing Empowerment Transaction to SAB Zenzele Kabili, in exchange for further SAB Zenzele Kabili Shares of Proportional Value;
 - 1.12.2.2 simultaneously with or following implementation of the Scheme and Reinvestment Offer (if applicable), the listing of SAB Zenzele Kabili on the BEE Segment, such that the SAB Zenzele Kabili Shares received by the Retailer Shareholders will be traded on the JSE from the outset with other BEE investors; and
 - 1.12.2.3 SAB Zenzele Kabili owning such number of AB InBev Shares as represents circ. 0.32% of AB InBev.
- 1.13 A key condition precedent required to be satisfied for the New Empowerment Transaction to proceed, is that the Scheme, proposed by the SAB Zenzele Board between SAB Zenzele and the Retailer Shareholders in terms of this Circular, must be duly approved and become Operative.
- 1.14 In addition, the operation of the Scheme is itself subject to the fulfillment or waiver, where appropriate of the Scheme Conditions Precedent (as detailed in paragraph 5.4 on page 41 below), which conditions include, amongst other things, that the Scheme must be approved by the requisite majority of Retailer Shareholders (being Retailer Shareholders capable of exercising voting rights in aggregate of at least 75%), as detailed in the Notice of Shareholders’ Meeting.
- 1.15 If the Scheme Conditions Precedent are fulfilled or, where appropriate, waived, the Scheme will become Operative and the consequence thereof is that by operation of law, the Scheme Participants will be deemed to have ceded their Scheme Entitlements (i.e. 63.5% of their Retailer Settlement Entitlements) in exchange for the Scheme Consideration (i.e. SAB Zenzele Kabili Shares proportional in value to the Retailer Settlement Entitlements ceded to SAB Zenzele Kabili).
- 1.16 The effect of the cessions and transfers contemplated under the Scheme (if Operative) and the Reinvestment Offer (if applicable), is that SAB Zenzele Kabili will acquire rights to AB InBev Shares which they would not have been entitled to had the Retail Shareholders not ceded all or a portion of their Retailer Settlement Entitlements under the New Empowerment Transaction as detailed in paragraphs 1.12.1 and 1.12.2 above.
- 1.17 Should the Scheme be duly approved, each Retailer Shareholder will only be entitled to its Remaining Retailer Settlement Entitlements, after having taken account of any portion of the Retailer Settlement Entitlements transferred to SAB Zenzele Kabili as part of the Reinvestment Offer (which is separate from the Scheme but conditional on the Scheme becoming Operative).

- 1.18 In respect of any Remaining Retailer Settlement Entitlements, the Retailer Shareholders shall, pursuant to the Settlement Election, either be equity settled in the form of: (i) receiving such number of AB InBev Shares (as determined in accordance with the formula set out in the Amended and Restated Exchange Agreement) directly; and/or (ii) cash proceeds (less associated costs and taxes), arising from a market-related sale on the JSE and/or the Euronext of the AB InBev Shares which such Retailer Shareholder is entitled to, pursuant to the Sale Proceeds Settlement.
- 1.19 The Company is a regulated company and the Scheme constitutes an “*affected transaction*” as defined in section 117(1)(c)(iii) of the Companies Act, and as such, the Scheme is regulated by the Companies Act and the Takeover Regulations.
- 1.20 To obtain a full understanding of the terms and conditions of the Scheme, as well as the background and rationale for same, this Circular should be read in its entirety, together with the SAB Zenzele Kabili Prospectus.

2. PURPOSE OF THIS CIRCULAR

The purpose of this Circular is to:

- 2.1 provide Shareholders with information regarding the: (i) unwinding of the Existing Empowerment Transaction; (ii) New Empowerment Transaction, being the Scheme and the Reinvestment Offer; and (iii) settlement of the Retailer Settlement Entitlement;
- 2.2 provide Shareholders with other relevant statutorily-required information regarding the Scheme, including, amongst other things, the: (i) Independent Expert Report prepared in terms of section 114 of the Companies Act and regulation 90 of the Takeover Regulations; and (ii) Independent Board's views, opinion and recommendation regarding the Scheme and the Scheme Consideration, having, amongst other things, obtained and given due consideration to the Independent Expert Report, in each case so as to enable the Shareholders to make an informed decision as to whether or not they should vote in favour of the Scheme Resolution;
- 2.3 give the required notice to convene the Shareholders' Meeting to consider and, if deemed fit, pass, with or without modification, the Resolutions as set out in the Notice of Shareholders' Meeting; and
- 2.4 inform Shareholders of their Appraisal Rights and the manner in which they should exercise these rights should they wish to do so.

3. NEW EMPOWERMENT TRANSACTION AND RATIONALE

3.1 New Empowerment Transaction

- 3.1.1 SAB and AB InBev intend to implement the proposed New Empowerment Transaction through SAB Zenzele Kabili, by means of the following core elements:
- 3.1.1.1 the Scheme to Retailer Shareholders, offering each Retailer Shareholder the ability to reinvest 63.5% of its entitlements to AB InBev Shares (being the Scheme Entitlements) in exchange for SAB Zenzele Kabili Shares of Proportional Value, with SAB Zenzele Kabili being listed on the BEE Segment at the time of settlement of the Scheme;
- 3.1.1.2 if the Scheme is duly approved and becomes Operative:
- 3.1.1.2.1 Retailer Shareholders will be given the option to reinvest in SAB Zenzele Kabili in excess of the Scheme Entitlements (the “**Reinvestment Offer**”);
- 3.1.1.2.2 SAB will contribute R720 million worth of AB InBev Shares to the New ESOP. The New ESOP will contribute R600 million of AB InBev Shares to SAB Zenzele Kabili, and in return SAB Zenzele Kabili will issue new SAB Zenzele Kabili Shares of Proportional Value. The New ESOP will convert the remaining R120 million of AB InBev Shares to cash and use the proceeds to acquire SAB Zenzele Shares from the Qualifying Retailer Shareholders that participate in the Liquidity Option or in the market following the implementation of the New Empowerment Transaction;

- 3.1.1.2.3 The SAB Foundation has committed to invest up to R400 million (20% of its SAB Zenzele unwind proceeds) into SAB Zenzele Kabili. The SAB Foundation will advance up to R344 million in cash as subscription consideration for the issue of new SAB Zenzele Kabili Shares. The SAB Foundation will also apply up to R56 million of its available cash to acquire SAB Zenzele Kabili Shares from Qualifying Retailer Shareholders and if any of the R56 million remains following the acquisition of the SAB Zenzele Kabili Shares held by the Qualifying Retailer Shareholders, further acquisitions of the SAB Zenzele Kabili Shares may be made in the market following the implementation of the New Empowerment Transaction;
- 3.1.1.2.4 SAB will contribute R2 973 million worth of AB InBev Shares to SAB Zenzele Kabili, and in return SAB Zenzele Kabili will issue preference shares to SAB, representing vendor funding of R2 973 million from SAB. The terms of the preference shares to be issued to SAB are set out in detail in the SAB Zenzele Kabili Prospectus, a copy of which is enclosed with this Circular; and
- 3.1.1.2.5 SAB will contribute a further R811 million in AB InBev Shares (as at 28 May 2021) at no further cost to SAB Zenzele Kabili (“**Discount Shares**”), thereby affording Retailer Shareholders exposure through SAB Zenzele Kabili to additional AB InBev Shares, to which the Retailer Shareholders would not have had exposure but for the Scheme. It is specifically recorded that if Retailer Shareholders capable of exercising voting rights in aggregate of more than 25% elect to vote against the Scheme, the Discount Shares contemplated in this paragraph will not be available to any Retailer Shareholder as the Scheme shall have failed as a result thereof; and

- 3.1.2 The table below sets out the sources of funding to establish the New Empowerment Transaction:

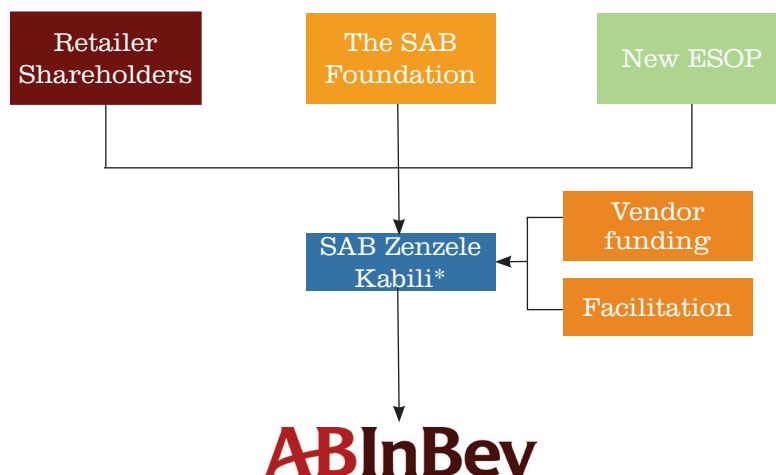
| Sources of funding | Rm | % |
|-----------------------------------------------------|--------------|------------|
| Discount Shares | 811 | 15.0 |
| Equity contribution – Retailers | 678 | 12.5 |
| Equity contribution by SAB – New ESOP ¹ | 600 | 11.1 |
| Cash contribution – The SAB Foundation ² | 344 | 6.4 |
| Vendor funding from SAB | 2 973 | 55.0 |
| Total | 5 406 | 100 |
| Uses of funding | Rm | % |
| Acquisition of AB InBev Shares | 5 406 | 100 |
| Total | 5 406 | 100 |

Note 1: Total New ESOP contribution of R720 million, where R600 million is utilised to acquire for new SAB Zenzele Kabili Shares. The balance of the contribution to the New ESOP will be used by the New ESOP following the final implementation date to acquire SAB Zenzele Kabili Shares in the market.

Note 2: Total SAB Foundation contribution of R400 million, where R344 million is utilised to acquire new SAB Zenzele Kabili Shares. The balance of the contribution to The SAB Foundation will be used by The SAB Foundation following the final implementation date to acquire SAB Zenzele Kabili Shares in the market.

- 3.1.3 Simultaneously with, or shortly after, implementation of the Scheme, SAB Zenzele Kabili would be listed on the BEE Segment, which will allow Retailer Shareholders to freely trade their SAB Zenzele Kabili Shares on the JSE with any BEE investor. In this respect, the JSE has granted SAB Zenzele Kabili, subject to the Scheme becoming Operative, a listing on the BEE Segment, under share code “SZK”, ISIN code ZAE000284196 and the abbreviated name SAB Zenzele Kabili, with effect from the commencement of business on 28 May 2021. For this purpose, the SAB Zenzele Kabili Prospectus has been sent to Retailer Shareholders together with this Circular, which should be read in conjunction with each other.
- 3.1.4 It is anticipated that the New Empowerment Transaction will result in a significant improvement in SAB’s BEE status.

- 3.1.5 Following the implementation of the New Empowerment Transaction, the SAB Zenzele Kabili shareholding structure will be as follows:



*Listed on the BEE Exchange

Notes:

1. Based on an AB InBev share price of R925.47 as at the Last Practicable Date; and
2. Dependent on the take-up of the Reinvestment Offer by Retailer Shareholders the percentage ownership of SAB Zenzele Kabili could vary relative to the percentages illustrated above for Retailer Shareholders and The SAB Foundation.

3.2 Rationale

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

- 3.2.1 It has received consistent feedback from Retailer Shareholders 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 types of BEE transactions. The New Empowerment Transaction has been designed to facilitate such further reinvestment of some or all of the value realised by them under the Existing Empowerment Transaction.
- 3.2.2 Under the Existing Empowerment Transaction, participants hold shares in unlisted SAB and consequently did not have the ability to freely trade their shares (until such time as liquidity was 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 Shares to be received by the Retailer Shareholders and other participants will be listed on the BEE Segment and thereby allow Retailer Shareholders and other participants the ability to trade the SAB Zenzele Kabili Shares from the outset of implementation of the Scheme and the Reinvestment Offer (if applicable) with other BEE investors (thereby creating liquidity on day 1).
- 3.2.3 As an incentive to Retailer Shareholders to participate in the New Empowerment Transaction (and vote in favour of the Scheme), following implementation of the Scheme and the Reinvestment Offer, 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 28 May 2021. As a result, the Retailer Shareholders (along with any other participants in the New Empowerment Transaction) will have exposure through SAB Zenzele Kabili to additional AB InBev Shares to which the Retailer Shareholders would not have had exposure but for the Scheme. It is specifically recorded that if Retailer Shareholders capable of exercising voting rights in aggregate of more than 25% elect to vote against the Scheme, the additional AB InBev Shares contemplated in this paragraph will not be available to any Retailer Shareholder as the Scheme shall have failed as a result thereof.
- 3.2.4 More specifically, the reinvestment amount of 63.5% of the entitlement to receive AB InBev Shares (being the Scheme Entitlements) which the Retailer Shareholders will reinvest in SAB Zenzele Kabili pursuant to the Scheme, amounts to approximately R678 million in value at the Last Practicable Date. Should the Scheme be duly approved, SAB Zenzele Kabili Shareholders (including the Retailer Shareholders) will enjoy gross exposure to AB InBev Shares through their holding of SAB Zenzele Kabili Shares in the amount of approximately R5,406 million and net asset value of their SAB Zenzele Kabili Shares on day one will be approximate R2,433 million.

- 3.2.5 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, which 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 funding provided by SAB will be at a very attractive rate of 70% of Prime.
- 3.2.6 Under the Existing Empowerment Transaction, the scheme was 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 Retailer Shareholders (and BEE participants) the ability to value the underlying net asset value on a continuous basis and provides global diversification to the Retailer Shareholders (and BEE participants) through exposure to all of AB InBev's operations.

3.3 New Empowerment Transaction Condition Precedent

- 3.3.1 The implementation of the New Empowerment Transaction is subject to the suspensive condition that the Scheme becomes unconditional and Operative.
- 3.3.2 If the requisite majority of Retailer Shareholders (being Retailer Shareholders capable of exercising voting rights in aggregate of at least 75%) do not approve the Scheme or if more than 25% of the Retailer Shareholders vote against the Scheme, or if the Scheme does not become Operative (please see the Scheme Conditions Precedent in paragraph 5.4 below on page 41 of this Circular), then:
 - 3.3.2.1 the New Empowerment Transaction will not proceed (and the Reinvestment Offer will not be available), and the Existing Empowerment Transaction will unwind in accordance with the terms set out in the Amended and Restated Exchange Agreement. In particular, Retailer Shareholders will receive their full Retailer Settlement Entitlements that they are entitled to under the Existing Empowerment Transaction, but will not have the benefit of: (i) re-investing all or part of their Retailer Settlement Entitlements as contemplated under the Reinvestment Offer forming part of the New Empowerment Transaction; and (ii) the additional ABInBev Shares which SAB proposes to contribute to SAB Zenzele Kabili under the New Empowerment Transaction as discussed in paragraph 3.1.1.2.5 above on page 36 of this Circular, being the Discount Shares; and
 - 3.3.2.2 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 participate.

3.4 Agreements to implement the New Empowerment Transaction

In order to facilitate the unwind of the Existing Empowerment Transaction and implementation of the New Empowerment Transaction insofar as they relate to SAB Zenzele and the Retailer Shareholders, the Implementation Agreement has been entered into by AB InBev, SAB Zenzele and SAB Zenzele Kabili. The Implementation Agreement sets out the respective rights and obligations of each party thereto in respect of the implementation of the New Empowerment Transaction, including the Scheme.

4. RATIONALE FOR THE SCHEME

- 4.1 Given the significant number of Retailer Shareholders (circ. 29,000) and the fact that they are widely dispersed, the proposal to use the Scheme is regarded as the most efficient and effective way to facilitate further reinvestment by Retailer Shareholders and facilitate implementation of the New Empowerment Transaction.
- 4.2 The Scheme will ensure that a defined transaction size and outcome is achieved for the New Empowerment Transaction, which would not be case if a general offer mechanism were to be used. Without the Scheme, the New Empowerment Transaction will fail as the minimum reinvestment amount (of 63.5%) required in order to ensure that SAB Zenzele Kabili is of sufficient size and has a sufficient number of shareholders to meet the free float requirements of the JSE would not be met.
- 4.3 If Shareholders approve the Scheme, it will provide an efficient mechanism to implement the New Empowerment Transaction for the benefit of, amongst others, the Retailer Shareholders, which will be significantly more difficult, or impossible, to achieve if the transaction were to proceed by way of a general offer mechanism (such as the Reinvestment Offer) only.

- 4.4 Following implementation of the Scheme and the Reinvestment Offer (which is separate from the Scheme but conditional on the Scheme becoming Operative), SAB Zenzele Kabili would be listed on the BEE Segment, which will allow Retailer Shareholders the ability to freely trade their SAB Zenzele Kabili Shares from the outset to other BEE investors. This is an important feature for Shareholders in order to provide them with a liquid and tradable instrument that has a reference market price and affords them the same rights as other equity shareholders in similar listed BEE structures. The BEE Listing will also allow new BEE investors (in addition to those who participated in the SAB Zenzele transaction in 2010) to participate in the New Empowerment Transaction, which promotes inclusivity and enhances the marketability and tradability of SAB Zenzele Kabili Shares.
- 4.5 The New Empowerment Transaction has been structured to achieve the right mix of BEE participants to optimise trading and liquidity on the BEE Segment. In this regard:
 - 4.5.1 The SAB Foundation is a long-term holder but will not be restricted from trading its SAB Zenzele Kabili Shares. The SAB Foundation has committed to invest up to R400 million into SAB Zenzele Kabili and subject to dissenting shareholders exercising their election to be cash settled, will in all likelihood acquire SAB Zenzele Kabili Shares post implementation of the transaction, which will provide further liquidity and trading in SAB Zenzele Kabili Shares;
 - 4.5.2 employees in the New ESOP are locked-in and cannot trade their SAB Zenzele Kabili Shares until 2026, after which they will be provided with phased liquidity. The New ESOP's participation has been structured through a combination of a subscription and purchase of SAB Zenzele Kabili Shares, in order to further support the liquidity and trading of SAB Zenzele Kabili Shares; and
 - 4.5.3 Retailer Shareholders will, in all likelihood, provide the majority of the initial liquidity for new BEE shareholders to participate in SAB Zenzele Kabili. The Scheme is thus an essential component of the transaction and is key to achieving the above shareholder mix.
- 4.6 Based on these factors, AB InBev anticipates a free float of c. 40% – 50% of which equates to approximately 17 million SAB Zenzele Kabili Shares.

5. THE SCHEME

- 5.1 In terms of section 114(1) of the Companies Act, the SAB Zenzele Board proposes the Scheme, on the terms and conditions set out in this paragraph 5, between SAB Zenzele and the Retailer Shareholders.

5.2 Authority to implement the Scheme

At the Shareholders' Meeting, special resolution number 2 as set out in the Notice of Shareholders' Meeting is proposed to Shareholders, in order to approve implementation of the Scheme in terms of section 114(1)(c) of the Companies Act read with section 115(2)(a) of the Companies Act.

5.3 Operation of the Scheme

- 5.3.1 In terms of the Scheme, SAB Zenzele Kabili as offeror, will acquire all the Scheme Entitlements from the Scheme Participants for the Scheme Consideration.
- 5.3.2 The operation of the Scheme is subject to the fulfillment or, where appropriate, waiver, of the Scheme Conditions Precedent as described in paragraph 5.4 on page 41 below of this Circular.
- 5.3.3 If the Scheme becomes Operative:
 - 5.3.3.1 it shall be binding on all the Scheme Participants (irrespective of whether a Scheme Participant voted in favour of the Scheme or not) and:
 - 5.3.3.1.1 each Scheme Participant shall be deemed, with effect from the Scheme Implementation Date, to have ceded its Scheme Entitlements (and disposed of the AB InBev Shares underlying the Scheme Entitlements), free and clear of encumbrances, to SAB Zenzele Kabili;
 - 5.3.3.1.2 SAB Zenzele Kabili shall be deemed to have acquired all the Scheme Entitlements (and the registered and beneficial ownership of the AB InBev Shares underlying the Scheme Entitlements) without any further act or instrument being required, for the Scheme Consideration; and

- 5.3.3.1.3 each Retailer Shareholder who shall have become entitled to less than 100 AB InBev Shares upon the unwind of the Existing Empowerment Transaction and consequently shall have been entitled to a cash settlement pursuant to the sale of such AB InBev Shares in accordance with the terms of the Amended and Restated Exchange Agreement, shall be deemed, with effect from the Scheme Implementation Date, to have waived its rights to be cash settled under the Amended and Restated Exchange Agreement and shall be deemed to have consented to a settlement pursuant to the remaining terms of this Circular;
- 5.3.3.2 in consideration for the cession of the Scheme Entitlements, each Scheme Participant shall be entitled to receive the Scheme Consideration (being such number of SAB Zenzele Kabili Shares as are proportional to the Scheme Entitlements ceded by such Scheme Participant to SAB Zenzele Kabili under the Scheme), subject to the terms and conditions of this Circular;
- 5.3.3.3 each Scheme Participant has irrevocably and in *rem suam* authorised SAB Zenzele, SAB Zenzele Kabili and the Administrator, as principal, with full power of substitution, to:
 - 5.3.3.3.1 procure that the cession of the Scheme Entitlements by the Scheme Participants to SAB Zenzele Kabili in terms of the Scheme is perfected on the Scheme Implementation Date;
 - 5.3.3.3.2 procure that the AB InBev Shares underlying the Scheme Entitlements, are delivered to, and registered in the name of, SAB Zenzele Kabili on the Scheme Implementation Date;
 - 5.3.3.3.3 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 effect to the foregoing cession, transfer, delivery and registration; and
 - 5.3.3.3.4 along with SAB Zenzele Kabili and AB InBev, determine the Scheme Consideration due to each Retailer Shareholder following the cession of the Scheme Entitlements to SAB Zenzele Kabili.
- 5.3.4 The effect of the Scheme becoming Operative is that:
 - 5.3.4.1 SAB Zenzele Kabili will, from the Scheme Implementation Date, have sole rights and entitlements to require AB InBev to deliver the AB InBev Shares underlying the Scheme Entitlements to a nominated securities account in terms of the Scheme, and consequently become the registered and beneficial owner of such AB InBev Shares; and
 - 5.3.4.2 each Scheme Participant will, from the Scheme Implementation Date, have sole rights and entitlements to require SAB Zenzele Kabili to deliver such number of SAB Zenzele Kabili Shares equivalent to the Scheme Consideration. On delivery of such SAB Zenzele Kabili Shares, each Scheme Participant shall become the beneficial owner of their allocated SAB Zenzele Kabili Shares.
- 5.3.5 If the requisite majority of Retailer Shareholders (being Retailer Shareholders capable of exercising voting rights in aggregate of at least 75%) do not approve the Scheme or if more than 25% of the Retailer Shareholders vote against the Scheme, or if the Scheme does not become Operative, then:
 - 5.3.5.1 the New Empowerment Transaction will not proceed (and the Reinvestment Offer will not be available), and the Existing Empowerment Transaction will unwind in accordance with the terms set out in the Amended and Restated Exchange Agreement. In particular, Retailer Shareholders will receive their full Retailer Settlement Entitlements that that they are entitled to under the Existing Empowerment Transaction, but will not have the benefit of: (i) re-investing all or part of their Retailer Settlement Entitlements as contemplated under the Reinvestment Offer forming part of the New Empowerment Transaction; and (ii) the additional AB InBev Shares which SAB proposes to contribute to SAB Zenzele Kabili under the New Empowerment Transaction as discussed in paragraph 3.1.1.2.5 above on page 36 of this Circular, being the Discount Shares; and
 - 5.3.5.2 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 participate.

5.4 Scheme Conditions Precedent

- 5.4.1 The implementation of the Scheme is subject to the fulfillment or, where appropriate, waiver of the following conditions, which must be fulfilled or, where appropriate, waived, on or before 17:00 on 30 June 2021 (“**Long Stop Date**”), or such later time and/or date as may be agreed in writing between SAB and SAB Zenzele (and approved by the TRP) (“**Extended Long Stop Date**”):
- 5.4.1.1 the SAB Zenzele MOI Amendments Resolution is duly approved at the Shareholders’ Meeting by the requisite majority of votes of the Shareholders, as required in terms of section 16(1)(c) of the Companies Act, as described in more detail in the Notice of Shareholders’ Meeting;
 - 5.4.1.2 the Scheme Resolution is duly approved at the Shareholders’ Meeting by the requisite majority of votes of the Shareholders, as required in terms of section 114(1) and section 115(2)(a) of the Companies Act, as described in more detail in the Notice of Shareholders’ Meeting;
 - 5.4.1.3 the receipt of unconditional approvals, consents or waivers from all applicable regulatory authorities as may be required in order to implement the Scheme and the BEE Listing, including, but not limited to, approvals from the TRP (including the compliance certificate to be issued by the TRP in relation to the Scheme as required by section 115(1)(b) read with section 119(4)(b) and section 121(b) of the Companies Act) and the JSE, and, to the extent that any such approvals, consents or waivers are subject to conditions, in each case on terms and conditions reasonably satisfactory to SAB Zenzele Kabili and SAB Zenzele;
 - 5.4.1.4 the Scheme Resolution not being opposed by 15% or more of the voting rights exercised on such resolution; or should the Scheme Resolution be opposed by 15% or more of the voting rights exercised on it, no person who voted against special resolution number 2 requiring the Company to seek the approval of the Court in terms of section 115(3) of the Companies Act;
 - 5.4.1.5 if the Scheme Resolution referred to in paragraph 5.4.1.1 is opposed by 15% or more of the voting rights exercised on such resolution, and a person who voted against the Scheme Resolution requires the Company to seek the approval of the Court in terms of section 115(3) of the Companies Act, then:
 - 5.4.1.5.1 the Scheme being approved by the Court unconditionally, or if subject to conditions, the person on whom such conditions are imposed approves such conditions and undertakes in writing to comply therewith; and
 - 5.4.1.5.2 SAB Zenzele not treating the Scheme Resolution as a nullity in terms of section 115(5)(b) of the Companies Act; and
 - 5.4.1.6 no leave is granted by the Court, pursuant to section 115(3)(b) of the Companies Act, to any person who voted against special resolution number 2 and who applied to the Court for a review of the Scheme; and
 - 5.4.1.7 with regard to Retailer Shareholders exercising Appraisal Rights, within the period prescribed under section 164(7) of the Companies Act, no valid demands having been received by, or remain capable of being given to, SAB Zenzele in terms of such section which in aggregate represent more than 5% of the SAB Zenzele Shares.
- 5.4.2 The Scheme Conditions Precedent set out in paragraphs 5.4.1.1 to 5.4.1.6 (both inclusive) are not capable of waiver.
- 5.4.3 The Scheme Condition Precedent set out in paragraph 5.4.1.7 has been inserted for the benefit of SAB Zenzele. SAB Zenzele is entitled at any time prior to the Long Stop Date, or the Extended Long Stop Date, to waive compliance with such Scheme Condition Precedent.
- 5.4.4 An announcement will be published in the South African press as soon as possible after the fulfillment, waiver or non-fulfillment, as the case may be, of the Scheme Conditions Precedent.
- 5.4.5 For the avoidance of doubt, if the Scheme Conditions Precedent are not fulfilled or, where appropriate, waived, by the Long Stop Date, or the Extended Long Stop Date, then the Scheme shall not become Operative and the New Empowerment Transaction shall not proceed. Consequently, Shareholders will continue in their present position as participants in the Existing Empowerment Transaction, which will unwind in accordance with its terms. In particular, Shareholders will receive the full Retailer Settlement Entitlements that they are entitled to under the Existing Empowerment Transaction and they will not have the

benefit of re-investing all or part of such Retailer Settlement Entitlements as contemplated under the New Empowerment Transaction, including through the Scheme.

5.5 Scheme Consideration and rounding principle.

- 5.5.1 Subject to the Scheme becoming Operative, each Scheme Participant will receive the Scheme Consideration determined in terms of paragraph 5.3.3.3.4 above.
- 5.5.2 The Scheme Consideration payable in respect of any Scheme Participant for all such person's Scheme Entitlements will be aggregated (to the extent possible). Only whole numbers of SAB Zenzele Kabili Shares to which Scheme Participants will become entitled if the Scheme is approved and they further elect to participate in the Reinvestment Offer, will be issued and delivered to Scheme Participants 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.

5.6 Settlement of Scheme Consideration

- 5.6.1 Subject to the remaining provisions of this paragraph 5.6, if the Scheme becomes Operative, the Scheme Participants will be entitled to receive the Scheme Consideration on the Scheme Implementation Date.
- 5.6.2 Against cession of the Scheme Entitlements to SAB Zenzele Kabili, SAB Zenzele Kabili or its agents will administer and effect payment of the Scheme Consideration to the Scheme Participants in accordance with the provisions of the remainder of this paragraph 5.6 without regard to any lien, right of set-off, counterclaim or other analogous right to which SAB Zenzele Kabili may otherwise be, or claim to be, entitled against any Scheme Participant.
- 5.6.3 The SAB Zenzele Kabili Shares constituting the Scheme Consideration will be issued in dematerialised form only.
- 5.6.4 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 Scheme Implementation Date, SAB Zenzele Kabili will cause to be issued and transferred to the Scheme Participants, the SAB Zenzele Kabili Shares equal to the Scheme Consideration due to each Scheme Participant, which will be credited and delivered to either:
 - 5.6.4.1 the securities account with a CSDP or Broker specified by the Scheme Participant; or
 - 5.6.4.2 if it 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).
- 5.6.5 For assistance in opening such an account with any CSDP or Broker, please visit the website of the JSE (www.jse.co.za) or Strate (www.strate.co.za/aboutstrate/participants) which will provide all the names and contact numbers of the members of the JSE who can assist with the opening of such share accounts. It will be necessary to complete a custody mandate and provide FICA verification to the chosen CSDP/Broker – a process similar to opening a bank account.
- 5.6.6 No interest will be payable on any part of the Scheme Consideration to Shareholders.
- 5.6.7 Scheme Participants will be deemed to have consented to SAB Zenzele, SAB Zenzele Kabili and their respective service providers transferring such Scheme Participants personal information to the SAB Zenzele Kabili Administrator and any of its service providers to be used by the SAB Zenzele Kabili Administrator. Without derogating from the foregoing, such Scheme Participants' personal information will be shared with SAB Zenzele Kabili, the SAB Zenzele Kabili Administrator, the CSDPs, SAB Zenzele Kabili's transfer secretaries, Strate and any other applicable third party for the purposes of facilitating implementing the Scheme Participants participation in the New Empowerment Transaction (and SAB Zenzele Kabili) through the Scheme and/or Reinvestment Offer.

5.7 Offeror is SAB Zenzele Kabili

- 5.7.1 Notwithstanding anything to the contrary in this Circular, SAB Zenzele Kabili shall be the entity which will acquire title to the Scheme Entitlements (and ultimately the AB InBev Shares underlying the Scheme Entitlements) in terms of the Scheme.
- 5.7.2 SAB Zenzele Kabili confirms that it will be the ultimate acquirer of the Scheme Entitlements (and underlying AB InBev Shares) and that SAB Zenzele Kabili is acting alone and not in concert with any other person.

5.8 Dissenting Shareholder Appraisal Rights

- 5.8.1 Shareholders are hereby advised of their Appraisal Rights in terms of section 164 of the Companies Act.
- 5.8.2 In terms of section 164(2)(b) of the Companies Act, Shareholders are entitled to the Appraisal Rights provided for in section 164 of the Companies Act. Shareholders who wish to exercise their rights in terms of the aforementioned section of the Companies Act are required, before the Scheme Resolution to approve the Scheme is voted on at the Shareholders' Meeting, to:
 - 5.8.2.1 give notice to SAB Zenzele in writing objecting to the aforesaid Scheme Resolution in the Notice of Shareholders' Meeting, as the case may be, under section 164(3) of the Companies Act; and
 - 5.8.2.2 vote against the Scheme Resolution at the Shareholders' Meeting.
- 5.8.3 A copy of section 164 of the Companies Act (which sets forth the Appraisal Rights) is included in **Annexure 4** to this Circular.
- 5.8.4 Any Dissenting Shareholder that, pursuant to the exercise of its Appraisal Rights, has accepted an Appraisal Rights Offer and transferred SAB Zenzele Shares to SAB Zenzele pursuant to section 164(13) or section 164(15)(c)(v) of the Companies Act shall not participate in the Scheme.
- 5.8.5 If any Dissenting Shareholder withdraws a valid demand in the circumstances contemplated in section 164(9)(a) and (b) of the Companies Act and a Dissenting Shareholder has not exercised its rights in terms of section 164(14) of the Companies Act to apply to Court to determine a fair value in respect of the shares that were the subject of the demand, then:
 - 5.8.5.1 on or prior to the Scheme Record Date, a Shareholder who was, up until that time, a Dissenting Shareholder, will be deemed a Scheme Participant and be subject to the terms and conditions of the Scheme; and
 - 5.8.5.2 after the Scheme Record Date, a Shareholder who was, up until that time, a Dissenting Shareholder will be deemed to have been a Scheme Participant as at the Scheme Implementation Date and be deemed to have ceded its Scheme Entitlements, provided that settlement of the Scheme Consideration shall take place on the later of: (i) the Scheme Implementation Date; and (ii) the date which is 5 (five) Business Days after that Dissenting Shareholder so withdrew its demand or allowed the Company's offer to lapse, as the case may be, without exercising its rights in terms of section 164(14).
- 5.8.6 For the sake of clarity, except where expressly provided otherwise, all provisions applicable to other Scheme Participants shall apply equally to any Dissenting Shareholder who becomes a Scheme Participant as a result of his rights to SAB Zenzele Shares being reinstated in terms of section 164(10) of the Companies Act, or pursuant to a final Court order.
- 5.8.7 Before exercising their rights under section 164 of the Companies Act, Shareholders should have regard to the following factors relating to the Scheme:
 - 5.8.7.1 the Independent Expert Report set out in **Annexure 2** to this Circular, which concludes that the terms of the Scheme are fair and reasonable; and
 - 5.8.7.2 the Court is empowered to grant a costs order in favour of, or against, a Dissenting Shareholder, as may be applicable.

5.9 Potential Court Approval

- 5.9.1 Shareholders are advised that, in accordance with section 115(3) of the Companies Act, SAB Zenzele may in certain circumstances not proceed to implement the Scheme without the approval of the Court, despite the fact that the Scheme Resolution set out in the Notice of Shareholders' Meeting will have been duly adopted at the Shareholders' Meeting.
- 5.9.2 In this regard, a copy of section 115 of the Companies Act which details the circumstances under which Court approval may be required for implementation of the Scheme, is set out in **Annexure 4** to this Circular.

5.10 Amendment or variation of Scheme

Subject to compliance with applicable law, including the requirements of the JSE and the TRP, no amendment or variation of the Scheme shall be valid unless it is consented to by SAB Zenzele and SAB Zenzele Kabili in writing.

5.11 Tax Implications for Scheme Participants

The tax implications of the Scheme on Scheme Participants will depend on the individual circumstances of each Scheme Participant. **Annexure 5** contains a general summary of the potential tax implications for Scheme Participants. The analysis is general in nature and is not comprehensive or determinative, and will therefore not necessarily apply to your personal circumstances. Scheme Participants are advised to consult their professional advisors about their personal legal, regulatory and tax positions regarding the Scheme and the New Empowerment Transaction or any other matter.

5.12 Deemed discharge of settlement obligations under Existing Empowerment Transaction

- 5.12.1 If the Scheme becomes Operative, then each Retailer Shareholder shall have ceded a portion of its Retailer Settlement Entitlement (i.e. the Scheme Entitlements) to SAB Zenzele Kabili. The Retailer Shareholder shall thereafter receive the AB InBev Shares constituting its Remaining Retailer Settlement Entitlement and, in respect thereof, shall be entitled to elect whether it wishes: (i) for such AB InBev Shares to be partly or wholly transferred to SAB Zenzele Kabili pursuant to the Reinvestment Offer; and/or (ii) to be settled pursuant to the Settlement Election.
- 5.12.2 In respect of the portion of the Retailer Settlement Entitlement ceded by each Retailer Shareholder under the Scheme, SAB Zenzele, SAB, AB InBev and SAB Zenzele Kabili shall, by giving effect to obligations arising from the Scheme, be deemed to have partly discharged its settlement obligations owing to Retailer Shareholders in terms of the Existing Empowerment Transaction as set out in the Amended Exchange Transaction and the Amended and Restated Exchange Agreement.
- 5.12.3 In respect of the Remaining Retailer Settlement Entitlements:
 - 5.12.3.1 by electing to participate in the Reinvestment Offer, a Retailer Shareholder shall be deemed to have irrevocably and in *rem suam* authorised each of SAB Zenzele, SAB, AB InBev and SAB Zenzele Kabili, 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 to do all other things, as may be necessary or expedient in order give effect to the Reinvestment Offer in accordance with its terms and conditions. In particular, each such Retailer Shareholder directs that the relevant AB InBev Shares received/or to be received by it (after taking into account the Scheme Entitlements) pursuant to the unwind of the Existing Empowerment Transaction, shall be transferred to SAB Zenzele Kabili in exchange for SAB Zenzele Kabili Shares of proportional value in accordance with the terms of Reinvestment Offer.
 - 5.12.3.2 SAB Zenzele, SAB, AB InBev and SAB Zenzele Kabili shall, by giving effect to obligations arising from the Reinvestment Offer and/or the Settlement Election, as the case may be, be deemed to have fully discharged its settlement obligations owing to Retailer Shareholders in terms of the Existing Empowerment Transaction as set out in the Amended Exchange Transaction and the Amended and Restated Exchange Agreement.

5.13 Governing law and jurisdiction

- 5.13.1 The Scheme shall be governed by, and construed in accordance with, the laws of South Africa.
- 5.13.2 Each Shareholder shall be deemed to have irrevocably submitted to the exclusive jurisdiction of the Court in relation to matters arising out of or in connection with the Scheme.

6. REINVESTMENT OFFER

- 6.1 If the Scheme does become Operative, then the New Empowerment Transaction can be implemented and additionally provides Scheme Participants with the election to transfer all or a portion of the AB InBev Shares received by them pursuant to the unwind of the Existing Empowerment Transaction to SAB Zenzele Kabili in exchange for further SAB Zenzele Kabili Shares of Proportional Value to the Retailer Settlement Entitlements, pursuant to the Reinvestment Offer which is distinct from and in addition to the Scheme.
- 6.2 If the requisite majority of Retailer Shareholders do not approve the Scheme, or if the Scheme does not become Operative, then the New Empowerment Transaction will not proceed (and the Reinvestment Offer will not be available) and Retailer Shareholders will then be entitled to receive their full Retailer Settlement Entitlements in accordance with the provisions of the SAB Zenzele MOI and the Amended and Restated Exchange Agreement.

- 6.3 As discussed above and elsewhere in this Circular, the Reinvestment Offer effectively provides Retailer Shareholders a further reinvestment opportunity, to reinvest in excess of the 63.5% it reinvested into SAB Zenzele Kabili through the Scheme.
- 6.4 Such Reinvestment Offer is made pursuant to the terms and conditions of the SAB Zenzele Kabili Prospectus, which has been sent to Retailer Shareholders together with this Circular, and such SAB Zenzele Kabili Prospectus will include additional detail on how to participate in the Reinvestment Offer.
- 6.5 Simultaneously with, or shortly after, implementation of the Scheme, SAB Zenzele Kabili would be listed on the BEE Segment, which will allow Retailer Shareholders to freely trade their SAB Zenzele Kabili Shares on the JSE with any BEE investor. In this respect, the JSE has granted SAB Zenzele Kabili, subject to the Scheme becoming Operative, a listing on the BEE Segment, under share code "SZK", ISIN code ZAE000284196 and the abbreviated name SAB Zenzele Kabili, with effect from the commencement of business on Friday, 28 May 2021. For this purpose, the SAB Zenzele Kabili Prospectus has been sent to Retailer Shareholders together with this Circular, which should be read in conjunction with each other.
- 6.6 Accordingly, Retailer Shareholders shall be able to freely trade on the JSE with any BEE investor with effect from the Scheme Implementation Date.
- 6.7 Retailer Shareholders will be required to make an election on whether it also wishes to participate in the Reinvestment Offer (which is in addition to Scheme) and receive additional SAB Zenzele Kabili Shares, by completing an election form as provided for in the SAB Zenzele Kabili Prospectus and strictly following the instructions in the SAB Zenzele Kabili Prospectus and the election form provided therein. **Participants in respect of the Reinvestment Offer will need to complete an additional form attached to the SAB Zenzele Kabili Prospectus.**
- 6.8 The maximum number of SAB Zenzele Kabili Shares being offered by SAB Zenzele Kabili pursuant to the Reinvestment Offer is capped at 8.6 million SAB Zenzele Kabili Ordinary Shares or an aggregate Rand amount of R344 million. Accordingly, it is possible that a Retailer Shareholder who applies for SAB Zenzele Kabili Shares pursuant to the Reinvestment Offer may not be allocated the full number of SAB Zenzele Kabili Shares that they applied for. Please refer to the allocation principles which are set out in the SAB Zenzele Kabili Prospectus and which will be applied by the SAB Zenzele Kabili directors in respect of the Reinvestment Offer.

7. **SETTLEMENT ELECTIONS IN RESPECT OF THE RETAILER SETTLEMENT ENTITLEMENTS OR REMAINING RETAILER SETTLEMENT ENTITLEMENTS**

- 7.1 Separately from, and unrelated to, the Scheme, the SAB Zenzele Board wishes to note for the benefit of Shareholders that under the Existing Empowerment Transaction, the Retailer Shareholders (amongst other participants in the Existing Empowerment Transaction) are entitled to the Retailer Settlement Entitlements which vest under the Amended and Restated Exchange Agreement. Such entitlement becomes Operative should the Existing Empowerment Transaction reach its close on the Vesting Date and therefore, irrespective of whether the Scheme is implemented, Retailer Shareholders are entitled to their Retailer Settlement Entitlements.
- 7.2 Under the Existing Empowerment Transaction, Retailer Shareholders are only entitled to have their Retailer Settlement Entitlements settled as follows on the Vesting Date:
 - 7.2.1 a Retailer Shareholder who is entitled to receive less than 100 AB InBev Shares upon the unwind of the Existing Empowerment Transaction, will have its AB InBev Shares equal to its Retailer Settlement Entitlements sold on its behalf and will be paid the cash proceeds arising from such sale, less associated costs and taxes; and
 - 7.2.2 a Retailer Shareholder who is entitled to receive more than 100 AB InBev Shares upon the unwind of the Existing Empowerment Transaction, shall be entitled to be settled in: (i) AB InBev Shares; (ii) cash proceeds raised from a market-related sale of their AB InBev Shares; and/or (iii) a combination of the foregoing.
- 7.3 However, the SAB Zenzele Board have, against consistent feedback received from participants in the Existing Empowerment Transaction, decided to assist the Retailer Shareholders (and other participants in the Existing Empowerment Transaction) with a reinvestment opportunity, in the form of the New Empowerment Transaction.

- 7.4 If the Scheme does not become Operative (and by implication the New Empowerment Transaction does not become operative), then, subject to what is discussed in paragraph 8 below, Retailer Shareholders are nonetheless entitled to receive their full Retailer Settlement Entitlements in the form discussed in paragraph 7.2 above.
- 7.5 If the Scheme does become Operative (and by implication the New Empowerment Transaction, including the Reinvestment Offer, does become operative), then all Retailer Shareholders will be entitled to elect, pursuant to the Settlement Election, whether to receive their Remaining Retailer Settlement Entitlements in: (i) AB InBev Shares; (ii) cash proceeds (less associated costs and taxes) raised from a market-related sale of their AB InBev Shares on the JSE and/or the Euronext; or (iii) a combination of the foregoing.
- 7.6 Therefore, if the Scheme becomes Operative, then the Settlement Election will be available to all Retailer Shareholders, who can then elect and indicate in which form they would like to receive their Remaining Retailer Settlement Entitlements and the following process must be followed by Retailer Shareholders when making the Settlement Election:
- 7.6.1 Retailer Shareholders will be required to duly complete the Election Form (*blue*) in accordance with the instructions therein, and submit it to the Administrator by no later than the Election Due Date, in order for them to indicate their preference as to the Settlement Election;
- 7.6.2 in the Election Form (*blue*), Retailer Shareholders may elect the following options in which their Remaining Retailer Settlement Entitlements can be settled:
- 7.6.2.1 “*AB InBev Shares Settlement*” for settlement in AB InBev Shares; or
- 7.6.2.2 the “*Sale Proceeds Settlement*” for cash (less associated costs and taxes) resulting from a sale on the JSE and/or the Euronext of the relevant number of AB InBev Shares underlying the Remaining Retailer Settlement Entitlement; or
- 7.6.2.3 a combination thereof;
- 7.6.3 Retailer Shareholders must complete the relevant box in the Election Form which indicates the preference in which they wish for their Remaining Retailer Settlement Entitlements to be delivered and settled. Therefore, if the Retailer Shareholder wishes to receive their Remaining Retailer Settlement Entitlement in AB InBev Shares, they must complete the “*AB InBev Shares Settlement*” box. Likewise, if the choice is to receive the Remaining Retailer Settlement Entitlement in cash (less associated costs and taxes) resulting from the market-related sale of the AB InBev Shares on the JSE and/or the Euronext, then the Retailer Shareholder must complete the “*Sale Proceeds Settlement*” box; and
- 7.6.4 Retailer Shareholders will be deemed to have chosen the Sale Proceeds Settlement if they fail to make an election and deliver a duly executed Election Form (*blue*) by the Election Due Date. As such your AB InBev Shares will be sold on your behalf on the JSE and/or the Euronext and the proceeds of such sale, less associated costs and taxes, will be paid to you.
- 7.7 The Settlement Election is not contingent on the Scheme (and by implication the New Empowerment Transaction) becoming Operative.

7.8 Retailer Settlement Entitlement in the context of the Scheme and the Reinvestment Offer:

The SAB Zenzele Board wishes to draw the attention of the Retailer Shareholders to the fact that, although the entitlement to the Retailer Settlement Entitlements and by necessary extension the right to deliver the Settlement Election, is not contingent on the Scheme becoming Operative, the value of the Remaining Retailer Settlement Entitlements in respect which such Settlement Election is delivered is contingent on the Scheme and Reinvestment Offer. Accordingly, the following two scenarios will impact on whether the Settlement Election is applicable to you:

7.8.1 if the Scheme is not approved and the New Empowerment Transaction, which includes the Reinvestment Offer, is not implemented:

The Existing Empowerment Transaction will unwind in accordance with its terms. In particular, Retailer Shareholders will receive the full Retailer Settlement Entitlements that that they are entitled to under the Existing Empowerment Transaction and they will not have the benefit of re-investing all or part of their Retailer Settlement Entitlements as contemplated under the New Empowerment Transaction. Accordingly, in this case a Retailer Shareholder’s Retailer Settlement Entitlements will be settled in accordance with the SAB Zenzele MOI, and only a Retailer Shareholder who is entitled to more than 100 AB InBev Shares on the unwind of the Existing Empowerment Transaction will be entitled to make

an election as to whether it wishes to be equity settled in the form of: (i) receiving AB InBev Shares directly; and/or (ii) cash proceeds (less associated taxes and costs), arising from a market-related sale of those AB InBev Shares on the JSE and/or the Euronext, pursuant to the Settlement Election by delivering a duly completed Election Form (*blue*) to the Administrator which indicates the manner in which it wishes to be settled on the unwind of the Existing Empowerment Transaction. For the avoidance of doubt, if the Scheme does not become Operative for any reason, a Retailer Shareholder who is entitled to **less** than 100 AB InBev Shares on the unwind of the Existing Empowerment Transaction shall only be entitled to receive the cash proceeds (less associated taxes and costs) arising from a sale of those AB InBev Shares pursuant to the unwind of the Existing Empowerment Transaction and therefore shall not be required to complete the Election Form (*blue*) as such Retailer Shareholder shall be deemed to have elected a settlement in cash proceeds which deemed election shall be consistent with the terms of the current SAB Zenzele MOI; and

7.8.2 if the Scheme is approved and the Reinvestment Offer is also implemented in addition to the Scheme:

In this case, 63.5% of a Retailer Shareholder's Retailer Settlement Entitlement, being the Scheme Entitlements, will be automatically ceded to SAB Zenzele Kabili under the Scheme and such Retailer Shareholder will be left with AB InBev Shares representing 36.5% of its Retailer Settlement Entitlement, being the Remaining Retailer Settlement Entitlement, minus whatever amount of AB InBev Shares a Retailer Shareholder elects to re-invest into SAB Zenzele Kabili under the Reinvestment Offer (if any). It is in relation to the reduced Retailer Settlement Entitlement (i.e. the Remaining Retailer Settlement Entitlements) that you can elect under the Settlement Election. Accordingly, you will only be able to deliver a Settlement Election (by delivering a duly completed Election Form (*blue*) to the Administrator) in respect of your reduced Retailer Settlement Entitlement and not your full Retailer Settlement Entitlement.

8. AMENDMENT OF SAB ZENZELE MOI

- 8.1 Article 8.4.4 of the SAB Zenzele MOI currently provides that Retailer Shareholders who are entitled to less than 100 AB InBev Shares pursuant to the unwind of the Existing Empowerment Transaction, shall be automatically cashed out in respect of such AB InBev Shares.
- 8.2 In addition to the Scheme Resolution, special resolution number 1 in the Notice of Shareholders' Meeting is proposed, which will have the effect of amending the SAB Zenzele MOI if duly approved, and consequently:
 - 8.2.1 enable Retailer Shareholders falling in the category of Retailer Shareholders referred to in paragraph 8.1 above, to participate in the Scheme and the Reinvestment Offer; and
 - 8.2.2 providing such Retailer Shareholders additional optionality to elect, as opposed to being automatically cashed out as currently provided for in article 8.4.4 of the SAB Zenzele MOI, how they wish their Remaining Retailer Settlement Entitlements to be settled.
- 8.3 The additional optionality which a duly approved special resolution number 1 will provide to the foregoing category of Retailer Shareholders, is as follows:
 - 8.3.1 afford such Retailer Shareholders the option to reinvest all or a portion of their Remaining Retailer Settlement Entitlements, pursuant to the Reinvestment Offer (as described in more detail in paragraph 6 above); and/or
 - 8.3.2 pursuant to the Settlement Election (as described in more detail in paragraph 7 above), afford such Retailer Shareholders the option to receive their Remaining Retailer Settlement Entitlements (after having taken into account any participation in the Reinvestment Offer) in the form of:
 - 8.3.2.1 AB InBev Shares; and/or
 - 8.3.2.2 cash proceeds (less associated taxes and costs) from the sale of AB InBev Shares on the JSE and/or the Euronext.
- 8.4 Accordingly, it is proposed that Shareholders approve special resolution number 1 in the Notice of Shareholders' Meeting, in order to provide the additional optionality as described in paragraph 8.3 above, to Retailer Shareholders falling in the category of Retailer Shareholders referred to in paragraph 8.1.

9. DEEMED DISCHARGE OF SETTLEMENT OBLIGATIONS

- 9.1 If the Scheme becomes Operative, then each Retailer Shareholder shall have ceded a portion of its Retailer Settlement Entitlement (i.e. the Scheme Entitlements) to SAB Zenzele Kabili, leaving each Retailer Shareholder to elect whether it wishes its Remaining Retailer Settlement Entitlements (vested pursuant to the unwind of the Existing Empowerment Transaction) to be: (i) partly or wholly transferred pursuant to the Reinvestment Offer; and/or (ii) it wishes to be settled pursuant to the Settlement Election.
- 9.2 In respect of the portion of the Retailer Settlement Entitlement ceded by each Retailer Shareholder under the Scheme, SAB Zenzele, SAB, AB InBev and SAB Zenzele Kabili shall, by giving effect to obligations arising from the Scheme, be deemed to have partly discharged its settlement obligations owing to Retailer Shareholders in terms of the Existing Empowerment Transaction as set out in the Amended Exchange Transaction and the Amended and Restated Exchange Agreement.
- 9.3 In respect of the Remaining Retailer Settlement Entitlements, SAB Zenzele, SAB, AB InBev and SAB Zenzele Kabili shall, by giving effect to obligations arising from the Reinvestment Offer and/or the Settlement Election, as the case may be, be deemed to have fully discharged its settlement obligations owing to Retailer Shareholders in terms of the Existing Empowerment Transaction as set out in the Amended Exchange Transaction and the Amended and Restated Exchange Agreement.
- 9.4 If the Scheme is not duly approved, or if the Scheme does not become Operative, then each Retailer Shareholder is entitled to 100% of its Retailer Settlement Entitlement to be settled in the ordinary course as provided for in the SAB Zenzele MOI and described elsewhere in this Circular.

10. DEEMED SURRENDER OF DOCUMENTS OF TITLE IN RELATION TO UNWIND OF THE EXISTING EMPOWERMENT TRANSACTION

- 10.1 As mentioned above, whether or not the Scheme becomes Operative, the Existing Empowerment Transaction will unwind in the ordinary course in accordance with its terms, that is: (i) each Retailer Shareholder's SAB Zenzele Shares will be transferred to SAB; and (ii) in exchange, the Retailer Shareholder will be entitled to its Retailer Settlement Entitlement under the Existing Empowerment Transaction.
- 10.2 In connection with the transfer of the SAB Zenzele Shares of Retailer Shareholders to AB InBev, Retailer Shareholders need not take any action regarding the surrender of their Documents of Title as the process will be handled by the Administrator.
- 10.3 In this regard, each Retailer Shareholder irrevocably and in *rem suam* authorises the 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 give effect to the unwind of the Existing Empowerment Transaction in accordance with the Implementation Agreement and the terms and conditions of this Scheme.

11. VALUE OF SCHEME AND NEW EMPOWERMENT TRANSACTION FOR RETAILER SHAREHOLDERS

- 11.1 In order to enable Retailer Shareholders to assess the impact of the Scheme and broader participation in the New Empowerment Transaction and understand the Proportional Value to be received pursuant to the Scheme and any participation in the Reinvestment Offer, the worked example below has been prepared for illustrative purposes only. A further table indicating the number of SAB Zenzele Kabili Shares a Retailer Shareholder is likely to receive pursuant to the Scheme based on the number of SAB Zenzele Shares held by it, is set out in **Annexure 6**.
- 11.2 The worked examples below illustrate the impact of the Scheme on a Retailer Shareholder that invested R100 or R2 500 in 2010. SAB Zenzele Kabili Shares will be issued at a subscription price of R40 per share. The number of SAB Zenzele Kabili Shares to be issued to a Retailer Shareholder will be determined by dividing the 63.5% entitlement ceded under the Scheme, being the Scheme Entitlement, by the R40 subscription price.
- 11.3 For the complete range of amounts invested in 2010, please see Annexure 6 for details.

The worked examples are based on reasonable assumptions and estimates as set out in below.

Example 1 – Retailer Shareholder that invested R100 in 2010

Before the Scheme/if the Scheme is unsuccessful

| | | Sale Proceeds Settlement | AB InBev Shares Settlement |
|-----------------------------------------------------|------|-----------------------------------------|-------------------------------------------|
| Amount invested in 2010 | | R100 | R100 |
| Number of SAB Zenzele Shares acquired in 2010 | | 317 | 317 |
| Value at unwind date¹ | | R77,518 | R77,518 |
| Cash settlement received in March 2020 | | R59,395 | R59,395 |
| Remaining entitlements as at May 2021 | | R18,123 | R18,123 |
| • Reinvested into SAB Zenzele Kabili ² | 0% | R0 | R0 |
| • Distributed to Retailer Shareholders ³ | 100% | R18 123 | R18 123 |
| SAB Zenzele Kabili Shares received ⁴ | | – | – |
| AB InBev Shares received ⁵ | | – | 19 |
| Value received | | R18 123 | R18 123 |
| • Value of SAB Zenzele Kabili Shares ⁷ | | R0 | R0 |
| • Value of AB InBev Shares ⁸ | | R0 | R17 993 |
| • Cash ⁹ | | R18 123 | R130 |

After the Scheme/if the Scheme is successful

| | | Sale Proceeds Settlement | AB InBev Shares Settlement |
|------------------------------------------------------|-------|-----------------------------------------|-------------------------------------------|
| Amount invested in 2010 | | R100 | R100 |
| Number of SAB Zenzele Shares acquired in 2010 | | 317 | 317 |
| Value at unwind date¹ | | R77 518 | R77 518 |
| Cash settlement received in March 2020 | | R59,395 | R59,395 |
| Remaining entitlements as at May 2021 | | R18,123 | R18,123 |
| • Reinvested into SAB Zenzele Kabili ^{2, 6} | 63.5% | R11 511 | R11 511 |
| • Distributed to Retailer Shareholders ³ | 36.5% | R6 609 | R6 609 |
| SAB Zenzele Kabili Shares received ⁴ | | 287 | 287 |
| AB InBev Shares received ⁵ | | – | 6 |
| Value received | | R23 863 | R23 863 |
| • Value of SAB Zenzele Kabili Shares ⁷ | | R17 220 | R17 220 |
| • Value of AB InBev Shares ⁸ | | R0 | R5 682 |
| • Cash ⁹ | | R6 643 | R961 |

Example 2 – Retailer Shareholder that invested R2 500 in 2010

Before the Scheme/If the Scheme is unsuccessful

| | | Sale Proceeds Settlement | AB InBev Shares Settlement |
|-----------------------------------------------------|------|--------------------------------|----------------------------------|
| Amount invested in 2010 | | R2 500 | R2 500 |
| Number of SAB Zenzele Shares acquired in 2010 | | 634 | 634 |
| Value at unwind date¹ | | R155 035 | R155 035 |
| Cash settlement received in March 2020 | | R118 790 | R118 790 |
| Remaining entitlements as at May 2021 | | R36 245 | R36 245 |
| • Reinvested into SAB Zenzele Kabili ² | 0% | R0 | R0 |
| • Distributed to Retailer Shareholders ³ | 100% | R36 245 | R36 245 |
| SAB Zenzele Kabili Shares received ⁴ | | – | – |
| AB InBev Shares received ⁵ | | – | 38 |
| Value received | | R36 245 | R36 245 |
| • Value of SAB Zenzele Kabili Shares ⁷ | | R0 | R0 |
| • Value of AB InBev Shares ⁸ | | R0 | R35 985 |
| • Cash ⁹ | | R36 245 | R260 |

After the Scheme/If the Scheme is successful

| | | Sale Proceeds Settlement | AB InBev Shares Settlement |
|------------------------------------------------------|-------|--------------------------------|----------------------------------|
| Amount invested in 2010 | | R2 500 | R2 500 |
| Number of SAB Zenzele Shares acquired in 2010 | | 634 | 634 |
| Value at unwind date¹ | | R155 035 | R155 035 |
| Cash settlement received in March 2020 | | R118 790 | R118 790 |
| Remaining entitlements as at May 2021 | | R36 245 | R36 245 |
| • Reinvested into SAB Zenzele Kabili ^{2, 6} | 63.5% | R23 027 | R23 027 |
| • Distributed to Retailer Shareholders ³ | 36.5% | R13 218 | R13 218 |
| SAB Zenzele Kabili Shares received ⁴ | | 575 | 575 |
| AB InBev Shares received ⁵ | | – | 13 |
| Value received | | R47 745 | R47 745 |
| • Value of SAB Zenzele Kabili Shares ⁷ | | R34 500 | R34 500 |
| • Value of AB InBev Shares ⁸ | | R0 | R12 311 |
| • Cash ⁹ | | R13 245 | R934 |

Notes and assumptions:

- Current unwind value calculated based on the provisions of the Amended and Restated Exchange Agreement between SAB, SABMiller, the SAB Zenzele, The SAB Foundation, The SAB Zenzele Employee Trust and AB InBev using a fixed price of GBP45 per SABMiller share, adjusted for inflation over time and reduced by the: (i) notional funding repaid as per the repurchase mechanism, (ii) R625m upfront special dividend paid in November 2016, (iii) R76m Distell disposal dividend paid in May 2017, (iv) R312m CCBA disposal dividend paid in December 2017 and (v) R3,499m payment to Retailer Shareholders in March 2020.
- Current unwind value multiplied by reinvestment percentage
- Current unwind value less reinvestment into SAB Zenzele Kabili. Retailer Shareholder given election on how the balance of the Retailer Settlement Entitlement is delivered (i.e. cash proceeds of sale of AB InBev Shares on the open market or AB InBev Shares)
- Reinvested value divided by SAB Zenzele Kabili issue of R40 per share
- Distributed value divided by an assumed AB InBev market value of R947 per share (where applicable)
- Regardless of election
- SAB Zenzele Kabili Shares received multiplied by SAB Zenzele Kabili net asset value of R60 per share. For every R1.00 of equity invested by a Retailer Shareholder, SAB will contribute R0.50 in the form of an incentive discount
- AB InBev Shares received multiplied by an assumed AB InBev market value of R947 per share
- Unwind value less value of AB InBev Shares received
- The above is before taxes and other related transaction costs and expenses

12. FINANCIAL INFORMATION RELATING TO SAB ZENZELE

- 12.1 The audited historical financial information of SAB Zenzele for the last three financial years ended 31 March 2020 is set out in **Annexure 1** to this Circular.
- 12.2 The SAB Zenzele Board is not aware of any material changes in the financial or trading position of SAB Zenzele subsequent to the latest published audited results for the year ended 31 March 2020.
- 12.3 Given that the Existing Empowerment Transaction will be partly settled in AB InBev Shares and given that following the implementation of the Scheme (if it is approved by Shareholders and becomes Operative) and the Reinvestment Offer (which is separate from the Scheme but conditional on the Scheme becoming Operative), SAB Zenzele will (indirectly through SAB Zenzele Kabili) hold an investment in AB InBev Shares, the price history of AB InBev Shares on the JSE is set out in **Annexure 3** for information purposes only. Further financial information in respect of AB InBev is available on its website at (<https://www.ab-inbev.com/investors.html>).

13. FINANCIAL INFORMATION RELATING TO SAB ZENZELE KABILI

- 13.1 Given that the Scheme Consideration consists wholly in SAB Zenzele Kabili Shares, regulation 106(6)(d) of the Companies Act requires that SAB Zenzele Kabili discloses in this Circular: (i) annual financial statements for the last three financial periods; and (ii) an audit reviewed pro forma balance sheet and pro forma income statement and pro forma earnings and assets per security as at the last financial year end.
- 13.2 SAB Zenzele Kabili was incorporated on 5 December 2019 for the primary purpose of implementing the New Empowerment Transaction. As a result of the postponement of the New Empowerment Transaction, SAB Zenzele Kabili has not traded and has not conducted any business, other than in connection with the preparation for the New Empowerment Transaction. SAB Zenzele Kabili therefore has no operating, financial or trading history in respect of the preceding three financial years.
- 13.3 Save for the agreements to which it is a party in respect of the New Empowerment Transaction, and matters incidental thereto, SAB Zenzele Kabili therefore has no assets or liabilities.

14. DIRECTORS OF SAB ZENZELE

| | |
|------------------------------------------------------------------|---------------------------------------------|
| MADUNA, PM (Retailer Shareholder appointee) | DLAMINI, R (SAB appointee) |
| MBATHA, SL (Retailer Shareholder appointee) | RIVETT-CARNAC, RT (SAB appointee) |
| AWBREY, J (Independent Director) (appointed on 11 December 2020) | BEGGS, C (who resigned on 10 December 2019) |

15. INTERESTS OF SAB ZENZELE AND ITS DIRECTORS

As at the Last Practicable Date, SAB Zenzele holds no SAB Zenzele Kabili Shares.

15.1 Disclosure of SAB Zenzele directors' interests and dealings

The SAB Zenzele directors do not have any interests in SAB Zenzele Shares.

15.2 Directors' remuneration and service contracts

- 15.2.1 The tables below detail the SAB Zenzele directors' remuneration for the financial period ended 31 March 2020.

| DIRECTORS | R,000 |
|-------------------|-------|
| MADUNA, PM | 163 |
| MBATHA, SL | 112 |
| BEGGS, C | 93 |
| AWBREY, J | 29 |
| DLAMINI, R | nil |
| RIVETT-CARNAC, RT | nil |

- 15.2.2 There will be no change in the remuneration of directors of SAB Zenzele as a consequence of the Scheme or any associated transaction.

15.2.3 The directors of SAB Zenzele have no direct, indirect, beneficial or non-beneficial interests in SAB Zenzele Kabili as at the Last Practicable Date.

15.3 Details of the service contracts of the SAB Zenzele directors

No employment contracts or director service contracts have been entered into between the Company and the directors of SAB Zenzele.

15.4 Directors' interests in the Scheme

No directors of SAB Zenzele will benefit, directly or indirectly, in any manner as a consequence of the implementation of the Scheme.

15.5 Directors' interests in other transactions

The directors of SAB Zenzele have not had any material beneficial interest, whether direct or indirect, in transactions that were effected by SAB Zenzele during the current or immediately preceding financial year or during an earlier financial year which remain in any respect outstanding or unperformed.

16. OTHER SERVICE CONTRACTS

No service contracts have been entered into or amended within six months before the date of this Circular other than in the ordinary course of business and on arm's length terms.

17. INTERESTS OF SAB ZENZELE KABILI AND ITS DIRECTORS

As at the Last Practicable Date for this Circular, SAB Zenzele Kabili and the directors of SAB Zenzele Kabili do not hold any SAB Zenzele Shares or any options to acquire any SAB Zenzele Shares.

18. SHARE CAPITAL OF SAB ZENZELE

The authorised and issued share capital of SAB Zenzele before the Scheme is set out below:

Shares

Authorised

19,185,085 SAB Zenzele Shares of R0,000001 each
1 SAB Foundation Special Share of R0,000001
1 SAB Special Share of R0,000001

Issued

18,676,639 SAB Zenzele Shares of R0,000001 each
1 SAB Foundation Special Share of R0,000001
1 SAB Special Share of R0,000001

19. OTHER INFORMATION WITH RESPECT TO THE SCHEME

19.1 Subject to the prior written consent of SAB Zenzele Kabili and SAB, and subject to the prior approval of the TRP, the SAB Zenzele Board may consent before or at the Shareholders' Meeting, to any amendment, variation or modification of the Scheme (which modification shall be subject to approval of Shareholders by special resolution).

19.2 A certificate signed by a duly authorised director of each of SAB Zenzele Kabili, SAB and SAB Zenzele stating that any or all of the Scheme Conditions Precedent have been fulfilled or, where appropriate, waived, and that the Scheme has become Operative shall be binding on SAB Zenzele and the Retailer Shareholders, and upon signature thereof (including after the relevant date for fulfillment or, where appropriate, waiver, of such conditions), such condition shall conclusively be deemed to have been duly fulfilled.

19.3 SAB Zenzele will be entitled, and will have the authority, on behalf of each Shareholder, to authorise any person nominated by SAB Zenzele to sign all documents required to carry the Scheme into effect, including but not limited to forms of proxy, changes of address and other entitlements from SAB Zenzele.

19.4 Save as otherwise set out in this Circular, all times and dates referred to in this Circular are subject to change by agreement between SAB Zenzele, SAB Zenzele Kabili and SAB and, subject to the approval of the TRP and/or Court, where this is required by law. Any such change will be published in the press as soon as reasonably possible thereafter

20. MAJOR SHAREHOLDERS

Insofar as it is known to the directors of SAB Zenzele, there is no controlling shareholder of SAB Zenzele. As at the Last Practicable Date for this Circular no Retailer Shareholder directly holds more than 5% of the issued ordinary shares of SAB Zenzele.

21. AGREEMENTS IN RELATION TO THE SCHEME

Other than the Implementation Agreement, no other agreements have been entered into between SAB Zenzele and SAB Zenzele Kabili or any of their respective concert parties, shareholders, directors and/or subsidiaries, in relation to the Scheme.

22. LITIGATION STATEMENT

There are no material legal or arbitration proceedings, including any such proceedings that are pending or threatened of which SAB Zenzele is aware, that may have, or have had during the previous 12 months before the date of this Circular, a material effect on the financial position of SAB Zenzele.

23. DISCLOSURE REQUIRED IN TERMS OF THE TAKEOVER REGULATIONS

23.1 Due to the nature of the Scheme, the following Takeover Regulations provisions are not applicable to this Circular:

23.1.1 regulation 106(4)(c)(iii) of the Takeover Regulations, which requires that an offer circular must contain a statement of direct and indirect beneficial interests in or holdings of securities, or actions to be effected by the offeror, including separate disclosure of concert party holdings, in the offeree regulated company by any person, who before the offeror offer circular was posted, was irrevocably committed to (i) accept or reject the offer or (ii) vote in favour of or against the offer;

23.1.2 regulation 106(7)(d)(iii) of the Takeover Regulations, which requires that an offeree response circular must contain a statement of direct and indirect beneficial interests in or holdings of securities, or actions to be effected in the offeror and offeree regulated company by any person, who before the offeror offer circular was posted, was irrevocably committed:

23.1.2.1 to accept or reject the offer; or

23.1.2.2 to vote in favour of or against the offer; and

23.1.3 regulation 106(7)(i) of the Takeover Regulations, which requires that an offeree response circular must contain a statement indicating whether the directors of an offeree regulated company intend, in respect of their own beneficial holdings of the relevant securities: (i) to accept or reject the offer; or (ii) to vote in favour of or against the offer.

24. INDEPENDENT EXPERT REPORT

24.1 The report of the Independent Expert prepared in accordance with section 114(3) of the Companies Act and regulations 90 and 110 of the Companies Regulations is provided in **Annexure 2** to this Circular.

24.2 Having regard to the terms and conditions of the Scheme, and based upon and subject to the terms and conditions set out in the Independent Expert Report, the Independent Expert is of the opinion that:

24.2.1 the Scheme is fair to the Shareholders; and

24.2.2 after consideration of all relevant factors, including qualitative factors, they are of the opinion that the proposed terms and conditions of the Scheme are fair and reasonable from the perspective of Shareholders, and have advised the Independent Board accordingly.

25. INDEPENDENT BOARD OPINION AND RECOMMENDATIONS

25.1 The Independent Board has considered the terms and conditions of the Scheme and, taking into account the opinion of the Independent Expert, is of the opinion that the terms and conditions of the Scheme are both fair and reasonable to Shareholders and recommends that Shareholders vote in favour of the Scheme at the Shareholders' Meeting.

25.2 The directors of SAB Zenzele do not own or control SAB Zenzele Shares and will accordingly not vote in respect of the Scheme.

26. DIRECTORS' RESPONSIBILITY STATEMENT

26.1 Board:

The members of the SAB Zenzele Board, whose names are set out on page 32 of this Circular, collectively and individually, accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no other facts that have been omitted which would make any statement false or misleading or be likely to affect the importance of the information and that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by law and the Takeover Regulations.

26.2 Independent Board:

The members of the Independent Board individually and collectively accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, no facts have been omitted that would make any statement in this Circular false or misleading or be likely to affect the importance of the information, and that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by law and the Takeover Regulations.

27. CONFIRMATION OF SECURITIES TO SETTLE THE SCHEME CONSIDERATION

27.1 The Scheme Consideration consists of SAB Zenzele Kabili Shares of Proportional Value to the right and entitlement to AB InBev Shares ceded by each Retailer Shareholder to SAB Zenzele Kabili.

27.2 Subject to the terms and conditions of the Scheme, SAB Zenzele Kabili has satisfied SAB Zenzele that: (i) it will be authorised and entitled to issue the SAB Zenzele Kabili Shares constituting the Scheme Consideration; (ii) such SAB Zenzele Kabili Shares will rank *pari passu* with all other SAB Zenzele Kabili Shares then in issue; (iii) and save pursuant to the transactions envisaged in the Implementation Agreement, no other person has any rights to be issued or subscribe for SAB Zenzele Kabili Shares, and there are no options or convertible securities issued or outstanding by or in respect of SAB Zenzele Kabili.

28. EXPERT'S CONSENTS

Each of SAB Zenzele's corporate advisor, legal advisor, Independent Expert, auditor and the Administrator 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.

29. EXPENSES RELATING TO THE SCHEME

In terms of the Implementation Agreement SAB shall bear the costs that are necessary or required for implementation of the Scheme and the Reinvestment Offer including (without limitation) the costs of the Independent Expert, SAB Zenzele's legal advisor, the independent registered auditor to SAB Zenzele and the TRP.

30. NOTICE OF SHAREHOLDERS' MEETING

The Shareholders' Meeting, convened in terms of the Notice of Shareholders' Meeting incorporated in this Circular, will be held by electronic communication (as contemplated in section 63(2)(a) of the Companies Act and in accordance with the SAB Zenzele MOI) **at 10:00 (South African Standard Time) on 10 May 2021** or at any other adjourned or postponed date and time determined in accordance with the provisions of the Companies Act to consider and, if deemed fit, to pass, with or without modification, the Resolutions set out therein. A notice convening the Shareholders' Meeting of the Shareholders is attached to, and forms part of, this Circular.

31. SHARE TRADING HISTORY

- 31.1 SAB Zenzele Shares have not been previously traded on a publicly listed exchange. Accordingly, no share price trading history in respect of such shares is available.
- 31.2 Given that the Existing Empowerment Transaction will be partly settled in AB InBev Shares and given that following the implementation of the Scheme (if it is approved by Shareholders and becomes Operative) and the Reinvestment Offer, Retailer Shareholders will (indirectly through SAB Zenzele Kabili) hold an investment in AB InBev Shares, the price history of AB InBev Shares on the JSE is set out in **Annexure 3** for information purposes only. Further financial information in respect of AB InBev is available on its website at (<https://www.ab-inbev.com/investors.html>).

32. DOCUMENTS AVAILABLE FOR INSPECTION

- 32.1 The following documents will be available for inspection at the registered offices of SAB Zenzele from 8 April 2021 to 28 May 2021, during normal business hours:
- 32.1.1 the audited annual financial statements of SAB Zenzele for the financial years ended 31 March 2018, 31 March 2019 and 31 March 2020;
 - 32.1.2 a copy of the SAB Zenzele MOI;
 - 32.1.3 a signed copy of this Circular;
 - 32.1.4 a copy of the Implementation Agreement;
 - 32.1.5 a signed copy of the Independent Expert's Report;
 - 32.1.6 copies of the written consents of experts and advisors referred to in this Circular; and
 - 32.1.7 a copy of the Amended and Restated Exchange Agreement.

For and on behalf of,

SAB ZENZELE HOLDINGS (RF) LIMITED

8 April 2021

HISTORICAL FINANCIAL INFORMATION OF SAB ZENZELE

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 March

| R'000 | Notes | 2020 | 2019 | 2018 |
|-------------------------------------------------------|-------|----------------|------------------|------------------|
| Revenue | 2 | 64 056 | 58 066 | 458 285 |
| Net operating expenses | 3 | (5 904) | (7 196) | (5 954) |
| Operating profit | | 58 152 | 50 870 | 452 331 |
| Net finance income/(expense) | | 249 966 | (508 307) | (841 460) |
| Fair value gain/(loss) on financial asset | 6 | 247 876 | (510 868) | (845 770) |
| Interest income | | 2 090 | 2 561 | 4 310 |
| Profit/(loss) before taxation | | 308 118 | (457 437) | (389 129) |
| Income tax expense | 4 | (535) | (628) | (1 193) |
| Profit/(loss) for the year | | 307 583 | (458 065) | (390 322) |
| Other comprehensive income/(loss) | | - | - | - |
| Total comprehensive income/(loss) for the year | | 307 583 | (458 065) | (390 322) |

STATEMENT OF FINANCIAL POSITION
at 31 March

| R'000 | Notes | 2020 | 2019 | 2018 |
|----------------------------------------------|--------------|------------------|------------------|------------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Financial asset | 6 | – | – | 4 784 150 |
| Total non-current assets | | – | – | 4 784 150 |
| Current assets | | | | |
| Financial asset | 6 | 4 521 158 | 4 273 282 | – |
| Sundry debtors | 5 | 171 | 40 | – |
| Cash and cash equivalents | 7 | 22 005 | 25 377 | 49 718 |
| Income tax asset | | 63 | 25 | 21 |
| Total current assets | | 4 543 397 | 4 298 724 | 49 739 |
| Total assets | | 4 543 397 | 4 298 724 | 4 833 889 |
| EQUITY AND LIABILITIES | | | | |
| Equity attributable to equity holders | | | | |
| Share capital and share premium | 8 | 75 397 | 75 397 | 75 397 |
| Retained earnings/(accumulated loss) | | 2 611 | (3 107) | (1 963) |
| Non-distributable reserves | | 4 446 163 | 4 198 287 | 4 709 155 |
| Total equity | | 4 524 171 | 4 270 577 | 4 782 589 |
| Current liabilities | | | | |
| Dividends payable | 10 | 14 482 | 18 619 | 46 600 |
| Withholding tax liability | | 4 520 | – | – |
| Other payables | 9 | 224 | 9 528 | 4 700 |
| Total liabilities | | 19 226 | 28 147 | 51 300 |
| Total Equity and Liabilities | | 4 543 397 | 4 298 724 | 4 833 889 |

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March

| R'000 | Share capital and share premium | Retained Earnings-/ (Accumulated loss) | Non-distributable reserves | Total equity |
|---------------------------------------------|----------------------------------------|-----------------------------------------------|-----------------------------------|---------------------|
| Balance at 1 April 2017 | 75 397 | (497) | 5 554 925 | 5 629 825 |
| Total comprehensive income for the year | – | (390 322) | – | (390 322) |
| Transfer to non-distributable reserve | – | 845 770 | (845 770) | – |
| Dividends declares to retailer shareholders | – | (444 800) | – | (444 800) |
| Dividend declared to SAB Foundation | – | (12 114) | – | (12 114) |
| Balance at 31 March 2018 | 75 397 | (1 963) | 4 709 155 | 4 782 589 |
| Total comprehensive income for the year | – | (458 065) | – | (458 065) |
| Transfer to non-distributable reserve | – | 510 868 | (510 868) | – |
| Dividend declared to retailer shareholders | – | (52 518) | – | (52 518) |
| Dividend declared to SAB Foundation | – | (1 429) | – | (1 429) |
| Balance at 31 March 2019 | 75 397 | (3 107) | 4 198 287 | 4 270 577 |
| Total comprehensive loss for the year | – | 307 583 | – | 307 583 |
| Transfer to non-distributable reserve | – | (247 876) | 247 876 | – |
| Dividends declared to retailer shareholders | – | (52 557) | – | (52 557) |
| Dividends declared to SAB Foundation | – | (1 432) | – | (1 432) |
| Balance at 31 March 2020 | 75 397 | 2 611 | 4 446 163 | 4 524 171 |

STATEMENT OF CASH FLOWS
for the year ended 31 March

| R'000 | Notes | 2020 | 2019 | 2018 |
|------------------------------------------------------|--------------|-----------------|-----------------|------------------|
| Cash flow from operating activities | | | | |
| Operating profit | | 58 152 | 50 870 | 452 331 |
| Interest income received | | 2 090 | 2 561 | 4 310 |
| Income tax paid | | – | (1 582) | (1 221) |
| Increase in accruals and sundry payables | | – | – | 186 |
| Non-cash movement in operating expenses | | 4 998 | 6 380 | – |
| Net cash generated from operating activities | | 65 240 | 58 229 | 455 606 |
| Cash flow from financing activities | | | | |
| Dividends paid to retailer shareholders | | (46 380) | (75 927) | (434 990) |
| Dividends paid to SAB Foundation | | (814) | (1 429) | (12 114) |
| (Decrease)/Increase in funding from SAB | | (21 418) | (5 214) | 2 188 |
| Net cash outflow from financing activities | | (68 612) | (82 570) | (444 916) |
| Net (decrease)/increase in cash and cash equivalents | | (3 372) | (24 341) | 10 690 |
| Cash and cash equivalents at beginning of year | | 25 377 | 49 718 | 39 028 |
| Cash and cash equivalents at end of year | 7 | 22 005 | 25 377 | 49 718 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the company's financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

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

The financial statements 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 financial statements 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.

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:

- Amendments to IFRS 9 – Prepayment Features with Negative Compensation
- IFRIC 23 Uncertainty over Income Tax Treatments
- Amendments to IAS 28 – Long-term Interests in Associates and Joint Ventures
- IFRS 16 – Leases
- Amendments to IAS 19, 'Employee benefits' on plan amendment, curtailment or settlement
- Annual improvements cycle 2015-2017, effective, 1 January 2019 – IFRS 3 – Business combination
- Annual improvements cycle 2015-2017, effective, 1 January 2019 – IFRS 11 – Joint arrangements
- Annual improvements cycle 2015-2017, effective, 1 January 2019 – IAS 12 – Income taxes
- Annual improvements cycle 2015-2017, effective, 1 January 2019 – IAS 23 – Borrowing costs

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:

- 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
- Amendments to IFRS 9, Financial Instruments, IAS 39, Financial Instruments: Recognition and Measurement and IFRS 7, Financial Instruments: Disclosure – Interest rate benchmark reform

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, should it later be determined that a different choice be more appropriate.

Management considers the valuation of financial assets to be an area of significant judgement, and estimation for SAB Zenzele which is subject to greater complexity due to the inherent exercise of judgement involved.

Measurement of fair values for financial assets

The company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the board of directors' of SAB Zenzele.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

If third party information, such as listed share price or exchange rates are used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified;

Significant valuation issues are reported to the company's audit committee.

When measuring the fair value of an asset or a liability, the company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

1.4 Revenue recognition

(a) Dividend income

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 assesses whether there is any objective evidence of impairment at each Statement of Financial Position date.

Financial assets are recognised when SAB Zenzele 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 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. SAB Zenzele, reclassified debts investment when its business model for managing those assets changes.

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. Premiums or discounts arising from the difference between the net proceeds of financial instruments purchased or issued and the amounts receivable or repayable at maturity are included in the effective interest calculation and taken to net finance costs over the life of the instrument.

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 Statement of Comprehensive income.

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 Statement of Financial Position, 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 Statement of comprehensive income.

(ii) Financial assets held at amortised cost

Other receivables, accrued income and cash and cash equivalents.

(b) Other receivables

Other receivables are initially recognised at fair value and subsequently measured at amortised cost less provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that SAB Zenzele will not be able to collect all amounts due according to the terms of the receivables. The amount of the provision is the difference between the asset's carrying value and the present value of the estimated future cash flows discounted at the original effective interest rate. This provision is recognised in the Statement of comprehensive income.

(c) Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank deposits repayable on demand and other short-term highly liquid investments with original maturities of three months or less.

(iii) Financial liabilities held at amortised cost

Financial liabilities held at amortised cost include accruals, other payables and borrowings.

(d) 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 Statement of Financial Position, 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 Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, 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's liability for current taxation is calculated using tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

Deferred tax is provided in full using the Statement of Financial Position liability method, in respect of all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements, 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 statement of financial position date. Deferred tax is measured on a non-discounted basis.

1.8 Dividend distributions

Dividend distributions to equity holders of SAB Zenzele are recognised as a liability in SAB Zenzele's financial statements in the period in which the dividends are approved by SAB Zenzele's directors. Interim dividends are recognised when paid. Dividends declared after the Statement of Financial Position date is not recognised, as there is no present obligation at the Statement of Financial Position date.

2. REVENUE

| | 2020 R'000 | 2019 R'000 | 2018 R'000 |
|------------------------------------------------------------------------|---------------|---------------|---------------|
| Dividend income: | | | |
| Final dividend | 18 483 | 26 045 | 37 401 |
| Interim dividend | 18 415 | 32 021 | 32 313 |
| Special dividends from SAB | 27 158 | - | - |
| Special dividend from SAB – Distell sale/enhancement of Zenzele scheme | - | - | 75 927* |
| Special dividend from SAB – CCBA sale | - | - | 312 644* |
| | 64 056 | 58 066 | 458 285 |

* In April 2017 and October 2017, SAB had disposed of its investments in Distell Limited and CCBA (Pty) Ltd, respectively.

3. NET OPERATING EXPENSES

| | 2020 R'000 | 2019 R'000 | 2018 R'000 |
|---------------------------------------|---------------|---------------|---------------|
| Administration and operating expenses | 1 438 | 3 019 | 1 733 |
| Non-executive directors' fees | 397 | 410 | 410 |
| P. Maduna | 163 | 160 | 160 |
| C. Beggs [#] | 93 | 140 | 140 |
| S. Mbatha | 112 | 110 | 110 |
| J. Awbrey | 29 | - | - |
| R. Dlamini* | - | - | - |
| N. Trikamjee [^] | - | - | - |
| S.Mkhasibe [^] | - | - | - |
| RR. Carnac* | - | - | - |
| Management fees | 1 272 | 1 200 | 1 359 |
| Audit fees | 203 | 192 | 181 |
| Auditors – other services | 78 | 22 | 20 |
| Other auditors – consulting services | 86 | 28 | 13 |
| Consulting fees | 2 430 | 2 325 | 2 238 |
| | 5 904 | 7 196 | 5 954 |

* RR. Carnac and R. Dlamini are salaried employees of The South African Breweries Proprietary Limited and do not receive any remuneration from SAB Zenzele.

[#] Resigned 10 December 2019 [^]Resigned 7 September 2018

4. INCOME TAX EXPENSE

| | 2020 R'000 | 2019 R'000 | 2018 R'000 |
|-----------------------------------------------------|---------------|---------------|---------------|
| Current tax | 532 | 628 | 1 193 |
| Current tax – prior year adjustment | 3 | - | - |
| | 535 | 628 | 1 193 |
| Reconciliation of rate of tax | | | |
| South Africa normal tax on profit before tax at 28% | 86 273 | (128 082) | (108 956) |
| Adjusted for: | | | |
| Exempt dividend income | (17 936) | (16 258) | (128 319) |
| Exempt fair value loss on financial asset | (69 405) | 143 043 | 236 816 |
| Disallowed expenditure | 1 600 | 1 926 | 1 653 |
| Current tax prior year adjustment | 3 | (1) | (1) |
| | 535 | 628 | 1 193 |

5. SUNDRY DEBTORS

| | 2020 R'000 | 2019 R'000 | 2018 R'000 |
|----------------------------|---------------|---------------|---------------|
| Sundry debtors | 40 | 40 | – |
| Amount receivable from SAB | 131 | – | – |
| | 171 | 40 | – |

6. FINANCIAL ASSET

Financial asset at fair value through profit or loss.

SAB Zenzele's shareholders hold their equity interest in SAB through SAB Zenzele, in terms of the SAB Zenzele Prospectus supporting the SAB Zenzele transaction. The investment represents 19,228,250 R ordinary shares of R0.000001 each.

| | 2020 R'000 | 2019 R'000 | 2018 R'000 |
|-------------------------------------------------------------|---------------|---------------|---------------|
| Investment in SAB at cost | 74 995 | 74 995 | 74 995 |
| Fair value adjustment (held in non-distributable reserves): | | | |
| Fair value adjustment at grant date | 754 045 | 754,045 | 754 045 |
| Fair value adjustment recognised in prior years | 3 444 242 | 3 955 110 | 4 800 880 |
| Fair value adjustment recognised in current year | 247 876 | (510 868) | (845 770) |
| | 4 521 158 | 4 273 282 | 4,784 150 |

SAB Zenzele shareholders contributed R75 million to acquire the 18,704,498 shares in SAB Zenzele on 9 June 2010. These proceeds were then used by SAB Zenzele to acquire R ordinary shares in SAB.

The balance of the value of the transaction of R2,965 million was contributed by SAB on behalf of the shareholders of SAB Zenzele by way of notional funding. The notional funding is achieved by SAB issuing R ordinary shares to SAB Zenzele at a nominal value, which shares are subject to a repurchase right at the end of the transaction term. The repurchase right takes into account a number of factors, such as:

- Interest accumulated monthly on the notional funding at a rate of 85% of the South African prime lending rate;
- The difference between the percentage of adjusted attributable profit paid to SAB Zenzele and SAB Zenzele's share of 100% of adjusted attributable profit; and
- The performance of the SAB share price during the transaction term.

The notional funding does not give rise to a legal obligation but only facilitates the repurchase mechanism.

Following the combination of Anheuser-Busch InBev ("AB InBev") and SABMiller plc in October 2016 the following enhancements were made to the repurchase mechanism.

- SABMiller was replaced by SABMiller's purchaser, a new Belgian company (AB InBev NewCo).
- An upfront special dividend of R625 million declared by SAB to SAB Zenzele, funded via an increase to the repurchase right, but not escalated for interest (and the minimum value discussed below shall be reduced by the amount of the special dividend).
- Upon exchange SAB Zenzele will be guaranteed a minimum value calculated by applying the existing formula for the net equity value of the SAB shares, but be subject to a minimum:
 - Calculated using a fixed price of GBP45 per SABMiller share, adjusted for inflation over time; and
 - Reduced by the amount of the special dividend paid upfront in 2016.

At the end of the transaction term, if the minimum value above exceeds the normal exchange value, the exchange value will be settled in AB InBev NewCo shares and the balance in either AB InBev NewCo shares or cash, at AB InBev's election.

The valuation of the financial asset, being the R ordinary shares in SAB held by SAB Zenzele, was modelled using a Monte Carlo valuation methodology. The Monte Carlo simulation allows the valuation model to consider dependencies, which exist between the company values, the notional funding value and the value of the difference between the dividends paid to SAB Zenzele and SAB Zenzele's share of SAB's adjusted attributable profit.

The payoff structure was valued as:

- The time adjusted difference between the future value of the company and the future notional funding including the special dividend; plus
- The present value of the difference between the percentage of adjusted attributable profit paid to SAB Zenzele and SAB Zenzele's share of 100% of adjusted attributable profit.

Within the Monte Carlo valuation, the following input parameters were used to simulate the value of the SAB R ordinary share:

- The price of a SAB share at the valuation date taking into account the enhancements;
- The current dividend yield of a SAB share;
- The risk-free interest rate over the life of the transaction;
- The expected volatility of the share price of a SAB share over the life of the transaction; and
- The outstanding value of the notional funding at the end of the transaction.

The fair value of R4 521 million (2019: R4 273 million, 2018: R4 784 million) was calculated using the following assumptions as at year-end:

- Current price of a SAB share;
- The dividend yield was based on SAB's current earnings and dividend policy;
- The risk-free interest rates were determined using the swap rate as a proxy risk free rate, for the remaining term equal to the expected life of the option. Similarly for a 1 year risk free rate, the 1 year swap rate was used;
- The expected volatility in the value of the shares granted was determined using historical share price information of AB InBev NewCo & SABMiller from BFA McGregor and recalculating the historic 10 year daily volatility;
- Maturity date – 10 years from transaction date;
- The outstanding value of the notional funding at the end of the transaction is calculated in terms of the notional funding formulas.

The assumptions contained in calculating the notional funding from year-to-year are:

- The market value of the SAB shares at transaction date;
- Less the subscription amount;
- Plus the advance payment in the form of a special dividend arising from the enhancement;
- Interest accumulated monthly on the notional funding, at a rate of 85% of the South African prime lending rate;
- Less the difference between SAB Zenzele's share of 25% of SAB's adjusted attributable profit and 100% of SAB's adjusted attributable profit.

The closing balance of the notional funding loan after the notional interest and notional dividends computed since inception, is as follows:

| | 2020 R'000 | 2019 R'000 | 2018 R'000 |
|-----------------------------------------|-----------------------|-----------------------|-----------------------|
| Notional loan on shares contributed | 2 965 | 2 965 | 2 965 |
| Notional interest accrued | 3 588 | 3 055 | 2 562 |
| Notional loan on advance payment | 625 | 625 | 625 |
| | 7 178 | 6 645 | 6 152 |
| Notional dividends received | (2 888) | (2 698) | (2 523) |
| Notional interest on dividends received | (992) | (798) | (515) |
| | 3 298 | 3 149 | 3 114 |

For the current financial year, being the final year of the SAB Zenzele scheme, the net value of the Option Asset has been determined in accordance with Part 1 and Part 2 of Annexure 1 of the SAB Memorandum of Incorporation and is based on the higher of the following two formulas:

- Applying AB InBev EV/EBITA (as at 17 March 2020) to SAB's EBITA as at 31 December 2019 ("Formula 1"); and
- Applying the EV/EBITA implied by the £45 cash offer price per SABMiller share, to the latest 12-month consolidated EBITA of SAB at the time of the business combination ("Formula 2" or "Guaranteed Minimum Value").

In preparing the net value assessment, it was determined that Formula 2 was the higher of the two and accordingly Formula 2 was used to calculate the net value of the Option Asset as at 31 March 2020. The above valuation of the Option Asset of R4,521 million was 0.23% lower compared to the valuation of the Option Asset using the Monte Carlo valuation methodology. The directors want to emphasise that the valuation of the financial asset is highly subjective. The value determined is our best estimate on a continuum of acceptable values. For each of the inputs used in determining the value, there is a range of acceptable values. The most significant assumptions have been disclosed above.

7. CASH AND CASH EQUIVALENTS

| | 2020 R'000 | 2019 R'000 | 2018 R'000 |
|--------------|---------------|---------------|---------------|
| Cash at bank | 22 005 | 25 377 | 49 718 |

Dividends payable will be paid out of the cash resources.

8. SHARE CAPITAL AND SHARE PREMIUM

Authorised share capital comprises 19,185,085 SAB Zenzele Shares, 1 Foundation Special Share and 1 SAB Special Share of R0.000001 each.

| | 2020 R | 2019 R | 2018 R |
|--------------------------|-----------|-----------|-----------|
| Authorised share capital | 19 | 19 | 19 |

Issued share capital comprises of 18,676,639 SAB Zenzele shares (2019: 18,676,639, 2018: 18,676,639), 1 Foundation Special Share and 1 SAB Special Share of R0.000001 each.

The 1 Foundation Special share is entitled to one vote at any general meeting. The Foundation Special share is also entitled to dividends that are *pro rata* to the proportion of the share capital that is authorised but unissued at each dividend date.

The 1 SAB special share is not entitled to dividends and is entitled to vote at any general meeting as per the Memorandum and Articles of Association of the company.

During the year SAB Zenzele issued nil shares (2019: nil, 2018: nil)

| | 2020 R | 2019 R | 2018 R |
|---------------|------------|------------|------------|
| Share capital | 19 | 19 | 19 |
| Share premium | 75 396 897 | 75 396 897 | 75 396 897 |
| | 75 396 916 | 75 396 916 | 75 396 916 |

The unissued shares are under the control of the directors until the next annual general meeting.

9. OTHER PAYABLES

| | 2020 R'000 | 2019 R'000 | 2018 R'000 |
|---------------------|---------------|---------------|---------------|
| Amount owing to SAB | – | 9 170 | 4 514 |
| Sundry payables | 224 | 358 | 186 |
| | 224 | 9 528 | 4 700 |

The amount owing to SAB is interest free and has no fixed repayment terms. The directors have reviewed the financial position of SAB and found that liquidity, credit and market risks are regarded as negligible. The carrying value is considered a reasonable approximation of the fair value.

10. DIVIDENDS PAYABLE

| | 2020 R'000 | 2019 R'000 | 2018 R'000 |
|-------------------------------------|---------------|---------------|---------------|
| Dividends payable to participants | 13 863 | 18 619 | 46 600 |
| Dividends payable to SAB Foundation | 619 | – | – |
| | 14 482 | 18 619 | 46 600 |

11. FINANCIAL INSTRUMENTS

11.1 Financial instruments by category

| | 2020 R'000 | 2019 R'000 | 2018 R'000 |
|----------------------------------------------------------------------------|---------------|---------------|---------------|
| Financial assets | | | |
| Financial asset at fair value through profit or loss | 4 521 158 | 4 273 282 | 4 784 150 |
| Sundry debtors | 40 | 40 | – |
| Amount receivable from SAB | 131 | – | – |
| Cash and cash equivalents | 22 005 | 25 377 | 49 718 |
| | 4 543 334 | 4 298 699 | 4 833 868 |
| Financial liabilities | | | |
| Dividends payable | 14 482 | 18 619 | 46 600 |
| Other payables | 224 | 9 528 | 4 700 |
| | 14 706 | 28 147 | 51 300 |
| Net gain on financial instruments analysed by category, are as follows: | | | |
| Gain/(loss) recognised in profit or loss | 247 876 | (510 868) | (845 770) |
| | 247 876 | (510 868) | (845 770) |

Level 3 and its application to the company is as follows: The fair values of financial instruments that are not based on observable market data are determined by using valuation techniques. As one of the significant inputs required to fair value the instrument is not based on observable market data, the instrument is included in level 3.

Refer to Note 6 for specifics on the valuation method and assumptions used to determine the fair value.

11.2 Financial risk management

SAB Zenzele's activities expose it to financial risks, specifically market risk on the financial asset (refer to note 6). SAB Zenzele's overall risk management approach focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance. Cash is maintained to the extent it is required to cover expenses and unclaimed dividends.

11.3 Capital risk management

SAB Zenzele defines its capital as comprising share capital, share premium and other distributable reserves.

SAB Zenzele's objective when managing capital is to safeguard SAB Zenzele's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

12. RELATED PARTY TRANSACTIONS

The most significant transactions with related parties were with:

| | 2020 R'000 | 2019 R'000 | 2018 R'000 |
|---------------------------------------------------------|---------------|---------------|---------------|
| The South African Breweries Proprietary Limited | | | |
| Dividend income | 64 056 | 58 066 | 458 285 |
| Management fees paid | 1 272 | 1 200 | 1 359 |
| The SAB Foundation Trust | | | |
| Dividends paid | 1 432 | 1 429 | 12 114 |
| The most significant balances with related parties are: | | | |
| Amount owing to SAB | – | 9 170 | 4 514 |
| Amount receivable from SAB | 131 | – | – |

13. **EVENTS AFTER REPORTING DATE**

Subsequent to the 2018 period end, on 17 May 2018, SAB Zenzele Holdings became entitled to a dividend of R32,021,444 on its shareholding in SAB (Pty) Ltd.

On 17 May 2018 SAB Zenzele Holdings declared a dividend payable to its shareholders of R1,25 per share net of withholding tax, to the retailer shareholders and R793,176 to the SAB Foundation. This dividend was paid to retailer shareholders on 31 May 2018.

Subsequent to the 2019 period end, on 29 May 2019, SAB Zenzele Holdings became entitled to a dividend of R18,438,317 on its shareholding in SAB (Pty) Ltd.

On 29 May 2019 SAB Zenzele Holdings declared a dividend payable to its shareholders of R0,66 per share net of withholding tax, to the retailer shareholders and R422,010 to the SAB Foundation. This dividend was paid to retailer shareholders on 31 May 2019.

Subsequent to the 2020 period end, on 14 April 2020, SAB Zenzele Holdings received the partial payment amounting to R3,471.91 million, which equates to 77.4% of its entitlement net of transaction costs. On the same day the partial payment was made to each retailer beneficiary.

14. **GOING CONCERN**

The Directors believe that the Company has adequate financial resources to continue in operation for the foreseeable future and are satisfied that the company is a going concern and have continued to adopt the going concern basis in preparing the financial statements.

The directors are not aware of any new material changes that may adversely impact the company. The directors are not aware of any pending or current litigation that may affect the company.

INDEPENDENT EXPERT'S REPORT

The Board and The Independent Board
 SAB Zenzele Holdings (RF) Limited
 c/o The South African Breweries Limited
 65 Park Lane
 Sandown, Sandton,
 2196
 (PO Box 782178, Sandton, 2146)
 30 March 2021

Dear Sirs/Mesdames

REPORT OF THE INDEPENDENT PROFESSIONAL EXPERT TO SAB ZENZELE REGARDING PARTICIPATION IN SAB AND INBEV'S NEW EMPOWERMENT TRANSACTION THROUGH THE SAB ZENZELE KABILI TRANSACTION

INTRODUCTION

The circular issued by SAB Zenzele Holdings (RF) Limited ("SAB Zenzele" or "the Company") to The SAB Foundation, The SAB Zenzele Employee Trust and the qualifying retailers of SABMiller plc ("SABMiller") (through its South African subsidiary, The South African Breweries Proprietary Limited ("SAB")) and its subsidiaries and associated companies (the "SAB Group") ("Retailer Shareholders") (together the "Shareholders") dated 19 February 2020 ("Original Circular") together with the circular to Shareholders dated Thursday, 8 April 2021 ("Circular") refer. The Original Circular has been superseded and replaced in its entirety by the Circular.

Capitalised terms in this letter have the meaning given to them in the Circular.

In 2010, SABMiller (through its South African subsidiary, SAB) implemented a Broad-Based Black Economic Empowerment ("BEE") transaction (the "2010 SAB Zenzele Transaction" or "Existing Empowerment Transaction"). In 2016, following implementation of the Existing Empowerment Transaction, SABMiller entered into a combination transaction with Anheuser-Busch InBev SA/NV ("AB InBev"). As part of such transaction, SABMiller's obligations were assumed by AB InBev.

The Existing Empowerment Transaction was due to unwind on or about 31 March 2020. In response to the impact of Covid-19, the Existing Empowerment Transaction was only partly unwound via a cash payment equal to 77.4% of the calculation of a Retail Shareholder's right and entitlement from the unwind of the Existing Empowerment Transaction, which payment was made on 15 April 2020. The remaining 22.6% after the cash payment equates to each Retailer Shareholder's right and entitlement up the unwind of the Existing Empowerment Transaction ("Remaining Retailer Shareholder Entitlement").

Accordingly, AB InBev has proposed the implementation of the new broad-based BEE ownership transaction, known as SAB Zenzele Kabili (the "New Empowerment Transaction" or "SAB Zenzele Kabili").

Participants in the New Empowerment Transaction will include the Retailers, The SAB Foundation and a new employment share option plan ("New ESOP").

The board of directors of SAB Zenzele ("SAB Zenzele Board") had resolved that a scheme of arrangement in terms of section 114 of the Companies Act, No. 71 of 2008, as amended (the "Companies Act") ("Scheme"), is the most efficient and effective way to facilitate the New Empowerment Transaction which entails the reinvestment by Retailer Shareholders in the New Empowerment Transaction, given that there are circ. 29,000 Retailer Shareholders, who are widely dispersed.

The New Empowerment Transaction will be implemented at AB InBev level and will comprise, amongst other things:

- the Scheme proposed by the SAB Zenzele Board between SAB Zenzele and the Retailer Shareholders, in terms of which each Retailer Shareholder will cede 63.5% of its Retailer Settlement Entitlements, to SAB Zenzele Kabili (being the Scheme Entitlements) and in consideration for such cession, each Retailer Shareholder will receive SAB Zenzele Kabili Shares of Proportional Value to the Retailer Settlement Entitlement ceded to SAB Zenzele Kabili, which shares are to be listed on the BEE Segment of the securities exchange operated by the JSE Limited ("JSE") ("BEE Empowerment Segment") ("SAB Zenzele Kabili Shares");

- conditional on the Scheme being duly approved, an option to Retailer Shareholders, to reinvest amongst other offerees via an election, to transfer all or a portion of the remaining 36.5% portion of the Retailer Shareholder Entitlements to SAB Zenzele Kabili (“Remaining Retailer Settlement Entitlements”), in exchange for additional SAB Zenzele Kabili Shares. Alternatively, Retailer Shareholders can elect to receive the Remaining Retailer Shareholder Entitlement in ordinary shares in the share capital of AB InBev (“AB InBev Shares”) or in cash proceeds (less associated taxes and costs), arising from a market-related sale on the JSE and/or the Euronext of the AB InBev Shares which such Retailer Shareholder is entitled to (“Settlement Election”) (“Reinvestment Offer”);
- simultaneously with or following implementation of the Scheme and Reinvestment Offer, the listing of SAB Zenzele Kabili on the BEE Segment, such that the SAB Zenzele Kabili Shares received by the Retailer Shareholders will be traded on the JSE from the outset with other BEE investors; and
- SAB Zenzele Kabili will own such number of AB InBev Shares as represents 0.32% of AB InBev and be listed on the BEE Segment, which will allow Retailers to trade their SAB Zenzele Kabili Shares from the outset.

As at the last practicable date prior to finalisation of this opinion, the share capital of the Company comprises:

- authorised share capital comprising (i) 19,185,085 SAB Zenzele Shares of R0,000001 each; (ii) 1 SAB Foundation Special Share of R0,000001; and (iii) 1 SAB Special Share of R0,000001; and
- issued share capital of (i) 18,663,464 SAB Zenzele Shares of R0,000001; (ii) 1 SAB Foundation Special Share of R0,000001; and (iii) 1 SAB Special Share of R0,000001.

SAB and AB InBev intend to implement the proposed New Empowerment Transaction through SAB Zenzele Kabili (i.e. SAB Zenzele Kabili), by means of the following core elements:

- the Scheme to Retailer Shareholders, offering each Retailer Shareholder the ability to reinvest 63.5% of its entitlements to AB InBev Shares (being the Scheme Entitlements) in exchange for SAB Zenzele Kabili Shares of Proportional Value, with SAB Zenzele Kabili being listed on the BEE Segment at the time of settlement of the Scheme;
- if the Scheme is duly approved and becomes Operative:
 - Retailer Shareholders will be given the option to reinvest in SAB Zenzele Kabili in excess of the Scheme Entitlements via the Reinvestment Offer;
 - SAB will contribute R720 million worth of AB InBev Shares to the New ESOP. The New ESOP will sell R600 million of AB InBev Shares to SAB Zenzele Kabili, and in return SAB Zenzele Kabili will issue new SAB Zenzele Kabili Shares of Proportional Value. The New ESOP will convert the remaining R120 million of AB InBev Shares to cash and use the proceeds to acquire SAB Zenzele Shares from the Qualifying Retailer Shareholders that participate in the Liquidity Option or in the market following the implementation of the New Empowerment Transaction;
 - The SAB Foundation has committed to invest up to R400 million (20% of its SAB Zenzele unwind proceeds) into SAB Zenzele Kabili. The SAB Foundation will advance R344 million in cash as subscription consideration for the issue of new SAB Zenzele Kabili Shares. The SAB Foundation will also apply up to R56 million of its available cash to acquire SAB Zenzele Kabili Shares from Qualifying Retailer Shareholders and if any of the R56 million remains following the acquisition of the SAB Zenzele Kabili Shares held by the Qualifying Retailer Shareholders, further acquisitions of the SAB Zenzele Kabili Shares may be made in the market following the implementation of the New Empowerment Transaction;
 - SAB will sell R2 973 million worth of AB InBev Shares to SAB Zenzele Kabili, and in return SAB Zenzele Kabili will issue preference shares to SAB, representing vendor funding of R2 973 million from SAB. The terms of the preference shares to be issued to SAB are set out in detail in the SAB Zenzele Kabili Prospectus, a copy of which is enclosed with this Circular; and
 - SAB will contribute a further R811 million in AB InBev Shares (as at 28 May 2021) at no further cost to SAB Zenzele Kabili (“Discount Shares”), thereby affording Retailer Shareholders exposure through SAB Zenzele Kabili to additional AB InBev Shares, to which the Retailer Shareholders would not have had exposure but for the Scheme. It is specifically recorded that if Retailer Shareholders capable of exercising voting rights in aggregate of more than 25% elect to vote against the Scheme, the Discount Shares contemplated in this paragraph will not be available to any Retailer Shareholder as the Scheme shall have failed as a result thereof.

The effect of the Scheme will be that each Retailer Shareholder will cede 63.5% of its right and entitlement to receive AB InBev Shares pursuant to its Retailer Settlement Entitlements which will vest under the Existing Empowerment Transaction, to SAB Zenzele Kabili (being the Scheme Entitlements), and in consideration for such cession, each Retailer Shareholder will receive SAB Zenzele Kabili Shares of Proportional Value to the Retailer Settlement Entitlement ceded to SAB Zenzele Kabili. As a consequence, the then Remaining Retailer Settlement Entitlements will be an amount of 36.5% of each Retailer Shareholder’s Retailer Settlement Entitlements not ceded pursuant to the Scheme.

Full details of the New Empowerment Transaction are contained in the Circular, which will include a copy of this letter.

Copies of sections 115 and 164 of the Companies Act are included as **Annexure 4**.

Fair and Reasonable Opinion Required in Respect of the Companies Act

The Scheme is an affected transaction as defined in Section 117(1)(c) of the Companies Act. In terms of Section 114(2) of the Companies Act, as read with Regulation 90 and 110 of the Companies Regulations, 2011, promulgated under the Companies Act, as amended (“Companies Regulations”), the Company is required to retain an independent expert to provide a fair and reasonable opinion in terms of section 114(3) of the Companies Act and Regulations 90 and 110 of the Companies Regulations (the “Fair and Reasonable Opinion” or “Opinion”).

BDO Corporate Finance Proprietary Limited (“BDO Corporate Finance”) has been appointed as the independent expert by the Company, acting through its independent directors, to assess the terms and conditions of the Scheme as well as the Scheme Consideration as required in terms of section 114 of the Companies Act and Regulation 90 and 110 of the Companies Regulations which will be provided for the sole purpose of assisting the SAB Zenzele Board and any relevant independent sub-committee thereof (“Independent Board”) in forming and expressing an opinion on the Scheme and the Scheme Consideration for the benefit of eligible Retailer Shareholders Scheme Participants”, and for distribution of the Opinion to Shareholders pursuant to the requirements of the Companies Act.

Responsibility

Compliance with the Companies Act and the Companies Regulations is the responsibility of the SAB Zenzele Board and Independent Board. Our responsibility is to report to the Independent Board on whether the terms and conditions of the Scheme are fair and reasonable to the Scheme Participants and to advise in relation to the matters specified in section 114(3) of the Companies Act and Regulations 90 and 110 of the Companies Regulations.

Definition of the terms “fair” and “reasonable” applicable in the context of the transaction

A transaction will generally be considered fair to a company’s shareholders if the benefits received by the shareholders, as a result of the transaction under consideration, are equal to or greater than the value initially surrendered by the shareholders. The assessment of fairness is primarily based on quantitative considerations. The assessment of reasonableness is generally based on qualitative issues.

The Scheme would be considered fair and reasonable to Scheme Participants if the market value range of the SAB Zenzele Kabili Shares received by Scheme Participants in respect of the New Empowerment Transaction is equal in value to, or greater than, the Scheme Entitlements.

Details and sources of information

In arriving at our opinion we have relied upon the following principal sources of information:

- The Original Circular;
- The terms and conditions of the New Empowerment Transaction, as set out in the Announcement and the Circular;
- Transaction documents provided by SAB Zenzele Kabili’s transaction advisors setting out, inter-alia, transaction steps and the rationale of the New Empowerment Transaction;
- Audited Annual Financial Statements of AB InBev for the years ended 31 December 2017, 2018, 2019 and 2020;
- Consensus analysts’ forecasts for AB InBev per Thomson Reuters;
- Historical traded security prices and earnings in respect of AB InBev;
- Comparative financial and market information on appropriate peer issuers to AB InBev trading on global exchanges;
- Comparative financial and market information on appropriate peer issuers to SAB Zenzele Kabili trading on the BEE Segment;
- Publicly available information relating to the global Breweries industry in general; and
- Publicly available information relating to AB InBev and SAB Zenzele Kabili that we deemed to be relevant, including announcements, circulars, investor presentations and analyst reports.

The information above was secured from:

- SAB Group, SAB Zenzele and/or their advisors; and
- Third party sources, including information related to publicly available economic, market and other data which we considered applicable to, or potentially having an influence on SAB Group and SAB Zenzele.

Procedures

In arriving at our opinion we have undertaken the following procedures and taken into account the following factors in evaluating the fairness and reasonableness of the Scheme and Scheme Consideration:

- Reviewed the terms and conditions of the Scheme and New Empowerment Transaction;
- Reviewed the audited and unaudited financial information related to AB InBev, as detailed above;
- Performed a valuation of a SAB Zenzele Kabili Share using a Black Scholes model and the income approach;
- Determined appropriate valuation discounts which we used in our valuation;
- Performed a sensitivity analysis on key assumptions included in the valuation;
- Performed such other studies and analyses as we considered appropriate and have taken into account our assessment of general economic, market and financial conditions and our experience in other transactions, as well as our experience in securities valuation and knowledge of the global Breweries industry generally;
- Held discussions with SAB Zenzele independent directors and/or their advisors regarding the past and current business operations, regulatory requirements, financial condition and future prospects of SAB Zenzele Kabili and such other matters as we have deemed relevant to our inquiry;
- Held discussions with SAB Zenzele independent directors and/or their advisors regarding the rationale for the Scheme and New Empowerment Transaction and considered such other matters as we consider necessary, including assessing the prevailing economic and market conditions and trends;
- Assessed the long-term potential of AB InBev and SAB Zenzele Kabili;
- Evaluated the relative risks associated with AB InBev and SAB Zenzele Kabili and the global Breweries industry;
- Reviewed certain publicly available information relating to AB InBev and SAB Zenzele Kabili and the global Breweries industry that we deemed to be relevant, including Company announcements and media articles, including available analyst coverage; and
- Where relevant, representations made by SAB Zenzele directors and/or their advisors were corroborated to source documents or independent analytical procedures were performed by us, to examine and understand the industry in which AB InBev and SAB Zenzele Kabili operate, and to analyse external factors that could influence the business of AB InBev and SAB Zenzele Kabili.

Assumptions

We arrived at our opinion based on the following assumptions:

- That all agreements that have been entered into in terms of the New Empowerment Transaction will be legally enforceable as against the relevant parties thereto;
- That the New Empowerment Transaction will have the legal, accounting and taxation consequences described in the Circular and discussions with, and materials furnished to us by representatives and advisors of SAB Zenzele Kabili; and
- That reliance can be placed on the financial information and pro forma financial effects of SAB Zenzele Kabili.

Appropriateness and reasonableness of underlying information and assumptions

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our opinion by:

- Placing reliance on audit reports in the financial statements of AB InBev;
- Conducting analytical reviews on the historical financial results and forecast financial information, such as key ratio and trend analyses; and
- Determining the extent to which representations from management were confirmed by documentary and audited financial evidence as well as our understanding of AB InBev and SAB Zenzele Kabili and the economic environment in which they operate.

Limiting conditions

This opinion is provided in connection with and for the purposes of the Scheme and New Empowerment Transaction. The opinion does not purport to cater for each individual Scheme Participant's perspective, but rather that of the general body of Scheme Participants. Should a Scheme Participant be in doubt as to what action to take, he or she should consult an independent advisor.

Individual Scheme Participants' decisions regarding the Scheme and New Empowerment Transaction may be influenced by such Scheme Participants' particular circumstances and accordingly individual

Scheme Participants should consult an independent advisor if in any doubt as to the merits or otherwise of the Scheme and New Empowerment Transaction.

We have relied upon and assumed the accuracy of the information provided to us in deriving our opinion. Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of our opinion, whether in writing or obtained in discussion with management, by reference to publicly available or independently obtained information. While our work has involved an analysis of, *inter alia*, the annual financial statements, and other information provided to us, our engagement does not constitute an audit conducted in accordance with generally accepted auditing standards.

Where relevant, forward-looking information of AB InBev and SAB Zenzele Kabili relates to future events and is based on assumptions that may or may not remain valid for the whole of the forecast period. Consequently, such information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely the actual future results of AB InBev will correspond to those projected. We have however compared the forecast financial information to past trends as well as discussing the assumptions inherent therein with management.

We have also assumed that the New Empowerment Transaction will have the legal consequences described in discussions with, and materials furnished to us by representatives and advisors of SAB Zenzele Kabili and we express no opinion on such consequences.

Our opinion is based on current economic, regulatory and market as well as other conditions. Subsequent developments may affect the opinion, and we are under no obligation to update, review or re-affirm our opinion based on such developments.

Independence, competence and fees

We confirm that neither we nor any person related to us (as contemplated in the Companies Act) have a direct or indirect interest in the Scheme or New Empowerment Transaction, nor have had within the immediately preceding two years, any relationship as contemplated in section 114(2)(b) of the Companies Act, and specifically declare, as required by Regulation 90(6)(i) and 90(3)(a) of the Companies Regulations, that we are independent in relation to the Scheme and New Empowerment Transaction and will reasonably be perceived to be independent taking into account other existing relationships and appointments. We also confirm that we have the necessary competence to provide the Fair and Reasonable Opinion and meet the criteria set out in section 114(2)(a) of the Companies Act.

Furthermore, we confirm that our professional fees of R 325,000 (excluding VAT) are not contingent upon the success of the Scheme nor New Empowerment Transaction. Our fees are not payable in shares.

Valuation approach

BDO Corporate Finance performed a valuation of a SAB Zenzele Kabili Share to determine whether the Scheme is fair to the Scheme Participants.

The intrinsic fair value a SAB Zenzele Kabili Share comprises the embedded option in the SAB Zenzele Kabili structure and the net present value ("NPV") of expected dividends per SAB Zenzele Kabili Share.

BDO Corporate Finance determined the fair value of the embedded option in the SAB Zenzele Kabili structure by employing a Black Scholes methodology. The embedded option in respect of the New Empowerment Transaction has a deemed strike price that is influenced by dividends/distributions from AB InBev, as well as interest rates. Whilst a Black Scholes methodology is typically used when the formula inputs are fixed (as opposed to a Monte Carlo simulation which is used when inputs are variable), in this case, as the most likely strike price can be derived from consensus analysts' forecasts, the Black Scholes methodology was deemed appropriate.

Value drivers of the Black Scholes methodology include:

- A risk-free rate of 8.432% based on a South African zero-coupon swap rate yield curve approximating the term of the funding period, being 10 years;
- The closing market price of an AB InBev Share of R939.00 on 29 March 2021;
- Dividend yield of 2.19%;
- The forecast dividends per Thomson Reuters and trickle dividends (25%) in respect of an AB InBev Share;
- Term of Vendor Funding (10 years);
- The forecast outstanding balance in respect of Vendor Funding over the life of the funding period based on the forecast prime lending rate and forecast dividends per AB InBev Share; and
- The expected volatility of an AB InBev Share of 23.88%.

Value drivers of the NPV of the trickle dividends are the forecast dividends per AB InBev Share per Thomson Reuters, of which 25% are paid as a trickle dividend and the discount rate of 14.2% (includes 2% holding period return adjustment).

As with other shares listed on the BEE Segment a SAB Zenzele Kabili Share would be expected to trade at a significant discount to net asset value and the intrinsic fair value (i.e. before considering a discount for lack of marketability) of a SAB Zenzele Kabili Share. The shares are restricted to black South African investors which tends to translate to low levels of trade. Based on an analysis of historic discounts to net asset value of shares listed on the BEE Segment, we have applied a c.25% discount for lack of marketability to net asset value (which equates to a c.40% discount to intrinsic fair value of the embedded option).

The key internal value driver is the dividend yield and trickle dividends per AB InBev Share over the life of the New Empowerment Transaction. The key external value drivers are the expected volatility of an AB InBev Share and discount for lack of marketability.

In addition, a sensitivity analysis was performed in respect of:

- Dividend yield: by increasing and decreasing the dividend yield by a factor of 0.25%; and
- Volatility: by increasing and decreasing the volatility by a factor of 1.00%; and

The sensitivity analysis did not indicate a sufficient effect on the valuation of a SAB Zenzele Kabili Share to alter our opinion in respect of the Scheme and New Empowerment Transaction.

Valuation results

SAB Zenzele Kabili Shares will be issued at a fixed subscription price of R40.00 per share. The number of SAB Zenzele Kabili Shares to be issued to a Retailer Shareholder will be determined by dividing the entitlement ceded under the Scheme, being the Scheme Entitlement, by the R40.00 subscription price.

In undertaking the valuation exercise above, we determined a valuation range of R44.87 to R48.58 per SAB Zenzele Kabili Share with a most likely value of R46.70.

The valuation ranges above are provided solely in respect of this Independent Expert Report and should not be used for any other purposes.

Key qualitative considerations

In arriving at our opinion, we have considered, in addition to the procedures referred to above, other key qualitative factors, which are set out below:

- Rationale for the New Empowerment Transaction as set out in the Circular;
- An investor in the new Empowerment Transaction will have exposure to the leading global brewer and one of the world's top five consumer product companies via a leveraged structure. Due to the leveraged nature of the structure, an increase in the value of an AB InBev Share will result in a higher proportional increase in the market value of a SAB Zenzele Kabili Share. However, in a decreasing AB InBev Share price scenario, this will result in a higher proportional decrease in the market value of a SAB Zenzele Kabili Share; and
- There is a significant net asset value at the date of implemented of the Scheme, i.e. in the amount of R60.00 per SAB Zenzele Kabili Share and a most likely intrinsic fair value of a SAB Zenzele Kabili Share of R75.10, being the fair value per SAB Zenzele Kabili Share before considering any discount for lack of marketability. However, the SAB Zenzele Kabili Shares would be expected to trade at a significant discount to net asset value and the intrinsic fair value per SAB Zenzele Kabili Share, as there is limited marketability for these shares. This marketability discount will unwind over time as the New Empowerment Transaction reaches the date of maturity, or when there is a liquidity event. To fully benefit from the unwind of the marketability discount, an investor in SAB Zenzele Kabili Shares would ideally need to have a long-term investment horizon and the intention to hold the SAB Zenzele Kabili Shares for an extended period of time.

Opinion

The Scheme will result in the expropriation of Scheme Entitlements from Scheme Participants, i.e. the expropriation of 63.5% of their rights and entitlements to receive AB InBev Shares, in exchange for SAB Zenzele Kabili Shares. SAB Zenzele Kabili Shares will be issued at a fixed subscription price of R40.00 per share, the core fair value of which has been determined as R46.70 per SAB Zenzele Kabili Share, a premium of 16.8%. We note that this premium is calculated after applying a discount for lack of marketability of c.38% to the intrinsic fair value per SAB Zenzele Kabili Share of R75.10 (i.e. being the aggregate of the embedded option plus NPV of expected dividends).

The benefits of the New Empowerment Transaction are set out in section 4 of the Circular.

BDO Corporate Finance has considered the terms and conditions of the Scheme and, based on and subject to the conditions set out herein, is of the opinion that the terms and conditions of the Scheme, based on quantitative considerations, are fair to Scheme Participants.

Based on qualitative factors, we are of the opinion that the terms and conditions of the Scheme are reasonable from the perspective of Scheme Participants.

Our opinion is necessarily based upon the information available to us up to Monday, 29 March 2021, being the last practicable date prior to finalisation of this Opinion, including in respect of the financial, market and other conditions and circumstances existing and disclosed to us at the date thereof. We have furthermore assumed that all conditions precedent, including any material regulatory and other approvals and consents required in connection with the Scheme and New Empowerment Transaction have been fulfilled or obtained.

Accordingly, it should be understood that subsequent developments may affect this Opinion, which we are under no obligation to update, revise or re-affirm.

Consent

We hereby consent to the inclusion of this Fair and Reasonable Opinion, in whole or in part, and references thereto in the Circular, in the form and context in which they appear.

Yours faithfully

N Lazanakis
Director

BDO Corporate Finance Proprietary Limited

52 Corlett Drive
Wanderers Office Park, Illovo, 2196

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) |
|----------------|--------------------------|--------------------------|---------------------------------------------------|--------------------------------------------------|
| March 2021 | 3 207 | 2 926 726 | 97 029 | 94 235 |
| February 2021 | 5 087 | 4 799 796 | 100 000 | 87 257 |
| January 2021 | 4 486 | 4 571 208 | 111 164 | 95 450 |
| December 2020 | 4 046 | 4 214 538 | 108 000 | 99 100 |
| November 2020 | 4 678 | 4 559 701 | 107 750 | 83 055 |
| October 2020 | 6 349 | 5 922 587 | 99 514 | 84 698 |
| September 2020 | 4 250 | 4 035 438 | 101 738 | 88 547 |
| August 2020 | 6 590 | 6 005 604 | 101 713 | 91 087 |
| July 2020 | 4 582 | 4 227 716 | 104 336 | 82 875 |
| June 2020 | 6 132 | 5 465 169 | 98 514 | 82 000 |
| May 2020 | 4 615 | 3 572 918 | 84 264 | 70 602 |
| April 2020 | 7 151 | 5 931 797 | 90 000 | 76 017 |

| Day | Volume (‘000) | Value (R’000) | Highest (cents per AB InBev share) | Lowest (cents per AB InBev share) |
|------------|--------------------------|--------------------------|---------------------------------------------------|--------------------------------------------------|
| 01-Apr-21 | 317 | 293 978 | 93 221 | 92 210 |
| 31-Mar-21 | 48 | 44 809 | 96 412 | 92 957 |
| 30-Mar-21 | 1 047 | 1 010 792 | 97 257 | 95 777 |
| 29-Mar-21 | 27 | 25 746 | 95 749 | 94 235 |
| 26-Mar-21 | 52 | 49 030 | 94 499 | 91 746 |
| 25-Mar-21 | 105 | 96 623 | 93 045 | 91 200 |
| 24-Mar-21 | 134 | 123 039 | 93 979 | 91 156 |
| 23-Mar-21 | 57 | 53 154 | 94 751 | 92 640 |
| 19-Mar-21 | 181 | 168 299 | 93 858 | 91 795 |
| 18-Mar-21 | 233 | 216 791 | 94 200 | 92 544 |
| 17-Mar-21 | 112 | 104 606 | 94 199 | 91 555 |
| 16-Mar-21 | 64 | 59 556 | 93 600 | 92 000 |
| 15-Mar-21 | 121 | 113 216 | 94 377 | 92 062 |
| 12-Mar-21 | 407 | 377 197 | 94 000 | 92 344 |
| 11-Mar-21 | 155 | 144 733 | 95 698 | 93 030 |
| 10-Mar-21 | 107 | 70 633 | 97 029 | 94 200 |
| 09-Mar-21 | 264 | 251 916 | 96 281 | 94 000 |
| 08-Mar-21 | 194 | 182 702 | 94 770 | 92 665 |
| 05-Mar-21 | 90 | 82 731 | 93 000 | 91 050 |
| 04-Mar-21 | 148 | 134 940 | 92 100 | 88 419 |
| 03-Mar-21 | 246 | 217 549 | 89 250 | 87 641 |
| 02-Mar-21 | 249 | 220 692 | 89 747 | 87 927 |
| 01-Mar-21 | 261 | 233 574 | 90 615 | 87 463 |
| 26-Feb-21 | 559 | 499 863 | 91 871 | 87 257 |
| 25-Feb-21 | 710 | 647 346 | 96 141 | 88 305 |
| 24-Feb-21 | 214 | 201 047 | 95 049 | 92 903 |
| 23-Feb-21 | 159 | 150 379 | 95 298 | 93 501 |
| 22-Feb-21 | 447 | 423 900 | 96 000 | 93 431 |
| 19-Feb-21 | 171 | 161 655 | 95 234 | 92 870 |
| 18-Feb-21 | 114 | 105 985 | 94 900 | 92 271 |

RELEVANT SECTIONS OF THE COMPANIES ACT

114 PROPOSALS FOR SCHEME OF ARRANGEMENT

- (1) Unless it is in liquidation or in the course of business rescue proceedings in terms of Chapter 6, the board of a company may propose and, subject to subsection (4) and approval in terms of this Part, implement any arrangement between the company and holders of any class of its securities by way of, among other things—
 - (a) a consolidation of securities of different classes;
 - (b) a division of securities into different classes;
 - (c) an expropriation of securities from the holders;
 - (d) exchanging any of its securities for other securities;
 - (e) a re-acquisition by the company of its securities; or
 - (f) a combination of the methods contemplated in this subsection. [Sub-s. (1) amended by s. 70 (a) of Act No. 3 of 2011.]

- (2) The company must retain an independent expert, who meets the following requirements, to compile a report as required by subsection (3):
 - (a) The person to be retained must be—
 - (i) qualified, and have the competence and experience necessary to— (aa) understand the type of arrangement proposed;
 - (bb) evaluate the consequences of the arrangement; and
 - (cc) assess the effect of the arrangement on the value of securities and on the rights and interests of a holder of any securities, or a creditor of the company; and
 - (ii) able to express opinions, exercise judgment and make decisions impartially.
 - (b) the person to be retained must not—
 - (i) have any other relationship with the company or with a proponent of the arrangement, such as would lead a reasonable and informed third party to conclude that the integrity, impartiality or objectivity of that person is compromised by that relationship;
 - (ii) have had any relationship contemplated in subparagraph (i) within the immediately preceding two years; or
 - (iii) be related to a person who has or has had a relationship contemplated in subparagraph (i) or (ii). [Sub-s. (2) amended by s. 70 (b) of Act No. 3 of 2011.]

- (3) The person retained in terms of subsection (2) must prepare a report to the board, and cause it to be distributed to all holders of the company's securities, concerning the proposed arrangement, which must, at a minimum—
 - (a) state all prescribed information relevant to the value of the securities affected by the proposed arrangement;
 - (b) identify every type and class of holders of the company's securities affected by the proposed arrangement;
 - (c) describe the material effects that the proposed arrangement will have on the rights and interests of the persons mentioned in paragraph (b);
 - (d) evaluate any material adverse effects of the proposed arrangement against—
 - (i) the compensation that any of those persons will receive in terms of that arrangement; and
 - (ii) any reasonably probable beneficial and significant effect of that arrangement on the business and prospects of the company;
 - (e) state any material interest of any director of the company or trustee for security holders; [Para. (e) substituted by s. 70 (c) of Act No. 3 of 2011.]

- (f) state the effect of the proposed arrangement on the interest and person contemplated in paragraph (e); and
 - (g) include a copy of sections 115 and 164.
- (4) Section 48 applies to a proposed arrangement contemplated in this section to the extent that the arrangement would result in any re-acquisition by a company of any of its previously issued securities.

[Subs. (4) inserted by s. 70 (d) of Act No. 3 of 2011.]

115 REQUIRED APPROVAL FOR TRANSACTIONS CONTEMPLATED IN PART

- (1) Despite section 65, and any provision of a company's Memorandum of Incorporation, or any resolution adopted by its board or holders of its securities, to the contrary, a company may not dispose of, or give effect to an agreement or series of agreements to dispose of, all or the greater part of its assets or undertaking, implement an amalgamation or a merger, or implement a scheme of arrangement, unless—
- (a) the disposal, amalgamation or merger, or scheme of arrangement—
 - (i) has been approved in terms of this section; or
 - (ii) is pursuant to or contemplated in an approved business rescue plan for that company, in terms of Chapter 6; and
 - (b) to the extent that Parts B and C of this Chapter, and the Takeover Regulations, apply to a company that proposes to—
 - (i) dispose of all or the greater part of its assets or undertaking;
 - (ii) amalgamate or merge with another company; or
 - (iii) implement a scheme of arrangement,

the Panel has issued a compliance certificate in respect of the transaction, in terms of section 119(4)(b), or exempted the transaction in terms of section 119(6).

[Para. (b) substituted by s. 71 (a) of Act No. 3 of 2011.]

- (2) A proposed transaction contemplated in subsection (1) must be approved—
- (a) by a special resolution adopted by persons entitled to exercise voting rights on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter, or any higher percentage as may be required by the company's Memorandum of Incorporation, as contemplated in section 64(2); and

[Para. (a) substituted by s. 71 (b) of Act No. 3 of 2011.]

- (b) by a special resolution, also adopted in the manner required by paragraph (a), by the shareholders of the company's holding company if any, if—
 - (i) the holding company is a company or an external company;
 - (ii) the proposed transaction concerns a disposal of all or the greater part of the assets or undertaking of the subsidiary; and
 - (iii) having regard to the consolidated financial statements of the holding company, the disposal by the subsidiary constitutes a disposal of all or the greater part of the assets or undertaking of the holding company; and

[Subpara. (iii) substituted by s. 71 (c) of Act No. 3 of 2011.]

- (c) by the court, to the extent required in the circumstances and manner contemplated in subsections (3) to (6).
- (3) Despite a resolution having been adopted as contemplated in subsections (2)(a) and (b), a company may not proceed to implement that resolution without the approval of a court if—
- (a) the resolution was opposed by at least 15% of the voting rights that were exercised on that resolution and, within five business days after the vote, any person who voted against the resolution requires the company to seek court approval; or

[Para. (a) substituted by s. 71 (d) of Act No. 3 of 2011.]

- (b) the court, on an application within 10 business days after the vote by any person who voted against the resolution, grants that person leave, in terms of subsection (6), to apply to a court for a review of the transaction in accordance with subsection (7).

[Para. (b) substituted by s. 71 (d) of Act No. 3 of 2011.]

- (4) For the purposes of subsections (2) and (3), any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights—
 - (a) required to be present, or actually present, in determining whether the applicable quorum requirements are satisfied; or
 - (b) required to be voted in support of a resolution, or actually voted in support of the resolution. [Subs. (4) substituted by s. 71 (e) of Act No. 3 of 2011.]

(4A) In subsection (4), “act in concert” has the meaning set out in section 117(1)(b). [Subs. (4A) inserted by s. 71 (f) of Act No. 3 of 2011.]
- (5) If a resolution requires approval by a court as contemplated in terms of subsection (3)(a), the company must either—
 - (a) within 10 business days after the vote, apply to the court for approval, and bear the costs of that application; or [Para. (a) substituted by s. 71 (g) of Act No. 3 of 2011.]
 - (b) treat the resolution as a nullity.
- (6) On an application contemplated in subsection (3)(b), the court may grant leave only if it is satisfied that the applicant—
 - (a) is acting in good faith;
 - (b) appears prepared and able to sustain the proceedings; and
 - (c) has alleged facts which, if proved, would support an order in terms of subsection (7).
- (7) On reviewing a resolution that is the subject of an application in terms of subsection (5)(a), or after granting leave in terms of subsection (6), the court may set aside the resolution only if—
 - (a) the resolution is manifestly unfair to any class of holders of the company’s securities; or
 - (b) the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Act, the Memorandum of Incorporation or any applicable rules of the company, or other significant and material procedural irregularity.
- (8) The holder of any voting rights in a company is entitled to seek relief in terms of section 164 if that person—
 - (a) notified the company in advance of the intention to oppose a special resolution contemplated in this section; and
 - (b) was present at the meeting and voted against that special resolution.
- (9) If a transaction contemplated in this Part has been approved, any person to whom assets are, or an undertaking is, to be transferred, may apply to a court for an order to effect—
 - (a) the transfer of the whole or any part of the undertaking, assets and liabilities of a company contemplated in that transaction;
 - (b) the allotment and appropriation of any shares or similar interests to be allotted or appropriated as a consequence of the transaction;
 - (c) the transfer of shares from one person to another;
 - (d) the dissolution, without winding-up, of a company, as contemplated in the transaction;
 - (e) incidental, consequential and supplemental matters that are necessary for the effectiveness and completion of the transaction; or
 - (f) any other relief that may be necessary or appropriate to give effect to, and properly implement, the amalgamation or merger.

164 DISSENTING SHAREHOLDERS’ APPRAISAL RIGHTS

- (1) This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.

- (2) If a company has given notice to shareholders of a meeting to consider adopting a resolution to—
 - (a) amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, as contemplated in section 37(8); or
 - (b) enter into a transaction contemplated in section 112, 113, or 114,that notice must include a statement informing shareholders of their rights under this section.
- (3) At any time before a resolution referred to in subsection (2) is to be voted on, a dissenting shareholder may give the company a written notice objecting to the resolution.
- (4) Within 10 business days after a company has adopted a resolution contemplated in this section, the company must send a notice that the resolution has been adopted to each shareholder who—
 - (a) gave the company a written notice of objection in terms of subsection (3); and
 - (b) has neither—
 - (i) withdrawn that notice; or
 - (ii) voted in support of the resolution.
- (5) A shareholder may demand that the company pay the shareholder the fair value for all of the shares of the company held by that person if—
 - (a) the shareholder—
 - (i) sent the company a notice of objection, subject to subsection (6); and
 - (ii) in the case of an amendment to the company's Memorandum of Incorporation, holds shares of a class that is materially and adversely affected by the amendment;
 - (b) the company has adopted the resolution contemplated in subsection (2); and
 - (c) the shareholder—
 - (i) voted against that resolution; and
 - (ii) has complied with all of the procedural requirements of this section.
- (6) The requirement of subsection (5)(a)(i) does not apply if the company failed to give notice of the meeting, or failed to include in that notice a statement of the shareholders rights under this section.
- (7) A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the company within—
 - (a) 20 business days after receiving a notice under subsection (4); or
 - (b) if the shareholder does not receive a notice under subsection (4), within 20 business days after learning that the resolution has been adopted.
- (8) A demand delivered in terms of subsections (5) to (7) must also be delivered to the Panel, and must state—
 - (a) the shareholder's name and address;
 - (b) the number and class of shares in respect of which the shareholder seeks payment; and
 - (c) a demand for payment of the fair value of those shares. [Sub-s (8) amended by s. 103 (a) of Act No. 3 of 2011.]
- (9) A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those shares, other than to be paid their fair value, unless—
 - (a) the shareholder withdraws that demand before the company makes an offer under subsection (11), or allows an offer made by the company to lapse, as contemplated in subsection (12)(b);
 - (b) the company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or
 - (c) the company, by a subsequent special resolution, revokes the adopted resolution that gave rise to the shareholder's rights under this section.

[Para. (c) substituted by s. 103 (b) of Act No. 3 of 2011.]
- (10) If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the shares are reinstated without interruption.
- (11) Within five business days after the later of—

- (a) the day on which the action approved by the resolution is effective;
 - (b) the last day for the receipt of demands in terms of subsection (7)(a); or
 - (c) the day the company received a demand as contemplated in subsection (7)(b), if applicable, the company must send to each shareholder who has sent such a demand a written offer to pay an amount considered by the company's directors to be the fair value of the relevant shares, subject to subsection (16), accompanied by a statement showing how that value was determined.
- (12) Every offer made under subsection (11)—
- (a) in respect of shares of the same class or series must be on the same terms; and
 - (b) lapses if it has not been accepted within 30 business days after it was made.
- (13) If a shareholder accepts an offer made under subsection (12) —
- (a) the shareholder must either in the case of—
 - (i) shares evidenced by certificates, tender the relevant share certificates to the company or the company's transfer agent; or
 - (ii) uncertificated shares, take the steps required in terms of section 53 to direct the transfer of those shares to the company or the company's transfer agent; and
 - (b) the company must pay that shareholder the agreed amount within 10 business days after the shareholder accepted the offer and—
 - (i) tendered the share certificates; or
 - (ii) directed the transfer to the company of uncertificated shares.
- (14) A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a court to determine a fair value in respect of the shares that were the subject of that demand, and an order requiring the company to pay the shareholder the fair value so determined, if the company has—
- (a) failed to make an offer under subsection (11); or
 - (b) made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.
- (15) On an application to the court under subsection (14)—
- (a) all dissenting shareholders who have not accepted an offer from the company as at the date of the application must be joined as parties and are bound by the decision of the court;
 - (b) the company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings; and
 - (c) the court:
 - (i) may determine whether any other person is a dissenting shareholder who should be joined as a party;
 - (ii) must determine a fair value in respect of the shares of all dissenting shareholders, subject to subsection (16);
 - (iii) in its discretion may—
 - (aa) appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or (bb) allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the

date the action approved by the resolution is effective, until the date of payment;
 - (iv) may make an appropriate order of costs, having regard to any offer made by the company, and the final determination of the fair value by the court; and
 - (v) must make an order requiring—
 - (aa) the dissenting shareholders to either withdraw their respective demands or to comply with subsection (13)(a); and

[Item (aa) substituted by s. 103 (c) of Act No. 3 of 2011]

 - (bb) the company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13)(a), subject to any conditions the court considers necessary to ensure that the company fulfils its obligations under this section.
- (15A) At anytime before the court has made an order contemplated in subsection (15)(c)(v), a dissenting shareholder may accept the offer made by the company in terms of subsection (11), in which case:

- (a) that shareholder must comply with the requirements of subsection 13(a); and
 - (b) the company must comply with the requirements of subsection 13(b). [Subs. (15A) inserted by s. 103(d) of Act No. 3 of 2011.]
- (16) The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the company adopted the resolution that gave rise to a shareholder's rights under this section.
- (17) If there are reasonable grounds to believe that compliance by a company with subsection (13)(b), or with a court order in terms of subsection (15)(c)(v)(bb), would result in the company being unable to pay its debts as they fall due and payable for the ensuing 12 months—
- (a) the company may apply to a court for an order varying the company's obligations in terms of the relevant subsection; and
 - (b) the court may make an order that—
 - (i) is just and equitable, having regard to the financial circumstances of the company; and
 - (ii) ensures that the person to whom the company owes money in terms of this section is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.
- (18) If the resolution that gave rise to a shareholder's rights under this section authorised the company to amalgamate or merge with one or more other companies, such that the company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.
- (19) For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the company, or an acquisition of its shares by the company within the meaning of section 48, and therefore are not subject to—
- (a) the provisions of that section; or
 - (b) the application by the company of the solvency and liquidity test set out in section 4.
- (20) Except to the extent—
- (a) expressly provided in this section; or
 - (b) that the Panel rules otherwise in a particular case,
- a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person.
- [Subs. (20) added by s. 103(e) of Act No. 3 of 2011.]

TAX IMPLICATIONS FOR SCHEME PARTICIPANTS

The definitions and interpretations commencing on page 26 of this Circular apply, *mutatis mutandis*, to this Annexure.

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.

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.

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.

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”). Retailer Shareholders with questions regarding their tax residency should consult their tax advisors.

The summary of South African income tax consequences set out below is for general information only. All 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 (pursuant to the unwind of the Existing Empowerment Transaction); (ii) disposing of their AB InBev Shares in return for the issue of shares in SAB Zenzele Kabili (pursuant to the Scheme and/or Reinvestment Offer); and (iii) disposing of their AB InBev Shares for cash (pursuant to the Sale Proceeds Settlement), including the applicability and effect of other tax laws and possible changes in tax law.

DISPOSAL OF SHARES AND RETAILER SETTLEMENT ENTITLEMENTS

SAB Zenzele Shares

Unless the shares are held as trading stock and section 9C of the Income Tax Act does not apply to deem the shares to be held as capital assets, South African tax residents should be subject to capital gains tax (“CGT”) 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 Retail Shareholder’s personal circumstances. If the SAB Zenzele Shares are held as trading stock and section 9C does not apply, the disposal will be subject to income tax.

AB InBev Shares

Section 9C 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.

However, if the AB InBev Shares are disposed of to SAB Zenzele Kabili in return for the issue of SAB Zenzele Kabili Shares, the South African income tax legislation (section 42 of the Income Tax Act) provides for a “deferral” of any tax triggered by that disposal. This is important in the context of the Scheme and Reinvestment Offer.

Retailer Settlement Entitlements

Section 9C will not apply to the disposal of the Retailer 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. However, if the Retailer Settlement Entitlements are disposed of to SAB Zenzele Kabili in return for the issue of SAB Zenzele Kabili Shares, the South African income tax legislation (section 42 of the Income Tax Act) provides for a “deferral” of any tax triggered by that disposal. This is important in the context of the Scheme and Reinvestment Offer.

CAPITAL GAINS TAX

SAB Zenzele Shares

Upon a disposal of SAB Zenzele Shares as capital assets, a Retailer Shareholder should realise a capital gain for South African tax purposes as the proceeds from the disposal should exceed the 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).

AB InBev Shares

Upon a disposal of AB InBev Shares as capital assets, a Retailer Shareholder may realise a capital gain or capital loss for South African tax purposes depending on whether the proceeds from the disposal exceed the Retailer Shareholder's base cost in the AB InBev Shares (the base cost of the AB InBev Shares will be the market value of the AB InBev Shares on the Scheme Implementation Date plus certain acquisition and selling costs (such as securities transfer tax)).

INCOME TAX

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

SECURITIES TRANSFER TAX

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; or (ii) incorporated, established or formed outside South Africa and listed on an exchange, such as the JSE. 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.

Therefore, there will be STT payable on the disposal of the SAB Zenzele Shares and there may be STT payable on the disposal of the AB InBev Shares under the Sale Proceeds Settlement.

No STT will be payable on the transfer of AB InBev Shares to SAB Zenzele Kabili under the Scheme or Reinvestment Offer. No STT will be payable on the issue of shares in SAB Zenzele Kabili.

DIVIDENDS

South Africa imposes a 20% withholding tax on dividends ("Dividends Tax") paid by South African resident companies. There is an exemption from Dividends Tax for, *inter alia*, dividends which are paid to South African resident companies.

Dividends paid to non-resident persons may qualify for a reduced rate of Dividends Tax in terms of an applicable DTA, 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%.

INDICATIVE TABLE OF ENTITLEMENTS

The table below illustrates the number of SAB Zenzele Kabili Shares to be issued to each Retailer Shareholder following the implementation of the Scheme, based on a range of amounts invested in 2010, and by implication the number of SAB Zenzele Shares acquired. SAB Zenzele Kabili Shares will be issued at a fixed subscription price of R40 per share. The number of SAB Zenzele Kabili Shares to be issued to a Retailer Shareholder will be determined by dividing the 63.5% entitlement ceded under the Scheme, being the Scheme Entitlement, by the R40 subscription price.

| Amount invested in 2010 | Number of SAB Zenzele Shares acquired in 2010 | Value at unwind date (May 2021) | Special dividend paid in March 2020 | Revised value at unwind date (May 2021) | Reinvested into SAB Zenzele Kabili via Scheme ¹ | SAB Zenzele Kabili Shares received as settlement for the cession of AB InBev Shares to SAB Zenzele Kabili ² | Net asset value of SAB Zenzele Kabili Shares received as settlement for the cession of AB InBev Shares to SAB Zenzele Kabili ³ |
|-------------------------|-----------------------------------------------|---------------------------------|-------------------------------------|-----------------------------------------|------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| R100 | 317 | R77 518 | R59 395 | R18 123 | R11 511 | 288 | R17 266 |
| R2 500 | 634 | R155 035 | R118 790 | R36 245 | R23 021 | 576 | R34 532 |
| R5 000 | 951 | R232 553 | R178 186 | R54 368 | R34 532 | 863 | R51 798 |
| R7 500 | 1 268 | R310 071 | R237 581 | R72 490 | R46 043 | 1 151 | R69 064 |
| R10 000 | 1 585 | R387 588 | R296 976 | R90 613 | R57 553 | 1 439 | R86 330 |
| R12 500 | 1 902 | R465 106 | R356 371 | R108 735 | R69 064 | 1 727 | R103 596 |
| R14 306 | 2 131 | R521 105 | R399 278 | R121 827 | R77 379 | 1 934 | R116 069 |

Notes and assumptions:

1. Current unwind value multiplied by 63.5%
2. Reinvested value divided by SAB Zenzele Kabili issue of R40 per share
3. SAB Zenzele Kabili Shares received multiplied by SAB Zenzele Kabili net asset value of R60 per share after the implementation of the New Empowerment Transaction. For every R1.00 of equity invested by a Retailer Shareholder, SAB will contribute R0.50 in the form of an incentive discount under the New Empowerment Transaction.
4. The above is before taxes and other related transaction costs and expenses

AMENDED R ORDINARY SHARE TERMS

Annexure A (Extract from the SAB MOI)

RIGHTS AND RESTRICTIONS OF THE R ORDINARY SHARES

For purposes of this Annexure A, reference to the “Company” is a reference to SAB.

8. TERMS AND CONDITIONS OF THE R ORDINARY SHARES

8.1 Definitions

For the purposes of this 8:

- 8.1.1 “AB InBev” means Anheuser-Busch InBev SA/NV, a public company registered in accordance with the law of Belgium under registration number 0417.497.106 RPM/RPR (Brussels);
- 8.1.2 “AB InBev Closing” means the closing of the Change in Control transaction arising from the proposed business combination between SABMiller and AB InBev;
- 8.1.3 “AB InBev Newco” means Newbelco SA/NV, a company incorporated in Belgium and registered with the Crossroads Bank of Enterprises under registration number 0649.641.563 RPM/RPR (Brussels);
- 8.1.4 “AB InBev Newco Group” means AB InBev Newco, as that entity may be merged or amalgamated from time to time, and any other person directly or indirectly controlling, controlled by, or under common control with, that entity; where a person shall be deemed to control another person if such person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other person, whether through the ownership of voting securities, by contract or otherwise;
- 8.1.5 “Adjusted Attributable Profit” means the profits of the Company attributable to equity shareholders of the Company, plus or minus exceptional non-cash items and any other items which have been declared distributable by the board of directors of the Company, plus or minus gains (+) or losses (-) that are directly accounted for in the Company’s equity statement (in terms of International Financial Reporting Standards and the Company’s accounting policies) and not accounted for in the Company’s income statement, which have been declared distributable by the board of directors of the Company;
- 8.1.6 “All Ordinary Shares” means all of the ordinary shares in the share capital of the Company, including, without limitation, E Ordinary Shares, F Ordinary Shares and R Ordinary Shares;
- 8.1.7 “Change in Control” means, in respect of the Company and AB InBev Newco:
 - 8.1.7.1 shares or rights to shares carrying not less than 50% (fifty percent) of all the votes exercisable in respect of the entire issued share capital of the Company or AB InBev Newco are acquired (whether by transfer or allotment and whether at the same or different times) by any person or persons (whether acting in concert with each other or not and whether directly or indirectly) who did not immediately prior to such acquisition form part of the AB InBev Newco Group or own those shares or rights; or
 - 8.1.7.2 the right to appoint or otherwise determine, directly or indirectly, a majority of the board of directors of the Company or AB InBev Newco is acquired (whether at the same or at different times) by any person or persons (whether acting in concert with each other or not) who did not immediately prior to such acquisition form part of the AB InBev Newco Group or hold such right to appoint or determine;
- 8.1.8 “Corporate Event” means, in respect of the Company:
 - (i) the unbundling of an asset of the Company;
 - (ii) the buy-back of all or a portion of All Ordinary Shares (other than pursuant to the E Repurchase Right, F Repurchase Right or R Repurchase Right);
 - (iii) the disposal of the whole or greater part of a material asset of the Company, where the materiality of the asset will be determined by AB InBev Newco in its sole discretion;
 - (iv) a rights issue or capitalisation award by the Company; or

- (v) the consolidation or sub-division of all or a portion of All Ordinary Shares;
- 8.1.9 “Exchange Agreement” means the amended and restated exchange agreement entered into, or to be entered into, by the holders of the E Ordinary Shares, F Ordinary Shares and R Ordinary Shares, the Company and AB InBev Newco;
- 8.1.10 “Expert” means a recognised accounting firm or investment bank of international repute, selected by the board of directors of the Company or, if the matter to be determined is primarily legal in nature (as determined by the board of directors of the Company in its sole discretion), a recognised South African law firm selected by the board of directors of the Company;
- 8.1.11 “Initial R Repurchase Right” means the value of the R Repurchase Right at the date of the issue of the R Ordinary Shares, with a reference point of 27 November 2009, being R3,039,999,980.77 less the aggregate of the subscription price paid to SAB Zenzele by subscribers pursuant to the first share allocation under the SAB Zenzele share offer;
- 8.1.12 “Prime Rate” means, in respect of any period, the published prime overdraft rate of interest ruling from time to time, expressed as a rate per annum and applied as a rate of compound interest, at which Standard Bank lends on overdraft to its customers from time to time during that period, as certified by any manager of Standard Bank, whose appointment or determination it shall not be necessary to prove;
- 8.1.13 “R Acceleration Notice” means the written notice to be issued by AB InBev Newco in its sole discretion upon the happening of the circumstances contemplated in 8.5.1;
- 8.1.14 “R Ordinary Share Price” means the value of an R Ordinary Share in issue on the R Repurchase Date, determined in accordance with the methodology set out in Part I of the Annexure to this Memorandum;
- 8.1.15 “R Ordinary Shares” means R ordinary shares with a par value of R0.000 001 each in the share capital of the Company;
- 8.1.16 “R Proportionate Share” means, as at the AB InBev Closing, the number of R Ordinary Shares in issue divided by the aggregate of the number of R Ordinary Shares, F Ordinary Shares and E Ordinary Shares in issue;
- 8.1.17 “R Remaining Shares” means the R Ordinary Shares which are not R Repurchase Shares;
- 8.1.18 “R Repurchase Date” means the date between the first day of the 10th (tenth) year after the allotment and issue of the R Ordinary Shares and the first day of the 11th (eleventh) year after the allotment and issue of the R Ordinary Shares, or such other date as AB InBev Newco may specify in the R Acceleration Notice issued in accordance with the provisions of 8.5.1, on which the Company exercises its R Repurchase Right, to be determined by the Company in its sole discretion;
- 8.1.19 “R Repurchase Right” means the right of the Company to acquire R Ordinary Shares as set out in 8.3;
- 8.1.20 “R Repurchase Right Reduction” means, in relation to each dividend declared and paid to the holder of the R Ordinary Shares pursuant to 8.2.1 below, the difference between:
 - 8.1.20.1 the dividend that would have been declared and paid to the holder of the R Ordinary Shares pursuant to 8.2.1 below if the calculation was based on 100%, as opposed to 25%, of the Adjusted Attributable Profits for the relevant period; and
 - 8.1.20.2 the dividend actually declared and paid to the holder of the R Ordinary Shares pursuant to 8.2.1 below (including for the avoidance of doubt any amounts paid by virtue of 8.2.4);
- 8.1.21 “R Repurchase Shares” means the number of the R Ordinary Shares which are eligible to be acquired by the Company in accordance with the R Repurchase Right;
- 8.1.22 “R Special Dividend” means a special dividend of ZAR 312,328,769.35, or such greater amount as may be agreed in writing by AB InBev or AB InBev Newco, which, subject to certain terms and conditions, has or will be declared by the Company to the holders of the R Ordinary Shares;
- 8.1.23 “R Special Payment” means a cash payment, authorised by SAB Zenzele, to be made to the ordinary shareholders of SAB Zenzele in proportion to their shareholding, in consideration for the disposal by each such ordinary shareholder of its right to receive a proportional amount of its entitlement on the R Repurchase Date on the basis set out in Formula 1 and Formula 2 in 8.3 below, the amount of which cash payment will be calculated as follows:

$$\text{RSP} = 0.774 \times (\text{N} \times \text{S})$$

Where:

RSP = the amount of the R Special Payment;

N = the calculation of “N” in the Exchange Ratio in Part 1 of Annexure A to the Exchange Agreement, assuming a R Repurchase Date of 31 March 2020 (or such later date as agreed in writing between the Company and SAB Zenzele);

S = the calculation of “S” in the Exchange Ratio in Part 1 of Annexure A to the Exchange Agreement, assuming a R Repurchase Date of 31 March 2020 (or such later date as agreed in writing between the Company and SAB Zenzele);

- 8.1.24 “SAB Ordinary Shares” means ordinary shares in the capital of the Company, excluding E Ordinary Shares, F Ordinary Shares and R Ordinary Shares;
- 8.1.25 “SAB Zenzele” means SAB Zenzele Holdings (RF) Limited, a public company registered in accordance with the laws of the Republic of South Africa under registration number 2009/022656/06;
- 8.1.26 “SABMiller” means SABMiller Limited, a private limited company registered in accordance with the laws of England and Wales under registration number 3528416;
- 8.1.27 “Standard Bank” means The Standard Bank of South Africa Limited (or, if it ceases to exist, such reputable bank as the Company may nominate in its sole discretion).

8.2 Dividends

- 8.2.1 Dividends will be declared and paid by the Company to the holder of the R Ordinary Shares, on the following basis and subject to reduction in terms of 8.2.2 below and increase in terms of 8.2.4 below:
 - 8.2.1.1 for the first six months of the Company’s financial year, being, as at the date of adoption of this 8, the period from 1 April to 30 September (both dates inclusive), if the Company declares one or more cash dividends during or in respect of that period to the holder of SAB Ordinary Shares, the Company will declare and pay in respect of each R Ordinary Share in issue a dividend equal to 25% of Adjusted Attributable Profit for that period divided by the number of All Ordinary Shares in issue; and
 - 8.2.1.2 for the second six months of the Company’s financial year, being, as at the date of adoption of this 8, the period from 1 October to 31 March of the following calendar year (both dates inclusive), if the Company declares one or more cash dividends during or in respect of that period to the holder of SAB Ordinary Shares, the Company will declare and pay in respect of each R Ordinary Share in issue a dividend equal to 25% of Adjusted Attributable Profit for the full financial year divided by the number of All Ordinary Shares in issue and less any amount paid per R Ordinary Share in respect of the first six months of the financial year on the basis set out in 8.2.1.1.
- 8.2.2 The amount calculated in terms of 8.2.1 above and the R Proportionate Share shall be reduced by such amount as required for payment of tax and/or other statutory costs due in consequence of the declaration of the dividend, payable by the Company or the recipient of the dividend payment, including, without limitation, withholding tax on dividends, and the Company shall withhold the requisite amount from the dividend payment made in terms of 8.2.1 above and 8.2.3 below.
- 8.2.3 In addition to the rights set out above, the Company shall be entitled to declare and, subject to 8.2.2, pay to the holders of the R Ordinary Shares the R Special Dividend.
- 8.2.4 In the event that (i) Adjusted Attributable Profit arises as a result of, or in respect of the proceeds of, a disposal by the Company (or any of its subsidiaries) of the whole or greater part of any business or the whole or greater part of its shareholding or other participation interest in such business, and (ii) such disposal is identified by AB InBev Newco as one to which this clause 8.2.4 will apply (“Attributable Disposal Profits”):
 - 8.2.4.1 the Company may (but is not obliged to) calculate, declare and pay the cash dividend to the holders of the R Ordinary Shares under 8.2.1 at a percentage rate greater than 25% in respect of such Attributable Disposal Profits, and the aggregate cash dividend declared and paid under 8.2.1 will therefore be increased accordingly; and

8.2.4.2 the portion of the dividend paid to the holders of the R Ordinary Shares under 8.2.1 in respect of the Attributable Disposal Profits shall be the “Disposal Cash Dividend Component” (i.e. the amount payable as a result of the baseline 25% payout percentage, plus any additional amount paid in cash pursuant to 8.2.4.1, if any).

8.3 Repurchase Right

The Company shall have the right, on the R Repurchase Date, to acquire by written notice to that effect to the holder of the R Ordinary Shares and subject to and in terms of the provisions of the Act, such number of the R Ordinary Shares, at an acquisition price of R0.000 001 per R Ordinary Share, as is the lesser number determined in accordance with the following two formulae:

Formula 1

$$R = P \times S$$

Where:

R = the R Repurchase Shares

S = the R Ordinary Share Price

P = the value of the outstanding R Repurchase Right at the R Repurchase Date, calculated as follows:

$$P = I - C + D + RSP$$

Where:

I = Initial R Repurchase Right, as increased and accumulated with compounded interest compounding monthly (from the date of issuance until the R Repurchase Date) at a rate equal to 85% of the Prime Rate

C = the cumulative value of each of the R Repurchase Right Reductions, as increased and accumulated with compounded interest compounding monthly (from the date of each dividend payment giving rise to the relevant R Repurchase Right Reduction until the R Repurchase Date) at a rate equal to 85% of the Prime Rate

D = an amount equal to the R Special Dividend, if declared, as increased and accumulated with compounded interest compounding monthly (from the date of payment of the R Special Dividend until the R Repurchase Date) at a rate equal to 85% of the Prime Rate, unless AB InBev or AB InBev Newco agrees in writing that such amount shall be increased and accumulated as aforesaid at a rate lower than 85% of the Prime Rate or that such amount shall not be increased and accumulated at all

RSP = an amount equal to the R Special Payment, if paid, as increased and accumulated with compounded interest compounding monthly (from the date of payment of the R Special Payment until the R Repurchase Date) at a rate equal to 85% of the Prime Rate, unless AB InBev agrees in writing that such amount shall be increased and accumulated as aforesaid at a rate lower than 85% of the Prime Rate or that such amount shall not be increased and accumulated at all,

provided that R may not be greater than the number of R Ordinary Shares in issue on the R Repurchase Date and may not be less than zero, and will be set at such maximum or minimum amounts, respectively, if the calculation otherwise results in amounts falling outside these limits.

Formula 2

$$R = N - (V/S)$$

Where:

R = the R Repurchase Shares

N = the number of R Ordinary Shares in issue immediately prior to the R Repurchase Date

S = S, as calculated under Formula 1

V = the guaranteed value to be received by the holder of the R Ordinary Shares at the R Repurchase Date, calculated as follows:

$$V = ((Z \times N) - P - D) \times CPI - DCD - RSP$$

Where:

Z = the ZAR Floor Value of an R Ordinary Share, determined in accordance with paragraph 16 of Part II of the Annexure to this Memorandum

P = the value of the outstanding R Repurchase Right at the AB InBev Closing, calculated as follows:

$$P = I - C$$

Where:

I = Initial R Repurchase Right, as increased and accumulated with compounded interest compounding monthly (from the date of issuance until the AB InBev Closing) at a rate equal to 85% of the Prime Rate

C = the cumulative value of each of the R Repurchase Right Reductions, as increased and accumulated with compounded interest compounding monthly (from the date of each dividend payment giving rise to the relevant R Repurchase Right Reduction until the AB InBev Closing) at a rate equal to 85% of the Prime Rate

D = an amount equal to the R Special Dividend, if declared

DCD = the cumulative sum of the Disposal Cash Dividend Components, if any, paid pursuant to 8.2.1 (read with 8.2.4), with each such Disposal Cash Dividend Component being escalated by CPI from the date of the relevant payment thereof to the R Repurchase Date (as further described in 2.5 above);

RSP = an amount equal to the R Special Payment, if paid, escalated by CPI from the date of the payment thereof to the R Repurchase Date (as further described in 2.5 above);

x CPI = escalate the preceding amounts in the formula by CPI from the AB InBev Closing until the R Repurchase Date (as further described in 2.5 above),

provided that (i) R may not be greater than the number of R Ordinary Shares in issue on the R Repurchase Date and may not be less than zero, and will be set at such maximum or minimum amounts, respectively, if the calculation otherwise results in amounts falling outside these limits, (ii) V may not be negative, and will be set at nil in such instance.

8.4 Restrictions

- 8.4.1 Subject to 8.5 below, and save as permitted pursuant to 8.8 below, the holder of the R Ordinary Shares shall not be entitled, before the Company exercises its right in terms of 8.3 and acquires the R Repurchase Shares, to Transfer or Encumber any of the R Ordinary Shares.
- 8.4.2 To give effect to the provisions of 8.4.1, the R Ordinary Shares shall be certificated and the share certificates of the R Ordinary Shares shall be held in trust by the secretary of the Company.

8.5 Corporate Action

- 8.5.1 In the event that a Change in Control in either the Company or AB InBev Newco is contemplated or concluded, AB InBev Newco shall issue a written notice ("the R Acceleration Notice") to the Company and the holders of the R Ordinary Shares, in terms of which, AB InBev Newco shall give notice that:
 - 8.5.1.1 it wishes to accelerate the R Repurchase Date and in so doing, designate any date as the R Repurchase Date; or
 - 8.5.1.2 it does not wish to accelerate the R Repurchase Date and that the provisions of 8.5.3 will become effective.
- 8.5.2 In the event that AB InBev Newco issues an R Acceleration Notice in the circumstances contemplated in 8.5.1.1, the Company shall exercise the R Repurchase Right on the date designated as the R Repurchase Date by AB InBev Newco in the R Acceleration Notice.
- 8.5.3 In the event that AB InBev Newco issues an R Acceleration Notice in the circumstances contemplated in 8.5.1.2, the Company shall procure that AB InBev Newco develops a proposal which shall include such steps that AB InBev Newco in its sole discretion considers necessary to ensure that the holder of the R Ordinary Shares enjoys a benefit at least equal to the benefit that would have accrued to the holder of the R Ordinary Shares following the exchange contemplated in 8.8 absent the Change in Control ("the Value Proposal") and shall submit the Value Proposal to the Expert for certification.
- 8.5.4 On the happening of any Corporate Event, which event AB InBev Newco (in its sole discretion) considers will adversely affect the benefit that will accrue to the holder of the R Ordinary Shares following the exchange contemplated in 8.8 absent the relevant Corporate Event, the Company will procure that AB InBev Newco proposes such adjustments and/or material alterations to, amongst others, the mechanics contemplated in this 8 (including the methodology set out in the Annexure to this Memorandum) and the Exchange Agreement that AB InBev Newco considers necessary to ensure that the holder of the R Ordinary

Shares will enjoy a benefit at least equal to the benefit that would have accrued to the holder of the R Ordinary Shares following the exchange contemplated in 8.8 absent the relevant Corporate Event (“the Adjustment Proposal”) and shall refer the Adjustment Proposal to the Expert for certification. When determining whether or to what extent a Corporate Event will adversely affect the benefit accruing to the holder of R Ordinary Shares as contemplated in this 8.5.4, and in determining the adjustments and/or alterations, if any, to be made in connection therewith, any benefit accruing to the holder of the R Ordinary Shares as a result of any dividends received by it and/or reductions in the R Repurchase Right which arise (or are to arise) as a result of the relevant Corporate Event shall be taken into account.

- 8.5.5 In the event that the Expert certifies that either the Value Proposal or the Adjustment Proposal, as the case may be, will, in its view, result in the holder of the R Ordinary Shares enjoying a benefit at least equal to the benefit that would have accrued to the holder of the R Ordinary Shares absent the event giving rise to the Value Proposal or the Adjustment Proposal respectively, the Company shall implement the Value Proposal or the Adjustment Proposal, as the case may be.
- 8.5.6 In the event that the Expert notifies the Company and/or AB InBev Newco that either the Value Proposal or the Adjustment Proposal, as the case may be, will not, in its view, result in the holder of the R Ordinary Shares enjoying a benefit at least equal to the benefit that would have accrued to the holder of the R Ordinary Shares absent the event giving rise to the Value Proposal or the Adjustment Proposal respectively, the Company shall procure that AB InBev Newco shall, in its sole discretion, revise the Value Proposal or the Adjustment Proposal, as the case may be, and AB InBev Newco shall submit the revised Value Proposal or Adjustment Proposal, as the case may be, to the Expert for certification.
- 8.5.7 The process contemplated in 8.5.6 shall be repeated until such time as the Expert certifies that, in its view, either the Value Proposal or the Adjustment Proposal, as the case may be, will result in the holder of the R Ordinary Shares enjoying a benefit at least equal to the benefit that would have accrued to the holder of the R Ordinary Shares absent the event giving rise to the Value Proposal or the Adjustment Proposal respectively, at which time, the Company shall implement the Value Proposal or the Adjustment Proposal, as the case may be.

8.6 Expert Determinations

- 8.6.1 Where the Expert is called upon to provide a certification, either in respect of a Value Proposal or Adjustment Proposal in terms of 8.5 or in respect of a Calculation Proposal in terms of Part III of the Annexure to this Memorandum (together, “the Proposals”) the Expert shall, in considering whether to make the relevant certification, consider the Proposal on the following basis:
 - 8.6.1.1 the certification of the Expert shall be restricted to the impact of the Proposal on the benefit that will accrue to the holder of the R Ordinary Shares and nothing else;
 - 8.6.1.2 the Expert shall act as an expert and not as an arbitrator;
 - 8.6.1.3 the Expert may call upon any professional advisers of AB InBev Newco and/or the Company, or any of their predecessors, for such documents and information as the Expert may reasonably require for the purposes of the certification and AB InBev Newco and the Company shall give or, so far as they are able, procure that appropriate authority is given to those advisers to make disclosures required of them and that they, as far as they are able, give the Expert all such facilities and information as the Expert may reasonably require for the purposes of its certification;
 - 8.6.1.4 the Expert shall afford AB InBev Newco and the Company an opportunity to make such written and oral representations as they or either of them wish, and the Expert shall have regard to any such representations but shall not be bound by them;
 - 8.6.1.5 the Expert’s certification shall be written, and shall be final and binding on the AB InBev Newco and the Company in the absence of any clerical or manifest error appearing within 30 (thirty) days from the date the AB InBev Newco and the Company receive the certification.
- 8.6.2 In the event that the implementation of a certified Proposal constitutes a variation of the terms set out in this 8 (including the methodology set out in the Annexure to this Memorandum), the terms of this 8 shall be deemed to be varied in accordance with the relevant certified Proposal.

8.7 Release of Restrictions

On the Company exercising its right in terms of 8.3 and acquiring the R Repurchase Shares:

8.7.1 the conditions and restrictions contained in 8.2, 8.3, 8.4 and 8.5 shall automatically cease to apply to the R Remaining Shares and the R Remaining Shares shall rank *pari passu* in all respects with the SAB Ordinary Shares; and

8.7.2 the R Remaining Shares shall automatically be released from safe custody and the share certificates in respect of the R Remaining Shares shall be delivered to AB InBev Newco or its nominee pursuant to the exchange referred to in 8.8 below.

8.8 Exchange

Immediately following the exercise by the Company of its R Repurchase Right and the acquisition of the R Repurchase Shares, the holder of the R Remaining Shares shall procure the transfer of the ordinary shares in the issued share capital of SAB Zenzele pursuant to the memorandum of incorporation of SAB Zenzele and the Exchange Agreement and shall take all other steps that may be necessary to give effect to the exchange on the terms of the memorandum of incorporation of SAB Zenzele and the Exchange Agreement.

8.9 Pari Passu Ranking

Save as set out in 8.2, 8.3, 8.4, 8.5 and 8.8, the R Ordinary Shares shall rank *pari passu* in all respects with the SAB Ordinary Shares.

NOTICE CONVENING SPECIAL GENERAL MEETING



SAB ZENZELE HOLDINGS (RF) LIMITED

(Incorporated in South Africa)
(Registration number: 2009/022656/06)
("SAB Zenzele" or "the Company")

NOTICE IS HEREBY GIVEN to Shareholders that a Shareholders' Meeting will be held entirely by way of electronic communication as contemplated in section 63(2)(a) of the Companies Act at <https:sabzenzele.virtual-meetings.online/login> **at 10:00 (South African Standard Time) on 10 May 2021.**

Due to the continuing COVID-19 outbreak in South Africa, its status as an ongoing pandemic and its declaration as a "national disaster" in terms of the Disaster Management Act, No. 57 of 2002, as amended (and accordingly, the restrictions imposed thereby on public gatherings), and the subsequent declaration by President Cyril Ramaphosa of a nation-wide lockdown; the SAB Zenzele Board has, in the circumstances, determined that it is necessary, prudent and preferable that the Shareholders' Meeting will be conducted entirely by way of electronic communication and electronic facilities. Shareholders will not be able to physically attend the Shareholders' Meeting. Accordingly, the Shareholders' Meeting will only be accessible through electronic communication, as permitted by the JSE and in accordance with the provisions of the Companies Act and the SAB Zenzele MOI. Shareholders will have the opportunity to cast their votes electronically through the iProxy platform] hosted by Ince Proprietary Limited prior to the Shareholders' Meeting, or send in their proxy forms, or to participate and/or vote online, using their smartphone, tablet or computer. Please refer to the section entitled "How to Participate in the Shareholders' Meeting" which commences on page 98 of this Circular for details on how to participate in the Shareholders' Meeting.

Shareholders will be liable for their own network charges in relation to electronic participation in and/or voting at the Shareholders' Meeting. Any such charges will not be for the account of the JSE, the Company or any service provider retained for purposes of hosting and/or facilitating the electronic Shareholders' Meeting. None of the JSE, the Company or any such service provider can be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any such shareholder from participating in and/or voting at the Shareholders' Meeting.

Purpose:

The purpose of the Shareholders' Meeting is to consider and, if deemed fit, to pass, with or without modification, the special resolutions set out hereunder, in the manner required by the Companies Act.

Notes:

- The definitions and interpretations commencing on page 26 of the Circular to which this Notice of Shareholders' Meeting is attached apply, *mutatis mutandis*, throughout this Notice of Shareholders' Meeting.
- In terms of section 63(1) of the Companies Act, any person attending or participating in a meeting of shareholders must present reasonably satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as a shareholder or as a proxy for a shareholder) has been reasonably verified. Accordingly, the Company has retained the services of Ince Proprietary Limited to provide the voting platform and the webcast, and to validate (in consultation with the Company and, in particular, the Administrator, your Broker and your CSDP) each Shareholder's entitlement to participate in and/or vote at the Shareholders' Meeting, before providing you with the necessary means to access the Shareholders' Meeting and the associated voting platform.
- Shareholders are advised, and strongly encouraged, to participate in the Shareholders' Meeting electronically and, for administrative ease, to make use of the online proxy platform as outlined in this notice ahead of the meeting.

- Shareholders who are entitled to attend and vote at the Shareholders' Meeting are reminded that they are entitled to appoint a proxy to attend, participate and vote at the Shareholders' Meeting in place of such Shareholder, provided that in doing so such Shareholder completes the attached form of proxy (*pink*) and follows the prescribed procedures set forth at the end of this Notice of Shareholders' Meeting under the title: "Voting and Proxies".

Record Dates:

In terms of section 59(1)(a) and (b) of the Companies Act, the SAB Zenzele Board has set the following record dates for the purposes of determining which Shareholders are entitled to:

- receive notice of Shareholders' Meeting (being the date on which a Shareholder must be registered in the Register in order to receive this Notice of Shareholders' Meeting), which date is Thursday, 1 April 2021; and
- participate in and vote at the Shareholders' Meeting (being the date on which a Shareholder must be registered in the Register in order to participate in and vote at the Shareholders' Meeting), which date is Friday, 30 April 2021.

Special Resolution Number 1 – Approval of certain amendments to the SAB Zenzele MOI

"Resolved as a special resolution that, subject to the adoption of special resolution number 2 below, in terms of section 16(1)(c) of the Companies Act, the SAB Zenzele MOI be and is hereby amended by:

- the deletion, in its entirety, of Article 8.4.4 of the SAB Zenzele MOI and its replacement with the following new Article 8.4.4:*

"In the event that the number of AB InBev Newco Shares to be received by a Retailer Shareholder in exchange for its Exchange Shares is, after taking into account:

- any such AB InBev Newco Shares which are ceded or otherwise disposed of by a Retailer Shareholder pursuant to the Scheme and the Reinvestment Offer (as such terms are defined in the circular to Retailer Shareholders posted by the Company on or about 8 April 2021 (**Circular**)); and*
- any such AB InBev Newco Shares which the Retailer Shareholder has elected to receive directly pursuant to the AB InBev Shares Settlement (as such term is defined in the Circular),*

less than 100, the Company shall procure that AB InBev Newco shall Transfer, or will procure that a member of the AB InBev Newco Group Transfers, those AB InBev Newco Shares on behalf of the relevant Retailer Shareholder and the Company shall procure that AB InBev Newco Group pays, to such Retailer Shareholder the proceeds received from such sale, in cash in Rands"; and

- the deletion, in its entirety, of Annexure A: R Ordinary Share Terms and its replacement with a new Annexure A: R Ordinary Share Terms as set out in Annexure 7 of the Circular,*

and the company secretary of the Company be and is hereby authorised to authenticate, as a certified copy, a revised and updated copy of the SAB Zenzele MOI (taking account of the foregoing amendments) and to file same with the Companies and Intellectual Property Commission."

In order for this special resolution number 1 to be adopted, it requires the support of at least 75% of the voting rights entitled to be exercised by all Shareholders, present in person or by proxy, on the resolution in terms of section 16(1)(c) the Companies Act, and the required quorum is: (i) at least three Shareholders must be present in person or by proxy, of which one Shareholder must be SAB as holder of the SAB Special Share; and (ii) such Shareholders present must be entitled to exercise, in aggregate, at least 0.5% of all of the voting rights that are entitled to be exercised at the Shareholders' Meeting.

Reason and effect:

Article 8.4.4 of the SAB Zenzele MOI currently provides that Retailer Shareholders who are entitled to less than 100 AB InBev Shares pursuant to the unwind of the Existing Empowerment Transaction shall be automatically cashed out in respect of such AB InBev Shares.

The **reason** for this special resolution number 1, is to obtain the required Shareholder approval necessary in order to amend the SAB Zenzele MOI in terms of section 16(1)(c) of the Companies Act, and consequently enabling Retailer Shareholders falling in the category of Retailer Shareholders referred to above to participate in the Scheme and providing them with the additional optionality contemplated in the New Empowerment Transaction, by enabling them to elect, as opposed to being automatically cashed out as currently provided for in article 8.4.4 of the SAB Zenzele MOI, how they wish their Remaining Retailer Settlement Entitlements to be settled.

The **effect** of adopting special resolution number 1, is that such Retailer Shareholders will be provided with additional optionality by enabling them to elect to: (i) reinvest all or the remaining portion of their Remaining Retailer Settlement Entitlements, pursuant to the Reinvestment Offer; and/or (ii) to receive their Retailer

Settlement Entitlements, pursuant to the Settlement Election, in the form of AB InBev Shares or cash proceeds (less associated taxes and costs) from the market-related sale of those AB InBev Shares on the JSE and/or the Euronext.

Special Resolution Number 2 – Approval of the Scheme in terms of section 114 read with section 115(2)(a) of the Companies Act

“Resolved as a special resolution that, subject to the adoption of special resolution number 1 above, the following matters are hereby approved as a composite special resolution for all purposes under the Companies Act and the SAB Zenzele MOI, including without limitation (and to the extent applicable) pursuant to sections 114 and 115(2)(a) of the Companies Act:

- (A) the scheme of arrangement in terms of section 114 of the Companies Act (set out in the Circular to Shareholders dated 19 February 2020), proposed by the SAB Zenzele Board between SAB Zenzele and the Retailer Shareholders on the terms and conditions of the Circular (including as such may be varied thereunder), in terms of which, amongst other things, if such scheme of arrangement becomes Operative, the Retailer Shareholders will cede to SAB Zenzele Kabili 63.5% of their right and entitlement to receive AB InBev Shares pursuant to the Retailer Settlement Entitlement under the Existing Empowerment Transaction (being the Scheme Entitlements) in exchange for SAB Zenzele Kabili allotting and issuing to the Retailer Shareholders SAB Zenzele Kabili Shares of Proportional Value to the rights ceded by them to SAB Zenzele Kabili; and*
- (B) the entry into and/or the implementation of the Scheme and the Implementation Agreement to which SAB Zenzele is a party and the transactions set out therein or contemplated under any of the foregoing documents and to the extent that any actions in respect of the foregoing have been taken, the ratification of such actions.”*

In order for this special resolution number 2 to be adopted, it requires the support of at least 75% of the voting rights entitled to be exercised by all Shareholders, present in person or by proxy, on the resolution in terms of section 115 of the Companies Act, and the required quorum is: (i) at least three Shareholders must be present in person or by proxy, of which one Shareholder must be SAB as holder of the SAB Special Share; and (ii) such Shareholders present must be entitled to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised at the Shareholders’ Meeting.

Reason and effect:

The **reason** for this special resolution number 2, is to obtain the required Shareholder approval necessary in order for SAB Zenzele to implement the Scheme in terms of section 114(1) read with section 115(2)(a) of the Companies Act.

The **effect** of adopting special resolution number 2, is that the Scheme will be approved and, if the Scheme becomes Operative, each Scheme Participant will cede their Scheme Entitlements to SAB Zenzele Kabili, in exchange for the Scheme Consideration.

Additional Commentary on special resolution number 2: For purposes of simplicity only, this special resolution number 2 has been proposed as a composite resolution in the form which caters for the requirements of the Companies Act and the SAB Zenzele MOI.

VOTING PROCEDURES

Voting at the Shareholders’ Meeting will be undertaken electronically. An electronic voting service will be available that will enable all eligible Shareholders who attend to vote at the Shareholders’ Meeting. Voting on all resolutions will be conducted by way of a poll. The registrars will identify each Shareholder’s individual shareholding so that the number of votes that each Shareholder has at the meeting will be linked to the number of votes which each Shareholder will be able to exercise at the Shareholders’ Meeting. Shareholders who have completed and returned forms of proxy, including any proxy completed and returned via the online proxy platform will not need to vote at the meeting. The voting process for Shareholders is detailed in the online Shareholder’s guide in the section entitled “How to Participate in the Shareholders’ Meeting” which commences on page 98 of this Circular. Shareholders are encouraged to participate and use the form of proxy or the online voting service to ensure all Shareholders’ votes are counted.

VOTING AND PROXIES

A Shareholder entitled to attend and vote at the Shareholders’ Meeting is entitled to appoint a proxy to attend, participate in, and vote at the Shareholders’ Meeting in the place of the Shareholder, or two or more proxies. A proxy need not also be a shareholder of the Company but must be an individual. The appointment of a proxy will not preclude the Shareholder who appointed the proxy from attending the Shareholders’ Meeting and participating and voting thereat to the exclusion of any such proxy.

A form of proxy (*pink*), in which is set out the relevant instructions for its completion, is attached for use by Shareholders who wish to appoint a proxy. The duly completed instrument appointing a proxy and the authority, if any, under which it is signed must be lodged by Shareholders with the Administrator at the

address or e-mail address given on page 4 at any time prior to the Shareholders' Meeting. Shareholders are requested to lodge all such documents by not later than **10:00 (South African Standard Time) on 7 May 2021**. If any such Shareholders wish to provide their proxy forms on the day of the Shareholders' Meeting, they are requested to deliver their completed proxy form to representatives of the Administrator at the Shareholders' Meeting by no later than **08:00 (South African Standard Time) on 10 May 2021**.

APPRAISAL RIGHTS FOR DISSENTING SHAREHOLDERS

In terms of section 164 of the Companies Act, at any time before special resolution number 2 as set out in this Notice is voted on, a Dissenting Shareholder may give the Company a written notice objecting to special resolution number 2.

Within 10 Business Days after the Company has adopted special resolution number 2, the Company must send a notice that special resolution number 2 has been adopted to each Shareholder who:

- gave the Company a written notice of objection as contemplated above; and
- has neither withdrawn that notice nor voted in support of special resolution number 2.

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

- the Shareholder has sent the Company a notice of objection;
- the Company has adopted the special resolution number 2; and
- the Shareholder voted against special resolution number 2 and has complied with all of the procedural requirements of section 164 of the Companies Act.

The right to receive such fair value is subject to the provisions of the Companies Act, including section 164(9). A copy of section 164 of the Companies Act is set out in Annexure 4 to the Circular.

By order of the SAB Zenzele Board

MP Maduna

Chairperson: Board of directors
10 May 2021

Business address and registered office

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

APPENDIX TO THE NOTICE OF SHAREHOLDERS' MEETING

Important notes about the Shareholders' Meeting

| | |
|------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| Date: | 10 May 2021 at 10:00 (South African Standard Time) |
| Electronic Meeting Login Details: | https:sabzenzele.virtual-meetings.online/login |
| Time: | Shareholders' Meeting will start promptly at 10:00 (South African Standard Time) |

Shareholders can attend the Shareholders' Meeting by accessing the online facility and will need to register prior to the Shareholders' Meeting and by no later than 09:30.

Details on how to attend through electronic means can be found in the section entitled "*How to Participate in the Shareholders' Meeting*" which commences on page 98 of this Circular.

Please note

1. ENQUIRIES

Any shareholders having difficulties or queries in regard to the Shareholders' Meeting or the above are invited to contact the Administrator on 0861 900 903 during the hours of 09:00 to 17:00 from Monday to Friday. Calls will be monitored.

2. RESULTS OF SHAREHOLDERS' MEETING

The results of the Shareholders' Meeting will be posted in the South African press as soon as practically possible after the Shareholders' Meeting.

HOW TO PARTICIPATE IN THE SHAREHOLDERS' MEETING

Shareholders may follow the process outlined below.

Due to the concerns around COVID-19, we encourage shareholders to make use of the iProxy service to cast their votes prior to the meeting, or to participate in and/vote at the meeting online using their smartphone, tablet or computer.

Shareholders who are unable to attend the Shareholders' Meeting can, through the online facility, prior to the commencement of the meeting, vote on the resolutions set out in the Notice of Shareholders' Meeting by:

- completing and returning the form of proxy (*pink*); or
- appointing a proxy to attend in their stead; or
- casting their votes electronically through the iProxy platform.

Shareholders are referred to section A below for details on how to register for and cast their votes using the iProxy platform.

Shareholders can also attend the Shareholders' Meeting by accessing the online facility. Shareholders are referred to section B below for details on how to access the online facility in order to participate and/or vote at the Shareholders' Meeting.

SECTION A – Electronic voting prior to the Shareholders' Meeting

Shareholders may use an **Online Proxy Voting** facility or a USSD dial in facility to complete their form of proxy.

Online Proxy Voting

Submit their Form of Proxy by using the easy-to-operate online facility in order to appoint a proxy to vote at the Online General Meeting on their behalf.



General Meeting

<https://sabzenzele.virtual-meetings.online/login>

The online facility will be available from **10:00 on 19 April 2021**

This online proxy is free of charge and is available on the internet.

To make use of the online proxy, Shareholders are required to log in through the website at <https://sabzenzele.virtual-meetings.online/login>. The login process will utilise your unique **cellphone number** and your **SA ID Number**. Shareholders will also be able to view on and download from the Company's website, a user guide explaining how to use the online proxy platform on the Company's website. The online proxy platform will be available from **19 April 2021 at 10:00 (South African Standard Time)** until **10 May 2021 at 10:00 (South African Standard Time)**.

To vote please enter your cellphone number Participant Number and SA ID number to login.

Once you have logged in you may add in an email address or a mobile number by following the onscreen prompts and then click on the action button **Click to vote** to view the resolutions being voted on.

After you have made your voting selections, click the **Submit** button at the bottom of the page to submit your vote.

The online platform will thereafter acknowledge your vote and you may then log off from the platform.

If you have any queries concerning the voting process please contact the call centre 0861 900 903 during the hours of 09:00 to 17:00 from Monday to Friday or email sab.retail@investec.co.za for assistance.

Shareholders may access the online guide explaining how to vote at the Shareholders' Meeting at on the Company's website at – <http://www.investecsp.co.za>.

Voting through iProxy will start at **10:00 (South African Standard Time) on 19 April 2021**.

USSD Voting Facility



Complete the Form of Proxy using their mobile device by dialling ***120*44222#** to appoint a proxy to attend the AGM

Members are required to dial into ***120*44222#** to access the USSD Voting Facility.

Shareholders may access the USSD guide explaining how to vote at the Shareholders' Meeting at – <http://www.investecsps.co.za>

Voting through USSD will start at 10:00 (South African Standard Time) on 19 April 2021.

SECTION B – Attendance of the meeting through online webcast

If you choose to participate online, you will be able to view a live webcast of the meeting, ask the SAB Zenzele Board questions and submit your votes in real time. To do this, you will need to log on at <https://sabzenzele.virtual-meetings.online/login>. Please use your cellphone number and SA ID number to login to the platform.

All shareholders who have lodged proxy or voting instruction forms prior to the meeting for their proxy/ies, CSDP, Broker or nominee to vote on their behalf will nonetheless be able to participate in the meeting by following the live webcast online at <https://sabzenzele.virtual-meetings.online/login>.

Once you have logged in, should you not have an email address on record, the platform recognises this and prompts you to add in an email address to which a confirmation of your vote will be sent by following the onscreen prompts.

You may click on a link to view the webcast.

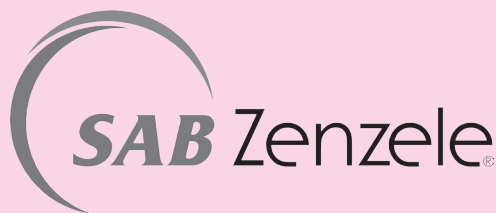
To vote click on the action button **Click** to vote to view the resolutions being voted on.

Once you have made your voting selections, press the green **Submit** button at the foot of the screen on the **Vote on all resolutions** page. The platform will confirm that your vote has been accepted.

Data usage for streaming the Shareholders' Meeting or downloading documents through the Shareholders' Meeting platform varies depending on individual use, the specific device being used for streaming or download (Android, iPhone, etc.) and the network connection (3G, 4G) and is at the Shareholder's cost.

Shareholders may also submit any question concerning SAB Zenzele by using the **convenient Your Question** facility on the Online Proxy Voting Platform.

FORM OF PROXY – SHAREHOLDERS’ MEETING



SAB ZENZELE HOLDINGS (RF) LIMITED

(Incorporated in South Africa)
(Registration number: 2009/022656/06)
("SAB Zenzele" or "the Company")

For use at the Shareholders’ Meeting to be held virtually at <https:sabzenzele.virtual-meetings.online/login> at 10:00 (South African Standard Time) on 10 May 2021. For assistance in completing the proxy form, please contact Investec Share Plan Services Proprietary Limited on 0861 900 903 during the hours of 09:00 to 17:00 from Monday to Friday. A shareholder entitled to attend and vote at the Shareholders’ Meeting may appoint one or more proxies to attend, vote and speak in his/her/its stead at the Shareholders’ Meeting. A proxy need not be a shareholder of the Company but must be an individual.

I/We

ID number/registration number _____ and _____

SAB Zenzele Holdings Limited Reference Number: _____ of _____

Being a shareholder/ shareholders of the above-named Company do hereby appoint _____ of _____

or failing him/her _____ of _____

or failing him/her _____

Signed at _____ on _____ 2021

Full name(s): _____ (in block letters) Signature(s): _____

Address: _____

Telephone number: () _____ Cell phone number () _____

Email address: _____

Assisted by (guardian): _____ Date: _____

the chairperson of the Company or failing her the chairperson of the Shareholders’ Meeting as my/our proxy to vote for me/us and on my/our behalf at the Shareholders’ Meeting to be held virtually at <https:sabzenzele.virtual-meetings.online/login> at 10:00 (South African Standard Time) on 10 May 2021, for the purposes of considering and, if deemed fit, passing, with or without modification, the resolution to be proposed thereat and at each adjournment or postponement thereof, and to vote for and/or against the resolution and/or abstain from voting in respect of the shares in the issued share capital of the Company registered in my/our name (see note 2 overleaf) as follows:

| Special Resolution | For | Against | Abstain |
|-------------------------------------------------------------------------|-----|---------|---------|
| Approval of amendments to SAB Zenzele MOI – special resolution number 1 | | | |
| Approval of the Scheme – special resolution number 2 | | | |

** Please indicate with an “X” in the appropriate spaces provided above how you wish your vote to be cast. If no indication is given, the proxy will be entitled to vote or abstain as he/she deems fit. The proxy may also vote or abstain in respect of any other business proposed at the Shareholders’ Meeting as he/she thinks fit.

Any Shareholder entitled to attend and vote at the Shareholders’ Meeting is entitled to appoint a proxy or proxies to attend, speak and vote in his/her stead. The proxy so appointed need not also be a shareholder but must be an individual.

Please read the notes on the reverse side hereof.

Sign: _____

If signing in a representative capacity, see notes to proxy below.

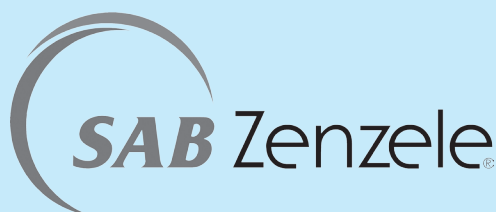
NOTES TO FORM OF PROXY

1. For Shareholders who wish to provide their proxy forms on the day of the Shareholders' Meeting, they are requested to deliver their completed proxy forms to representatives of the Administrator at the Shareholders' Meeting by no later than 10:00 on 7 May 2021.
2. A Shareholder may insert the name of a proxy or the names of two alternative proxies of his/her/its choice in the space/s provided, with or without deleting "the chairperson of the Shareholders' Meeting", but any such deletion or insertion must be initialled by the Shareholder. Any insertion or deletion not complying with the foregoing will be declared not to have been validly effected. The person whose name stands first on the proxy form and who is present at the Shareholders' Meeting will be entitled to act as proxy to the exclusion of those whose names follow. If no names are indicated, the proxy shall be exercised by the chairperson of the Shareholders' Meeting.
3. A Shareholder's instructions to the proxy must be indicated by the insertion of an "X" or the relevant number of votes exercisable by that shareholder in the appropriate box provided. An "X" in the appropriate box indicates the maximum number of votes exercisable by that shareholder. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the Shareholders' Meeting as he/she deems fit in respect of the entire Shareholder's votes exercisable thereat. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by the Shareholder or by his/her/its proxy, but the total of the votes cast and in respect of which abstention is recorded, may not exceed the maximum number of votes exercisable by the Shareholder or by his/her proxy. The proxy may also vote or abstain in respect of any other business proposed at the Shareholders' Meeting as he/she thinks fit.
4. The proxy shall (unless this sentence is struck out and countersigned) have the authority to vote, as he/she deems fit, on any other resolution which may validly be proposed at the Shareholders' Meeting, including in respect of any proposed amendment to the above resolution. If the foregoing sentence is struck out, the proxy shall be deemed to be instructed to vote against any such proposed additional resolution and/or proposed amendment to an existing resolution as proposed in the notice to which this form is attached unless such additional resolutions and/or proposed amendment is supported by the SAB Zenzele Board, in which event the proxy may vote as he/she thinks fit.
5. To be effective, completed proxy forms and the authority, if any, under which they signed must be lodged at the Administrator at the address or e-mail address stipulated below, prior to the time appointed for the holding of the Shareholders' Meeting; shareholders are requested to lodge all such documents by no later than 10:00 (South African Standard Time) on 7 May 2021. For Shareholders who wish to provide their proxy forms on the day of the Shareholders' Meeting, they are requested to deliver their completed proxy forms to representatives of the Administrator at the Shareholders' Meeting by no later than 10:00 on 10 May 2021.
6. The completion and lodging of this proxy form will not preclude the relevant Shareholder from attending the Shareholders' Meeting and speaking and voting in person thereat instead of any proxy appointed in terms hereof.
7. The chairperson of the Shareholders' Meeting may reject or accept any proxy form which is completed and/or received other than in compliance with these notes.
8. Any alteration to this proxy form, other than a deletion of alternatives, must be initialled by the signatory.
9. Documentary evidence establishing the authority of a person signing this proxy form in a representative or other legal capacity must be attached to this proxy form, unless previously recorded by the Company or waived by the chairperson of the Shareholders' Meeting.
10. Where there are joint holders of Shares:
 - 10.1 any one holder may sign the proxy form; and
 - 10.2 the vote of the senior Shareholder (for which purpose seniority will be determined by the order in which the names of the shareholders appear in the Register) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint Shareholders.
11. A minor must be assisted by his/her parent or legal guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Administrator.
12. A proxy may not delegate his/her authority to act on behalf of the Shareholder, to another person.
13. A vote given in accordance with the terms of this proxy form shall be valid notwithstanding the death or mental disorder of the principal or revocation of the proxy or of the authority under which the proxy was executed, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at its registered address or at the Administrator at the address stipulated below before the commencement of the Shareholders' Meeting or adjourned Shareholders' Meeting at which the proxy is used.
14. Any appointment of a proxy in terms hereof is revocable unless expressly stated otherwise, and may be revoked by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy, and to the Company at its registered address or at the Administrator at the address stipulated below. The appointment shall be suspended at any time and to the extent that the shareholder entitled to vote chooses to act directly and in person in the exercise of any rights as a shareholder entitled to vote at the Shareholders' Meeting.

Office of the Administrator
100 Grayston Drive, Sandown, Sandton
2196
Att: Heinrich Hattingh
Email: sab.retail@investec.co.za

FORM OF ELECTION

IN RESPECT OF THE RETAILER SETTLEMENT ENTITLEMENTS (IF THE SCHEME DOES NOT BECOME OPERATIVE) OR REMAINING SETTLEMENT ENTITLEMENTS (IF THE SCHEME BECOMES OPERATIVE, AND BY IMPLICATION THE NEW EMPOWERMENT TRANSACTION BECOMES OPERATIVE), AS THE CASE MAY BE



SAB ZENZELE HOLDINGS (RF) LIMITED

(Incorporated in South Africa)
(Registration number: 2009/022656/06)
("SAB Zenzele" or "the Company")

This document is important and requires your immediate attention.

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

This document constitutes the Election Form in respect of settlement of, as the case may be:

- (i) the Retailer Settlement Entitlements (if the Scheme does not become Operative) of those Retailer Shareholders who are entitled to more than 100 AB InBev Shares upon the unwind of the Existing Empowerment Transaction; or**
- (ii) the Remaining Retailer Settlement Entitlements (if the Scheme becomes Operative, and by implication the New Empowerment Transaction becomes operative) as contemplated by the Circular.**

This Election Form must be completed by each Retailer Shareholder whether or not the Scheme becomes Operative.

PART A: TO BE COMPLETED BY ALL RETAILER SHAREHOLDERS

Title: _____

Name: _____

Surname: _____

ID number/registration number: _____

SAB Zenzele Holdings Limited Reference Number: _____

Tel: _____

Cell: _____

Email: _____

Physical address: _____

In respect of my/our Retailer Settlement Entitlement or the Remaining Retailer Settlement Entitlement (after taking into account any portion of my/our Remaining Retailer Settlement Entitlement transferred to SAB Zenzele Kabili as part of: the Reinvestment Offer), as the case may be, I/we hereby elect to receive:

_____,
in AB InBev Shares, pursuant to the AB InBev
Shares Settlement

_____,
in cash proceeds (less associated costs and taxes),
pursuant to the Sale Proceeds Settlement

PART B: ONLY FOR COMPLETION BY RETAILER SHAREHOLDERS WHO HAVE ELECTED TO BE EQUITY SETTLED IN THE FORM OF RECEIVING AB INBEV SHARES PURSUANT TO THE AB INBEV SHARES SETTLEMENT

NOTE: If the Scheme does not become Operative, this Part B shall not be applicable to Retailer Shareholders who shall become entitled to receive less than 100 AB InBev Shares upon the unwind of the Existing Empowerment Transaction as such Retailer Shareholders shall be required to be settled in cash pursuant to Sale Proceeds Settlement as contemplated in the SAB Zenzele MOI.

Name of account holder:

Name of broker:

Name of CSDP:

CSDP account number:

Broker account number:

Broker Contact Details:

• Physical Address:

• Att:

• Email:

• Telephone number:

PART C: ONLY FOR COMPLETION BY RETAILER SHAREHOLDERS WHO: (I) HAVE ELECTED TO BE EQUITY SETTLED IN THE FORM OF CASH PROCEEDS ARISING FROM THE SALE PROCEEDS SETTLEMENT; AND (II) WISH TO UPDATE THEIR BANK ACCOUNT DETAILS

Should you wish to update your bank account details you will need to contact the Administrator and follow their directions on how to update the bank account details. The Administrator's contact details are as follows:

Administrator to SAB Zenzele

Investec Share Plan Services Proprietary Limited

(Registration number: 2000/016211/07)

100 Grayston Drive

Sandown

Sandton

2146

(PO Box 785700, Sandton, 2146)

Email: sab.retail@investec.co.za

Or call:

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

PART D: SIGNATURE

Signed at

on

2020

NOTES TO THE FORM OF ELECTION RESPECT OF THE REMAINING SETTLEMENT ENTITLEMENT

1. Before completing this form, you should read the Circular and the SAB Zenzele Kabili Prospectus carefully.
2. This form must be completed and returned to the Administrator in sufficient time to ensure that the Administrator receives it by no later than 12:00 on the Election Due Date being, 25 May 2021 ("Election Due Date").
3. In the absence of a valid election being received by the Administrator on or before the Election Due Date, such Retailer Shareholder will be deemed to have elected to receive the Sale Proceeds Settlement in respect of their Remaining Retailer Settlement Entitlement, which deemed election will be irrevocable, final and binding on you and cannot be subsequently withdrawn or varied.
4. The percentage split indicated at part A as between the AB InBev Shares Settlement and the Sale Proceeds Settlement should, when added together, equal 100% of your Retailer Settlement Entitlement or the Remaining Retailer Settlement Entitlement. In the event that the percentage does not equal 100%, the percentage which was not allocated (**Unallocated Percentage**) shall be deemed to have been elected as the Sale Proceeds Settlement, and in respect of such Unallocated Percentage you shall receive cash proceeds as if you had elected the Sale Proceeds Settlement option.
5. If a percentage is elected in relation to the AB InBev Shares Settlement option you shall be required to provide details of your Broker. Failure to provide details of your Broker shall result in you receiving all of your Retailer Settlement Entitlement or Remaining Retailer Settlement Entitlement in cash proceeds as if you had elected the Sale Proceeds Settlement and not the AB InBev Shares Settlement option.
6. Once you have made the Settlement Election before 12:00 on the Election Due Date in respect of your Retailer Settlement Entitlements (if the Scheme does not become Operative) or some or all of your Remaining Retailer Settlement Entitlements (if the Scheme becomes Operative, and by implication the New Empowerment Transaction becomes operative), as the case may be, that election will be irrevocable, final and binding on you and cannot be subsequently withdrawn or varied.
7. Any alteration to this form must be signed in full and not merely initialled.
8. 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.
9. 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.
10. A minor must be assisted by his/her parent or guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Company or the Administrator.