

ANNEXURE A

BETTERHOME GROUP LIMITED

AND

PRIVATE PROPERTY SOUTH AFRICA (PTY) LTD

CASE NUMBER: 2023JUL0035

MERGER CONDITIONS

1. DEFINITIONS

The following terms have the meaning assigned to them below, and cognate expressions have corresponding meanings –

- 1.1. **“Acquiring Firm”** means BetterHome;
- 1.2. **“Approval Date”** means the date on which the Commission issues a Clearance Certificate in terms of the Competition Act;
- 1.3. **“BetterHome”** means BetterHome Group Limited, a company incorporated in accordance with the laws of South Africa;
- 1.4. **“BetterSure”** means BetterSure Insurance Brokers (Pty) Limited, a company incorporated in accordance with the laws of South Africa;
- 1.5. **“Bluedoor Investments”** means Bluedoor Investments (Pty) Ltd, a company which amongst others holds preference shares in certain real estate franchisor brands including First Realty Central (Pty) Ltd t/a as Chas Everitt; RealNet Holdings (Pty) Ltd (“RealNet”); Tyson Property Holdings (Pty) Ltd (“Tyson”); and Fine & Country SA (Pty) Ltd (“Fine & Country”).
- 1.6. **“BVI Investments”** means Business Venture Investments No 1830 (Pty) Ltd, a company which holds preference shares in Everybody Wins Real Estate (Pty) Ltd t/a Re/MAX (“Re/MAX”);
- 1.7. **“Commission”** means the Competition Commission of South Africa;
- 1.8. **“Commission Rules”** means the Rules for the Conduct of Proceedings in the Commission issued in terms of section 21 of the Competition Act;

- 1.9. **“Competing Businesses”** means any or all of the businesses of Betterhome and ooba operating in the provision of bond origination services, real estate insurance services and any other competing real estate activities in South Africa;
- 1.10. **“Competition Act”** means the Competition Act No. 89 of 1998, as amended;’
- 1.11. **“Competitively sensitive information”** means information in relation to the Competing Businesses that is not in the public domain, which is or may reasonably be expected to be competitively sensitive information of BetterBond and Ooba Home Loans, Mortgage Market South Africa (Pty) Ltd in relation to bond origination business and BetterSure and Ooba Investment Holdings (Pty) Ltd in relation to real estate insurance businesses.
- 1.12. **“Conditions”** means these **Conditions**;
- 1.13. **“Days”** means business days, being any day other than a Saturday, Sunday or official public holiday in South Africa;
- 1.14. **“EAPPC”** means the Estate Agents Property Portal Company (Pty) Ltd, a company incorporated in accordance with the laws of South Africa;
- 1.15. **“HD Products”** means those products offered by Private Property to its customers relating to the photography and filming of immovable properties for purposes of advertising the properties;
- 1.16. **“HDPs”** means historically disadvantaged persons as contemplated in section 3(2) of the Competition Act;
- 1.17. **“Implementation Date”** means the third business day occurring after the Approval Date or such later date on which the Merger is implemented by the Merger Parties;
- 1.18. **“Independent Agency”** means an estate agency that – (i) is an independent agency that is not a member or franchisee of an estate agency group; (ii) employs less than five agents; (iii) operates from one office/premises; (iv) is controlled by persons that do not control any other estate agency (whether an Independent Agency or otherwise) and/or has not controlled any other estate agency within the preceding 24 month period; and (v) has obtained all necessary certificates, consents and licences to conduct business as an estate agency in terms of the Property Practitioners Act No. 22 of 2019;
- 1.19. **“Independent HDP Agencies”** means Independent Agencies (regardless of whether they have been established in the past twelve months) that – (i) are majority owned and controlled by HDPs; (ii) have been verified by Private Property and/or a third party

service provider appointed by Private Property as being majority owned and controlled by HDPs;

- 1.20. **“Independent SME Rental Agency”** means an Independent Agency that – (i) facilitates the leasing of properties only or uses the advertising services offered by property portals to advertise rental properties only; (ii) generates no more than 20 leads per month within a twelve month period from the Private Property portal; (iii) has been in business as an Independent Agency for under twelve months as at the Implementation Date (if it was incorporated prior to the Implementation Date) or commenced operating as an Independent Agency after the Implementation Date;
- 1.21. **“Independent SME Sales Agency”** means an Independent Agency that – (i) sells and/or sells and facilitates the lease of properties; (ii) generates no more than 20 leads per month within a twelve month period from the Private Property portal; (iii) lists properties with a median value of less than R3,5 million per property; and (iv) has been in business as an Independent Agency for under twelve months as at the Implementation Date (if incorporated prior to the Implementation Date) or commenced operating as an estate agent after the Implementation Date;
- 1.22. **“Loom”** means Loom Property Insights (Pty) Ltd, a company incorporated in accordance with the laws of South Africa;
- 1.23. **“Merger”** means the acquisition of sole control over the Target Firm by the Acquiring Firm;
- 1.24. **“Merger Parties”** means BetterHome and Private Property;
- 1.25. **“ooba”** means K2022550601 (South Africa) (Pty) Ltd, a wholly-owned subsidiary of ooba (Pty) Ltd, a company incorporated in accordance with the laws of South Africa;
- 1.26. **“Private Property”** means Private Property South Africa (Pty) Ltd, a company incorporated in accordance with the laws of South Africa;
- 1.27. **“SME”** means small, and medium sized entity;
- 1.28. **“South Africa”** means the Republic of South Africa;
- 1.29. **“SwitchX”** means SwitchX (Pty) Ltd, a company incorporated in accordance with the laws of South Africa;
- 1.30. **“Target Firm”** means Private Property;
- 1.31. **“Tribunal”** means the Competition Tribunal of South Africa;

- 1.32. **“Tribunal Rules”** means Rules for the Conduct of Proceedings in the Tribunal; and
- 1.33. **“Value Added Services”** means services in which the listing estate agent pays for a specific position or a ranking boost on the search results page.

2. CONDITIONS TO THE APPROVAL OF THE MERGER

Employment

- 2.1. The Acquiring Firm shall not retrench any employees of the Target Firm as a result of the Merger for a period of 36 months from the Implementation Date.
- 2.2. For the sake of clarity, retrenchments for purposes of paragraph 2.1 above shall not include: (i) voluntary separation arrangements; (ii) voluntary early retirement packages; (iii) unreasonable refusals to be redeployed; (iv) resignations or retirement in the ordinary course of business; (v) retrenchments lawfully effected for operational requirements unrelated to the Merger; and/or (vi) terminations in the ordinary course of business, including but not limited to, dismissals as a result of misconduct or poor performance. and (vii) any decision not to renew or extend a contract of a fixed-term third party contract employee or contract with a third party.

EAPPC Agreements

- 2.3. The Acquiring Firm will procure that the Target Firm will, within twenty-four months of the Implementation Date, procure that the agreements for the provision of online advertising services between the Target Firm and estate agencies that are shareholders of EAPPC (**“EAPPC Shareholders”**) are amended such that the fees that will be charged by the Target Firm to such EAPPC Shareholders will change during the course of the third year after the Implementation Date, with a view to transitioning the EAPPC Shareholders onto a fee structure that aligns with the commercial rate card that the Target Firm uses for estate agencies that are not EAPPC Shareholders for the period occurring after the 36 month period calculated from the Implementation Date.

Board Competition Compliance and Monitoring

- 2.4. For as long as BetterHome remains the controlling shareholder on the board and ooba is able to appoint directors to the board of Private Property (and these are employees of ooba), BetterHome will nominate an independent director for appointment to the board of Private Property.

2.5. For as long as Betterhome can appoint or nominate individuals to the board of the Private Property as directors, Betterhome shall ensure that its nominees who are also employed by, serve on, are nominated and/or appointed on any board or board sub-committees of Private Property, shall not disclose Competitively Sensitive Information to Ooba Home Loans, Mortgage Market South Africa (Pty) Ltd and Ooba Investment Holdings (Pty) Ltd in contravention of the Competition Act. This means in particular:

2.5.1. Betterhome shall ensure that its representative/s appointed to the board of Private Property sign a confidentiality undertaking confirming that he or she will keep confidential and not disclose, the Competitively Sensitive Information of its Competing Businesses to any representatives of ooba on the board of the Private Property.

2.6. Within 30 (thirty) Days of the Implementation Date, Betterhome shall put in place, for the Commission's approval, an appropriate Confidentiality and Information Exchange Policy and Competition Law Compliance Programme detailing the types of Competitively Sensitive Information relating to Competing Businesses which will not be discussed at the Private Property board.

2.7. Within 60 Days of receiving the Confidentiality and Information Exchange Policy and Competition Compliance Policy prepared by Betterhome, the Commission shall provide any comments that it has thereon to Betterhome and Betterhome shall within 30 Days thereof seek to finalize the Policy with the Commission.

The Disclosure of Non-Public Information

2.8. The Acquiring Firm will procure that, to the extent that the Target Firm provides any non-public information to either of Loom or SwitchX, such information will be provided (should it be requested) to competitors of Loom and SwitchX (as the case may be) on the same fair, reasonable and non-discriminatory terms and conditions (including at the same time as the information is provided to these two entities).

Listing Fees

2.9. The Acquiring Firm will procure that once the existing agreements with EAPPC Shareholders expire, in line with 2.3 above, the Target Firm ensure that for as long as the Acquiring Firm is the controlling shareholder of the Target Firm, then the listing fees payable by any similarly situated estate agency network (i.e. with a similar size and footprint) are determined on a similar basis to those payable by the estate agent

networks associated with the franchisors in which the Acquiring Firm has a controlling interest.

2.10. For as long as Betterhome controls and for as long as Bluedoor Investments and BVI own preference shares in real estate franchisor brands:

2.10.1. Betterhome shall not instruct, nor influence, any such real estate franchisors brands, not to use other property portals that compete against Private Property, and

2.10.2. For the avoidance of doubt, Betterhome shall not instruct any such real estate franchisors brands to list on any specific portal(s).

Public Interest Conditions

2.11. The Acquiring Firm undertakes that within six months of the Implementation Date, it will ensure that the Target Firm will introduce the following new SME entry packages (for entities defined below) for a period of four years:

2.11.1. for Independent SME Rental Agencies, the Target Firm will offer a subscription ("**SME Rental Package**") that entails - (i) a discount of 50% off the fees set out in the standard rate card applicable to rental listings, promoted rental agents and promoted rental listings (but excluding HD products – being products that relate to the photography of properties); and (ii) branding advertising, provided that the relevant Independent SME Rental Agency –

2.11.1.1. provides all of its listings to the Target Firm for publication on the Target Firm's portal (on a non-exclusive basis);

2.11.1.2. continues to meet the definition of an Independent SME Rental Agency during the period that it benefits from the SME Rental Package (failing which the discount will fall away and it will be charged in accordance with the standard rate card of Private Property at that time); and

2.11.1.3. has not taken up the SME Sales Package (set out in 2.11.2 below) and/or the HDP Package set out in 2.12 below; and.

2.11.2. for Independent SME Sales Agencies, the Target Firm will offer, a subscription ("**SME Sales Package**") that entails a discount of 50% off the fees set out in the standard rate card applicable to all services including branding, reporting, the Fusion listing service, promoted estate agents and promoted listings (but

excluding HD products), provided that the relevant Independent SME Sales Agency –

2.11.2.1. provides all of its listings to the Target Firm for publication on the Target Firm’s portal on a non-exclusive basis;

2.11.2.2. continues to meet the definition of an Independent SME Sales Agency during the period that it benefits from the SME Sales Package (failing which the discount will fall away and it will be charged in accordance with the standard rate card of the Target Firm at that time); and

2.11.2.3. it has not taken up the SME Rental Package (set out in 2.11.1 above) and/or the HDP Package (set out in 2.12 below).

2.12. The Acquiring Firm undertakes that within six months of the Implementation Date, it will ensure that the Target Firm will introduce an HDP package for a period of four years in terms of which Independent HDP Agencies are offered a free subscription for a continuous twelve month period (“**HDP Package**”) that entails an “*all in*” service offering including listings, branding Fusion listing service, training and a pre-determined quantity or bundle of Value Added Services, provided that the relevant Independent HDP Agency –

2.12.1. provides all of its listings to the Target Firm for publication on the Target Firm’s portal on a non-exclusive basis;

2.12.2. continues to meet the definition of an Independent HDP Agency during the period it benefits from the HDP Package (failing which the discount will fall away and it will be charged in accordance with the standard rate card of the Target Firm at that time); and

2.12.3. it has not taken up any of the SME Packages set out in 2.11 above.

3. MONITORING OF COMPLIANCE WITH THE CONDITIONS

3.1. The Acquiring Firm shall inform the Commission in writing of the Implementation Date of the Merger within 5 (five) Days of its occurrence.

3.2. The Acquiring Firm will circulate a copy of the Conditions to its employees and employee representatives within 5 (five) Days of the Approval Date.

- 3.3. The Merger Parties shall publicize these Conditions on the website of the Target Firm on the same date when the new SME entry packages envisaged in clause 2.11 are introduced.
- 3.4. As proof of compliance herewith, the Acquiring Firm shall, within 5 (five) Days of circulating the Conditions as required in paragraph 3.2, submit an affidavit by a senior official attesting to the circulation of the Conditions and provide a copy of the notice sent.
- 3.5. The Acquiring Firm shall submit an affidavit to the Commission within 1 (one) month after each anniversary of the Implementation Date attesting to its compliance with undertakings set out in clause 2 above.
- 3.6. The Commission may request such additional information from the Acquiring Firm which the Commission from time to time regards as necessary for the monitoring of compliance with these Conditions.

4. APPARENT BREACH

- 4.1. An apparent breach by the Acquiring Firm of the Conditions shall be dealt with in terms of Rule 39 of the Commission Rules read together with Rule 37 of the Tribunal Rules.

5. VARIATION

- 5.1. The Acquiring Firm may at any time, on good cause shown, apply to the Commission for the Conditions to be lifted, revised, amended and/or the time period for fulfilment of the Conditions extended. Should a dispute arise in relation to the variation of the Conditions, the Acquiring Firm shall apply to the Tribunal, on good cause shown, for the Conditions to be lifted, revised, amended and/or the time period for fulfilment to be extended as aforementioned.

6. GENERAL

- 6.1. All correspondence in relation to the Conditions must be submitted to the following e-mail address: mergerconditions@compcom.co.za and ministry@thedtic.gov.za.