



AfroCentric Investment Corporation Limited
(Incorporated in South Africa)
(Registration number 1988/000570/06)
JSE share code: ACT
ISIN: ZAE000078416
("AfroCentric")



Sanlam Limited
(Incorporated in South Africa)
(Registration number 1959/001562/06)
JSE share code: SLM
A2X share code: SLM
NSX share code: SLA
ISIN: ZAE000070660
("Sanlam")

JOINT ANNOUNCEMENT REGARDING THE DISTRIBUTION OF COMBINED CIRCULAR, NOTICE OF GENERAL MEETING REGARDING THE OFFER BY SANLAM TO ACQUIRE CONTROL OF AFROCENTRIC AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

Unless otherwise defined in this announcement, words and expressions contained herein shall have the same meanings as assigned to them in the Circular distributed to AfroCentric Shareholders today, Thursday, 8 December 2022 and available on AfroCentric's website (<http://www.afrocentric.za.com/inv-circulars.php>) and on Sanlam's website (www.sanlam.com/presentations).

1. INTRODUCTION

- 1.1. AfroCentric Shareholders are referred to the Firm Intention Announcement released on SENS by Sanlam and AfroCentric on Tuesday, 11 October 2022. AfroCentric Shareholders were advised that the AfroCentric Board had received a letter from Sanlam, expressing Sanlam's firm intention to acquire AfroCentric Shares from AfroCentric Shareholders constituting no less than the Minimum Shares Percentage and up to the Maximum Shares Percentage, subject to Sanlam's right, in its discretion, to (i) waive the Minimum Shares Requirement (provided Sanlam shall not acquire less than the Absolute Floor) or (ii) acquire more than the Maximum Shares Percentage (provided Sanlam shall not acquire more than the Absolute Ceiling), as applicable.
- 1.2. AfroCentric Shareholders will note that the percentage given for the Absolute Ceiling in the definition of 'Absolute Ceiling' disclosed in the Circular (namely 64.45%) differs from the percentage given for the Absolute Ceiling in the Firm Intention Announcement (namely 64.8%). The reduction from 64.8% in the Firm Intention Announcement to 64.45% in the Circular is necessitated by the fact that in November 2022, subsequent to the release of the Firm Intention Announcement, 3 089 995 AfroCentric Shares were issued to participants of the 2017 Incentive Scheme. This has the consequence that the number of AfroCentric Shares available to participate in the Partial Offer has increased. The guarantee provided by Sanlam to the TRP, as required by the Takeover Regulations, provides for a maximum cash consideration of R2 234 413 136; however, if Sanlam were to acquire 64.8% of the increased available number of AfroCentric Shares for cash in terms of the Partial Offer, the cash consideration payable by Sanlam would exceed this amount by approximately R12 000 000. In the circumstances and in order to ensure that the guarantee provided by Sanlam to the TRP is not exceeded in implementing the Partial Offer, the threshold for the Absolute Ceiling has been reduced from 64.8% to 64.45%. TRP approval for this minor amendment to the Partial Offer has been obtained.
- 1.3. In terms of section 125(3)(b)(ii) of the Companies Act, the Partial Offer Approval Resolution is required to be adopted by AfroCentric Shareholders in order for the Partial Offer to proceed.

- 1.4. The Offer Consideration is R6.00 per Partial Offer Share and will be implemented by way of a Partial Offer as contemplated in section 125(3) of the Companies Act. The Offer Consideration is payable in cash or in Sanlam Shares or a combination thereof, at the election of each Offer Participant.
- 1.5. The Partial Offer is subject to the Partial Offer Conditions Precedent, which include the adoption of the Partial Offer Approval Resolution and the Asset for Share Resolution, respectively, by the requisite voting thresholds of AfroCentric Shareholders. To the extent that the A4S Conditions Precedent (which include that the Partial Offer is implemented) are fulfilled or, if permitted, waived, AfroCentric will issue the A4S Consideration Shares to Sanlam Life immediately after the Partial Offer is implemented in exchange and as consideration for the disposal by Sanlam Life to AfroCentric of all the shares held by Sanlam Life in AHA. Sanlam Life currently holds 28.7% of AHA. The Asset for Share Transaction constitutes a category 1 transaction for AfroCentric in terms of the Listings Requirements.
- 1.6. The Proposed Transaction is constituted by both the Partial Offer and the Asset for Share Transaction.
- 1.7. Once the Proposed Transaction has been implemented:
 - 1.7.1. the Sanlam Group will hold no less than 55.0% of the AfroCentric Shares (subject to Sanlam's right to waive the Minimum Shares Requirement), made up of the Partial Offer Shares (being Sanlam's direct 36.9% holding in AfroCentric following implementation of the Partial Offer) and the A4S Consideration Shares (being Sanlam Life's direct 28.7% holding in AfroCentric following implementation of the Asset for Share Transaction); and
 - 1.7.2. AHA will be a wholly owned subsidiary of AfroCentric.
- 1.8. Sanlam has undertaken in favour of AfroCentric that, once the Proposed Transaction has been implemented, it will not increase its shareholding in AfroCentric to 75% or more without making an offer to AfroCentric Shareholders to acquire all their AfroCentric Shares (other than AfroCentric Shares held within the Sanlam Group, and Treasury Shares) in terms of section 117(1)(c)(v) of the Companies Act.
- 1.9. The implementation of the Proposed Transaction is subject to the fulfilment or, if permitted, waiver of the Partial Offer Conditions Precedent set out in the Circular and the A4S Conditions Precedent set out in the Circular.
- 1.10. For a full understanding of the Proposed Transaction, the General Meeting Resolutions which are required to be adopted and the various elections available to AfroCentric Shareholders, the Circular should be read in its entirety.

2. DISTRIBUTION OF THE CIRCULAR AND NOTICE CONVENING THE GENERAL MEETING

- 2.1. The Circular, providing full details of the Partial Offer and the Asset for Share Transaction and containing, *inter alia*, the Notice of the General Meeting of AfroCentric Shareholders, the Independent Expert Report, the recommendations of the Independent Board, the salient dates and times relating to the Partial Offer, and the necessary forms in order to effect the Partial Offer, was distributed to AfroCentric Shareholders today, Thursday, 8 December 2022.
- 2.2. Shareholders are advised that a copy of the Circular relating to the Proposed Transaction is available on AfroCentric's website (<http://www.afrocentric.za.com/inv-circulars.php>) and on Sanlam's website (www.sanlam.com/presentations).
- 2.3. The General Meeting convened in terms of the Notice of General Meeting will be held at AfroCentric Distribution Services Offices, The Greens Office Park, Building L, 26 Charles de Gaulle Crescent, Highveld Ext12 Centurion at 10:00 on Thursday, 12 January 2023, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions required to be approved by AfroCentric Shareholders in order to approve the Proposed Transaction.
- 2.4. AfroCentric Shareholders will also be able to follow the meeting remotely via a live audio webcast available on our website <https://www.corpcam.com/AfroCentricGM2022>. AfroCentric Shareholders are advised that they will not be able to vote at or participate in the General Meeting through the live audio webcast.

3. DISTRIBUTION OF THE CIRCULAR AND NOTICE CONVENING THE GENERAL MEETING

The salient dates and times relating to the Circular and the General Meeting are set out below:

Item	2022
Offer Opening Date, at 09:00 on	Friday, 9 December
	2023
Last day to trade in AfroCentric Shares in order to be eligible to attend and vote at the General Meeting	Tuesday, 3 January
Voting Record Date	Friday, 6 January
Last day to lodge Forms of Proxy (<i>blue</i>) for administrative purposes, by 10:00 on	Tuesday, 10 January
General Meeting to be held at AfroCentric Distribution Services Offices, The Greens Office Park, Building L.26 Charles de Gaulle Crescent, Highveld Ext12 Centurion at 10:00 on	Thursday, 12 January
Results of General Meeting published on SENS on	Thursday, 12 January
Partial Offer either declared unconditional as to acceptances or declared to have terminated, as applicable, by no later than	Tuesday, 14 March
Finalisation announcement, in which Partial Offer declared wholly unconditional, and any extension of the Offer Closing Date specified, published on SENS by 11h00, expected to be on	Tuesday, 14 March
<i>The following entries assume that all Partial Offer Conditions Precedent are fulfilled or, if permitted, waived by no later than</i>	<i>Tuesday, 14 March</i>
Finalisation announcement published in the press on	Wednesday, 15 March
Last day to trade in AfroCentric Shares in order to be eligible to participate in the Partial Offer, expected to be on	Tuesday, 28 March
AfroCentric Shares trade ex the entitlement to participate in the Partial Offer, expected to be on	Wednesday, 29 March
Announcement published on SENS in respect of the cash payment for Fractional Entitlements, based on the VWAP of a Sanlam Share traded on the JSE on Wednesday, 29 March 2023, discounted by 10%, expected to be on	Thursday, 30 March
Offer Closing Date, expected to be at 12:00 on <i>AfroCentric Shareholders who wish to participate in the Partial Offer must tender the AfroCentric Shares they wish to sell by this date and time and also elect the Settlement Option. If AfroCentric Shareholders do not tender their AfroCentric Shares by this date and time, such AfroCentric Shareholders will be deemed to have rejected the Partial Offer and will retain their AfroCentric Shares</i>	Friday, 31 March (unless extended by Sanlam)
Offer Record Date, expected to be on	Friday, 31 March
AfroCentric and Sanlam release a joint announcement on SENS, advising (i) whether Sanlam will acquire more than the Maximum Shares Percentage and (ii) what the Partial Offer Percentage is, expected to be on	Friday, 31 March
Results of the Partial Offer announced on SENS, expected to be on	Friday, 31 March
Results of the Partial Offer announced in the press, expected to be on	Monday, 3 April
AfroCentric and Sanlam release a joint announcement on SENS, advising (i) the 30-day VWAP of Sanlam Shares as at close of market on the Offer Record Date and (ii) the number of Sanlam Shares which will be delivered in respect of the Consideration Share Election for every 1 Partial Offer Share acquired in terms of the Partial Offer, as contemplated in paragraph 4.3 of Section B of the Circular, expected to be on	Monday, 3 April
Offer Operative Date, expected to be on	Monday, 3 April
All Partial Offer Shares credited to Sanlam's account with its CSDP or Broker, expected to be on	Monday, 3 April

Settlement date in respect of Offer Participants who are Certificated Shareholders and who have lodged their Form of Election and Surrender (<i>pink</i>) and Documents of Title with the Transfer Secretaries on or prior to the Offer Closing Date, on which date the Offer Consideration and, if applicable, Fractional Entitlements (if any) due to such Offer Participant will be settled as follows: (i) if elected to be settled wholly in cash, will be paid to the Offer Participant by EFT, or (ii) if elected to be settled wholly or partly in Sanlam Shares, will be credited to the Offer Participant's CSDP or Broker account (with the number of Sanlam Shares delivered calculated in accordance with the Share Consideration Ratio), expected to be on	Monday, 3 April
Settlement date in respect of Offer Participants who are Dematerialised Shareholders, on which date the Offer Consideration and, if applicable, Fractional Entitlements (if any) due to such Offer Participant will be credited to the Offer Participant's CSDP or Broker account (with the number of Sanlam Shares delivered, if any, calculated in accordance with the Share Consideration Ratio), expected to be on	Monday, 3 April
Effective Date, being the date on which Sanlam disposes of the A4S Shares to AfroCentric in consideration for the issue by AfroCentric of the A4S Consideration Shares, expected to be on	Monday, 3 April

Please note: the entitlement in the form of Sanlam Shares will be different for each AfroCentric Shareholder, depending on the ratio of Sanlam Shares to the Partial Offer Shares of an Offer Participant, who has elected the Consideration Share Election, calculated in accordance with the formula set out in paragraph 4.2 of Section B of the Circular.

Notes

1. All times indicated in this announcement are SAST.
2. The dates and times indicated in the table above are based on certain assumptions regarding the date by when the Partial Offer Conditions Precedent and A4S Conditions Precedent, respectively, will be fulfilled or, if permitted, waived and are therefore subject to change, subject to the approval of the JSE and/or TRP (in circumstances where such approvals are required). If the relevant dates are required to change, such changes will be announced on SENS.
3. Share certificates in respect of AfroCentric Shares may not be Dematerialised or Rematerialised between the last day to trade in AfroCentric Shares in order to be eligible to participate in the Partial Offer, expected to be on Tuesday, 28 March 2023, and the Offer Record and Offer Closing Date, expected to be on Friday, 31 March 2023, both days inclusive, during which period the certificated securities sub-register of AfroCentric's Register will be closed.
4. AfroCentric Shareholders should note that, as transactions in AfroCentric Shares are settled in the electronic settlement system used by Strate, settlement of trades takes place 3 Business Days after such trade. Therefore, persons who acquire AfroCentric Shares after the last day to trade in order to be eligible to attend and vote at the General Meeting will not be eligible to vote at the General Meeting, but may, nevertheless, participate in the Partial Offer provided that (i) the Partial Offer becomes unconditional, (ii) such person acquires AfroCentric Shares on or prior to the last day to trade in AfroCentric Shares in order to be eligible to participate in the Partial Offer (expected to be on Tuesday, 28 March 2023), and (iii) holds such AfroCentric Shares on the Offer Record Date.
5. Offer Participants should note that acceptances in respect of the Partial Offer are irrevocable except in circumstances contemplated in regulation 105(2) of the Takeover Regulations, namely if the Partial Offer (i) has not been declared wholly unconditional by midnight on the 65th Business Day after the Offer Opening Date (i.e. Tuesday, 14 March 2023), (ii) has not been declared unconditional as to acceptances, and (iii) still remains subject to other conditions. Therefore, once a Partial Offer Participant has accepted the Partial Offer, they will not be able to trade their AfroCentric Shares until the Partial Offer is implemented or, if applicable, their acceptance is withdrawn in circumstances contemplated in regulation 105(2) of the Takeover Regulations. Offer Participants who have withdrawn an acceptance of the Partial Offer in circumstances contemplated in regulation 105(2) of the Takeover Regulations may subsequently again accept the Partial Offer at any time on or prior to the last day to trade in order to be eligible to participate in the Partial Offer, expected to be on Tuesday, 28 March 2023, but should note that, in accordance with regulation 105(4) of the Takeover Regulations, they may withdraw such acceptance and re-accept the Partial Offer only once.
6. In terms of the Takeover Regulations, the Partial Offer must remain open for at least 10 Business Days after the date that it is announced that the Partial Offer is wholly unconditional.
7. Sanlam reserves the right to extend the Offer Closing Date to a later Business Day than Friday, 31 March 2023, which extension shall be announced by AfroCentric and Sanlam and which extended Offer Closing Date shall (i) be a Friday and (ii) not be earlier than 10 Business Days after the date of the announcement that the Partial Offer is unconditional. Any extension to the Offer Closing Date will affect other dates applicable to the Proposed Transaction, including the Offer Record Date, Offer Closing Date, Offer Operative Date and Effective Date. In circumstances where the Offer Closing Date is extended, an announcement will be released on SENS and published in the press with the relevant updates to the salient dates and times.

4. FOREIGN SHAREHOLDERS

- 4.1. The Proposed Transaction, including the Partial Offer and the Consideration Share Election, is governed by and will be implemented in accordance with the laws of South Africa and is subject to applicable South African laws and regulations, including the Exchange Control Regulations. These South African laws may be different from the laws applicable in other jurisdictions. Certain AfroCentric Shareholders who have a registered address in and/or who are nationals, citizens or residents of foreign jurisdictions (Foreign Shareholders) may be prohibited from electing the Consideration Share Election, whereby they elect to receive Sanlam Shares pursuant to the Partial Offer.
- 4.2. No action has been taken by AfroCentric or Sanlam to obtain any approval, authorisation or exemption to permit the settlement of the Offer Consideration in Sanlam Shares, or the possession or distribution of this Circular (or any other publicly available documents relating to the Proposed Transaction), in any jurisdiction other than South Africa.
- 4.3. All AfroCentric Shareholders who have a registered address in and/or who are nationals, citizens or residents of any country other than in the Common Monetary Area will be deemed to be Foreign Shareholders. If a Foreign Shareholder elects the Consideration Share Election, thereby electing to receive Sanlam Shares in respect of all or a portion of the Offer Consideration, such Foreign Shareholder thereby irrevocably and unconditionally warrants to and in favour of AfroCentric and Sanlam that the laws applicable in the jurisdiction in which such Foreign Shareholder has a registered address and/or of which such Foreign Shareholder is a national, citizen or resident permit such Foreign Shareholder to elect, accept and receive Sanlam Shares in respect of all or a portion of the Offer Consideration.
- 4.4. All Foreign Shareholders should consult and obtain advice from a professional advisor in the relevant jurisdiction without delay.

5. WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

- 5.1. As the final terms of the Proposed Transaction are disclosed in the Circular distributed today, AfroCentric Shareholders are no longer required to exercise caution when trading in AfroCentric Shares and the cautionary announcement is hereby withdrawn.

6. RESPONSIBILITY STATEMENT

- 6.1. The Independent Board, individually and collectively, accepts responsibility for the information contained in this announcement insofar as it relates to AfroCentric. In addition, the Independent Board confirms that, to the best of its knowledge and belief, the information contained in this announcement, as it relates to Afrocentric, is true and correct and, where appropriate, does not omit anything that is likely to affect the importance of the information contained herein pertaining to AfroCentric and that all reasonable enquiries to ascertain such information have been made.
- 6.2. The AfroCentric Board, individually and collectively, accepts responsibility for the information contained in this announcement insofar as it relates to AfroCentric. In addition, the AfroCentric Board confirms that, to the best of its knowledge and belief, the information contained in this announcement, as it relates to AfroCentric, is true and correct and, where appropriate, does not omit anything that is likely to affect the importance of the information contained herein pertaining to AfroCentric and that all reasonable enquiries to ascertain such information have been made.
- 6.3. The Sanlam Board, individually and collectively, accepts responsibility for information contained in this announcement insofar as it relates to Sanlam. In addition, the Sanlam Board certifies that to the best of its knowledge and belief, the information contained in this announcement as it relates to Sanlam, is true and correct and, where appropriate, does not omit anything that is likely to affect the importance of the information contained herein pertaining to Sanlam and that all reasonable enquiries to ascertain such information have been made.

By order of the AfroCentric Board
Johannesburg

8 December 2022

Financial Advisor and Transaction Sponsor to AfroCentric
Investec Bank Limited

Legal Advisor to AfroCentric
Norton Rose Fulbright South Africa

Independent Expert to AfroCentric Independent Board
BDO Corporate Finance Proprietary Limited

By order of the Sanlam Board
Johannesburg
8 December 2022

Exclusive Financial Advisor to Sanlam
Rand Merchant Bank, a division of FirstRand Bank Limited

Legal advisor to Sanlam
ENSAfrica

Transaction Sponsor to Sanlam
Rand Merchant Bank, a division of FirstRand Bank Limited