

TRANSACTION AGREEMENT

between

TONY G-CO INVESTMENT HOLDINGS LIMITED

and

ALCLIN MANUFACTURING PROPRIETARY LIMITED

and

ALCLIN PROPRIETARY LIMITED

and

CHRISTO GUSTAV COETZEE

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1. **Interpretation**

1.1 Any reference in this Agreement to:

- (a) a clause is, subject to any contrary indication, a reference to a clause of this Agreement;
- (b) a person is a reference to any natural or juristic person, firm, company, corporation, government, state, agency or organ of a state, association, trust or partnership (whether or not having separate legal personality);
- (c) any statute, regulation or other legislation is a reference to that statute, regulation or other legislation as amended or substituted from time to time;
- (d) a document or instrument includes the document or instrument as ceded, delegated, novated, altered, supplemented or replaced from time to time;
- (e) “including” or “in particular” does not limit the meaning of the preceding general words.

1.2 Headings are included in this Agreement for the purpose of convenience only and will not be used in its interpretation.

1.3 Unless the context indicates otherwise, in this Agreement a reference to the singular includes the plural and vice versa and a reference to any gender includes the other genders.

1.4 When any number of days is prescribed in this Agreement, the number excludes the first and includes the last day unless the last day falls on a day which is not a Business Day, in which case the last day will be the immediately preceding Business Day. Any reference to times of the day must be interpreted as references to local times in the relevant jurisdiction, unless the context indicates otherwise.

- 1.5 If a definition in this Agreement is substantive, conferring rights or imposing obligations, or both, on a Party, effect will be given to it as if it were a substantive term in the body of this Agreement.
- 1.6 The termination or expiration of this Agreement will not affect those terms in this Agreement which expressly provide that they will operate after termination or expiration or which of necessity must continue to have effect after termination or expiration, notwithstanding that the terms do not expressly provide this.
- 1.7 The terms of this Agreement have been negotiated by the Parties and drafted for the benefit of the Parties, and accordingly the rule of construction that a contract will be interpreted against or to the disadvantage of the party responsible for drafting the contract, will not apply.

2. **Definitions**

In this Agreement:

- 2.1 "A Class Ordinary Shares" means the class of A class ordinary shares in each of the Alclin Companies;
- 2.2 "Accountants" means the accounts of the Alclin Companies;
- 2.3 "Agreement" means this Transaction Agreement including its annexures;
- 2.4 "Alclin" means Alclin Proprietary Limited, Registration Number 1995/006433/07, a limited liability company duly incorporated in the Republic of South Africa;
- 2.5 "Alclin Companies" means Alclin and Alclin Manufacturing;
- 2.6 "Alclin Manufacturing" means Alclin Manufacturing Proprietary Limited, Registration Number 2023/183072/07, a limited liability company incorporated in the Republic of South Africa;

- 2.7 "Attorneys" means the firm of attorneys Cox Yeats, situate at Ncondo Chambers, 45 Vuna Close, Umhlanga Ridge, Durban and at 4 Sandown Valley Crescent, Sandton;
- 2.8 "B Class Ordinary Shares - Alclin" means the class of ordinary shares of no par value in Alclin, each of which:
- (a) ranks *pari passu* with, and are subject to the same terms of, each A Class Ordinary Share; and
 - (b) also entitles the holder thereof to the Redemption Right;
- 2.9 "B Class Ordinary Shares – Alclin Manufacturing" means the class of ordinary shares of no par value in Alclin Manufacturing, each of which:
- (a) ranks *pari passu* with, and are subject to the same terms of, each A Class Ordinary Share; and
 - (b) also entitles the holder thereof to the Redemption Right;
- 2.10 "Board Appointment Documents" means the documents as are advised by the Attorneys as being necessary to update the boards of each of the Alclin Companies so that they comprise of the individuals recorded in clause 5.1(a);
- 2.11 "Business Day" means any day other than a Saturday, Sunday or public holiday in South Africa;
- 2.12 "Cession" means the cession of Alclin's right, title and interest in and to its debtors and the agreement between it and ESCO and/or the Machinery (to the extent not covered by the Notarial Bond);
- 2.13 "Coetzee" means Christo Gustav Coetzee;
- 2.14 "Clinical Trials" means project work that is expected to be undertaken by a contract research organisation (to be agreed and nominated between the Parties) with defined objectives and timelines and that are expected to be conducted across five sites (or fewer), which may be in different countries, and expect to establish the efficacy of Alclin's products in the

shortest time and smallest participant group sizes possible, and in respect of pre-defined conditions which the Parties shall agree (for instance in relation to hypertension, alcoholism, smoking addiction, drug addiction, addictions of other kinds, remediation of anaesthesia-induced issues, other metabolic ailments or anything else);

2.15 “Closing Date” means the first Business Day after the last of the Conditions Precedent is fulfilled or waived;

2.16 “Commission” means the Companies and Intellectual Property Commission;

2.17 “Companies Act” means the Companies Act, 2008;

2.18 “Conditions Precedent” means the conditions precedent set out in clause 4.1;

2.19 “CP Documents” means:

(a) the resolution of the board of Alclin, authorising the issue of the Subscription Shares - Alclin contemplated by the Transactions;

(b) the resolution of the board of Alclin Manufacturing, authorising the issue of the Subscription Shares - Alclin Manufacturing contemplated by the Transactions;

(c) the Board Appointment Documents;

(d) share certificates in respect of:

(i) the First Tranche Alclin Shares;

(ii) the First Tranche Alclin Manufacturing Shares;

(iii) the Second Tranche Alclin Shares;

(iv) the Second Tranche Alclin Manufacturing Shares;

(v) the Third Tranche Alclin Shares;

- (vi) the Third Tranche Alclin Manufacturing Shares;
- (vii) the Fourth Tranche Alclin Shares;
- (viii) the Fourth Tranche Alclin Manufacturing Shares;
- (ix) the Fifth and Further Tranche Alclin Shares; and
- (x) the Fifth and Further Tranche Alclin Manufacturing Shares;

2.20 "DMF" means the Drug Master File registered with the US Food and Drug Administration, the current certificate in respect of which is annexed hereto marked Error! Reference source not found.;

2.21 "Effective Date" means 16 November 2023;

2.22 "ESCO" means the manufacturer of the Machinery;

2.23 "Fifth and Further Payment Dates" means the dates to be determined by the Parties, by agreement, but which shall in any event not be later than 30 April 2024;

2.24 "Fifth and Further Tranche Alclin Shares" means 156 580 B Class Ordinary Shares - Alclin in Alclin;

2.25 "Fifth and Further Tranche Alclin Manufacturing Shares" means 156 580 B Class Ordinary Shares – Alclin Manufacturing in Alclin Manufacturing;

2.26 "First Payment Date" means the date that falls within 1 (one) week of the Closing Date;

2.27 "First Tranche Alclin Shares" means 161 710 B Class Ordinary Shares - Alclin in Alclin;

2.28 "First Tranche Alclin Manufacturing Shares" means 161 710 B Class Ordinary Shares – Alclin Manufacturing in Alclin Manufacturing;

2.29 "Fourth Payment Date" means on or about 1 April 2024;

- 2.30 "Fourth Tranche Alclin Shares" means 32 340 B Class Ordinary Shares - Alclin in Alclin;
- 2.31 "Fourth Tranche Alclin Manufacturing Shares" means 32 340 B Class Ordinary Shares – Alclin Manufacturing in Alclin Manufacturing;
- 2.32 "Further Payment Conditions" means:
- (a) in respect of the payments recorded at clauses 5.2, 5.4 and 5.5, Alclin demonstrating to the Subscriber, to the Subscriber's satisfaction, that an instruction has been issued by Alclin to its bankers (which have confirmed receipt and confirmed that the instruction will be actioned) to pay an amount equal to the payment to be made to the Subscriber; and
 - (b) in respect of any payments to be made by the Subscriber on a Further Payment Date, the Subscriber having raised the funds necessary to be paid on that Further Payment Date and/or there has been, in the sole opinion of the Subscriber, no Material Adverse Change;
- 2.33 "Further Payment Dates" means the Second Payment Date, the Third Payment Date, the Fourth Payment Date and the Fifth and Further Payment Dates, and "Further Payment Date" means any one of them as the context requires;
- 2.34 "GMP" means Good Manufacturing Practice certification in South Africa;
- 2.35 "Guarantees" means any guarantee, bond, letter of credit, indemnity, suretyship or similar assurance against financial loss;
- 2.36 "Insurance" means comprehensive insurance in respect of the Machinery, (which at the very least covers the replacement value of the Machinery) with an insurance company approved, in writing, by the Subscriber, and which notes the Subscriber's interest in and to the Machinery;
- 2.37 "Interest Rate" means the Federal Funds Rate set by the Federal Open Market Committee of the Federal Reserve System of the United States of America, from time to time, which at the Signature Date is 5. 5% (five

point five percent); a letter or document setting out the Interest Rate and signed by any manager or assistant general manager of any branch of any commercial bank shall constitute *prima facie* proof of the Interest Rate;

2.38 “Loan” means the loan to be advanced by the Subscriber to Alclin, in the amount of the Total Funding less the Total Subscription Price;

2.39 “Loan Agreement” means the loan agreement to be concluded between the Alclin Companies, the Subscriber and Coetzee, in terms of which the Loan is to be regulated;

2.40 “Loan Portion” means that portion of any payment by the Subscriber which is not in respect of any portion of the Subscription;

2.41 “Machinery” means the machinery comprising *inter alia*:

- (a) Esco Isolator Model – Esco Filling Line Isolator;
- (b) Bausch - Bausch Type 535 Fill/Close & oRABs, Type 511 Crimping Machine, Type 534 Filling Machine);
- (c) Canaan MiniPilot 20 Lyophiliser (freeze dryer);
- (d) all spare parts;
- (e) cGMP compliance - that includes validations with IQ, OQ, FAT (Installation and Operation Qualification and Factory Acceptance Test and related matters); and
- (f) any other rights relating thereto, including service and maintenance rights,

as more fully detailed in **Annexure B**;

2.42 “Material Adverse Change” means an effect, circumstance or matter or a combination of events, circumstances or matters which has or is likely to have, in the sole opinion of the Subscriber, a material adverse effect on:

- (a) the ability of any Party to perform its obligations in terms of this Agreement; and/or
 - (b) the legality, validity and/or enforceability of this Agreement or the rights or remedies of the Subscriber under this Agreement; and/or
 - (c) the business, operations, property, assets, financial or trading position, or prospects of the Subscriber;
- 2.43 “MOI – Alclin” means the memorandum of incorporation to be adopted by Alclin, whereby the authorised share capital of Alclin will be 10 000 000 ordinary no par value shares;
- 2.44 “MOI – Alclin Manufacturing” means the memorandum of incorporation to be adopted by Alclin Manufacturing whereby the authorised share capital of Alclin Manufacturing will be 10 000 000 ordinary no par value shares;
- 2.45 “Notarial Bond” means the general and special notarial bond over the assets of Alclin and the Machinery, respectively, to be executed by Alclin in security for its indebtedness to the Subscriber in terms of *inter alia* the Loan;
- 2.46 “Parties” means the Alclin Companies, Coetzee and the Subscriber, and “Party” means any one of them as the context requires;
- 2.47 “Redemption Event” means, in respect of each of the Alclin Companies, the occurrence of any one of the ‘Put Events’ as recorded in the Shareholders Agreement in respect of that Alclin Company;
- 2.48 “Redemption Price” means the price for each B Class Ordinary Share being the price per share paid for each such share as at the point of their initial subscription;
- 2.49 “Redemption Right” means right of the holder of a B Class Ordinary Share in the Alclin Companies (**Holder**), to give notice to that Alclin Company (**Redemption Notice**) on the occurrence of a Redemption Event, in which case the B Class Ordinary Shares in that Alclin Company (held by the Holder) will be redeemed by that Alclin Company at the relevant Redemption Price.

- 2.50 “Second Payment Date” means the date that falls on or about 14 (fourteen) calendar days after the First Payment Date;
- 2.51 “Second Tranche Alclin Shares” means 20 000 B Class Ordinary Shares - Alclin in Alclin;
- 2.52 “Second Tranche Alclin Manufacturing Shares” means 20 000 B Class Ordinary Shares – Alclin Manufacturing in Alclin Manufacturing;
- 2.53 “Shareholders Agreements” means the Shareholders Agreement – Alclin and the Shareholders Agreement – Alclin Manufacturing;
- 2.54 “Shareholders Agreement – Alclin” means the shareholders agreement to be concluded between Alclin, the Subscriber and Coetzee, which is to take effect on the Closing Date;
- 2.55 “Shareholders Agreement – Alclin Manufacturing” means the shareholders agreement to be concluded between Alclin Manufacturing, the Subscriber and Coetzee, which is to take effect on the Closing Date;
- 2.56 “Signature Date” means the date of signature of this Agreement by the Party last signing;
- 2.57 “Step” means any one of the Transaction Steps;
- 2.58 “Subscriber” means Tony G-Co Investment Holdings Limited, Registration Number 801988, a company duly incorporated in Canada and listed on the Canadian Stock Exchange, or a Tony G-Co Nominee;
- 2.59 “Subscriptions” means the subscriptions by the Subscriber of the Subscription Shares – Alclin and the Subscription Shares – Alclin Manufacturing;
- 2.60 “Subscription Agreement” means the subscription agreement to be concluded between the Alclin Companies, the Subscriber and Coetzee, in terms of which the Subscriptions are to be regulated;
- 2.61 “Subscription Price – Alclin” means the consideration payable by the Subscriber for the Subscription Shares – Alclin, being subject to the

Valuations \$1 532 175. 94 (One Million Seven Hundred and Thirty Five Seven Hundred and Ninety-Three Thousand US Dollars and Twenty Two Cents);

2.62 “Subscription Price – Alclin Manufacturing” means the consideration payable by the Subscriber for the Subscription Shares – Alclin Manufacturing, being subject to the Valuations \$26 500. 00 (Thirty Thousand and Eighteen US Dollars and Eighty Cents);

2.63 “Subscription Shares” means the Subscription Shares – Alclin and Subscription Shares – Alclin Manufacturing;

2.64 “Subscription Shares – Alclin” means 500 000 B Class Ordinary Shares – Alclin in Alclin, comprising:

- (a) the First Tranche Alclin Shares;
- (b) the Second Tranche Alclin Shares;
- (c) the Third Tranche Alclin Shares;
- (d) the Fourth Tranche Alclin Shares; and
- (e) the Fifth and Further Tranche Alclin Shares;

2.65 “Subscription Shares – Alclin Manufacturing” means 500 000 B Class Ordinary Shares – Alclin Manufacturing in Alclin Manufacturing, comprising:

- (a) the First Tranche Alclin Manufacturing Shares;
- (b) the Second Tranche Alclin Manufacturing Shares;
- (c) the Third Tranche Alclin Manufacturing Shares;
- (d) the Fourth Tranche Alclin Manufacturing Shares; and
- (e) the Fifth and Further Tranche Alclin Manufacturing Shares;

2.66 “Third Payment Date” means on or about 31 December 2023;

2.67 “Third Tranche Alclin Shares” means 129 370 B Class Ordinary Shares - Alclin in Alclin;

2.68 “Third Tranche Alclin Manufacturing Shares” means 129 370 B Class Ordinary Shares – Alclin Manufacturing in Alclin Manufacturing;

2.69 “Tony G-Co Nominees” means those third parties nominated by Tony G-Co, from time to time, which may take up:

(a) the Subscriber’s rights to acquire some or all of the Subscription Agreement,

(b) the Subscriber’s lending and other rights under the Loan Agreement,

for *inter alia* Canadian regulatory, funding, taxation or other reasons, and “Tony G-Co Nominee” means any one of them;

2.70 “Total Funding” means \$5 000 000. 00 (Five Million US dollars);

2.71 “Total Subscription Price” means the Subscription Price – Alclin plus the Subscription Price – Alclin Manufacturing;

2.72 “Trademarks” means the trademarks set out in **Annexure C**;

2.73 “Transactions” means the transactions contemplated by the Transaction Documents;

2.74 “Transaction Documents” means:

(a) this Agreement;

(b) the Subscription Agreement;

(c) the Shareholders Agreement – Alclin;

(d) the Shareholders Agreement – Alclin Manufacturing;

(e) the Loan Agreement;

- (f) the documents as are advised by the Attorneys as being necessary to file and register the MOI – Alclin;
- (g) the documents as are advised by the Attorneys as being necessary to file and register the MOI – Alclin Manufacturing; and
- (h) the documents as are advised by the Attorneys as being necessary to file and register the Notarial Bond;

2.75 “Transaction Steps” means the transactions steps set out in clause 5;

2.76 “USCPI” means the United States Consumer Price Index; and

2.77 “Valuations” means the valuations by the Subscriber’s nominee in respect of the values of the Alclin Companies.

3. **Introduction**

3.1 As at the Signature Date:

- (a) all of the issued share capital in Alclin is held by Coetzee; and
- (b) all of the issued share capital in Alclin Manufacturing is held by Coetzee.

3.2 The Alclin Companies requires funding in the amount of the Total Funding for *inter alia*:

- (a) the acquisition of the Machinery; and
- (b) working capital purposes,

collectively, “the **Funding Purposes**”.

3.3 The Subscriber has agreed, with effect from the Effective Date, subject to the fulfilment of the Conditions Precedent and in respect of the Further Payment Dates, the Further Payment Conditions being met, to make the Total Funding available for the Funding Purposes.

- 3.4 In consideration for the Total Funding, or part thereof (i.e. the Subscription Price):
- (a) Alclin will issue to the Subscriber, the Subscription Shares – Alclin that correspond to the amount of Subscription Price paid; and
 - (b) Alclin Manufacturing will issue to the Subscriber, the Subscription Shares – Alclin Manufacturing that correspond to the amount of Subscription Price paid.
- 3.5 The balance of the Total Funding, or part thereof, (i.e. the Loan) will be advanced in accordance with the Loan Agreement.
- 3.6 This Agreement serves as the overarching agreement in terms of which the Transaction is to be implemented, in accordance with each Transaction Document.
- 3.7 The Transaction is to be implemented in accordance with the Transaction Documents, and in the order of the Transaction Steps.

4. **Conditions Precedent to this Agreement**

- 4.1 This Agreement (except clauses 1, 2, this clause 4 and clauses 9 to 21, inclusive (**Surviving Clauses**)) is subject to the fulfilment or waiver in terms of this clause 4 of all the following conditions precedent by 23:59 on 30 November 2023:
- (a) all of the Transaction Documents (other than the documents as are advised by the Attorneys as being necessary to file and register the MOI – Alclin and the documents as are advised by the Attorneys as being necessary to file and register the MOI – Alclin Manufacturing);
 - (i) have been concluded and become unconditional in accordance with their terms (save for any condition which requires this Agreement to become unconditional); and
 - (ii) where applicable, fully completed and provided to the Attorneys;

- (b) the:
 - (i) documents as are advised by the Attorneys as being necessary to file and register the MOI – Alclin; and
 - (ii) documents as are advised by the Attorneys as being necessary to file and register the MOI – Alclin Manufacturing; andhave been submitted to the Attorneys;
- (c) all of the CP Documents have been fully completed and provided to the Attorneys;
- (d) the Loan Agreement has, to the extent necessary, been approved by the Financial Surveillance Department of the South African Reserve Bank and/or an authorised dealer as contemplated in section 1 of the Exchange Control Regulations promulgated under the Currency and Exchanges Act, 1933;
- (e) The Alclin Companies have taken steps, to the satisfaction of the Subscriber, to renew the DMF;
- (f) The Alclin Companies have taken steps, to the satisfaction of the Subscriber, to renew the Trademarks;
- (g) The Alclin Companies have obtained the Insurance which is to become effective prior to the delivery of the Machinery, and a copy of the policy in respect thereof has been delivered to the Subscriber; and
- (h) To the extent necessary, as determined by the Attorneys, Business Partners Limited has given its consent for any of the Transactions, as may be required in terms of the loan agreement between Alclin Manufacturing and Business Partners Limited.

4.2 The Condition Precedent in clause 4.1(d) is incapable of waiver (by reason of law or otherwise).

4.3 The other Conditions Precedent are for the benefit of the Subscriber and may be waived, in whole or in part, by the Subscriber or the time for fulfilment or waiver extended by the Subscriber.

4.4 Each Party must:

(a) use its reasonable commercial endeavours to procure the fulfilment of all the Conditions Precedent as soon as possible after the Signature Date; and

(b) disclose in writing to the other Parties anything which will or is likely to prevent any of the Conditions Precedent from being satisfied, as soon as it becomes aware of such matter.

4.5 If the Conditions Precedent have not been fulfilled or waived (where waiver is possible in terms of this clause 4) by the required or extended date, then notwithstanding any provisions to the contrary in this Agreement, this Agreement (except for the Surviving Clauses which will remain of force and effect) will be of no further force or effect and a Party will not have any claim against any other Party arising from this Agreement except for a breach of clause 4.4 or any of the Surviving Clauses and insofar as is practically possible, the Parties must be restored to the position they were in prior to the conclusion of this Agreement.

5. **Transaction Steps**

The Transactions shall be implemented on and after the Closing Date in the following Transaction Steps:

5.1 **Step One**

On the Closing Date:

(a) the Attorneys shall lodge the documents necessary, and do all further things reasonably required, to register the Notarial Bond with the relevant Deeds Office;

- (b) the Attorneys shall lodge the documents necessary, and do all further things reasonably required, to register the MOI – Alclin and the MOI – Alclin Manufacturing with the Commission;
- (c) the Attorneys shall lodge the Board Appointment Documents with the Commission and take all steps that may be necessary to update the boards of the Alclin Companies so that each comprises the following persons:
 - (i) Coetzee;
 - (ii) the Subscriber's nominee; and
- (d) the Attorneys will hold the share certificates evidencing the Subscription Shares in trust, and shall deliver them to the respective the Subscriber (or the Subscriber's nominee/s) against payment in respect thereof, and as permitted in terms of the Subscription Agreement.

5.2 Step Two

On the First Payment Date, provided the Further Payment Conditions are met:

- (a) the Subscriber shall pay (or procure the payment of) \$1 617 093. 99 to Alcin, provided that if such amount has already been paid by (or payment has been procured by) the Subscriber, that payment shall be deemed to be consideration already paid for the First Subscription Shares (defined below) and the relevant Loan Portion on the First Payment Date;
 - (b) against payment thereof, and with effect from the Effective Date:
 - (i) the Subscriber subscribes for:
 - (A) the First Tranche Alclin Shares; and
 - (B) the First Tranche Alclin Manufacturing Shares,
- collectively, “the **First Subscription Shares**”;

- (ii) the Loan Portion of the above payment will become subject to the terms of the Loan Agreement and secured by *inter alia* the Notarial Bond; and
 - (c) to the extent that the authorised share capital of each the Alclin Companies has not yet been amended comprise of:
 - (i) 10 000 000 A Class Ordinary Shares,
 - (ii) 10 000 000 B Class Ordinary Shares – Alclin in Alclin and/or 10 000 000 B Class Ordinary Shares – Alclin Manufacturing in Alclin Manufacturing,
- the issue of the First Tranche Alclin Shares and/or the First Tranche Alclin Manufacturing Shares will be done in accordance with sections 36 and 38(2) of the Companies Act;
- (d) the Accountants shall do all things necessary to update the Alclin Companies' share registries to show the above subscription;
 - (e) Upon the issue of the First Subscription Shares:
 - (i) the Shareholder Agreement – Alclin will become unconditional;
 - (ii) the Shareholder Agreement – Alclin Manufacturing will become unconditional; and
 - (f) the Alcin Companies must immediately pay the amount referred to in clause 5.2(a) to ESCO.

5.3 Step Three

On the Second Payment Date, provided the Further Payment Conditions are met:

- (a) the Subscriber shall pay (or procure the payment of) \$200 000. 00 to Alclin, to be used for working capital purposes, provided that if such amount has already been paid by (or payment has been procured by) the Subscriber, that payment shall be deemed to be

consideration already paid for the Second Subscription Shares (defined below) and the relevant Loan Portion on the Second Payment Date;

(b) against payment thereof:

(i) the Subscriber subscribes for:

(A) the Second Tranche Alclin Shares;

(B) the Second Tranche Alclin Manufacturing Shares

collectively “the **Second Subscription Shares**”, and

(ii) the Loan Portion of the above payment will become subject to the terms of the Loan Agreement and secured by *inter alia* the Notarial Bond; and

(c) to the extent that the authorised share capital of each the Alclin Companies has not yet been amended comprise of:

(i) 10 000 000 A Class Ordinary Shares,

(ii) 10 000 000 B Class Ordinary Shares – Alclin in Alclin and/or 10 000 000 B Class Ordinary Shares – Alclin Manufacturing in Alclin Manufacturing,

the issue of the Second Tranche Alclin Shares and/or the Second Tranche Alclin Manufacturing Shares will be done in accordance with sections 36 and 38(2) of the Companies Act;

(d) the Accountants shall do all things necessary to update the Alclin Companies’ share registries to show the above subscription.

5.4 Step Four

On the Third Payment Date, provided the Further Payment Conditions are met:

(a) the Subscriber shall pay \$1 293 675. 19 to Alclin;

- (b) against payment thereof:
 - (i) the Subscriber subscribes for:
 - (A) the Third Tranche Alclin Shares; and
 - (B) the Third Tranche Alclin Manufacturing Shares; and
 - (ii) the Loan Portion of the above payment will become subject to the terms of the Loan Agreement and secured by *inter alia* the Notarial Bond; and
- (c) to the extent that the authorised share capital of each the Alclin Companies has not yet been amended comprise of:
 - (i) 10 000 000 A Class Ordinary Shares,
 - (ii) 10 000 000 B Class Ordinary Shares – Alcin in Alclin and/or 10 000 000 B Class Ordinary Shares – Alcin Manufacturing in Alclin Manufacturing,

the issue of the Third Tranche Alclin Shares and/or the Third Tranche Alclin Manufacturing Shares will be done in accordance with sections 36 and 38(2) of the Companies Act;
- (d) the Accountants shall do all things necessary to update the Alclin Companies' share registries to show the above subscription; and
- (e) the Alcin Companies must immediately pay the amount referred to in clause 5.4(a) to ESCO.

5.5 Step Five

On the Fourth Payment Date, provided the Further Payment Conditions are met:

- (a) the Subscriber shall pay (or procure the payment of) \$323 418. 80 to Alcin;
- (b) against payment thereof:

- (i) the Subscriber subscribes for:
 - (A) the Fourth Tranche Alclin Shares; and
 - (B) the Fourth Tranche Alclin Manufacturing Shares; and
 - (ii) the Loan Portion of the above payment will become subject to the terms of the Loan Agreement and secured by *inter alia* the Notarial Bond;
 - (c) to the extent that the authorised share capital of each the Alclin Companies has not yet been amended comprise of:
 - (i) 10 000 000 A Class Ordinary Shares,
 - (ii) 10 000 000 B Class Ordinary Shares – Alcin in Alclin and/or 10 000 000 B Class Ordinary Shares – Alcin Manufacturing in Alclin Manufacturing,
- the issue of the Fourth Tranche Alclin Shares and/or the Fourth Tranche Alclin Manufacturing Shares will be done in accordance with sections 36 and 38(2) of the Companies Act;
- (d) the Accountants shall do all things necessary to update the Alclin Companies' share registries to show the above subscription; and
 - (e) the Alcin Companies must immediately pay the amount referred to in clause 5.5(a) to ESCO.

5.6 Step Six

On the Fifth and Further Payment Dates, provided the Further Payment Conditions are met:

- (a) the Subscriber shall pay (or procure the payment of) \$1 565 812. 02 to Alclin, to be used for working capital purposes;
- (b) against payment thereof:
 - (i) the Subscriber subscribes for:

- (A) the Fifth and Further Tranche Alclin Shares; and
 - (B) the Fifth and Further Tranche Alclin Manufacturing Shares; and
 - (ii) the Loan Portion of the above payment will become subject to the terms of the Loan Agreement and secured by *inter alia* the Notarial Bond;
 - (c) to the extent that the authorised share capital of each the Alclin Companies has not yet been amended comprise of:
 - (i) 10 000 000 A Class Ordinary Shares,
 - (ii) 10 000 000 B Class Ordinary Shares – Alcin in Alclin and/or 10 000 000 B Class Ordinary Shares – Alcin Manufacturing in Alclin Manufacturing,
- the issue of the Fifth and Further Tranche Alclin Shares and/or the Fifth and Further Tranche Alclin Manufacturing Shares will be done in accordance with sections 36 and 38(2) of the Companies Act; and
- (d) the Accountants shall do all things necessary to update the Alclin Companies' share registries to show the above subscription.

5.7 Should there be no agreement regarding the dates in respect of the Fifth and Further Payment Dates by 1 April 2024, the Subscriber may elect to pay (or procure payment of), at a later date, that portion of the amount in clause 5.6(a) that has not yet been paid, against which the shares corresponding thereto will be issued and the remaining portion (i.e., the Loan Portion) shall become subject to the terms of the Loan Agreement and secured by *inter alia* the Notarial Bond.

6. **Transaction Order and Timeline**

6.1 Notwithstanding that certain Steps of the Transaction may have occurred on the same date and/or in a sequence other than that set out in clause 5,

the Transaction shall be implemented in the sequence set out in clause 5, with effect from the Effective Date.

6.2 The Parties shall use their best endeavours to procure that the Transaction Steps are completed by the following dates:

- (a) Step One – upon fulfilment of the Conditions Precedent;
- (b) Step Two – on or about the date that is within 1 (one) week of the Closing Date;
- (c) Step Three – on or about 14 (fourteen) calendar days from the First Payment Date, provided the Further Payment Conditions are met;
- (d) Step Four – on or about 31 December 2023, provided the Further Payment Conditions are met;
- (e) Step Five – on or about 1 April 2024, provided the Further Payment Conditions are met;
- (f) Step Six – per agreement or otherwise in accordance with clause 5.7, provided the Further Payment Conditions are met.

7. **Reciprocal Consent and Waiver**

Each of the Parties consents to the Transactions, each Transaction Document and each part and Step thereof, and waives any and all rights which it might have, pre-emptive or otherwise, to be offered and to acquire any asset transferred as part of the Transaction, save for its rights under the Transaction Documents.

8. **Loan Agreement**

The Loan Agreement shall be prepared by the Attorneys on terms generally expected and customary for matters of this nature, and which shall include the following provisions:

8.1 the Loan will bear simple interest at the Interest Rate per annum, accruing daily on the outstanding principal balance of the Loan with effect

from the date on which any tranche of the Loan is advanced and calculated on the basis of a 365-day year;

8.2 all accrued interest plus an agreed component of the outstanding capital of the Loan, shall be repaid quarterly, it being recorded that it shall be within the Subscriber's discretion to waive or postpone the repayments of any portion of the interest;

(a) the Loan will be denominated in United States Dollars;

(b) the Loan shall be secured by *inter alia*:

(i) the Notarial Bond; and

(ii) the Cession; and

(c) notwithstanding the above payment dates, Alclin shall use its best endeavours, subject to available free cash flow and Alclin's reasonably anticipated working capital requirements, to repay the full principal amount of the Loan together with accrued interest within 3 (three) years of the Closing Date.

8.3 Alclin Manufacturing shall be jointly and severally liable to the Subscriber, to the extent permissible by the Companies Act, for the guarantee as a principal obligation the obligation of Alclin under this Agreement and the Loan Agreement.

8.4 Should:

(a) the GMP certification not be achieved by 31 May 2024, to the discretion of the Subscriber; and/or

(b) the costs in respect of the Clinical Trials materially exceed USD \$1 000 000. 00 (One Million United States Dollars); and/or

(c) in the reasonable opinion of the Subscriber, a third party, in any Territory within the world, concludes any Clinical Trials and/or registrations materially similar to the DMF; and/or

- (d) in the reasonable opinion of the Subscriber, Alclin not adequately initiate, develop and expand its strategy for distribution through e-commerce channels using both its own on-line platform as well as third party partnerships,

the full outstanding Loan plus any interest thereon will, at the Subscriber's election, become immediately due and repayable and the Subscriber shall have all rights of recovery in respect thereof, including under the Notarial Bond.

9. **Shareholding, Shareholder Agreements and Memoranda of Incorporation**

9.1 As soon as reasonably possible after the Signature Date, Coetzee shall subscribe for so many shares as may be necessary to result in him holding:

- (a) 500 000 (Five Hundred Thousand) ordinary no par value shares (100% of the issued share capital) of the issued shares in Alclin; and
- (b) 500 000 (Five Hundred Thousand) ordinary no par value shares (100% of the issued share capital) of the issued shares in Alclin Manufacturing,

immediately prior to the Closing Date.

9.2 The Shareholders Agreements shall be prepared by the Attorneys on terms generally expected and customary for matters of this nature, and which shall include:

- (a) pre-emptive rights;
- (b) funding provisions;
- (c) put options where, on the occurrence of certain events, the Subscriber may put its shares to the Alclin Companies and/or Coetzee to acquire;

- (d) call options where, at a given time, the Subscriber may call on Coetzee to sell 50% of his shares in each Alclin Company (constituting 25% of his shares in each Alclin Company);
- (e) forced sales, including in respect of any breaches to the Loan Agreement; and
- (f) dividend policies.

9.3 The MOI Alclin and the MOI Alclin Manufacturing shall, if necessary, be amended to so that the authorised share capital of each comprises of:

- (i) 10 000 000 A Class Ordinary Shares (which shares will the class of shares held by Coetzee); and
 - (ii) 10 000 000 B Class Ordinary Shares – Alcin in Alclin; and
 - (iii) 10 000 000 B Class Ordinary Shares – Alcin Manufacturing in Alclin Manufacturing,
- (b) align them with the Shareholders Agreements, including the rights of the respective shareholders to appoint directors to the board of the Alclin Companies.

9.4 The Alclin companies and Coetzee shall sign all documents reasonably necessary and provide same to the Attorneys in order for the Attorneys to register the MOI Alclin and the MOI Alclin Manufacturing; and

9.5 The Attorneys shall lodge the documents necessary, and do all things reasonably required, to adopt the MOI – Alclin and the MOI – Alclin Manufacturing immediately after the Closing Date.

10. **Interim Period**

10.1 The Alclin Companies and Coetzee undertake that during the period from the Signature Date to the date on which Step Six occurs:

- (a) they will continue to carry on business with diligence and in the ordinary, normal and regular course (referred to below as the **“ordinary course of business”**);

- (b) they will not take any action which would result in the reduction in the value of any of their assets or which would result in an increase in the value of any of their liabilities other than in the ordinary course of business or with the prior written consent of the Subscriber;
- (c) no resolutions will be passed by their shareholders or directors other than in the ordinary course of business, save for such resolutions as may be necessary in order to give effect to the provisions of the Transaction Documents or with the prior written consent of the Subscriber;
- (d) they will not enter into any new contracts with any principal, supplier or customer other than in the ordinary course of business or with the prior written consent of the Subscriber;
- (e) they will not enter into any agreement or arrangement with any of their directors, prescribed officers or related or inter-related persons (as those terms are defined in the Companies Act) or any of their nominees other than (i) in the ordinary course of business; or (ii) as contemplated in the Transaction Documents; and (iii) with the prior written consent of the Subscriber;
- (f) no payment will be made by either of them to Coetzee and no contract (other than the Transaction Documents), will be concluded by with any person owned or controlled by or associated with Coetzee, other than in the ordinary course of business at arm's length or with the prior written consent of the Subscriber;
- (g) they will not grant or agree to grant any financial assistance for the benefit of any person other than with the prior written consent of the Subscriber;
- (h) they will not enter into or agree to enter into any partnership, joint venture or other agreement including an element of profit sharing other than with the prior written consent of the Subscriber;

- (i) they will use their best endeavours to maintain the business and assets, to keep their employees and to preserve their relationships with suppliers, customers and licensors;
- (j) none of their assets will be sold or otherwise disposed of or encumbered except in the ordinary course of business or with the prior written consent of the Subscriber;
- (k) no distributions, as defined in the Companies Act, will be declared or paid without the prior written consent of the Subscriber;
- (l) they will not vary the terms of employment of any of their employees other than as necessitated by changes in applicable law or with the prior written consent of the Subscriber;
- (m) they will not modify or agree to terminate any customer agreement other than in the ordinary course of business or with the prior written consent of the Subscriber;
- (n) no new Guarantees will be entered into otherwise than in terms of any of the Transaction Documents or in the ordinary course of business, or in order to comply with existing contractual obligations or with the prior written consent of the Subscriber;
- (o) no shareholders' claims will be repaid without the prior written consent of the Subscriber;
- (p) they will maintain their records materially in good order, and the Alclin Companies will provide their accounting reports (including any management reports) on a quarterly basis to the Subscriber;
- (q) they will not make any material change to their accounting policies and procedures other than as necessitated by IFRS;
- (r) they will not, other than in the ordinary course of business or in accordance with the Transaction Documents, create any encumbrance over any of their assets or their undertakings without the prior written consent of the Subscriber;

- (s) without the prior written consent of the Subscriber, they will not incur or become obliged to incur any capital expenditure in excess of R500 000. 00;
- (t) they will not institute, withdraw or settle any court, arbitration, regulatory or administrative proceedings without the prior written consent of the Subscriber.

10.2 The Alclin Companies and Coetzee must give the Subscriber full details of any potential material change in the business, financial position or assets of the Alclin Companies as soon as they become aware of it.

10.3 It is recorded and agreed, for the avoidance of doubt, that the Subscriber will not be entitled to directly or indirectly manage or control any of the Alclin Companies before it has acquired a majority of shares in each Alclin Company.

11. **Warranties, Representations and Undertakings**

11.1 Each Party warrants, represents and undertakes to the other Parties that:

- (a) it is and will remain validly incorporated or established in terms of the relevant legislation in the jurisdiction in which it is incorporated or established;
- (b) it has the requisite power, authority and resources to enter into, to perform its obligations under and to carry out the transactions contemplated in this Agreement;
- (c) it has and will continue to have the necessary legal capacity to enter into and perform each of its obligations under this Agreement and has taken all necessary corporate steps or has complied with its own internal procedures, or both, to authorise the execution and performance of this Agreement;
- (d) the execution of and performance by it of its obligations under this Agreement:

- (i) does not contravene any law or regulation to which it is subject;
 - (ii) does not contravene any provision of its founding or governing documents; and
 - (iii) will not conflict with, or result in a breach of any of the terms of, or constitute a default under any agreement or other instrument to which it is a party or is subject;
- (e) it will have all necessary consents, licenses and approvals required in connection with the entry into and performance of its obligations under this Agreement; and
- (f) the terms of this Agreement are and will remain legally binding on it and the exercise and performance of all rights and obligations conferred or imposed on it pursuant to this Agreement will be valid.

11.2 The Alclin Companies and Coetzee provide the further warranties recorded in **Annexure A** to the Subscriber.

11.3 The representations, warranties and undertakings given by the Parties in this Agreement are given as at the Signature Date and the Closing Date.

11.4 Each Party:

- (a) acknowledges that each representation, warranty and undertaking given by it in this Agreement is a separate representation, warranty and undertaking which induced the other Parties to enter into this Agreement; and
- (b) acknowledges that the other Parties relied on the representations, warranties and undertakings given by it in this Agreement in entering into this Agreement.

12. **Indemnities**

12.1 The Alclin Companies and Coetzee, jointly and severally, hereby indemnify and hold the Subscriber harmless against any and all claims

(and the costs incurred in defending such claims and any costs found to be payable to third parties in respect of such claims), liabilities, damages and losses (specifically excluding any special or consequential losses or damages) arising from or in connection with a failure of any of the warranties given by the Alclin Companies and Coetzee to the Subscriber in terms of this Agreement to be true and correct (each an “**Indemnified Loss**”), for a period of 5 (five) years from the implementation of Step Six in respect of any Indemnified Loss arising from or in connection with a failure of any Tax Warranty to be true and correct and for a period of 2 (two) years from the implementation of Step Six in respect of any other Indemnified Loss.

12.2 The Subscriber may, in respect of any Indemnified Loss require Coetzee to immediately take all steps required to restore the Alclin Companies to the position it would have been in had there been no failure of warranty or, failing that, pay the Alclin Companies an amount equal to all Indemnified Losses suffered by the Alclin Companies as a result of the failure of warranty or warranties.

12.3 The indemnities in this clause are without prejudice to any rights of the Subscriber arising under any Transaction Document or under applicable law, however after Coetzee has taken the steps or paid the amount required in terms of clause 12.2, the Subscriber will have no right to claim any further amount from the Alclin Companies or Coetzee in respect of the Indemnified Loss or Losses in question.

13. **Confidentiality**

13.1 Each Party must treat as strictly confidential all information received or obtained as a result of entering into or performing this Agreement, including any information which relates to:

- (a) the terms of this Agreement;
- (b) the negotiations relating to this Agreement;
- (c) the subject matter of this Agreement; or
- (d) any of the other Parties.

13.2 A Party may disclose information which would otherwise be confidential if and to the extent:

- (a) agreed between the Parties;
- (b) required by law;
- (c) required by any securities exchange or regulatory or governmental body to which that Party is subject, wherever situated, whether or not the requirement for information has the force of law; or
- (d) the information has come into the public domain through no fault of that Party.

14. **Stipulatio Alteri**

To the extent that any provision of this Agreement constitutes a stipulation for the benefit of any of third party that is not party hereto, such stipulation shall be deemed to have been accepted by each such third party upon such third-party giving notice of such acceptance to the Parties.

15. **Breach and Termination**

15.1 If a Party (**Defaulting Party**) breaches a provision of this Agreement and fails to remedy that breach within a period of 10 (ten) Business Days of being requested to do so in writing by any other Party, the other Party may, without prejudice to any other rights which it may have in law:

- (a) sue for specific performance of the Defaulting Party's obligation under this Agreement and any damages which it may have suffered as a result of that breach;
- (b) sue for damages in lieu of specific performance; or
- (c) subject to clause 15.3, cancel this Agreement and claim damages if the breach is material.

15.2 Without prejudice to clause 15.1, any Party may terminate this Agreement prior to the Closing Date if:

- (a) any other Party is, other than for the purposes of reconstruction or amalgamation, placed under voluntary or compulsory liquidation or sequestration, whether provisional or final;
- (b) business rescue proceedings commence in terms of the Companies Act in respect of any other Party; or
- (c) any other Party makes any arrangement or compromise with its creditors generally or ceases or threatens to cease to carry on business.

15.3 Any termination of this Agreement will be without prejudice to any claim a Party may have in respect of any prior breach of the terms of this Agreement by the other Party, provided that termination shall not be an option after the Closing Date, if the Steps contemplated in clause 5 have been implemented.

16. **Notices and Domicilia**

16.1 Any notice, consent, approval or other communication in connection with this Agreement must be in writing and in English.

16.2 A notice must be sent to a Party at one of the following addresses:

- (a) Tony G-Co Investment Holdings Limited:

Address: Cox Yeats, 4 Sandown Valley Crescent, Sandton

Email: ron.akram@wharf-capital.com

Attention: Ron Akram

- (b) Alclin Companies and Coetzee:

Address: 14 Alpha Street, Heuningkloof, Still Bay, Western Cape, 6674

Email: c-coetzee@alclin.co.za

Attention: Mr C.G. Coetzee

16.3 A Party may by written notice to the other Parties change its chosen address, provided that:

- (a) the change will become effective on the 10th Business Day after the receipt of the notice by the addressee; and
- (b) the physical address must be an address in the Republic of South Africa.

16.4 Unless the contrary is proved, any notice will:

- (a) if delivered by hand be deemed to have been received by the addressee on the date of delivery;
- (b) if sent by email, be deemed to have been received once the email enters an information system outside the control of the Party sending it.

16.5 Notwithstanding anything to the contrary in this clause, a written notice or communication actually received by a Party will be an adequate written notice or communication to it, notwithstanding that it was not sent to or delivered at its chosen address.

16.6 Each Party chooses its physical address set out in clause 16.2, as changed from time to time, as its *domicilium citandi et executandi* at which documents in legal proceedings in connection with this Agreement may be delivered.

17. **Mutual Support**

17.1 The Parties must use their best endeavours to give effect to this Agreement.

17.2 If a Party requires the consent of another Party in order to obtain any licence, consent or approval, the other Party will give that assistance provided that it is reimbursed with the reasonable costs of providing that assistance.

18. **Costs**

18.1 Each Party is responsible for its own costs in connection with the Agreement and the other Transaction Documents including the negotiation, preparation, execution and implementation of this Agreement and the other Transaction Documents.

18.2 The Parties agree that any costs awarded pursuant to a breach and subsequent enforcement of any Transaction Document will be recoverable on an attorney-and-client scale.

19. **Dispute Resolution**

19.1 Any dispute arising from or in connection with this Agreement will be finally resolved by arbitration in accordance with the Rules of the Association of Arbitrators (Southern Africa) (**Rules**) or its successor current at the date of the dispute arising.

19.2 The arbitrator will be a person mutually agreed on or, in the absence of agreement, appointed by the Association of Arbitrators (Southern Africa) or its successor, subject to the provisos that:

- (a) articles 3 and 4 of the Rules relating the issuing of a notice of arbitration and response will not be prerequisites to the making of the appointment; and
- (b) the arbitrator so appointed must be a practising senior counsel, a retired judge or an attorney with at least 15 years' experience in practice.

19.3 Subject to the provisions in clauses 19.1 and 19.2, the arbitration proceedings will be conducted in accordance with the provisions of the Arbitration Act, 1965, or its successor.

19.4 A written notice by a Party to the other Parties that a dispute be submitted to arbitration will be deemed to be a legal process for the purposes of interrupting extinctive prescription.

- 19.5 Nothing in this clause 19 will prevent a Party from obtaining urgent relief in any court of competent jurisdiction and to this end the Parties consent and submit to the non-exclusive jurisdiction of the High Court of South Africa, Western Cape Division, Cape Town.

20. **General**

- 20.1 This Agreement is governed by and must be interpreted and construed in accordance with the laws of the Republic of South Africa.
- 20.2 This Agreement contains the entire agreement between the Parties in regard to its subject matter.
- 20.3 Should there be any conflict between the provisions of this Agreement and the provisions of any Transaction Document, the provisions of the applicable Transaction Document shall apply; provided that each Transaction Document shall be interpreted so as to give effect the Transaction Steps.
- 20.4 This Agreement shall be binding on and shall inure for the benefit of the successors and assigns and personal representatives (as the case may be) of each of the Parties.
- 20.5 A Party may not cede its rights under this Agreement without the prior written consent of the other Parties, which consent may not be unreasonably withheld.
- 20.6 A Party will not be bound by any express or implied term, undertaking, representation, warranty, promise or the like not included or recorded in this Agreement, whether it induced the contract or whether it was negligent or not, or both.
- 20.7 A variation, amendment or consensual cancellation of this Agreement or any of its terms will not be binding or have any force and effect unless it is recorded in writing and signed by the Parties.
- 20.8 Any indulgence by a Party to another Party, or failure strictly to enforce the terms of this Agreement, must not be construed as a waiver or be capable of founding an estoppel.

20.9 If any part of this Agreement is for any reason whatsoever, including a decision by any court, any legislation or any other requirement having the force of law, declared or becomes unenforceable, invalid or illegal, the Parties must negotiate and effect an amendment of this Agreement such that it is lawful and enforceable, retaining its essential terms or, failing such agreement between the Parties, as far as possible this Agreement must be interpreted so as to exclude the offending provision but retain the essential terms of the Agreement.

20.10 Each Party confirms that it is acting as principal in its own right and not as agent for any other person or for any other Party.

20.11 The Parties acknowledge that they have been free to secure independent legal, tax and other advice as to the nature and effect of all the terms of this Agreement and that they have either taken such independent legal and other advice or dispensed with the necessity of doing so.

21. **Counterparts**

This Agreement may be executed in counterparts, each of which when executed and delivered will constitute an original, but all of which together will constitute the same agreement.

S Signed at [redacted] on November 16, 2023

For and on behalf of **TONY G-CO INVESTMENT HOLDINGS LIMITED**

"Ron Akram"

Name: Ron Akram

Capacity: Chief Executive Officer

Who warrants authority

Signed at [redacted] on November 16, 2023

For and on behalf of **ALCLIN MANUFACTURING PROPRIETARY LIMITED**

"Christo Coetzee "

Name: Christo Coetzee

Capacity: Sole director

Who warrants authority

Signed at [redacted] on November 16, 2023

For and on behalf of **ALCLIN PROPRIETARY LIMITED**

"Christo Coetzee "

Name: Christo Coetzee

Capacity: Sole director

Who warrants authority

Signed by **Coetzee** at [redacted] on November 16, 2023

"Christo Coetzee "

Christo Coetzee

Annexure A: Further Warranties

The warranties contained in this Annexure A are given by Coetzee and the Alclin Companies to the Subscriber on the basis set out in the Agreement to which this Annexure A is attached (**Agreement**).

1. Definitions

For the purposes of this Annexure A, the following expressions will bear the meanings given to them below. Terms defined in the Agreement which are used in this Annexure A will bear the meanings given to the terms in the Agreement:

- 1.1 “Assets” means the assets of the Alclin Companies, which have been disclosed as such to the Subscriber, and include the assets recorded in the Asset Register annexed hereto;
- 1.2 “Constitution” means the Constitution of the Republic of South Africa, 1996;
- 1.3 “CPA” means the Consumer Protection Act, 2008;
- 1.4 “Employment Laws” means applicable law in relation to employees, including the Labour Relations Act, 1995, the Employment Equity Act, 1998, the Basic Conditions of Employment Act, 1997, the OHSA, any applicable law promulgated or issued pursuant to those acts and any provincial and local government legislation regulating anything in relation to employees;
- 1.5 “Environment” has the meaning given to that term in the NEMA;
- 1.6 “Environmental Laws” means applicable law in relation to the Environment, including the Atmospheric Pollution Prevention Act, 1965, the Environmental Conservation Act, 1989, the Hazardous Substances Act, the National Water Act, 1998, the NEMA, the National Environmental Management: Air Quality Act, 2004, the National Environmental Management: Biodiversity Act, 2004, the National Environmental Management: Protected Areas Act, 2003, National Environmental Management: Waste Act, 2008, any applicable law promulgated or issued pursuant to those acts and any provincial and local government legislation regulating anything in relation to the Environment;
- 1.7 “Hazardous Substances Act” means the Hazardous Substances Act, 1973;
- 1.8 “IFRS” means International Financial Reporting Standards as issued by the International Accounting Standards Board from time to time;
- 1.9 “Income Tax Act” means the Income Tax Act, 1962;
- 1.10 “Intellectual Property” means:

- (a) registered patents and patent applications;
- (b) registered designs and design applications;
- (c) registered and unregistered trademarks and trademark applications;
- (d) rights of copyright (including rights in computer software);
- (e) any product (including without limitation any invention, creation, idea, innovation, improvement, discovery, conception or new method) of any work to be performed by any individual both within the scope of their employment or engagement by a person and outside the scope of their employment or engagement by such person, including but not limited to any product which may be patentable, constitute a trade secret, be subject to registration as a design or be subject to copyright registration;
- (f) trade secrets, meaning all proprietary confidential information relating to a person's business, including without limitation know how, technical information and data, drawings, systems, methods, software, processes, client lists, programmes and marketing and business information generally; and
- (g) all rights having equivalent or similar effect,

which may exist anywhere in the world both as at the Signature Date and in the future;

- 1.11 "Land Laws" means applicable law promulgated pursuant to or in accordance with the spirit of section 25 of the Constitution, including the Interim Protection of Informal Land Rights Act, 1996, the Restitution of Land Rights Act, 1994, the Land Reform (Labour Tenants) Act, 1996, as well as any applicable law permitting or regulating the expropriation of private property;
- 1.12 "Material Adverse Change" means events or circumstances which have or are likely to have a material adverse effect on a Party's operations, financial position, assets or prospects;
- 1.13 "NEMA" means the National Environmental Management Act, 1998;

- 1.14 “OHSA” means the Occupational Health and Safety Act, 1993;
- 1.15 “Tax” means any tax, duty, levy, charge, contribution, rates or other imposition and any fine, penalty or interest payable in relation to any such imposition, payable in terms of applicable law, including any amount payable in terms of the Income Tax Act, the VAT Act, the Securities Transfer Tax Act, 2007, the Stamp Duties Act, 1968, the Customs and Excise Act, 1964, the Regional Services Councils Act, 1985, the Unemployment Insurance Contributions Act, 2002, the Skills Development Levies Act, 1999, any applicable law promulgated or issued pursuant to those acts and any provincial and local government legislation;
- 1.16 “Tax Authority” means any person which lawfully exercises authority to impose, regulate or administer the imposition of any Tax; and
- 1.17 “VAT Act” means the Value-added Tax Act, 1991.

2. Status of each of the Alclin Companies and their Share Capital

- 2.1 Each of the Alclin Companies shall, as at the Closing Date, be incorporated as a private company with limited liability in terms of the laws of South Africa.
- 2.2 No steps have been taken or are pending for the winding up, liquidation or deregistration of either of the Alclin Companies.
- 2.3 No steps have been taken or are pending to place either of the Alclin Companies in business rescue proceedings in terms of Chapter 6 of the Companies Act.
- 2.4 No person has any right to require either of the Alclin Companies to change its registered name and no steps have been taken or are pending to change either of the Alclin Companies’ registered name.
- 2.5 Following the registration of the MOI – Alclin and the MOI – Alclin Manufacturing, each of the Alclin Companies will be authorised to issue 1 000 000 ordinary no par value shares.
- 2.6 Immediately prior to the Closing Date, each of the Alclin Companies will have issued 50 000 ordinary no par value shares to Coetzee, which are fully paid up.
- 2.7 None of the issued shares of either of the Alclin Companies are bonus or capitalisation shares.
- 2.8 Neither of the Alclin Companies have issued and is not under any obligation to issue any options, convertible securities or debt instruments which confer on any person the right to take up shares in them.
- 2.9 Neither of the Alclin Companies nor the directors of each of the Alclin Companies are under any obligation whatsoever to alter the authorised or

issued share capital of each of the Alclin Companies in any way, other as contemplated by the Transaction Documents.

- 2.10 The directors of each of the Alclin Companies have not taken any steps to alter the authorised share capital of each of the Alclin Companies in any manner contemplated in section 36 of the Companies Act.
- 2.11 The securities register of each of the Alclin Companies contains a true and accurate record of the securities holders of each of the Alclin Companies and no person has any right to require either of the Alclin Companies to rectify its securities register in any way.
- 2.12 No person is entitled to participate in the profits of either of the Alclin Companies in any way other than as shareholder.
- 2.13 Neither of the Alclin Companies is not a regulated company as contemplated in section 117 of the Companies Act.
- 2.14 Neither of the Alclin Companies has convened any meeting of its securities holders to be held before the Closing Date and no resolution is before the shareholders for consideration and voting in writing.
- 2.15 No provision of the existing memoranda of incorporation (the **Existing Memoranda**) of each of the Alclin Companies or company rules, if any, could be declared invalid, void or voidable by a court.
- 2.16 No current director of either of the Alclin Companies is ineligible or disqualified to serve as a director as contemplated in section 69 of the Companies Act or could be declared delinquent or placed under probation pursuant to section 162 of the Companies Act.

3. Company Records

- 3.1 To the best of each of the Alclin Companies' and Coetzee's knowledge and belief, each of the Alclin Companies has created and maintained all records, books, registers and other documents which it is required to create and maintain by applicable law, in accordance with the requirements of applicable law.
- 3.2 All records, books, registers and other documents of each of the Alclin Companies (**Records**) are up to date, free of any material inaccuracies or discrepancies, record all of the transactions to which each of the Alclin Companies has been a party and fairly present the financial, operational and contractual position of each of the Alclin Companies.
- 3.3 Each of the Alclin Companies is in possession of and has full control of and access to all of its Records.
- 3.4 No resolutions have been proposed to be passed or passed by the directors or shareholders of each of the Alclin Companies which are not reflected in the minute books of each of the Alclin Companies.

- 3.5 The Existing Memoranda are those which have been furnished to the Subscriber.
- 3.6 Neither of the Alclin Companies is bound by any rules as contemplated in section 15 of the Companies Act.
- 3.7 Each of the Alclin Companies is in possession of and has full control of and access to all:
 - (a) documents evidencing its ownership of its Assets;
 - (b) documents evidencing its ownership of its Immovable Property (defined in clause 6.1);
 - (c) Contracts (defined in clause 7.1), either in original form or as copies.

4. Assets

- 4.1 Each of the Alclin Companies is the sole beneficial owner of, has legal and good marketable title to and is in possession of all of the Assets.
- 4.2 To the best of each of the Alclin Companies' and Coetzee's knowledge and belief, there is no fact, circumstance or event in existence or which has occurred or which will exist or occur which could result in either of the Alclin Companies losing possession of any Asset, other than through the sale of trading stock in the ordinary, normal and regular course of each of the Alclin Companies' business.
- 4.3 Other than as has been advised to the Subscriber in writing, none of the Assets are encumbered in any way, including by way of any mortgage, notarial bond, debenture, pledge, cession, lien, right of retention, obligation to pay a premium for use, lease, instalment sale or other credit agreement or factoring arrangement and neither of the Alclin Companies is under no obligation to so encumber the Assets in any way in the future.
- 4.4 No person has any right to be offered or to acquire or claim the return of any of the Assets other than as part of a sale of trading stock in the ordinary, normal and regular course of each of the Alclin Companies' business.
- 4.5 With the addition of the Machinery, each of the Alclin Companies has all of the assets needed to conduct its business in the manner in which it was conducted in the 12 (twelve) month period before the Closing Date.
- 4.6 All of the Assets are insured against the risks to which they are ordinarily subject, in accordance with sound business practice in relation to the amount of insurance and the terms of the insurance policies, with a reputable insurer in South Africa (**Insurances**).

- 4.7 Each of the Alclin Companies has paid all premiums which have fallen due in respect of the Insurances in full and on time and there is no pending increase of any premiums.
- 4.8 Each of the Alclin Companies has complied with all of the conditions of liability of the insurer in respect of each of the Insurances.
- 4.9 To the best of each of the Alclin Companies' and Coetzee's knowledge and belief, there is no fact, circumstance or event in existence or which has occurred or which will exist or occur which could result in the insurer repudiating any claim under any Insurance, or cancelling or rendering void any Insurance, or permitting renewal of any Insurance only on more onerous terms to each of the Alclin Companies.
- 4.10 There is no claim pending in respect of any Insurance and to the extent that each of the Alclin Companies has been entitled to make a claim under any Insurance in the past, it has done so promptly.
- 4.11 Neither of the Alclin Companies self-insures any of its Assets.
- 4.12 All of the Assets are free of defects and are in good and proper working order and condition, fair wear and tear excepted and are capable of carrying out the functions for which they are intended.
- 4.13 The Assets have been and are properly and regularly maintained by suitably qualified persons to a good technical standard.

5. Liabilities

- 5.1 Neither of the Alclin Companies has liabilities whatsoever including contingent liabilities other than those that have been disclosed to the Subscriber in writing.
- 5.2 Neither of the Alclin Companies has off-balance sheet liabilities.
- 5.3 Neither of the Alclin Companies has waived any right of set off it may have had against any person.
- 5.4 Neither of the Alclin Companies is under obligation to discharge any liability of any third party including any contingent liability, save as advised to the Subscriber, in writing.
- 5.5 Neither of the Alclin Companies has liability, including on loan account, to Coetzee or any related person (as that term is defined in the Companies Act), save as advised to the Subscriber, in writing.
- 5.6 Neither of the Alclin Companies is under any obligation to make any distribution (as that term is defined in the Companies Act) to any of its securities holders.
- 5.7 To the best of each of the Alclin Companies' and Coetzee's knowledge and belief, there is no fact, circumstance or event in existence or which

has occurred or which will exist or occur which could result in a contingent liability of each of the Alclin Companies becoming due.

- 5.8 To the best of each of the Alclin Companies' and Coetzee's knowledge and belief, there is no fact, circumstance or event in existence or which has occurred or which will exist or occur which could result in the discontinuation or variation of the terms of any of the financial facilities available to each of the Alclin Companies.
- 5.9 None of either of the Alclin Companies' debts are factored or in the process of becoming factored.
- 5.10 Neither of the Alclin Companies has received notice to make any payment which is due which has not been complied with by each of the Alclin Companies.
- 5.11 Neither of the Alclin Companies has received any notice to the effect that any person intends to enforce, execute or perfect any security it may have over any assets of the Alclin Companies.
- 5.12 There are no product liability claims against either of the Alclin Companies in respect of any goods supplied by either of the Alclin Companies, whether under the CPA or otherwise.
- 5.13 The only book debts of each of the Alclin Companies are those which have been incurred in the normal, regular and ordinary course of each of the Alclin Companies' business and none of the book debts are subject to any right of set-off or deduction or to any counter-claim.
- 5.14 Each of the Alclin Companies will be able to recover all deposits it has paid to any persons which were paid on the basis that they would be refundable unless either of the Alclin Companies committed an act or omission which would prejudice the right to the refund.
- 5.15
- 5.16 Neither of the Alclin Companies is under any obligation to incorporate any company, acquire securities in any other company or invest in any other person in any way.

6. Immovable Property

- 6.1 Alclin Manufacturing is the sole beneficial owner of, has legal and good marketable title to and is in possession of the immovable property situate at Erf 1485, 14 Alpha Street, Stillbaai East, including all buildings on and all fixtures and fittings forming part of the permanent alterations to the immovable property (**Immovable Property**) and is not the owner of any other immovable property.
- 6.2 No person has any right to take transfer of or to be offered or to purchase the Immovable Property or any interest or right in or to the Immovable Property.

- 6.3 Each of the Alclin Companies has the unrestricted right to use the Immovable Property for the conduct of its business and no other person will have any right to occupy or use any part of the Immovable Property, subject only to such servitudes or other restrictive conditions as are registered in deeds registries as contemplated in the Deeds Registries Act, 1937.
- 6.4 The Immovable Property is zoned as light industrial which allows the conduct of the Alclin Companies' businesses i and to the best of each of the Alclin Companies' and Coetzee's knowledge and belief, there is no fact, circumstance or event in existence or which has occurred or which will exist or occur which could result in the zoning of the Immovable Property being changed.
- 6.5 Neither of the Alclin Companies is under any obligation to make any alterations, additions or repairs to any part of the Immovable Property.
- 6.6 Alclin Manufacturing's ownership of and right to use and enjoy the Immovable Property is not subject to any existing or potential restriction or threat in terms of or pursuant to any Land Law.
- 6.7 The Immovable Property is not subject to any order for demolition nor has the Immovable Property been declared as a national monument or informal township, nor are there any squatters on the Immovable Property, nor is the use of the Immovable Property subject to any restrictions arising from the presence of a major hazard installation (as defined in OHSA) on or close to the Immovable Property.
- 6.8 To the best of each of the Alclin Companies' and Coetzee's knowledge and belief, Alclin Manufacturing has in the past complied and is in compliance with all applicable law in relation to the Immovable Property.
- 6.9 Nothing on the Immovable Property encroaches on a neighbouring property, nothing on a neighbouring property encroaches on the Immovable Property and there are no proceedings threatened, pending or in process by or against Alclin Manufacturing in relation to any such encroachment, or property boundaries, or rights of access to the Immovable Property or any other issue pertaining Alclin Manufacturing's use and enjoyment of the Immovable Property.
- 6.10 The Immovable Property is serviced and supplied with water, sewerage removal and electricity and Alclin Manufacturing has paid all charges in relation to such services and supply which have fallen due for payment together with any penalties for late payment.
- 6.11 The Immovable Property and all buildings, fixtures and fittings on the Immovable Property:
- (a) are free of defects;
 - (b) are in good and proper working order and condition, fair wear and tear excepted;

- (c) have been and are properly and regularly maintained by suitably qualified persons to a good technical standard; and
- (d) are suitable for the purposes for which they are intended.

7. Contracts

7.1 Neither of the Alclin Companies is bound by any contracts whether written, oral or tacit other than those entered into in the normal, regular and ordinary course of either of the Alclin Companies' business, all of which (including all of their terms and any amendments to their terms) have been disclosed to the Subscriber in writing (**Contracts**).

7.2 None of the Contracts:

- (a) were entered outside of the normal, regular and ordinary course of the relevant Alclin Companies' business;
- (b) are with a person related (as that term is defined in the Companies Act) to either of the Alclin Companies;
- (c) are with Coetzee or a person related (as that term is defined in the Companies Act) to Coetzee;
- (d) were negotiated on a basis that was not at arm's length;
- (e) obliges either of the Alclin Companies to pay any royalties or licence fees;
- (f) is for a term which is longer than 12 (twelve) months;
- (g) prevents either of the Alclin Companies from terminating the Contract on anything less than 30 (thirty) days' notice or from terminating the Contract on grounds which would ordinarily allow cancellation under applicable law;
- (h) contain a restraint of trade on either of the Alclin Companies or in any way restrict either of the Alclin Companies from carrying on its business in such manner and such places as it sees fit;

- (i) obliges either of the Alclin Companies to share any the IP (as defined in clause 11 below) with any other person; or
- (j) may result in either of the Alclin Companies suffering a loss.

7.3 Neither of the Alclin Companies is obliged to enter into any kind of restraint of trade in the future.

7.4 Neither of the Alclin Companies has granted any third party any right of exclusivity of whatsoever nature, including in respect of the distribution of any of the Alcin Companies' products or services.

7.5 The Contracts are all of full force and effect according to their terms and none of their terms have been amended or waived.

7.6 To the best of each of the Alclin Companies' and Coetzee's knowledge and belief, there is no fact, circumstance or event in existence or which has occurred or which will exist or occur which could result in any Contract or any part of a Contract being:

- (a) rectified by a court to reflect a different intention from that recorded in the Contract;
- (b) declared by a court to be invalid, void or voidable under applicable law; or
- (c) cancelled prematurely, rescinded or otherwise terminated,

or which could result in either of the Alclin Companies being unable to perform its obligations under any Contract.

7.7 Neither of the Alclin Companies is in breach of any of its obligations under any Contract.

7.8 Neither of the Alclin Companies has repudiated any Contract and no other person who is party to any Contract has repudiated such Contract.

7.9 Neither of the Alclin Companies has given any power of attorney or other authorisation which may still be acted on.

7.10 Neither of the Alclin Companies has given any warranties, whether express, tacit or implied, in relation to goods or services supplied by it, other than those given in the regular, normal and ordinary course of each of the Alclin Companies' businesses as set out in the standard trading terms of each of the Alclin Companies, copies of which have been furnished to the Subscriber.

- 7.11 Neither of the Alclin Companies has concluded or provided any Guarantee whatsoever and is under no obligation to conclude or provide any Guarantee in the future.
- 7.12 Neither of the Alclin Companies has agreed to subordinate any of its claims against any person.
- 7.13 The conclusion and implementation of this Agreement will not:
- (a) result in a breach of any Contract by either of the Alclin Companies;
 - (b) result in any director or prescribed officer (as that term is defined in the Companies Regulations) resigning from either of the Alclin Companies;
 - (c) confer on any person the right to create, execute, enforce or perfect any security it may have over any of the assets of either of the Alclin Companies;
 - (d) result in any payment acceleration clause in any Contract being triggered;
 - (e) confer on any person the right to terminate or amend any Contract;
 - (f) confer on any person the right to any commission of any kind; or
 - (g) result in either of the Alclin Companies losing any right, privilege or business relationship which it has.

8. Business and General Compliance

- 8.1 Neither of the Alclin Companies is engaged in any business other than their businesses disclosed to the Subscriber (collectively, the **Businesses**).
- 8.2 The Businesses are going concerns.
- 8.3 To the best of each of the Alclin Companies' and Coetzee's knowledge and belief, each of the Alclin Companies has complied with all applicable law in respect of the Businesses.
- 8.4 Neither of the Alclin Companies has breached the Competition Act or any competition or anti-trust law applicable in any other jurisdiction in which either of the Alclin Companies conducts or has conducted business.

- 8.5 The Alclin Companies have and have always had all licences, permits and other authorisations required to conduct the Businesses lawfully and to the best of each of the Alclin Companies' and Coetzee's knowledge and belief, there is no fact, circumstance or event in existence or which has occurred or which will exist or occur which could result in the cancellation, variation, withdrawal or refusal to renew any such authorisation.
- 8.6 Neither of the Alclin Companies requires the consent of any third person (other than as contemplated in clause 8.5 above) to carry on the Businesses or any part of the Businesses.
- 8.7 The Businesses are not carried on and neither of the Alclin Companies otherwise conducts itself in a manner which is in breach of section 22(1) of the Companies Act.
- 8.8 Neither of the Alclin Companies has and no part of the Businesses is conducted in a manner which amounts to bribery or corruption in accordance with applicable law.
- 8.9 Neither of the Alclin Companies has been involved in any way whatsoever with any fraudulent activities.
- 8.10 Neither of the Alclin Companies has been party to any transaction described in Part III of the Income Tax Act.
- 8.11 To the best of each of the Alclin Companies' and Coetzee's knowledge and belief, there is no fact, circumstance or event in existence or which has occurred or which will exist or occur which could result in any Material Adverse Change occurring in respect of each of the Alclin Companies.
- 8.12 Each of the Alclin Companies and the Businesses are insured against the risks to which they are ordinarily subject, and the directors of each of the Alclin Companies are insured against the liabilities which they may be insured against in terms of section 78(5) of the Companies Act, in accordance with sound business practice in relation to the amount of insurance and the terms of the insurance policies, with a reputable insurer in South Africa (**Business Insurances**).
- 8.13 Each of the Alclin Companies has paid all premiums which have fallen due in respect of the Business Insurances in full and on time and there is no pending increase of any premiums.
- 8.14 Each of the Alclin Companies has complied with all of the conditions of liability of the insurer in respect of each of the Business Insurances.
- 8.15 To the best of each of the Alclin Companies' and Coetzee's knowledge and belief, there is no fact, circumstance or event in existence or which has occurred or which will exist or occur which could result in the insurer repudiating any claim under any Business Insurance, or cancelling or rendering void any Insurance, or permitting renewal of any Business Insurance only on more onerous terms to the Alclin Companies.

- 8.16 There is no claim pending in respect of any Business Insurance and to the extent that either of the Alclin Companies or any director has been entitled to make a claim under any Business Insurance in the past, it has done so promptly.
- 8.17 Neither of the Alclin Companies self-insures itself, its directors or the Businesses.
- 8.18 Neither of the Alclin Companies has paid any fees to directors for their services as directors which have not been pre-approved by the shareholders of each of the Alclin Companies by special resolution approved within the previous 2 (two) years as required in terms of section 66 of the Companies Act.
- 8.19 Neither of the Alclin Companies has given or received any financial assistance which was not authorised in terms of section 44 or section 45 of the Companies Act when falling within the ambit of either or both of those sections.
- 8.20 Neither of the Alclin Companies has made any distribution (as defined in the Companies Act) to its securities holders which was not authorised in terms of section 46 of the Companies Act.

9. Employees

- 9.1 Neither of the Alclin Companies is party to any contract with any employee or director in terms of which:
 - (a) either of the Alclin Companies is obliged to give the employee or director more than 6 months' notice of termination so as to avoid any claim for compensation or damages or employee; or
 - (b) each of the Alclin Companies is obliged to pay the employee or director a certain amount for loss of employment or office,
- 9.2 save as provided for by operation of any Employment Law.
- 9.3 Neither of the Alclin Companies is party to any contract with any employee or director in terms of which the employee or director is entitled to participate in the profits of either of the Alclin Companies in any manner whatsoever including by way of a commission based on profits.
- 9.4 Each of the Alclin Companies and Coetzee have disclosed to the Subscriber in writing the terms and conditions of employment or engagement and the total remuneration of each employee and director of each of the Alclin Companies as at the Signature Date. Neither of the Alclin Companies will have, as at the Closing Date, amended any such terms and conditions or any such remuneration or taken any steps to terminate the employment or engagement of any such employee or director.

- 9.5 No employee, trade union or other body representing employees has made any demand for the amendment of any terms or conditions of any employee's contract with either of the Alclin Companies or the increase of any employee's remuneration.
- 9.6 Neither of the Alclin Companies has any liability to any former or current employee or director for any amount, whether in respect of arrear salaries, bonuses, profit share, accumulated leave, payment in lieu of leave, severance pay, compensation for loss of employment, pension, annuity, gratuity or otherwise.
- 9.7 Neither of the Alclin Companies is party to any recognition agreement or other agreement or arrangement with any trade union or other body representing employees.
- 9.8 Each of the Alclin Companies has complied with all Employment Laws and all wage determinations, collective agreements, industrial conciliation agreements, awards, determinations and grievance procedures binding on either of the Alclin Companies.
- 9.9 There are no proceedings threatened, pending or in process against either of the Alclin Companies in relation to any current or former employee of either of the Alclin Companies in terms of any Employment Law in relation to employees or in terms of or in respect to any wage determinations, collective agreements, industrial conciliation agreements, awards, determinations and grievance procedures binding on either of the Alclin Companies, nor is either of the Alclin Companies or Coetzee aware of any fact or circumstance which could give rise to such proceedings.
- 9.10 Neither of the Alclin Companies is party to any dispute with any employee, trade union or other body representing employees in terms of any Employment Law in relation to employees or in terms of or in respect to any wage determinations, collective agreements, industrial conciliation agreements, awards, determinations and grievance procedures binding on either of the Alclin Companies, nor is either of the Alclin Companies or Coetzee aware of any fact or circumstance which could give rise to such dispute.
- 9.11 Neither of the Alclin Companies is under any obligation to reinstate any employee who has been or will be dismissed.
- 9.12 To the best of each of the Alclin Companies' and Coetzee's knowledge and belief, there is no fact, circumstance or event in existence or which has occurred or which will exist or occur which could result in any current or former employee claiming compensation from either of the Alclin Companies in respect of any occupational injury or accident which is not covered by insurance.
- 9.13 There is no unfunded deficit in respect of any pension fund or retirement fund of which the employees of either of the Alclin Companies are members, regardless of whether either of the Alclin Companies has any liability in respect of that deficit.

10. Litigation

- 10.1 Other than debt collection in the regular, normal and ordinary course of each of the Alclin Companies' businesses, neither of the Alclin Companies is party to any mediation, arbitration, civil or criminal litigation or proceedings before or at the instance of any court, regulatory body, board or tribunal or any dispute resolution association or foundation (**Litigation**).
- 10.2 To the best of each of the Alclin Companies' and Coetzee's knowledge and belief, there is no fact, circumstance or event in existence or which has occurred or which will exist or occur which could result in either of the Alclin Companies becoming party to any Litigation in the future.
- 10.3 Neither of the Alclin Companies is in default of any award, order, judgment, declaration, directive or pronouncement made pursuant to any Litigation.

11. Intellectual Property

- 11.1 Each of the Alclin Companies is the sole beneficial owner of or registered user or licensee of all of the Intellectual Property used in carrying on the business of that Alclin Company and all rights in respect of such Intellectual Property (the **IP**).
- 11.2 None of the IP which is beneficially owned by either of the Alclin Companies has been encumbered or alienated in any manner and neither of the Alclin Companies is in any way restricted or prohibited from using the IP as it sees fit nor is any person entitled to use or acquire the IP in any manner.
- 11.3 No person has a right to compel either of the Alclin Companies to cease using any of the IP.
- 11.4 None of the Alclin Companies nor any director, employee, contractor or other representative of either of the Alclin Companies has disclosed or allowed the disclosure of any of each of the IP to any person other than the Subscriber pursuant to the negotiation of this Agreement.
- 11.5 To the best of the Alclin Companies' and Coetzee's knowledge and belief, there has been no infringement of the IP, by any person.
- 11.6 None of the Alclin Companies nor Coetzee have taken any action or omitted to do anything which constitutes an infringement of the Intellectual Property rights of any other person.
- 11.7 Neither the conduct of the businesses of either of the Alclin Companies nor their trading methods or style constitute an infringement of the Intellectual Property rights of any other person and no person has any right to compel either of the Alclin Companies to change the way it conducts its business or its trading methods or style.

- 11.8 Subject to what has been disclosed to the Subscriber, in writing, all of the IP which is capable of registration has been registered, no person has any right to obtain an order for the rectification, alteration or expungement of any such registration, no such registration will expire within a period of 12 (twelve months) from the Closing Date and each of the Alclin Companies has furnished the Subscriber with evidence of the registration of each of the IP which is capable of registration.
- 11.9 None of the Alclin Companies nor Coetzee have taken any action or omitted to do anything which has resulted or will result in any of each of the IP being unenforceable

12. Environment

- 12.1 To the best of each of the Alclin Companies' and Coetzee's knowledge and belief, each of the Alclin Companies has in the past complied and is in compliance with all Environmental Laws.
- 12.2 To the best of each of the Alclin Companies' and Coetzee's knowledge and belief, there is no fact, circumstance or event in existence or which has occurred or which will exist or occur which could result in a breach of any Environmental Law by either of the Alclin Companies.
- 12.3 Neither of the Alclin Companies has taken any action or failed to do anything resulting in a breach of section 24 of the Constitution.
- 12.4 Neither of the Alclin Companies has received any notice to take any action or to cease to do anything in relation to the Environment, from any authorised person pursuant to any Environmental law, nor has either of the Alclin Companies been required nor is either of the Alclin Companies required to pay any costs incurred by such person in giving such notification.
- 12.5 There are no proceedings threatened, pending or in process against either of the Alclin Companies in relation to any alleged breach by either of the Alclin Companies of any Environmental Law.
- 12.6 Neither of the Alclin Companies has any contingent liability whatsoever to rehabilitate the Environment in any way, or if it does have such contingent liability, it has made adequate financial provision to discharge that liability in full.
- 12.7 Neither of the Alclin Companies has received any complaints from any person in relation to the impact of either of the Alclin Companies or the Businesses on the Environment.
- 12.8 Each of the Alclin Companies has complied in the past and is compliant with all contractual obligations it may have in relation to the Environment.
- 12.9 Each of the Alclin Companies continually monitors the impact of each of the Alclin Companies and the Businesses on the Environment and takes appropriate measures to minimise and avoid any negative impacts, and has done so in the past.

- 12.10 Neither of the Alclin Companies owns or make use of any radioactive substance in any aspect of its business.
- 12.11 Neither of the Alclin Companies is subject to any restriction or prohibition imposed in terms of the National Water Act.

13. Taxation

- 13.1 To the best of each of the Alclin Companies' and Coetzee's knowledge and belief, each of the Alclin Companies has complied with all applicable law in relation to Tax.
- 13.2 Each of the Alclin Companies has paid all Tax which it has become liable to pay before the Closing Date.
- 13.3 No liability of either of the Alclin Companies for Tax has been postponed and neither of the Alclin Companies is party to any agreement with any Tax Authority for the postponement of any Tax liability of either of the Alclin Companies.
- 13.4 Neither of the Alclin Companies is party to any agreement with any Tax Authority in respect of the manner in which Tax may or will be imposed on either of the Alclin Companies in future.
- 13.5 Neither of the Alclin Companies has done anything or omitted to do anything which could adversely affect any positive arrangement or agreement which either of the Alclin Companies has with any Tax Authority.
- 13.6 Neither of the Alclin Companies has paid and is liable to pay any fine, penalty or interest in relation to any Tax.
- 13.7 Both of the Alclin Companies has timeously withheld or deducted and paid over to the relevant Tax Authorities, all Taxes which they have been required to withhold or deduct and pay in terms of applicable law.
- 13.8 Neither of the Alclin Companies has claimed any amounts as deductions from taxable income which do not qualify as deductions in terms of the Income Tax Act and the practice of the relevant Tax Authority.
- 13.9 Neither of the Alclin Companies has been party to any arrangement designed primarily for the avoidance, postponement or reduction of any Tax liability.
- 13.10 Both of the Alclin Companies have properly and timeously compiled and submitted to the relevant Tax Authorities all returns, notices, calculations, documents and information required to be submitted to such Tax Authorities under all applicable law in relation to Tax and each such return, notice, calculation, document and information is:
 - (a) to the best of each of the Alclin Companies' and Coetzee's knowledge and belief, true and correct;

- (b) not the subject of any dispute with any Tax Authority; and
 - (c) to the best of each of the Alclin Companies' and Coetzee's knowledge and belief, will not become the subject of any dispute with any Tax Authority.
- 13.11 Neither of the Alclin Companies has been issued with final assessments in respect of all returns and to the best of each of the Alclin Companies' and Coetzee's knowledge and belief, no Tax Authority has any intention or grounds to reopen any such assessment.
- 13.12 Neither of the Alclin Companies:
- (a) has received any query from any Tax Authority;
 - (b) has raised any objection to a Tax Authority;
 - (c) has had any objection disallowed by a Tax Authority;
 - (d) is involved in any appeal of any disallowance of any objection by a Tax Authority; and
 - (e) is subject to any investigation or proceedings by a Tax Authority,
- in relation to any returns, notices, calculations, documents and information submitted by either of the Alclin Companies to any Tax Authority or otherwise in relation to each of the Alclin Companies and their businesses, which has not been finally resolved.
- 13.13 To the best of each of the Alclin Companies' and Coetzee's knowledge and belief, no Tax Authority has any grounds to prevent either of the Alclin Companies from categorising or carrying forward any amount as an assessed loss.
- 13.14 Any depreciation or allowance applied to any of the Assets for tax purposes has been done in compliance with applicable law in relation to Tax and IFRS.
- 13.15 To the extent that either of the Alclin Companies is entitled to claim a refund of any amount paid as Tax from any Tax Authority, it has made such a claim.
- 13.16 Both of the Alclin Companies has kept and maintained all records, invoices and other documents required to be kept and maintained in terms of all applicable law in relation to Tax or which any Tax Authority is entitled to require each of the Alclin Companies to produce.

- 13.17 Both of the Alclin Companies has kept detailed records of all communications with Tax Authorities and advisors engaged by either of the Alclin Companies in relation to Tax.
- 13.18 Both of the Alclin Companies are registered as VAT vendors in terms of the VAT Act.
- 13.19 Neither of the Alclin Companies is under any obligation to pay Tax for the benefit of any other person, whether as representative taxpayer, agent or otherwise.

14. Disclosure

- 14.1 Each of the Alclin Companies and Coetzee have disclosed to the Subscriber all facts and circumstances which are material to the transaction contemplated in the Agreement or which are reasonably likely to be material to a subscriber of the Subscription Shares or to the consideration which a subscriber of the Subscription Shares would be willing to pay for the Subscription Shares.
- 14.2 All information and documents provided by the Alclin Companies and Coetzee to the Subscriber in the course of the Subscriber's due diligence, or in the Disclosure Schedule or otherwise before the Signature Date for the purpose of negotiating and concluding this Agreement, was and is entirely accurate and complete.

Asset Register**MASJINERIE EN TOERUSTING**

Product registration DPN

Trademark

1 Drum Mixer

3 x scales

air extractor & pipes Martel extraction

coating machine 40 kg

coating machine 8 kg

compressor 300lt

fortice dehumidifier

Vacuum pump

Impala hand label machine

Dehumidifier nr 2

Dehumidifier 3 +4

pallet truck

panels Supplement production

Vein Compressor

profill tablet filling plus attachment *2

tablet counter

Separations crimper

Labotech stirrer

Crystal Stream RO Machine

Autoclave

Mille Lab Washer

Manesty Tablet Press

Glassdoor Fridge

Generator 30KVA

HVAC

Particle Counter

Crystal Stream Watertank nr 2

SSK 10 000L Watertenk x3

Fencing

RJ Quip Filling Machine

CCTV Cameras

1200mm Laminar Flow Cabinet

Freeze dryer

Tools and equipment

De-Pyrogenation Oven

TOTAL Machinery

Office Equipment

Office Equipment cupboards

desk x 2

printer, fax & photocopier

refrigerator

stainless steel basin, shelving, cupboards

stainless steel table

Cabinet

TOTALE KANTOORTOERUSTING**Motor vehicles on lease**

Ford Figo 1.5 Trend

19 Ford Ranger 2.2 TDCI D/C

TOTAL

Computer Equipment
3 * Computers
Acer
Laptop - Computer Mania
TOTAL

TOTAL ASSETS

New Equipment
Esco
Clinical Trials

Annexure B: Machinery

1. Esco – Filling Line Isolator

Description: Isolation technology is commonly used in filling lines for making sterile pharmaceuticals in different containers. Esco Pharma's filling line isolator ensures a super clean environment (ISO Class 5 / Grade A) to keep the work zone sterile for precise sterile operations. This is achieved by working in a completely air-tight environment, using gloves.

Model: Filling Line Isolator

Serial number: PC112518-01

2. Bausch – Type 535 Fill/Close & RABS

Description: The Type 535 machine is a filling machine that fills and seals vials, syringes, and similar containers with the product you are making. It then closes the vial with a stopper after filling. It's great for companies wanting to automate and make sure they fill products accurately for clinical trials or development.

Model: Type 535

Serial number: 535021

3. Type 511 Crimping Machine

Description: A vial crimping machine used for sealing and crimping the vials to ensure the product is sealed and will remain sterile.

Model: Type 511

Serial number: 535021

3. Canaan – MiniPilot 20 Lyophiliser

Description: The Freezer Dryer, or lyophilizer, is used to remove water from delicate, often biological, products without harming them. This process preserves them so they can be stored long-term and restored by adding water later.

Annexure C: Trademarks

REPUBLIC OF SOUTH AFRICA
TRADE MARKS ACT, 1993

APPLICATION FOR THE REGISTRATION OF A TRADE MARK
Section 9, 14, 42, 43 and 63-Regulation 11, 56 and 57

APPLICATION FOR THE REGISTRATION OF THE ACCOMPANYING
TRADE MARK IS HEREBY MADE BY THE UNDERMENTIONED
APPLICANT

CIPC CUSTOMER CODE

ADAMS3

For Office Use Only		
21	Application Number	2023/29913
22	Filing date	2023/10/23

Agent's Reference	T793284ZA05
GPA Number	

NA	Nature(O = Ordinary, CE = Certification, CO = Collective, CU = Honest Concurrent User)	O
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73	Applicant	74	Address For Service	
Alclin (Pty) Ltd a South African company 14 Alpha Street, Heuningskloof, Stillbay, 6674, Western Cape, Republic of South Africa		ADAMS & ADAMS Lynnwood Bridge, 4 Davenport Street, Lynnwood Manor, Pretoria, Gauteng, SOUTH AFRICA		
57	Specification of Goods/Services	51	International Classification	5
Pharmaceuticals, medical and veterinary preparations; sanitary preparations for medical purposes; dietetic food and substances adapted for medical or veterinary use, food for babies; dietary supplements for human beings and animals; plasters, materials for dressings; material for stopping teeth, dental wax; disinfectants; preparations for destroying vermin; fungicides, herbicides.				
58	Endorsements			

Convention Priority claimed	31	Number	32	Date	33	Country
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54	Representation of Trade mark
	DPN

The Applicant claims to be the proprietor of the accompanying trade mark which is proposed to be or is being used in respect of the aforementioned specification of goods/services

Dated this 23rd day of October 2023

Digitally signed by : Nicolette Christine Biggar

Signature of authorized agent

Annexure D: Drug Master File



Certificate of Drug Master File (DMF)

Service Period
June 1, 2023 – May 31, 2024

This certifies that:

_____,

is a Drug Master File holder with the U.S. Food and Drug Administration pursuant to part 314 of Title 21, US Code of Federal Regulations, such filing having been verified as currently effective on the date hereof by Registrar Corp.

Drug Master File Number: **35930**
Status: **Active**
Type: **II**
Subject: **β-Nicotinamide Adenine Dinucleotide**

Registrar Corp will confirm that such filing remains effective upon request and presentation of this certificate until May 31, 2024, unless terminated after issuance of this certificate. Registrar Corp makes no other representations or warranties, nor does this certificate make any representations or warranties to any person or entity other than the named certificate holder, for whose sole benefit it is issued. Registrar Corp assumes no liability to any person or entity in connection with the foregoing. Filing of a Drug Master File does not in any way denote approval of the firm or its products by the U.S. Food and Drug Administration. Any representation that creates an impression of official approval because of filing of Drug Master File is misleading. The U.S. Food and Drug Administration does not issue a certificate of Drug Master Files. Registrar Corp is not affiliated with the U.S. Food and Drug Administration.


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David Lennarz
Executive Director
Registrar Corp
Dated: June 28, 2023

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