

AGREEMENT

SALE OF SHARES

1. PARTIES

1.1 Name: **SECHABA COMPUTER SERVICES (PTY) LTD**
Registration Number: **2003/023021/07**
With address: 5 Albury Park, Albury Road, Dunkeld West,
Johannesburg, South Africa

(hereinafter referred to as "the SELLER")

AND

ZESTILOR (PTY) LTD

Registration Number: **2011/008985/07**

Herein represented by (**ZEENAT OSMANY**) duly authorised thereto.

(hereinafter referred to as "the PURCHASER")

2. RECITAL

SECHABA COMPUTER SERVICES (PTY) LTD

Registration Number: **2003/023021/07**

A company with limited liability registered in terms of the Law of the RSA with registered address at **5 Albury Park Albury Road Dunkeld West Johannesburg South Africa**

The Company has an authorised share capital of R_____ divided into _____ ordinary par value shares of R_____ each, of which shares (hereinafter referred to as "the Shares") _____ have been issued and all shares are beneficially owned by the SELLER and are fully paid.

3. SUBJECT MATTER

3.1 The SELLER hereby sells 51% of the shares and Credit Loan Account in the Company to the PURCHASER who hereby purchases them with effect from the signing of this agreement (hereinafter referred to as "the Effective Date").

3.2 The benefit in the Shares shall pass from the SELLER to the PURCHASER on the effective date.

4. PURCHASE CONSIDERATION

4.1 Subject to the terms and conditions hereof, read together with any addenda attached

hereto, the Shares shall be transferred to the PURCHASER without monetary consideration.

5. ACCOUNTS

The SELLER undertakes to deliver to the PURCHASER financial statements of the Company as at the effective date.

6. DELIVERY OF DOCUMENTS

The SELLER shall on the effective date of this agreement deliver to the PURCHASER:

- 6.1 a share certificate in respect of the 51% issued share capital and a share transfer form duly executed by the registered holder thereof in blank.
- 6.2 certified copies of -
 - 6.2.1 a resolution passed by the Directors of the Company approving the sale and transfer of the Shares - Form CM 42;
- 6.3 CM 29 & CM 27 duly signed for the appointment and Resignation of the Directors with immediate effect, if applicable;
- 6.4 Cession of any Credit Loan if applicable;

6.5 Asset Register - with 10 (ten) days, confirming that the company is the owner of the assets as indicated.

7. WARRANTIES

7.1 The SELLER warrants in his Personal capacity that on the Effective Date -

7.1.1 the authorised and issued share capital of the Company will be that as reflected in 2.1.2;

7.1.2 the Company will not be under any obligation in any way to alter its share capital nor to issue any further shares and that neither the Company nor its directors will have passed or be bound by agreement to pass any resolution for the alteration of the authorised of issued capital of the Company;

7.1.3 it will be the beneficial owner of and able to sell and deliver the 100% Shares and that they will not be subject to any pledge, hypothec or real right or any encumbrance whatever, or to any right of pre-emption;

7.1.4 there will be no dividends or Director's fees outstanding or unpaid;

7.1.5 the assets of the Company will be insured against the risks to which they are ordinarily subject for amounts which accord with sound business practice. The

insurance will be for a period to terminate not earlier than the Effective Date. All premiums due in respect of such insurance will have been paid and the Company will have complied with all of the requirements of the insurer under the policies of insurance of which it will be subject to;

7.1.6 the Company will not be liable, whether contingently or otherwise and whether surety, co-principal debtor, guarantor or indemnitor, for the liabilities of any third party;

7.1.7 the Company will not be engaged in any litigation, income tax appeals, arbitration or criminal proceedings and having made all reasonable enquiries, the SELLER is not aware of any facts, matters or circumstances which may give rise to any such litigation, income tax appeal, arbitration or criminal proceedings;

7.1.8 the company will not be in breach of any law and, without derogating from the generality of the foregoing, it will not be in breach of any laws relating to taxation and companies;

7.1.9 the SELLER will have disclosed to the PURCHASER all facts and information which might reasonably affect the PURCHASER'S decision to purchase the Shares.

7.2 The SELLER undertakes that between the date of signature of this agreement and

the Effective Date, it will not do or allow to be done anything which will in any way infringe upon the warranties in 7.1.

7.3 In the event of any breach of any warranty contained in this agreement and that damage or prejudice suffered by the PURCHASER being such that it can be compensated through the payment of an amount in money, the PURCHASER shall be entitled to claim ;

7.3.1 a reduction of the purchase price of 100% of the Shares equal to the extent of the damage resulting to the PURCHASER from such breach;

7.3.2 an amount from the SELLER which will fully compensate the PURCHASER for such breach.

7.4 In the event of a breach of a warranty other than contemplated in 7.3 the PURCHASER shall be entitled to cancel this agreement without prejudiced to its rights to claim damages.

7.5 The Company complies up to the Effective Date in all material respects with statutory requirements in regard to the business and assets of the Company.

7.6 The Company is not a party to:

7.6.1 any agreement for the purchase of shares in any other Company;

7.6.2 any other long term agreement which is unusual or abnormal.

7.7 The assets of the Company purchased has originated in the normal course of business.

7.8 The company has no longer obligation under any other agreement and will at the effective date still have no obligations to any agreement other than to this agreement.

7.9 The books, records and accounts are to reflect an accurate view off the transactions and actions of the Company from the date of registration and data of commencement of business of the Company.

7.10 The company minutes of a meeting of Shareholders and Directors will reflect this warranties.

7.11 Kindly confirm how the current directors loan accounts will be amanaged

7.12 operationaly please confirm that value that will be at the business disposal for operational use

8. INDEMNITIES

8.1 Without prejudice to any of the rights of the PURCHASER arising from any of the

provisions of this agreement, the SELLER indemnifies the PURCHASER against all loss, liabilities, excluding those liabilities contained in this agreement, damages or expense which the PURCHASER may suffer as a result of or which may be attributable to -

8.1.1 any liability of the company, whether actual or contingent, arising prior to the effective date;

8.1.2 any liability of the Company for taxation not provided for in the Accounts arising from the profits or income of the Company for all periods prior to the Effective Date, for which purpose the term "taxation" shall include -

8.1.2.1 normal taxation, sales tax and all other forms of taxation;

8.1.2.2 any taxation, arising from new assessments of taxation and/or reopening of any income tax assessments of the Company;

8.1.2.3 any penalties or interest;

8.1.2.4 any taxation in respect of undistributed profits, unless such taxation could have been avoided by the declaration of dividends after the closing date;

8.1.2.5 any claims or liabilities (including claims or liabilities for

consequential loss) as a result of any breach of contract occurring before the Effective Date and not provided for in the Accounts.

- 8.2 The PURCHASER shall be deemed to have suffered a loss equivalent to the amount of any liability or claim against which it is indemnified in terms of 8.1.

9. BREACH OF CONTRACT

- 9.1 If the PURCHASER is in breach of any of the terms of this contract or any of his obligations there under, the SELLER may deliver by hand or registered post to the PURCHASER's chosen domicile a written demand requesting the PURCHASER to comply with the particular obligation or clause of this contract. If the PURCHASER refuses, within 45 [forty five] days from the date of postage of such written notice to comply with the said obligation or the particular term of this contract, the SELLER will have the right to cancel this contract by written notice given to the PURCHASER at his chosen domicile either by hand or by registered post. If the SELLER chooses not to cancel this Contract but to keep the PURCHASER to it, the SELLER will be entitled to claim payment of the full outstanding amount of the Purchase Price as on date of breach then be due and payable.

- 9.2 If the SELLER in any respect does not comply with the terms of this contract of his obligations there under, the PURCHASER will have the right to serve the SELLER with a written notice to his chosen domicile either by hand or by registered post with the said terms or obligation within 45 (forty five) days after receipt of the said

demand, the PURCHASER will have the right to cancel this contract by written notice to the SELLER at chosen domicile either by and or by registered post.

- 9.3 Both the SELLER and PURCHASER will be deemed to have received a notice sent by registered post as abovementioned after 5 [five] days from the date of postage thereof.

10. ARBITRATION

- 10.1 Any dispute between the parties in regard to this contract or any issue arising from it in connection thereto or in connection with the interpretation of this contract the protection of the rights and obligations of the parties in terms of this contract or the cancellation thereof or any other aspects in regard to this contract will be referred to Arbitration. The terms of the Arbitration Act will have the following effects on such dispute;

10.1.1 if the dispute is in regard to an accounting matter the Arbitrator will be an independent Accountant - CA (SA) with at least 10 (ten) years of practical experience;

10.1.2 if the dispute is in regard to a legal aspect the Arbitrator will be an independent Attorney with at least 10 (ten) years practical experience;

10.1.3 if the parties cannot agree upon an Arbitrator the President of the Gauteng Law Society or the Society of Chartered Accountants will

appoint an Arbitrator;

- 10.1.4 if the parties cannot within 7 (seven) days agree if the dispute is of legal or accounting nature, such dispute will be resolved by an Attorney of at least 10 (ten) years practical training and appointed by the President of the Law society after hearing written arguments by both parties;
- 10.1.5 if the dispute is not of a legal nature the Arbitrator will give his decision.

11. **GENERAL**

- 11.1 The parties will sign all documents necessary to fulfil the terms of this agreement.
- 11.2 Other than the warranties expressly given in this agreement, the PURCHASER acknowledges that there are no warranties or representations inducing this agreement.
- 11.3 This agreement is the entire contract between the parties and no variation of any of the terms in this agreement shall be of force and effect unless such variation are reduced to writing and signed by the parties.
- 11.5 The parties choose **domicilium citande et executandi** for all purposes in terms of this agreement as follows :
 - 11.5.1 the SELLER at -

11.5.2 the PURCHASER at -

11.6 Any notice to be given for any purpose of this agreement shall be delivered by pre-paid registered post to the addressee's **domicilium citandi et executandi**, and shall be deemed to have been received 7 (seven) days after posting.

11.7 The SELLER shall pay the costs of the Auditors for the preparation of the financial statements. The PURCHASER shall pay the costs of the stamp duty attracted by it and the transfer of the Shares.

SIGNED AT _____ ON THE _____ OF MAY 2015.

AS WITNESSES:

1. _____

2. _____

SIGNED AT _____ ON THE _____ OF MAY 2015.

AS WITNESSES:

1. _____

SELLER

2. _____

ADDENDUM "A"

1. The terms of this addendum is incorporated into the Agreement and by signing this addendum all terms and conditions hereof shall be terms and conditions of the Agreement.
2. PURCHASER undertakes to triple the gross profit of the Company, as reflected in the accounting records of the Company on the effective date, within 2 (two) years of the effective date.
3. If the PURCHASER fails to adhere to its undertaking as stated in clause 1 hereof, then the PURCHASER shall return, without consideration, the Shares acquired in terms of this agreement to the SELLER.
4. The portion of the Shares to be returned by the PURCHASER in the event of clause 2 hereof, shall be calculated to be equal to the pro-rata portion of the gross profit achieved by PURCHASER after the 2 (two) year period stated in 1.

5. The Company shall, after the effective date, pay to the existing shareholders R7 000 000.00 (seven million rand) in consideration for their contributions to the business of the Company.
6. This R7 000 000.00 (seven million rand) shall be paid in instalments on a quarterly basis, but only if sufficient funds are available to the Company at the time of agreed pay-out. The parties do not agree to a specific amount payable each quarter, such payable amount to be calculated in accordance with the funds available therefore.
7. If the PURCHASER fails to adhere to its undertaking as stated in clause 1 hereof, then the PURCHASER shall be entitled to repurchase the returned Shares, by paying in consideration therefore, the amount with which the PURCHASER fell short of the undertaken target as set out in clause 1 hereof.
8. The amount paid in consideration for the returned shares shall be calculated pro-rata to the PURCHASER's contribution to the R7 000 000.00 (seven million rand) pay-out to the existing shareholders.
9. The parties confirm that a loan of R10 000 000.00 (ten million rand) by the PURCHASER to the Company subsequent to the effective date was discussed, the exact terms and conditions to be contained in a separate Loan Agreement.

AS WITNESSES:

1. _____

PURCHASER

2. _____

SIGNED AT _____ ON THE _____ OF MAY 2015.

AS WITNESSES:

1. _____

SELLER

2. _____