

SHARE ALE AND SUBSCRIPTION OF SHARES
AGREEMENT

Made and entered into by and between:

REGIMENTS CAPITAL [PTY] LTD
(Registration Number: 2004/023761/07)
(hereinafter referred to as "The Company")

And

ELGASOLVE [PTY] LTD AND OR NOMINEE
(Registration Number 2010/017836/07)
(hereinafter referred to as "the PurchaserSubscriber")

In respect of

100 issued shares in The Company

1. RECORDAL

- 1.1. The Company has an authorised share capital of ----- R-----. The Company currently has 100 (hundred) ordinary issued shares of R1.00 each, which are held by various different Shareholders (“other Shareholders”);
- 1.2. The PurchaserSubscriber wishes to subscribe acquire 100 (hundred) ordinary shares which will be issued by the Company in addition to the already issued shares held by the other Shareholders;
- 1.3 The Company has agreed to allot and issue to the PurchaserSubscriber, who has agreed to subscribe purchase the shares, on the terms and conditions set out in this Agreement;
- 1.4 After fulfilment of this Agreement, the PurchaserSubscriber will become a 50% shareholder in the Company.

NOW THEREFORE the Parties agree that:

2. INTERPRETATION

- 2.1. The following terms shall have the meanings assigned to them hereunder and cognate expressions shall have corresponding meanings, namely:
 - 2.1.1. **Act** shall mean the South African Companies Act, Number 71 of 2008, as amended and the regulations promulgated in terms thereof;
 - 2.1.2. **Agreement** shall mean this Share ale and Subscription of Shares Agreement and all annexures, addendums and schedules hereto, as amended in writing from time to time;

2.1.3. **Auditors** shall mean the Company's auditors, from time to time;

2.1.4. **Business Day** shall mean a calendar day other than a Saturday, Sunday or proclaimed public holiday in the Republic of South Africa;

2.1.5. **Company** shall mean Regiments Capital (Pty) Limited, a company duly registered and incorporated with limited liability in terms of the laws of the Republic of South Africa, with registration number 2004/023761/07;

2.1.6. **Resolutive Condition** shall mean those conditions as set out in clause 6 hereunder;

2.1.7. **VDM Incorporated** shall mean Van der Merwe & Associates Incorporated, practicing from 62 Rigel Avenue, Waterkloof Ridge, Pretoria, Gauteng.

2.1.8. **Effective Date** shall mean the date on which this Agreement becomes binding and shall be the signature date hereof;

2.1.9. **Nominated Bank Account** shall mean the following bank account:

Account Name: _____
Bank: _____
Branch Name: _____
Branch Code: _____
Account Number: _____;

2.1.10. **Parties** or reference to a **Party** in this Agreement shall mean The Company and the **PurchaserSubscriber** and

the Company, collectively or individually as the context may dictate;

2.1.11. **Subscriber PurchaserSubscriber** shall mean Elgasolve (Pty) Ltd, a company duly registered and incorporated with limited liability in terms of the laws of the Republic of South Africa, with registration number 2010/017836/07;

2.1.12. **Subscription Purchase Consideration** shall mean an amount of R 200 000 000.00 (Two Hundred Million Rand)

2.1.13. **Subscription Sale Shares** shall mean 100 ordinary shares of R1.00 each which has already been authorised by The Company and that will to be allotted to the PurchaserSubscriber which will result in the PurchaserSubscriber becoming a 50% shareholder in the Company;

2.1.14. **Other Shareholders** shall mean the other shareholders collectively holding any shares in the Company;

2.1.15. **SARS** shall mean the South African Revenue Service;

2.1.16. **Signature Date** shall mean the date upon which the last Party appends its signature hereto;

2.1.17. **Transfer Date** shall mean the date on which the Sale Shares are transferred to the PurchaserSubscriber ;

2.1.18. **Warranties** means the warranties set out in Annexure "A".

- 2.2. Headings of clauses shall be deemed to have been included for purposes of convenience only and shall not affect the interpretation of this Agreement.
- 2.3. Unless inconsistent with the context words relating to any gender shall include the other genders, words relating to the singular shall include the plural and vice versa and words relating to natural persons shall include associations of persons having corporate status by statute or common law.
- 2.4. This Agreement contains the sole record of the agreement between the Parties in relation to the subject matter hereof.
- 2.5. No Party shall be bound by any express or implied term, representation, warranty, promise or the like not recorded in this Agreement.
- 2.6. No consensual cancellation of, or addition to, or variation of this Agreement shall be of any force or effect unless in writing and signed by or on behalf of all of the Parties.
- 2.7. No indulgence that any Party may grant any of the others shall constitute a waiver of that Party's rights and shall not preclude that Party from exercising any rights which may have arisen in the past or which might arise in the future.
- 2.8. The terms of this Agreement having been negotiated, the contra proferentem rule (ie the rule that an agreement shall be interpreted against the party responsible for the drafting or preparation of such agreement) shall not be applied in the interpretation of this Agreement.
- 2.9. Each of the Parties hereto acknowledges that it has been free to secure independent legal, financial, tax and/or other advice as to the nature and effect of all of the provisions of this Agreement.
- 2.10. Save as specifically provided otherwise herein, no Party shall be entitled, without the prior written consent of all of the others to cede

any of its rights and or delegate any of its obligations in terms of this Agreement to any other party.

- 2.11. If any term or provision of this Agreement shall be found to be void, illegal or unenforceable then, notwithstanding, the remaining terms and provisions hereof shall be and remain binding on the Parties.
- 2.12. If any provision in a definition is a substantive provision conferring any right or imposing any obligation on any Party, then notwithstanding that it is only in the definitions and interpretation clause, effect shall be given to it as if it were a substantive provision in this Agreement.
- 2.13. Where any term is defined within the context of any particular clause in this Agreement, the term so defined, unless it is clear from the clause in question that the term so defined has limited application to the relevant clause, shall bear the meaning ascribed to it for all purposes in terms of this Agreement, notwithstanding that that term has not been defined in this definitions and interpretation clause.
- 2.14. When any number of days is prescribed such number shall exclude the first and include the last day unless the last day falls on a Saturday, Sunday or an official public holiday in the Republic of South Africa, in which case the last day shall be the next succeeding day which is not a Saturday, Sunday or such a public holiday.
- 2.15. Any reference to an enactment is to that enactment as at the Signature Date and as amended or re-enacted from time to time.
- 2.16. Where any figures are referred to in numerals and in words, if there is any conflict between the two, the words shall prevail.
- 2.17. The expiration or termination of this Agreement shall not affect such of the provisions of this Agreement as expressly provide that they will operate after such expiration or termination or which of necessity must continue to have effect after such expiration or termination,

notwithstanding that the clauses themselves do not expressly provide for this.

- 2.18. Any reference in this Agreement to a Party shall include a reference to that Party's assigns expressly permitted under this Agreement and, if such Party is liquidated, be applicable also to and binding upon that party's liquidator.

3. INTRODUCTION

- 3.1. It is recorded that:

3.1.1. the Parties wish to effect a ~~Subscription sale~~ of the ~~Subscription Sale~~ Shares from the Company to the ~~Purchaser~~ Subscriber; and

3.1.2. in preparation for the ~~Subscription Sale~~ of the Shares, the Company will issue and allot the ~~Subscription sale~~ Shares to the ~~Purchaser~~ Subscriber on the terms and conditions as contained in this Agreement.

- 3.2. The Parties enter into this Agreement in order to effect the ~~sale and~~ subscription of the ~~Subscription sale~~ Shares by the Company to the ~~Purchaser~~ Subscriber, on the terms set out herein.

4. ~~SUBSCRIPTION SALE~~ OF SHARES

4.1. The Company hereby ~~issue sells~~ to the ~~Purchaser~~ Subscriber, who hereby ~~purchases and~~ subscribes to, as an indivisible transaction, the ~~Subscription sale~~ Shares, which are ~~subscribed for~~ for the ~~Subscription Purchase~~ Consideration with effect from the Effective Date.

4.2. Notwithstanding the date on which this Agreement is signed and the date upon which the ~~Subscription sale~~ Shares are ~~issued and~~ delivered to the ~~Purchaser~~ Subscriber, the Parties intend to account for the

transaction contemplated in this Agreement on the basis that ownership as well as all risks and benefits attached to the Sale Shares will be for the benefit of the PurchaserSubscriber, with effect from the Transfer Date, and that this Agreement will be binding as from the Effective Date.

5. PAYMENT OF THE SUBSCRIPTION PURCHASE CONSIDERATION

The Subscription Purchase Consideration in regards to the Subscription ~~ale~~ Shares ~~and the subscription thereto~~ shall be paid as follows:

- 5.1. an amount of R66 666 666.67 (Sixty Six Million Six Hundred and Sixty Six Thousand Six Hundred and Sixty Six Rand Seventy Six Cent) within 14 (fourteen) days after Signature Date into the trust account of Van der Merwe and Associates, payable to the Company on the Transfer Date.
- 5.2. an amount of R66 666 666.67 (Sixty Six Million Six Hundred and Sixty Six Thousand Six Hundred and Sixty Six Rand Seventy Six Cent) into the Nominated Bank Account, 12 (twelve) months after the transfer of the Sale Shares to the PurchaserSubscriber ("the Second Payment");
- 5.3. an amount of R66 666 666.67 (into the Nominated Bank Account, 12 (twelve) months after payment of the Second Payment;

6. RESOLUTIVE CONDITION

- 6.1. This Agreement shall become effective upon signature date;
- 6.2. If the following resolute condition materializes or unless the resolute condition has been waived by the PurchaserSubscriber, this Agreement shall lapse and be of no force or effect upon materialization. In such event the Parties shall be restored as near as maybe possible to the position in which they would have been, had this Agreement not been entered into. No Party shall, in such

instance, have any further claim against the other arising out of or in connection with this Agreement;

6.3. The following resolute condition will be applicable:

6.3.1 The non-acceptance of the Company's financial position by the PurchaserSubscriber, in writing, within 35 (thirty five) days after signature date. In order to substantiate the aforesaid financial position and the financial status of the Company, the PurchaserSubscriber will complete a due diligence process within 30 (thirty) days after Signature Date. The PurchaserSubscriber shall be entitled to accept the financial status of the Company in writing at any time after Signature Date (but not more than the aforesaid 35 days) which will result in this resolute condition been waived in its entirety. If the PurchaserSubscriber has accepted the Companies' financial position or has waived this resolute condition (which it will be entitled to do) this agreement shall remain in full force and effect.

6.3.2 If the PurchaserSubscriber has not indicated its non-acceptance of the financial position within 35 days it shall be deemed that the PurchaserSubscriber has waived the Condition which will result in the agreement being valid and in full force and effect.

7. TRANSFER DATE

7.1. On the Transfer date, the Company shall ~~issue sign the security transfer forms in respect of~~ the Subscription ~~ale~~ Shares, in favour of the PurchaserSubscriber, complying with the Company's Memorandum of Incorporation and the Act, ~~by and instructing~~ the Company Secretary Auditors to transfer the Sale Shares into the name of the Purchaser.

- 7.2. Transfer Date shall mean the date on which the Subscription ~~ale~~ Shares are issued ~~transferred~~ into the name of the PurchaserSubscriber.
- 7.3 All risks and benefit to the Subscription ~~ale~~ Shares shall pass to the PurchaserSubscriber on the Transfer Date. The Original Share Certificate shall be delivered to the PurchaserSubscriber in respect of the Subscription ~~ale~~ Shares on the transfer date;
- 7.4 The Transfer Date shall be at least 7 (seven) days after the expiration of the 35 (thirty five) day period in paragraph 6 above, alternatively within 7 (seven) days after the PurchaserSubscriber has waived the Resolutive Condition.

8. COMPANY'S WARRANTIES

- 8.1. The Subscription ~~ale~~ Shares are issued ~~sold~~ subject to the Warranties and subject to the limitations set out in this Annexure A and on the basis that:
- 8.1.1. all of the Warranties are relied upon by the PurchaserSubscriber;
 - 8.1.2. each Warranty shall be a separate warranty and shall in no way be limited to, nor restricted, by the provisions of any other Warranty;
- 8.2 The Company has complied with the Act in regards to the issuing, allotment and subscription ~~ale~~ of the Sale Shares, and specifically obtained the necessary consent from the other Shareholders and the Board of directors.

- 8.3 Should it be necessary to obtain the consent of the Competition Commission the Company will endeavour to obtain such consent.

9. **PURCHASER/SUBSCRIBER'S WARRANTIES**

- 9.1. The Purchaser/Subscriber warrants that:

9.1.1. It is a duly registered company and that it is duly authorised and able to ~~subscribe purchase~~ the Subscription ~~ale~~ Shares and enter into this Agreement;

9.1.2. The representatives signing this Agreement on behalf of the Purchaser/Subscriber is duly authorised to enter into this Agreement and that all necessary resolutions in respect thereof have been passed in order to authorise and give effect thereto;

10. **GOVERNING LAW AND JURISDICTION**

- 10.1. This Agreement shall be governed by and interpreted, and otherwise applied, in all respects, in accordance with the laws of the Republic of South Africa.

11. **CONFIDENTIALITY**

- 11.1. Any information obtained by any Party in terms, or arising from the implementation, of this Agreement shall be treated as confidential by such Party and shall not be divulged or permitted to be divulged to any person not being a Party, without the prior written consent of the other Party save that :

- 11.1.1. any information which is required to be furnished by law or by any stock exchange on which the shares of any Party or its direct or indirect holding company are listed may be so furnished;
- 11.1.2. any Party shall be entitled (after consultation with the other Parties so as to avoid embarrassment or prejudice to the extent possible) to make such information available to its shareholders as may be necessary to enable such shareholders to consider the value and prospects of their shareholdings;
- 11.1.3. no Party shall be precluded from divulging any information to any person which is negotiating with such Party for the acquisition of an interest in such Party or in the Company, provided that the person to whom any disclosure is made in the aforesaid circumstances shall first have undertaken in writing not to divulge such information to any other person and to use it only for the purpose of evaluating such acquisition;
- 11.1.4. no Party shall be precluded from using or divulging such information in order to pursue any legal remedy available to it.

12. **BREACH**

Should any Party ("**Defaulting Party**") commit a breach of any provision of this Agreement and fail to remedy such breach within ten (10) days after receiving written notice from any other Party ("**Aggrieved Party**") requiring the Defaulting Party to do so, then the Aggrieved Party shall, without prejudice to its other rights in law, be entitled to cancel this Agreement or to claim immediate specific performance of all of the Defaulting Party's obligations then due for performance, without prejudice to the Aggrieved Party's rights to claim damages.

13. **DOMICILIUM CITANDI ET EXECUTANDI**

13.1. The Parties choose as their *domicilia citandi et executandi* for all purposes under this Agreement, whether in respect of court process, notices or other documents or communications of whatsoever nature, the following addresses :

13.1.1. the PurchaserSubscriber

Physical: _____

E-mail: _____

Attention: _____

13.1.2. the Seller:

Physical: _____

E-mail: _____

Attention: _____

13.2. Any notice or communication required or permitted to be given in terms of this Agreement shall be valid and effective only if in writing but it shall be competent to give notice by e-mail.

13.3. Any Party may by notice to any other Party change the physical address chosen as its *domicilium citandi et executandi vis-à-vis* that Party to another physical address in the Republic of South Africa or its e-mail address, provided that the change shall become effective *vis-à-vis* that addressee on the 10th (tenth) Business Day from the receipt of the notice by the addressee.

13.4. Any notice to a Party -

13.4.1. delivered by hand to a responsible person on a Business Day between 09:00 and 15:00 at the physical address chosen as its *domicilium citandi et executandi* shall be deemed to have been received on the day of delivery; or

13.4.2. sent by e-mail to its chosen e-mail address stipulated above, shall be deemed to have been received on the Business Day following the date of despatch (unless the contrary is proved).

13.5. Notwithstanding anything to the contrary herein contained a written notice or communication actually received by a Party shall be an adequate written notice or communication to it notwithstanding that it was not sent to or delivered at its chosen *domicilium citandi et executandi*.

14. COSTS

14.1. Each Party shall bear its own costs associated with the preparation, negotiation and drafting of this Agreement.

14.2. All securities transfer tax payable pursuant to the transfer of the Sale Shares to the ~~Purchaser~~Subscriber shall be paid in accordance with the provisions of the Securities Transfer Tax Act, No. 25 of 2007, which requires payment of securities transfer tax by the Company.

SIGNED AT ON THIS THE DAY OF 2014

AS WITNESSES:

1 _____

2 _____

O.B.O THE COMPANY
[the signatory warranting that he/she is
duly authorised to enter into this
agreement]

SIGNED AT ON THIS THE DAY OF 2014

AS WITNESSES:

1 _____

2 _____

O.B.O THE **PURCHASER/SUBSCRIBER**
[the signatory warranting that he/she is
duly authorised to enter into this
agreement]

SIGNED AT ON THIS THE DAY OF 2014

AS WITNESSES:

1 _____

2 _____

OTHER SHAREHOLDERS
[the signatory warranting that he/she is
duly authorised to enter into this
agreement]

ANNEXURE "A" - WARRANTIES

The following Warranties are given by The Company to the PurchaserSubscriber:

1. As at the Signature Date:

- 1.1. The Company is legally and lawfully entitled to issue and allot the Subscription ~~ale~~ Shares ~~and is duly and able to pass transfer thereof~~ and give free and unaffected title thereof to the PurchaserSubscriber in terms of this Agreement;
- 1.2. the execution, delivery and performance by the Company of its obligations under this Agreement will not result in a breach of any provision of the memorandum of incorporation of the Company or any other statutory requirement;
- 1.3. The subscription ~~ale~~ shares when delivered to the PurchaserSubscriber, shall be free of any pledge, lien, hypothec, notarial bond or any encumbrance whatsoever and free of any security interests or right of retention and no agreement has been entered into which may give rise to the subscription ~~ale~~ shares being thus encumbered;
- 1.4. No person has any right of option or allotment in respect of the subscription ~~ale~~ shares and no right nor any call, lien or any other encumbrance exists in respect of the subscription ~~ale~~ shares;
- 1.5. the Subscription ~~ale~~ Shares represent 50% of all of the issued share capital ~~sof -in~~ the Company;
- 1.6. the information which will be provided in writing, to the PurchaserSubscriber, in the scope of the due diligence process, will be true and correct unless specifically qualified in writing;
- 1.7. The Company hereby indemnifies the PurchaserSubscriber against all and any claims or undisclosed liabilities of whatsoever nature that may be

made against the PurchaserSubscriber pertaining to the date prior to the completion of the due diligence. The other Shareholders, which is also signatories to this Agreement, also indemnifies the PurchaserSubscriber against all and any claims or undisclosed liabilities of whatsoever nature, that may be made against the Company or the PurchaserSubscriber, pertaining to any undisclosed claims pertaining to the date prior to the date of the completion of the due diligence process;

- 1.8. The Company or its subsidiaries is not involved in any on-going litigation (other than debt collection in the ordinary calls of business) and / or labour disputes and / or any Regulatory action or under investigation by any Regulatory Body including but not limited to the Financial Services Board;
- 1.9. The Company and its subsidiaries are fully compliant with all statutory provisions applicable to each company or subsidiary, including but not limited to the licensing as financial service providers, investment structures and liquidity compliance.