

NIVEUS INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 1996/005744/06)

Share code: NIV

ISIN: ZAE000169553

("Niveus" or "the Company")

GAMECO UNBUNDLING – CERTAIN SOUTH AFRICAN TAX CONSIDERATIONS

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 Shareholders ("**Unbundling**").

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

2. Certain South African Tax Considerations

The distribution *in specie* by Niveus of shares held by it in GameCo ("**GameCo Distribution Shares**") will constitute a dividend as defined in section 64D of the Income Tax Act No. 58 of 1962 ("**ITA**"). In terms of section 64E(1) read with section 64E(3)(b) of the ITA, dividends tax will be imposed thereon at the rate of 20% on the amount of such dividend, subject to any applicable reduction in the dividends tax rate or any exemption from dividends tax.

The distribution *in specie* of each of the GameCo Distribution Shares will constitute a transfer of a security as contemplated in section 2 of the Securities Transfer Tax Act No. 25 of 2007 ("**STT Act**"). In terms of section 2 read with section 6(1)(a) of the STT Act, securities transfer tax ("**STT**") will be imposed thereon at the rate of 0.25% on the market value of the GameCo Distribution Shares.

The market value of R9.27 per GameCo Distribution Share will be applied in determining the amounts of dividends tax and STT payable in respect of the distribution in specie of the GameCo Distribution Shares.

Shareholders are furthermore referred to paragraph 5.8 of the Circular (which Circular remains available on the Company's website, www.niveus.co.za) which summarised the tax consequences of the Unbundling. In particular, Shareholders are referred to paragraph 5.8.4 in relation to the treatment of and method of settlement of STT, as well as paragraph 5.8.5 in relation to the treatment of dividend tax in relation to the Unbundling. In particular, Shareholders need to ensure that their brokerage account is sufficiently funded to enable their brokers to pay the STT.

Cape Town

10 November 2017

Sponsor: PSG Capital Proprietary Limited

Legal Adviser: Edward Nathan Sonnenbergs Incorporated