
ANNEXURE VI – TERMS OF THE B SHARES

The following terms shall apply to the B Shares in the share capital of Adcorp:

1. The B Shares shall rank *pari passu* in all respects with the Ordinary Shares, save that the right to receive Distributions which constitute Dividends, is suspended until the Trigger Date and is regulated in terms of paragraph 2, which sets out the right of the holders of the B Shares to a B Trickle Dividend. The right of the holders of the B Shares to participate in a Distribution which constitutes a Return of Capital is not limited. If a Distribution constitutes neither a Dividend nor a Return of Capital then the right of the holders of the B Shares to participate in that Distribution shall be suspended until the Trigger Date.
2. Until the Trigger Date, the B Shares shall confer on the holder thereof a right to a B Trickle Dividend calculated in accordance with the B Trickle Dividend Formula:

$$A = [(D \times B) \times H] / a$$

Where:

A = the B Trickle Dividend per B Share (expressed in Rand);

D = the amount of the total Dividends declared by the board of directors of Adcorp in the relevant financial year, expressed in Rand, but excluding, for the avoidance of doubt, any B Trickle Dividend and any consideration for the acquisition by Adcorp of any Ordinary Share;

B = the shareholding represented by the total number of B Shares in issue, expressed as a percentage of the total issued share capital of Adcorp (limited to Ordinary Shares and B Shares), it being recorded that, at the Subscription Date, B will be 15,49%;

H = the hurdle rate of earnings for the payment of B Trickle Dividends, which is determined with reference to the growth in normalised earnings per Ordinary Share, expressed as a percentage ("G"), for the relevant financial year, as published in the national press, as follows:

G – CPI ≤ 3%: H = 0;

3% < G – CPI < 8%: H = 15% (0,15 applied in the formula);

G – CPI ≥ 8%: H = 20% (0,2 applied in the formula);

CPI = the headline consumer price index for all urban areas, with the index base being 100 (one hundred) for December 2012 as published by Statistics South Africa or such other body upon whom responsibility for the determination and publication of the CPI may devolve from time to time in respect of any relevant date or period;

a = the number of B Shares in issue.

3. In the event of a rights offer to all holders of the Ordinary Shares, Adcorp shall also offer Ordinary Shares to the holders of the B Shares at the same price per Ordinary Share and on the same terms as are offered to a holder of Ordinary Shares. The number of Ordinary Shares which shall be so offered to the holders of the B Shares (pro rata to the number of B Shares held by each of them) shall be pro rata to their shareholding represented by the total number of B Shares in issue, expressed as a percentage of the total issued share capital of Adcorp (limited to Ordinary Shares and B Shares), it being recorded that the holder shall be entitled, where the rights offer is renounceable, only to renounce its rights in favour of its holding company and/or an associated company of such holding company.
4. The registered holders of the B Shares shall be entitled to:
 - 4.1 receive notice of every annual general meeting or other general meeting of the members of Adcorp; and
 - 4.2 vote at any annual general meeting or general meeting, or as contemplated in section 60 of the Companies Act, in person or by proxy, on any matter to be decided by the shareholders of Adcorp and to (one) vote in respect of each B Share held.

5. The terms of the B Shares may not be modified without the prior written consent of the holders of at least three-quarters of the B Shares.

6. On the Trigger Date:

6.1 the suspension of the rights of the holders of B Shares to participate in Distributions which constitute Dividends or Distributions which constitute neither a Dividend nor a Return of Capital shall lapse, and the B Shares shall thereafter rank *pari passu* in all respects with the Ordinary Shares; and

6.2 Adcorp shall, subject to compliance with section 46 of the Companies Act and provided that Adcorp and the holder/s of the B Shares do not agree otherwise in writing prior to the Trigger Date, redeem such number of the B Shares as is calculated in accordance with the following formula:

$$O = TB - [(B \times M) - CNTA]/P$$

Where:

O = the number of B Shares which are to be redeemed by Adcorp, rounded down to the nearest whole number (the "Redeemed Shares");

TB = the total number of B Shares in issue, it being recorded that, at the Subscription Date, TB is 16 822 849;

B = the shareholding represented by the total number of B Shares in issue, expressed as a percentage of the total issued share capital of Adcorp (limited to Ordinary Shares and B Shares), it being recorded that, at the Subscription Date, B is 15,49%;

M = the market value of Adcorp on the Trigger Date, being the 90-day volume weighted average share price of Adcorp multiplied by the total number of Ordinary Shares in issue;

CNTA = the Notional Threshold Amount ("NTA") as at the Trigger Date, which is equal to the difference between the 90-day volume weighted average share price of Adcorp (in Rands) on the day preceding the Subscription Date multiplied by the number of B Shares, and the cash amount paid by the subscribers for the B Shares, adjusted annually (at each financial year end of Adcorp) as follows:

- the NTA shall be escalated by a notional escalation factor equal to CPI (as defined in 2 above) plus 3%, compounded annually;
- the NTA will be reduced annually by an amount equal to any Distribution declared and/or paid by Adcorp in respect of the Ordinary Shares generally which would, but for the suspension of the rights associated with the B Shares as set out in these terms, have been due to the holders of the B Shares (including any Distribution which constitutes neither a Dividend or a Return of Capital), in accordance with the following formula:

$$Q = (Div - Z) \times a$$

Where:

Q = the amount by which NTA is reduced annually;

Div = an amount equal to any Distribution (other than a Distribution which constitutes a Return of Capital) declared and/or paid by Adcorp annually in respect of the Ordinary Shares generally on a per share basis (expressed in Rand) which would, but for the suspension of the rights associated with the B Shares as set out in these terms, have been due to the holders of the B Shares (including, for the avoidance of doubt, any Distribution which constitutes neither a Dividend nor a Return of Capital). Any cash payments to holders of Ordinary Shares in lieu of a capitalisation share (as contemplated in section 47 of the Companies Act) shall be included for calculation purposes but any consideration for the acquisition of Ordinary Shares shall be excluded from this amount;

Z = any B Trickle Dividend declared and paid annually to holders of B Shares on a per share basis (expressed in Rand);

a = the number of B Shares in issue;

P = the 90-day volume weighted average share price of Adcorp preceding the Trigger Date.

7. Adcorp shall redeem the B Shares in 6.2, pro rata to the number of B Shares held by each holder, by paying the Redemption Amount and shall fund the redemption of the B Shares in any manner permissible in law. Adcorp shall redeem a B Share by paying the Redemption Amount in cash to the holder. The holder must surrender to Adcorp the share certificate of the B Share concerned in order that the certificate may be cancelled.
8. After the redemption of the Redemption Shares in 6.2, any remaining B Shares shall convert into Ordinary Shares on a one for one basis. The holders must deliver all share certificates in respect of the B Shares to Adcorp. Upon receipt of the relevant share certificates (or an indemnity reasonably satisfactory to Adcorp) Adcorp shall take all steps to ensure the conversion is implemented and all appropriate resolutions are passed. If the rest of Adcorp's Ordinary Shares are listed, a listing will also be sought for these Ordinary Shares (into which the B Shares converted), subject to the approval of the relevant stock exchange.
9. Any of the following shall constitute an Early Redemption Event:
 - 9.1 in respect of WIP SPV, if WIP SPV ceases to be either:
 - 9.1.1 a wholly owned subsidiary of WIPHOLD; or
 - 9.1.2 at least 51% (fifty one percent) owned by Black People and at least 25% (twenty five percent) owned by Black Women (as those terms are defined below)and does not remedy same within 30 days of Adcorp notifying it of such cessation in writing;
 - 9.2 in respect of Simeka SPV, if Simeka SPV ceases to be either:
 - 9.2.1 a wholly owned subsidiary of Simeka; or
 - 9.2.2 at least 86% (eighty six percent) owned by Black People (as those terms are defined below)and does not remedy same within 30 days of Adcorp notifying it of such cessation in writing;
 - 9.3 in respect of any holder of B Shares, if the holder or WIPHOLD (in the case of WIP SPV's B Shares) or Simeka (in the case of Simeka SPV's shares):
 - 9.3.1 breaches any restriction in relation to the disposal or encumbrances of the B Shares;
 - 9.3.2 breaches any obligation owed to Adcorp in respect of the exercise of the voting rights on the B Shares in respect of an affected transaction or any obligation to dispose of or retain its B Shares in terms of any such affected transaction;
 - 9.3.3 breaches any written restraint undertaking or warranty in relation to competing interests and investments as at Subscription Date;
 - 9.3.4 breaches the obligation to procure that its nominee directors will attend at least 75% (seventy five percent) of the meetings of the board of Adcorp in each financial year and/or to serve on Adcorp's remuneration committee, its audit and risk committee and/or its transformation committee, if so required by Adcorp;
 - 9.3.5 breaches any written obligation to provide support to Adcorpand does not remedy same within 30 days of Adcorp notifying it of such breach in writing.
10. If an Early Redemption Event occurs, Adcorp shall redeem the Redemption Shares held by WIP SPV or Simeka SPV, as the case may be, at the Redemption Amount per B Share and shall fund the redemption of the B Shares in any manner permissible in law. Adcorp shall redeem a B Share by paying the Redemption Amount in cash to WIP SPV or Simeka SPV, as the case may be. The holder must surrender to Adcorp the share certificate of the Redemption Shares concerned in order that the certificate may be cancelled. After the redemption of the Redemption Shares in terms of this 10,

any remaining B Shares held WIP SPV or Simeka SPV, as the case may be, shall convert into Ordinary Shares on a one for one basis. The relevant holders must deliver all share certificates in respect of the B Shares to Adcorp. Upon receipt of the relevant share certificates (or an indemnity reasonably satisfactory to Adcorp) Adcorp shall take all steps to ensure the conversion is implemented and all appropriate resolutions are passed. If the rest of Adcorp's Ordinary Shares are listed, a listing will also be sought for these Ordinary Shares (into which the B Shares converted), subject to the approval of the relevant stock exchange.

11. In this Schedule, the following terms have the following meanings:

- 11.1 "Adcorp" means Adcorp Holdings Limited, registration number 1974/001804/06;
- 11.2 "B Shares" means unlisted B ordinary shares of no par value in the share capital of Adcorp having the preferences, rights, limitations and other terms set out in this Schedule;
- 11.3 "B Trickle Dividend" means the right of the holders of the B Shares to participate in Distributions which constitute Dividends calculated in accordance with the B Trickle Dividend Formula;
- 11.4 "B Trickle Dividend Formula" means the formula set out in 2;
- 11.5 "BEE Act" means the Broad-Based Black Economic Empowerment Act 53 of 2003, as at the Subscription Date;
- 11.6 "Black People" means African, Coloured or Indian persons who are natural persons and are citizens of the Republic of South Africa by birth or descent as contemplated in the BEE Act read with the Codes;
- 11.7 "Black Women" means subject to the provisions of the BEE Act and any further qualifications imposed by the Codes, female Black People;
- 11.8 "Codes" means the codes of good practice issued under the BEE Act as at the Subscription Date;
- 11.9 "Companies Act" means the Companies Act 71 of 2008, as amended from time to time;
- 11.10 "Distributions" means distributions as defined in the Companies Act;
- 11.11 "Dividend" means a dividend as contemplated in the Income Tax Act;
- 11.12 "Early Redemption Event" means an early redemption event as set out in 9;
- 11.13 "Income Tax Act" means the Income Tax Act 58 of 1962, as amended from time to time;
- 11.14 "Ordinary Shares" means ordinary shares in the share capital of Adcorp;
- 11.15 "Redemption Amount" means 2,5 cents (two and a half cents) per B Share;
- 11.16 "Redemption Shares" means all of the B Shares held by WIP SPV or Simeka SPV, as the case may be, save that, in the event of an Early Redemption Event in terms of 9.3.5, the Redemption Shares shall be such number of B Shares held by WIP SPV or Simeka SPV, as the case may be, as is determined in accordance with the following formula:

$$RS = TB - \{[(B \times M) - (CNTA \times X)]/P\} \times D\}$$

Where:

- RS = the number of B Shares which are to be redeemed by Adcorp, rounded up to the nearest whole number;
- TB = the total number of B Shares held by WIP SPV or Simeka SPV, as the case may be;
- B = the shareholding represented by the total number of B Shares held by WIP SPV or Simeka SPV, as the case may be, expressed as a percentage of the total issued share capital of Adcorp (limited to Ordinary Shares and B Shares);
- M = M as calculated in accordance with 6.2, save that references to the Trigger Date shall be construed as references to the date of the Early Redemption Event;
- CNTA = CNTA as calculated in accordance with 6.2, save that references to the Trigger Date shall be construed as references to the date of the Early Redemption Event;

- X = the shareholding represented by the total number of B Shares held by WIP SPV or Simeka SPV, as the case may be, expressed as a percentage of the total number of B Shares;
- P = P as calculated in accordance with 6.2, save that references to the Trigger Date shall be construed as references to the date of the Early Redemption Event;
- D = if the Early Redemption Event occurs:
on or before the third anniversary of the Subscription Date, 0.4;
after the third anniversary of the Subscription Date, but on or before the seventh anniversary of the Subscription Date, 0.7;
after the seventh anniversary of the Subscription Date, but prior to the Trigger Date, 0.9;
- 11.17 "Return of Capital" means a return of capital as contemplated in the Income Tax Act;
- 11.18 "Simeka" means Simeka Group Proprietary Limited (registration number 2006/013330/07);
- 11.19 "Simeka SPV" means Thornbird Trade and Invest 33 Proprietary Limited (registration number 2007/005509/07);
- 11.20 "Subscription Date" means the date on which the B Shares are issued to the holders;
- 11.21 "Trigger Date" means the date which is the earlier of the 10th anniversary of the Subscription Date and the date on which the NTA (as defined in 6) becomes zero;
- 11.22 "WIP SPV" means WIPHOLD Financial Services Number Two Proprietary Limited (registration number 2005/006441/07);
- 11.23 "WIPHOLD" means Women Investment Portfolio Holdings Limited (registration number 1996/001291/06).