



FRACTIONAL OWNERSHIP

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Shareholders Agreement

ENTERED INTO BY AND BETWEEN

Name:
 Identity / Registration Number:
 Address:

Herein represented by:

Name:
 Identity Number:

Duly authorised thereto

Whom enter this agreement as

Shareholder.....
 of the Company and hereinafter referred to as “**SHAREHOLDER(S)**”

And

Name:
 Identity/RegistrationNumber:

Herein represented by:

Name:
 Identity Number:

Duly authorised thereto
 (Hereinafter referred to as “the **COMPANY**”)

Whereas the Shareholder(s), once full payment of the purchase consideration has been made, in terms of the Sale Agreement, hereinafter referred to as “the Sale Agreement”, concluded between the Shareholder(s) and the Company, to which this agreement is attached as Annexure “B”, acquire 2 (two) shares in the Company;

And whereas the Shareholder(s) will, pending full payment of the purchase consideration, in terms of the Sale Agreement, be entitled to certain interim rights as set out hereunder;

And whereas the Shareholder(s) will, once full payment of the purchase consideration has been made in terms of the Sale of Share Agreement, obtain further rights as set out hereunder;

And whereas the Company has purchased an immovable property, known as unit....., Karafu Complex (which is in the process of being registered as a sectional title complex) 21 Shrimp Lane, Salt Rock, KwaZulu-Natal Province, in terms of the Sale Agreement, and hereinafter referred to as “the **PROPERTY**”

And whereas the Company will conclude verbatim the same Shareholders Agreement as this agreement, with 49 (forty nine) other Shareholders, in order for all the Shareholders to hold combined between them (100 shares) in the Company, being the entire issued share capital of the Company;

And whereas the parties are desirous to record their contractual relationship as set out hereafter.

NOW AND THEREFORE it is agreed as follows:

1. Interpretation and Preliminary

The headings of the clauses in this Agreement are for the purpose of convenience and reference only and shall not be used in the interpretation of nor to modify or amplify the terms of this Agreement nor any clause hereof.

In this agreement, unless the contrary intention clearly appears:

- 1.1 Words importing:
- 1.1.1 Any one gender, include the other gender;
 - 1.1.2 The singular includes the plural and vice versa; and
 - 1.1.3 Natural persons includes created entities and vice versa;
- 1.2 The following terms shall have the meanings assigned to them:
- 1.2.1 **"ACT"** means: The Companies Act, Act number 61 of 1973, as amended;
 - 1.2.2 **"AGREEMENT"** means: This Agreement together with all annexures;
 - 1.2.3 **"ARBITRATOR"** means: The Arbitrator nominated in this agreement;
 - 1.2.4 **"ATTORNEYS"** means: Botha Willemsse & Wilkinson Attorneys at Number 446 Cameron Street, Brooklyn, Pretoria;
 - 1.2.5 **"AUDITORS"** means: The auditors appointed by the Directors of the Company, from time to time;
 - 1.2.6 **"BANKING FACILITIES"** means: The banking facilities of the Company, utilized as the Company bankers, and as decided by the directors of the Company from time to time;
 - 1.2.7 **"BOARD"** means: The Board of Directors of the Company;
 - 1.2.8 **"BUSINESS"** means: All business activities required and incidental or ancillary to the fulfillment of the purpose of the Company;
 - 1.2.9 **"BUSINESS DAY"** means: Any day other than a Saturday, Sunday or Public Holiday in terms of the laws of the Republic of South Africa;
 - 1.2.10 **"CERTIFICATE IN RESPECT OF SHAREHOLDING"** means: The certificate issued by the Attorneys, reflecting the Shareholder(s), their full particulars and their percentage interest;
 - 1.2.11 **"COMPANY"** means: Name:
Identity / Registration Number:
Address:
Herein represented by Name:
Identity Number:duly authorized thereto;
 - 1.2.12 **"COMPANY SECRETARY"** means: The person and / or institution attending to the secretarial functions of the Company;
 - 1.2.13 **"CLAIMS"** means: All claims of whatsoever nature and form whatsoever cause arising, which a Shareholder(s) may have against the Company including without limitation Shareholder(s) loans, whether the latter is to the debit and/or credit;
 - 1.2.14 **"DIRECTORS OF THE COMPANY"** means: Reccared Prankir Fertig, Bernard William Kaiser and/or such other person appointed from time to time in terms hereof;
 - 1.2.15 **"DIRECTORS REMUNERATION"** means: The amount payable by the Company to each Director of the Company, if any, on a monthly basis;
 - 1.2.16 **"DIRECTORS TAX"** means: The payment in respect of tax, if any, to be paid by each Director;
 - 1.2.17 **"DIVIDENDS"** means: The net accrued income generated through the business of the Company, if any, to be divided between the Shareholders of the Company, subject to all deductions having been made and all taxes having been paid and a resolution to declare dividends being passed;
 - 1.2.18 **"EFFECTIVE DATE"** means: The date on which the Shareholder makes full payment of the purchase consideration in terms of the Sale Agreement;
 - 1.2.19 **"INTERIM RIGHTS"** means: The right of the Shareholder(s) to occupy use and enjoy the property in accordance with the provisions of paragraph 8 hereof;

- 1.2.20 **"LEVY ACCOUNT"** means: The account which will be opened by the Company at a financial institution, and which account will strictly be utilised in respect of receipt of monthly levies from the Shareholder(s) and payments. The Company will be liable for the administration of this account, and will keep record thereof;
- 1.2.21 **"LEVY AMOUNT"** means: The monthly amount which is made up in two parts. The first part consisting of the amount payable by the Shareholder(s) to the Company, which amount will be established by the Company from time to time and which amount will be in respect of the upkeep and maintenance of the property. The second part of the amount will consist of the amount payable by the Company, to the body Corporate, in terms of the Sectional Title Act, of 1986;
- 1.2.22 **"LOAN ACCOUNTS"** means: Those accounts in the books of the Company, if any, in respect of loans to the credit and / or debit of the Shareholder(s);
- 1.2.23 **"LOAN ACCOUNT"** means: A loan account, if any, in relation to any of the Shareholder(s), being the amount outstanding to the debit or credit of his or her loan account in the books of the Company at any time, together with accrued interest thereon;
- 1.2.24 **"MANAGING DIRECTOR"** means: The Managing Director, elected by the Directors, whom shall hold his post as Managing Director until such time as a new Managing Director is elected by the Directors elected by the Shareholder(s);
- 1.2.25 **"NET INCOME"** means: The after tax income of the Company, if any;
- 1.2.26 **"OCCUPATIONAL SCHEDULE"** means: The time periods in which the Shareholder(s) may exercise their right(s) in respect of the property, as attached hereto as Annexure "S1"
- 1.2.27 **"PRIME RATE"** means: Prevailing prime overdraft interest rate charged by the Company Bankers in respect of overdrawn current accounts;
- 1.2.28 **"PARTIES"** means: The Shareholder(s) and the Company jointly and severally;
- 1.2.29 **"PROPERTY"** means: Unit....., Karafu Complex (which is in the process of being registered as a sectional title complex) 21 Shrimp Lane, Salt Rock, KwaZulu-Natal Province;
- 1.2.30 **"REGISTERED ADDRESS OF THE COMPANY"** means: The registered address of the Company with physical address, from time to time as indicated on company documents;
- 1.2.31 **"RIGHT(S)"** means: The right of the Shareholder(s) to occupy, use and enjoy the property in accordance with the occupation schedule, attached as Annexure "S1";
- 1.2.32 **"SALE AGREEMENT"** means: The Sale of Share Agreement that was concluded in terms of which the Shareholder(s) purchased the shares from the Seller, and to which agreement, this Shareholder(s) Agreement is attached as Annexure "B", and of which Sale Agreement the parties acknowledge, taking full cognisance of the terms and conditions thereof;
- 1.2.33 **"SHAREHOLDER(S) RESOLUTION"** means: The decision made by the Shareholder(s) of the Company, which constitute a decision made during a meeting of Shareholder(s) of the Company and/or a written resolution signed by a quorum of Shareholder(s) of the Company;
- 1.2.34 **"SHARE(S)"** means: The 1 (one) ordinary par value share of R1.00 (one rand) each, which shares are not dividable and to be regarded as one undividable share for any purpose in terms hereof;
- 1.2.35 **"SHARE CAPITAL"** means: The 1000 (one thousand) authorised ordinary par value shares of R1.00 (one rand) each, of which 100 (one hundred) were taken up by the Seller and subsequently, sold to the Shareholders, in terms of the Sale Agreement;
- 1.2.36 **"SHAREHOLDER(S)"** means: Jointly and severally, the proposed 50 (fifty) Shareholders in the Company, inclusive of the Shareholder(s) which affix his/her signature to this agreement, in terms hereof and which will each take up 1 (one) share in the Company, and in the end, combined, hold 100 (One Hundred) shares in the Company;
- 1.2.37 **"SIGNATURE DATE"** means: The date on which this agreement is signed by all parties thereto;
- 1.2.38 **"THIRD PARTY"** means: A natural person, partnership, firm, corporation, joint venture company or entity, trust, unincorporated association, joint venture, government body, limited liability company, close corporation or any other entity;
- 1.2.39 **"TAX"** means: Those taxes being levied against the Company and its business, including income Tax, Value Added Tax, taxes levied by Regional Councils, taxes levied in respect of Local Municipalities and any other taxes levied in respect of the Company in terms of tax legislation of the Republic of South Africa;
- 1.3 Reference to this agreement means this agreement as amended from time to time, all its annexures.
- 1.4 The head notes to the paragraphs to this agreement are inserted for easy reference purposed only and shall not affect the interpretation of any of the provisions to which they relate.
- 1.5 This agreement shall be binding on and enforceable by the estates, heirs, executors, administrators, trustees, assigns or liquidators of the parties as fully and effectually as if they had signed this agreement in the first instance. Reference to any party shall be deemed to include such party's estate, heir, executor, administrator, trustee, assignee or liquidator as the case may be.

- 1.6 If any provision is a substantive provision conferring rights or imposing obligations on any party, then notwithstanding that such provision is contained in such clauses, effect shall be given thereto as if such provision were a substantive provision in the body of the agreement.
- 1.7 Where any term is defined within the context of any particular clause in this agreement, the term so defined shall, unless it appears clearly from the clause in question that such term has limited application to the relevant clause, bear the meaning ascribed to it for all purposes in terms of this agreement, notwithstanding that such term has not been defined.
- 1.8 If any conflict exists between the terms of this agreement and the terms of the Memorandum and/ or Articles of Association of the Company, then the terms of this agreement shall prevail, be binding upon the parties and be appropriately implemented.
- 1.9 When any number of days is prescribed in this agreement, same shall be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a Saturday, Sunday or public holiday officially recognised as such 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 public holiday.
- 1.10 Expressions defined in this agreement shall bear the same meanings in any annexure thereto which does not contain its own definitions.
- 1.11 Where figures are in this agreement described both in numerals and in words, words shall prevail in the event of any conflict
- 1.12 The contra preferentum rule shall not apply and accordingly none of the provisions herein shall be construed against or interpreted of the disadvantage of the party responsible for the drafting or preparation of this agreement. The parties in any event agree that the agreement was concluded after consensus was reached in respect of the contents thereof.

2. Suspensive Conditions

- 2.1 It is hereby specifically recorded, notwithstanding anything contained to the contrary in terms hereof, that the terms and conditions of this agreement, will only become effective and binding, upon compliance of the following suspensive condition
- 2.1.1 The Shareholder(s) making full payment of the purchase consideration, inclusive of interest due and owing thereon, as it provided for the Sale Agreement;
- 2.2 In the interim period, pending full payment of the purchase consideration by the Shareholder(s) in terms of the Sale Agreement, the Shareholder(s) will be entitled to exercise his/her interim rights, as provided for in paragraph 8 hereunder.
- 2.3 Notwithstanding anything contained to the contrary herein, should the Sale Agreement be cancelled for whatever reason, will this agreement also automatically be regarded as being cancelled and vice versa.
- 2.4 In the event of non compliance with the above suspensive conditions, namely the Shareholder(s) not making full payment of the full purchase consideration inclusive of interest due hereon in terms of the Sale Agreement, this agreement, inclusive of the provisions of paragraph 8, will become null and void, ab origine.
- 2.5 In the event of compliance with the above suspensive conditions, namely, the Shareholder(s) making payment of the full purchase consideration in terms of the Sale Agreement, this agreement, inclusive of the provisions of paragraph 8, will become valid and binding.

3. Initial Share Capital and Introduction

- 3.1 The parties to this agreement wish to enter into this Agreement, to inter alia regulate the capital structure of the company, the financing and finances of the company, the business activities, management and administration of the company and the relationship between the Shareholder(s) of the Company.
- 3.2 It is recorded that as at the effective date the Company has an authorised share capital of R1000.00 (one thousand rand), divided into 1000 (one thousand) par value shares of R1,00 (one rand) per share.
- 3.3 It is further recorded that the Company has an issued share capital of 100 (one hundred) ordinary shares, of which 100 (one hundred) shares have been taken up, and are being held by the Seller.

4. Binding Effect and Signature of Shareholder(s) Agreement

- 4.1 This agreement shall be of full force and effect upon the Shareholder(s) of the Company notwithstanding any changes in the shareholding of the Shareholder(s) and/or shareholding of the Company, whether it is by admitting a new Shareholder and / or by terminating the shareholding of an existing Shareholder. Any new Shareholder(s) shall be bound to this agreement, by signing this agreement, when taking up their shares.
- 4.2 The Shareholder(s), will each sign the exact same agreement, as this agreement, with the only difference being, each Shareholder(s) having a different identity.
- 4.3 The original signed agreement(s) shall be kept by the Company together with its statutory documents at its registered address.
- 4.4 Each Shareholder(s) of the Company may have a copy of the agreement and request same from the Company secretary.

- 4.5 Subsequent to a change in the Company shareholding, all copies of Shareholder(s) agreement shall be made available to the Company Secretary, to allow him/her to effect the changes.
- 4.6 The Shareholder(s) effected by the change in shareholding shall immediately upon such change being effected, provide to the Company Secretary the share certificates issued to them in terms of the Companies Act, in order to allow the Company Secretary to change the share certificate to the extent that it can correctly reflect the changed shareholding or alternatively issue a replacement share certificate.
- 4.7 Should a certificate of shareholding be lost and / or destroyed it may upon providing the Company with acceptable indemnity be replaced.

5. Main Objective of this Agreement

The Company will conduct no other business, nor hold any other assets, apart from the property. The main and sole purpose of the Company will be to administer and manage the property, so that the Shareholders can exercise his/her/their right(s) in respect of the property. This agreement will establish the relationship between the Shareholder(s) of the Company, and provide a basis for the Shareholder(s) to exercise his/her/their right(s) in respect of the property, in terms of the provisions as are provided for herein.

6. Statutory Requirements of the Company

- 6.1 The authorised share capital of the Company is 1000 (one thousand), ordinary shares of R1,00 (one rand) each, of which 100 (one hundred) ordinary shares of R1,00 (one rand) have been issued and are currently held by the Seller, and which shares will ultimately be sold to 50 (fifty) Shareholders
- 6.2 The Company's statutory registered office will be determined from time to time by the Shareholders(s).
- 6.3 The financial year end of the Company will be the last day of February of each year.
- 6.4 The Auditors of the Company shall be those reflected in the Cm31 statutory document form time to time.
- 6.5 The Articles of Association of the Company may be replaced with new Articles of Association to be prepared and signed and accepted for implementation by all the Shareholders(s) of the Company, subject to same being approved by a special resolution of Shareholders of the Company.
- 6.6 The Shareholder(s) undertake to support and take all such resolutions as are necessary to elect or re-elect the auditors from time to time.

7. Interim Rights

- 7.1 The Shareholder(s) will be entitled to the following interim right(s), pending compliance with the suspensive conditions as is provided for in paragraph 3 supra.
- 7.1.1 To exercise his/her/their right(s) in respect of the property for personal purposes only, according to the occupation schedule, which occupation schedule may be amended from time to time by the Company, and attached hereto as Annexure "S1";
- 7.1.2 The Shareholder(s) will be entitled to sublease his/her right(s) as per the occupation schedule, subject to prior written approval thereto, from the Company, which approval will not be unreasonably withheld;
- 7.1.3 The Shareholder(s) will be entitled to exercise his/her/their right(s) on an exclusive basis, for the period(s) mentioned in the occupation schedule;
- 7.1.4 The Shareholder(s) and/or persons authorised by the Shareholder(s), may only exercise his/her/their right(s) for residential purposes;
- 7.1.5 A maximum of 8 (eight) persons are allowed to exercise the right(s) of the Shareholder(s) in respect of the property;
- 7.1.6 The Shareholder(s) will at all times exercise his/her/their right(s) in respect of the property, in terms of the provisions hereof, and in terms of the management rules, of the Home Owners Association, and/or in terms of the prescribed rules in terms of Section 35(2)(a) of the Sectional Title Act, 1986;
- 7.1.7 The Shareholder(s) acknowledge that it is his/her/their responsibility to ensure that he/she/they are to be fully informed with regard to all rules. Regulations and stipulations of the Home Owners Association, and/or in terms of Section 35(2)(a) of the Sectional Title Act, 1986. A copy of the applicable Home Owner Association rules are attached hereto as Annexure "S2"
- 6.5 The Articles of Association of the Company may be replaced with new Articles of Association to be prepared and signed and accepted for implementation by all the Shareholders(s) of the Company, subject to same being approved by a special resolution of Shareholders of the Company.
- 6.6 The Shareholder(s) undertake to support and take all such resolutions as are necessary to elect or re-elect the auditors from time to time.

- 7.1.8 In terms of the right(s), is a parking area allocated to the Shareholder(s), which parking area will only be used for the parking of motor vehicles and/or trailers and for no other use;
- 7.1.9 The Shareholder(s) acknowledge that all movable assets ("contents") on the property, form part of the property and that these assets may not be removed, replaced or used contrary to this agreement. An inventory of all movable assets will be available on the property;
- 7.1.10 The Shareholder(s) (excluding the Seller, as a Shareholder) acknowledged being liable, for payment of the monthly levy amount;
- 7.1.11 The Shareholder(s) will pay this monthly levy amount, on/or before the due date, into the designated levy account, as is stipulated and provided for by the Company from time to time;
- 7.1.12 The Shareholder(s) will be held responsible and liable to reimburse the Company, for any damaged or reparations to the property and/or its contents, due to the conduct of the Shareholder(s), or any other authorised person on behalf of the Shareholder(s) on the property;
- 7.1.13 The Shareholder(s) acknowledge that inclusive to the levy amount, will there be an allowance for the upkeep and maintain of normal wear and tear to the property and contents, which will be provided for in the monthly levy amount, and this being a non-refundable expense;
- 7.1.14 The Shareholder(s), or any other authorised person on behalf of the Shareholder(s), will not be allowed to attend to any modification and/or alteration and/or reparation, and/or its contents, on the property, and/or its contents, of whatsoever nature, without the written consent of the Company.
- 7.1.15 The Company will be entitled to utilise the monthly levy amount, as per the discretion of the Company, however, subject to the prescription of the relevant legislation in terms of the Sectional Title Act, 1986, and specifically for the following purposes:
- 7.1.15.1 Management and administration of the Company and property;
 - 7.1.15.2 Maintenance of the property and contents;
 - 7.1.15.3 All additional cost in regard of the provisions of water, sewerage and rubbish removable services;
 - 7.1.15.4 Any professional or other services which may be required by the Company;
 - 7.1.15.5 Insurance premiums, as well the cost of financial records, in accordance with the provisions of the Company and Sectional Title's Legislation;
 - 7.1.15.6 The Shareholder(s) will be obliged to pay, in advance, the monthly levy amount by debit order and/or cash, on/or before the 1st day of each month.
- 7.1.16 The Shareholder(s) will be obliged to pay, in advance, the monthly debit order and/or cash, on/or before the 1st day of each month.
- 7.2 Should any additional maintenance cost and/or day to day management cost, beside the monthly levies be necessary, shall each Shareholder(s) be obliged to make such payments on written request thereto by the Company, subject to such additional levy having been approved, during a Shareholders Meeting.
- 7.3 Any notification as to the increase of levies, must be provided in writing to the Shareholder(s), at least 1 (one) month in advance.
- 7.4 It is hereby specifically recorded, that the Shareholder(s) will not be entitled to exercise his/her/their right(s) in terms of the occupational schedule, if any levy amount and/or such other amount(s) are in arrear in which event, the Company will have the right to rent out the property to a third party and/or another Shareholder(s). Any rental amount(s) received by the Company in terms hereof, will be allocated towards the arrear levy and/or other amount(s) owed by the Shareholder(s). Notwithstanding anything to the contrary, do the Company have the right to take such legal steps against the Shareholder(s) for arrear levy and/or such other amount(s) as if deems applicable and provided for herein.
- 7.5 The Company will be entitled to claim interest at the prime rate of the bank, at which the Company's bank account are being held, from the Shareholder(s), on any arrear amount(s).
- 7.6 The Shareholder(s) is not entitled to alienate, cede or encumber his/her right to occupation, use and enjoyment of the property, in terms of this paragraph, in any manner whatsoever, without the written approval thereto from the Company.
- 7.7 The Shareholder(s) is not entitled to cede, assign, or make over, their share(s), as guarantee, collateral or surety to any third party in any manner whatsoever.
- 7.8 The Shareholder(s) acknowledge that the Company is not liable for any loss, damage, death or injuries of the Shareholder(s) and/or any person authorise or permitted by the Shareholder(s) to occupy, use and enjoy the property.

8. Conflicts with Memorandum and/or Articles of Association

- 8.1 The Shareholder(s) undertake forthwith hereafter to take all such steps and to do all such things as maybe necessary to alter the memorandum and articles of association of the Company, if so required and applicable, so as to reflect, in so far as maybe appropriate, the provisions of this agreement.
- 8.2 Notwithstanding the provisions of the clause herein above, until such time as the memorandum and articles of association of the Company are amended as aforesaid, if there are any conflict between the provisions of this agreement and the memorandum and articles of association of the Company at any time, the provisions of this agreement shall prevail.

9. Issue of Shares

Once the suspensive condition(s) supra, have been complied with, will the shares be transferred and registered by the attorney, in the name of the Shareholder(s), as is provided for herein and the Sale Agreement.

10. Directors of the Company

- 10.1 The Shareholder(s) shall elect the directors of the Company.
- 10.2 The Directors, will elect with the Managing Director, it so required, from time to time.
- 10.3 The Managing Director of the Company so elected by the Directors shall stand in such position until such time as the next managing Director is elected.
- 10.4 Each of the Shareholder(s) of the Company, subject thereto that they are Shareholders in the Company, and subject thereto that the amount of directors do not exceed the prescribe maximum directors as per articles of association, shall be entitled to be nominated as a director to the Board of Directors of the Company.
- 10.5 The Managing Director so elected shall also stand as the Chairperson of the Board of Directors.
- 10.6 No director shall be elected to the Board unless such director is a nominee of a Shareholder(s) in the Company
- 10.7 This clause may be extended and/or amended, should there be an anonymous decision by the Board of Directors to elect an outsider as a director by means of a majority vote.
- 10.8 Any appointment and/or removal and/or replacement of a director in terms of this clause shall be made by written notice to the Company, signed by the party exercising such right and shall be operative as soon as any such written notice is received at the registered office of the Company.
- 10.9 The parties record and agree that as at the signature date, the first and managing director of the Company shall be:
- Reccared Prankir Fertig
Identity Number: 6305205247080
- Representing the majority of Shareholders.
- 10.10 Any Shareholder(s) whom disposes of all his/her/their shares will cease to have the right to elect a Director of the Company.
- 10.11 The Shareholder(s) shall vote in favour of:
- 10.11.1 The appointment of all the Shareholder(s)' nominees as directors;
- 10.11.2 The re-appointment of Shareholder(s)' nominees as directors, save in the event of disqualification as a director.
- 10.12 Subject to the terms and conditions as set out in this agreement each director and Shareholder(s) shall provide the Company Secretary with a postal and physical address as a domicilium citandi et executandi for notices.
- 10.13 Any director elected as such as a director shall hold office until he/she resigns and/or is not re-elected and/or is disqualified in terms of the Company's Act and/or is removed.

11. Director's Meetings

- 11.1 The Board shall meet to deal with the interests of the Company preferably once a month, but at least once quarterly.
- 11.2 There shall be a quorum at any meeting of the Board if the majority of the directors representing each of the Shareholder(s) or their alternates are present at such meeting.
- 11.3 The Company shall reimburse directors their reasonable travel and subsistence expenditure incurred if so decided by the Board, for the purpose of attending any meeting of the Board.

- 11.4 The directors shall be notified of meetings as follows:
- 11.4.1 The Company shall give notice to all its directors or their alternates of all Board meetings of the Company at the address so provided by the Company;
 - 11.4.2 The notice period for convening of any meeting of the Board of the Company shall be at least 24 (twenty four) days, unless a decision of the directors is required on an urgent basis, which justifies a shorter period of notice;
 - 11.4.3 Notice of such urgent meetings, must be given by the Managing Director or Secretary, by notifying the Directors by e-mail and/or telephonically at the e-mail address and/or telephone number provided by the directors;
- 11.5 In the event that, within 30 minutes after the time elected for the commencement of a meeting of the Board, a quorum is not present, the meeting shall stand adjourned until the same day in the next week, at the same time and place, or if that day be a public holiday, a Saturday or a Sunday, to the next succeeding business day and if, at such adjourned meeting, a quorum is not present within 30 minutes after the time elected for the commencement of the meeting, the directors or their alternates then present, shall constitute a quorum.
- 11.6 Where a director's meeting has been adjourned, the Company Secretary shall use its best endeavors to inform the directors who were not present at the adjourned meeting of the time, date and place to which the meeting has been adjourned.
- 11.7 The adjourned meeting may deal only with the matters which were placed on the agenda of the scheduled meeting so adjourned.
- 11.8 In the event of a deadlock between the directors, shall the matter be referred to arbitration in terms of paragraph 36 (thirty six).

12. Directors Report

- 12.1 The Board shall deliver to the Shareholder(s), a brief report on the performance of the Company, once a year.
- 12.2 The Shareholder(s) undertake that they shall not, without the prior written consent of the Board, divulge and/or disclose, whether directly or indirectly, the contents of any of the aforementioned reports, to any third party, person or entity whomsoever.

13. Directors Liability Insurance

The Board, shall from time to time, if so applicable and if so decided, agree the amount of directors liability insurance to be taken out by the Company, which shall be captured in the schedule attached hereto.

14. Resolutions of the Directors

- 14.1 Decisions will be made at the Board meeting by a show of hands.
- 14.2 Each director shall have a vote in accordance with the shareholding represented. The majority vote shall constitute a decision by directors.
- 14.3 In the event of a deadlock arising at a meeting of the Board, the matter shall be treated as if the Board had voted against it. The directors will then refer the matter to the Shareholder(s) to take a decision.
- 14.4 Subject to the provisions of the Act, a resolution in writing signed by directors representing a quorum shall be as valid and effective as if it had been passed at a meeting of the Board properly called and held.
- 14.5 If the chairperson of the Board cannot be present at the meeting, the directors shall elect amongst themselves a chairperson to act as such for the purpose of that meeting.

15. Shareholder(s) Meetings

- 15.1 A Shareholder(s)'s meeting shall be held at least once every six (6) months, which may take place in conjunction with a board meeting.
- 15.2 An annual general meeting of the Shareholder(s) shall be held in accordance with the provisions of the Act.
- 15.3 At least twenty one (21) business days prior to a general meeting called for purposes of passing a special resolution and fourteen (14) business days prior to any other general meeting, written notice shall be given by the Company Secretary to each Shareholder(s).
- 15.4 All Shareholder(s) meetings shall be held at the registered physical address of the offices of the Company, unless otherwise agreed to in writing by the majority of Shareholder(s).

- 15.5 Notwithstanding the provisions of this agreement any Shareholder(s) may convene a special general meeting, provided that at least twenty one (21) business days prior to this intended meeting, written notice of such meeting will be given to all Shareholder(s).
- 15.6 The quorum required at any meeting of Shareholder(s) shall be the majority of Shareholder(s) of all issued ordinary shares in the capital of the Company, in person or represented by proxy, with the provision that:
- 15.6.1 If within 30 (thirty) minutes after the time elected for the meeting a quorum is not present, the meeting shall stand adjourned to the same time and place 7 (seven) days after the date of the meeting and if at such adjourned meeting such a quorum is not present within 30 (thirty) minutes after the time elected for the meeting, the Shareholder(s) present in person or by proxy shall constitute a quorum;
- 15.6.2 Notice for all Shareholder(s) meetings shall be given to the Shareholder(s) on the same basis as stipulated for directors meetings;
- 15.6.3 Where a meeting has been adjourned as aforesaid, the Company Secretary shall within 24 (twenty four) hours after the adjournment, advise each Shareholder(s) in writing of the date, time and place to which the meeting has been adjourned;
- 15.6.4 This notice give by the Company Secretary shall be given to all Shareholder(s) in e-mail format and/or by telefax, and/or by post;
- 15.6.5 The adjourned meeting may deal only with the matters which were placed on the agenda for the scheduled meeting so adjourned.
- 15.7 At a meeting of Shareholder(s), each Shareholder shall have a vote pro-rata the shareholding held by each respective Shareholder(s). A decision made by the majority of voted shares, shall constitute a resolution passed by Shareholder(s), unless a decision required in terms of clause 16 must be voted upon. On the request of any Shareholder(s) voting shall be conducted by secret ballot.
- 15.8 Subject to the provisions of the Act, a resolution in writing signed by all Shareholder(s), entitled to receive notice of and to attend and vote at a general meeting, shall be as valid and effective as if it had been passed at a general or special meeting properly called for and held.
- 15.9 The chairperson so elected for a Shareholder(s) meeting, shall be elected at the Shareholder(s) meeting, whom shall only stand in as chairman for practical reasons and to facilitate the meeting. For as long as the managing director retains shares, he shall stand as chairman at Shareholder(s) meetings.
- 15.11 The Shareholder(s) shall procure that the record is kept of all decisions taken at the Shareholder(s) meeting and shall ensure that such record are inserted into the minute book kept for that purpose.
- 15.12 No business shall be transacted and/or decisions made at such a Shareholder(s) meeting unless a quorum is present at the commencement of such meeting, subject to 15.6.

16. Voting in Respect of Material Decisions

- 16.1 In the following circumstances no resolution made by the Board shall be of force or effect, unless ratified by 75% of the Shareholder(s) of the Company:
- 16.1.1 The carrying on of any business intended by the Company other than day to day business of the Company;
- 16.1.2 The entering of any transaction other than transactions in the normal, ordinary and regular course of the Company
- 16.1.3 The disposal by the Company of the whole or substantially the whole of the undertaking of that company or the whole or the greater part of the assets of that company;
- 16.1.4 The acquisition by the Company of any other business;
- 16.1.5 The formation and acquisition of any subsidiary of the Company or the disposal of or winding up of any subsidiary thereof;
- 16.1.6 The furnishing of any guarantee, surety-ship, indemnity, or similar security by the Company for the obligation of any third party, otherwise than in the ordinary course of business;
- 16.1.7 Any change of any nature whatsoever in the capital structure of the Company including, but without limitation, any amendment to the authorised share capital of such Company, the creation of any further classes of shares, the issue of any shares, the cancellation of any shares, the alteration of the rights which attach to any shares of any nature whatsoever, and the creation and issue of debentures by such Company;
- 16.1.8 Any voluntary liquidation of the Company;
- 16.1.9 The making, granting or issue by the company of any loan, credit facility or guarantee, otherwise than in the ordinary course of that Company's business;
- 16.1.10 The disposal by the Company of material movable assets;
- 16.1.11 The disposal by the Company of immovable property;

- 16.1.12 The disposal by the Company of a subsidiary, business entity or enterprise as a going concern;
- 16.1.13 Any disposal of the whole or part shares of Shareholder(s), otherwise than defined herein;
- 16.1.14 Any amalgamation between the Company and another entity;
- 16.1.15 Institution of any legal proceedings other than in the normal course of business;
- 16.1.16 Changes in the Shareholder(s) Agreement or Articles of Association;
- 16.1.17 Capital investments or expenses outside budget or outside the ordinary course of business;
- 16.1.18 Change in dividend and accounting policy;
- 16.1.19 Change in costing structures and profit margins.

17. Deadlock

- 17.1 If there is a deadlock between the Shareholder(s), a dispute shall be deemed to exist between the Shareholder(s) which shall be dealt with as contemplated in clause 17.2. Any such deadlock shall not constitute a ground for the winding up of the Company.
- 17.2 Any dispute between the Shareholder(s) shall first be submitted to mediation, then conciliation and thereafter If not resolved, arbitration:
 - 17.2.1 The Arbitration shall be held in South Africa and in accordance with the Rules of the Arbitration Foundation of South Africa (AFSA);
 - 17.2.2 The arbitrators shall have the discretion with regard to the proceedings, provided they adhere to the Rules of AFSA, but shall make his decision in the best interests of the Company;
 - 17.2.3 The Arbitral award may grant any relief deemed by the arbitrators to be just and equitable, including without limitations injunctive relief and / or specific performance, together with damages (except consequential, punitive or other similar damages). The arbitrator award shall state the reason for the award and relief granted and shall be final and binding upon the Shareholder(s). The arbitrator award may include an award of costs including reasonable legal costs;
 - 17.2.4 Subject to the other provisions of this clause, each arbitration shall be held in accordance with the Arbitration Act 42 of 1965, as amended;
 - 17.2.5 The Shareholder(s) agree that there will be no appeal whether on a point of law or otherwise from the decision of the arbitration tribunal.
- 17.3 Pending the outcome of any arbitration, in the interim period, insofar as concerns the disputed resolution, the Company's auditors shall determine in their sole and absolute discretion (acting as experts and not as arbitrators, their decision being final and binding on the parties) how the business of the Company should be conducted for that interim period.

18. Limitation on Powers of Directors

No director may conclude any Agreements or commit the Company to any liabilities outside the normal cause and scope of the conducting of the business of the Company without a prior resolution of the Board authorising such director to do so.

19. Management of the Company

Save as otherwise provided for in this Agreement, the management and control of the Company shall vest in the Board, whom shall elect a managing director to attend to the day to day management of the Company.

20. Company Signatures

- 20.1 If so decided by unanimous decision by the Shareholder(s), will a Shareholder(s) be entitled to lend to the Company, such amount(s) which will be reflected in the financial statement records of the Company, and such loans shall bear interest at the prime interest rate or such other rate as may then otherwise be determined by the Shareholder(s).
- 20.2 Subject to the availability of profit, if so applicable, interest shall be paid quarterly in arrears, by no later than 7 (seven) business days after the end of each quarter and any amount outstanding together with compounded interest shall further accrue to the sponsoring Shareholder(s) until payment.

- 20.3 No Shareholder(s) shall dispose of (which in this context means sell, transfer, alienate, cede, pledge or encumber) all or any of the amounts due to him by the Company on loan account:
- 20.3.1 Without the prior written consent of the Board; or
- 20.3.2 Unless such disposal be pursuant to the provisions of this agreement.
- 20.4 Any Shareholder(s) selling or transferring shares in the capital of the Company, may not sell or transfer a portion of, or his/her/their complete shareholding in the Company, unless the purchaser makes payment to the Seller in terms of the Sale Agreement and/or to the Company in the event of an outstanding loan amount
- 20.5 The parties record that, subject to the provisions of this agreement, the Board shall always be obliged to repay any loan accounts from the profits of the Company. For the purposes of this clause, "profits" shall be any after tax income of the Company.
- 20.6 A certificate by the auditor of the company at any particular period of time, confirming the loan account of any particular Shareholder(s), constitutes prima facia proof of such contribution by a Shareholder(s).
- 20.7 To the extent that the company will have surplus funds and operate in a positive cash flow, in generating a monthly income, the loan accounts of the Shareholder(s) contributing the cash flow, must be repaid and will such profits be applied to discharge the loan accounts of the Shareholder(s), always subject to a cession of loan accounts which serves as security.

21. Transfer of Shares Generally

- 21.1 No Shareholder(s) shall dispose of (which in this context means sell, donate, exchange, transfer, alienate, cede, pledge or encumber) any shares in the capital of the Company or any interest in such shares, without the prior written consent of the Board of Directors, and compliance with the terms and conditions as set out hereunder.
- 21.2 Notwithstanding anything to the contrary contained or implied in this agreement, the Company and the Shareholder(s) hereby agree and undertake that no Shareholder(s) shall sell or transfer any shares in the capital of the Company or any interest in such shares unless the Purchaser and/or transferee of such shares gives prior written agreement to become a party to and observe the terms and conditions of this agreement.

22. Pre-emptive Rights of Shareholder(s) to Purchase Shares

- 22.1 A Shareholder(s) who wishes to sell, transfer or in any manner alienate and/or encumber his/her/their shares in and/or claim on loan account against the Company ("the Equity") shall not be entitled to do so unless:
- 22.1.1 Such disposal is pursuant to a sale in terms of which the entire purchase price is expressed to be payable, and;
- 22.1.2 Such sale, transfer, alienation and/or encumbrance is permitted in terms of the provisions of this agreement, all the shares and not only part thereof, are to be sold;
- 22.2 Any Shareholder(s) who wishes to sell all or part of his Equity in the Company ("the Transferor") shall give notice in writing ("the Transfer Notice") to the Company Secretary that he wishes to sell such Equity. The Transfer Notice shall specify:
- 22.2.1 The Equity which the Transferor proposes to sell;
- 22.2.2 The intended selling price thereof, ("**The Equity Consideration**");
- 22.2.3 The terms as to the provision of security (if any) for payment of the purchase price; and
- 22.2.4 The name of the proposed purchaser, if any ("**The Third Party Purchaser**").
- 22.3 The Equity Consideration shall not be less than the settlement amount.
- 22.4 The Transferor acknowledge that if there is still an outstanding settlement amount, and he/she/they is/are not yet the rightful owner and/or in possession of the shares, and he/she/they will be obliged to inform the third party purchaser as such.
- 22.5 The transferor may proceed to sell his/her/their Equity to the Third Party Purchaser, at any time after giving the transfer notice, subject thereto that:
- 22.5.1 The settlement amount, if any, is paid directly to the Company;
- 22.5.2 The Third Party Purchaser signs verbatim, the same Shareholder's Agreement as this agreement.
- 22.6 Subsequent to the compliance with the applicable provisions as per the above paragraphs, can the Company Secretary then proceed to give transfer of the Equity, and issue a share certificate into and in the name of the Third Party Purchaser.
- 22.7 Notwithstanding anything contained to the contrary, the transferor may not sell, transfer, alienate, encumber in any manner whatsoever his/her/their Equity, unless the settlement amount is paid in full.

23. Dividend Policy and Accounting Policy

- 23.1 It is hereby specifically recorded that as the nature of the Company pertains to the usage and management of the property, for the benefit of the Shareholder(s), is it unlikely that any dividend will ever accrue to the Shareholder(s). However, in the event of any dividend accruing to the Shareholder(s), will it be in accordance as set out hereunder.
- 23.2 The Shareholder(s) shall ensure that the Company adopts, in preparing its accounts, a consistent and, so far as is possible, a uniform policy in regard to stocks, debtors, depreciation, obsolescence and the like based on sound and generally accepted accounting principles.
- 23.3 The Shareholder(s) shall further ensure that the Company shall declare such a dividend (if any) as the Board shall deem appropriate from time to time in respect of the divisible profit, earned in respect of the fiscal period then in review, but always taking into account:
- 23.3.1 Such provisions for depreciation, obsolescence, bad debts and known contingencies (including taxation) as the Board may, consistently with the provisions of this agreement, reasonably consider necessary, but before and excluding transfers to general reserves or provisions for unknown contingencies; and
- 23.3.2 The reasonable cash requirements of the Company in respect of its commitments incurred for ordinary liabilities in the ordinary course of business;
- 23.3.3 The payment of the loan accounts of the sponsoring Shareholder(s).

24. Duration of this Agreement

- 24.1 This agreement shall remain in force unless:
- 24.1.1 It is cancelled as a result of the cancellation of the Sale Agreement and/or;
- 24.1.2 It is cancelled in terms of paragraph 25 hereunder.
- 24.2 This agreement shall accordingly not be capable of cancellation due to an un-remedied breach by a party of its obligations and, in the event of such breach, the rights of the aggrieved parties shall be limited to enforcing the terms of this agreement, with or without a claim for damages and any other remedy provided for in this agreement.

25. Breach

- 25.1 In the event that one of the parties ("defaulting party") breaching any term of this agreement, and fail to remedy such breach within a period of seven (7) days after having been given written notice by the other party ("aggrieved party") to the domicilium citandi et executandi address of the defaulting party, calling upon the defaulting party to remedy the breach, then the aggrieved party shall be entitled, in addition to any other remedy which might be available to the aggrieved party in terms hereof or at law, to:
- 25.1.1 Claim specific performance from the defaulting party in terms hereof; or
- 25.1.2 Terminate this agreement, and retain all amounts, if any, paid by the defaulting party as such "rouwkoop".
- 25.2 Notwithstanding anything to the contrary stated herein, do nothing prohibit any one of the parties from claiming such damages.
- 25.3 In the event that the aggrieved party is the Purchaser, and defaulting party is the Seller, and the Seller fails to remedy such breach within a period of 7 (seven) days after having been given written notice by the Purchaser to the domicilium citandi et executandi of the Seller, calling upon the Seller to remedy the breach, then the Purchaser shall be entitled, in addition to any other remedy which might be available to the Purchaser in terms hereof or at law, to:
- 25.3.1 To claim specific performance; or
- 25.3.2 Terminate this agreement, and;
- 25.3.3 Claim damages that the Purchaser may have suffered or sustained in consequence of the Seller's default.

26. Personal Suretyship / Confidentiality

- 26.1 No shareholder(s) and director(s) of the Company may sign as suretee and/or co-principal debtor in favour of the Company, in respect of the obligations of the Company, unless so approved in writing by the Company.
- 26.2 Any Shareholder(s) and/or director(s) signing suretee and/or co-principal debtor in favour of the Company shall be bound by the terms and conditions of such suretyship.
- 26.3 The above paragraphs 25.1 and 25.2 will not be applicable on the Seller, as referred thereto in the Sale Agreement, having to sign surety in favour of the Company in respect of the 10 (ten) year loan to be obtained from financial institution.

27. Death of Shareholder(s) Nominee

In the event of the Shareholder(s) being a natural person, becoming deceased, shall the executor in the estate of the deceased Shareholder(s) deal with the Shares in terms of paragraph 22 supra.

28. Permanent Incapability of a Shareholder(s)

If a Shareholder(s), being a natural person, becomes incapacitated, because of unsound mind, physical ability and/or any other reason, shall the appointed curator of the Shareholder(s) deal with the shares in terms of the paragraph 22 supra.

29. Insolvency of a Shareholder(s)

Should the trustee of the insolvent estate of a Shareholder(s) of the Company, not sell that Shareholder(s) interest in terms of Section 34 of the Act, shall the Trustee deal with the shares in terms of paragraph 22 supra.

30. Dispute Resolution

- 30.1 Should any dispute, disagreement or claim arise between the parties (called hereafter the dispute) concerning this agreement the parties, the aggrieved party, may elect, in such party's discretion, to resolve the dispute by negotiation, and subject, that the other party agrees thereto.
- 30.2 This allows an aggrieved party inviting the others in writing to meet and to attempt to resolve the dispute within 3 (three) days from date of delivery of a written invitation.
- 30.3 If the dispute is not been resolved by negotiation between the parties within 24 (twenty four) hours after the commencement of negotiations, then the parties may:
- 30.3.1 If the aggrieved party elect such route and the other party consento thereto, follow the route of mediation, conciliation and then arbitration. Any such negotiation, mediation, conciliation or arbitration shall be held at the Company's registered office, or
- 30.3.2 Follow such appropriate legal steps as is provided for herein.

31. Arbitration

- 31.1 Arbitration as contained in this clause will only be applicable should the aggrieved party elect to follow the Arbitration route after an attempt to resolve the dispute in terms of the above clauses, and if the other party agrees thereto.
- 31.2 For the terms of this clause a dispute shall include the general understanding of the word dispute and shall involve any dispute related to the company.
- 31.3 a dispute shall include the following:
- 31.3.1 Not passing a resolution at any meeting held by a board of directors and/or Shareholder(s).
- 31.3.2 A deadlock situation.
- 31.3.3 The non-availability of a quorum.
- 31.4 A dispute shall furthermore include any action of a director or Shareholder(s) contrary to the terms and conditions of this agreement, not acceptable to the Shareholder(s).
- 31.5 Further factors involving arbitration, shall include the following:-
- 31.5.1 The interest and/or shareholding of any Shareholder(s) in the company.
- 31.5.2 The employment or terminating of the employment of a director.
- 31.5.3 The power, obligations and actions of a director.
- 31.5.4 All matter applicable to the company.
- 31.6 Should any dispute arise, any Shareholder(s) may direct a written notice to the company in which it is requested that the dispute be referred to arbitration.
- 31.6.1 Such request for arbitration must be directed to all Shareholder(s) of the company.

- 31.7 Subject to the clauses in this contract, arbitration shall take place under the arbitration statutory requirements as applicable at the time of the arising of the dispute.
- 31.8 The arbitration will be held in the town where the registered office of the company is situated and in accordance with the formalities and procedures which may be laid down by the arbitrator.
- 31.9 Immediately after an arbitrator has been elected, any of the parties to the dispute may lodge a request to the arbitrator as to the place and date of arbitration as well as the procedure that must be followed in the arbitration.
- 31.10 Any award made by the arbitrator:-
- 31.10.1 Shall be final and binding upon the parties.
 - 31.10.2 Shall have the effect given by the arbitrator; and
 - 31.10.3 May be made an order of court.

32. Co-operation

Each of the parties to this agreement undertake to act to the benefit of the Company and to procure such resolutions of directors or Shareholder(s) of the Company, always to the benefit of the Company.

33. Good Faith

In the implementation of this agreement, the parties undertake to observe the utmost good faith and they warrant in their dealings with each other that they shall neither do anything nor refrain from doing anything which might prejudice or detract from the rights, assets or interests of any other(s) of them. Notwithstanding the above-mentioned the parties shall at all material times exhibit the utmost good faith towards each other, which will include that neither one party will ever misrepresent the company in any way. The parties shall treat all communications and information as extremely confidential. The relationship between the Shareholder(s) will be construed as that of quasi partners. Shareholder(s) shall always act to the benefit of the company.

34. Supersession

This agreement cancels and supersedes all prior negotiations and agreements entered into between the parties relating to the matters set forth herein

35. Notices and Domicilium Citandi Et Executandi

- 35.1 Each of the parties chooses domicilium citandi et executandi ("domicilium") for the purposes of the giving of any notice, the serving of any process and for any other purposes arising from this agreement at their respective addresses set forth in schedule "2" attached hereto.
- 35.2 Each of the parties shall be entitled from time to time, by written notice to the others to vary its domicilium, which is not to be a post office box or poste restante.
- 35.3 Any notice given and any payment made by a party to any of the others ("the addressee") which:
- 35.3.1 Is delivered by hand during the normal business hours of the addressee at the addressee's domicilium for the time being shall be presumed, unless the contrary is proved by the addressee, to have been received by the addressee at the time of delivery;
 - 35.3.2 Is posted by prepaid registered post from an address within the Republic of South Africa to the addressee at the addressee's domicilium for the time being shall be presumed, unless the contrary is proved by the addressee, to have been received by the addressee on the fourth day after the date of posting.
- 35.4 Where, in terms of this agreement any communication is required to be in writing, the term "writing" shall exclude communications by e-mail or facsimile.
- 35.5 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.

36. Non-Waiver

No relaxation, indulgence or extension of time granted by any party ("the Grantor") to any other party shall be construed as a waiver of any of the Grantor's rights in terms hereof, or a novation of any of the terms of this agreement or estop the Grantor from enforcing strict and punctual compliance with the terms of this agreement.

37. Non-Variation

No variation of, addition to, consensual cancellation of or waiver of any right arising in terms of this agreement shall be of any force or effect unless it is reduced to writing and signed by a duly authorised representative of each of the parties.

38. Whole Agreement

This agreement constitutes the whole agreement between the parties in relation to the subject matter thereof and no party shall accordingly be bound by any undertaking, representation or warranty not recorded therein.

39. Jurisdiction

The parties hereto consent and admit to the jurisdiction of South Africa over each person or legal entity in respect of all proceedings connected and/or flowing from this agreement, such jurisdiction to vest in any competent South African Court.

Notwithstanding the amount claimed or the value of the matter in dispute:-

- 39.1 This consent does not preclude the parties to institute action in the High Court, should they elect to do so.

40. Administrative Costs

- 40.1 The costs of and incidental to the drafting and preparation and finalisation of this agreement, and the transfer of the shares, including stamp duty (the latter payable at a later stage, if applicable) in the amount of R2000.00 (two thousand rand), shall be borne and paid for by the Shareholder(s).
- 40.2 The Shareholder(s) acknowledged that the costs as referred thereto in the above paragraph are fair and reasonable.
- 40.3 The Shareholder(s) wave his/her/their rights, to contest the costs as per the above paragraph, payable towards the attorneys, and explicitly concede that these costs are not subject to taxation and payable upon signature of this document, into the trust account of the attorneys, as specified in the Sale Agreement.

41. Obligations of the Shareholder(s)

The Shareholder(s) hereby commit themselves to pay to the company all amount(s) owed to the company in terms of this agreement in order for the Shareholder(s) to take up the shares offered herein, and for the company to conduct business as intended.

42. Further Agreements

- 42.1 This agreement will be binding on all Shareholder(s) to this agreement, notwithstanding a change in the shareholding of a Shareholder(s) or any change of the shareholding of company, either by means of admission of a new Shareholder(s) or through determination of shareholding by a current Shareholder(s), when applicable.
- 42.2 Should a new Shareholder(s) be admitted as a Shareholder(s) to the company, it will be an absolute term of such admission that the new Shareholder(s) will be bound mutatis mutandis to the term and conditions of this agreement.
- 42.3 admission and acceptance of such a new Shareholder(s) in consent to the terms and conditions of this agreement will be applied by replacement of the shares register in terms of which the new Shareholder(s) particulars are stipulated.
- 42.4 This agreement will be binding upon the directors of the company, notwithstanding the fact that the directors have not attended to the signature of this agreement. It is accepted by the parties to this agreement that they act on behalf of the Directors, to be elected, or elected.

43. Lien Over Shareholding

The company if applicable, shall have a lien or hypothec over every Shareholder(s) equity, once the shares are transferred and registered in the Shareholder's name, for all the Shareholder(s)'s debts, liabilities and engagements, whether sole or jointly with any other person, towards the company, whether or not the time for payment, fulfilment of discharge thereof shall have come. The Company shall have the right and such lien shall extend to all distributions from time to time made in respect of the Shareholder(s) interest and all repayments from time to time due to the Shareholder(s) in respect of the loan account of his or her loan account.

44. Management of the Company

The management of business of the company is vested in the directors, especially the managing director.

- 44.1 The directors in the employ of the company and if so applicable, will receive remuneration as employees as determined by the directors.
- 44.2 The managing director shall also be the secretary of the Company until a secretary is recruited and elected and shall attend to the management of the company, with the assistance of the other directors.
- 44.3 Any schedule which requires changes, must be replaced with the schedule reflecting the changes, which schedule will be signed by all Shareholder(s) and/or their authorised representatives.

45. Managing Director

- 45.1 The business of the company shall be managed by a managing Director.
- 45.2 The directors, if so required and applicable, shall assist the managing director.
- 45.3 Any person who becomes a Shareholder(s) and a director shall be deemed to be bound by the provisions of the Companies Act and the statutes of the company and the provision of this agreement.
- 45.4 The first managing Director, elected by the Shareholder(s) is reflected in the schedule attached hereto.

46. Bank Account

A bank account for the company is to be opened as determined by resolution with the signature to transfer and/or withdraw funds by at least two directors.

47. General Clauses

Should any term or condition of this agreement be in conflict or not in accordance with the provisions of the Act, or non-executable, such term and condition will not render the whole agreement void, but it will only have the effect that such specific provision in a particular clause, which is in conflict with the Act, non-executable or otherwise impractical, is void.

48. Inspection of Books and Records

The books of account and other books and documents of the Company shall be kept at the registered office, and, subject to any reasonable restrictions as to the time and manner of inspecting the same that may be imposed by a resolution of the members of the Company in general meeting, shall be open to the inspection of the members during the hours of business.

49. Quasi-Partnership

Shareholder(s) shall owe to each other a duty of good faith at all times. Their relationship shall be construed as that of quasi-partners.

50. Prohibition on Encumbrance of Shares and Claims

Except as expressly provided for in this Agreement, or in any subsequent written agreement in force between all the Shareholder(s), no Shareholder(s) may cede (excluding a cession in securitatem debiti for payment in respect of shares sold), pledge, hypothecate or otherwise Encumber any of its Shares or Claims, or any interest in any of its Shares or Claims, without the written permission of the Company.

51. Governing Law

The interpretation, implementation and termination of this Agreement shall be governed by the substantive laws of the Republic of South Africa as well as the prescription laws of the Republic of South Africa (to the extent that they are considered not to be substantive laws thereof), all of which laws shall, for all purposes of this Agreement, be the governing law of this Agreement.

52. Employment of Directors / Shareholder(s)

- 52.1 All Shareholder(s) must nominate a director to represent such Shareholder(s) on the Board of Directors.
- 52.2 The Managing Director of the Company, if so decided and if so applicable, will be employed by the Company as an employee.

53. Ratification of Agreement by the Company

The parties undertake to ensure that the company adopts and ratifies this agreement.

SIGNED at on this the day of 2009.

AS WITNESSES

1. _____

2. _____

For and on behalf of the Company,
Duly authorised thereto

SIGNED at on this the day of2009.

AS WITNESSES

1. _____

2. _____

Shareholder(s):

Schedule 1

1. Names of Shareholder(s):

1.1

1.2

2. Contributions:

Contributions by each respective Shareholder(s), as reflected in their loan accounts from time to time in the books and records and financial statements of the company.

2.1

2.2

3. Shareholding:

3.1

3.2

4. Value of shareholding:

As stipulated herein.

5. Beneficiaries of each respective Shareholder(s)

5.1

5.2

5.3

6. Quorum at meetings:

As stipulated herein.

7. Auditor:

As decided by the Board of Directors from time to time

8. Loan account obligation of each Shareholder(s) to the Company as at the effective date:

Not applicable

Schedule 2

1. Directors – Domicilium Addresses:

- 1.1.1 Rellared Prankir Fertig
Physical Address: Colliers House, 36 Fricker Road, cnr Harries Road, Illovo, Sandton 2196
Postal Address: P O Box 62213, Marshalltown 2107
Telephone number: +27 (011) 3403333
Telefax Number: +27 (011) 3403399
- 1.1.2 Bernard William Kaiser
Physical Address: Colliers House, 36 Fricker Road, cnr Harries Road, Illovo, Sandton 2196
Postal Address: P O Box 62213, Marshalltown 2107
Telephone number: +27 (011) 3403333
Telefax Number: +27 (011) 3403399

2. Shareholder(s) – Domicilium Addresses:

- 2.1.1
Physical Address:
Postal Address: P O Box
E-mail Address:
Telefax Number: (012)
- 2.1.2
Physical Address:
Postal Address: P O Box
E-mail Address:
Telefax Number: (012)

3. Date Of Electment Of Directors

As elected and registered from time to time.

4. Remuneration Per Month Of Directors And Directors Employed As Employees

As stipulated herein.

5. Other Terms And Conditions Of Electment

As stipulated herein.

6. Secretary Of Company

Bernard William Kaiser
Physical Address: Colliers House, 36 Fricker Road, cnr Harries Road, Illovo, Sandton 2196
Postal Address: P O Box 62213, Marshalltown 2107
Telephone number: +27 (011) 3403333
Telefax Number: +27 (011) 3403399

7. Nominated Representatives Of Shareholder(s)

- 7.1
- 7.2

8. Key persons Nominated By Shareholder(s)

8.1

8.2

9. Registered Address Of Company

Physical Address: Colliers House, 36 Fricker Road, cnr Harries Road, Illovo, Sandton 2196
Postal Address: P O Box 62213, Marshalltown 2107
Telephone number: +27 (011) 3403333
Telefax Number: +27 (011) 3403399

10. Managing Director

Rellared Prankir Fertig

11. Company Bankers

As decided by the Board of Directors from time to time