

SANLAM LIMITED  
(Incorporated in the Republic of South Africa)  
(Registration number: 1959/001562/06)  
JSE share code: SLM  
NSX share code: SLA  
ISIN: ZAE000070660  
("Sanlam")

AFROCENTRIC INVESTMENT  
CORPORATION LIMITED  
(Incorporated in the Republic of South Africa)  
(Registration number: 1988/000570/06)  
JSE Code: ACT  
ISIN: ZAE000078416  
("AfroCentric" or "ACT")

## **JOINT UPDATE ANNOUNCEMENT REGARDING THE SUBSCRIPTION FOR SHARES BY SANLAM IN A WHOLLY OWNED SUBSIDIARY OF AFROCENTRIC**

### **1. Introduction**

Shareholders are referred to the detailed joint announcement published on the Stock Exchange News Service ("**SENS**") on 30 September 2014 and the update set out under "Recent Developments" in AfroCentric's interim financial results dated 30 March 2015, wherein they were advised that AfroCentric had accepted an offer from Sanlam in terms of which Sanlam, or its nominee, would subscribe for a 28.7% interest in the issued share capital of ACT Healthcare Assets Proprietary Limited ("**AHA**") a wholly owned subsidiary of AfroCentric, which owns 94.1% of AfroCentric Health Limited ("**AHL**"). AHL owns 100% of Medscheme Holdings Proprietary Limited.

Shareholders are further referred to the AfroCentric announcement published on SENS on 30 September 2014, wherein they were advised of the acquisition by AfroCentric of certain assets ("**the WAD Assets**") owned by WAD Holdings Proprietary Limited ("**WAD**") and the subsequent transfer of the WAD Assets to AHA ("**WAD Transaction**"). The consideration payable for the WAD Assets will be satisfied substantially through the issue of ACT shares. The WAD Transaction agreements have been signed and the parties are in the process of facilitating the completion of the suspensive conditions to those agreements including final Competition Commission approval.

Shareholders are formally advised that AfroCentric and Sanlam have, on 4 June 2015, concluded subscription, shareholder, relationship and co-operation agreements (collectively "**Subscription Agreements**") in terms of which Sanlam, or its nominee, will subscribe for a 28.7% interest in the issued share capital of AHA ("**Subscription**") for an initial cash subscription price of R593.74 million if the WAD Transaction is not implemented on or before the date of the Subscription ("**Subscription Date**"), and will increase by R109.26 million ("**Further Subscription**") to R703 million when the WAD Transaction is implemented, provided that no material adverse change, as defined in the Subscription Agreements, shall have occurred between the Subscription Date and the date of implementation of the Further Subscription. The Subscription and Further Subscription are collectively the "**Sanlam Investment**".

The Subscription and the WAD Transaction are not inter-conditional and each will be implemented independently of the other.

## **2. Suspensive conditions to the Subscription Agreements**

2.1 The Sanlam Investment is subject to the fulfilment or waiver of, inter alia, the following outstanding suspensive conditions on or before 31 August 2015, or such later date as may be agreed between the parties: the parties shall have obtained the necessary regulatory approvals including, Competition Tribunal approval; and

2.2 a circular and notice of general meeting shall have been dispatched by AfroCentric to its shareholders and the resolutions required to approve the Sanlam Investment shall have been passed at a general meeting of AfroCentric shareholders.

## **3. Categorisation of the Sanlam Investment**

In the case of AfroCentric, the Sanlam Investment is categorised as a Category 1 transaction in terms of the JSE Limited Listings Requirements and requires approval of AfroCentric shareholders. A circular incorporating a notice convening a general meeting of AfroCentric and setting out information regarding the Sanlam Investment ("**Circular**") is being prepared. It is expected that the Circular will be despatched to AfroCentric shareholders by mid-July 2015.

In the case of Sanlam, the Sanlam Investment is below the Category 2 threshold and this announcement is made on a voluntary basis.

Johannesburg  
4 June 2015

Sponsor to AfroCentric  
Sasfin Capital (a division of Sasfin Bank Limited)

Corporate Advisor to AfroCentric  
Sinergi Corporate Advisors (Proprietary) Limited

Joint Legal Advisor to AfroCentric  
HR Levin Attorneys, Notaries and Conveyancers

Joint Legal Advisor to AfroCentric  
Rothbart Ingham Incorporated

Sponsor to Sanlam

Deutsche Securities (SA) Proprietary Limited

Legal Advisor to Sanlam  
Glyn Marais Incorporated