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## **New Shareholder Proposal**

### **INTRODUCTION**

Provincial Media Economist would like to introduce Africa TALK, the first publication of its kind in South Africa that is aimed at the African Community that has migrated to south Africa or is exiled here. It also intends to be of benefit to the Business Community interested in following development events in the Continent. This weekly publication occupies a gap in the market place that is two fold: It informs exiled Africans of development and opportunities back in their home countries while at the same time informing South Africans of the same and helping to network Africans in the process. It focuses more on guiding its readership to opportunities and reports there of, rather than politics and political squabbles in the countries concerned as there is a lot of coverage on that front already.

The publication carries a thick mix of economic development and business news, guidelines and advice, including travel and tourism related features with a bias towards government programs (local to provincial level), community news (Development & Social), health (HIV & AIDS) and also captures general social and networking scenes.

There are regular features on the State of each Country's Economy, national and local Governance in relation to encouraging economic growth, diversification and the creation of a climate for investment and job creation.

Major economic drivers like the mining, agriculture and the tourism industries are regular features, including enabling sectors like national, provincial and local governments, finance, economic, transport and labour ministries.

There are also regular features on companies that play a positive role in the development of particular countries, including profiles of business movers and shakers there. South Africa being part of the African continent and an important player for that matter, it works well for it to be the host for such a publication. Besides, South Africa has a lot of its own stories to tell and other countries can learn from them.

This in most cases is done through Supplements that are pull out publications inside the main newspaper. Each supplement comes with its own advertising that is specific to the subject and focus of the supplement. In some cases, if the supplement gets a platinum sponsor, the supplement gets branded with the platinum sponsor logos and colours.

Pullouts are popular with government and big corporate companies where by when they have an event, our photographers and journalists cover the event and a 4 page pullout is designed to give a special highlight on the event and sold to the client to be published inside the publication. Alternatively, the client can provide the photographs and content to be used.

The weekly publication will hit the streets on Wednesday 17 February 2010 and the boardroom launch will be on Friday 19 March 2010. The boardroom launch will be attended by business people or representatives of businesses that have an interest in African opportunities, ambassadors, advertising agencies, NGO's and other strategic people from the continent based South Africa. The second launch will be attended by the General

exiled Community at a bigger venue as a celebration. Other media will be invited.

Africa TALK will come out every Wednesday morning to prepare the community in good time to plan their weekend trips and initiate positive contacts to set the tone for the following week. As a start, 30 000 copies of the publication will be printed every week and sold for R5. Monthly staggered increases in the print run are in the plan. The copies will be distributed across South Africa through our street sellers (as have been identified) feeding into the various exile communities and will overlap to Zimbabwe and Botswana.

#### EMPOWERMENT

We have identified unemployed youths as street sellers in all the major towns with groups of exiled communities as well as areas with targeted South African communities, who will sell for us. As an empowerment measure, from the R5 cover price, our street sellers keep R2.00 for every copy sold. The goal is to assist these street sellers to develop regular networks of readers every week so as to feed into those network there by having a constantly growing income from established readers. We are working on compiling a database of the people that will subscribe with our street, flat and house sellers so that we can also empower our advertisers as they will know the living standards of the people that they are communicating with in the major towns of South Africa and other targeted countries.

Also identified in these towns are freelance journalists and marketing agents, another empowerment measure. Complimentary copies of the paper will be sent to all Embassies in South Africa.

Africa TALK has a number of shares available to interested individuals to induce syndicated finance.

This kind of finance will enable a steady expansion through increased print runs every week from the current 10,000 copies to be printed each week (40 000 per month). This will stretch the publication to new markets and advertising sponsors. Africa TALK has decided to issue out bearer share certificates to raise the necessary cash from interested private individuals or companies. The Directors of Africa TALK have availed themselves to work hard to make sure that the dividend payouts to our shareholders are above average.

The company at the moment has been evaluated at R480 000. The Publisher will retain 52% (R249,600) and 48% (R230,400) is up for grabs! Several presentations are being done to targeted individuals and companies and there are signs that this will be a fast sell and it will be important for anyone interested to do the necessary commitments.

The cut off period will be as soon as the last share is sold. The company will not oversell the available stock! To be on the reserved shares list, you need to sign a letter of commitment or pay a commitment deposit. This will ensure that you do not loose out!

<b>Amount</b>	<b>Collective%</b>	<b>Individual %</b>	<b>Available</b>	<b>Taken</b>	<b>Balance</b>	<b>Total Capital</b>
230,000	48%	48%	230,000	80,000	158,000	R230,000
<b>Total</b>	<b>48%</b>					<b>R230,000</b>

***NB:** Calculations as at 10 March 2010*

*Shares at R1.00 each*

#### Other Information

Every month, ALL shareholders will get a financial report on the performance as well as announcements and developments and future plans of the company. Directors and Shareholder meetings will be announced in writing to all directors and shareholders a month before the meeting date. All shareholders will have a free subscription to the newspaper every week and any share holder that wishes to advertise with the publication will be entitled to one free advert per month not bigger than one quarter (1/4) page and all other adverts will be less 50% from the retail rate card.

### Dividend Payout Example

The table below assumes a R200 000 dividend and payouts depending on percentage shareholding:

Amount	Collective %	Individual %	# of Units	Total Capital	Combined	Estimate Payout
230,000	48%	48%	1	230000		R 96,000
5000		1.04%	46	230000		R 2,080
10000		2.08%	23	230000		R 4,160
20000		4.16%	11.5	230000		R 8,320
<b>Total</b>	48%					

**Declared Dividend (Assumption) R 200,000**

### Annual Dividend Growth (Valuation Schedule)

Besides the declared dividend (which will be at least twice a year) an amount will be declared that will be ploughed back to the business to grow the original value of the shares. E.g. if **R200,000.00** is declared for plough back, in the original instance, the total value of the company will increase from **R480,000.00** to **R680,000.00**. The original share value being R1.00 (480,000 shares) it will increase to R1.4166 per share (480 000 shares). To get the new value of your investment:

***R1.4166 x Number of shares.***

***E.g. 1.4166 x 5000 shares = R7,083.00 from the original R5,000***

If as a share holder you wish to sell all or part of your shares, refer to section 3 (Right Of First Refusal) in the shareholder agreement.

### Nomination of Shareholders to Board

When a shareholder communicates with the company with the apparent intention to nominate himself or herself to the company's board, that communication often is ambiguous regarding whether the shareholder seeks to have a proposal included in the proxy statement or merely intends to provide the company with notice of its intention to be nominated to the board.

Africa TALK will permit shareholders to nominate themselves orally for board membership at an annual shareholders' meeting. This right will be coupled with a requirement that the shareholder provide advance notice. A written communication should be sufficient to address this issue and a deep discussion on procedure is in the Shareholders Agreement (*attached*).

A draft shareholders' manual is being developed and will be circulated amongst shareholders and will be discussed in the first Shareholders' meeting to be held at a date to be announced to shareholders in writing.

### Procedure

You can use your own lawyer to finalise this transaction. If you do not have, Sibongile Ngobeni Attorneys have been appointed by the Directors of Africa TALK Newspaper to assist to handle share transactions. All pending share certificates and agreements are held by the above attorneys pending finalisation.

**Sibongile Ngobeni Attorneys:** 10<sup>th</sup> Floor – Meubel Sentrum Building  
Cnr. Kerk & Mooi  
Johannesburg, 2001  
Tel: 011 337 8143 / 082 253 6869

### Banking Details:

**Provincial Media Economist**  
SA Bank of Athens  
A/c #: 4000 375 0686  
Branch: 410700

Welcome aboard the plane to a totally independent media campaign.

We hope that the above proposal receives your urgent attention. However, we are hoping for a follow up meeting that will give us a chance to answer any questions that you may have.

Yours sincerely

A handwritten signature in black ink, appearing to read 'AM' or similar initials, with a long, thin vertical stroke extending downwards from the bottom of the signature.

Austin Menzies Moyo Snr.  
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