

Niveus Investments Limited
(Incorporated in the Republic of South Africa)
(Registration number: 1996/005744/06)
Share code: NIV
ISIN: ZAE000169553
("Niveus" or the "Company")

FULFILLMENT OF THE CONDITIONS PRECEDENT IN RESPECT OF THE UNBUNDLING OF GAMECO AND FINALISATION ANNOUNCEMENT

1. Introduction

Shareholders of Niveus ("**Shareholders**") are referred to the SENS announcements released by Niveus on 27 June 2017 and 29 September 2017, relating to the distribution by Niveus of its South African gaming interests (other than its sports betting and lottery interests), currently housed in its wholly-owned subsidiary Niveus Invest 19 Limited ("**GameCo**") to its Shareholders ("**Unbundling**"), prior to the implementation of certain transactions conditional upon the implementation of the unbundling ("**Tsogo Transaction**") (together the "**Proposed Transaction**").

Detailed information regarding the Unbundling and the Tsogo Transaction appears in the circular issued to Shareholders on 16 August 2017 ("**Circular**").

In terms of the agreement entered into between Tsogo Sun Holdings Limited ("**Tsogo**"), Hosken Consolidated Investments Limited ("**HCI**") and Niveus (the "**Parties**") in relation to the Proposed Transaction ("**Agreement**"), it is a condition precedent that the Parties obtain a waiver from the Northern Cape Gambling Board ("**NCGB**") of the requirement that Tsogo's indirect acquisition of Niveus Invest Proprietary 1 Limited ("**Niveus Invest**"), which houses the Grand Oasis Casino, Kuruman, be approved by the NCGB, by 30 October 2017 ("**Long Stop Date**").

As at the time of the conclusion of the Agreement, the NCGB was dissolved and up until 25 October 2017 new members of the NCGB had not been appointed. As a result the Parties have not been able to obtain the relevant waiver from the NCGB as required in terms of the Agreement.

2. Addendum to the transaction agreement

In order to prevent the Proposed Transaction from lapsing due to the failure to obtain the waiver from the NCGB, the Parties have entered into a further addendum to the Agreement ("**Addendum**") and Niveus, Niveus Invest and GameCo have entered into a sale agreement in terms of which:

- GameCo will sell to Niveus the entire issued share capital of Niveus Invest ("**Sale Share**") as well as GameCo's claims on loan account against Niveus Invest ("**Sale Claims**") for a consideration of R94,963,327.76 in the aggregate ("**Purchase Consideration**"). The Purchase Consideration will constitute an interest free loan by GameCo to Niveus;
- GameCo will grant to Niveus a put option ("**Put Option**") in terms of which Niveus would be entitled to require GameCo to purchase the Sale Share and the Sale Claims from Niveus for a purchase consideration equal to the Purchase Consideration, which will be discharged by way of a set-off against

the amount owing by Niveus to GameCo in respect of the Purchase Consideration;

- the exercise of the Put Option is conditional upon, inter alia, the requisite approval or waiver, for the sale and purchase of the Sale Share and Sale claims being obtained from the NCGB; and
- the Put Option must be exercised before 31 March 2018, failing which Niveus will be obliged to pay the entire Purchase Consideration to GameCo.

The rationale for the Addendum is:

- to avoid the failure of the Proposed Transaction by reason solely of the non-fulfilment of the condition precedent relating to the NCGB waiver, having regard particularly to the reasoning for such non-fulfilment being the NCGB remained dissolved up until 25 October 2017 when the new members of the NCGB were appointed;
- to put the Shareholders in the same position as they would have been had the condition precedent relating to the NCGB waiver been fulfilled, having regard to the number of GameCo shares received by them pursuant to the Unbundling ("**GameCo Distribution Shares**") and consideration received upon acceptance by a GameCo shareholder (including Niveus) of the offer that will be made to GameCo shareholders by Tsogo post the Unbundling ("**Tsogo Minority Offer**");
- provide a period of time (which Tsogo, Niveus and HCI consider to be reasonable) within which to obtain the requisite approvals to enable Niveus to dispose of its share in and claims against Niveus Invest to GameCo; and
- to replace one asset held by GameCo, being the interest in Niveus Invest with a different asset being a loan claim, which we equal in value to the value of the interest in Niveus Invest held by GameCo.

The effect of the conclusion of the Addendum is that that there will be no change in value of GameCo that is unbundled to Shareholders (effectively the value of the interest in Niveus Invest is replaced with a loan claim equal to the same value).

Niveus is of the view that the Addendum is more appropriate than extending the Long Stop Date for the following reasons:

- having regard to the existing terms of the Agreement, GameCo's capital expenditure has been held in abeyance until such time as the transaction is implemented. Although Niveus has provided for a short period during which capital expenditure need not be incurred, continuing to do so would be value-destructive. Should the Long Stop Date be extended, significant changes will need to be made to the Agreement to ensure that Niveus and Tsogo shareholders are not prejudiced by such extension, and the business will likely suffer as a result;
- the transaction has been structured in accordance with strict timelines. Should the Long Stop Date have been extended, the GameCo shareholders who accept the Tsogo Minority Offer will receive shares in Tsogo which may be trading ex rights to the Tsogo interim dividend to be declared during the early

part of December 2017. The transaction has been structured to provide Niveus shareholders who accept the Tsogo Minority Offer with an opportunity to participate in the December Tsogo dividend, and if this is no longer the case, then the addendum recording the extension to the Long Stop Date would have needed to provide for the requisite changes to ensure that Niveus shareholders will be the same position as they would have been had the extension not been granted.

3. Shareholder support for the Addendum

Shareholders holding at least 75% of Niveus, including HCI and various minority shareholders, have indicated that they are supportive of the Addendum and would vote in favour of the Addendum, to the extent permissible and they elect to vote, were such shareholders to be requested to vote on same.

4. Fulfilment of conditions precedent

Following the conclusion of the Addendum Shareholders are hereby advised that all conditions precedent to the Proposed Transaction have been fulfilled and/or waived and the Unbundling and the Tsogo transaction are now unconditional and will be implemented in accordance with their terms.

5. Important Dates and Times

Shareholders are referred to the table below setting out important dates and times in relation to the implementation of the Unbundling:

Salient dates and times	2017
Finalisation announcement in respect of the Unbundling released on SENS on	Monday, 30 October
Last day to trade Niveus shares in order to be recorded in the securities register to participate in the Unbundling on	Tuesday, 7 November
Niveus shares trade <i>ex right</i> to GameCo Distribution Shares	Wednesday, 8 November
Unbundling Record Date	Friday, 10 November
Unbundling completion date on which Shareholders will have their accounts at their CSDP or broker updated to reflect the GameCo Distribution Shares	Monday, 13 November
Detailed timetable in relation to the Tsogo Minority Offer will be announced in due course.	

Notes:

1. All dates and times indicated above are South African Standard Time.

2. The above dates and times are subject to amendment at the discretion of Niveus. Any such amendment will be released on SENS and published in the South African press.
3. Shareholders should note that as transactions in shares are settled in the electronic settlement system used by Strate, settlement of trades takes place three business days after such trade. Therefore, Shareholders who acquire Niveus shares after close of trade on Tuesday, 7 November 2017 will not be eligible to participate in the Unbundling.
4. Share certificates may not be dematerialised or rematerialised between Wednesday, 8 November 2017 and Friday, 10 November 2017, both days inclusive.

6. Distributions to Foreign Shareholders

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

The distribution of GameCo Distribution Shares to Shareholders not resident in South Africa ("**Foreign Shareholders**") in terms of the Unbundling may be affected by the laws of such Foreign Shareholders' relevant jurisdiction. We reiterate that those Foreign Shareholders should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their entitlements.

It is the responsibility of any Foreign Shareholder (including, without limitation, nominees, agents and trustees for such persons) to satisfy themselves as to full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. Foreign Shareholders are obliged to observe the applicable legal requirements of their relevant jurisdictions.

Foreign Shareholders who are not entitled to receive GameCo Distribution Shares pursuant to the Unbundling should dispose of their Niveus shares such that they are no longer reflected as a holder of Niveus shares on the Unbundling Record Date, or alternatively, to the extent lawful under the applicable laws of the relevant territory, require the applicable CSDP and/or nominees, agents and trustees for such persons receiving the GameCo Distribution Shares on behalf of the shareholder to approach the transfer secretaries to dispose of the GameCo Distribution Shares on behalf of and for the benefit of the relevant Foreign Shareholder as soon as is reasonably practical after the implementation of the Unbundling (which may include accepting the Tsogo Minority Offer).

Niveus reserves the right, but shall not be obliged, to treat as invalid any distribution of GameCo Distribution Shares, in terms of the Unbundling, which appears to Niveus or its agents to have been executed, effected or dispatched in a manner which may involve a breach of the securities laws or regulations of any jurisdiction or if Niveus believes or its agents believe that the same may violate applicable legal or regulatory requirements.

7. Market value of GameCo Distribution Shares

Niveus will notify Shareholders of the market value of the GameCo Distribution Shares by way of an announcement to be released on SENS by no later than the Unbundling Completion Date.

8. Minority Offer Consideration

As explained in the Circular, read with the SENS announcement released by Niveus on 29 September 2017, Tsogo has undertaken to submit an offer to all GameCo shareholders (other than HCI) to acquire their shares in GameCo pursuant to the completion of the Unbundling. The Cash Based Alternative payable by Tsogo to Niveus and other Gameco Minority Shareholders electing the Cash Based Alternative in respect of their GameCo Shares shall be increased by an amount equal to 72% of the prime rate of interest calculated on such cash portion, from 20 October 2017 until the first Friday after the Tsogo Minority Offer opens for acceptance by shareholders, which is anticipated to be Friday, 17 November 2017. The final offer price will be calculated and stipulated in the combined offer circular to be issued by Tsogo and GameCo to Gameco Minority Shareholders shortly after the Unbundling Completion Date.

Cape Town

30 October 2017

Sponsor
PSG Capital

Legal advisor
ENSAfrica