



NOTICE OF ANNUAL MEETING

Notice is hereby given that the Annual Meeting of Shareholders of Lottotech Ltd will be held at the Hilton Mauritius Resort & Spa, Wolmar, Flic en Flac, Mauritius, on Friday 27 May 2016 at 10.00 a.m.

AGENDA

1. *To consider and if thought fit to pass with or without modifications(s), the following resolution:*
"RESOLVED THAT the minutes of the last Annual Meeting of Shareholders held on 22 May 2015 be adopted as true proceedings of the Meeting."
2. To consider the Annual Report 2015 of the Company.
3. To receive the auditor's report of Messrs PwC, the auditors of the Company.
4. *To consider and if thought fit to pass with or without modifications(s), the following resolution:*
"RESOLVED THAT the audited financial statements of the Company for the year ended 31 December 2015 be hereby adopted."
5. *To consider and if thought fit to ratify, the following resolution:*
"RESOLVED THAT the payment of the final dividend declared by the Board for the financial year ended 31 December 2015 be hereby ratified."
6. *To consider and if thought fit to pass with or without modifications(s), the following resolution:*
"RESOLVED THAT the hereunder persons be appointed as Directors of the Company by way of separate resolutions, namely:
 - 6.1. Mr Friedrich Stickler¹; and
 - 6.2. Mr Paul Halpin²."
7. *To consider and if thought fit to pass with or without modifications(s), the following resolution:*
"RESOLVED THAT the hereunder persons, who were appointed to fill up a casual vacancy, be re-appointed as Directors of the Company by way of separate resolutions, namely:
 - 7.1. Mrs Banoomatee Veerasamy³;
 - 7.2. Miss Kavita Achameesing⁴;
 - 7.3. Mrs Michelle Carinci⁵; and
 - 7.4. Mr Kamben Padayachy⁶.
8. To take note that with the new Directors, the composition of the Board shall be as follows:
 - 8.1 Mr Chian Yew Ah Teck (also called Carl Ah Teck) - Non Executive Chairman
 - 8.2 Mr Alex Burstein - Non-Executive Director
 - 8.3 Mrs Banoomatee Veerasamy - Non-Executive Director
 - 8.4 Mr Chian Luck Ah Teck - Non-Executive Director
 - 8.5 Mr Chian Tat Ah Teck - Non-Executive Director
 - 8.6 Mr Cyril How Kin Sang - Non-Executive Director
 - 8.7 Mr Friedrich Stickler - Independent Non-Executive Director
 - 8.8 Mr Kamben Padayachy - Non-Executive Director
 - 8.9 Miss Kavita Achameesing - Non-Executive Director
 - 8.10 Mrs Michelle Carinci - Executive Director
 - 8.11 Mrs Narghis Bundhun - Independent Non-Executive Director
 - 8.12 Mr Paul Halpin - Independent Non-Executive Director



9. To consider and if thought fit to pass with or without modifications(s), the following resolution:

“RESOLVED THAT Messrs PwC be re-appointed as auditors of the Company until the conclusion of the next Annual Meeting and that the Board of Directors be authorized to fix their remuneration.”

10. To take note that in order to restore and protect shareholders' value, the Company has initiated action against The Gambling Regulatory Authority (“GRA”) and The Ministry of Finance and Economic Development for the unilateral breach of the conditions of Lottotech’s lottery licence, which was issued to it by the GRA in 2009, following the implementation of the year 2015 budgetary measures. *(Please refer to page 4)*

Dated 22 April 2016

By order of the Board

Gamma Corporate Services Ltd
Company Secretary

Note: Shareholders not being able to attend and vote at the Annual Meeting may appoint proxies to attend and vote on their behalf. The proxy needs not be a shareholder The instrument appointing a proxy or any power of attorney shall be deposited at the registered office of the Company, Royal Road, Chapman Hill, Beau Bassin, Mauritius, not less than twenty four hours before the day fixed for the meeting, failing which the instrument of the proxy or the power of attorney shall not be treated as valid.

The short profiles of the Directors proposed for appointment:

1. Mr Friedrich Stickler

After completing his studies at the University of Natural Resources and Life Sciences in Vienna, Friedrich worked for Casinos Austria, and he took over the management of the ship casinos and directed the Executive Secretariat. He has a rich and vast experience in the gaming and lottery industry. In 1985 Friedrich was involved as project director on the introduction of Lotto "6 out of 45" in Austria, after which he was appointed Executive Director on the Board of the Austrian Lotteries in 1986 and was promoted to the position of Deputy Managing Director in 2006. He is an Executive Member of the European Lottery Association and he has been at the vanguard of the movement that promotes preservation of a healthy regulatory framework in the European Union. He is also a member of the Austrian Federal Economic Chamber, and is responsible for the professional group Casinos Austria and Austrian Lotteries. In 2015, Friedrich was elected to the Executive Committee of the Global Lottery Monitoring System (GLMS) for sports betting, and the objective of the Committee is to combat match fixing and manipulation in international sports. Further Friedrich holds an interest for football and sports. In 2008 he was made the Honorary President of the Austrian Football Association, and has also been an Executive Member of the Austrian Olympic Committee.

2. Mr Paul Halpin

Paul Halpin is a Chartered Accountant. He is a business services entrepreneur and a former Partner at PwC Johannesburg, London and Dublin. He is widely experienced in matters of corporate governance, board effectiveness and prudential supervision of companies in regulated and non-regulated industries across international borders and in the following sectors: Financial Services, ICT, Healthcare, Real Estate, Construction, Renewables and Heavy Manufacturing. In his capacity as non-executive director, he has chaired Audit and Risk Board Committees. He is now building a portfolio of non-executive directorships.

The short profiles of the Directors proposed for re-appointment:

3. Mrs Banoomatee Veerasamy

Banoomatee Veerasamy studied law at the University of London, UK. She is a fellow of the Institute of Chartered Secretaries & Administrators. Besides, she holds BA (Hons) in Administration and a certificate in Financial Management & Banking from the University of Strathclyde in Glasgow. She has joined the State Investment Corporation Ltd in year 1985 where she held various positions. Since 2015, she is now the Acting Managing Director.

4. Miss Kavita Achameesing – (also called Jyoti Achameesing)

Jyoti holds an MSc in Investment Promotion & Economic Development from Edinburgh Napier University, Scotland, since 2013, after having completed her BA (Hons) Financial Services in 2003. She also holds a Diploma in Management and Marketing from the UK Institute of Commercial Management. Miss Achameesing is currently the Senior Administrative Finance Officer (SAFO) at the SIC.

5. Mrs Michelle Carinci

Michelle, a Canadian national, has proven leadership in operations and innovation both locally and internationally, with over 35 years' experience in the gaming industry. Prior to joining Lottotech, Michelle held the position of CEO at Atlantic Lottery Corporation, which under her leadership was recognised three times as one of Canada's Top 100 Employers. As President and CEO of the Atlantic Lottery Corporation, she developed and implemented a corporate social responsibility framework which strives to promote integrity, transparency and responsibility. Prior to joining Atlantic Lottery Corporation, she was President of Gamescape, a wholly-owned subsidiary of GTECH and a Corporate Vice President in charge of marketing and customer relations at GTECH.

She has also been recognised four times as one of the top 50 CEOs in Atlantic Canada and is an inductee into the Lottery Hall of Fame class of 2006. Michelle is also a strong promoter of responsible gaming having been one of the founding members of the Responsibility Program on behalf of the WLA. Michelle also aided in the creation of responsible gambling principles and its associated frameworks and standards which were unanimously approved by 140 organisations worldwide.

6. Mr Kamben Padayachy – (also called Ben Padayachy)

Ben started his career in 1994, in the banking sector, and over the years until September 2015, he has acquired a rich experience and exposure to the dynamics of the Mauritian economy. Ben holds an MSc Economics with specialisation in Money and Banking from Universite de Paris Dauphine and a Post-Graduate Degree in Banking and Finance.

Agenda item No. 10:

To take note that in order to restore and protect shareholders' value, the Company has initiated action against The Gambling Regulatory Authority ("GRA") and The Ministry of Finance and Economic Development for the unilateral breach of the conditions of Lottotech's lottery licence, which was issued to it by the GRA in 2009, following the implementation of the year 2015 budgetary measures.

Following the measures announced by the Minister of Finance and Economic Development in the Budget Speech 2015 and the implementation of such measures, namely the immediate ban on advertisement as from 23 March 2015, and the abolition of the Quick Win games category as from 1st July 2015, the Company's business and performance has been adversely impacted.

To assess the full impact of these budgetary measures on the Company going forward, the Board approved the appointment of consultant PwC to assist Management as follows:

- (i) In the review of Lottotech's Prospective Financial Information in view of enabling Management to establish and negotiate independently a revised contribution rate with the Gambling Regulatory Authority ("GRA") with regards to Lottotech's obligations to the Consolidated Fund ("CF"). The consultant PwC has submitted their report to the Company following its review; and
- (ii) PwC was further requested to conduct an independent review in connection with the Quick Win inventory balance as of 2nd June 2015, and severance costs payable. The consultant PwC has submitted their report to the Company following its review.

(i) Review of the contribution rate to the Consolidated Fund

In the Pricing proposal which Lottotech Ltd submitted to the State Investment Corporation, it was provided that "This bid is based on information provided by the State Investment Corporation (SIC) in the RFP and in the subsequent clarifications issued to all bidders on 23 April 2008. Should changes be forthcoming with regard to that information or the applicable legislation or regulations, Lottotech would in consultation with SIC determine the appropriate percentage of the net revenue accordingly."

In its first report on the "Review of the contribution rate to the Consolidated Fund", consultant PwC reviewed the Company's Prospective Financial Information ("PFI"), which was submitted to it by Management, and undertook an analysis of the financial projections including revenues, expenses, working capital and capital expenditure, which involved a comparison with historical operating results and expectations. PwC further analyzed additional facts and data, including those specific to the Company and the industry in which it operates, so as to be able to comment on the reasonableness of the Company's PFI. It also carried out alternative testing to assess the reasonableness of Base Line Sales, submitted by Management, and it analyzed the impact of "the Governments "Nation Zougaderes" informal campaign on the January to March 2015 sales, and the impact of the advertising ban further to the pronouncement of the National Budget on the April to June 2015 sales."

During the review, PwC noted "a significant decline in the overall Loto average weekly sale per jackpot" and that "in addition to the decline in sales, we note that the new budgetary measures to curtail gaming had impacted the share price of Lottotech."

After the reviews of all information and data, and testing of the scenarios submitted by Management, PwC recommended that for Lottotech to be able to maintain an average Profit After Tax of MUR171m over the next 5 years, the rate of the contribution to be Consolidated Fund should be in a range of 15.34% to 23.60% of net revenue.

Following PwC's report on the Review of the contribution rate to the Consolidated Fund, the Company wrote to the GRA on 10 August 2015 requesting the GRA to review the rate of contribution to the Consolidated Fund from from 46.16% of net revenue payable to a range of 15.34% to 23.60% of net revenue.

The objective of the downward revision is to ensure that Lottotech sustains the MUR171m reported level of earnings and the expected 5% yield to investors based on a share price of MUR10.00, as communicated upon its listing in 2014. The Company believes that its shareholders and stakeholders should not be penalized as a result of the changes in legislation, and that as such the contribution to the Consolidated Fund, which was set based on normal operations unaffected by the 2015 budgetary measures should therefore be revised given the adverse outlook.

(ii) Review in connection with the Quick Win inventory balance as of 2nd June 2015, and severance costs payable

(a) Abolition of Quick Win Game Category- Inventory write- off

In line with best practice of the industry regarding “Quick Win” Games, the Company had in stock scratch cards, commonly known as “*cartes a grater*”, in its store, and with all its retailers.

The Budget Speech provided that the abolition of the “Quick Win” games would be effective as from 1st July 2015.

The Company proceeded to collect all the scratch cards which were at the retailers’ stores and prepared an inventory of these cards, as well as of those in its warehouse. Furthermore, Management did the costing of these scratch cards, in as much as that amount would have been written off in the Company’s accounts. PwC carried out sample testing of the invoices to ensure the accuracy of the costs.

Following the inventory and costing, it was recorded that MUR25,789,052 has to be written off because of the abolition of the “*cartes a grater*”.

(b) Redundancy of Employees

A further consequence of the implementation of the budgetary measures is that Lottotech had to review its business model and operation.

With the Quick Win game category, the Company had in place a full team dedicated to research, design and marketing of the scratch cards.

With the abolition of the scratch cards, the Company has now to cater for only one game category, namely the weekly Lotto draw, and it was thus necessary to resize and restructure the Company and its business. This exercise resulted in making at least 1/3rd of Lottotech’s employees redundant, between July to December 2015, and the Company effected redundancy payment.

Consultant PwC reviewed the calculation of the severance paid.

Following the redundancy exercise, it is recorded that MUR5,051,456 was paid as severance for the employees made redundant.

In its action against The Gambling Regulatory Authority and The Ministry of Finance and Economic Development, the Company is asking for a review of the contribution rate to the Consolidated Fund and refund of the exceptional costs incurred for the scratch cards write-off and severance payment.

(the "Company")

Dear Sir/Madam

I/We, _____ of
 _____ being a
 shareholder of Lottotech Ltd hereby appoint Mr/Mrs/Miss
 _____, or failing him/her,
 _____ of
 _____ or failing
 him/her, the Chairman of the meeting as my/our Proxy to vote for me/us at the Annual Meeting of the
 Company to be held on Friday 27 May 2016 at 10.00 a.m. at the Hilton Mauritius Resort & Spa,
 Wolmar, Flic en Flac, Mauritius and at any adjournment thereof in the manner indicated below.

	For	Against	Abstention
1. RESOLVED THAT the minutes of the last Annual Meeting of Shareholders held on 22 May 2015 be adopted as true proceedings of the Meeting.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. RESOLVED THAT the audited financial statements of the Company for the year ended 31 December 2015 be hereby adopted.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. RESOLVED THAT the payment of interim and final dividend declared by the Board for the financial year ended 31 December 2015, be hereby ratified.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. RESOLVED THAT the hereunder persons be appointed as Directors of the Company by way of separate resolutions, namely:			
6.1. Mr Friedrich Stickler; and	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.2. Mr Paul Halpin.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. RESOLVED THAT the hereunder persons, who were appointed to fill up a casual vacancy, be re-appointed as Directors of the Company by way of separate resolutions, namely:			
7.1. Mrs Banoomatee Veerasamy;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	For	Against	Abstention
7.2. Miss Kavita Achameesing;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.3. Mrs Michelle Carinci; and	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.4. Mr Kamben Padayachy.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. RESOLVED THAT Messrs PwC be re-appointed as auditors of the Company until the conclusion of the next Annual Meeting and that the Board of Directors be authorized to fix their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signed this _____ day of _____ 2016

Signature: _____

Note: A shareholder of the company entitled to attend and vote at this meeting may appoint a proxy of his/her own choice (whether a shareholder or not) to attend and vote on his/her behalf.

Please indicate with an "x" in the space provided above as to how you wish to cast your vote. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

The instrument appointing a proxy or any general power of attorney shall be deposited to the Company Secretary, Gamma Corporate Services Ltd, at the office of the company, Royal Road Chapman Hill, Beau Bassin, Mauritius, not later than 24 hours before the meeting, failing which the instrument of proxy or the power of attorney shall not be treated as valid.