

MTN Zakhele Futhi (RF) Limited
(Incorporated in the Republic of South Africa)
(Date of incorporation: 21 June 2016)
(Registration number: 2016/268837/06)
JSE share code: MTNZF
ISIN: ZAE000279402
LEI: 378900429C4F73B1BE74
("MTNZF" or the "Company")

Notice of the annual general meeting of MTNZF ("AGM") and the preference share refinancing

Notice of AGM

Due to: (i) the 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 (and accordingly, the restrictions imposed thereby on public gatherings), and the subsequent declaration by President Cyril Ramaphosa of a nation-wide lockdown, and (ii) the existing memorandum of incorporation of the Company ("MOI"), allowing the Company to hold its general meetings and AGMs (as the case may be), entirely by electronic communication as contemplated in section 63(2)(a) of the Companies Act, No. 71 of 2008, as amended ("Companies Act"), the board of MTNZF has, in the circumstances, determined that it is necessary, prudent and preferable that the upcoming 2021 AGM be held entirely by way of electronic participation, and not by way of a physical meeting.

As a result of the above, notice is hereby given to Shareholders that the AGM will be held entirely by way of electronic communication as contemplated in section 63(2)(a) of the Companies Act at <https://mtnzakhelefuthi.virtual-meetings.online/login> on Tuesday, 7 September 2021 at 11:30 (South African time). The important dates, times and other information relating to the AGM are outlined below:

ISSUER NAME	MTN Zakhele Futhi (RF) Limited
TYPE OF INSTRUMENT	Ordinary Shares
ISIN NUMBER	ZAE000279402
JSE CODE	MTNZF
MEETING TYPE	Annual General Meeting
MEETING VENUE	https://mtnzakhelefuthi.virtual-meetings.online/login
RECORD DATE – to determine which shareholders are entitled to receive the Notice of meeting	Friday, 30 July 2021
PUBLICATION/POSTING DATE	Tuesday, 10 August 2021
LAST DAY TO TRADE – Last day to trade to determine eligible shareholders that may attend, speak and vote at the Meeting	Tuesday, 24 August 2021
RECORD DATE- Record date to determine eligible shareholders that may attend, speak and vote at the Meeting	Friday, 27 August 2021
MEETING DEADLINE DATE (For administrative purposes, forms of proxy for the meeting to be lodged	11:30 on Monday, 6 September 2021
MEETING DATE	11:30 on Tuesday, 7 September 2021
PUBLICATION OF RESULTS	Thursday, 9 September 2021
WEB SITE LINK	https://www.mtnzakhelefuthi.co.za

Shareholders are advised that the notice of AGM (including the summarised annual financial statements for the year ended 31 December 2020) is available, on the Company's website at – <https://www.mtnzakhelefuthi.co.za/home/agm> under the section titled "2020 Notice to Annual General Meeting" in English as from today and in Zulu and Sotho by 20 August 2021.

Participation and voting at the AGM

Shareholders will have the opportunity to cast their votes electronically through the iProxy platform prior to the meeting, or send in their proxy forms, or to participate in and/or vote online, using their smartphone, tablet or computer, subject to the provisions applicable to dematerialised shareholders without own-name registration.

Shareholders are referred to the online shareholders guide that will be available on the Company's website on 17 August 2021 at – <https://www.mtnzakhelefuthi.co.za/home/agm> which provides the details of the electronic meeting and valuable information to prepare Shareholders for electronic participation in and/or voting at the AGM.

Shareholders will be liable for their own network charges in relation to electronic participation in and/or voting at the AGM. 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 AGM. 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 AGM.

Notwithstanding the above, Shareholders are reminded that they are still able to vote normally through proxy submission, despite deciding to participate either electronically or not at all in the AGM. Shareholders are advised, and strongly encouraged, to participate in the AGM electronically and, for administrative ease, to make use of the online proxy platform as outlined in the notice of AGM, subject to the provisions applicable to dematerialised shareholders without own-name registration. Shareholders are encouraged to lodge their proxies timeously.

Preference share refinancing and memorandum of incorporation

In addition, MTNZF shareholders are advised that the notice of AGM contains a special resolution relating to the amendments to the MOI which gives rise to a new MOI ("**New MOI**"). Capitalised words and phrases used below have the same meaning as defined terms in the New MOI, unless otherwise defined below.

These amendments arise primarily in the context of the proposed refinancing of the preference share funding currently provided to Jabisan 04 (RF) Proprietary Limited ("**BFC2**") in terms of which, on the refinancing date, which is anticipated to be 30 September 2021 ("**Refinancing Date**") ("**Refinancing**):

- (i) Nedbank Limited, through its wholly owned subsidiary, Depfin Investments Proprietary Limited ("**Depfin**"), wishes to exit as a preference share funder to BFC2;
- (ii) the existing preference share funding provided to BFC2 by United Towers Proprietary Limited ("**United Towers**"), FirstRand Bank Limited, acting through its Rand Merchant Bank division ("**RMB**") and MMI Group Limited ("**MML**") (MML, United Towers, RMB and MML referred to as the "**BFC2 Refinancing Investors**") will remain in place, subject to certain amendments to the commercial terms of such preference shares;

- (iii) subject to the Refinancing Agreement (as defined below) becoming unconditional in accordance with its terms, the BFC2 Refinancing Investors will subscribe, in aggregate, for 383 939 additional cumulative redeemable preference shares in BFC2, which will have the same terms and conditions as the existing preference shares in BFC2 ("**BFC2 Tranche 2 Preference Shares**");
- (iv) BFC2 may only use the proceeds of the BFC2 Tranche 2 Preference Shares to voluntarily redeem, in the sole and absolute discretion of the director of BFC2, the preference shares currently held in BFC2 by Depfin;
- (v) as Depfin will no longer be a preference share funder to BFC2, RMB will replace Nedbank Limited (acting through its Corporate and Investment Banking division) ("**Nedbank**") as the Preference Share Agent, Calculation Agent, Preference Share Custodian and Account Bank and FirstRand Bank Limited acting through RMB Custody and Trustees Services division ("**RMB Custody and Trustees Services**"), will replace Nedbank (acting through its Nedbank Investor Services business unit) ("**Nedbank Investor Services**") as the Security Custodian. Nedbank's remaining roles in the transaction will be limited to providing services as the BIC2 Administrator and the BFC2 Administrator; and
- (vi) it is noted that the costs of the abovementioned Refinancing of circa R10 million (inclusive of VAT) will be borne by the Company (and include a participation fee payable to the BFC2 Refinancing Investors of 0.30% of the aggregate issue price of the preference shares held by them after the Refinancing, Securities Transfer Taxes of circa R959 848, legal fees of circa R4 198 807 and corporate advisory fees of circa R1 223 888).

As the BFC2 preference share funding is back to back with the preference share funding made available by BFC2 to BIC2, as a result of the Refinancing, there are amendments required to be made to the terms of the BIC2 Preference Shares, as well as a proposed change to be made to the MOI.

Such amendments are categorized as follows:

Refinancing Amendments (Key Commercial Terms)

These amendments reflect the key commercial terms of the Refinancing and consequential commercial agreements reached between the parties to the Finance Documents. These amendments operate in conjunction with recent amendments to the Finance Documents, concluded during April 2021, which enable MTN (or an MTN Acceded Nominee) to advance additional subordinated loan funding to the Company to support cash shortfalls in the Company in the context of the Company's obligation to pay (1) Taxes (2) BIC2 Administration Costs (3) BIC2 Costs and Indemnity Amounts and (4) BIC2 Scheduled Preference Dividends. In addition to the R15,000,000 advance made by MTN Holdings to the Company during September 2020, the first of such subordinated loans were advanced by MTN Holdings in April 2021 and announced on the Stock Exchange News Service of the JSE on 23 April 2021, as a result of liquidity challenges experienced by the Company in April 2021 arising from the announcement by MTN in March 2021 that it was suspending payment of a final dividend for FY2020, as well as its dividend policy (and having regard to the fact that the Company's only material asset is its holding of ordinary shares in MTN, with the result that the Company's liquidity requirements are dependent on dividends paid by MTN.)

Refinancing Amendments (Consequential Changes)

These amendments arise as a consequence of the Refinancing Amendments (Key Commercial Terms).

Agency Role Amendments

These amendments arise as a result of the fact that RMB will replace Nedbank as the Preference Share Agent, Calculation Agent, Preference Share Custodian and Account Bank and RMB Custody and Trustees Services will replace Nedbank Investor Services as the Security Custodian. The day to day administration functions of the Company and certain of the administrative functions of BFC2 will remain with Nedbank Limited (acting through its Share Scheme Administration division).

General Amendments (Updates and Typographical)

These amendments are relatively minor and (a) reflect an update to certain definitions and other provisions to reflect agreements which have been entered into or amended, or transactions which have been implemented since the original MOI was adopted in 2016 and as amended on or about 15 June 2020 and 3 August 2020 respectively and (b) correct minor typographical errors and/or omissions.

Board Meeting Quorum Amendment

This amendment reflects an amendment to the quorum of directors required for meetings of directors and is not related to the Refinancing.

The complete, New MOI reflecting the amendments made pursuant to the special resolution (including a full version which, for ease of reference, identifies the amendments in tracked text format in the existing MOI, including Annexe A (Rights, terms and privileges attaching to the MTN Zakhele Futhi Preference Shares)) is available for inspection on the Company's website, together with (i) the amendments to be made to the memorandum of incorporation of BFC2 (which entity provides back to back preference shares to the Company) and (ii) the Refinancing Agreement, which regulates implementation of the Refinancing and includes as annexures thereto the material agreements which are impacted by such Refinancing, at <https://mtnzakhelefuthi.co.za/home/agm> and titled "MTN Zakhele Futhi MOI - 2021 Amendments". This version of the full MOI is also available for inspection, subject to Covid-19 restrictions and protocols, at the Company's registered office at Nedbank, 135 Rivonia Road, Sandown, Johannesburg, 2193 or from the Sponsor's offices at Ground Floor, Golden Oak House, Ballyoaks Office Park, 35 Ballyclare Drive, Bryanston, 2021.

Interim results

MTNZF shareholders are further advised that the interim results of the Company for the six months ended 30 June 2021 are expected to be issued before 31 August 2021.

Johannesburg
10 August 2021

JSE Sponsor and Refinancing Corporate Advisor:

Tamela Holdings Proprietary Limited