

WELKOM YIZANI PROPOSED TRANSACTION

WHAT IS BEING PROPOSED BY THE WELKOM YIZANI BOARD?

A Scheme of arrangement between Welkom Yizani and its shareholders is being proposed. In terms of this Scheme, Media24 Holdings is proposing to buy out all existing Welkom Yizani ordinary shareholders. Media24 Holdings is proposing to pay R15.70 per Welkom Yizani ordinary share. Should this offer be approved by a sufficient number of Welkom Yizani shareholders, the Scheme will be implemented.

WHAT IS A SCHEME OF ARRANGEMENT?

A Scheme of arrangement is an agreement between a company (in this case Welkom Yizani), acting through its board of directors, and its shareholders. A scheme can be used for different reasons including, a repurchase of shares from the shareholders either by the company itself (a repurchase) or by another company (a buyout).

The proposed Welkom Yizani Scheme is being implemented to *buy out* the existing Welkom Yizani shareholders. To do this, Media24 Holdings will acquire all the issued Welkom Yizani ordinary shares from the Welkom ordinary shareholders for a proposed offer price of R15.70 per Welkom Yizani ordinary share.

WHY IS THE WELKOM BOARD PROPOSING A SCHEME? WHAT ARE THE BENEFITS OF THE SCHEME FOR SHAREHOLDERS?

The Welkom Yizani Board believes that the Scheme provides an opportunity for value to be transferred to Welkom Yizani shareholders. In making this offer, Media24 Holdings provides Welkom Yizani shareholders with a valuable liquidity event (converting their shareholding into cash).

Media24 started the Welkom Yizani scheme 14 years ago with the best intentions when print media was flourishing. However, nobody could have anticipated the rapid decline in print advertising and circulation as advertisers and readers shifted to online platforms.

Furthermore:

- Since the end of March 2020, the impact of the Covid-19 pandemic has accelerated the decline in the Media24 print business.

- Although Media24 is transitioning its media business for a landscape that is increasingly digital and has invested in ecommerce, this will take time to deliver meaningful profits and is also not without risk.

Welkom Yizani shareholders have for many years been dissatisfied with the performance of the share price. Media24 Holding's offer provides shareholders with an opportunity to sell their shares at a price and on terms which the Welkom Yizani Independent Board believes would be higher than that achievable through an open market, piecemeal sale by individual shareholders, particularly when one has regard to the historical trading performance.

What makes it more difficult for Welkom Yizani shareholders to get value from their shares, is that there is very little movement (sales) of shares:

- Over the past few years, less than 0.01% of the shares historically traded daily on average.
- There also appears to be limited appreciation for the value of Media24 in the public market.

However - Media24 Holdings is not abandoning Welkom Yizani shareholders to their fate, but stepping in with a solution that offers shareholders a real and immediate benefit.

HOW WAS THE PURCHASE PRICE FOR THE WELKOM SHARES DETERMINED?

A valuation of Welkom Yizani assets was undertaken to derive the purchase price per Welkom Yizani share. The valuation takes into account the nature of the assets and any limitations and restrictions placed on Welkom and its shareholders in relation to the assets and shares.

The offer price of R15.70 per share has been assessed by an independent expert appointed by the Welkom Yizani Independent Board. The independent expert has expressed a preliminary view that Media24's offer is fair and reasonable to Welkom Yizani shareholders. A complete copy of the independent expert's final opinion will be included in the shareholder documents in respect of the scheme of arrangement to be distributed on 14 December 2020.

WILL I RECEIVE A PAYOUT IF THE SCHEME IS IMPLEMENTED?

Should the Scheme be approved by Welkom Yizani shareholders at the general meeting scheduled to be held on 22 January 2021, each existing Welkom Yizani shareholder, registered in Welkom Yizani's share register on 26 February 2020 will receive a payout of R15.70 per Welkom Yizani ordinary share, subject to any tax payable by such Welkom Yizani shareholder (i.e. capital gains tax).

The tax implications of the Scheme on Welkom Yizani shareholders will depend on the individual tax circumstances of each Welkom Yizani shareholder. Welkom Yizani shareholders who are in any doubt as to their tax position should seek advice from their professional advisors immediately.

WHEN THE SCHEME IS IMPLEMENTED, WHAT HAPPENS TO THE SHAREHOLDERS AND WELKOM YIZANI?

After the buyout by Media24 Holdings, Welkom Yizani shareholders will no longer own shares in Welkom Yizani. Welkom Yizani would become part of the Media24 group and would be a subsidiary of Media24 Holdings. The listing of the Welkom Yizani shares on the Equity Express Securities Exchange (**EESE**) will be terminated and Welkom Yizani will be deregistered in due course.

WHY DO I HAVE TO VOTE ON THE SCHEME?

By law, the Scheme should be approved by the support of shareholders exercising at least 75% of the voting rights exercised on the resolution by all Welkom Yizani shareholders before it can be implemented.

The Companies Act in South Africa requires that a general meeting of Welkom Yizani shareholders needs to be held in order to consider and vote on the implementation of the Scheme.

If the Scheme is not approved by a sufficient number of shareholders, it will not be implemented.

WILL THERE BE A MEETING TO VOTE?

In order for the Scheme to be considered by Welkom Yizani shareholders, a general meeting needs to be held. Given the impact of Covid-19 on in-person meetings, the general meeting to consider the Scheme is proposed to be held on 22 January 2021 by way of electronic participation like with the annual general meeting in August 2020.

Singular Systems will assist Welkom Yizani shareholders with the requirements for electronic participation in, and/or voting at, the general meeting. Welkom Yizani shareholders who wish to participate in and/or vote at the general meeting electronically are required to contact Singular Systems telephonically on **0860 12 12 24** or by email at **WelkomYizani@singularservices.co.za** as soon as possible, but in any event, and for administrative purposes only, by no later than 10:00 on Wednesday, 20 January 2021.

I WILL NOT BE ABLE TO ATTEND THE GENERAL MEETING. HOW CAN I VOTE?

The documentation in relation to the proposed Scheme that will be posted to you for the general meeting will include a Proxy form. If you are not able to attend the general meeting, you can still exercise your right to vote by completing this Proxy form in accordance with the instructions on the back of the form and sending it to the Singular Systems, Welkom Yizani's transfer secretary, before the general meeting. Your vote will then still be taken into account. You can also choose to cast your vote in one of the ways listed below under **HOW DO I VOTE**.

HOW DO I VOTE?

Welkom shareholders may vote in one of the following ways:

- Log in to their EESE shareholder account at www.eese.co.za and cast their proxy vote online, or contact Singular Systems telephonically at **0860 12 12 24** to cast their vote telephonically, not less than 48 hours (excluding Saturdays, Sundays and public holidays) before the general meeting to allow for processing. The online voting platform will be available from 09:00 on Monday, 14 December 2020 until 10:00 on Wednesday, 20 January 2021; or
- Complete and return the Form of Proxy (*yellow*) that will be sent to you as part of your documentation for the general meeting in accordance with the instructions contained therein. Welkom shareholders must ensure that the completed Form of Proxy (*yellow*) is received by Singular Systems, by no later than 48 hours before the general meeting, i.e. by 10:00 on Wednesday, 20 January 2021. The Form of Proxy (*yellow*) may also be submitted to the chairperson of the general meeting (or adjourned or postponed general meeting) at any time before the general meeting is due to commence or recommence, as the case may be, by emailing the Form of Proxy (*yellow*) to Singular Systems at **WelkomYizani@singularservices.co.za**.

WHAT HAPPENS IF I DO NOT VOTE OR DO NOT ATTEND THE GENERAL MEETING?

The votes of the other Welkom Yizani shareholders will be taken into account and if the Scheme is approved with the sufficient number of voting rights of Welkom Yizani shareholders, Welkom Yizani may proceed and implement the Scheme notwithstanding that any Welkom Yizani shareholder did not attend the general meeting or voted against the Scheme.

WHERE DO SHAREHOLDERS GET ASSISTANCE IF NEEDED?

Shareholders can call the Call Centre on **0860 12 12 24** on weekdays from 07h00 to 18h00 (excluding public holidays) or email Singular Systems at **WelkomYizani@singularservices.co.za**.

WHAT ARE THE TAX IMPLICATIONS FOR WELKOM SHAREHOLDERS WHEN THEY VOTE IN FAVOUR OF THE SCHEME?

The tax implications of the Scheme for each Welkom Yizani shareholder will depend on their individual facts and circumstances. Welkom Yizani shareholders are therefore advised to seek tax advice in their personal capacity from a qualified tax practitioner. Welkom Yizani cannot provide you with tax advice. Tax will not be deducted as part of the selling process.

HOW SOON CAN I EXPECT TO RECEIVE MY PAYOUT?

If the Scheme is implemented, Welkom shareholders may expect to receive their payments on or from Monday, 1 March 2021.

However, you will only be able to receive payment if your FICA documents – a copy of your ID/registration documents, proof of address and verified banking details – are up to date and on record with Singular Systems. To confirm and/or update your details, please call the Call Centre on **0860 12 12 24** on weekdays from 07h00 to 18h00 (excluding public holidays) or email Singular Systems at WelkomYizani@singularservices.co.za.

HOW MUCH OF MEDIA24 HOLDINGS (REFERRED TO HEREAFTER AS "MEDIA24") IS OWNED BY WELKOM YIZANI?

Welkom Yizani owns 15% of MEDIA24's ordinary shares.

WHAT WAS THE ORIGINAL OFFER PRICE?

The Welkom Yizani shares were offered to qualifying Black participants at R10 per share.

WHAT WAS THE COST OF THE MEDIA24 SHARES PURCHASED BY WELKOM YIZANI AND WHO PAID THE DIFFERENCE BETWEEN THIS AND THE OFFER PRICE?

At the inception of the Welkom Yizani original scheme in 2006, the cost of a Media24 Holdings share was R50 which was paid from the R10 subscription price per Welkom Yizani ordinary share

and the R40 difference was funded through the issue of preference shares to Naspers. Since then, Naspers has forgiven Welkom Yizani debt of R764 million. The impact of this is that the Welkom Yizani scheme is debt free.

Despite the continued structural decline in the print media industry, Media24's ongoing investment into ecommerce and the devastating economic impact of the Covid-19 pandemic, Welkom Yizani shareholders have been paid dividends of R19,78 per share since 2006. This included a special dividend of R14,79 per share when the Novus operations (previously Media24's printing operations) were unbundled from the Media24 group. In addition, if the Scheme is implemented Welkom Yizani shareholders should receive the scheme consideration of R15,70 per ordinary share.

WHY DO WE HAVE THREE NEW DIRECTORS ON THE WELKOM YIZANI BOARD?

The Welkom Yizani board has appointed three additional directors, being Mr Ashoek Hoosain Adhikari, Mrs Kgomotso Ditsebe Moroka and Mr Mooketsi Motsisi to constitute the Welkom Independent Board so that Welkom Yizani may comply with the Companies Act, which requires Welkom Yizani to appoint the Welkom Yizani Independent Board to consider and express an opinion on the Scheme and the offer price by Media24 Holdings.

WHAT FEES DO THE DIRECTORS OF WELKOM YIZANI RECEIVE?

Generally, Welkom directors receive no fees or other remuneration for their services. However, for purposes of implementing the Scheme, the Welkom Yizani board proposes that Welkom Yizani pays the following remuneration to the Welkom Independent directors (comprising of the Welkom Independent Board) for their services as directors (as marked in the table below):

Designation	Total Annually
Chairperson	R40 000
Member	R25 000

In terms of the Companies Act and the Welkom Yizani memorandum of incorporation (**MOI**), Welkom Yizani may pay remuneration to the Welkom directors for their services as directors provided that, the proposed remuneration to the directors has been approved by a special resolution of Welkom shareholders within the previous two years.

The proposal set out above is in line with the remuneration paid to non-executive directors and other non-executive office bearers of other comparable South African companies. The proposed remuneration is therefore considered by the Welkom Yizani board to be fair and reasonable and in the best interests of Welkom Yizani.

The Welkom Yizani board has accordingly sanctioned the proposal and will similarly table it for approval by Welkom shareholders at the general meeting. Naspers has consented to the proposed remuneration of the Welkom Independent directors, as required by the MOI

WHAT ARE MY WELKOM YIZANI SHARES WORTH NOW?

Welkom Yizani shares are listed on the Equity Express Securities Exchange (ESEE). The price of the shares is determined by the market of willing buyers and sellers all of which have their own opinion on the value of the shares. Please refer to the ESEE website: www.eese.co.za for the latest share price.

WHEN WILL THERE BE COMMUNICATION ABOUT THE SCHEME TO THE SHAREHOLDERS?

During December 2020, a circular containing detailed information about the proposed Scheme will be distributed to all Welkom Yizani shareholders. The circular will set out relevant details regarding the proposed Scheme, including the relevant dates and times and the process for voting in the general meeting.

The circular will also be available on the Welkom Yizani website on www.welkomyizani.co.za and at the registered office of Welkom Yizani, from 09:00 on Monday 14 December 2020 up to and including the date of the general meeting being Friday, 22 January 2021.

THE PROXY FORM HAS THE WORDS "ASSISTED BY" UNDER THE PLACE FOR MY SIGNATURE. WHAT DOES THIS MEAN?

This is a legal requirement for any shareholder who is unable to sign on their own, such as children and persons under the care of the courts.

WHY CAN I VOTE AT BOTH THE MEDIA24 AND WELKOM YIZANI GENERAL MEETINGS?

In terms of the Memorandum of Incorporation of Media24, the right to vote at the Media24 meetings in respect of the ordinary shares of Media24 held by Welkom Yizani has been delegated to the shareholders of Welkom Yizani.

PERSONAL SHAREHOLDER INFORMATION AND DOCUMENTATION

WHAT DOES THE TRANSFER SECRETARIES AND BROKER DO?

The transfer secretaries, Singular Systems, maintain the share register. The statutory information relating to shareholders' FICA (including South African ID number, bank account details and physical/postal address) and BEE status is maintained by Singular Financial Services (The Broker). The broker is also responsible for paying dividends over to shareholders.

In respect of the Scheme, Singular Systems will also be assisting shareholders with all the requirements to electronically participate at the general meeting. Singular Financial Services will be responsible for facilitating payments of the Scheme consideration to Welkom Yizani shareholders on behalf of Media24 Holdings.

I AM A SHAREHOLDER WITH A SHAREHOLDER NUMBER AND I NEED TO COURIER/POST FICA DOCUMENTATION TO THE TRANSFER SECRETARIES. WHAT ADDRESS DO I USE?

Physical: 25 Scott Street, Waverley, Johannesburg, Gauteng, 2090, South Africa

Postal: P.O. Box 1266, Bramley, 2018

HOW DO I CHECK IF MY PERSONAL, BANKING AND CONTACT DETAILS THAT WELKOM YIZANI HAS ON RECORD ARE CORRECT?

You can contact the Call Centre on **0860 12 12 24** to confirm your details.

WHAT DO I DO IF SOME OR ALL OF MY DETAILS ARE INCORRECT OR OUT-OF-DATE

Contact the Welkom Yizani Call Centre immediately on **0860 12 12 24** on weekdays from 07h00 to 18h00 (excluding public holidays) or email Singular Systems at WelkomYizani@singularservices.co.za and request the relevant form to change your details.

MY BANK ACCOUNT DETAILS HAVE CHANGED. WHAT MUST I DO?

Complete a shareholder verification form, send the form to the broker with an original certified copy of your South African identity document and a bank statement stamped by your bank or a letter on bank letterhead confirming your bank account details. Alternatively you may complete and follow the instructions on the Digital Form that can be sent to you by the broker.

MY ADDRESS HAS CHANGED. WHAT MUST I DO?

Complete a shareholder verification form and send the form to the broker with an original certified copy of your South African identity document and proof of residential address (not more than 6 months old).

HOW WILL WELKOM YIZANI ENSURE THAT PEOPLE ARE INFORMED ABOUT THE PROPOSED TRANSACTION?

During December 2020, a circular containing detailed information about the proposed Scheme will be distributed to all Welkom Yizani shareholders. The circular will set out relevant details regarding the proposed Scheme, including the relevant dates and times and the process for voting in the general meeting.

The circular will also be available on the Welkom Yizani website on www.welkomyizani.co.za and at the registered office of Welkom Yizani, from 09:00 on Monday, 14 December 2020 up to and including the date of the general meeting being Friday, 22 January 2021.