

STADIO



STADIO KHULISA STUDENT SHARE SCHEME – FAQ

Who is STADIO Holdings?

STADIO Holdings is a company listed on the Johannesburg stock Exchange (JSE) and owns three prestigious private higher education institutions, namely STADIO, AFDA and Milpark Education.

What does it mean to be a shareholder?

A shareholder is someone who owns shares in a company and is therefore an owner of that company.

What is the price of a share?

The share price fluctuates daily dependent on 1. the performance of a company (i.e., some factors considered when evaluating a company's performance include, but are not limited to, whether the company is making a profit or whether the company's business is growing); and 2. the demand and supply of the shares on the JSE (i.e., how many people are buying and selling the shares, or stock). Therefore, share prices do change throughout the day.

How much do I have to pay for the shares I receive from STADIO, on my graduation?

STADIO is purchasing the shares on the market on behalf of the student and therefore there is no cost to the student to receive the shares. When the student sells the shares in future, there will be a minor trading fee (brokerage fee) that gets charged by the broker and can be netted off the total amount received on sale.

What benefits do I have as a shareholder?

Should the share price increase over time, your investment in the company increases and you will see the value of your shares going up (i.e., if the share price was R3 when you received your shares and the share price goes up to R4, you have made a profit on your shares of R1 per share owned). In addition, as a shareholder you get to vote on decisions that the company makes at the annual general meeting of the company.

Should STADIO Holdings declare a dividend, you will be entitled to receive such dividend. Should a dividend be declared during the lock-in period, this dividend will be paid to you upon vesting of your award.

Can the value of my shares go down?

Yes. The share price fluctuates daily and may go up or down.

Who qualifies to receive shares on graduation?

Students who graduate from a postgraduate qualification (i.e., NQF 8, NQF 9, NQF 10 or honours, postgraduate diplomas, postgraduate degrees, masters, doctorates) at STADIO, AFDA or Milpark Education.

I previously graduated with a postgraduate qualification from STADIO, AFDA or Milpark Education; do I qualify for shares?

Unfortunately, not. The STADIO Khulisa Student Share Scheme was launched in October 2021, and only applies to all students graduating from one of the STADIO Holdings' institutions from October 2021, onwards.

Why are shares not offered to students graduating from other qualifications within the STADIO Group, i.e., undergraduate degrees?

STADIO is repurchasing shares on the open market using its own cash reserves and therefore, STADIO cannot responsibly afford to purchase more shares on the open market, whilst balancing its shareholders' expectations and offering quality education to its students.

Why doesn't STADIO Holdings issue new shares to students?

STADIO respects its current shareholders and does not want to dilute their existing shareholding because of this scheme.

How many shares do I receive on graduation?

Each graduate will receive shares totalling a set Rand value. The number of shares will vary because the market price of the shares fluctuates and STADIO is repurchasing shares on the JSE to give to its students.

What is the value of the shares I receive?

Initially, all students will receive shares valued to a total of R1,000 per person. This value is subject to change going forward.

Can I purchase shares in STADIO Holdings outside of this scheme?

Yes.

STADIO Holdings shares are listed on the stock exchange under the "ticker" name SDO. You can usually purchase shares through a broker, through your bank, or contact the JSE Investor Services ("JIS") who have also partnered with STADIO. Investec in conjunction with JIS is facilitating and managing this share scheme for STADIO.

I have never bought shares and do not understand how this share scheme works or how to trade in shares.

STADIO will be offering short-learning courses and webinars as part of this initiative, free of charge, to these graduates, to upskill them and support them in understanding this world of investing.

In addition, you can contact STADIO at shares@stadio.co.za with any questions you may have.

Why are you giving graduates shares?

STADIO is committed to empowering its students beyond a quality, sought-after qualification, and wants to partner with its students as owners of STADIO going forward. This is STADIO's first step in distributing wealth to its students, with the aim of educating and introducing its graduates in how one would invest on the stock exchange going forward, facilitating an easy trading experience for its graduates.

If I study a second or third postgraduate degree with one of the STADIO Group institutions, will I still qualify to receive shares on graduation?

Yes. You will receive shares on graduating from all postgraduate qualifications. For example, should you study further and complete your masters and doctorate, or decide to study a different postgraduate qualification, on each graduation, you will receive the qualifying number of shares available.

If I am a staff member of the STADIO Group, studying a postgraduate qualification, do I qualify for shares on graduation?

Yes.

How will I receive my shares?

On graduation, an Acceptance Notice will be issued with your graduation certificate. This Acceptance Notice needs to be completed and returned to STADIO for FICA purposes in terms of opening up the graduates share portfolio with Investec and JIS. JIS will set up a share portfolio for the graduate and issue the graduate with log-in details in which they can see how many shares they own and what the movement is in terms of value.

When can I sell my shares?

The shares are in a "lock-in" period for 2 years from the date at which the shares were awarded to the graduates, meaning that a graduate cannot sell these shares for a period of 24 months from graduation. The shares will "vest" on the 2nd anniversary after receiving your shares, for example, a student graduates in October 2021, and will not be allowed to sell the shares before October 2023.

Why can't I sell my shares immediately?

The shares awarded to a graduate on graduation are subject to a 2-year lock-in period, meaning that the graduate may not sell the shares over this 2-year period.

What is a lock-in period?

Although you own the shares and have all rights attached to the shares, eg: voting, dividends, etc, you are not allowed to sell your shares over this period.

Why is there a lock-in period?

STADIO wants to partner with its graduates as owners of the Institution and wants to equip their graduates with a quality qualification, as well as give them a foot in the door to wealth creation. We believe that by introducing our graduates to the world of investing, and making this world more attainable for our graduates, we will be equipping our graduates for a world beyond the classroom and will educate these graduates, through various short-learning courses, on how to invest, how to manage and grow ones investments, etc, over this 2-year period.

What does it mean if my shares "vest"?

The shares are unconditionally owned by the graduate who can now chose to retain the shares or sell them. The shares are no longer subject to a 2-year "lock-in" period whereby the graduate owns the shares, however, may not trade the shares, i.e., elect to sell or transfer the shares.

Where are my shares?

STADIO has partnered with Investec and JIS to create a portfolio for each graduate on the Investec share platform. Graduates will receive log-in details from JIS in which they can access their share portfolios with Investec, at any time, and monitor their shares performance.

What happens when the share awards "vest" following the 2-year "lock-in" period?

The graduate will have 2 options:

1. To retain all their shares; or
2. To sell all their shares and receive the cash.

Should the graduate choose option 1, to retain all their shares, a brokerage account can be opened up for the graduate with JIS and the shares will be transferred across from Investec to the graduate's own trading account at no cost to the graduate. The individual may also elect to transfer shares to another brokerage account where some fees may apply, dependent on their brokers fee structure.

Should the graduate choose option 2, to sell all their shares, the shares will be sold through the Investec platform, with the sale facilitated by Investec. A minor trading fee will be charged, and the net amount received will be paid into the graduates nominated bank account.

Why should I open a brokerage account with JSE Investor Services (“JIS”) following the lock-in period?

The individual may choose which brokerage account they would like to transfer their shares into.

Investec provides the platform to facilitate the share scheme over the 2-year lock-in period until a student’s shares vest and does not continue this service thereafter.

On vesting, a brokerage account can be set up for each graduate and the suggested brokerage account is managed by JIS, where we have negotiated better fees for our graduates. Should the graduate already have a brokerage account or chooses to open a brokerage account with another institution, that is also permissible.

Who do I call if I have questions on my share portfolio?

Investec, through the JIS, provide client support where graduates can seek assistance during Business hours (08:30 – 17:30 on Weekdays). You can contact them via telephone on +27 (0) 861 255 525/555.

How do I monitor how my shares are performing?

Each graduate will receive log-in details from JIS in which the graduate may access their individual share portfolio on the Investec Share Plan platform and monitor the movement within their portfolio.

What happens if STADIO Holding declares a dividend during the lock-in period?

Any dividend declared will be added to the graduates share portfolio and paid out as part of the amount to be settled after the 2-year lock-in period.

Are there any costs I need to pay when I sell my shares?

STADIO is purchasing the shares on the market on behalf of the student and therefore there is no cost to the student to receive the shares.

When the student sells the shares in future, there will be a minor trading fee and, depending on the individual’s individual circumstances, in some instances, there may be some tax payable. These costs will be netted off the total amount received on sale (i.e., the total cash received will be less and the graduate will not need to pay any cash).

Does this share scheme dilute the current shareholder’s shareholding?

No. STADIO Holdings is repurchasing shares from the market and not issuing new shares.

What does Khulisa mean?

Khulisa means to grow or foster the development of a person or community. STADIO believes that providing shares to students through the STADIO Khulisa Student Share Scheme, is a first step in widening access, for its students, to the world of investing and bridging the gap between a world which often feels unattainable.

Can I get shares from other universities or higher education institutions?

Universities in South Africa are public entities and not listed on the JSE. In order to publicly purchase shares in a company, the company needs to be listed on the JSE.

FOR OCTOBER 2021 AWARD:

I received my share award certificate at the October 2021 graduation, what happens now?

Have you read the share mechanics letter included in your pack? This includes all necessary information.



Share

Mechanics_Letter_02_

In the next few days, you will receive an “Acceptance Notice” form sent to your STADIO email address. This form needs to be completed to allow Investec to open the portfolio account for you.

I have googled Stadio Khulisa Student Share Scheme and cannot find a registered Trust with this name?

We are awaiting registration of The Stadio Khulisa Student Share Scheme Trust with the Master. We will continue to communicate to you as this progresses.

What does it mean if the Stadio Khulisa Student Share Scheme is not yet registered with the Master?

This is a legal process and will have no affect on your share awards. The Trust needs to be registered as it is the vehicle that will manage the Share Scheme. Your share awards will be made into your Investec account once the Investec account has been opened. This is subject to the administration work being done initially. The lock-in period will be valid from the date at which you received your graduation certificate.