
LOAN AGREEMENT

MEMORANDUM OF AGREEMENT made and entered into by and between:

THE BORROWER of the first part;

and

IMPACT CASH MANAGEMENT FUND

(hereinafter "**the Lender**") of the second part;

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Table of Contents

1.	Introduction.....	3
2.	Definitions and Interpretation	3
3.	Loan of the Capital Amount	7
4.	Security	7
5.	Advance of the Capital Amount	7
6.	Interest.....	7
7.	Interest on amounts outstanding post asset distribution to the Lender	7
8.	Repayment of the Capital Amount.....	7
9.	Undertakings and covenants	8
10.	Representation and warranties.....	9
11.	Indemnity.....	10
12.	Proof of indebtedness	10
13.	Cession of rights	10
14.	Arbitration	10
15.	Domicilium and Notices	11
16.	General.....	11

Annexure "A": Schedule 1, Schedule 2 and Schedule 3.

Annexure "B": Cession of VCC Shares

Annexure "C": Cession of VCC Dividends

Annexure "D": Cession of Tax Refund Amount

Annexure "E": Authorisation to pay dividends to the Lender

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SHARE REPURCHASE AGREEMENT MADE AND ENTERED INTO BY AND BETWEEN:

Parties: (1) **THE BORROWER**
(2) IMPACT CASH MANAGEMENT FUND ("**THE LENDER**")

THE PARTIES HEREBY AGREE AS SET OUT HEREUNDER:

1. Introduction

- 1.1 The Borrower wishes to subscribe for the Subscription Shares in the VCC and fund the Subscription Price with a loan from the Lender.
- 1.2 The Lender wishes to loan the Capital Amount to the Borrower on the terms and conditions set out in this Agreement.
- 1.3 The Parties wish to record in writing their agreement in respect of the above matters and matters ancillary thereto.

2. Definitions and Interpretation

- 2.1 In this Agreement, unless the context indicates a contrary intention, the following words and expressions bear the meanings assigned to them below, and cognate expressions bear corresponding meanings:
 - 2.1.1 "**Advance Date**" means the VCC Closing Date;
 - 2.1.2 "**Agreement**" means this written document together with all written appendices, annexures, exhibits or amendments attached to it, as amended from time to time;
 - 2.1.3 "**Borrower**" has the meaning assigned to it in Schedule 1, annexed hereto as Annexure "**A**";
 - 2.1.4 "**Cession of VCC Shares**" means the pledge and security cession agreement to be concluded by and between the Borrower and the Lender, in terms whereby the Borrower cedes and pledges the Subscription Shares as security for the Borrower's obligations in terms of this Agreement;
 - 2.1.5 "**Cession of VCC Dividends**" means the pledge and cession agreement to be concluded by and between the Borrower and the Lender, in terms whereby the Borrower cedes and pledges all dividends received from the VCC to the Lender, for value received, as repayment of the Borrower's obligations in terms of this Agreement;
 - 2.1.6 "**Cession of Tax Refund Amount**" means the pledge and cession agreement to be concluded by and between the Borrower and the Lender, in terms whereby the Borrower cedes the VCC Tax Refund Amount to the Lender, as partial repayment of the Borrower's obligations in terms of this Agreement;

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- 2.1.7 **“Capital Amount”** means:
- a) as at the Advance Date, the Subscription Amount; and
 - b) as at any time thereafter, the sum of the Subscription Amount (less any repayments therefrom, if applicable), capitalised interest thereon and any other capitalised costs and charges permitted and/or contemplated under or in terms of this Agreement;
- 2.1.8 **“Income Tax Act”** means the Income Tax Act 58 of 1962, as amended from time to time;
- 2.1.9 **“Investment Period”** means the period for which the Lender remains invested in the VCC, which period may not be shorter than 5 (five) years. Should the Borrower withdraw his investment within the first 5 years, SARS will recoup the VCC Tax Refund claimed by the Borrower;
- 2.1.10 **“Investment Value”** means the Total Value of the initial investment as per the Subscription Document paid for shares acquired in the S12J VCC.
- 2.1.11 **“Lender”** means Impact Cash Management Fund;
- 2.1.12 **“Loan”** means the loan provided by the Lender to the Borrower of the Capital Amount under and in terms of this Agreement;
- 2.1.13 **“Loan Period”** means the period from the Advance Date to the date on which the full Loan must be repaid, which date may not be more than 5 (five) years from the Advance Date;
- 2.1.14 **“Parties”** means the parties to this Agreement, being the Lender and the Borrower; and **“Party”** will mean either one of them as indicated by the context;
- 2.1.15 **“Reversal Event”** refers to the sequestration (of an individual) or liquidation (if a company) of the Borrower and the stipulation of conditions under Section 12J of the Income Tax Act.
- 2.1.16 **“SARS”** refers to the South African Revenue Service;
- 2.1.17 **“Section 12J Certificate”** means the VCC investor certificate issued by the VCC in terms of section 12J(4) of the Income Tax Act;
- 2.1.18 **“Security Documents”** means:
- a) the Cession of VCC Shares;
 - b) the Cession of VCC Dividends; and
 - c) the Cession of Tax Refund Amount;

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- 2.1.19 “**Subscription Amount**” means the amount paid for acquiring Subscription Shares as contemplated in clause 3.3;
- 2.1.20 “**Subscription Shares**” will have the meaning assigned to it in the Subscription Agreement;
- 2.1.21 “**Subscription Price**” will have the meaning assigned to it in the Subscription Agreement;
- 2.1.22 “**Subscription Agreement**” means the subscription agreement concluded between the Borrower and the VCC, as more fully described in IEV Subscription Agreement that forms part of the onboarding pack of agreements;
- 2.1.23 “**Securing Deposit**” is the initiating fee, it will be returned to the investor upon exit, but remains at risk until that date. It always has the meaning assigned to it as per the Commitment To Invest document;
- 2.1.24 “**Signature Date**” means the date on which this Agreement is signed by the Party who signs it last in time;
- 2.1.25 “**Tax Refund Amount**” means the higher of R280 000 or an amount equal to the VCC Tax Refund. For the avoidance of doubt and for purposes of the Cession of Tax Refund Amount, the VCC Tax Refund is the full refund amount attributable to the Borrower’s acquisition of the Subscription Shares and must not be reduced by any recoupments (of whatsoever nature) made by SARS;
- 2.1.26 “**VCC**” means authorised Section 12J venture capital company, namely Impact Empowerment Ventures Pty Ltd, VCC 0135, FSP 49377.
- 2.1.27 “**VCC Closing Date**” will have the meaning assigned to “Closing Date” in the Subscription Agreement;
- 2.1.28 “**VCC Tax Refund**” means any tax refunds or other tax benefits to which the Borrower may be entitled as a result of his acquisition of the Subscription Shares, regardless of whether or not SARS actually pays such refund to the Borrower.

2.2 In this Agreement:

- 2.2.1 words importing:
- a) any particular gender includes the other gender;
 - b) the singular includes the plural and *vice versa*; and
 - c) a natural person includes a juristic person and *vice versa*;

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2.2.2 clause headings are for convenience and will not be used in its interpretation.

2.3 In this Agreement, a reference to:

2.3.1 “**business hours**” refer to the hours between 08h30 and 17h00 on any Business Day. Any reference to time will be based upon South African Standard Time and Close of Business is 17h00.

2.3.2 “**days**” are construed as calendar days; and “**Business Day**” refers to any day other than a Saturday, Sunday, or gazetted national public holiday in the Republic of South Africa.

2.3.3 a document or instrument includes the document or instrument as ceded, delegated, novated, altered, supplemented or replaced from time to time;

2.3.4 a Party includes that Party’s successors-in-title and permitted assigns;

2.3.5 a “**person**” includes a natural person, company, close corporation, trust, partnership, joint venture, association, governmental body, or any other entity or association of persons, whether or not having separate legal personality;

2.3.6 “**in writing**” includes any document whether available in print, on plain paper or in electronic format accessible in a manner usable for subsequent reference, and “**written**” has a corresponding meaning;

2.3.7 “**tax**” means any taxes, levy or duty levied by SARS, including the penalty or interest payable in connection with any failure to pay or any delay in paying any such taxes;

2.3.8 “**Tax Season**” the tax year of the Borrower if the Borrower is a juristic person or a provisional tax payer, as per SARS stipulations, with a different tax year end to tax season 2020 or 2021 defined herein;

2.3.9 “**tax season 2020**” means the period declared by SARS during which the Borrower is to submit his annual income tax return to SARS for the 2020 year of assessment (running from 1 March 2019 to 29 February 2020);

2.3.10 “**tax season 2021**” means the period declared by SARS during which the Borrower is to submit his annual income tax return to SARS for the 2021 year of assessment (running from 1 March 2020 to 28 February 2021);

2.4 Each of the provisions of this Agreement has been negotiated by the Parties and drafted for the benefit of both Parties. The rule of construction that the contract must be interpreted against or to the disadvantage of the party responsible for the drafting or preparation of the agreement (i.e. the *contra proferentem* rule), will therefore not apply.

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3. Loan of the Capital Amount

- 3.1 The Lender hereby agrees to lend the Capital Amount to the Borrower upon and subject to the terms and conditions of this Agreement.
- 3.2 The Borrower hereby agrees to borrow the Capital Amount from the Lender upon and subject to the terms and conditions of this Agreement.
- 3.3 The Borrower irrevocably and unconditionally undertakes to use and apply the Capital Amount solely for the purpose of acquiring Subscription Shares under and in terms of the Subscription Agreement pertaining to the VCC.

4. Security

- 4.1 The obligations of the Borrower to the Lender for the repayment of the Loan will be secured by the Borrower's signature of this Agreement as well as that of the Security Documents.

5. Advance of the Capital Amount

- 5.1 On the Advance Date the Lender will advance the Capital Amount to the Borrower by paying the Capital Amount directly to the VCC's account on behalf of the Borrower as provided for in the Subscription Agreement.

6. Interest

- 6.1 In terms of this Loan Agreement, the Capital Amount will bear ZERO interest rate per annum for the full duration of the Loan.

7. Interest on amounts outstanding post asset distribution to the Lender

- 7.1 Any amount falling due for payment by the Borrower to the Lender at the end of the Investment Period may be subjected to a new loan agreement. Different interest conditions may prevail at that time.

8. Repayment of the Capital Amount

- 8.1 The Loan will be settled as follows:
 - 8.1.1 The Borrower will transfer an amount equal to the SARS Tax Refund or the Provisional Tax liability (as calculated for the year in which the investment was made), plus any top-up amount as contemplated in clause 10.1.4 (if applicable), to the Lender within 7 (seven) days of the Tax payer's Tax Refund being paid by SARS or, at the latest, on the day that provisional tax is payable to SARS by the Borrower. If the Borrower fails to transfer this amount to the Lender, the Lender will enforce the Cession of VCC Shares, resulting in a disposal of the VCC Shares and a subsequent recoupment of the SARS Tax Refund/Deduction, forcing the investor/tax payer to pay the full amount refunded by SARS immediately (SARS penalties may apply)

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- 8.1.2 For the duration of the Loan Period, the Borrower will service the balance of the Loan solely using the VCC Annual Dividends that are payable in respect of the Subscription Shares. In this regard the Borrower will sign the Cession of VCC Dividends (Annexure C) and authorise the VCC to pay all S12J dividends payable to the Borrower, directly to the Lender (via Impact Investment Management) for as long as any amounts are due under this Agreement.
- 8.1.3 Before the end of the Loan Period or on the occurrence of a Reversal Event, and regardless of the outcome of the Lender's investment in the VCC, the full balance of the Loan (if any) becomes payable and can be settled through an external loan from an authorised financial institution if the investor so chooses..
- 8.1.4 Apart from the full Securing Deposit and full Investment Value of the S12J Certificate, no additional recourse to the Borrower will be applicable. The Borrower shall have no obligation to make payments after the ceded item have been forfeited.
- 8.2 If a Reversal Event occurs, all payments in terms of this Agreement will be appropriated as follows:
 - 8.2.1 in the first instance, to the payment of any costs incurred by the Lender in enforcing its rights against the Borrower;
 - 8.2.2 in the second instance, in reduction of the Capital Amount.
- 8.3 At a Reversal Event (and any other event), the Borrower will make all payments into the Lender's chosen bank account as and when so required by the Lender in writing.
- 8.4 Despite the provisions of clause 8.1, the Borrower may repay the full outstanding Loan at any time within the Loan Period.

9. Undertakings and covenants

- 9.1 The Borrower hereby agrees and undertakes:
 - 9.1.1 to furnish the Lender, within 7 (seven) days of written request from the Lender, with copies of relevant information/documents that the Lender may reasonably require from time to time;
 - 9.1.2 to notify the Lender of the occurrence of any Reversal Event upon such event coming to the attention of the Borrower;
 - 9.1.3 to submit a tax return to SARS within 3 (three) weeks of the start of the tax season in question;
 - 9.1.4 to transfer the SARS Refund Amount to the Lender within 7 (seven) days of the taxpayer's Tax Refund being paid by SARS or, in the case of a provisional

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tax on the date that the Borrower's provisional tax is due.

10. Representation and warranties

- 10.1 The Borrower represents and warrants, as material warranties to the Lender on a continuous basis, that:
 - 10.1.1 the Borrower is a registered taxpayer;
 - 10.1.2 the SARS tax registration document supplied is a true copy of the Borrower's latest tax status;
 - 10.1.3 the Borrower, if a natural person, is not married in community of property and if he/she is married in community of property, he/she has obtained the consent of his/her spouse to enter into this Agreement as well as the Security Documents that may in such an instance be requested;
 - 10.1.4 the Borrower's VCC Tax Refund will be an amount of R280 000 or more in the year of investment. If the Borrower's VCC Tax Refund is less than R280 000, the Borrower will top-up the initial repayment as contemplated in clause 8.1.1 with an amount equal to the difference between R280 000 and his VCC Tax Refund;
 - 10.1.5 the Borrower understands that any alienation of his Subscription Shares within the initial 5-year Investment Period will cause SARS to recoup the VCC Tax Refund, resulting in the Borrower having to repay any Tax Refund to SARS.
 - 10.1.6 the Borrower understands that a Reversal Event may result in SARS recouping the VCC Tax Refund.
 - 10.1.7 the Borrower understands that failure to transfer the amount contemplated in clauses 8.1.1 and 9.1.4 to the Lender will result in the Lender enforcing the Cession of VCC Shares, which will result in a disposal of the VCC Shares and a subsequent recoupment of the VCC Tax Refund.
 - 10.1.8 the execution, delivery and performance of this Agreement and the Security Documents do not violate or conflict with any law or court order or judgment or any contractual obligation binding on or affecting it or any of its assets;
 - 10.1.9 this Agreement and the Security Documents constitutes legal, valid, binding and enforceable obligations of the Borrower;
 - 10.1.10 all acts, conditions and things required to be done, fulfilled and performed in order to enable the Borrower to enter into and to perform and comply with the obligations expressed to be assumed by the Borrower in this Agreement and the Security Documents, have been done, fulfilled and performed; and
 - 10.1.11 at the time of entering into the transaction the liabilities of the Borrower do not exceed the assets of the Borrower and during the period of this

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Agreement, the liabilities of the Borrower should not exceed the assets of the Borrower.

11. Indemnity

- 11.1 The Borrower indemnifies and holds the Lender harmless against losses incurred by the Borrower in the following cases only;
 - 11.1.1 the enforcement of this Agreement saves for losses or damages howsoever arising as a result of the negligent or wilful acts by the Lender;
 - 11.1.2 any breach by the Borrower of any representation, warranty, covenant, undertaking contained in this Agreement and its Annexures;
 - 11.1.3 the occurrence of a Reversal Event.

12. Proof of indebtedness

- 12.1 The Securing Deposit, The Section 12J Tax Certificate, and Annexure D of this agreement, constitutes prima facie proof of the Full Capital amount and monies payable by the Borrower to the Lender in terms hereof.

13. Cession of rights

- 13.1 The Borrower may not cede any of his rights, delegate any of his obligations or transfer any of his rights, obligations, or interest in the S12J investment, in terms this Agreement, to any third party without the prior written consent of the Lender.

14. Arbitration

- 14.1 If a dispute arises as to the interpretation, breach, termination, or validity of this Agreement (a "Dispute"), then either Party may refer the dispute in writing to the other Party and the Parties undertake to attempt to resolve the matter by negotiation between the relevant authorised representatives of the Parties.
- 14.2 If the dispute has not been resolved by negotiation within 20 days after the date upon which the dispute was referred to negotiation, the Parties may agree, in writing, to extend the period within which to attempt to resolve the dispute. If the dispute remains unresolved, either Party may, by written notice to the other Party, refer the unresolved dispute to the Arbitration Foundation of Southern Africa (AFSA) to be resolved by a single arbitrator appointed by AFSA.
- 14.3 The arbitrator's decision will be final and binding upon the Parties and may be made an order of any competent court that has jurisdiction over any of the Parties.
- 14.4 The provisions of this clause do not prevent a Party from seeking urgent or interim relief, pending the outcome of the arbitration, in any court of competent jurisdiction.
- 14.5 Should any costs be incurred before the arbitrator has made their decision, which

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decision will also stipulate which Party will be liable for the costs of the arbitration, the Parties will pay such costs in equal shares, pending the arbitrator's final decision.

14.6 This clause 14 is severable from the rest of this Agreement and will remain in full force and effect even after any termination or cancellation of this Agreement.

15. Domicilium and Notices

15.1 The Parties appoint as their respective nominated email addresses and *domicilia citandi et executandi* for all purposes arising out of or in connection with this Agreement, including the giving of any notices and the institution of legal proceedings, the addresses set out in Schedule 1. Any Party may, by written notice to the other Party, vary:

15.1.1 for whose attention any notice must be marked;

15.1.2 its nominated email address; and

15.1.3 its *domicilium* address to any other physical address within the Republic of South Africa, which is not a post office box;

15.2 Any notice required or permitted to be given in terms of this Agreement shall be valid only if in writing and may be delivered by prepaid registered post, by hand or sent by email.

15.3 Any notice will be presumed, unless the contrary is proved, to have been delivered:

15.3.1 if posted by prepaid registered post from an address within the Republic of South Africa to the addressee at the addressee's *domicilium* for the time being, on the 10th(tenth) Business Day after the date of posting;

15.3.2 if delivered by hand during the normal business hours of the addressee at the addressee's *domicilium* for the time being on a Business Day, then on the day and at the time of delivery; and

15.3.3 if transmitted by email, within 4 (four) hours of being sent, where it is sent during normal business hours or within 4 (four) hours of the beginning of the next Business Day, if it is sent outside those business hours.

15.4 Despite anything to the contrary in this clause 15, a written notice or other communication actually received by a Party will serve as adequate written notice or communication even if such notice was not sent to or delivered at a Party's chosen address.

16. General

16.1 Entire Agreement

16.1.1 This Agreement is not the only agreement between the Parties. All S12J understandings, Disclosure Documents and Agreements, whether oral or

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written required by the VCC's onboarding process, between the Parties (with regard to subject matter hereof), and in line with those Agreements, constitutes the entire record between the Parties. No Party will be bound by any express, tacit or implied term, representation,

warranty promise or the like not recorded in these Impact S12J Agreements (including the Annexures thereto).

16.2 Non-Variation

16.2.1 No addition to, variation, novation or agreed cancellation of any provision of this Agreement will be binding upon the Parties, unless reduced to writing and signed by or on behalf of the Parties.

16.3 No indulgence and no waiver

16.3.1 No act of indulgence, extension of time or other lenience by any Party ("the Grantor") to another Party, will in any way prejudice the Grantor, from exercising its rights under this Agreement or constitute a waiver of such rights. For the avoidance of doubt, the failure by the Grantor to enforce any provision of this Agreement does not affect its right to require performance of the provision at any time in the future, nor does the waiver of any subsequent breach nullify the effectiveness of the provision itself.

16.4 Severance

16.4.1 If any provision of this Agreement is unenforceable, invalid, illegal or contra bona mores, then such provision will be severed from this Agreement and the Agreement will be read as if that provision was not herein contained.

16.5 Jurisdiction

16.5.1 Subject to clause 14, the Lender may be entitled (but not obliged) to institute an action against the Borrower hereunder in any Magistrate's Court having jurisdiction over the Borrower in terms of section 28 of the Magistrates' Court Act, No 32 of 1944 ("Magistrates' Court Act").

16.5.2 The Borrower hereby consents, in terms of section 45 of the Magistrates' Court Act, to the jurisdiction of the applicable Magistrate's Court notwithstanding that any claim of the Lender hereunder may exceed the jurisdiction of the Magistrates' Court.

16.6 Governing Law

16.6.1 This Agreement, including its existence, validity and the interpretation and application of its provisions and the rights and obligations of the Parties in connection with and arising out of this Agreement, or its expiration or earlier termination for any reason, shall be governed by, and interpreted in accordance with, the laws of the Republic of South Africa.

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16.7 Costs

16.7.1 Each Party will pay their own legal costs arising out of the preparation, negotiation and signing and execution of this Agreement.

16.7.2 The Borrower will be liable for all costs incurred by the Lender in the recovery of any moneys hereunder (including, collection charges and attorney-and-own-client costs) whether incurred before or during the institution of legal proceedings, including any appeals, or if judgment has been granted, in connection with the satisfaction or enforcement of any such judgment.

16.8 Counterparts

16.8.1 This Agreement may be signed in separate counterparts and the separate counterparts read together will be deemed to be an original and constitute a single Agreement for all purposes.

16.9 Warranty of Authority

16.9.1 The Persons signing this Agreement on behalf of the Parties expressly warrant their authority to do so.

16.10 Agreement binding on successors in title

16.10.1 This Agreement is binding on the administrators, executors, liquidators, trustees in insolvency, business rescue practitioners and other successors-in-title of the Parties, who will not be entitled to terminate this Agreement merely by reason of the death of the Parties.

16.10.2 Each Party indemnifies the other against any loss or damage of any nature whatsoever which the other may sustain if this Agreement is not binding for any reason on the former's administrators, executors, liquidators, trustees in insolvency, business rescue practitioners and/or other successors-in-title.

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SIGNED at _____ on this _____ day of _____ 20____ in the presence of the undersigned witness.

AS WITNESSES: _____

THE BORROWER _____

Name: _____

Name: _____

ID no: _____

SIGNED at _____ on this _____ day of _____ 20____ in the presence of the undersigned witness.

AS WITNESSES:

THE LENDER

herein represented by:

Name: _____

Name: **Christopher John Hart**
on behalf of the Lender
Capacity: Director of Impact Investment Management Pty Ltd
warranting that he is duly authorised

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