

MASSMART HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1940/014066/06)

JSE Ordinary Share code: MSM

ISIN: ZAE000029534

("Massmart")

WALMART INC.

(Incorporated in the State of Delaware, United States of America)

Traded on the New York Stock Exchange under the symbol "WMT"

(acting through its indirect wholly-owned subsidiary Main Street 830 Proprietary Limited)

(Registration number 2010/016839/07)

("Walmart")

**POSTING OF THE CIRCULAR INCLUDING A NOTICE CONVENING THE GENERAL MEETING,
RELATING TO AN OFFER BY WALMART TO ORDINARY SHAREHOLDERS OF MASSMART**

1. INTRODUCTION

- 1.1. Holders of Massmart ordinary shares ("**Ordinary Shareholders**") are referred to the joint firm intention announcement published by Massmart and Walmart on 1 September 2022 ("**Firm Intention Announcement**") regarding a proposed offer by Walmart to acquire all of the issued ordinary shares in Massmart ("**Ordinary Shares**"), other than those Ordinary Shares already held by Walmart, a subsidiary of Walmart or a treasury shareholding subsidiary of Massmart ("**Offer**") and resulting in, the delisting of all the Ordinary Shares from the main board of the securities exchange operated by the JSE Limited ("**JSE**").
- 1.2. Capitalised words and phrases in this announcement shall, unless the context indicates otherwise, bear the same meanings ascribed thereto in the Firm Intention Announcement and the Circular (defined below).

2. POSTING OF CIRCULAR

- 2.1. Ordinary Shareholders are advised that a combined offer circular issued by Massmart and Walmart setting out the full terms and conditions of the Scheme and the Standby General Offer ("**Circular**") and which contains, *inter alia*, a notice of general meeting ("**General Meeting**") will be distributed to Ordinary Shareholders today, 22 September 2022.
- 2.2. In addition, Ordinary Shareholders are advised that the final Independent Expert Report and the opinion of the Independent Board is included in the Circular.
- 2.3. Copies of the Circular may be obtained during normal business hours from the date of issue of the Circular until 10 Business Days after the Scheme Record Date or in event that the Standby General Offer is implemented, the Standby General Offer Closing Date, at Massmart's registered office. An electronic version of the Circular is also available on Massmart's website <https://www.massmart.co.za/> from today, 22 September 2022 or can be requested by email from investor.relations@Massmart.co.za.
- 2.4. Ordinary Shareholders are advised to consult the Circular for further information regarding the Offer and other related matters.

3. NOTICE CONVENING THE GENERAL MEETING

3.1. Notice is hereby given that the General Meeting will be held at Massmart's registered office, Massmart House, 16 Peltier Drive, Sunninghill Ext 6, Gauteng, 2196 at 10h00 South Africa time on Friday, 21 October 2022, to consider and, if deemed fit, approve, with or without modification, the Resolutions set out in the Notice. Ordinary Shareholders wishing to participate by means of an electronic platform at the General Meeting are referred to the Circular for details on electronic participation.

4. IMPORTANT DATES AND TIMES

The important dates and times in relation to the Offer are set out in the table below. Words and expressions in the table below and the notes thereto shall have the same meanings as assigned to them in the Circular.

Record date to determine which Ordinary Shareholders are entitled to receive the Circular on	Friday, 16 September 2022
Circular posted to Ordinary Shareholders and notice convening the General Meeting published on SENS on	Thursday, 22 September 2022
Notice of posting of the Circular and notice of General Meeting published in the South African press on	Friday, 23 September 2022
Last day to trade in Ordinary Shares in order to be recorded in the Register to attend, participate and vote at the General Meeting on (refer to note 3 below)	Tuesday, 11 October 2022
Record date for Ordinary Shareholders to be recorded in the Register in order to be eligible to attend, participate and vote at the General Meeting on	Friday, 14 October 2022
Last day and time to lodge Forms of Proxy with the Transfer Secretary by 10:00 on (refer to note 5 below)	Wednesday, 19 October 2022
Last date and time for Ordinary Shareholders to give notice to Massmart objecting to the Scheme Resolution in terms of section 164(3) of the Companies Act by 10:00 on	Friday, 21 October 2022
Forms of Proxy not lodged with Transfer Secretary to be handed to the Chairperson of the General Meeting before 10:00 on	Friday, 21 October 2022
General Meeting to be held at 10:00 on	Friday, 21 October 2022
Results of General Meeting published on SENS on or about	Friday, 21 October 2022
Results of General Meeting published in the South African press on or about	Monday 24 October 2022

If the Scheme is approved at the General Meeting:	
Last day for Ordinary Shareholders who have voted against the Scheme to require Massmart to seek Court approval for the Scheme in terms of section 115(3)(a) of the Companies Act if the Scheme is approved by Eligible Shareholders at the General Meeting but the Scheme Resolution was opposed by at least 15% of the voting rights that were exercised on the Scheme Resolution at the General Meeting (where applicable) on	Friday, 28 October 2022
Last day for Ordinary Shareholders who have voted against the Scheme to be granted leave by a Court to apply for a review of the Scheme in terms of section 115(3)(b) of the Companies Act if the Scheme Resolution is approved by Eligible Shareholders at the General Meeting (where applicable) on	Friday, 4 November 2022

Last day for Massmart to give notice of adoption of the Scheme Resolution approving the Scheme in terms of section 164(4) of the Companies Act to Dissenting Shareholders in accordance with section 164 of the Companies Act on	Friday, 4 November 2022
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If the Scheme becomes unconditional (the following dates assume that no Court approval or review of the Scheme is required and will be confirmed in the finalisation announcement if the Scheme becomes unconditional):

Expected finalisation announcement with regard to the Scheme published on SENS (assuming no Ordinary Shareholder exercises their right in terms of section 115(3)(a) or section 115(3)(b) of the Companies Act) on or about	Friday, 4 November 2022
Expected finalisation announcement published in the South African press on or about	Monday, 7 November 2022
Expected last day to trade in Ordinary Shares on the JSE in order to participate in the Scheme on or about	Tuesday, 15 November 2022
Expected suspension of the listing of the Ordinary Shares at the commencement of trade on the JSE on or about	Wednesday, 16 November 2022
Expected Scheme Record Date, being the date on which Ordinary Shareholders must be recorded in the Register to participate in the Scheme, by close of trade on or about	Friday, 18 November 2022
Expected Scheme Implementation Date on or about	Monday, 21 November 2022
Scheme Consideration expected to be sent by EFT to Scheme Participants who are Certificated Shareholders and who have lodged their Form of Surrender and Transfer with the Transfer Secretary on or prior to 12:00 on the Scheme Record Date, on or about	Monday, 21 November 2022
Dematerialised Scheme Participants expected to have their accounts with their Broker or CSDP credited with the Scheme Consideration on or about	Monday, 21 November 2022
Expected date for the termination of listing of the Ordinary Shares in terms of the Scheme at commencement of trade on the JSE on or about	Tuesday, 22 November 2022

If the Scheme does not become unconditional and the Standby General Offer is implemented:

Expected finalisation announcement published on SENS on	Friday, 21 October 2022
Expected Standby General Offer opening date on	Monday, 24 October 2022
Expected last day to trade to take up the Standby General Offer on	Tuesday, 1 November 2022
Expected suspension of the listing of the Ordinary Shares at the commencement of trade on the JSE on or about	Wednesday, 2 November 2022
Expected Standby General Offer Record Date on	Friday, 4 November 2022
Expected General Offer Closing Date on (forms to be submitted by 12:00)	Friday, 4 November 2022
Last date on which Standby General Offer Participants are expected to have their accounts with their Broker or CSDP credited with the Standby General Offer Consideration on or about	Monday, 7 November 2022
Expected last Standby General Offer payment date on	Monday, 7 November 2022
Expected termination of the listing of the Massmart Shares at commencement of trade on the JSE on	Tuesday, 8 November 2022

Notes:

1. The above dates and times may be amended by Massmart and Walmart (subject to the approval of the JSE and/or the TRP, if required). The dates have been determined based on certain assumptions regarding the date by which certain Ordinary Shareholder and regulatory approvals will be obtained and that no Court approval or review of the Scheme Resolution will be required. Any change in the dates and times will be published on SENS.
2. All dates and times quoted in this document are South African dates and times.
3. Ordinary Shareholders should note that, as transactions in the Ordinary Shares are settled in the electronic settlement system used by Strate, settlement of trades takes place three Business Days after such trade. Therefore, Ordinary Shareholders who acquire the Ordinary Shares after close of trade on Tuesday, 11 October 2022, will not be eligible to attend, participate and vote at the General Meeting.
4. For purposes of being eligible to attend, participate and vote at the General Meeting, no Dematerialisation or re-materialisation of the Ordinary Shares may take place between Wednesday, 12 October 2022 and Friday, 14 October 2022 both days inclusive.
5. A Form of Proxy not lodged with the Transfer Secretary may be handed to the chairperson of the General Meeting before the proxy exercises the voting rights of the Ordinary Shareholder at the General Meeting.
6. If the General Meeting is adjourned or postponed, a Form of Proxy submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting.
7. If the General Meeting is adjourned or postponed, Forms of Proxy that have not yet been submitted should be lodged with the Transfer Secretary by no later than 48 hours before the adjourned or postponed General Meeting but may nonetheless be handed to the chairperson of the adjourned or postponed General Meeting before the proxy exercises the voting rights of the Ordinary Shareholder at the adjourned or postponed General Meeting.
8. Should sufficient Ordinary Shareholders vote against the Scheme Resolution at the General Meeting so that a Ordinary Shareholder may require Massmart to obtain Court approval regarding the Scheme Resolution as contemplated in section 115(3)(a) of the Companies Act, and if a Ordinary Shareholder in fact delivers such a request, the dates and times set out above will need to be amended. Ordinary Shareholders will be notified separately of the applicable dates and times under this process.
9. If any Ordinary Shareholder who votes against the Scheme Resolution exercises its rights in terms of section 115(3)(b) of the Companies Act and applies to Court for a review of the Scheme, the dates and times set out above will need to be amended. Ordinary Shareholders will be notified separately of the applicable dates and times under this process.
10. For the purpose of being eligible to participate in the (i) Standby General Offer, no Dematerialisation or re-materialisation of the Ordinary Shares may take place after Tuesday, 1 November 2022 or (ii) Scheme, no Dematerialisation or re-materialisation of the Ordinary Shares may take place after Tuesday, 15 November 2022.
11. The date of payment of the Scheme Consideration is expected to be Monday, 21 November 2022 in respect of Dematerialised Shareholders and in accordance with paragraph 10.4.2 of the Circular in respect of Certificated Shareholders.
12. Ordinary Shareholders should note that the Court is open during the December holiday period to accept applications and notices in terms of sections 115 and 164 of the Companies Act.

5. AMENDMENTS TO THE FIRM INTENTION ANNOUNCEMENT

Ordinary Shareholders are advised that:

- 5.1. with effect from 1 July 2022, the JSE amended the JSE Listing Requirements as part of its Annual Improvement Project and as such, the Standby General Offer Condition relating to passing of the Delisting Resolution will need to be approved by at least 75% of voting rights exercised by Ordinary Shareholders as contemplated in Paragraph 1.16 of the JSE Listings Requirements and not 50% of the voting rights exercised by Standby General Offer Participants as previously stated in the Firm Intention Announcement; and
- 5.2. in relation to the treatment of the 2013 Share Plan, post implementation of the Proposed Transaction, the terms of the 2013 Share Plan will be amended as set out below and not as previously stated in the Firm Intention Announcement and the amended and restated implementation agreement concluded on 31 August 2022 between Massmart and Walmart has accordingly been amended in this regard:
 - 5.2.1 33.33% of the Restricted Shares shall vest to the Participants no later than two months after the Scheme Implementation Date or the Standby General Offer Implementation Date, as applicable ("**Implementation Date**"), at the Offer Consideration;

5.2.2 vesting of the remaining 66.67% of the Restricted Shares ("**Remaining Restricted Shares**") shall not accelerate on the Implementation Date but the vesting of such Restricted Shares will be accelerated after the Implementation Date, as follows:

5.2.2.1 40% of the Remaining Restricted Shares on the 1st (first) anniversary of the Implementation Date;

5.2.2.2 40% of the Remaining Restricted Shares on the 2nd (second) anniversary of the Implementation Date; and

5.2.2.3 the balance, being 20% of the Remaining Restricted Shares on the 3rd (third) anniversary of the Implementation Date,

and each such acceleration shall be settled in cash and for an amount per Share equal to the Offer Consideration;

5.2.3 the terms of the Massmart Employee Share Plan relating to the settlement of Remaining Restricted Shares and those Restricted Shares vested in the manner contemplated in paragraph 5.2.1, shall be amended to provide for settlement in cash (instead of Massmart Shares) for an amount equal to the Offer Consideration, being R62.00 per Massmart Share that a Participant would be entitled to and on the dates set out in clauses 5.2.1 and 5.2.2;

5.2.4 during Massmart's financial year ending 31 December 2022, the terms of the Massmart Employee Share Plan applicable to the Performance Shares shall continue to apply (without amendment, other than as set out in paragraph 5.2.5) and Participants shall be entitled to receive any Performance Shares awards they are entitled to receive during such financial year, subject to any applicable performance criteria being applied or the award methodology being met in accordance with the terms of the Massmart Employee Share Plan;

5.2.5 the terms of the Massmart Employee Share Plan relating to the vesting and settlement of Performance Shares awarded shall be amended to provide for any Performance Shares awarded to Participants during the financial years ending 31 December 2020, 31 December 2021 and 31 December 2022 to be settled in cash for an amount equal to the Offer Consideration, being R62.00 per Massmart Share that a Participant would be entitled to by no later than 30 April 2023. For the avoidance of doubt, the aforementioned amendments to the Massmart Employee Share Plan relating to vesting and settlement of Performance Shares will result in an acceleration of the vesting and settlement of the awards made in April 2021, September 2021 and April 2022 as the full 3 (three) year vesting cycle would not have been completed by April 2023; and

5.2.6 following the settlement of the Performance Shares as contemplated in paragraph 5.2.5, Walmart shall establish a new performance based incentive scheme in accordance with the undertaking set out in paragraph 23 of the Circular and the share scheme applicable to the Performance Shares shall be terminated. For the avoidance of doubt, the Massmart Employee Share Plan applicable to the Performance Shares shall continue to remain operative until the establishment of a new performance based incentive scheme by Walmart and any Performance Shares not yet awarded by Massmart to Participants under the current Massmart Employee Share Plan will be replaced by the new performance based incentive scheme.

5.3 The aforementioned amendments are captured in the Circular.

6. **RESPONSIBILITY STATEMENTS**

The Massmart Board and Massmart Independent Board

The Massmart Board and the Massmart Independent Board (to the extent that the information relates to Massmart) collectively and individually accept responsibility for the information contained in this announcement and certify that, to the best of their knowledge and belief, the information contained in this announcement relating to Massmart is true and this announcement does not omit anything that is likely to affect the importance of such information.

Walmart

Walmart (to the extent that the information relates to Walmart) accepts responsibility for the information contained in this announcement and certifies that, to the best of its knowledge and belief, the information contained in this announcement relating to Walmart is true and this announcement does not omit anything that is likely to affect the importance of such information.

Johannesburg

Thursday, 22 September 2022

Financial Advisor and Transaction Sponsor to Massmart

The Standard Bank of South Africa Limited

Legal and Tax Advisor to Massmart

ENSafrica

Financial Advisor to Walmart

Goldman Sachs International

Legal and Tax Advisor to Walmart

Webber Wentzel

Independent Expert to Massmart

PricewaterhouseCoopers Corporate Finance Proprietary Limited