

RICHEMONT

COMPAGNIE FINANCIÈRE RICHMONT SA

(Incorporated in Switzerland)

(Registration number CHE-106.325.524)

("CFR" or "the Company")

Depository Receipts issued by Richemont Securities SA

Depository Receipt ISIN: CH0045159024

Depository Receipt Code: CFR

The definitions and interpretations commencing on page 4 apply mutatis mutandis throughout the Circular, including the front cover.

This Circular is important and should be read in its entirety, with particular attention to the section entitled "Action required by Depository Receipt Holders" on page 2.

If you are in any doubt as to what action you should take, please consult your Broker, banker, attorney, CSDP or other professional advisor immediately.

If you have disposed of all your Depository Receipts on or before Tuesday, 7 March 2023, this Circular should be handed to the purchaser of such Depository Receipts or to the Broker, CSDP, banker or other agent through whom the disposal was effected.

Neither CFR nor Richemont Securities SA accept responsibility nor will they be held liable for any failure on the part of the CSDP or Broker of any holder of Uncertificated Depository Receipts to notify such Depository Receipt Holder of the action required of them in respect of the Proposed Transaction and ancillary matters set out in this Circular.

Circular to Depository Receipt Holders

Relating to:

The proposed cancellation of the Depository Receipts and A Warrant Receipts and the delivery of the Relevant A Shares and Relevant A Warrants to the Relevant A Shareholders and Relevant A Warrant Holders, to be effected by way of amendments to the Deposit Agreement, which amendments require the approval of Depository Receipt Holders.

and incorporating:

A Form of Proxy (*blue*) for use by Certificated Depository Receipt Holders and "Own Name" Uncertificated Depository Receipt Holders only to exercise their vote in respect of the amendments to the Deposit Agreement.

Date of issue: Friday, 17 March 2023

Financial Advisor, Merchant Bank and Sponsor



Attorneys



CORPORATE INFORMATION AND ADVISORS

Company Secretary and Registered Office

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Financial Advisor, Merchant Bank and Sponsor

Rand Merchant Bank
(A division of FirstRand Bank Limited)
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Sandton, 2146
South Africa
(PO Box 786273, Sandton, 2146)

Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
South Africa
(Private Bag X9000, Saxonwold, 2132)

Date of incorporation

16 August 1988

Place of incorporation

Switzerland

A copy of this Circular will be made available for inspection by Depositary Receipt Holders during normal office hours from 09h00 to 17h00 from the date of distribution of this Circular on Friday, 17 March 2023 up to and including the date by which the votes must be submitted via proxy to the Transfer Secretaries being Monday, 3 April 2023, at the registered office of the Company and from the Financial Advisor, Merchant Bank and Sponsor, as well as electronically on the Company's website, www.richemont.com.

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ACTION REQUIRED BY DEPOSITARY RECEIPT HOLDERS

This Circular is important and requires your immediate attention. The action you need to take is set out below. The definitions and interpretations commencing on page 4 of this Circular have been used in this “*Action Required by Depositary Receipt Holders*” section.

If you are in any doubt as to what action to take, you should consult your CSDP, Broker, attorney or other professional advisor immediately.

Certificated Depositary Receipt Holders and “Own Name” Uncertificated Depositary Receipt Holders shall exercise their votes by delivering proxies to the Transfer Secretaries, as set out in the Form of Proxy (*blue*) attached.

Uncertificated Depositary Receipt Holders who are not “Own Name” Uncertificated Depositary Receipt Holders, shall provide their CSDP or Broker with voting instructions in accordance with the provisions of their custody agreement with their CSDP or Broker.

If you wish to Dematerialise your Depositary Receipts, please contact your Broker. If you have disposed of all your Depositary Receipts on or before Tuesday, 7 March 2023, this Circular, together with the attached Form of Proxy (*blue*), should be handed to the purchaser of such Depositary Receipts or to the Broker or other agent through whom the disposal was effected.

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 4 of this Circular have been used in the following table of Salient Dates and Times:

2023

Circular Record Date to determine which Depositary Receipt Holders are eligible to receive the Circular and Form of Proxy	Friday, 10 March
Circular and Form of Proxy distributed to Depositary Receipt Holders on	Friday, 17 March
Notice of Resolution, timetable and action required by Depositary Receipt Holders released on SENS on	Friday, 17 March
Last day to trade in order for Depositary Receipt Holders to be recorded in the Register in order to be eligible to vote by way of proxy on the Proposed Transaction	Monday, 20 March
Voting Record Date for Depositary Receipt Holders to be recorded in the Register in order to be eligible to vote by way of proxy on the Proposed Transaction	Friday, 24 March
Target date for administrative purposes to lodge Forms of Proxy at 12h00 on	Thursday, 30 March
Last day to lodge Forms of Proxy at 17h00 on	Monday, 3 April
Votes to be counted by 12h00 on	Tuesday, 4 April
Results of the vote and finalisation announcement released on SENS by 17h50 on (see note 1)	Tuesday, 4 April
Last day to trade in Depositary Receipts and A Warrant Receipts in order for Depositary Receipt Holders and A Warrant Receipt Holders to be recorded in the Register on the Transaction Record Date (" Transaction LDT ")	Tuesday, 18 April
A Shares and A Warrants listed on the JSE with share codes CFR and CFRW respectively and ISINs CH0210483332 and CH0559601544 respectively, with effect from the commencement of trading on	Wednesday, 19 April
Depositary Receipts and A Warrant Receipts suspended from trading on the JSE with effect from the commencement of trading on	Wednesday, 19 April
Announcement of cash payments in respect of fractional entitlements to Relevant A Shares and Relevant A Warrants released on SENS by not later than 11h00 on	Thursday, 20 April
Transaction Record Date on which Depositary Receipt Holders and A Warrant Receipt Holders must be recorded in the Register in order to participate in the Proposed Transaction	Friday, 21 April
Implementation of the Proposed Transaction, payment of fractional entitlements and automatic cancellation of Depositary Receipts and A Warrant Receipts	Monday, 24 April
Termination of Depositary Receipt and A Warrant Receipt listings on the JSE	Tuesday, 25 April

Notes:

1. The Transaction LDT and subsequent dates have been determined based on certain assumptions regarding the date by which i) SARB approval of the Proposed Transaction, and ii) SARB confirmation that the Relevant A Shares and the Relevant A Warrants will be recognised as domestic assets in South Africa, will be obtained. Depositary Receipt Holders will be notified of any amendment to these dates in accordance with note 2 below.
2. Depositary Receipt Holders (and A Warrant Receipt Holders, to the extent applicable) will be notified of any amendments to these Salient Dates and Times on SENS.
3. All dates and times indicated above are South African standard dates and times.
4. No cross border trading of relevant securities between the JSE and the SIX Swiss Exchange will be allowed (i) between the last day to trade in order to be eligible to vote and the Voting Record Date, and (ii) between the Transaction LDT and the Transaction Record Date.
5. If the vote is postponed, Forms of Proxy (*blue*) submitted for the vote will remain valid in respect of any such postponement.
6. No re-materialisation or Dematerialisation of Depositary Receipts or A Warrant Receipts may be effected after Tuesday, 18 April 2023.
7. The Company will retain its JSE-related statistical and trading history, following implementation of the Proposed Transaction.

DEFINITIONS AND INTERPRETATIONS

In this Circular, unless the context indicates otherwise, references to the singular include the plural and *vice versa*, words denoting one gender include the others, expressions denoting natural persons include juristic persons and associations of persons and *vice versa*, and the words in the first column have the meanings stated opposite them in the second column, as follows:

“Addendum”	the agreement amending and terminating the Deposit Agreement concluded between the Company and Richemont Securities SA on or about Thursday, 16 March 2023, which only becomes effective upon the date on which all the conditions precedent to the addendum have been fulfilled, including the condition that the Resolution is approved by Depositary Receipt Holders;
“A Shares”	A ordinary shares of par value CHF 1 each in the issued share capital of CFR, listed on the SIX Swiss Exchange as at the Last Practicable Date and to be listed on the JSE pursuant to the Proposed Transaction being implemented;
“A Warrants”	A share warrants issued by CFR to CFR shareholders holding A Shares, with a maturity date of three years and exercisable on maturity, entitling the holders thereof to acquire further A Shares under the terms of the A share warrants, which A share warrants are listed on the SIX Swiss Exchange as at the Last Practicable Date and are to be listed on the JSE pursuant to the Proposed Transaction being implemented;
“A Warrant Receipts”	A warrant receipts issued by Richemont Securities SA in respect of A Warrants deposited with Richemont Securities SA, each representing a one tenth undivided share in respect of a Relevant A Warrant, which A Warrant Receipts are listed on the JSE and are all in Dematerialised form;
“A Warrant Receipt Holders”	registered holders of A Warrant Receipts;
“Broker”	any person registered as a “broking member (equities)” in accordance with the provisions of the Financial Markets Act;
“Business Day”	any day other than a Saturday, Sunday or an official public holiday in South Africa;
“Certificated Depositary Receipts”	Depositary Receipts that are represented by Depositary Receipt certificates or other physical documents of title;
“Certificated Depositary Receipt Holders”	Depositary Receipt Holders who hold Certificated Depositary Receipts;
“CHF”	Swiss Franc, the official currency of Switzerland;
“CFR” or “the Company”	Compagnie Financière Richemont SA, a company duly registered and incorporated in accordance with the laws of Switzerland under registration number CHE-106.325.524;
“Circular”	this document, dated Friday, 17 March 2023, including its annexures and attachments;
“Circular Record Date”	the date on which a Depositary Receipt Holder must be recorded in the Register in order to be eligible to receive this Circular and Form of Proxy, being Friday, 10 March 2023;
“Citibank”	Citibank N.A, a registered bank incorporated under the National Banking Act of the United States of America, South Africa Branch, a registered branch of a foreign banking institution as provided for in the Banks Act, No 94 of 1990 (registration number 1995/007396/10), and all its subsidiaries and divisions;
“Conditions Precedent”	the conditions precedent to the Proposed Transaction, as set out in paragraph 8 of this Circular;
“CSDP”	a “participant” as defined in section 1 of the Financial Markets Act;
“Custodian”	UBS Switzerland AG, a company incorporated in Switzerland, authorised to carry out banking and investment activities;

“Dematerialise” or “Dematerialisation”	the process by which securities held by security holders are converted or held in an electronic form as uncertificated securities and recorded in a sub-register of security holders maintained by a CSDP or Broker;
“Deposit Agreement”	the deposit agreement entered into between the Company and Richemont Securities SA in 1988, superseded in 1992, amended in 2001 and in 2008, 2010, 2014 and 2020, relating to the terms governing the Depositary Receipts and the A Warrant Receipts;
“Depositary Receipts”	depositary receipts issued by Richemont Securities SA in respect of A Shares deposited with Richemont Securities SA, each representing a one tenth undivided share in respect of a Relevant A Share, which Depositary Receipts are listed on the JSE;
“Depositary Receipt Holders”	registered holders of Depositary Receipts;
“Directors”	the board of directors of the Company, acting collectively, whose names are set out on page 8 of this Circular;
“Financial Markets Act”	the Financial Markets Act, No. 19 of 2012, as amended;
“Form of Proxy”	the <i>blue</i> form of proxy attached to and forming part of this Circular, where applicable;
“Implementation Date”	<p>the date with effect from which:</p> <ol style="list-style-type: none"> 1. in the case of Uncertificated Depositary Receipts, the Uncertificated Depositary Receipt Holders shall, upon the automatic cancellation of the Depositary Receipts, become Relevant A Shareholders of the applicable number of Relevant A Shares, provided that the Depositary Receipt Holder owns 10 or more Depositary Receipts on the Transaction Record Date, as set out in paragraph 9.6 below; 2. in the case of Certificated Depositary Receipts, upon the automatic cancellation of the Depositary Receipts, a valid account with a CSDP or Broker specified by the Certificated Depositary Receipt Holder, or, in the absence of such specification, a nominee account for the benefit of the relevant Certificated Depositary Receipt Holder in Strate will be automatically credited with the applicable number of Uncertificated Relevant A Shares, provided that the Depositary Receipt Holder owns 10 or more Depositary Receipts on the Transaction Record Date, as set out in paragraph 9.6 below; and 3. in the case of A Warrant Receipts, the A Warrant Receipt Holders shall, upon the automatic cancellation of the A Warrant Receipts, become Relevant A Warrant Holders of the applicable number of Relevant A Warrants, provided that the A Warrant Receipt Holder owns 10 or more A Warrant Receipts on the Transaction Record Date, as set out in paragraph 10.5 below, <p>on the first Business Day immediately after the Transaction Record Date, expected to be Monday, 24 April 2023;</p>
“JSE”	the exchange operated by the JSE Limited, a public company duly registered and incorporated in accordance with the laws of South Africa under registration number 2005/022939/06, licensed as an exchange under the Financial Markets Act;
“Last Practicable Date”	Wednesday, 15 March 2023, being the last practicable date prior to the finalisation of this Circular;
“Own Name Registration”	the status of Uncertificated Depositary Receipt Holders who have instructed their CSDP to hold their Uncertificated Depositary Receipts in their own name on the sub-register (the list of Depositary Receipt Holders maintained by the CSDP and forming part of the Register);
“PLC Nominees”	PLC Nominees Proprietary Limited, a private company duly registered and incorporated under the laws of South Africa with registration number 1989/002235/07, all of its issued shares are held by Strate;

“Proposed Transaction”	the automatic cancellation of (i) all Depositary Receipts and subsequent delivery of Relevant A Shares to the Depositary Receipt Holders if and to the extent that they hold 10 or more Depositary Receipts on the Transaction Record Date, such that the Depositary Receipt Holders shall become Relevant A Shareholders, and (ii) all A Warrant Receipts and subsequent delivery of Relevant A Warrants to the A Warrant Receipt Holders if and to the extent that they hold 10 or more A Warrant Receipts on the Transaction Record Date, such that the A Warrant Receipt Holders shall become Relevant A Warrant Holders;
“Register”	Richemont Securities SA’s securities branch register in respect of the Depositary Receipts and the A Warrant Receipts maintained in South Africa by the Transfer Secretaries and including the Dematerialised sub-registers maintained by the CSDPs;
“Richemont Securities SA”	Richemont Securities SA, a company duly registered and incorporated in accordance with the laws of Switzerland under registration number CHE-116.367.990 and the depositary responsible for the Depositary Receipt and A Warrant Receipt programme;
“Relevant A Shares”	those A Shares held by the Custodian, for the account of Richemont Securities SA in terms of the Deposit Agreement;
“Relevant A Shareholder”	a former Depositary Receipt Holder that will hold Relevant A Shares with effect from the Implementation Date, pursuant to the implementation of the Proposed Transaction;
“Relevant A Warrants”	those A Warrants held by the Custodian, for the account of Richemont Securities SA in terms of the Deposit Agreement;
“Relevant A Warrant Holder”	a former A Warrant Receipt Holder that will hold Relevant A Warrants with effect from the Implementation Date, pursuant to the implementation of the Proposed Transaction;
“Resolution”	the resolution set out in paragraph 20 below, which is required to be passed by way of a vote via proxy in order to approve the amendments to the Deposit Agreement as contemplated in the Addendum;
“SARB”	the Financial Surveillance Department of the South African Reserve Bank;
“SARS”	the South African Revenue Service;
“SARS Ruling”	the binding class ruling obtained by Richemont Securities SA from SARS on 13 April 2022, as set out in paragraph 6.1 of this Circular;
“SENS”	the Stock Exchange News Service of the JSE;
“SIX SIS”	the central securities depository and settlement system operated by SIX SIS AG, a company incorporated in Switzerland under registration number CHE-106.842.854;
“SIX Swiss Exchange”	the stock exchange operated by SIX Swiss Exchange AG, a company incorporated in Switzerland under registration number CHE-106.787.008;
“Strate”	Strate Proprietary Limited, a private company duly registered and incorporated in accordance with the laws of South Africa under registration number 1998/022242/07, and a registered central securities depository in terms of the Financial Markets Act;
“South Africa”	the Republic of South Africa;
“Transaction LDT”	the last day to trade in Depositary Receipts or A Warrant Receipts in order for Depositary Receipt Holders or A Warrant Receipt Holders (as applicable) to be recorded on the Register on the Transaction Record Date;
“Transaction Record Date”	the date on which a Depositary Receipt Holder or A Warrant Receipt Holder must be recorded in the Register in order to be eligible to receive the Relevant A Shares or the Relevant A Warrants (as applicable), which date is expected to be Friday, 21 April 2023;

“Transfer Secretaries”	Computershare Investor Services Proprietary Limited, a private company duly registered and incorporated in accordance with the laws of South Africa under registration number 2004/003647/07;
“Uncertificated Depositary Receipts”	Depositary Receipts that have been Dematerialised or have been issued in Dematerialised form;
“Uncertificated Depositary Receipt Holders”	Depositary Receipt Holders who hold Uncertificated Depositary Receipts;
“Uncertificated Relevant A Shares”	Relevant A Shares that have been issued in Dematerialised form;
“Voting Record Date”	the date on which a Depositary Receipt Holder must be recorded in the Register in order to be eligible to vote on the Resolution by way of proxy, which date is expected to be Friday, 24 March 2023;
“VWAP”	the volume weighted average price in ZAR, being the weighted average traded price on the JSE of the A Shares or the A Warrants, as the case may be, divided by the number of relevant securities traded, on the relevant day set out in paragraph 13 below; and
“ZAR”	South African Rand, the official currency of South Africa.

RICHEMONT

COMPAGNIE FINANCIÈRE RICHEMONT SA

(Incorporated in Switzerland)
(Registration number CHE-106.325.524)
("CFR" or "the Company")
Depository Receipts issued by Richemont Securities SA
Depository Receipt ISIN: CH0045159024
Depository Receipt Code: CFR

Directors of the Company

Executive Directors

Johann Rupert
Jérôme Lambert
Burkhart Grund

Non-executive Directors

Josua Malherbe
Nikesh Arora
Clay Brendish
Jean-Blaise Eckert
Keyu Jin
Wendy Luhabe
Jeff Moss
Vesna Nevistic
Guillaume Pictet
Maria Ramos
Anton Rupert
Patrick Thomas
Jasmine Whitbread

CIRCULAR TO DEPOSITARY RECEIPT HOLDERS

1. INTRODUCTION AND BACKGROUND

- 1.1 The A Shares and the A Warrants are listed by way of a primary listing and traded on the SIX Swiss Exchange.
- 1.2 The Relevant A Shares and Relevant A Warrants are held by the Custodian for the account of Richemont Securities SA, in its capacity as depositary, in terms of the Deposit Agreement.
- 1.3 In turn, Richemont Securities SA, as the depositary of the Relevant A Shares and Relevant A Warrants in terms of the Deposit Agreement, has –
 - 1.3.1 issued Depository Receipts in respect of the Relevant A Shares, which Depository Receipts have been issued in the ratio of 10 Depository Receipts to each Relevant A Share and are listed on the JSE by way of a secondary listing; and
 - 1.3.2 issued A Warrant Receipts in respect of the Relevant A Warrants, which A Warrant Receipts have been issued in the ratio of 10 A Warrant Receipts to each Relevant A Warrant and are listed on the JSE by way of a secondary listing.
- 1.4 The terms and conditions applicable to Depository Receipts and A Warrant Receipts are set out in the Deposit Agreement entered into between Richemont Securities SA, as depositary, and the Company, as issuer. In its capacity as depositary, Richemont Securities SA holds (i) 1 Relevant A Share for every 10 Depository Receipts in issue, for the benefit of the Depository Receipt Holders, and (ii) 1 Relevant A Warrant for every 10 A Warrant Receipts in issue, for the benefit of the A Warrant Receipt Holders.
- 1.5 The Directors have determined that the Proposed Transaction will simplify the Company's share capital and listing structure, in the best interests of both the Company, the Depository Receipt Holders and A Warrant Receipt Holders. In order to implement the Proposed Transaction, it is necessary to amend the terms of the Deposit Agreement, as set out in paragraph 3 below.

2. PURPOSE OF THIS CIRCULAR

The purpose of this Circular is to provide Depository Receipt Holders with information pertaining to the Proposed Transaction in order for Depository Receipt Holders to be in a position to furnish voting instructions via proxy to the Transfer Secretaries in respect of the Resolution. In terms of the Deposit Agreement, the A Warrant Receipts are not vested with voting rights or entitlements and as such, the A Warrant Receipt Holders are not required to approve the Resolution.

3. **AMENDMENTS TO THE DEPOSIT AGREEMENT**

- 3.1 Richemont Securities SA and the Company entered into, and are parties to, the Deposit Agreement.
- 3.2 Richemont Securities SA and the Company now wish to amend the Deposit Agreement in the manner contemplated in the Addendum in order to –
- 3.2.1 (i) deliver to Depositary Receipt Holders the underlying Relevant A Shares in respect of which their Depositary Receipts have been issued such that the Depositary Receipt Holders shall from the Implementation Date be direct holders of the Relevant A Shares; (ii) procure the listing of the Relevant A Shares on the JSE; and (iii) upon surrender of such Depositary Receipts, automatically cancel and delist all Depositary Receipts from the JSE; and
- 3.2.2 (i) deliver to A Warrant Receipt Holders the underlying Relevant A Warrants in respect of which their A Warrant Receipts have been issued such that the A Warrant Receipt Holders shall from the Implementation Date be direct holders of the Relevant A Warrants; (ii) procure the listing of the Relevant A Warrants on the JSE; and (iii) upon surrender of such A Warrant Receipts, automatically cancel and delist all A Warrant Receipts from the JSE,
- provided that fractional entitlements in respect of Relevant A Shares or Relevant A Warrants (as applicable) shall be cash-settled in the manner contemplated in paragraph 13 below.
- 3.3 In terms of clause 39.1 read with clause 46 of the Deposit Agreement, no amendment or variation of the Deposit Agreement shall be effective unless it is in writing and signed by each of the parties to the Deposit Agreement (i.e. the Company and Richemont Securities SA). Furthermore, as the Proposed Transaction seeks to modify the nature of the interest of the Depositary Receipt Holders in the Company, the amendments to the Deposit Agreement shall not become effective until they have been approved by the Depositary Receipt Holders in terms of the Resolution set out in paragraph 20 below. In terms of the Deposit Agreement, this approval right is only applicable to Depositary Receipt Holders, and does not extend to A Warrant Receipt Holders who are not Depositary Receipt Holders.

4. **VOTING ON THE AMENDMENTS TO THE DEPOSIT AGREEMENT**

Approval of the Resolution by Depositary Receipt Holders requires that not less than two thirds of the votes exercised are in favour of the amendments. The votes exercised must constitute no less than one third of the total exercisable votes in respect of all the issued Depositary Receipts as at the Voting Record Date. Depositary Receipt Holders shall exercise their votes by complying with the instructions included in this Circular in the section entitled “*Action Required by Depositary Receipt Holders*”. No meeting of Depositary Receipt Holders is required in order for the Resolution to be considered and voted on. A Depositary Receipt Holder that abstains from voting on the Resolution shall be regarded as having exercised a vote against the Resolution. Any vote that is invalidly exercised shall not be regarded as a vote.

5. **SALIENT TERMS OF THE ADDENDUM**

- 5.1 The Addendum, which is required to amend the Deposit Agreement in order to implement the Proposed Transaction, is available for inspection as set out in paragraph 19 of this Circular. The salient terms of the Addendum include, *inter alia* –
- 5.1.1 the mechanics of the Proposed Transaction (as set out in paragraphs 9 and 10 below);
- 5.1.2 the automatic cancellation of the Depositary Receipts and A Warrant Receipts pursuant to their surrender in terms of the Proposed Transaction (as set out in paragraphs 9.6 and 10.5 below);
- 5.1.3 the termination of the Deposit Agreement (as amended by the Addendum) (as set out in paragraph 12 below); and
- 5.1.4 the procedure for dealing with entitlements to fractions of Relevant A Shares and Relevant A Warrants, upon implementation of the Proposed Transaction (as set out in paragraph 13 below).
- 5.2 Should the requisite majority of Depositary Receipt Holders (as set out in paragraph 4 above) vote in favour of the amendments to the Deposit Agreement as contemplated in the Addendum and the Addendum becomes otherwise unconditional, on the Implementation Date each Depositary Receipt Holder and each A Warrant Receipt Holder shall be deemed, by continuing to hold such Depositary Receipt or A Warrant Receipt (as applicable), to consent and agree to the amendments and be bound by the terms of the Addendum. Accordingly, all Depositary Receipts and A Warrant Receipts shall be cancelled automatically and Depositary Receipt Holders and A Warrant Receipt Holders will become Relevant A Shareholders and Relevant A Warrant Holders, as the case may be.

6. **SARS RULING AND TAX CONSEQUENCES FOR DEPOSITARY RECEIPT HOLDERS AND A WARRANT RECEIPT HOLDERS**

SARS Ruling

- 6.1 An advance tax ruling was provided by SARS on 13 April 2022, which ruled, *inter alia*, that:
- 6.1.1 the delivery of Relevant A Shares and Relevant A Warrants to Depositary Receipt Holders and A Warrant Receipt Holders, respectively, in terms of the Proposed Transaction will not result in any amount being included in “gross income” of the Depositary Receipt Holders or A Warrant Receipt Holders and no capital gains tax consequences will arise for the Depositary Receipt Holders or A Warrant Receipt Holders;
 - 6.1.2 the base cost of 1 A Share and 1 A Warrant will be equal to the base cost of 10 Depositary Receipts and 10 A Warrant Receipts respectively acquired;
 - 6.1.3 for the purposes of section 22 of the Income Tax Act, No 58 of 1962, the amount to be taken into account in respect of the cost price of A Shares and A Warrants held as trading stock, will be calculated with reference to the cost of acquiring the relevant Depositary Receipts and A Warrant Receipts; and
 - 6.1.4 no securities transfer tax payable in terms of the Securities Transfer Tax Act, No 25 of 2007 will be levied on the delivery of the Relevant A Shares and the Relevant A Warrants to the Depositary Receipt Holders and A Warrant Receipt Holders in terms of the Proposed Transaction.
- 6.2 The SARS Ruling is available for inspection as set out in paragraph 19 of this Circular.

Tax consequences for Depositary Receipt Holders and A Warrant Receipt Holders

- 6.3 As set out in paragraph 6.1 above, the termination of the Depositary Receipt programme, such that (1) the Depositary Receipt Holders that are taxpayers in South Africa shall (i) receive delivery of the Relevant A Shares in respect of which their Depositary Receipts have been issued such that the Depositary Receipt Holders shall from the Implementation Date be direct holders of the Relevant A Shares; and (ii) surrender and have their Depositary Receipts cancelled; and (2) the A Warrant Receipt Holders that are taxpayers in South Africa shall (i) receive delivery of the underlying Relevant A Warrants in respect of which their A Warrant Receipts have been issued such that the A Warrant Receipt Holders shall from the Implementation Date be direct holders of the Relevant A Warrants; and (ii) surrender and have their A Warrant Receipts cancelled, will not constitute a tax event for capital gains tax, income tax or securities transfer tax purposes, other than as contemplated in paragraph 6.4 below.
- 6.4 In respect of the cash payments to be made to Depositary Receipt Holders or A Warrant Receipt Holders for fractional entitlements in respect of Relevant A Shares or Relevant A Warrants (as applicable) that are to be paid in accordance with paragraph 13 below, the cash payment and surrender of the corresponding Depositary Receipts or A Warrant Receipts (as applicable) will constitute a tax event for Depositary Receipt Holders or A Warrant Receipt Holders who are taxpayers in South Africa.
- 6.5 Dividends paid by the Company will be subject to Switzerland withholding tax, currently levied at a rate of 35%. Holders of Relevant A Shares will be treated in the same manner as other holders of A Shares. Accordingly, non-Switzerland holders of Relevant A Shares may be entitled to a partial refund of the Switzerland withholding tax in accordance with the applicable tax treaties in force between the country of residence of such holders and Switzerland.

Depositary Receipt Holders and A Warrant Receipt Holders should seek advice from appropriate professional advisors if they are in any doubt whatsoever regarding their tax position.

7. **RATIONALE FOR THE PROPOSED TRANSACTION**

- 7.1 The Depositary Receipts were originally created and issued in order to facilitate South African investors' exposure to CFR, in compliance with the exchange control requirements in place at the time.
- 7.2 The Directors consider that, if implemented, these proposals will reduce administrative complexity for the Company. They will also provide greater flexibility for shareholders of the Company, whether they invest in shares traded on the JSE or the SIX Swiss Exchange, facilitate easier trading of securities in the Company for all investors and improve liquidity in the market of the Company's securities.
- 7.3 Achievement of these goals will only be possible if investors in South Africa and Europe are able to trade across markets in an efficient way in the same instrument, which requires the cancellation of the Company's Depositary Receipt programme.

8. **CONDITIONS PRECEDENT TO THE PROPOSED TRANSACTION**

The Proposed Transaction is subject to the fulfilment of the conditions precedent that by no later than 17h00 on Tuesday, 2 May 2023 or such later date as the Company and the Directors in their discretion determine,

- 8.1 the Resolution is approved by the Depositary Receipt Holders, in accordance with paragraph 4 above; and
- 8.2 the required approval of the Proposed Transaction by SARB and the confirmation from SARB that the Relevant A Shares and the Relevant A Warrants will be recognised as domestic assets in South Africa.

9. **MECHANICS OF THE PROPOSED TRANSACTION RELATING TO DEPOSITARY RECEIPTS**

- 9.1 Prior to the Implementation Date, the Relevant A Shares will continue to be reflected in a deposit account held by the Custodian or Citibank for the account of Richemont Securities SA, in its capacity as depositary in terms of the Deposit Agreement, for the benefit of the Depositary Receipt Holders.
- 9.2 Richemont Securities SA and the Company will collaborate to procure (a) that on or prior to the Implementation Date, Citibank will, directly or through an affiliate, hold all the Relevant A Shares in an account with SIX SIS; and (b) that Citibank will provide the link between the SIX SIS account, Strate and a sub-register of the Relevant A Shares held by PLC Nominees. PLC Nominees, in turn and with effect from the Implementation Date, will hold the Relevant A Shares for the benefit of the Relevant A Shareholders.
- 9.3 With effect from the Implementation Date, the Depositary Receipts shall be cancelled automatically (as set out in paragraph 9.6 below) and Strate and the relevant CSDPs shall make the necessary entries in their accounts for the benefit of the Relevant A Shareholders, to cancel the Depositary Receipts and reflect the Relevant A Shares in those accounts on the basis of 1 Relevant A Share for every 10 Depositary Receipts held by a Depositary Receipt Holder as at the Transaction Record Date.
- 9.4 The account entries contemplated in paragraphs 9.2 and 9.3 above do not amount to a change in beneficial ownership of the Relevant A Shares.
- 9.5 If the Conditions Precedent to the Proposed Transaction fails to be fulfilled, the Proposed Transaction will not be implemented.

9.6 **Automatic cancellation of Depositary Receipts**

9.6.1 Certificated Depositary Receipts:

- (i) With effect from the Implementation Date, Richemont Securities SA and the Company shall, in respect of former Certificated Depositary Receipt Holders, procure that the Transfer Secretaries reflect the Relevant A Shares in Dematerialised form in a valid account with CSDPs or Brokers specified by the former Certificated Depositary Receipt Holders, or, in the absence of such specification, in nominee CSDP accounts for the benefit of the Relevant A Shareholders, if and to the extent that they held 10 or more Depositary Receipts on the Transaction Record Date.
- (ii) Relevant A Shareholders (who were previously the holders of Certificated Depositary Receipts) that have not specified valid accounts with CSDPs or Brokers, shall only be entitled to deal in their Relevant A Shares upon having completed the necessary procedure to open accounts with CSDPs in Strate.
- (iii) Furthermore, Relevant A Shareholders (who were previously the holders of Certificated Depositary Receipts) shall not be entitled to trade in their Relevant A Shares until they have surrendered the certificate/s or other physical documents of title in respect of their relevant Depositary Receipts. The Transfer Secretaries shall contact such Relevant A Shareholders in this regard, or the Transfer Secretaries can be contacted at their Call Centre on +27(0)11 870 8216, for assistance in this regard.

9.6.2 Uncertificated Depositary Receipts:

With effect from the Implementation Date, the holders of the Uncertificated Depositary Receipts shall receive delivery of the applicable number of Relevant A Shares and become Relevant A Shareholders as intended in clause 9.3 above, if and to the extent that such Uncertificated Depositary Receipt Holder held 10 or more Depositary Receipts on the Transaction Record Date.

10. **MECHANICS OF THE PROPOSED TRANSACTION RELATING TO A WARRANT RECEIPTS**

- 10.1 Prior to the Implementation Date, the Relevant A Warrants will continue to be reflected in a deposit account held by the Custodian or Citibank for the account of Richemont Securities SA, in its capacity as depositary in terms of the Deposit Agreement, for the benefit of the A Warrant Receipt Holders.
- 10.2 Richemont Securities SA and the Company will collaborate to procure (a) that on or prior to the Implementation Date, Citibank will, directly or through an affiliate, hold all the Relevant A Warrants in an account with SIX SIS and (b) that Citibank will provide the link between the SIX SIS account, Strate and a sub-register of the Relevant A Warrants held by PLC Nominees. PLC Nominees, in turn and with effect from the Implementation Date, will hold the Relevant A Warrant for the benefit of the Relevant A Warrant Holders.
- 10.3 With effect from the Implementation Date, the A Warrant Receipts shall be cancelled automatically (as set out in paragraph 10.5 below) and Strate and the relevant CSDPs shall make the necessary entries in their accounts for the benefit of the Relevant A Warrant Holders, to cancel the A Warrant Receipts and reflect the Relevant A Warrants in those accounts on the basis of 1 Relevant A Warrant for every 10 A Warrant Receipts held by an A Warrant Receipt Holder as at the Transaction Record Date.
- 10.4 The account entries contemplated in paragraphs 10.2 and 10.3 above do not amount to a change in beneficial ownership of the Relevant A Warrants.

10.5 **Automatic cancellation of A Warrant Receipts**

With effect from the Implementation Date, the holders of the A Warrant Receipts shall receive delivery of the applicable number of Relevant A Shares and become holders of the applicable number of Relevant A Warrants as intended in paragraph 10.3 above, if and to the extent that they held 10 or more A Warrant Receipts on the Transaction Record Date.

11. **VOTING**

Following the Implementation Date, the Relevant A Shareholders holding the Relevant A Shares shall be entitled to vote in accordance with the laws of Switzerland, the Articles of Association of the Company and the rules and directives of Strate, where applicable.

In terms of the directives of Strate, Strate is to distribute announcements of the Company to all CSDPs, who are responsible for notifying their clients who are Relevant A Shareholders of all meetings of the Company and the cut-off time for submission of their voting instructions or requests for letters of representation. CSDPs must submit the relevant voting instructions to Strate on behalf of the Relevant A Shareholders. The eligible voting instructions will then be aggregated by Strate, and PLC Nominees will complete forms of proxy and submit them to the independent representative of the Company's shareholders in terms of the announcement issued by Strate. Where Relevant A Shareholders on whose behalf CSDPs hold A Shares as nominee wish to attend and vote at a meeting in person, the CSDPs must, by the cut-off time stipulated in the relevant announcement distributed by Strate, inform Strate of the requests for letters of representation. PLC Nominees will issue letters of representation to CSDPs for all their clients who are Relevant A Shareholders whose request to attend the meeting in person have been duly received by Strate before the cut-off time stipulated in the relevant announcement distributed by Strate.

12. **CANCELLATION OF THE DEPOSIT AGREEMENT AND DELISTING**

With effect from the Implementation Date, the Depositary Receipts and the A Warrant Receipts shall be cancelled, and on the Business Day immediately following the Implementation Date, the Depositary Receipts and the A Warrant Receipts shall be delisted from the JSE and the Deposit Agreement shall be terminated.

13. **FRACTIONS**

13.1 **Relevant A Shares**

Relevant A Shareholders shall not hold fractions of Relevant A Shares. If the aggregate number of the Relevant A Shares to be delivered to a Relevant A Shareholder is not a whole number, then the number of Relevant A Shares to be delivered to that Relevant A Shareholder shall be rounded down to the nearest whole number of Relevant A Shares, such that the Relevant A Shareholder does not hold a fraction of a Relevant A Share. Richemont Securities SA shall pay an amount in cash (to be notified to Depositary Receipt Holders) to Depositary Receipt Holders in lieu of their fractions of Relevant A Shares and shall, at its own risk of profit and loss, reimburse itself from the proceeds of the sale in the market of the Relevant A Shares representing the aggregate fractions. The cash amount to be paid to Depositary Receipt Holders in respect of fractional entitlements shall be determined with reference to the VWAP of the A Shares on the Transaction LDT plus 1 Business Day, less 10%.

13.2 Relevant A Warrants

Relevant A Warrant Holders shall not hold fractions of Relevant A Warrants. If the aggregate number of the Relevant A Warrants to be delivered to a Relevant A Warrant Holder is not a whole number, then the number of Relevant A Warrants to be delivered to that Relevant A Warrant Holder shall be rounded down to the nearest whole number of Relevant A Warrants, such that the Relevant A Warrant Holder does not hold a fraction of a Relevant A Warrant. Richemont Securities SA shall pay an amount in cash (to be notified to A Warrant Receipt Holders) to A Warrant Receipt Holders in lieu of their fractions of Relevant A Warrants and shall, at its own risk of profit and loss, reimburse itself from the proceeds of the sale in the market of the Relevant A Warrants representing the aggregate fractions. The cash amount to be paid to A Warrant Receipt Holders in respect of fractional entitlements shall be determined with reference to the VWAP of the A Warrants on the Transaction LDT plus 1 Business Day, less 10%.

14. ECONOMIC CONSEQUENCES FOR DEPOSITARY RECEIPT HOLDERS AND A WARRANT RECEIPT HOLDERS

Depositary Receipt Holders and A Warrant Receipt Holders will be in substantially the same economic position after implementation of the Proposed Transaction, taking into account the value of their Depositary Receipts and A Warrant Receipts prior to the implementation of the Proposed Transaction and the value of their Relevant A Shares and Relevant A Warrants together with the cash payment for any fractional entitlements, after implementation of the Proposed Transaction.

In addition, although the exercise price of the A Warrants is currently expressed as a CHF amount (i.e. CHF 67), A Warrants held through PLC Nominees will be exercisable in ZAR, as provided for in the terms of the A Warrants in the event of a termination of the Depositary Receipt programme. The ZAR amount of the exercise price will be based on the CHF/ZAR exchange rate determined using the 17h00. South African Standard Time fixing accessed through Bloomberg (BFIX) and published on the last day that is a Business Day and is also a business day in Switzerland preceding the exercise period. The implementation of the Proposed Transaction is therefore not expected to result in South African holders of A Warrants being required to hold Swiss francs to exercise their A Warrants. The Company will, directly or through its agent and, as the case may be, via CSDPs, inform South African holders of A Warrants of the applicable CHF/ZAR exchange rate, and provide them with further instructions relating to the exercise of A Warrants in ZAR.

15. MAJOR BENEFICIAL DEPOSITARY RECEIPT HOLDERS AND A WARRANT RECEIPT HOLDERS ON IMPLEMENTATION OF THE PROPOSED TRANSACTION

Insofar as it has been notified to the Company, no Depositary Receipt Holder will have a direct or indirect, beneficial interest in 5% or more of the A Shares on implementation of the Proposed Transaction.

Insofar as it has been notified to the Company, no A Warrant Receipt Holder will have a direct or indirect, beneficial interest in 5% or more of the A Warrants on implementation of the Proposed Transaction.

16. CFR SECURITIES

16.1 The table below sets out the issued securities of CFR at the Last Practicable Date.

	CHF
Issued	
522,000,000 A ordinary shares of CHF 1 each issued and fully paid	522,000,000
522,000,000 B ordinary shares of CHF 0.10 each issued and fully paid	52,200,000
1,044,000,000 A share warrants	N/A
1,044,000,000 B share warrants	N/A

16.2 The table below sets out the issued securities of CFR on implementation of the Proposed Transaction.

	CHF
Issued	
522,000,000 A ordinary shares of CHF 1 each issued and fully paid	522,000,000
522,000,000 B ordinary shares of CHF 0.10 each issued and fully paid	52,200,000
1,044,000,000 A share warrants	N/A
1,044,000,000 B share warrants	N/A

17. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors accept full responsibility for the accuracy of the information given in this Circular in relation to CFR and certify that, to the best of their knowledge and belief, no material facts have been omitted which would make any statement in this Circular false or misleading and that all reasonable enquiries to ascertain such facts have been made.

18. CONSENTS

The Company's advisors, whose names appear in the "Corporate Information and Advisors" section of this Circular have given and have not, prior to the Last Practicable Date, withdrawn their written consent to the inclusion of their names in the form and context in which they appear in this Circular.

19. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or copies thereof, will be available for inspection by Depositary Receipt Holders during normal office hours, from 09h00 to 17h00, from the date of distribution of this Circular on Friday, 17 March 2023 up to and including Monday, 3 April 2023, being the last day for lodging of Forms of Proxy, at the registered office of the Company and at the offices of the Financial Advisor, Merchant Bank and Sponsor. Copies of the following documents may also be requested electronically from the Transfer Secretaries, by emailing Charmaine.Jacobs@computershare.co.za or Charles.Lourens@computershare.co.za:

- the signed consents letters referred to in paragraph 18 above;
- a signed copy of the Deposit Agreement;
- a signed copy of the Addendum;
- a signed copy of this Circular; and
- the SARS Ruling.

20. THE RESOLUTION

The following resolution is proposed:

"Resolved that the amendments to the Deposit Agreement, as provided in the Addendum, in terms of which the Proposed Transaction is implemented whereby all Depositary Receipts and A Warrant Receipts are cancelled and Depositary Receipt Holders shall become Relevant A Shareholders and the A Warrant Receipt Holders shall become Relevant A Warrant Holders, be and are hereby approved."

As specified above, Richemont Securities SA and the Company wish to amend the Deposit Agreement to cancel the Depositary Receipts and A Warrant Receipts, such that the Depositary Receipt Holders shall become Relevant A Shareholders, and the A Warrant Receipt Holders shall become Relevant A Warrant Holders. The reason for this Resolution is that the Proposed Transaction seeks to modify the nature of the interest of the Depositary Receipt Holders in the Company and, accordingly, the amendments to the Deposit Agreement will not become effective unless they have been approved by Depositary Receipt Holders in terms of the Resolution. In terms of the Deposit Agreement, this approval right is only applicable to Depositary Receipt Holders, and does not extend to A Warrant Receipt Holders who are not Depositary Receipt Holders.

In terms of the Deposit Agreement, an approval by Depositary Receipt Holders requires that (i) not less than two thirds of the votes exercised by proxy should be in favour of the Resolution; and (ii) the votes exercised on the Resolution must constitute no less than one third of the total exercisable votes in respect of all the issued Depositary Receipts.

For and on behalf of CFR

This Circular was signed in Switzerland for and on behalf of all the Directors in terms of a resolution passed by the Directors on or about 16 March 2023.

Signed on behalf of the Directors

Burkhardt Grund

Swen Grundmann

17 March 2023

RICHEMONT

COMPAGNIE FINANCIÈRE RICHEMONT SA

(Incorporated in Switzerland)
(Registration number CHE-106.325.524)
("CFR" or "the Company")
Depository Receipts issued by Richemont Securities SA
Depository Receipt ISIN: CH0045159024
Depository Receipt Code: CFR

FORM OF PROXY

All the terms defined in the Circular, to which this Form of Proxy is attached, shall bear the same meaning when used in this Form of Proxy.

This Form of Proxy is for use only by Certificated Depository Receipt Holders or Uncertificated Depository Receipt Holders with "Own Name" Registration.

Uncertificated Depository Receipt Holders without "Own Name" Registration, are advised to provide their CSDP or Broker with their voting instructions in respect of the Resolution.

I/We

(Full name in block letters)

of

(address)

Telephone number

Cellphone number

e-mail address

being the holder of Depository Receipts issued by Richemont Securities SA, hereby appoint the Transfer Secretaries as my/our proxy to vote for me/us on my/our behalf or abstain from voting as indicated on the amendments to the Deposit Agreement, which will, in turn, result in the Proposed Transaction being implemented, subject to the provisions contained in the Deposit Agreement and the Addendum.

	For	Against	Abstain
Resolution Approval of the amendments and termination of the Deposit Agreement, as set out in the Addendum.			

A Depository Receipt Holder that abstains shall be regarded as having exercised a vote against the Resolution. Any vote that is invalidly exercised shall not be regarded as a vote.

Signed at

on

Signature/s

Name in block letters (full name if signing in representative capacity)

Assisted by (where applicable) (state capacity and full name)

Notes:

1. A Depositary Receipt Holder's instruction to the proxy must be indicated by inserting an "X" or the relevant number of Depositary Receipts in respect of which the Depositary Receipt Holder wishes to give instructions to the Transfer Secretaries in the appropriate spaces provided on the form. Failure to do so will be deemed to authorise the Transfer Secretaries to vote or abstain from voting in its discretion in respect of all his or her Depositary Receipts. A Depositary Receipt Holder is not obliged to give voting instructions in respect of all Depositary Receipts held and may give instructions to vote in respect of only part of his or her holding. The total of voting instructions given, including abstentions recorded, may not exceed the total number of Depositary Receipts held on the Voting Record Date.
2. Forms of Proxy must be received by the Transfer Secretaries c/o Computershare Investor Services Proprietary Limited, Rosebank Towers, at 15 Biermann Avenue, Rosebank, Johannesburg, 2196 (Private Bag X9000, Saxonwold, 2132) or via email at proxy@computershare.co.za, not later than 17h00 on Monday, 3 April 2023. Forms of Proxy received later than this time may be treated as invalid.
3. The authority of the person signing the Form of Proxy:
 - a. under a power of attorney; or
 - b. on behalf of a company,must be attached to this Form of Proxy unless the power of attorney has already been recorded by Richemont Securities SA or the Transfer Secretaries. If the appointer is a corporate body, the power of attorney must be signed in the manner which and by the person who binds that corporate body.
4. Where two or more persons are registered as joint holders of a Depositary Receipt, only that holder whose name appears first in the Register in respect of that Depositary Receipt may vote.
5. Any alterations made to this Form of Proxy must be initialled.