

INVESTMENT AGREEMENT

AFRICA ENERGY CORP

– and –

IMPACT OIL & GAS LIMITED

– and –

IMPACT OIL & GAS SA BLOCKS 11B–12B LIMITED

August 24, 2020

TABLE OF CONTENTS

ARTICLE 1 INTERPRETATION

1.1	Defined Terms	2
1.2	Rules of Construction.....	12
1.3	Entire Agreement.....	13
1.4	Time of Essence	13
1.5	Governing Law.....	13
1.6	Severability	14
1.7	Knowledge	14
1.8	Guarantee.....	14
1.9	Schedules.....	14

ARTICLE 2 PURCHASE OF SECURITIES

2.1	Subscription	14
2.2	Payment	15

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1	Representations and Warranties of the Investor	15
3.2	Representations and Warranties of the Issuer	15
3.3	Survival of Representations and Warranties	15

ARTICLE 4 COVENANTS

4.1	Mutual Covenants	16
4.2	Issuer and Parent Covenants.....	17
4.3	Orderly Market	18
4.4	Transfers of Loan Notes.....	20
4.5	Standstill	20
4.6	Suspension or Termination of Standstill	21
4.7	Investor Covenants	21
4.8	Restrictions on Share Issuances.....	22
4.9	Shareholder Approvals	22
4.10	Winding-up of Issuer	24

ARTICLE 5 BOARD NOMINATION RIGHTS

5.1	Board of Director Nominees	24
-----	----------------------------------	----

ARTICLE 6 INDEMNIFICATION

6.1	Indemnification by the Parent.....	25
6.2	Indemnification by the Investor.....	26
6.3	Notice of Claim	26

6.4	Claims.....	26
6.5	Computation of Indemnifiable Losses	27
6.6	Monetary Limits on Indemnification.....	27
6.7	Exclusivity	28
6.8	Disclosure	28

ARTICLE 7

CLOSING

7.1	Closing of the Funding	28
7.2	Closing Deliveries of the Issuer	28
7.3	Closing Deliveries of the Investor	29
7.4	Conditions of Funding	29

ARTICLE 8

TERMINATION

8.1	Termination.....	32
-----	------------------	----

ARTICLE 9

MISCELLANEOUS

9.1	Public Disclosure and Filings	32
9.2	Notices.....	33
9.3	Amendments and Waivers	34
9.4	Assignment	34
9.5	Remedies	34
9.6	Dispute Resolution.....	35
9.7	Successors and Assigns	36
9.8	Further Assurances.....	36
9.9	Counterparts	36
9.10	Expenses	37
9.11	Third Party Rights	37
9.12	Gross-up of payments in respect of Taxation	37

Schedule A – Form of Loan Notes

Schedule B – Form of Subscription Agreement

Schedule C – Representations and Warranties of the Investor

Schedule D – Representations and Warranties of the Issuer

Schedule E – Reorganization of the Issuer

Schedule F – Proposed Amendment to the Issuer’s Articles of Incorporation

Schedule G – Proposed Amended and Restated Arostyle Loan Agreement

Schedule H – Proposed Amended and Restated ProjectCo Shareholders Agreement

INVESTMENT AGREEMENT

THIS AGREEMENT is made this 24th day of August, 2020,

B E T W E E N:

AFRICA ENERGY CORP,
a corporation existing under the laws of British
Columbia,

(hereinafter referred to as the “**Investor**”),

– and –

IMPACT OIL & GAS LIMITED,
a private limited company existing under the laws of
England and Wales,

(hereinafter referred to as the “**Parent**”),

– and –

**IMPACT OIL & GAS SA BLOCKS 11B–12B
LIMITED,**
a private limited company existing under the laws of
England and Wales,

(hereinafter referred to as the “**Issuer**”).

WHEREAS the Investor wishes to commit to invest an aggregate amount of [REDACTED] in the Issuer (the “**Investment Amount**”) by subscribing for 2,412,214 Class B shares of the Issuer (the “**Class B Shares**”) in exchange for [REDACTED] principal amount of loan notes (the “**Loan Notes**”) having the rights, preferences, privileges, restrictions and conditions set out in the Loan Notes set forth in Schedule A hereto (the “**Subscription**”);

AND WHEREAS the Parent and the Investor desire to enter into a subscription agreement (the “**Subscription Agreement**”) whereby the Parent will subscribe for 509,092,771 Common Shares (as defined herein) in accordance with the terms and conditions set forth therein.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the respective covenants and agreements of the parties hereinafter contained and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each party), the parties agree as follows:

ARTICLE 1 **INTERPRETATION**

1.1 Defined Terms

For the purposes of this Agreement (including the recitals and the Schedules hereto), unless the context otherwise requires, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

“Accounts” means, in respect of the Issuer, the consolidated audited statement of financial position, statement of income and statement of cash flows and the notes thereto for the twelve (12) month period ending on the Accounts Date;

“Accounts Date” means December 31, 2019;

“Act” means the *Business Corporations Act* (British Columbia);

“Affiliate” means a Person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Person specified. For the purposes of this definition, “control” when used with respect to any Person, means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of the Person, whether through the ownership of voting securities, by contract, or otherwise;

“Anti-Corruption Laws” means any and all statutes, statutory instruments, bye-laws, orders, directives, treaties, decrees and Laws which relate to anti-bribery and/or anti-corruption passed and in force in any jurisdiction, including United States *Foreign Corrupt Practices Act of 1977*, the United Kingdom *Bribery Act 2010*, any act enforced by the Office of Foreign Asset Control of the U.S. Department of Treasury, the *Corruption of Foreign Public Officials Act* (Canada), which are applicable to any Person

“Arostyle” means Arostyle Investments (RF) (Proprietary) Limited, registration number 2017/366108/07, a private company incorporated in accordance with the laws of the Republic of South Africa;

“Arostyle Arbitration” means the ICC Arbitration No. 24792/TO between the Issuer and Arostyle, terminated on August 5, 2020;

“Arostyle Loan Agreement” means the loan agreement dated December 14, 2018 among the Issuer, Arostyle and Main Street 1549 Proprietary Limited;

“Arostyle Loan Documents” means the “Finance Documents” as defined in the Arostyle Loan Agreement;

“Arostyle Transaction” means the transactions contemplated by the implementation agreement entered into on the date hereof between the Investor, Arostyle and Africa Energy SA Corp. providing for *inter alia* certain amendments to the Arostyle Loan Agreement and ProjectCo Shareholders Agreement (as defined in the Arostyle Loan Agreement);

“Arostyle Transaction Funding Documents” means the documents entered into in connection with the Arostyle Transaction, including inter alia the implementation agreement entered into on the date hereof between the Investor, Arostyle and Africa Energy SA Corp appending a second amendment agreement for the amendment and restatement of the Arostyle Loan Agreement (in the form set out in Schedule G) and an amendment and restatement of the ProjectCo Shareholders Agreement (as defined in the Arostyle Loan Agreement) (in the form set out in Schedule H);

“ASM” means any annual general or annual general and special meeting of the shareholders of the Investor, or the meeting resulting from any adjournment or postponement thereof;

“Authorizations” means with respect to any Person, any order, permit, approval, consent, waiver, licence, certificate, registration, franchise, privilege, quota, exemption or similar authorization of any Governmental Entity having jurisdiction over the Person;

“Board” means the board of directors of the Investor, as constituted from time to time;

“Business Day” means any day, other than (a) a Saturday, Sunday or statutory holiday in the Province of Alberta, Canada or the City of London, England and (b) a day on which banks are generally closed in the Province of Alberta, Canada or the City of London, England;

“Canadian Securities Commissions” means the securities commissions or similar securities regulatory authorities in each of the Reporting Jurisdictions;

“Canadian Securities Laws” means the applicable securities legislation of each of the Reporting Jurisdictions and all published regulations, policy statements, orders, rules, instruments, rulings and interpretation notes issued thereunder or in relation thereto, as the same may hereafter be amended from time to time or replaced;

“Capgro Guarantee” means the deed of guarantee dated December 14, 2018 between the Issuer and The Capgro Trust;

“Class B Shares” means the Class B Shares having the rights, preferences, privileges, restrictions and conditions set out in Schedule F and created as part of the Reorganization;

“Claim” has the meaning specified in Section 6.3;

“Common Shares” means the common shares in the capital of the Investor, as constituted from time to time;

“Consent Agreements” means the written consent of each of Africa Oil Corp. and Deepkloof Limited (and its Affiliates), to the extent applicable, addressed to the Investor and the Parent, pursuant to which each such person consents to the transactions contemplated by this Agreement in accordance with their rights under the Investors' Agreement;

“Constitutional Documents” means the charter, certificate of incorporation, deed of incorporation, memorandum or articles of association, bylaws and/or any other constitutional document of the Issuer;

“Contract” means any written agreement, commitment, engagement, contract, franchise, licence, lease, obligation or undertaking to which the Issuer or any of its Subsidiaries is a party or by which the Issuer or any of its Subsidiaries is bound;

“Decommissioning Liabilities” means any and all Losses incurred in or in relation to compliance with Applicable Law or the standards of Good Oilfield Practice for abandoning and/or decommissioning and/or removing and/or plugging and/or making safe any physical or tangible property in which the Issuer has an interest or which forms part of any Licence Interests, whether such Losses are incurred under or pursuant to any contractual obligation or any Applicable Law, international law, international convention or any other obligation, including any residual liability for anticipated or necessary continuing insurance, maintenance and monitoring costs and, in all cases, irrespective of how and when such Losses are or were incurred and regardless, in each case, of any negligence or breach of obligation (statutory or otherwise) on the part of the Issuer, the Parent or any Affiliate of the Parent;

“Disclosed” means fully, clearly, accurately and specifically disclosed with sufficient details to identify the nature and scope of the matter disclosed in or under the Disclosure Letter;

“Disclosure Letter” means the letter dated the same date as this Agreement from the Issuer to the Investor disclosing certain matters in relation to the representations and warranties of the Issuer set out in Schedule D hereto;

“Electronic Data Room” means the electronic data rooms to which access was provided by the Issuer to the Investor (including the Investor’s representatives) and located at <https://dataroom.impactoilandgas.com/MFPportal.vwg/default.wgx>, including the questions and answers exchanged between the parties in the electronic system, each of them containing documents (including correspondence and information) made available by or on behalf of the Parent or the Issuer for inspection by or on behalf of the Investor (including the Investor’s agents and advisers) in relation to or connected with the Issuer and its businesses, in each case as at the date that is one (1) Business Day prior to the date of this Agreement;

“Encumbrance” means any mortgage, charge, pledge, hypothec, security interest, prior claim, assignment, lien (statutory or otherwise), or restriction or adverse right or claim, or other third party interest or encumbrance of any kind, in each case, whether contingent or absolute;

“Environment” means all or any part of the air (including the air within buildings and the air within other natural or man-made structures above or below ground), water (including sea waters both inside and outside of territorial waters) and land (including the seabed) and any living organisms or systems supported by those media;

“Environmental Laws” means all Laws and all other statutory requirements relating to public health and safety, noise control, pollution, reclamation or the protection of the environment or to the generation, production, installation, use, processing, handling,

storage, treatment, distribution, transportation, disposal, Release or threatened Release of Hazardous Substances, and all Authorizations issued pursuant to such Laws, agreements or other statutory requirements;

“Environmental Liabilities” means any and all Losses (except any Losses that constitute a Decommissioning Liability) incurred in respect of, or arising in relation to, any Licence Interests (including the production, processing, transportation or redelivery of Hydrocarbons) arising (a) under any Environmental Law; (b) under any Material Contract (to the extent concerning harm or damage to, or protection of, the Environment, or the provision of remedies in respect of, or compensation for the discharge of, any Hydrocarbons, pollutants or other contaminants or substances causing harm or damage to the Environment); or (c) from a claim by a Public Authority pursuant to Environmental Law, in each case irrespective of when or how such Loss is or was incurred and regardless in each case of any negligence or breach of obligation (statutory or otherwise) on the part of the Parent or the Issuer;

“Financial Obligation” has the meaning specified in Section 5.1.1 of Part A of Schedule D;

“Funding” has the meaning specified in Section 7.1(a);

“Funding Date” means the date that is three (3) Business Days after the date on which all of the conditions set forth in Section 7.4 (other than those conditions which by their nature will be satisfied only on the Funding Date) have been satisfied or waived (as permitted by the terms of this Agreement);

“Funding Outside Date” means December 31, 2020;

“Good Oilfield Practice” means those practices, methods, techniques and standards that are, from time to time, generally accepted for use internationally in the oil and gas industry to operate and maintain oil and gas fields similar to those comprising the Licence Interests of the Parent lawfully, safely, efficiently and economically in similar circumstances;

“Governmental Entity” means (a) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, (including an independent quasi-judicial tribunal), commission or board (including any independent system operator), arbitral body, bureau, ministry, agency or instrumentality, domestic or foreign, (b) any subdivision or authority of any of the above, (c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing or (d) any stock exchange;

“Hazardous Substances” means any element, waste or other substance, whether natural or artificial and whether consisting of gas, liquid, solid or vapour that is prohibited, controlled, regulated, listed, defined, judicially interpreted, designated or classified as dangerous, hazardous, radioactive, explosive or toxic or a pollutant or a contaminant under or pursuant to any applicable Environmental Laws, and specifically including petroleum and all derivatives thereof or synthetic substitutes therefor and asbestos or asbestos-containing materials or any substance which is deemed under Environmental Laws to be deleterious to natural resources or worker or public health and

safety or having a significant adverse effect upon the environment or human life or health;

“Hydrocarbon Licence” means a licence for the exploration, production and/or development of Hydrocarbons;

“Hydrocarbons” means oil and gas and other hydrocarbons produced or processed in association therewith;

“IFRS” means: (i) with respect to the Investor, generally accepted accounting principles as set out in the CPA Canada Handbook – Accounting for an entity that prepares its financial statements in accordance with International Financial Reporting Standards, at the relevant time, applied on a consistent basis; and (ii) with respect to the Issuer, International Financial Reporting Standards, International Accounting Standards and Interpretation of those standards issued by the International Accounting Standards Board and the International Financial Reporting Interpretation Committee and their predecessor bodies, as adopted by the European Union;

“Intellectual Property” means:

- (a) patents, patent applications, inventions, invention disclosures, and patent disclosures;
- (b) trademarks, service marks, certification marks, brands, product names, trade names, corporate names, logos, designs, slogans, taglines, trade dress and Internet domain names, and all other indicia of source, origin or quality (and all translations, adaptations, derivations and combinations of the foregoing), together with the goodwill associated with the foregoing;
- (c) copyrights, rights in computer software, works of authorship, moral rights, and copyrightable works;
- (d) industrial designs and design patents;
- (e) registrations and applications for registration of any of the foregoing;
- (f) rights in trade secrets and confidential or proprietary information, including rights in know how, developments, inventions, processes, ideas, data, testing methods, research and development information, drawings, blueprints, flowcharts, diagrams, specifications, processes, models, techniques, technology, methodologies, methods, designs, documentation, notebooks, plans, proposals, test results, pricing and cost information, and customer and supplier lists and information; and
- (g) other intellectual property and proprietary rights;

“Investment Amount” has the meaning specified in the recitals hereto;

“Investor Circular” means the information circular and proxy statement to be prepared and sent by the Investor to the shareholders of the Investor in connection with the Investor Meeting, if required;

“Investor Meeting” means a special meeting of the shareholders of the Investor held, if required, for the purposes set forth in Section 4.9;

“Investor Resolutions” means the resolutions to obtain any approval required by the TSXV, to be considered by the shareholders of the Investor at the Investor Meeting, if required;

“Investor Regulatory Condition” means the final approval of the TSXV in respect of the Subscription;

“Investor Regulatory Filings” has the meaning given to that term in Section 4.1(b);

“Investors’ Agreement” means the investors’ agreement dated February 7, 2018 among *inter alia* the Parent, Africa Oil Corp. and Deepkloof Limited;

“Laws” means, with respect to any Person, any and all applicable law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, instrument, regulation, order, injunction, judgment, decree, ruling or other similar requirement, including Canadian Securities Laws, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Entity, as amended unless expressly specified otherwise;

“Licence Interests” means:

- (a) the undivided legal and beneficial interest in any Hydrocarbon Licence; and
- (b) the participating interests in and under the terms of any relevant operation agreements in relation to any Hydrocarbon Licence;

together, in each case, with all consequent rights, liabilities and obligations associated with such interests;

“Loan Notes” has the meaning specified in the recitals hereto;

“Losses” means, in respect of any matter, all reasonable claims, complaints, demands, proceedings, actions, causes of action, orders, judgments, awards, penalties, fines, losses, damages, liabilities, costs and expenses (including, without limitation, any and all reasonable legal fees) arising as a consequence of such matter; *provided, however*, “Losses” excludes any and all punitive damages, exemplary damages and consequential losses;

“Management Nominees” means all of the director nominees recommended by the Board for election to the Board in the Investor’s management proxy circular for the applicable ASM;

“Material Adverse Effect” means with respect to a Person, any fact, change event, occurrence, effect or circumstance that, individually or in the aggregate with other such facts, changes, events, occurrences, effects or circumstances, is or would reasonably be expected to (A) prevent or materially delay or materially impair the ability of the parties to

consummate the transactions contemplated by this Agreement by the Funding Outside Date, or (B) be material and adverse to the business, operations, results of operations, assets, properties, capitalization, financial condition or liabilities (contingent or otherwise) of the Person and its Subsidiaries, taken as a whole, but excluding any such change, effect, event, occurrence or state of facts to the extent arising from:

- (a) (i) any effect, change, event or occurrence after the date hereof generally affecting the international upstream oil and gas industry; (ii) changes generally in the price of oil, natural gas or other Hydrocarbons after the date hereof; or (iii) changes generally in the economy, credit or financial or capital markets, in each case in Canada, the United Kingdom, South Africa or elsewhere in the world after the date hereof, including changes in interest or exchange rates;
- (b) changes generally in Law (including the enactment of the Petroleum Industry Bill) or in IFRS or other relevant accounting standards, or any published changes in the interpretation or enforcement of any of the foregoing;
- (c) changes generally attributable to political or similar conditions (including acts of war, armed hostilities, terrorism, weather conditions or any other force majeure) in Canada, the United Kingdom, South Africa or elsewhere in the world after the date hereof;
- (d) matters Disclosed;
- (e) any event attributable to the acts or omissions of the Investor on the one hand, and the Parent and the Issuer on the other hand, after the date hereof; or
- (f) drilling of the Luiperd-1 exploration well,

provided that any change, effect, event, occurrence or state of facts resulting from matters described in the foregoing sections (a), (b), or (c) may be taken into account in determining whether there has been or would be reasonably be expected to be a Material Adverse Effect if there is a disproportionate effect on the Person relative to other similarly situated persons operating in the same industry or industries as the Person;

“Material Contracts” means each and every Contract:

- (a) relating to joint ventures or partnerships of the Issuer;
- (b) that materially restrains, limits or impedes, or purports to materially restrain, limit or impede, the Issuer’s ability to compete with or conduct any business or line of business;
- (c) for the purchase and sale of a business or assets not in the Ordinary Course, including any such Contract that provides for currently enforceable indemnification obligations of the Issuer;
- (d) providing for payments by or to the Issuer (A) in excess of US\$5,000 over the term of such Contract or (B) in excess of US\$10,000, that is not terminable by the Issuer (without penalties or payments) on 30 days or less notice;

- (e) relating to indebtedness or to the mortgaging, pledging or otherwise placing an Encumbrance on any assets or properties of the Issuer, including for certainty the Arostyle Loan Documents;
- (f) relating to the license (either as licensee or licensor), royalty, use, sharing or development of material Intellectual Property to or from a third party (other than off the shelf or generally commercially available software licenses from third parties with a replacement cost or initial license fee of less than US\$10,000);
- (g) for the employment of or provision of services by any officer, director, employee or other Person on a fulltime or consulting basis involving annual payments in excess of US\$50,000 or which provide for the payment of severance (other than severance at the minimum level required by Applicable Law);
- (h) relating to any capital lease of the Issuer;
- (i) relating to the settlement or resolution of any actions, suits, complaints, claims, causes of action, investigations or proceedings, whether involving a Governmental Authority or any other Person, pursuant to which the Issuer is obligated to pay consideration in excess of US\$10,000 after the date of this Agreement;
- (j) in the nature of a collective bargaining agreement or similar Contract with any labor union; or
- (k) any Contract that, if terminated or on its expiry (as applicable), would reasonably be expected to result in a Material Adverse Effect;

“Material Dispute” has the meaning specified in Section 6.1 of Part A of Schedule D;

“Material Subsidiaries” means any Subsidiary, the total assets of which constitute more than 5% of the consolidated assets of the Investor as at December 31, 2019, or the total revenues of which constitute more than 5% of the consolidated revenues of the Investor for the year ended December 31, 2019;

“Minimum Price” has the meaning specified in Section 4.8;

“Money Laundering Laws” has the meaning given to such term in clause (p) of Schedule C;

“Nasdaq Stockholm” means the Nasdaq First North Growth Market;

“NI 52-109” means National Instrument 52-109 – *Certification of Disclosure in Issuers’ Annual and Interim Filings*;

“Order” means any judgment, decision, decree, injunction, ruling, writ, assessment or order of any Governmental Entity that is binding on any Person or its property under applicable Law;

“Ordinary Course” means, with respect to an action taken by a Person or its Subsidiaries, that such action is consistent with the past practices of the Person and its

Subsidiaries and is taken in the ordinary course of the normal day-to-day operations of the business of the Person and its Subsidiaries, including, for greater certainty, any action taken by the Person which is necessary to preserve or protect the health and safety of individuals, property or the environment in accordance with past practice and good oil and gas industry practice;

“Parent and Issuer Information” means the information to be included in the Investor Circular concerning the Parent and the Issuer;

“Parent’s VAT Group” has the meaning given to that term in the Tax Deed;

“Parent Nominee” has the meaning specified in Section Article 5;

“Permits” has the meaning specified in Section 5.7 of Part A of Schedule D;

“Person” includes any individual, partnership, association, body corporate, organization, trust, estate, trustee, executor, administrator, legal representative, government (including Governmental Entity), syndicate or other entity, whether or not having legal status;

“Petroleum Industry Bill” means the Upstream Petroleum Resources Development Bill (as amended from time to time), which shall upon enactment provide for the framework for the petroleum industry in South Africa and other related matters;

“Prior Business” means the business conducted by the Issuer prior to entering into the Arostyle Loan Agreement, including for certainty all matters relating to the License Interests previously held in the Republic of Guinea-Bissau and the Republic of Namibia;

“Public Authority” means any national, supranational, regional or local government or governmental, statutory, regulatory, administrative, fiscal, judicial, or government-owned body, department, commission, authority, tribunal, agency or entity, including any industry self-regulatory organization, arbitral chamber, financial institution or central bank, in any case, of Canada, the United Kingdom, the Republic of South Africa or any relevant jurisdiction (or any person, whether or not government owned and howsoever constituted or called, that exercises the functions of a central bank);

“Public Disclosure Documents” means, collectively, all of the documents which have been filed by or on behalf of the Investor on Canadian Securities Administrators’ System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com since January 1, 2020 with the relevant Securities Regulators pursuant to the requirements of Securities Laws and any documents incorporated by reference therein;

“Purchase Price” has the meaning specified in Section 2.1(a);

“Release” has the meaning prescribed in any applicable Environmental Laws and includes any sudden, intermittent or gradual release, spill, leak, pumping, addition, pouring, emission, emptying, discharge, migration, injection, escape, leaching, disposal, dumping, deposit, spraying, burial, abandonment, incineration, seepage, placement or introduction of a Hazardous Substance, whether accidental or intentional, into the environment;

"Reorganization" means the transactions and other matters described or referred to in Schedule E and any changes thereto consented to by the Investor, acting reasonably;

"Reporting Jurisdictions" means the Provinces of British Columbia, Alberta and Ontario;

"Returns" has the meaning specified in Section 12.2 of Part B of Schedule D;

"Sanctions Laws" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by any Public Authority (whether against persons, countries or otherwise), including those administered by: (a) the U.S. government through the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State; (b) the European Union; (c) Her Majesty's Treasury of the United Kingdom; (d) the United Kingdom Department for Business, Innovation & Skills or (e) the United Nations Security Council;

"Specified Tax Claim" means any Tax Deed Claim made in connection with the subject matter of clause 2.1.3 of the Tax Deed;

"Standstill Period" means the period beginning on the date hereof and terminating on the date that is twelve months after the Funding Date;

"Subscription" has the meaning specified in the recitals hereto;

"Subscription Agreement" means the subscription agreement in substantially the form set forth in Schedule B hereto;

"Subsidiary" or **"subsidiary"** means a Person that is controlled directly or indirectly by another Person and includes a Subsidiary of that Subsidiary. A Person is considered to "control" another Person if: (i) the first Person beneficially owns or directly or indirectly exercises control or direction over securities of the second Person carrying votes which, if exercised, would entitle the first Person to elect a majority of the directors of the second Person, unless that first Person holds the voting securities only to secure an obligation, or (ii) the second Person is a partnership, other than a limited partnership, and the first Person holds more than 50% of the interests of the partnership, or (iii) the second Person is a limited partnership, and the general partner of the limited partnership is the first Person;

"Tax" or **"Taxation"** means:

- (a) all forms of direct and indirect tax, duty, rate, levy, charge or other imposition whenever and by whatever authority (statutory, governmental, state, provincial, local, governmental or municipal) imposed and of any jurisdiction, including any tax on gross or net income profit or gains, corporation tax, withholding tax, capital gains tax, wealth taxes, value added tax, customs duties, excise duties, transfer taxes (including stamp duties, real estate transfer taxes, registration fees and other taxes of a similar nature), charges or imposts corresponding to, similar to, in the nature of, replaced by or replacing any of them, and shall further include payments to a Tax Authority, court or tribunal on account of Tax; and

- (b) all charges, interest, penalties and fines incidental or relating to any Taxation falling within paragraph (a) above,

regardless of how such amounts are collected, whether by direct assessment by any relevant Tax Authority, self-assessment, imposed indirectly, being required to deduct or withhold from or account for in respect of any payment, issue and pursuit of any civil proceedings or otherwise and whether chargeable directly or primarily against or attributable directly or primarily to the person assessed or any other person, and of whether any amount in respect of them is recoverable from any other person;

"Tax Authority" means any revenue, customs or fiscal, governmental, state, community, municipal or regional authority or person competent to impose, administer or collect any Taxation in any jurisdiction;

"Tax Deed" means the deed in relation to Tax entered into by the Parent and the Investor pursuant to this Agreement in the agreed form;

"Tax Deed Claim" means any claim against the Parent pursuant to the Tax Deed;

"Tax Relief" has the meaning given to that term in the Tax Deed;

"Transaction Agreements" means this Agreement, the Subscription Agreement and any other agreement or document entered into in connection with, or pursuant to, this Agreement;

"Transfer" means any sale, assignment, exchange, transfer, assignment, gift, hedge, pledge, loan, creation of an Encumbrance, hypothecation, alienation or other transaction, whether voluntary, involuntary or by operation of law, by which the legal or beneficial ownership of, or any security interest or other interest in a security passes from one Person to another Person or to the same Person in a different capacity, whether or not for value;

"TSXV" means the TSX Venture Exchange or any successor thereto;

"VAT" means, within the European Union, such Taxation as may be levied in accordance with (but subject to derogations from) the Directive 2006/112/EC and, outside the European Union, any similar Taxation levied by reference to added value or sales or imports; and

"Written Resolution" has the meaning specified in Section 4.9(a).

1.2 Rules of Construction

In this Agreement:

- (a) the terms "Agreement", "this Agreement", "the Agreement", "hereto", "hereof", "herein", "hereby", "hereunder" and similar expressions refer to this Agreement in its entirety and not to any particular provision hereof;
- (b) references to an "Article", "Section" or "Schedule" followed by a number or letter refer to the specified Article or Section of or Schedule to this Agreement;

- (c) the division of this Agreement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement;
- (d) words importing the singular number only shall include the plural and *vice versa* and words importing the use of any gender shall include all genders;
- (e) the word “including” is deemed to mean “including without limitation”;
- (f) the terms “party” and “the parties” refer to a party or the parties to this Agreement;
- (g) any reference to this Agreement means this Agreement as amended, modified, replaced or supplemented from time to time;
- (h) any reference to a statute, regulation or rule shall be construed to be a reference thereto as the same may from time to time be amended, re-enacted or replaced, and any reference to a statute shall include any regulations or rules made thereunder;
- (i) all dollar amounts refer to United States currency;
- (j) any time period within which a payment is to be made or any other action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends; and
- (k) whenever any action is required to be taken or period of time is to expire on a day other than a Business Day, such action shall be taken or period shall expire on the next following Business Day.

1.3 Entire Agreement

This agreement constitutes the entire agreement between the parties and/or their respective Affiliates with respect to the subject matter hereof and thereof and supersede all prior agreements, understandings, negotiations and discussions, whether written or oral. Unless otherwise agreed upon in writing by the parties, there are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as provided in this Agreement, save that nothing in this Section 1.3 shall operate to limit or exclude any liability for fraud.

1.4 Time of Essence

Time shall be of the essence of this Agreement.

1.5 Governing Law

This Agreement and any disputes or claims (including non-contractual disputes or claims) arising out of or in connection with its subject matter or formation are governed by and construed in accordance with the laws of England and Wales.

1.6 Severability

If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, all other provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties hereto as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

1.7 Knowledge

For the purposes of this Agreement, with respect to any matter, the knowledge of the Issuer shall mean the actual knowledge of Siraj Ahmed, Philip Birch and Robert Wilde after making reasonable inquiry concerning the matters in question.

1.8 Guarantee

Parent hereby covenants and agrees in favour of the Investor to procure that the Issuer carries out all of its obligations hereunder. Parent unconditionally and irrevocably guarantees in favour of the Investor as primary obligor and not just as surety the due and punctual performance by the Issuer of its covenants and obligations hereunder, and the accuracy of the representations and warranties of the Issuer provided herein. Parent and the Issuer shall be jointly and severally liable to the Investor with respect to any breach by the Issuer of its covenants and obligations hereunder or any inaccuracy of the representations and warranties of the Issuer provided herein.

1.9 Schedules

The following Schedules are attached to and form an integral part of this Agreement:

Schedule A	- Form of Loan Note
Schedule B	- Form of Subscription Agreement
Schedule C	- Representations and Warranties of the Investor
Schedule D	- Representations and Warranties of the Issuer
Schedule E	- Reorganization of the Issuer
Schedule F	Proposed Amendment to the Issuer's Articles of Incorporation
Schedule G	- Proposed Amended and Restated Arostyle Loan Agreement
Schedule H	- Proposed Amended and Restated ProjectCo Shareholders Agreement

ARTICLE 2 PURCHASE OF SECURITIES

2.1 Subscription

(a) The Investor will purchase from the Issuer and the Issuer shall, issue and sell to the Investor 2,412,214 Class B Shares with a nominal value of 1 pence per share at a price per share of [REDACTED], for an aggregate purchase price of [REDACTED] (the "Purchase Price").

(b) The Parent irrevocably waives any pre-emption rights, which may exist in relation to the issuance of the Class B Shares under the articles of association of the Issuer or otherwise.

(c) Concurrent with the signing of this Agreement, the Consent Agreements have been delivered to the Investor and the Parent.

(d) Concurrent with the signing of this Agreement, the Subscription Agreement has been entered into between the Parent and the Investor.

2.2 Payment

(a) In full satisfaction of the Purchase Price, on the Funding Date the Investor shall issue and deliver to the Issuer an aggregate of [REDACTED] principal amount of Loan Notes.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Investor

The Investor represents and warrants to the Parent and the Issuer as set out in Schedule C hereto as of the date hereof and as of the Funding Date, and acknowledges that the Parent and the Issuer are relying on such representations and warranties in entering into this Agreement and the performance of their respective obligations hereunder.

3.2 Representations and Warranties of the Issuer

The Issuer hereby represents, warrants and acknowledges to the Investor as set out in Schedule D hereto as of the date hereof and as of the Funding Date, and acknowledges that the Investor is relying on such representations, warranties and acknowledgements in connection with the entering into of this Agreement and the performance of its obligations hereunder.

3.3 Survival of Representations and Warranties

The representations and warranties of a party herein shall survive until the date that is 18 months from the Funding Date, unless *bona fide* notice of a claim shall have been made in writing before such date, in which case the representation and warranty to which such notice applies shall survive in respect of that claim until the final determination or settlement of the claim; provided that the representations and warranties of the Investor set out in clauses (a), (c), (f), and (g) of Schedule C, and of the Issuer set out in Sections 1.1, 1.4, 1.5, 2 and 4.1 of Part A of Schedule D shall continue in full force and effect without limitation of time, and further provided that the representations and warranties set out in Part B of Schedule D shall survive until the date that is seven years from the Funding Date. Notwithstanding the foregoing, a claim for any breach of any of the representations and warranties contained in this Agreement involving fraud or fraudulent misrepresentation may be made at any time following the date of this Agreement, subject only to applicable limitation periods imposed by applicable Law.

ARTICLE 4 **COVENANTS**

4.1 Mutual Covenants

(a) Subject to the terms and conditions of this Agreement and without prejudice to the parties' obligations pursuant to Sections 4.1(b) through (d), each of the Parent and Issuer on the one hand, and the Investor on the other hand, shall use their reasonable commercial efforts, on a cooperative basis, to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable (including under Law) to consummate the transactions contemplated by this Agreement as soon as reasonably practicable.

(b) Subject to Sections 4.1(c) and (d), the Investor shall be responsible for contacting and corresponding with the TSXV in connection with the satisfaction of the Investor Regulatory Condition, and the Investor shall prepare the necessary filings and notifications in relation to the Investor Regulatory Condition as soon as reasonably practicable following the date hereof in accordance with Section 4.1(c) ("**Investor Regulatory Filings**").

(c) In relation to the Investor Regulatory Filings, the Investor shall:

- (i) before the Investor Regulatory Filings are made, provide the Parent with the draft of the Investor Regulatory Filings and the draft of all other documentation and notices, including copies of correspondence from the TSXV and any Canadian Securities Commission and replies to requests for information and other submissions to the TSXV and any Canadian Securities Commission;
- (ii) allow the Parent reasonable time (but not less than two (2) Business Days) to provide any comments which the Parent and its advisers may have in relation to any material documentation pertaining to the Investor Regulatory Filings; and
- (iii) take into account the Parent's reasonable comments in the final draft of such documentation,

save that the Investor shall be entitled to redact or withhold (as the case may be) any price sensitive information relating to the Investor or its business or that of its group.

(d) Each party shall respond (and shall use reasonable commercial efforts to cause its directors and officers to respond as required) as soon as is reasonably practicable, and, in any event, in accordance with any relevant time limit reasonably required by the other party, to any reasonable request for information from the other parties or the TSXV in relation to the Investor Regulatory Condition, including attending any meetings or calls as may be requested by the parties. The Parent and the Issuer shall not, and shall procure that its representatives shall not, contact the TSXV in relation to the Investor Regulatory Condition or the transactions contemplated by this Agreement without the prior written consent of the Investor.

4.2 Issuer and Parent Covenants

(a) During the period from the date of this Agreement until the time that this Agreement is terminated in accordance with its terms, the Issuer shall, subject to applicable Laws and the terms of the Transaction Agreements, carry on its activities in the Ordinary Course in all material respects. The Investor acknowledges that the Issuer shall not provide any additional loans pursuant to the Arostyle Loan Agreement.

(b) Without prejudice to Section 4.4(a), between the date of this Agreement and the Funding Date, subject to applicable Laws and the Transaction Agreements (including for certainty the transactions contemplated by the Reorganization), and subject to the terms of and so far as they are able to do so having regard to the Material Contracts, the Issuer shall not without the prior written consent of the Investor (such consent not to be unreasonably withheld or delayed):

- (i) create, allot or issue any shares or grant any option or Encumbrance over or affecting shares in the Issuer or agree, arrange or undertake to do any of those things;
- (ii) pass a resolution to amend the corporate purpose or Constitutional Documents of the Issuer;
- (iii) propose any scheme or plan of arrangement, amalgamation, merger or demerger, purchase any securities of or assets or enter into a material partnership or joint venture with any Person;
- (iv) sell, transfer, lease or dispose of, or agree to sell, transfer or dispose of, any assets of the Issuer (in whole or in part) to a third party;
- (v) create or grant or agree to create or grant any Encumbrance over any material asset of the Issuer;
- (vi) take any action to liquidate, dissolve, discontinue, cease to operate or wind up, or resolve to do any of the foregoing, as to all or any part of the business of the Issuer;
- (vii) issue any options or securities that are convertible into shares in the Issuer;
- (viii) permit the Issuer to (i) incur any indebtedness; or (ii) make a loan or give any guarantee or indemnity;
- (ix) except in respect of the Arostyle Transaction, amend or agree to amend the Material Contracts;
- (x) waive or agree to waive any of its rights or remedies under the Material Contracts, other than pursuant to the Arostyle Transaction;
- (xi) enter into any new Material Contract, or other Contract which is not capable of termination by the Issuer in less than three (3) months from

the date of any notice or request to terminate such contract and free of termination penalties or payments;

- (xii) permit any insurances of the Issuer to lapse or otherwise be declared void or voidable;
- (xiii) do or omit to do anything which could reasonably be expected to result in the termination, revocation, suspension, modification, imposition of onerous conditions on, or non-renewal of any Material Contract;
- (xiv) terminate the employment of any employee (other than for cause), announce or agree any redundancies or make any changes to the material terms and conditions of employment of the employees;
- (xv) change any Tax election, fiscal year or financial reporting or accounting policy or practices of the Issuer; or
- (xvi) enter into any material correspondence or agreement with a Tax Authority in relation to any Material Dispute.

(c) The Parent and the Issuer each undertake to use reasonable endeavours to cooperate with the Investor to effect the Reorganization and complete the Reorganization as soon as reasonably practicable after the Funding Date.

4.3 Orderly Market

- (a) For so long as the Parent and its Affiliates hold in aggregate not less than 5% of the issued and outstanding Common Shares (the “**Orderly Market Period**”), the Parent agrees to use commercially reasonable efforts to effect any Transfer of Common Shares in an orderly manner of disposition that minimises disruption to the market for the Common Shares. The Investor agrees to use commercially reasonable efforts to provide such cooperation and assistance to the Parent as the Parent reasonably requests in connection with any intended dispositions of Common Shares by the Parent or its Affiliates (each, a “**Proposed Disposition**”), including:
 - (i) participating in meetings with underwriters/agents and/or potential investors to the extent reasonably required and to the extent such does not unreasonably interfere with the business or operations of the Investor; and
 - (ii) subject to the confidentiality provisions set forth in Section 4.3(d) furnishing the Parent, any underwriters/agents or potential investors with such financial and other information regarding the Investor as may be reasonably requested in order for any such underwriters/agents or potential investors to complete customary due diligence in connection with any Proposed Disposition; provided that the Investor shall not be required to disclose any information that in the reasonable judgment of the Investor is competitively sensitive.

- (b) If during the Orderly Market Period the Investor proposes to offer its Common Shares pursuant to an offering (excluding for greater certainty, any offering in connection with a merger, acquisition or other business combination or an offering solely to then existing securityholders of the Investor) for its own account (a **"Treasury Offering"**) and the Investor together with any underwriter/agent involved in such Treasury Offering determines in good faith, acting reasonably, that there is excess demand in respect of such Treasury Offering at the same share price as is anticipated to be adopted in the Treasury Offering (the **"Anticipated Price"**), the Investor will notify the Parent of such potential excess demand on a reasonably timely basis and use reasonable commercial efforts to facilitate a sale of Common Shares by the Parent or its Affiliates concurrently with the Treasury Offering (a **"Concurrent Sale"**) to meet such excess demand at the Anticipated Price, provided that the parties agree that it would not be commercially reasonable for the Investor to take any step to facilitate a Concurrent Sale that it is advised in good faith by any underwriter/agent involved in the Treasury Offering would be likely to jeopardise the completion of the Treasury Offering or make it impractical to proceed with the Treasury Offering at the Anticipated Price.
- (c) Subject to any disclosures made in the context of the cooperation and assistance contemplated by this Section 4.3 being fair, accurate and not misleading, the Investor and its Affiliates and their respective representatives shall not incur any liability as a result of providing the cooperation and assistance contemplated by this Section 4.3 and the Parent shall be responsible for, and shall reimburse the Investor for, all reasonable out-of-pocket costs and expenses (including legal and other advisory fees) (plus VAT, if applicable) incurred by the Investor in connection with any of the actions contemplated by this Section 4.3(a) and shall indemnify and hold harmless the Investor and its Affiliates and their respective representatives against any liability, action, regulatory proceeding or other claim or demand arising from or attributable to having provided such cooperation and assistance.
- (d) The Parent undertakes to the Investor that, unless the prior written consent of the Investor shall first have been obtained, it shall, and shall procure that its Affiliates and its and their respective directors, officers, employees, advisers and agents (collectively, **"Representatives"**) shall, keep confidential and shall not by failure to exercise due care or otherwise by any act or omission disclose to any person whatsoever, or use or exploit commercially for its or their own purposes, any of the confidential information of the other parties. For the purposes of this Section 4.3(d), "Confidential Information" means
- (i) information of whatever nature concerning the business, finances, assets, liabilities, dealings, transactions, know-how, customers, suppliers, processes or affairs of the Investor, or any of its group undertakings from time to time; and
 - (ii) any information which is expressly indicated to be confidential by the Investor (or in relation to any of its group undertakings from time to time),

which the Parent or its Representatives may from time to time receive or obtain (verbally or in writing or in disk or electronic form) from the Investor or its

Representatives as a result of the provisions of Section 4.3(a) of this Agreement, and excluding any confidential information that:

- (i) was in the possession or was known by the Parent or its representatives prior to its receipt from the Investor or its Representatives;
- (ii) is or becomes available to the Parent or its Representatives from a source other than the Investor or its Representatives in circumstances where the Parent or its Representatives are not aware that disclosure has been made in breach of an obligation of confidentiality; and
- (iii) is in or comes into the public domain other than as a result of a breach of any undertaking or duty of confidentiality by the Parent or its Representatives.

4.4 Transfers of Loan Notes

(a) The Issuer will not Transfer the Loan Notes without the prior written consent of the Investor, which consent may be withheld in its sole discretion; *provided, however*, that the Issuer may Transfer Loan Notes to the Parent in accordance with the Reorganization without the consent of the Investor.

4.5 Standstill

(a) During the Standstill Period, the Parent covenants and agrees with the Investor that (A) the Parent shall not, and (B) the Parent shall not permit any of its Affiliates to, in each case, directly or indirectly, alone or acting jointly or in concert (within the meaning of Canadian Securities Laws) with any other Person to:

- (i) acquire or agree to acquire or make any proposal or offer to acquire, directly or indirectly in any manner, any Common Shares (or any securities convertible, exercisable or exchangeable into Common Shares) that would result in an increase in the proportion of Common Shares held by the Parent above 39.2%;
- (ii) commence a take-over bid for any securities of the Investor or its Subsidiaries;
- (iii) effect, seek, offer or propose any take-over bid, amalgamation, merger, arrangement, business combination, re-organization, restructuring, liquidation, disposition of a material portion of the assets or other extraordinary transaction by or with respect to the Investor or any of its Subsidiaries ("**Extraordinary Transaction**");
- (iv) solicit proxies from the security holders of the Investor or form, join or participate in a group to so solicit in connection with an event in Section 4.5(a)(i), (ii) or (iii);
- (v) request, requisition or call a special meeting of shareholders of the Investor or its Subsidiaries in connection with an event in Section 4.5(a)(i), (ii) or (iii);

- (vi) propose a shareholder proposal (under the applicable provisions of the Act or the Companies Act 2006 (as applicable)) with respect to the Investor or any of its Subsidiaries in connection with an event in Section 4.5(a)(i), (ii) or (iii);
- (vii) seek to obtain majority representation on the Board, including by taking any of the actions set forth in Sections 4.5(a) (iv), (v) and (vi);
- (viii) decouple voting rights from voting shares of the Investor; or
- (ix) engage in short sales of any of the Investor's or its Subsidiaries' securities.

(b) For greater certainty, nothing in the preceding paragraph shall prohibit the Parent or its Affiliates from making one or more confidential proposals to the Board relating to an Extraordinary Transaction, provided the Board shall be under no obligation to accept any such proposal.

4.6 Suspension or Termination of Standstill

(a) The Parent's obligations with respect to the Standstill pursuant to Section 4.5 will, subject to Sections 4.6(b) and 4.6(c), terminate and be of no further impact or effect if any Parent Nominee is not elected or re-elected to the Board in accordance with Section 5.1 at the applicable ASM and such Parent Nominee or a replacement Parent Nominee is not otherwise elected or appointed to the Board within the 45 day period following the date of such ASM.

(b) The Standstill will terminate upon the occurrence of the event described in Section 4.6(a) on the date that is the earlier of (a) 46 days after the conclusion of the ASM referenced in Section 4.6(a) and (b) the date on which the rights granted to the Parent under Article 5 terminate.

(c) The Standstill in Section 4.5 will terminate immediately upon the occurrence that a third party effects, seeks, offers or proposes an Extraordinary Transaction.

(d) Notwithstanding any other provision of this Agreement, if, at any time, the Parent Nominee or a replacement Parent Nominee is elected or re-elected to the Board, or is otherwise appointed to the Board, such that one (1) Parent Nominee serves on the Board, the Standstill shall automatically resume and be effective from the date of such election, re-election or appointment until the conclusion of the Standstill Period.

4.7 Investor Covenants

(a) The Investor undertakes to use reasonable endeavours to cooperate with the Parent and the Issuer to effect the Reorganization and complete the Reorganization as soon as reasonably practicable after the Funding Date, including without limitation to exercise all voting rights attaching to the Class B Shares to vote in favour of shareholder resolutions proposed in connection with the Reorganization.

(b) Prior to completion of the Reorganization, the Investor shall not propose a shareholder proposal (under the applicable provisions of the Companies Act 2006 (as applicable)) with respect to the Issuer or otherwise take any action not contemplated by this

Agreement, the Transaction Agreements and the Reorganization without the prior written consent of the Parent.

(c) Prior to a disposal by Main Street 1549 Proprietary Limited of its interest in Block 11B/12B to a Person, other than an Affiliate of the Investor, the Investor shall not amend the Constitutional Documents of the Issuer, or take any other action, that in each case would to the knowledge of the Investor materially adversely affect the rights of the shares in the Issuer held by the Parent without the prior written consent of the Parent, such consent not to be unreasonably withheld, conditioned or delayed.

(d) Prior to the Funding Date, the Investor shall not make any material amendments to the Arostyle Transaction Funding Documents without the prior written consent of the Parent, such consent not to be unreasonably withheld, conditioned or delayed, and the Arostyle Transaction Funding Documents shall not become effective until the Funding Date.

(e) The Investor undertakes, within 30 days of the Subscription Date (as defined in the Subscription Agreement) to register a change of name of the Issuer, and such name shall not contain reference to "Impact".

4.8 Restrictions on Share Issuances

(a) The Investor hereby agrees with the Parent that from the date hereof until the Funding Date, the Investor shall not issue any the Common Shares (or securities convertible into the Common Shares) without the prior written consent of the Parent (such consent not to be unreasonably withheld, delayed or conditioned), except as follows:

- (i) in respect of incentive compensation arrangements of the Investor in accordance with the terms of such arrangements that exist on the date of this Agreement, subject to a maximum of 10% of the Common Shares issued and outstanding from time to time;
- (ii) solely to fund any ProjectCo Capital Requirements (as such term is defined in the Arostyle Loan Agreement) provided such amounts cannot be funded by the Investor's existing cash on hand (after taking into account amounts required for general and administrative expenses of the Investor) and the price (or conversion price, as applicable) in respect of any such issuance of the Common Shares (or securities convertible into the Investor Shares) shall not be less than C\$0.218 (the "**Minimum Price**"); or
- (iii) as determined by the Board, acting reasonably and in good faith in accordance with their fiduciary duties, to address any emergency situation (being a situation relating to imminent and immediate harm to any person or property of the Investor) or to ensure the Investor continues as a going concern at a price (or conversion price, as applicable) not less than the Minimum Price.

4.9 Shareholder Approvals

(a) Any approval required by the TSXV shall, subject to acceptance by the TSXV, be obtained by consent in writing by the shareholders of the Investor holding not less than 50% plus one of the issued and outstanding Common Shares (the "**Written Resolution**");

(b) If the Written Resolution is not obtained on or before September 15, 2020, or is not permitted by the TSXV, the Investor shall call and hold the Investor Meeting to obtain any approval required by the TSXV, including, without limitation, minority approval as contemplated in Part 8 of *Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions* adopted by the securities regulatory authorities in the Provinces of Alberta, Manitoba, New Brunswick, Ontario and Quebec in accordance with Section 4.9(c).

(c) The Investor shall call and hold the Investor Meeting, including by virtual means, by no later than October 31, 2020 and shall put forward resolutions at the Investor Meeting approving the Investor Resolutions;

(d) The Investor shall prepare the Investor Circular, in consultation with the Parent and the Issuer and their legal counsel and in compliance with Canadian Securities Laws and cause such circular to be mailed to the shareholders of the Investor in accordance with Canadian Securities Laws and filed with applicable regulatory authorities and other governmental authorities in all jurisdictions where the same are required to be mailed and filed;

(e) The Investor shall ensure that the Investor Circular includes the recommendation of the Board that the shareholders of the Investor vote in favour of the Investor Resolutions, and shall publicly announce such recommendation at the time that it announces the calling of the Investor Meeting;

(f) The Parent and the Issuer shall, in a timely manner, furnish the Investor with the Parent and Issuer Information for inclusion in the Circular, and the Parent and the Issuer will ensure that such information does not contain any misrepresentation or untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made; For the avoidance of doubt, neither the Parent nor the Issuer shall be responsible for the Circular;

(g) The Investor shall cooperate with the Parent and the Issuer in the preparation, filing and mailing of the Investor Circular and the Investor shall provide the Parent and the Issuer and their representatives with a reasonable opportunity to review and comment on the Investor Circular and any other relevant documentation and shall incorporate all reasonable comments thereon;

(h) The Investor shall conduct the Investor Meeting in all material respects in accordance with the constating documents of the Investor and any other instrument governing the Investor Meeting and as otherwise required by applicable Law;

(i) The Investor shall allow the representatives of the Parent and the Issuer to attend the Investor Meeting;

(j) The Investor shall not adjourn, postpone or cancel (or propose to adjourn, postpone or cancel) the Investor Meeting without the prior written consent of the Parent and the Issuer except as required for quorum purposes (in which case the Investor Meeting shall be adjourned and not cancelled) or by applicable Law or by a Governmental Entity; and

(k) The Investor shall use all commercially reasonable efforts to secure the approval of the resolutions put forward at the Investor Meeting by the shareholders of the Investor and shall solicit proxies for the approval of the Investor Resolutions, in accordance with applicable

Laws including, at the request of the Parent or the Issuer, directly or by using the services of proxy solicitation agents. If a proxy solicitation agent is engaged, the Investor shall instruct such proxy solicitation agents: (i) to report to the Parent and the Issuer and its designated representatives concurrently with their reports to the Investor and to advise the Parent and the Issuer as it may reasonably request, on a daily basis of each of the last seven Business Days prior to the Investor Meeting, as to the aggregate tally of the proxies received by the Investor in respect of the Investor Resolutions; and (ii) to co-operate with the Parent and the Issuer and any solicitation agents or other representatives of the Parent and the Issuer hired to assist in the solicitations of proxies in respect of the Investor Meeting.

4.10 Winding-up of Issuer

(a) Each of the Parent and Investor hereby agree that as soon as reasonably practicable after the distribution of the Class B Fixed Dividend (as defined in the Proposed Amendment to the Issuer's Articles of Incorporation) they will take such steps as are necessary to effect the dissolution, winding-up or liquidation of the Issuer and will vote in favour of any resolutions in order to effect any such dissolution, winding-up or liquidation.

ARTICLE 5

BOARD NOMINATION RIGHTS

5.1 Board of Director Nominees

(a) The Parent shall be entitled to designate one (1) nominee (a "**Parent Nominee**") for appointment to the Board on the Funding Date and thereafter at each ASM, for so long as the Parent or its Affiliates hold in aggregate not less than 10% of the Common Shares. Each Parent Nominee must meet the requirements of and be eligible to serve as a director of the Investor pursuant to applicable Law;

(b) The Investor shall use commercially reasonable efforts to ensure that the Parent Nominee is elected to the Board at each ASM, for so long as the Parent holds not less than 10% of the Common Shares, including soliciting proxies in support of their election and taking the same actions taken by the Investor to ensure the election of the other nominees selected by the Board for election to the Board.

(c) The Parent shall advise the Investor of the identity of the Parent Nominee at least 60 days prior to any meeting of shareholders at which directors of the Investor are to be elected or within 20 days of being notified of the record date for such a meeting. If the Parent does not advise the Investor of the identity of an Parent Nominee prior to such deadline, then the Investor will be deemed to have nominated their incumbent nominee.

(d) The initial Parent Nominee will be Johnny Copelyn, which nominee the Board have determined satisfy the requirements of Section 5.1(a) and, accordingly, the Board shall appoint such Parent Nominee to the Board on the Funding Date.

(e) In the event that a Parent Nominee shall unexpectedly cease to serve as a director of the Investor, whether due to such Parent Nominee's death, disability, resignation or removal, the Parent shall cause the Board to promptly appoint a replacement Parent Nominee (who shall be a different person) designated by the Parent to fill the vacancy created by such death, disability, resignation or removal, provided that the Parent remains eligible to designate a Parent Nominee and that the replacement Parent Nominee satisfies the requirements of

Section 5.1(a). If, notwithstanding the expectations of the Parent and the Investor regarding any Parent Nominee being nominated for or agreeing to stand for re-election at the next following ASM, there is any unexpected death, disability, resignation or removal less than 60 days prior to or at the ASM, if and to the extent a replacement Parent Nominee for such departing Parent Nominee cannot be identified and confirmed in sufficient time for election at the next ASM, the Parent's Obligations shall continue to apply until the date that is 45 days following the date on which the Parent has provided notice of a replacement Parent Nominee.

(f) Each Parent Nominee shall be compensated for his or her service and reimbursed for expenses related to such service consistent with the Investor's policies for director compensation and reimbursement.

(g) The Investor shall indemnify a Parent Nominee and provide the Parent Nominee with director and officer insurance to the same extent it indemnifies and provides insurance for the members of the Board pursuant to its Constitutional Documents, applicable Law or otherwise.

(h) Any Parent Nominee shall be entitled to disclose to the Parent any information concerning the Investor and its business, affairs and assets that he or she obtains or receives, subject to the recipient maintaining the confidentiality of disclosed information that is itself confidential to the Investor and compliance with applicable Law (including restrictions on trading securities with knowledge of undisclosed material information).

ARTICLE 6

INDEMNIFICATION

6.1 Indemnification by the Parent

Subject to Section 6.6, the Parent agrees to indemnify and save harmless the Investor from and against all Losses suffered or incurred by the Investor (except to the extent that such Losses are the direct result of gross negligence or wilful misconduct on the part of the Investor) as a result of:

- (a) any breach by the Issuer of or any inaccuracy of any representation or warranty of the Issuer contained in this Agreement or in any Transaction Agreement (provided that the Parent shall not be required to indemnify or save harmless the Investor in respect of any breach or inaccuracy of any such representation or warranty unless the Investor shall have provided notice to the Issuer in accordance with Section 6.3 on or prior to the date specified in Section 3.3 except in the case of any claim relating to breach of the representations and warranties set forth in Sections 1.1, 1.4, 1.5, 2 and 4.1 of Schedule D, which may be made at any time after the Funding Date);
- (b) any breach or non-performance by the Issuer of any covenant to be performed by it contained in this Agreement or in any agreement, certificate or other document delivered to the Investor by the Issuer pursuant hereto;
- (c) the Reorganization; or
- (d) the Prior Business.

6.2 Indemnification by the Investor

Subject to Section 6.6, the Investor agrees to indemnify and save harmless the Parent from and against all Losses suffered or incurred by the Parent (except to the extent that such Losses are the direct result of gross negligence or wilful misconduct on the part of the Parent or the Issuer) as a result of:

- (a) any breach by the Investor of or any inaccuracy of any representation or warranty of the Investor contained in this Agreement or in any Transaction Agreement (provided that the Investor shall not be required to indemnify or save harmless the Issuer in respect of any breach or inaccuracy of any such representation or warranty unless the Issuer shall have provided notice to the Investor in accordance with Section 6.3 on or prior to the date specified in Section 3.3, except in the case of any claim relating to breach of the representations and warranties set forth in clauses (a), (c), (f) and (g) of Schedule C which may be made at any time after the Funding Date); or
- (b) any breach or non-performance by any Investor of any covenant to be performed by it contained in this Agreement, or in any agreement, certificate or other document delivered to the Issuer by the Investor pursuant hereto.

6.3 Notice of Claim

Subject to Section 3.3, in the event that a party (the “**Indemnified Party**”) shall become aware of any claim, proceeding or other matter (a “**Claim**”) in respect of which another party (the “**Indemnifying Party**”) agreed to indemnify the Indemnified Party pursuant to this Agreement or the Investor becomes aware of any Tax Deed Claim, the Indemnified Party or (in the case of a Tax Deed Claim) the Investor shall promptly give written notice thereof to the Indemnifying Party or (in the case of a Tax Deed Claim) the Parent. Such notice shall specify with reasonable particularity (to the extent that the information is available) the factual basis for the Claim or Tax Deed Claim and the amount of the Claim or Tax Deed Claim, if known.

If, through the fault of the Indemnified Party or (in the case of a Tax Deed Claim) the Investor, the Indemnifying Party or (in the case of a Tax Deed Claim) the Parent does not receive notice of any Claim or Tax Deed Claim in time to contest effectively the determination of any liability susceptible of being contested, the Indemnifying Party or (in the case of a Tax Deed Claim) the Parent shall be entitled to set off against the amount claimed by the Indemnified Party or (in the case of a Tax Deed Claim) the Investor the amount of any Losses incurred by the Indemnifying Party or (in the case of a Tax Deed Claim) the Parent resulting from the Indemnified Party's or (in the case of a Tax Deed Claim) the Investor's failure to give such notice on a timely basis; provided, however, that an Indemnifying Party or (in the case of a Tax Deed Claim) the Parent shall not be entitled to any set off if the failure by the Indemnified Party or (in the case of a Tax Deed Claim) the Investor to timely give notice of a Claim or Tax Deed Claim does not prejudice such Indemnifying Party or (in the case of a Tax Deed Claim) the Parent.

6.4 Claims

Subject to Section 3.3, following receipt of notice from the Indemnified Party or (in the case of a Tax Deed Claim) the Investor of the Claim or Tax Deed Claim, the Indemnifying Party or (in the case of a Tax Deed Claim) the Parent shall have 30 days to make such

investigation of the Claim or Tax Deed Claim as is considered necessary or desirable. For the purpose of such investigation, the Indemnified Party or (in the case of a Tax Deed Claim) the Investor shall make available to the Indemnifying Party or (in the case of a Tax Deed Claim) the Parent the information relied upon by the Indemnified Party or (in the case of a Tax Deed Claim) the Investor to substantiate the Claim or Tax Deed Claim, together with all such other information as the Indemnifying Party or (in the case of a Tax Deed Claim) the Parent may reasonably request. If both parties agree at or prior to the expiration of such 30-day period (or any mutually agreed upon extension thereof) to the validity and amount of such Claim or Tax Deed Claim, the Indemnifying Party or (in the case of a Tax Deed Claim) the Parent shall immediately pay to the Indemnified Party or (in the case of a Tax Deed Claim) the Investor the full agreed upon amount of the Claim or Tax Deed Claim. In the event of a conflict between the terms of this Section 6.4 and the Tax Deed in relation to any Tax Deed Claim, the terms of the Tax Deed shall prevail.

6.5 Computation of Indemnifiable Losses

In calculating any Losses, the amount payable in respect of any Claim shall be reduced to reflect any compensation actually received by the Indemnified Party from any insurance claim (an “**Insurance Benefit**”), provided that the amount of such Insurance Benefit is not subject to reimbursement as a result of the amount payable in respect of such Claim; provided, however, that such reduction shall not apply to the extent of any retroactive adjustments or increase in insurance premium of such Indemnified Party.

6.6 Monetary Limits on Indemnification

(a) No Claim shall be made pursuant to Sections 6.1(a) or 6.2(a) until the aggregate Losses suffered or incurred by the Indemnified Party in respect of all matters which could be the subject of such a Claim exceed [REDACTED], at which time the Indemnified Party may make Claims in respect of all Losses, including, for greater certainty, the Losses included in such [REDACTED] amount.

(b) The Parent shall have no liability in respect of any Tax Deed Claim until the aggregate amount of the liability of the Parent in respect of all Tax Deed Claims exceeds [REDACTED], at which time the Investor may seek to recover the full amount of the Tax Deed Claims and not just the excess.

(c) An Indemnifying Party shall have no liability to indemnify an Indemnified Party for any Losses or (where the Indemnifying Party is the Parent) to pay any further amounts in respect of any Tax Deed Claims after the aggregate of:

- (i) all successful Claims for Losses made by the Investor under Section 6.1 and all successful Tax Deed Claims; or
- (ii) all successful Claims for Losses made by the Parent under Section 6.2,

in either case, exceeds Purchase Price.

(d) Notwithstanding Section 6.6(c)(i), the aggregate liability of the Parent in respect of any and all Specified Tax Claims in respect of Canada shall not exceed [REDACTED].

(e) In view of the limitations on indemnification set forth in this Section 6.6, for the purposes of determining whether the [REDACTED] deductible amount referenced above has been exceeded with respect to a Claim for breach of a representation and warranty, the concepts of materiality, Material Adverse Effect, “in all material respects” and other similar qualifying language contained in such representation and warranty and any certification relating thereto of or on behalf of the Issuer shall be disregarded, provided for certainty that such qualifying language as to materiality shall not be disregarded for the purposes of establishing whether or not there has been a breach of representation and warranty so as to give rise to a Claim.

6.7 Exclusivity

The provisions of this Article 6 shall apply to any claim for breach of any representation and warranty of this Agreement (other than a claim for specific performance or injunctive relief) with the intent that all such claims shall be subject to the limitations and other provisions contained in this Article 6. Notwithstanding anything to the contrary contained herein, no limitation or condition of liability or indemnity shall apply to any rights or claims based upon fraud or intentional misrepresentation and nothing contained herein shall prevent an indemnified party from pursuing remedies as may be available to such party under applicable Law in the event of an indemnifying party’s fraud, intentional misrepresentation or other intentional misconduct.

6.8 Disclosure

The Parent shall not be liable in respect of a Claim to the extent that the facts and circumstances giving rise to the Claim are fairly disclosed in the Disclosure Letter or are treated as disclosed pursuant to the terms of the Disclosure Letter.

ARTICLE 7 CLOSING

7.1 Closing of the Funding

(a) The closing of the transactions contemplated by this Agreement in respect of the Subscription (the “**Funding**”) shall be held on the Funding Date by way of a virtual closing through electronic exchange of deliveries.

7.2 Closing Deliveries of the Issuer

(a) On or prior to the Funding Date, the Issuer shall deliver or cause to be delivered, to the Investor, the following:

- (i) documents duly executed by the Issuer representing the Class B Shares registered in the name of the Investor;
- (ii) a certificate from a duly authorized officer of the Parent and the Issuer, dated the Funding Date, certifying: (A) the Constitutional Documents of the Parent and the Issuer, as applicable; (B) the resolutions of the board of directors and shareholders of the Parent and the Issuer, as applicable approving the issuance of the Class B Shares and the execution, delivery and performance of the obligations under the Transaction Agreements

and the consummation of the transactions contemplated hereunder and thereunder;

- (iii) a duly executed resignation of Philip Birch as a director of Main Street 1549 Proprietary Limited;
- (iv) a duly executed termination agreement in respect of the Capgro Guarantee, in the form agreed to by the Investor, by the Issuer;
- (v) the second amending deed in respect of the amendment and restatement in respect of the Arostyle Loan Agreement duly executed by the Issuer; and
- (vi) the Tax Deed duly executed by the Parent.

7.3 Closing Deliveries of the Investor

(a) On or prior to the Funding Date, the Investor shall deliver or cause to be delivered to the Issuer, the following:

- (i) documents duly executed by the Investor representing the Loan Notes registered in the name of the Issuer in accordance with Section 2.2(a);
- (ii) evidence reasonably satisfactory to the Issuer of satisfaction of the Investor Regulatory Condition;
- (iii) the Written Resolution, or, if an Investor Meeting is required, copies of all approved Investor Resolutions required to be obtained at the Investor Meeting; and
- (iv) a certificate from a duly authorized officer of the Investor, dated the Funding Date, certifying: (A) the articles and notice of articles of the Investor and (B) the resolutions of the board of directors of the Investor approving the issuance of the Loan Notes and the right to issue Common Shares pursuant to the Transaction Agreements and the execution, delivery and performance of the Investor's obligations under the Transaction Agreements and the consummation of the transactions contemplated hereunder and thereunder; and (C) the matters set out in Sections 7.4(d)(i) and 7.4(d)(ii).

7.4 Conditions of Funding

(a) Mutual Conditions to Funding. The Issuer and the Investor acknowledge and agree that the Issuer's obligation to issue the Class B Shares to the Investor, and the Investor's obligation to subscribe the Class B Shares from the Issuer in consideration for the issuance of the Loan Notes, are each subject to the following conditions:

- (i) Steps 1 to 5 (inclusive) of the Reorganization having been completed;
- (ii) no Governmental Entity shall have commenced any action or proceeding to enjoin the consummation of the Funding or to cease trade, or prevent

the issuance of, the Class B Shares or the Loan Notes, and no Governmental Entity shall have given written notice to the Issuer or the Investor of its intention to commence any such action or proceeding; and

- (iii) there shall not be in effect any Law that (x) makes the consummation of the Funding illegal or otherwise prohibits or enjoins the Issuer or the Investor from consummating the Funding, or (y) is made in connection with the Funding and imposes any material restrictions, limitations or conditions on the Issuer or the Investor in connection therewith.

The conditions in this Section 7.4(a) are for the mutual benefit of the Issuer and the Investor and may be asserted by either party regardless of the circumstances or may be waived upon the mutual consent of the parties, in whole or in part, at any time and from time to time without prejudice to any other rights which the Issuer or the Investor may have. If any of the foregoing conditions are not satisfied or waived on or prior to the Funding Outside Date (or such earlier date specified in such condition), each of the Issuer or the Investor may, in addition to any other remedies it may have at law or equity, terminate this Agreement in accordance with Section 8.1. A party may not rely on the failure to satisfy any of the conditions in this Section 7.4(a) as a basis for terminating this Agreement if the condition would have been satisfied but for a material default by such party in complying with its obligations hereunder.

(b) Conditions to Funding in Favour of the Issuer. The Investor acknowledges and agrees that the Issuer's obligation to issue the Class B Shares to the Investor is subject to the following conditions:

- (i) all covenants of the Investor hereunder to be performed prior to the Funding Date having been performed in all material respects by the Funding Date;
- (ii) all representations and warranties of the Investor under this Agreement (other than clause (m) of Schedule C which is only made as of the date hereof) shall be true and correct in all respects on and as of the Funding Date as if made on and as of that date (provided that for purposes of such determination any qualification as to "materiality" (including the term "material" and the term "Material Adverse Effect" contained in the representations and warranties shall be disregarded), except in the case where the failure to be true and correct in all respects, individually and in the aggregate, has not had or would not reasonably be expected to have a Material Adverse Effect;
- (iii) the Subscription Agreement remaining in full force and effect, unamended; and
- (iv) the closing deliveries of the Investor set forth in Section 7.3(a) having been made.

(c) The conditions in this Section 7.4(b) are for the exclusive benefit of the Issuer and may be asserted by the Issuer regardless of the circumstances or may be waived by the Issuer in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Issuer may have. If any of the foregoing conditions are

not satisfied or waived on or prior to the Funding Outside Date (or such earlier date specified in such condition), the Issuer may, in addition to any other remedies it may have at law or equity, terminate this Agreement in accordance with Section 8.1. A party may not rely on the failure to satisfy any of the conditions in this Section 7.4(b) as a basis for terminating this Agreement if the condition would have been satisfied but for a material default by such party in complying with its obligations hereunder.

(d) Conditions to Funding in Favour of the Investor. The Issuer acknowledges and agrees that the Investor's obligation to subscribe the Class B Shares in exchange for the Loan Notes from the Issuer is subject to the following conditions:

- (i) all covenants of the Issuer hereunder to be performed prior to the Funding Date having been performed in all material respects by the Funding Date;
- (ii) all representations and warranties of the Issuer under this Agreement shall be true and correct in all respects on and as of the Funding Date as if made on and as of that date (provided that for purposes of such determination any qualification as to "materiality" (including the term "material" and the term "Material Adverse Effect" contained in the representations and warranties shall be disregarded), except in the case where the failure to be true and correct in all respects, individually and in the aggregate, has not had or would not reasonably be expected to have a Material Adverse Effect;
- (iii) the Consent Agreements remaining in full force and effect, unamended;
- (iv) the Subscription Agreement remaining in full force and effect, unamended; and
- (v) the closing deliveries of the Issuer set forth in Section 7.2(a) having been made.

(e) The conditions in this Section 7.4(d) are for the exclusive benefit of the Investor and may be asserted by the Investor regardless of the circumstances or may be waived by the Investor in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Investor may have. If any of the foregoing conditions are not satisfied or waived on or prior to the Funding Outside Date (or such earlier date specified in such condition), the Investor may, in addition to any other remedies it may have at law or equity, terminate this Agreement in accordance with Section 8.1. A party may not rely on the failure to satisfy any of the conditions in this Section 7.4(d) as a basis for terminating this Agreement if the condition would have been satisfied but for a material default by such party in complying with its obligations hereunder.

ARTICLE 8 **TERMINATION**

8.1 Termination

- (a) This Agreement may be terminated at any time prior to the Funding:
 - (i) by mutual written consent of the Issuer and the Investor;
 - (ii) (A) by the Issuer or the Investor, pursuant to Section 7.4(a), (B) by the Issuer, pursuant to Section 7.4(b) or (C) by the Investor, pursuant to Section 7.4(d); or
 - (iii) by the Issuer, on the one hand, or the Investor, on the other hand, on written notice to the other party if the Funding has not occurred prior to the Funding Outside Date, provided, that, the right to terminate this Agreement pursuant to this Section 8.1(a)(iii) will not be available to a party if a breach by such party of this Agreement has been the cause of, or resulted in, the failure of the Funding to occur by such date.

(b) If this Agreement is terminated by the parties in accordance with this Section 8.1 hereof, this Agreement shall become void and of no further force and effect and none of the parties hereto shall have any liability in respect of a termination of this Agreement, except that the provisions of Article 1, this Article 8.1, and Article 9 shall survive the termination of this Agreement and except that nothing herein shall relieve any party from any liability for any breach of the provisions of this Agreement (including from any inaccuracy in its representations and warranties and any non-performance by it of its covenants made herein) prior to the termination of this Agreement.

ARTICLE 9 **MISCELLANEOUS**

9.1 Public Disclosure and Filings

Neither the Parent nor the Issuer nor the Investor shall make any public announcement with respect to the existence or terms of this Agreement or the transactions provided for herein or the Arostyle Transaction without the prior approval of the other parties, which shall not be unreasonably withheld or delayed. Each party shall use commercially reasonable efforts to permit the other parties to review and comment on all such public announcements prior to the release or filing thereof. Notwithstanding the foregoing, the Parent and the Issuer hereby acknowledge and agree that the Investor may publicly disclose the Arostyle Transaction and the terms of this Agreement and file this Agreement and disclose the terms of the Class B Shares and Loan Notes and the issuance of Common Shares in accordance with the terms and conditions contained in the Subscription Agreement as required by applicable Canadian Securities Laws; provided that the Investor will consider, acting reasonably, any request by the Parent for redactions to, or confidential treatment of, such materials to the extent permitted under applicable Canadian Securities Laws. The Parent and the Issuer hereby acknowledge and agree that the Investor may make such filings as required by applicable Canadian Securities Laws with respect to their ownership of the Class B Shares and the issuance of the Loan Notes and the Common Shares in accordance with the terms and conditions contained in the Subscription Agreement.

9.2 Notices

(a) Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered in person, transmitted by e-mail or sent by airmail or courier, charges prepaid, addressed as follows:

(i) in the case of the Investor:

Africa Energy Corp
Suite 2000 – 885 West Georgia Street
Vancouver, British Columbia
Canada
V6C 3E8

Attention: Garrett Soden
Jeromie Kufflick

Email:

[REDACTED]

with a copy (which shall not constitute notice) to:

Torys LLP
4600 Eight Avenue Place East, 525 – 8th Avenue SW
Calgary, Alberta
T2P 1G1

Attention: Janan Paskaran
E-mail:

[REDACTED]

(ii) in the case of the Parent and the Issuer (in the case of the Issuer, prior to completion of the Reorganization):

Impact Oil and Gas Limited
Griffin House, West Street, Woking
Surrey, GU21 6BS
United Kingdom

Attention: Siraj Ahmed
Robert Wilde

Email:

[REDACTED]

with a copy (which shall not constitute notice) to:

Herbert Smith Freehills LLP
Exchange House, Primrose St.
London, EC2A 2EG
United Kingdom

Attention: Mike Flockhart
Thomas Vaughan

Email: 

- (b) Any such notice or other communication shall be deemed to have been given:
- (i) if personally delivered, it shall be deemed to have been given upon delivery at the relevant address and on signature of a delivery receipt;
 - (ii) if delivered within the United Kingdom and sent by same-day or next-day courier, it shall be deemed to have been given upon proof of delivery and, if from or to any place outside the United Kingdom and sent by airmail or by air courier, it shall be deemed to have been given upon proof of delivery; and
 - (iii) if sent by email, it shall be given at the time it left the e-mail gateway of the party giving the notice, provided that any notice sent by e-mail after 17.00 hours (at the place where such e-mail is to be received) on any day shall be deemed to have been received at 08.00 hours on the next Business Day.
- (c) Any party may at any time change its address for service from time to time by giving notice to the other parties in accordance with this Section 9.2.

9.3 Amendments and Waivers

No amendment or waiver of any provision of this Agreement shall be binding on any party unless consented to in writing by such party. No waiver of any provision of this Agreement shall constitute a waiver of any other provision, nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

9.4 Assignment

No party may assign any of its rights or benefits under this Agreement, or delegate any of its duties or obligations, except with the prior written consent of the other parties.

9.5 Remedies

(a) The parties agree that the Parent, the Issuer and the Investor shall be entitled to equitable relief (without the need to post security), including injunction and specific performance, in the event of any breach or anticipatory breach by the Parent, the Issuer or the Investor, as the

case may be, of the provisions of this Agreement, in addition to any other remedies available to the Parent, the Issuer or the Investor, as the case may be, at law or in equity, and the parties acknowledge and agree that an award of damages may not be an effective or adequate remedy in the event of a breach by the Parent, the Issuer or the Investor, as the case may be, of this Agreement.

(b) The parties agree that information and documents that may be required to be disclosed in any litigation arising out of or relating to this Agreement (including any issues relating to the formation, existence, validity, enforceability, performance, interpretation or termination of this Agreement), or the subject matter of this Agreement, shall be kept strictly confidential, and further agree to provide their consent to a confidentiality order (in a form to be agreed upon by the parties or their counsel, acting reasonably) to be submitted to the court in connection with any such litigation.

9.6 Dispute Resolution

(a) Any dispute, claim or controversy arising out of, relating to, or in connection with this Agreement, including with respect to its existence, validity, interpretation, breach, enforceability or termination or any dispute regarding any non-contractual obligations arising out of or in connection with it (a “**Dispute**”), shall be resolved in accordance with the procedure set out in this Section 9.6.

(b) A party raising any Dispute must first give written notice of the Dispute to the other parties (“**Dispute Notice**”). Upon receipt of a Dispute Notice, one or more senior officers of each party to the Dispute shall meet to negotiate and seek to resolve the Dispute.

(c) If the senior officers of the relevant parties are not successful in resolving the Dispute within fourteen (14) days after the receipt of the Dispute Notice, the Dispute shall be referred to and finally resolved by arbitration. Notwithstanding anything else contained herein, any party to such negotiation shall have the right to commence arbitration at any time after the expiration of fourteen (14) days after the receipt of the Dispute Notice. The arbitration shall be conducted in accordance with the LCIA Rules (the “**Rules**”), which Rules are deemed to be incorporated by reference into this Section 9.6. Any disputes concerning the propriety of the commencement of the arbitration shall be finally settled by the arbitration commenced pursuant to this Section 9.6.

(d) The seat, or legal place of arbitration, shall be London, England.

(e) The number of arbitrators shall be three.

(f) The claimant (or claimant parties jointly) shall nominate in the request for arbitration one arbitrator and the respondent (or respondent parties jointly) shall nominate in the response one arbitrator. The two arbitrators nominated by the parties shall within fifteen (15) days of the appointment of the second arbitrator, agree upon a third arbitrator who shall act as chairman of the Arbitral Tribunal. Notwithstanding anything to the contrary in the Rules, in agreeing upon a third arbitrator, the two arbitrators may communicate directly with each other and their respective appointing parties. If no agreement is reached upon the third arbitrator within fifteen (15) days of the appointment of the second arbitrator, the LCIA shall expeditiously nominate and appoint a third arbitrator to act as chairman of the Arbitral Tribunal. If the claimant or claimant parties and/or the respondent or respondent parties fail to nominate an arbitrator, an arbitrator shall be appointed on their behalf by the LCIA in accordance with the Rules. In such

circumstances, any existing nomination or confirmation of an arbitrator shall be unaffected, and the remaining arbitrator(s) shall be appointed in accordance with this Section 9.6. Where there are more than two parties to the Dispute and (i) such parties have not all agreed in writing that the disputant parties represent collectively two separate “sides” (as claimants on one side and respondents on the other side) for the formation of the Arbitral Tribunal, or (ii) the parties comprising one “side” cannot agree on their nominated arbitrator in their request for arbitration or its answer, the LCIA shall appoint all three arbitrators, without regard to any party’s entitlement or nomination.

(g) Each party expressly agrees and consents to this process for nominating and appointing the Arbitral Tribunal and, in the event that this Section 9.6 operates to exclude a party’s right to choose its own arbitrator, irrevocably and unconditionally waives any right to do so.

(h) The language to be used in the arbitration shall be English.

(i) The law of the arbitration agreement shall be English law.

(j) The parties expressly agree that leave to appeal under section 69(1) or an application for the determination of a preliminary point of law under section 45 of the Arbitration Act 1996 may not be sought with respect to any question of law arising out of an award or in the course of the proceedings.

(k) This agreement to arbitrate shall be binding upon the parties, their successors and assigns. The arbitration award shall be final and binding on the parties, and the parties undertake to carry out any award without delay. Judgment upon the award may be entered by any court having jurisdiction thereof or having jurisdiction over the relevant party or its assets.

(l) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of England to support and assist the arbitration proceedings pursuant to this Section 9.6 including, if necessary, the grant of interlocutory relief pending the outcome of that process.

9.7 Successors and Assigns

This Agreement shall enure to the benefit of and shall be binding on and enforceable by and against the parties and their respective successors or heirs, executors, administrators and other legal personal representatives, and permitted assigns.

9.8 Further Assurances

Each of the parties hereto shall, from time to time hereafter and upon any reasonable request of the other, promptly as practicable do, execute, deliver or cause to be done, executed and delivered all further acts, documents and things as may be required or necessary for the purposes of giving effect to this Agreement.

9.9 Counterparts

This Agreement and all documents contemplated by or delivered under or in connection with this Agreement may be executed and delivered in any number of counterparts, with the same effect as if all parties had signed and delivered the same document, and all counterparts shall be construed together to be an original and will constitute one and the same

agreement. For the purposes of this Agreement, signatures transmitted by electronic means, including in Portable Document Format (.pdf) files, shall be deemed to be originals.

9.10 Expenses

Each party will bear their own expenses in connection with the negotiation, preparation, execution and performance of this Agreement and the transactions contemplated herein.

9.11 Third Party Rights

Unless it expressly states otherwise, this Agreement and the documents referred to in it are made for the benefit of the parties to them and their successors and permitted assigns, and are not intended to benefit, or be enforceable by, anyone else and the provisions of the *Contracts (Rights of Third Parties) Act 1999* shall not apply to this Agreement. The right of the parties to terminate, rescind, or agree any amendment, variation, waiver or settlement under, this Agreement is not subject to the consent of any person that is not a party to the Agreement.

9.12 Gross-up of payments in respect of Taxation

(a) All payments made by the parties pursuant to this Agreement shall be made gross, free of any right of counterclaim or set-off and clear of all deductions or withholdings of any kind other than a deduction or withholding required by law.

(b) If the Parent or the Investor is required to make a deduction or withholding by law from a payment under this Agreement in respect of any Claim, the sum due from the Parent or the Investor (as applicable) shall be increased to the extent necessary to ensure that, after making such deduction or withholding, the Investor or the Parent (as applicable) receives a sum equal to the sum they would have received had no deduction or withholding been made save to the extent that such deductions or withholdings have already been taken into account in determining the amount payable under this Agreement.

(c) If a payment made by the Parent or the Investor under this Agreement in respect of any Claim will be or has been subject to Tax, the Parent or the Investor (as applicable) shall pay to the Investor or the Parent (as applicable) the amount (after taking into account the Tax payable in respect of the amount) that will ensure that the Investor or the Parent (as applicable) receives and retains a net sum equal to the sum they would have received had the payment not been subject to Tax.

(d) Sections 9.12(a) and 9.12(b) shall not apply to the extent that the liability to withhold or deduct or other Tax liability arises, or is increased, as a result of:

- (i) the recipient of the relevant payment being resident for any Tax purpose outside of the jurisdiction in which it is incorporated; or
- (ii) an assignment by a party of any of its rights under this Agreement to the recipient of the relevant payment.

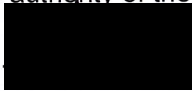
(e) If the deduction or withholding in respect of which a further amount has been paid under Section 9.12(b) results in the payee obtaining a Tax Relief (the “**Recipient**”), the

Recipient shall make payment to the other party, within 20 Business Days of the use or set off of such Tax Relief or receipt of any refund or repayment of Tax which is or arises from that Tax Relief, of an amount which the Recipient determines (acting reasonably) will leave it (after that payment) in the same after-Tax position as it would have been in had the further sums paid pursuant to Section 9.12(b) not been required to be made.

[Remainder of page left intentionally blank.]

IN WITNESS WHEREOF this Agreement has been executed as a deed and delivered on the date first mentioned above.

EXECUTED as a **DEED** for and
on behalf of **IMPACT OIL & GAS**
LIMITED, a company incorporated in
England and Wales by a person who, in
accordance with the laws of that territory,
is acting under the authority of the company

Signature: 

Name: SIRAJ AHMED

In the presence of:

Witness

Signature:

Name: HEIDI WEBBER

Address: 15 SNEATON DRIVE

WOKING, SURREY

GU22 8JU

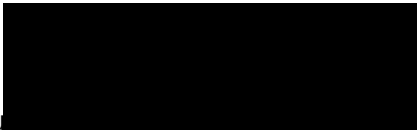
Occupation: PA / Office Manager

EXECUTED as a **DEED** for and
on behalf of **AFRICA ENERGY CORP.**,
a company incorporated in British Columbia,
Canada by a person who, in accordance with
the laws of that territory, is acting under the
authority of the company.

Signature: 

Name: Jeromie Kufflick.....

In the presence of:

Witness 

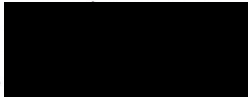
Signature: 

Name: SAVAN PASKORIN

Address: 2601, 525 8 AVE SW
CALGARY AB T2P 1G1

Occupation: LAWYER

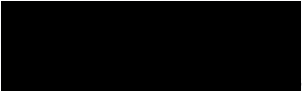
EXECUTED as a DEED for and
on behalf of **IMPACT OIL & GAS SA BLOCKS
11B-12B LIMITED**,
a company incorporated in
England and Wales by a person who, in
accordance with the laws of that territory,
is acting under the authority of the company

Signature: ... 

Name: SIPAS Ahmed
As Attorney for the Company

In the presence of:

Witness

Signature: 

Name: HEIDI WEBBER

Address: 15 SNEATON DRIVE

WOKING, SURREY

GU22 8JU

Occupation: PA / OFFICE MANAGER

**SCHEDULE A
FORM OF LOAN NOTES**

AFRICA ENERGY CORP.
UNSECURED SUBORDINATED NOTE

Original Principal Amount: \$■

Issue Date: ■, 2020

FOR VALUE RECEIVED, the Issuer (as defined below) promises to pay to the Holder (as defined below), the principal amount set forth above as the "Original Principal Amount" (as reduced pursuant to the terms and conditions hereof upon any redemption, exchange or otherwise (the "**Principal Amount**")), in lawful money of the United States of America, on December 31, 2020 (the "**Maturity Date**").

This Note comprises all of the "Loan Notes" referred to in that certain investment agreement dated as of August ■, 2020 between Africa Energy Corp., Impact Oil & Gas Limited and Impact Oil & Gas Blocks 11B-12B Limited, as amended, supplemented, restated, converted, exchanged or replaced from time to time (the "**Investment Agreement**").

ARTICLE 1
INTERPRETATION

1.1 Definitions

Capitalized terms used in this Note without definition shall have the meanings specified in the Investment Agreement. Unless the context requires otherwise, the following terms used in this Note shall have the following meanings:

"**Affiliate**" has the meaning specified in the Investment Agreement.

"**Bankruptcy Law**" means any bankruptcy, reorganization, insolvency or moratorium law or any other law for the relief of, or relating to, debtors.

"**Custodian**" means any custodian, receiver, trustee, assignee for the benefit of creditors or other similar official under any Bankruptcy Law.

"**Encumbrance**" has the meaning specified in the Investment Agreement.

"**Holder**" means Impact Oil & Gas Blocks 11B-12B Limited or, at and after the time, if any, that this Note is transferred in accordance with Section 4.5 hereof, the Permitted Transferee in whose name this Note is registered.

"**Investment Agreement**" has the meaning specified in the second recital to this Note.

"**Issue Date**" means ■, 2020.

"**Issuer**" means Africa Energy Corp. and after the time, if any, that Africa Energy Corp. (or any successor Issuer) hereunder shall amalgamate, consolidate or merge with or into any other Person, the Person formed by or surviving such amalgamation, consolidation or merger.

“Note” means this unsecured, subordinated note.

“Person” has the meaning specified in the Investment Agreement.

“Principal Amount” has the meaning specified in the first recital to this Note.

“Senior Indebtedness” means (i) indebtedness of the Issuer for borrowed money, whether secured or unsecured; (ii) obligations of the Issuer evidenced by bonds, debentures, notes or other similar instruments; (iii) obligations of the Issuer arising pursuant to or in relation to bankers’ acceptances, letters of credit and letters of guarantee (including payment and reimbursement obligations in respect thereof) or indemnities issued in connection therewith; (iv) obligations of the Issuer under any swap, hedging or other similar contracts or arrangements in respect of indebtedness; (v) obligations of the Issuer under guarantees, indemnities, assurances, legally binding comfort letters or other contingent obligations relating to the Senior Indebtedness or other obligations of any other Person which would otherwise constitute Senior Indebtedness within the meaning of this definition; (vi) all indebtedness of the Issuer representing the deferred purchase price of any property including, without limitation, purchase money mortgages; (vii) all capital and operating lease obligations of the Issuer that would be classified as a liability pursuant to IFRS 16, Leases or otherwise in accordance with IFRS; (viii) all renewals or extensions of any of the foregoing; (ix) all accrued and unpaid interest, fees and other amounts in respect of any of the foregoing; and (x) all costs and expenses incurred by or on behalf of the holder of any Senior Indebtedness in enforcing payment or collection of any such Senior Indebtedness, including enforcing any security interest securing the same. “Senior Indebtedness” shall not include any indebtedness that would otherwise be Senior Indebtedness if it is expressly stated to be subordinate to, or to rank *pari passu* with, this Note. For greater certainty, “Senior Indebtedness” shall not include any obligations of the Issuer under this Note.

“Subsidiary” or **“subsidiary”** has the meaning specified in the Investment Agreement.

“Taxes” has the meaning specified in Section 4.2(a).

“Transfer” has the meaning specified in the Investment Agreement.

ARTICLE 2 **PRINCIPAL**

2.1 Principal

On the Maturity Date, the Issuer shall pay to the Holder, in cash, the then outstanding Principal Amount of this Note. Payment of Principal Amount under this Note will be paid to the Holder at the close of business on the Business Day immediately preceding the date such payment is due.

2.2 Interest

No interest shall be payable in respect of this Note.

2.3 Subscription

The Issuer hereby agrees to create, issue and transfer to the Holder, and the Holder hereby agrees to accept from the Issuer, Notes in the aggregate principal amount of [REDACTED], pursuant to and in accordance with the terms of the Investment Agreement.

ARTICLE 3 SUBORDINATION

3.1 Subordination

Each Holder of this Note, by its acceptance hereof, covenants and agrees that, to the extent and in the manner hereinafter set forth in this Article 3, the payment of the Principal Amount and all other amounts payable under, this Note, is hereby expressly made subordinate and subject in right of payment to all Senior Indebtedness of the Issuer, whether now outstanding or hereafter incurred.

3.2 Payment Over of Proceeds upon Insolvency, Bankruptcy, Dissolution, Etc.

(a) In the event of (i) any insolvency, bankruptcy or similar proceeding or case under any Bankruptcy Law, or any receivership, liquidation, arrangement, reorganization or other similar case or proceeding in connection therewith, relative to the Issuer or to its assets, (ii) any liquidation, dissolution or other winding up of the Issuer, whether voluntary or involuntary and whether or not involving insolvency or bankruptcy, or (iii) any assignment for the benefit of creditors or any other marshalling of assets and liabilities of the Issuer (each such event, if any, herein sometimes referred to as a **"Proceeding"**), the holders of Senior Indebtedness shall be entitled to receive or retain payment in full in cash of all amounts due or to become due on or in respect of all Senior Indebtedness (including any interest accruing on or after the filing of any Proceeding relating to the Issuer, whether or not allowed in such Proceeding) before the Holder is entitled to receive any payment or distribution of any kind or character, whether in cash, property or securities, on account of the Principal Amount of, or interest on, or other obligations in respect of, this Note or on account of any purchase, redemption or other acquisition of this Note by the Issuer or any Subsidiary of the Issuer (all such payments, distributions, purchases, redemptions and acquisitions herein referred to, individually and collectively, as a **"Note Payment"**), and to that end the holders of Senior Indebtedness shall be entitled to receive, for application to the payment thereof, any Note Payment which may be payable or deliverable in respect of this Note in any such Proceeding.

(b) In the event that, notwithstanding Section 3.2(a), the Holder shall have received, following the commencement of any Proceeding, any Note Payment before all Senior Indebtedness of the Issuer is paid in full, then and in such event such Note Payment shall be paid over or delivered forthwith to the Custodian making payment or distribution of assets of the Issuer for the application to the payment of all Senior Indebtedness remaining unpaid, to the extent necessary to pay the Senior Indebtedness in full, after giving effect to any concurrent payment or distribution to or for the holders of Senior Indebtedness.

(c) For purposes of this Article 3 only, the words "any payment or distribution of any kind or character, whether in cash, property or securities" shall not be deemed to include a payment or distribution of shares or other securities of the Issuer provided for by a plan of arrangement, reorganization or readjustment authorized by an order or decree of a court of

competent jurisdiction in a reorganization proceeding under any applicable Bankruptcy Law (as defined below) or of any other corporation provided for by such plan of arrangement, reorganization or readjustment, which shares or other securities are subordinated in right of payment to all then outstanding Senior Indebtedness to substantially the same extent as, or to a greater extent than, this Note is so subordinated as provided in this Article 3.

ARTICLE 4 **MISCELLANEOUS**

4.1 Currency: Payments

- (a) All references in this Note to “United States dollars”, “dollars” and “\$” are to lawful money of the United States of America. Any cash payments to be made hereunder shall be made in United States dollars.
- (b) Subject to Section 4.1(c), whenever any payment of cash is to be made by the Issuer to the Holder pursuant to this Note, such payment shall be made, at the Issuer’s option, by (i) electronic funds transfer or wire transfer on the relevant payment date to the account of the Holder or (ii) a certified cheque mailed or sent via overnight courier service, on the relevant payment date, to the address of the Holder on the register of the Issuer; provided, however, that the Holder may elect to receive any such payment via electronic funds transfer or wire transfer, in each case to a Canadian dollar account maintained by the Holder with a bank named in Schedule I or II of the *Bank Act* (Canada), by providing the Issuer with prior written notice setting out such request and the applicable account information. The mailing or delivery of any such electronic funds transfer, wire transfer or cheque, as the case may be, shall satisfy and discharge the Issuer’s liability hereunder for the payment of such interest, principal or other amount, as applicable, to the extent of the sum represented thereby (plus the amount of any tax, assessment or other governmental charge required by law to be deducted or withheld). In the event of the non-receipt of any such cheque by the Holder or the loss, theft or destruction thereof, the Issuer, upon being furnished with evidence of such non-receipt, loss, theft or destruction and indemnity reasonably satisfactory to it, shall issue or cause to be issued to such Holder a replacement cheque for the amount of such cheque.
- (c) The Issuer shall only be required to make payment of the Principal Amount when such amount is due and payable under this Note, upon surrender by the Holder of this Note to the Issuer for such payment. If the Holder fails to surrender this Note to the Issuer for payment prior to or on the date on which the amount becomes payable, the Issuer may pay the amount payable to an account to be held in trust for the Holder and thereupon the amounts payable shall be deemed to have been paid to the Holder, and the Issuer’s obligations hereunder will be satisfied and discharged for all purposes hereunder, and the Holder shall thereafter have no right in respect thereof except that of receiving such amounts so set aside by the Issuer upon due presentation and surrender of this Note to the Issuer.

4.2 **Taxes**

- (a) The Issuer may withhold or deduct from any payments to be made by or on behalf of the Issuer under or with respect to this Note, from time to time, for or on account of any present or future tax, duty, levy, impost, assessment or other governmental charge (including, without limitation, penalties, interest and other liabilities related hereto) imposed or levied by or on behalf of the Government of Canada or the United States or elsewhere, or of any province, territory or state thereof or by any authority or agency therein or thereof having power to tax ("**Taxes**") to the extent such withholding or deduction is required by Law (including the interpretation or administration thereof), and, provided that the Issuer does not fail to remit as required any such amount so withheld or deducted to the relevant Governmental Entity, the amount of any such withholding or deduction will be considered an amount paid in satisfaction of the Issuer's obligations under this Note. There is no obligation on the Issuer to gross-up or pay additional amounts to the Holder of this Note in respect of such deductions or withholdings.
- (b) Upon the Issuer's reasonable request therefor, the Holder will provide the Issuer with any information that is required by the Issuer to comply with its tax reporting and withholding and deduction obligations under applicable Law with respect to payments to be made to the Holder pursuant to this Note.

4.3 **Notices**

- (a) Any notice herein required or permitted to be given to the Issuer or the Holder shall be given in accordance with Section 9.2 of the Investment Agreement.

4.4 **Amendment**

- (a) The term "**Note**" and all reference thereto, as used throughout this instrument, shall mean this instrument as originally executed, or if later amended or supplemented, then as so amended or supplemented from time to time.
- (b) This Note may not be amended or modified except by written instruments signed by both the Issuer and the Holder or as otherwise expressly provided herein. This Note may be amended or modified through an amendment, restatement, supplement or other modification to the Investment Agreement.

4.5 **Transfer**

- (a) The Holder may not Transfer this Note without the prior written consent of the Issuer, which consent may be withheld in its sole discretion; provided, however, that, subject to Sections 4.5(c) and 4.7(a) of this Note, the Holder may Transfer this Note to the Parent in connection with the Reorganization without the consent of the Issuer.
- (b) If the Holder of this Note ceases to be an Affiliate of the Investor, such Holder shall immediately transfer this Note back to the Investor or an Affiliate of the Investor, and for so long as the Holder is in breach with this Section 4.5(b), all of the Holder's rights under this Note shall be suspended and the Issuer shall have

no obligation to make any payments to the Holder. This Section 4.5(b) shall not apply if the Holder is the Parent.

- (c) As a condition to any Transfer of this Note, the Issuer may, among other things, require the Investor to (i) pay the Issuer an amount to reimburse the Issuer for any transfer taxes, similar governmental charges or other fees required to be paid by the Issuer in connection with such Transfer, (ii) furnish the Issuer with due endorsements by, or a written instrument of transfer in form satisfactory to the Issuer duly executed by, the Investor, (iii) provide the name, addresses and other details for payment of the Permitted Transferees and (iv) provide the Issuer with evidence, including, if the Issuer requires, one or more legal opinions, satisfactory to the Issuer confirming that the applicable Transfer complies with applicable securities laws, including Securities Laws.
- (d) Any purported Transfer in violation of this Section 4.5 shall be invalid and void and shall not be registered in the Register or otherwise recognized for any purpose.

4.6 **Reissuance of this Note**

- (a) If this Note is Transferred pursuant to Section 4.5, the Holder shall promptly surrender this Note to the Issuer and within ten (10) Business Days of such surrender, the Issuer will (subject to any applicable limitations in Section 4.5) execute and deliver upon the order of the Holder a new Note (in accordance with Section 4.6(c)) and register such Note in the register for the Notes in the name of the Permitted Transferee, representing the outstanding Principal Amount being transferred by the Holder and, if less than the entire outstanding Principal Amount of this Note is being Transferred, a new Note (in accordance with Section 4.6(c)) registered in the name of the Holder representing the outstanding Principal Amount Transferred.
- (b) Within ten (10) Business Days of the Issuer receiving evidence reasonably satisfactory to the Issuer of the loss, theft, destruction or mutilation of this Note, and, in the case of loss, theft or destruction, of any indemnification undertaking by the Investor to the Issuer in customary and reasonable form and, in the case of mutilation, upon surrender and cancellation of this Note, the Issuer shall execute and deliver to the Holder a new Note (in accordance with Section 4.6(c)) representing the outstanding Principal Amount.
- (c) Whenever the Issuer is required to issue a new Note pursuant to the terms of this Note, such new Note (i) shall be of like tenor with this Note, (ii) shall represent, as indicated on the face of such new Note, the Principal Amount remaining outstanding (or in the case of a new Note being issued upon the Transfer of less than the full Principal Amount of this Note pursuant to Section 4.6(a), the Principal Amount designated by the Holder which, when added to the Principal Amount represented by all other new Note issued in connection with such issuance, does not exceed the aggregate Principal Amount remaining outstanding under this Note immediately prior to such issuance of new Note), (iii) shall have an issue date, as indicated on the face of such new Note, which is the same as the Issue Date, and (iv) shall have the same rights and conditions as this Note.

4.7 **Minimum Denominations**

- (a) The Notes shall be issuable only in fully registered form in minimum denominations of principal amount of \$1,000,000. A Note may be Transferred only by registration of such Transfer on the Register and otherwise in accordance with Section 4.5, Section 4.6 and this Section 4.7, as applicable.

4.8 **No Recourse Against Others**

No Subsidiary or Affiliate of the Issuer has guaranteed, and none of them shall have any liability for, the payment of principal or any other payment or other obligations of the Issuer under this Note. No director, officer, employee or shareholder of the Issuer or any of its Subsidiaries or Affiliates, as such, shall have any liability for any obligations of the Issuer under this Note, or for any claim based on, in respect of, or by reason of such obligations. The Holder, by accepting this Note, waives and releases all such liability. The waiver and release are part of the consideration for issuance of this Note.

4.9 **Day Not a Business Day**

In any case where the date for payment (a “**payment date**”) of any interest, principal or other amount, if any, with respect to this Note shall not be a Business Day, then (notwithstanding any other provision of this Note) payment of the interest, principal or other amounts if any, payable on such date need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on such payment date, and no interest shall accrue with respect to such payment for the period from and after such payment date to the next succeeding Business Day, and the Holder shall not be entitled to any additional interest or other payment in respect of the delay. Except as otherwise expressly provided in this Note, if any day on which an amount is to be determined or an action is to be taken hereunder is not a Business Day, then such amount shall be determined or such action shall be taken at or before the requisite time on the next succeeding day that is a Business Day.

4.10 **Governing Law**

This Note shall be governed by, and construed in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable in that Province.

4.11 **Severability**

Any provision of this Note that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

4.12 **Satisfaction, Discharge and Cancellation**

Upon the payment in full of the Principal Amount and accrued and unpaid interest owed on this Note, whether on the repayment of this Note on the Maturity Date or otherwise, this Note shall be satisfied and discharged for all purposes hereunder, shall cease to be of further effect and shall be deemed canceled, and the Issuer will have no further obligations

hereunder, and the Holder agrees, at the request of the Issuer, that it shall execute proper instruments acknowledging the satisfaction and discharge of the Issuer's obligations hereunder.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF the Issuer has caused this Unsecured Subordinated Note to be duly executed on this _____ day of _____, 2020.

AFRICA ENERGY CORP.

By:

Name:

Title:

By:

Name:

Title:

SCHEDULE B
FORM OF SUBSCRIPTION AGREEMENT

SUBSCRIPTION AGREEMENT

AFRICA ENERGY CORP.

- and -

IMPACT OIL & GAS LIMITED

AUGUST ___, 2020

TABLE OF CONTENTS

Page

ARTICLE 1 INTERPRETATION

1.1	Defined Terms.....	1
1.2	Rules of Construction	2
1.3	Entire Agreement	3
1.4	Time of Essence.....	3
1.5	Governing Law and Submission to Jurisdiction.....	3
1.6	Severability.....	3

ARTICLE 2 SUBSCRIPTION

2.1	Subscription Obligation.....	3
2.2	Completion of Subscription.....	4

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1	Representations and Warranties of the Parent	4
3.2	Representations and Warranties of the Investor	4

ARTICLE 4 CLOSING

4.1	Closing Deliveries of the Parent.....	5
4.2	Closing Deliveries of the Investor	5

ARTICLE 5 TERMINATION

5.1	Termination	6
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ARTICLE 6 MISCELLANEOUS

6.1	Notices	6
6.2	Amendments and Waivers.....	8
6.3	Set Off	8
6.4	Assignment	8
6.5	No Recourse Against Others	8
6.6	Successors and Assigns	8
6.7	Further Assurances	8
6.8	Counterparts.....	8
6.9	Expenses	9

SUBSCRIPTION AGREEMENT

THIS AGREEMENT made as of the _____ day of August, 2020 (hereinafter referred to as the “**Agreement**”),

B E T W E E N:

AFRICA ENEREGY CORP.,
a corporation existing under the laws of British Columbia,

(hereinafter referred to as the “**Investor**”),

– and –

IMPACT OIL & GAS LIMITED,
a private limited company existing under the laws of England and Wales,

(hereinafter referred to as the “**Parent**”).

WHEREAS, Impact Oil & Gas SA Blocks 11B-12B Limited (the “**Issuer**”), the Parent and the Investor are parties to that certain investment agreement entered into as of the date hereof between the Investor, the Parent and the Issuer (as amended, restated, supplemented or otherwise modified from time to time, the “**Investment Agreement**”);

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the respective covenants and agreements of the parties hereinafter contained and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each party), the parties agree as follows:

ARTICLE 1 **INTERPRETATION**

1.1 Defined Terms

Capitalized terms used herein but not defined herein shall have the meanings ascribed to such terms in the Investment Agreement. For the purposes of this Agreement (including the recitals and the Schedules hereto), unless the context otherwise requires, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

“**Holder**” means, in respect of the Loan Notes, the Issuer or, at and after the time, if any, that the Loan Notes are transferred in accordance with their terms, each permitted transferee in whose name the Loan Notes are registered.

“**Investment Agreement**” has the meaning specified in the recitals.

“**Investor**” has the meaning specified in the recitals.

“**Investor Closing Documents**” has the meaning specified in Section 4.2.

“**Loan Notes**” has the meaning specified in the recitals hereto.

“Loan Note Amount” means an amount equal to 100% of the principal amount of such Loan Note.

“Parent” has the meaning specified in the recitals.

“Parent Closing Documents” has the meaning specified in Section 4.1.

“Subscription” has the meaning specified in Section 2.1.

“Subscription Date” has the meaning specified in Section 2.1.

“Subscription Shares” means 509,092,771 Common Shares.

1.2 Rules of Construction

In this Agreement:

- (a) the terms “Agreement”, “this Agreement”, “the Agreement”, “hereto”, “hereof”, “herein”, “hereby”, “hereunder” and similar expressions refer to this Agreement in its entirety and not to any particular provision hereof;
- (b) references to an “Article”, “Section” or “Schedule” followed by a number or letter refer to the specified Article or Section of or Schedule to this Agreement;
- (c) the division of this Agreement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement;
- (d) words importing the singular number only shall include the plural and *vice versa* and words importing the use of any gender shall include all genders;
- (e) the word “including” is deemed to mean “including without limitation”;
- (f) the terms “party” and “the parties” refer to a party or the parties to this Agreement;
- (g) any reference to this Agreement means this Agreement as amended, modified, replaced or supplemented from time to time;
- (h) any reference to a statute, regulation or rule shall be construed to be a reference thereto as the same may from time to time be amended, re-enacted or replaced, and any reference to a statute shall include any regulations or rules made thereunder;
- (i) all dollar amounts refer to United States currency;
- (j) any time period within which a payment is to be made or any other action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends; and
- (k) whenever any action is required to be taken or period of time is to expire on a day other than a Business Day, such action shall be taken or period shall expire on the next following Business Day.

1.3 Entire Agreement

This Agreement, the Loan Notes and the Investment Agreement constitute the entire agreement between the parties and/or their respective Affiliates with respect to the subject matter hereof and thereof and supersede all prior agreements, understandings, negotiations and discussions, whether written or oral. Unless otherwise agreed upon in writing by the parties, there are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as provided in this Agreement, the Loan Notes and the Investment Agreement.

1.4 Time of Essence

Time shall be of the essence of this Agreement.

1.5 Governing Law and Submission to Jurisdiction

This Agreement and any disputes or claims (including non-contractual disputes or claims) arising out of or in connection with its subject matter or formation are governed by and construed in accordance with the laws of England and Wales.

1.6 Severability

If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, all other provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties hereto as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

ARTICLE 2 **SUBSCRIPTION**

2.1 Subscription Obligation

Subject to and in accordance with the terms and conditions of this Article 2, on the date that is twenty (20) Business Days from the Funding Date or such other date agreed by the Parent and the Investor (the “**Subscription Date**”), the Parent shall subscribe for the Subscription Shares in exchange for, at the Parent’s election (provided that if the Parent does not elect prior to the Subscription Date, the Parent shall be deemed to have elected to deliver cash), delivery of: (i) all of the outstanding Loan Notes; or (ii) [REDACTED] in cash (the “**Subscription**”). For the avoidance of doubt, there shall be no reduction in the amount of Subscription Shares that the Parent is obliged to deliver under this Section 2.1 on account of the imposition of any withholding taxes on the Parent in respect of the execution or performance of this Agreement.

2.2 Completion of Subscription

The Subscription shall be completed in accordance with the closing procedures set out in Article 4.

2.3 Subscription Condition

The Subscription is conditional on Funding having occurred and the Investment Agreement remaining in full force and effect as of the Subscription Date.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Parent

The Parent represents and warrants to the Investor as follows as of the date hereof, and acknowledges that the Investor is relying on such representations and warranties in entering into this Agreement:

- (a) Organization. The Parent is a corporation or other legal entity duly incorporated or organized, as applicable, validly existing and in good standing under the laws of the jurisdiction of its incorporation, organization or formation, as applicable, and has all requisite power and authority to own, lease and operate its assets and properties and conduct its business as now owned and conducted.
- (b) Authorization, Execution and Enforceability. The Parent has the requisite corporate power and authority to enter into this Agreement to perform its obligations hereunder. This Agreement (i) has been duly authorized, (ii) has been duly executed and delivered by the Parent, and (iii) is a valid and binding agreement of the Parent, enforceable against the Parent in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar Laws affecting creditors' rights generally and subject to the qualification that equitable remedies may be granted in the discretion of a court of competent jurisdiction.
- (c) No Violation. The execution and delivery by the Parent of this Agreement, and the performance by it of its obligations hereunder, including the Subscription for the Subscription Shares in accordance with the terms and conditions contained herein: (i) will not result in any violation of the provisions of the articles or constitutional documents of the Parent; (ii) will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any material Contract or material Authorization to which the Parent or any of its subsidiaries is a party or by which the Parent or any of its Subsidiaries is bound; and (iii) will not result in any violation of the provisions of any Law applicable to the Parent or any of its Subsidiaries.

3.2 Representations and Warranties of the Investor

The Investor hereby represents, warrants and acknowledges to the Parent as follows as of the date hereof, and acknowledges that the Parent is relying on such

representations, warranties and acknowledgements in connection with the entering into of this Agreement and the performance of its obligations hereunder:

- (a) Organization. It is organized and validly existing under its jurisdiction of origination or formation, with power (corporate or other) and authority to complete the transactions to be completed by it as contemplated in this Agreement.
- (b) Authorization. It has the requisite power and authority to enter into this Agreement, and to perform its obligations thereunder. This Agreement (i) has been duly authorized, (ii) has been duly executed and delivered by it and (iii) is a valid and binding agreement of it, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar Laws affecting creditors' rights generally and subject to the qualification that equitable remedies may be granted in the discretion of a court of competent jurisdiction.
- (c) No Violation. The execution and delivery by it of this Agreement, and the performance of its obligations hereunder does not and will not result in any violation of the (i) provisions of its constating documents or (ii) the provisions of any Law applicable to it, except, in the case of clause (ii), as would not, individually or in the aggregate, reasonably be expected to materially delay or hinder the ability of the Investor to perform its obligations under this Agreement.

ARTICLE 4 **CLOSING**

4.1 Closing Deliveries of the Parent

The Parent shall deliver or cause to be delivered to the Investor the following documents (collectively, the "**Parent Closing Documents**") at least three (3) days prior to the Subscription Date:

- (a) (i) the certificates representing the Loan Notes and such other documents and instruments as may be required to effect a transfer of such Loan Notes under the Investor's governing statute and regulations, and under the articles or other constating documents; or (ii) a wire transfer of immediately available funds to the account notified by the Investor of [REDACTED]; and
- (b) such additional documents and instruments as the Investor may reasonably require for the purposes of the Subscription.

4.2 Closing Deliveries of the Investor

The Investor shall deliver or cause to be delivered to the Parent the following documents (collectively, the "**Investor Closing Documents**") at least three (3) days prior to the Subscription Date:

- (a) the certificates or other evidence representing the Subscription Shares duly issued to the Parent and such other documents and instruments as may be required to effect the issuance of such Subscription Shares under the Investor's governing statute and regulations, and under the articles or other constating documents; and

- (b) such additional documents and instruments as the Parent may reasonably require for the purposes of the Subscription.

ARTICLE 5 **TERMINATION**

5.1 **Termination**

- (a) This Agreement may be terminated at any time by mutual written consent of the Parent and the Investor and shall terminate automatically upon the termination of the Investment Agreement. Upon such termination, neither party will have any liability or obligations to the other party under this Agreement.
- (b) This Agreement shall be automatically terminated once the Subscription has been fully completed and the Parent is in receipt of the Subscription Shares.
- (c) If this Agreement is terminated by the parties in accordance with this Section 5.1 hereof, this Agreement shall become void and of no further force and effect and none of the parties hereto shall have any liability in respect of a termination of this Agreement, except that nothing herein shall relieve any party from any liability for any breach of the provisions of this Agreement (including from any inaccuracy in its representations and warranties and any non-performance by it of its covenants made herein) prior to the termination of this Agreement.

ARTICLE 6 **MISCELLANEOUS**

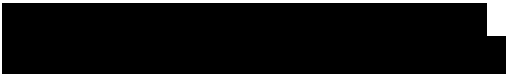
6.1 **Notices**

- (a) Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered in person, transmitted by e-mail or sent by airmail or courier, charges prepaid, addressed as follows:

- (i) in the case of the Investor:

Africa Energy Corp
Suite 2000 – 885 West Georgia Street
Vancouver, British Columbia
Canada
V6C 3E8

Attention: Garrett Soden
 Jeromie Kufflick

Email: 

with a copy (which shall not constitute notice) to:

Torys LLP
4600 Eight Avenue Place East, 525 – 8th Avenue SW

Calgary, Alberta
T2P 1G1

Attention: Janan Paskaran
E-mail: [REDACTED]

(ii) in the case of the Parent:

Impact Oil and Gas Limited
Griffin House, West Street, Woking
Surrey, GU21 6BS
United Kingdom

Attention: Siraj Ahmed
Robert Wilde

Email: [REDACTED]

with a copy (which shall not constitute notice) to:

Herbert Smith Freehills LLP
Exchange House, Primrose St.
London, EC2A 2EG
United Kingdom

Attention: Mike Flockhart
Thomas Vaughan

Email: [REDACTED]

- (b) Any such notice or other communication shall be deemed to have been given:
- (i) if personally delivered, it shall be deemed to have been given upon delivery at the relevant address and on signature of a delivery receipt;
 - (ii) if delivered within the United Kingdom and sent by same-day or next-day courier, it shall be deemed to have been given upon proof of delivery and, if from or to any place outside the United Kingdom and sent by airmail or by air courier, it shall be deemed to have been given upon proof of delivery; and
 - (iii) if sent by email, it shall be given at the time it left the e-mail gateway of the party giving the notice, provided that any notice sent by e-mail after 17.00 hours (at the place where such e-mail is to be received) on any day shall be deemed to have been received at 08.00 hours on the next Business Day.
- (c) Any party may at any time change its address for service from time to time by giving notice to the other parties in accordance with this Section 6.1.

6.2 Amendments and Waivers

No amendment or waiver of any provision of this Agreement shall be binding on any party unless consented to in writing by such party. No waiver of any provision of this Agreement shall constitute a waiver of any other provision, nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

6.3 Set Off

Each party shall be entitled to set-off any amount or right it may be entitled to from the other party whether pursuant to this Agreement or otherwise against any amount, right or obligation owed to such party under this Agreement or otherwise.

6.4 Assignment

No party may assign any of its rights or benefits under this Agreement, or delegate any of its duties or obligations, except with the prior written consent of the other party.

6.5 No Recourse Against Others

No Subsidiary or Affiliate of the Investor has guaranteed, and none of them shall have any liability for, any obligations of the Investor under this Agreement. No director, officer, employee or shareholder of the Investor or any of its Subsidiaries or Affiliates, as such, shall have any liability for any obligations of the Investor under this Agreement, or for any claim based on, in respect of, or by reason of such obligations. The Parent waives and releases all such liability. The waiver and release are part of the consideration for this Agreement.

6.6 Successors and Assigns

This Agreement shall enure to the benefit of and shall be binding on and enforceable by and against the parties and their respective successors or heirs, executors, administrators and other legal personal representatives, and permitted assigns.

6.7 Further Assurances

Each of the parties hereto shall, from time to time hereafter and upon any reasonable request of the other, promptly as practicable do, execute, deliver or cause to be done, executed and delivered all further acts, documents and things as may be required or necessary for the purposes of giving effect to this Agreement.

6.8 Counterparts

This Agreement and all documents contemplated by or delivered under or in connection with this Agreement may be executed and delivered in any number of counterparts, with the same effect as if all parties had signed and delivered the same document, and all counterparts shall be construed together to be an original and will constitute one and the same agreement.

6.9 Expenses

Each party will bear their own expenses in connection with the negotiation, preparation, execution and performance of this Agreement and the transactions contemplated herein.

[Remainder of page left intentionally blank.]

IN WITNESS WHEREOF this Agreement has been executed by the parties on the date first written above.

AFRICA ENERGY CORP.

by _____

Name:

Title:

IMPACT OIL & GAS LIMITED

by _____

Name:

Title:

SCHEDULE C
REPRESENTATIONS AND WARRANTIES OF THE INVESTOR

(a) Organization. Each of the Investor and its Material Subsidiaries is a corporation or other legal entity duly incorporated or organized, as applicable, validly existing and in good standing under the laws of the jurisdiction of its incorporation, organization or formation, as applicable, and has all requisite power and authority to own, lease and operate its assets and properties and conduct its business as now owned and conducted.

(b) Qualification. Each of the Investor and its Material Subsidiaries is duly registered and licensed to carry on business and is in good standing in each jurisdiction in which the character of its assets and properties, owned, leased, licensed or otherwise held, or the nature of its activities make such qualification, licensing or registration necessary, and has all Authorizations required to own, lease and operate its properties and assets and to conduct its business as now owned and conducted, except for those qualifications, licences, registrations and Authorizations, the absence of which do not have and would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

(c) Authorization. The Investor has the requisite corporate power and authority to enter into each of the Transaction Agreements to which it is or will be a party, and to perform its obligations hereunder and thereunder. Each of the Transaction Agreements to which the Investor is or will be a party (i) has been duly authorized, (ii) has been, or will be duly executed and delivered by the Investor, and (iii) is a valid and binding agreement of the Investor, enforceable against the Investor in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar Laws affecting creditors' rights generally and subject to the qualification that equitable remedies may be granted in the discretion of a court of competent jurisdiction.

(d) Authorized and Issued Capital of Investor. As of the date of this Agreement, the authorized capital of the Investor consists of an unlimited number of Common Shares, of which 794,934,935 are issued and outstanding.

(e) Shares Validly Issued. All outstanding Common Shares have been duly authorized and validly issued as fully paid and non-assessable. No Common Shares have been issued in violation of any Law or any pre-emptive or similar rights applicable to them.

(f) Issuance of Loan Notes. The Investor has full corporate power and authority to issue the Loan Notes. The issuance of the Loan Notes has been duly authorized and, upon delivery of the Class B Shares to the Investor in accordance with the terms of this Agreement, the Loan Notes will be validly issued as unsecured exchangeable debt obligations of the Investor. At the Funding Date, the Issuer will be the legal and registered owner of the Loan Notes and will have good title thereto free and clear of all Encumbrances, other than as may be imposed as a result of the application of any Laws applicable to the Issuer or as are imposed as a result of any actions taken by, or transactions entered into by, the Issuer.

(g) Subscription Agreement. The Common Shares to be issued pursuant to the Subscription Agreement have been duly authorized and upon issuance thereof will be validly issued as fully paid and non-assessable and will have good title thereto free and clear of all Encumbrances.

(h) No Violation. The execution and delivery by the Investor of each Transaction Agreement to which it is or will be a party, and the performance by it of its obligations hereunder and thereunder, including the issuance of the Loan Notes to the Investor and the issuance of Common Shares in accordance with the terms and conditions contained in the Subscription Agreement: (i) will not result in any violation of the provisions of the articles or notice of articles of the Investor; (ii) will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any material contract or material Authorization to which the Investor or any of its Subsidiaries is a party or by which the Investor or any of its Subsidiaries is bound; and (iii) will not, assuming compliance with the matters referred to in section (i) below, result in any violation of the provisions of any Law or Order applicable to the Investor or any of its Subsidiaries, except, in the case of sections (ii) and (iii), as would not reasonably be expected to have a Material Adverse Effect.

(i) Consents and Approvals. No consent, approval, authorization or filing of or with any Person or Governmental Entity by the Investor is required for the issue and sale of the Loan Notes, the issuance of Common Shares in accordance with the terms and conditions contained in the Subscription Agreement or the consummation by the Investor of the other transactions contemplated by the Transaction Agreements, other than: (i) the Investor Regulatory Condition; (ii) approval of shareholders of the Investor pursuant to the policies of the TSXV; (iii) the filing by the Investor under applicable Canadian Securities Laws of one or more reports of exempt distribution (under Form 45-106F1 – *Report of Exempt Distributions*) with one or more Canadian Securities Commissions and any filings required to be made under the published rules of the TSXV and Nasdaq Stockholm; (iv) the filing by the Investor under applicable Canadian Securities Laws of one or more material change reports; and (v) any other consent, approval, authorization or filing obtained or made by the Investor on or prior to the date hereof.

(j) Reporting Issuer. The Investor is a “reporting issuer” in each of the Reporting Jurisdictions and is not included in a list of defaulting reporting issuers maintained by the Canadian Securities Commissions of any such jurisdictions. The Investor has not taken any action to cease to be a reporting issuer in any jurisdiction in which it is a reporting issuer, and has not received any notification from any Canadian Securities Commission seeking to revoke its reporting issuer status.

(k) Public Disclosure Documents. As of their respective filing dates, each of the Public Disclosure Documents complied with the requirements of applicable Canadian Securities Laws in all material respects and none of the Public Disclosure Documents contained any untrue statement of a material fact or omitted to state a material fact that is required to be stated therein or that is necessary to make the statements made therein, in light of the circumstances in which they were made, not misleading.

(l) Listing of Common Shares. The Common Shares are listed and posted for trading on the TSXV and Nasdaq Stockholm and, to the knowledge of the Investor, no Order ceasing or suspending trading of any of the Investor’s issued securities or that would prohibit the sale or issuance of the Loan Notes or the Common Shares pursuant to the Subscription Agreement has been issued and no (formal or informal) proceedings for such purpose are pending or contemplated or have been threatened.

(m) No Material Adverse Effect. Since January 1, 2020, there has not occurred a Material Adverse Effect.

(n) Undisclosed Material Information. Except in respect of the transactions contemplated by this Agreement and the Arostyle Transaction, the Investor is not in possession of any material undisclosed information.

(o) Compliance with Anti-Corruption Laws. Neither the Investor nor any of its Subsidiaries, nor to the knowledge of the Investor, any of its or their respective directors, executives, officers, representatives, agents or employees has: (i) used or is using any corporate funds for any illegal contributions, gifts, entertainment or other expenses relating to political activity that would be illegal; (ii) used or is using any corporate funds for any direct or indirect illegal payments to any foreign or domestic governmental officials or employees; (iii) violated or is violating any provision of any Anti-Corruption Laws or any applicable Law of similar effect; (iv) has established or maintained, or is maintaining, any illegal fund of corporate monies or other properties; or (v) made any bribe, illegal rebate, illegal payoff, influence payment, kickback or other illegal payment of any nature. The Investor has adequate procedures in place to comply with the provisions of the United Kingdom *Bribery Act 2010*.

(p) Compliance with Money Laundering Laws. The operations of the Investor and of each of its Subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements and money laundering Laws and the rules and regulations thereunder and any related or similar Laws, rules, regulations or guidelines, issued, administered or enforced by any Governmental Entity relating to money laundering (collectively, the “**Money Laundering Laws**”) and no action, suit or proceeding by or before any court or Governmental Entity involving the Investor or any of its Subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Investor, threatened.

(q) Confidential Material Change Reports. The Investor has not filed any confidential material change report which at the date of this Agreement remains confidential.

(r) Financial Statements.

- (i) The Investor’s audited consolidated financial statements as at and for the fiscal year ended December 31, 2019 (including any of the notes or schedules thereto) included in the Public Disclosure Documents: (i) were prepared in accordance with IFRS; and (ii) fairly present in all material respects, the assets, liabilities (whether accrued, absolute, contingent or otherwise), consolidated financial position, results of operations or financial performance and cash flows of the Investor and its Subsidiaries as of their respective dates and the consolidated financial position, results of operations or financial performance and cash flows of the Investor and its Subsidiaries for the respective periods covered by such financial statements (except as may be expressly indicated in the notes to such financial statements).
- (ii) The Investor does not intend to correct or restate, nor, to the knowledge of the Investor, is there any basis for any correction or restatement of, any aspect of any of the financial statements referred to in this Section (r). There are no, nor are there any commitments to become a party to, any off-balance sheet transaction, arrangement, obligation (including contingent obligations) or other relationship of the Investor or of any of its Subsidiaries with unconsolidated entities or other Persons.

(s) No Undisclosed Liabilities. There are no material liabilities or obligations of the Investor or of any of its Subsidiaries of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, other than liabilities or obligations:

(i) disclosed in the audited consolidated financial statements of the Investor as at and for the fiscal year ended December 31, 2019 (including any notes or schedules thereto and related management's discussions and analysis); (ii) incurred in the Ordinary Course and not required to be set forth in the financial statements of the Investor under IFRS; (iii) incurred in the Ordinary Course since December 31, 2019; or (iv) incurred in connection with this Agreement.

(t) No Insolvency. In respect of the Investor and each of its Subsidiaries,: (i) no receiver has been appointed and no distress or execution or other process has been levied; (ii) no bankruptcy, administration order, receiving order or arrangement with creditors (within the meaning of applicable insolvency laws) has been made, is being contemplated, or has been threatened in writing; and (iii) no shareholders' or board meeting has been convened at which a resolution will be proposed, no resolution has been passed and no order has been made for the winding-up, liquidation or dissolution of the Investor.

(u) Taxation. So far as the Investor is aware, since its incorporation, the Investor has paid all material Taxation which it has become liable to pay and it is not liable to pay any material penalty, fine, surcharge or interest in connection with Taxation. So far as the Investor is aware, since its incorporation, the Investor has made all material returns, notifications, statements, registrations and assessments (the "**Returns**") that it is required by Law to make within any applicable time limit. So far as the Investor is aware, the Returns disclose all material facts and circumstances and are not currently the subject of any Material Dispute with any Tax Authority. So far as the Investor is aware, the Investor is not involved in any Material Dispute with any Tax Authority nor has been subject to any non-routine audit, discovery, access order or investigation by any Tax Authority. No Tax Authority has asserted that the Investor has been grossly negligent, wilfully defaulted or fraudulent in respect of any Tax matter.

(v) Compliance with Laws. The Investor and each of its Subsidiaries is, and since January 1, 2020 has been, in compliance in all material respects with Law (including Environmental Laws) except where non-compliance would not, individually or in the aggregate, have a Material Adverse Effect. Neither the Investor nor any of its Subsidiaries, has been charged or, to the knowledge of the Investor, is under any investigation with respect to, or threatened to be charged with, or has received notice of, any violation or potential violation of any Law which violation or potential violation would have, or could reasonably be expected to have, a Material Adverse Effect.

(w) Litigation. As of the date hereof, there are no claims, actions, suits, arbitrations, inquiries, investigations or proceedings pending, or, to the knowledge of the Investor, threatened, against the Investor or any of its Subsidiaries or affecting any of their respective properties or assets by any Person or by or before any Governmental Entity that, if determined adverse to the interests of the Investor or its Subsidiaries, would have, individually or in the aggregate, a Material Adverse Effect or would or would be reasonably expected to prevent or materially delay the consummation of the transactions contemplated by this Agreement. There is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress, or, to the knowledge of the Investor, threatened against or relating to the Investor or any of its Subsidiaries before any Governmental Entity. Neither the Investor nor any of its Subsidiaries is subject to any outstanding judgment, order, writ, injunction or decree that would be, or be reasonably expected to be, individually or in the aggregate, have a Material Adverse Effect or

that would or would be reasonably expected to prevent or materially delay the consummation of the transactions contemplated by this Agreement.

(x) Environmental Matters. Except as would not, individually or in the aggregate, have a Material Adverse Effect, no written notice, order, complaint or penalty has been received by the Investor or any of its Subsidiaries alleging that the Investor or any of its Subsidiaries is in violation of, or has any liability or potential liability under, any Environmental Law, and, there are no judicial, administrative or other actions, suits or proceedings pending or, to the knowledge of the Investor, threatened against the Investor or any of its Subsidiaries which allege a violation of, or any liability or potential liability under, any Environmental Laws; and the Investor is not aware of any facts or circumstances that reasonably could be expected to give rise to any such notice, claim, order, complaint or penalty.

(y) Insurance. The Investor and each of its subsidiaries maintains appropriate insurances related to good oil and gas practise and corporate operations. No outstanding claims exist that would have a Material Adverse Effect on the Investor.

SCHEDULE D
REPRESENTATIONS AND WARRANTIES OF THE ISSUER

Part A
General Warranties

1. Corporate Information

1.1 Incorporation

The Issuer is duly incorporated and duly organised, in good standing (where applicable in the relevant jurisdiction) and validly exists under the laws of its jurisdiction of incorporation.

1.2 Constitutional Documents

The copies of the Constitutional Documents of the Issuer in the Electronic Data Room are true and complete copies.

1.3 Statutory books and registers

1.3.1 The records (including computer records), statutory books, registers, minute books and books of account of the Issuer are duly entered up and maintained in accordance with all legal requirements applicable thereto and contain true, full and accurate records of all matters required to be dealt with therein and all such books and all records and documents (including documents of title) which are its property are in its possession or under its control.

1.3.2 The Issuer is not aware of any outstanding matter required to be entered in any of its records, statutory books, registers, minute books and books of account which has not been so entered at the date of this Agreement.

1.3.3 All accounts, documents and returns required to be delivered or made to the Registrar of Companies in England and Wales have been duly and correctly delivered or made. There has been no notice of any proceedings to rectify the register of members of the Issuer or its PSC register and there are no circumstances which might lead to any application for rectification of the register of members or the PSC register.

1.3.4 The Issuer has not made (or withdrawn) an election to keep information in its register of members, PSC register, register of directors or register of secretaries on the central register at Companies House in England and Wales.

1.4 Conversion rights

No person has the right to call for the issue of any share or loan capital of the Issuer by reason of any conversion rights or under any option or other agreement.

1.5 The Issuer

1.5.1 The details of the Issuer set out below are accurate, up to date and complete and the share capital of the Issuer is owned as shown below free from any Encumbrances.

Name:	Impact Oil & Gas SA Blocks 11B–12B Limited
Registered number:	07993785
Issuer status:	Private limited company
Registered office:	Elder House, St. Georges Business Park, Brooklands Road, Weybridge, Surrey, United Kingdom KT13 OT5
Issued share capital and ownership:	1,337,366 ordinary shares of 15p each 100% (Parent)
Directors:	Philip Birch and Robert Wilde
Secretary (if any):	Siraj Ahmed
Auditors:	Deloitte LLP of 1 New Street Square, London EC4A 3HQ, United Kingdom

1.5.2 The Issuer does not have any subsidiaries, branches or hold shares or interests in any Person.

1.5.3 Since incorporation, the Issuer has been in continued existence.

1.5.4 The Issuer has not, nor has it agreed to become, a director, officer, member of any joint venture, consortium, partnership or unincorporated association.

1.5.5 The Issuer has no place of business or permanent establishment outside the United Kingdom.

1.5.6 There are no powers of attorney given by the Issuer in force and no outstanding authority by which any person may enter into any agreement, arrangement or commitment to do anything on behalf of the Issuer.

1.6 No insolvency

In respect of the Issuer: (i) no receiver has been appointed and no distress or execution or other process has been levied; (ii) no bankruptcy, administration order, receiving order or arrangement with creditors (within the meaning of applicable insolvency laws) has been made, is being contemplated, or has been threatened in writing; and (iii) no shareholders' or board meeting has been convened at which a resolution will be proposed, no resolution has been passed and no order has been made for the winding-up, liquidation or dissolution of the Issuer.

2. No breach

- 2.1 The execution and delivery by the Issuer of, and the performance by the Issuer of its obligations under, this Agreement and any relevant Transaction Agreement will not:
- 2.1.1 result in a breach of or conflict with any provision of its constitutional documents;
 - 2.1.2 result in a breach of, or constitute a default under, any instrument to which it is a party or by which it is bound;
 - 2.1.3 result in a breach of any Laws or regulations or of any order, decree or judgment of any court or any governmental or regulatory authority in any jurisdiction; or
 - 2.1.4 require it to obtain any consent or approval of, or give any notice to, or make any registration with, any Public Authority which has not been obtained or made;
 - 2.1.5 relieve any person of any contractual or other obligation under any contract or other arrangement involving the Issuer or entitle any person to terminate any such obligation or arrangement.

3. Accounts and Filings

3.1 General

The Issuer's audited financial statements as at and for the fiscal year ended December 31, 2019 (including any of the notes or schedules thereto): (i) were prepared in accordance with IFRS; and (ii) fairly present in all material respects, the assets, liabilities (whether accrued, absolute, contingent or otherwise), financial position, results of operations or financial performance and cash flows of the Issuer, results of operations or financial performance and cash flows of the Issuer for the respective periods covered by such financial statements (except as may be expressly indicated in the notes to such financial statements).

3.2 Position since Accounts Date

Since entering into the Arostyle Loan Agreement, other than in accordance with the Reorganization:

- 3.2.1 no dividend or other distribution has been declared, paid or made by the Issuer;
- 3.2.2 the business of the Issuer has been carried on in the Ordinary Course and so as to maintain it as a going concern;
- 3.2.3 the Issuer has paid or satisfied any obligation or liability, absolute or contingent, other than current liabilities or obligations disclosed in the Accounts and current liabilities or obligations incurred since the Accounts Date in the Ordinary Course and any liabilities or obligations to the Parent;

- 3.2.4 incurred any indebtedness;
- 3.2.5 waived or cancelled any rights or claims or made any gift;
- 3.2.6 made any capital expenditures;
- 3.2.7 made or suffered any change or changes in its financial condition, assets, liabilities or its business which, singly or in the aggregate, could have resulted in a Material Adverse Effect;
- 3.2.8 terminated any Material Contracts or any other Contract that would be a Material Contract if in effect on the date hereof;
- 3.2.9 suffered or incurred any damage, destruction or Loss, whether or not covered by insurance, which resulted in a Material Adverse Effect;
- 3.2.10 made any material increase in the compensation payable or to become payable to its directors, officers, employees, independent contractors or agents, including, without limitation, any improvements to severance or termination pay, except as required by law, other than general salary increases in the Ordinary Course;
- 3.2.11 changed or authorized any change in its certificate of incorporation, bylaws, or similar governing documents;
- 3.2.12 authorized or agreed or otherwise become committed to do any of the foregoing;
- 3.2.13 the Issuer has not allotted or issued any share or loan capital; and
- 3.2.14 the Issuer has not acquired or disposed of or agreed to acquire or dispose of any material business or any material asset.

3.3 Returns and filings

All returns, resolutions, filings and other documents required to be delivered by the Issuer to the relevant registrar of companies in its jurisdiction of incorporation have been properly and timely delivered and filed.

4. Assets

- 4.1 Prior to receipt of the Loan Note, the Arostyle Loan Agreement is the only asset of the Issuer. The Issuer has no Licence Interests.
- 4.2 Each Arostyle Loan Document is in full force and effect, is enforceable and has been performed in accordance with its terms.
- 4.3 The copies of the Arostyle Loan Documents provided in the Electronic Data Room are true and complete in all material respects and include all amendments, transfers, novations, supplements, and material side letters to such Arostyle Loan Documents.

- 4.4 The responses to questions and answers raised between the parties contained in the Electronic Data Room are true, complete, accurate and not misleading in all material respects.
- 4.5 The Issuer has at all times complied in all respects with their obligations under Law (including local content obligations), paid when due all Taxes and other amounts payable pursuant to the terms of the Arostyle Loan Documents and Law, except as would not, individually or in the aggregate, have a Material Adverse Effect.
- 4.6 Other than in connection with the Arostyle Arbitration, no written or, so far as the Issuer is aware, any other notice of breach has been received by the Issuer or been communicated to the Issuer or the Parent in relation to:
 - 4.6.1 any breach of a material nature whether subsisting or otherwise, of any Arostyle Loan Document that is reasonably likely to result in the termination of the relevant Arostyle Loan Document; or
 - 4.6.2 any breach of a Material Contract, of a material nature whether subsisting or otherwise, or other fact or circumstance which is reasonably likely to invalidate or give rise to a ground for termination or avoidance of a Material Contract.
- 4.7 Except pursuant to the Arostyle Transaction and the Arostyle Arbitration, no written or, so far as the Issuer is aware, any other notice has been received by the Issuer or been communicated to the Issuer or the Parent from any current counterparty to an Arostyle Loan Document or Material Contract (as applicable) in relation to:
 - 4.7.1 any notice to terminate or withdraw from any Arostyle Loan Document or any notice to assign, novate or dispose of their interest in any Arostyle Loan Document; or
 - 4.7.2 notice to terminate any Material Contract.

5. Financial Obligations

5.1 General

- 5.1.1 Except to the Parent which will arrangements will be terminated as provided in the Reorganization, the Issuer does not have, and the Issuer has not received written notice from any person confirming that the Issuer has, any outstanding obligation for the payment or repayment of money (a "**Financial Obligation**"), nor has the Issuer entered into or agreed to enter into any agreement or arrangement the purpose of which is to raise money or provide finance or credit or to guarantee or indemnify any Financial Obligation.
- 5.1.2 The Issuer does not have, and the Issuer has not received written notice from any person confirming that the Issuer has, subsisting over the whole or any part of its present or future revenues or assets, any Encumbrance.

- 5.1.3 No Financial Obligation of the Issuer is, and the Issuer has not received written notice from any person confirming that any Financial Obligation of the Issuer is, now due and payable before its normal or originally stated maturity and no demand or other notice requiring the payment or repayment of money before its normal or originally stated maturity has been received by the Issuer.

5.2 Loans to directors and connected persons

There is not outstanding:

- 5.2.1 any loan made by the Issuer to, or debt owing to the Issuer by, any director of the Issuer or any person connected with any of them or the Parent or any Affiliate of the Parent; or
- 5.2.2 any agreement or arrangement to which the Issuer is a party and in which any director of the Issuer or any person connected with any of them or the Parent or any Affiliate of the Parent has a material interest.

5.3 Guarantees

There are no outstanding guarantees or indemnities given by the Issuer for the benefit of the Parent, any Affiliate of the Parent or any other Person.

5.4 Material Contracts

The Disclosure Letter sets forth a list of the Material Contracts to which the Issuer is party, and true and complete copies of which have been provided in the Electronic Data Room. All Material Contracts Disclosed are in full force and effect and constitute valid and binding obligations of the Issuer to the extent they are a party thereto and, to the knowledge of the Issuer, the other parties thereto in accordance with their respective terms and conditions. No event has occurred in respect of the Issuer or to the knowledge of the Issuer, of any other party, that (with or without notice, lapse of time or both) would constitute a breach or default in any material respect under any of the Material Contracts Disclosed.

5.5 Title to Owned Real Property

The Issuer does not own any real property or lease any leased property nor has the Issuer owned any real property or leased any leased property since incorporation.

5.6 Intellectual Property

The Issuer does not own any Intellectual Property.

5.7 Permits, Registrations and Elections

So far as the Issuer is aware, the Issuer holds all permits, licences, approvals, consents, authorizations, registrations, certificates and franchises which they require, or are required to have, to own their properties and assets and to carry on its business as presently conducted by it and are in full force and effect (collectively, the “**Permits**”). The Issuer is in material compliance with all the terms and conditions relating to the Permits; and there

are no proceedings in progress, pending or, to the knowledge of the Issuer, threatened which may result in revocation, cancellation, suspension, rescission or any adverse modification of any of the Permits nor are there any facts upon which such proceedings could reasonably be based. Neither the terms and conditions relating to the Permits nor the legislation or regulations pursuant to which the same were issued require that any consent or approval of, or filing with or notice to, any governmental agency or regulatory body or other person be made to assure the continued holding by the Issuer of the Permits after the Funding Date.

5.8 Bank Accounts

The Issuer does not have any bank accounts.

6. Litigation and insurance

6.1 Material Disputes

Except for the Arostyle Arbitration, the Issuer has not engaged in, and the Issuer has not received any written notice from any other party that the Issuer is party to, any investigation, litigation, mediation, expert determination or arbitration or administrative proceedings in relation to, and which involves an individual claim or potential liability to the Issuer where its liability is in excess of ten thousand dollars (US\$10,000) or that may have a material adverse effect on the business of the Issuer or the Arostyle Loan Agreement (a “**Material Dispute**”). There are no outstanding judgments, orders, injunctions, decrees, stipulations or awards against the Issuer.

6.2 Insurance policies

The Issuer has no insurance policies in place and no insurance policies are required by Applicable Law or any contractual obligations of the Issuer.

7. Environmental, Health and Safety

7.1 Compliance with law

7.1.1 The Issuer has not received any written demands, notices or communications from a relevant Public Authority alleging any material breach of Environmental Law, there are no Environmental Liabilities affecting the Issuer nor is the Issuer engaged in any Claim concerning Environmental Law which is currently in progress nor has any such Claim been threatened against the Issuer.

7.1.2 The Issuer has at all times been operated in material compliance with Environmental Law and Applicable Law relating to health and safety, and no notice or communication alleging any material breach or non-compliance with Environmental Law or such Applicable Law has been delivered in respect of the Licence Interests.

7.2 Decommissioning

7.2.1 The Issuer has no Decommissioning Liabilities.

8. Employees and Pensions

8.1 The Issuer has no current employees or consultants.

8.2 The Issuer has complied in all material respects with its statutory and contractual obligations to its past employees and there is no material existing or threatened application in any employment tribunal or court or any pending appeal from any such tribunal or court, made by a former employee in relation to their former employment by or with the Issuer.

9. Relationship with the Parent

Except as disclosed in the Electronic Data Room the Issuer (a) is not a party to any contract, agreement or arrangement with the Parent or any of its Affiliates, (b) has not given any guarantee or indemnity in respect of obligations of the Parent or any of its Affiliates, (c) does not use any property or right (tangible or intangible) owned by the Parent or any of its Affiliates, and (d) does not have any liabilities to the Parent or any of its Affiliates.

10. Compliance with Laws

10.1 The Issuer has at all times:

10.1.1 complied with all Anti-Corruption Laws and Sanctions Laws that are applicable to the Issuer;

10.1.2 maintained accurate records of its activities, including financial records, in a form and manner appropriate for a business of its nature;

10.1.3 maintained adequate policies and procedures in place in relation to business ethics and compliance with Anti-Corruption Laws applicable to it; and

10.1.4 complied with competition, anti-trust, anti-restrictive trade practice or consumer protection law, rule or regulation anywhere in the world or of any investigation, enquiry, report or order by or by reference to any regulatory authority under any such law, rule or regulation.

10.2 The Issuer has:

10.2.1 at all times complied with all Anti-Corruption Laws and Sanctions Laws applicable to it;

10.2.2 not at any time paid, whether directly or indirectly, through any person or entity, any fees, commissions or rebates to any other party in violation of applicable Anti-Corruption Laws;

10.2.3 not at any time offered, promised, authorised or provided to any person any gifts or entertainment of significant cost or value to influence or induce any actions or inactions in violation of applicable Anti-Corruption Laws;

- 10.2.4 not at any time used any property, rights or values arising, directly or indirectly, from illicit activities;
- 10.2.5 not at any time hidden or concealed the nature, source, location, disposition, movement or ownership of such property, rights or values;
- 10.2.6 not at any time made, offered, promised, or authorised the giving of any payment, gift, promise, entertainment or other advantage, whether directly or indirectly, to or for the direct or indirect use or benefit of any Public Authority, public official or civil servant, any political party, political party official, or candidate for office, or any other public or private individual or entity, where such offer, promise, payment, gift or entertainment would violate any applicable Anti-Corruption Laws; and
- 10.2.7 not at any time been subject to any investigation, inquiry or enforcement proceedings by any Public Authority regarding any offence or alleged offence under any applicable Anti-Corruption Laws and Sanctions Laws, and: (i) nor has any director, officer, shareholder or employee of the Issuer in connection therewith, and (ii) there are no pending, or to the Issuer's knowledge, threatened investigations, inquiries or enforcement proceedings by any Public Authority against the Parent or any Affiliate of the Parent or director, officer, shareholder or employee of Parent or any Affiliate of the Parent regarding any offence or alleged offence in connection therewith under any applicable Anti-Corruption Law or Sanctions Law.
- 10.2.8 conducted its business in accordance with all applicable Laws, regulatory and administrative requirements and has obtained all necessary licences, consents, permits, authorities and permissions to enable it to carry on its business and operations effectively and lawfully in the manner in which it is now carried on. All such licences, consents, permits and authorities are Disclosed and are valid and subsisting and have been complied with in all respects. None of the officers, employees or agents of the Issuer has committed or omitted to do any act or thing in contravention of any applicable Laws where such contravention may adversely affect the Issuer and there is not pending, or in existence, any investigation or enquiry by, or on behalf of, any Public Authority or other body in respect of the business or affairs of the Issuer; and
- 10.2.9 is, and in the past has made itself, in compliance, with: (i) the Data Protection Act 1998 and the Data Protection Act 2018 and the General Data Protection Regulation (Regulation (EU) 2016/679) and all applicable privacy Laws; (ii) requests from data subjects for access to data held by it; and (iii) their notification requirements. The Issuer has not transferred any personal data outside the European Economic Area;
- 10.2.10 is, and has at all times in the past, conducted its business and operations in compliance with applicable financial recordkeeping and reporting requirements and money laundering Laws and the rules and regulations thereunder and any related or similar Laws, rules, regulations or guidelines, issued, administered or enforced by any Governmental Entity

relating to money laundering (collectively, “**Anti-Money Laundering Laws**”) and no action, suit or proceeding by or before any court or Governmental Entity involving the Issuer with respect to any Anti-Money Laundering Laws is pending or threatened.

11. Full Disclosure

To the Issuer’s knowledge, the information about the Issuer and its business as set out in the Electronic Data Room or otherwise Disclosed to the Investor is true, correct and complete in all material respects and not misleading. The Issuer has not knowingly withheld any information that could reasonably be expected to be material to a purchaser of the Issuer.

Part B Tax Warranties

12. Tax

- 12.1 During the period of six years prior to the date hereof, the Issuer has duly accounted for all material Taxation (whether of the United Kingdom or elsewhere) which it is or has become liable to account and it is not liable to pay any material penalty, fine, surcharge or interest in connection with Taxation.
- 12.2 During the period of six years prior to the date hereof, the Issuer has made all material returns, notifications, statements, registrations and assessments (the “**Returns**”) that it is required by Law to make within any applicable time limit. The Returns were accurate and complete when submitted and disclose all material facts and circumstances and are not currently, nor so far as the Issuer is aware are likely to be, the subject of any Material Dispute with any Tax Authority.
- 12.3 The Issuer is not involved in any Material Dispute with any Tax Authority nor, during the period of six years prior to the date hereof, has been subject to any non-routine audit, discovery, access order or investigation by any Tax Authority. No Tax Authority has asserted that the Issuer has been grossly negligent, wilfully defaulted or fraudulent in respect of any Tax matter.
- 12.4 The Issuer has kept and maintained complete and accurate records, invoices and other information in relation to Tax that meet all legal requirements or are prudent to keep and maintain and enable the Tax liabilities of the Issuer to be calculated accurately in all material respects.
- 12.5 The Issuer has, since its incorporation, been resident in its jurisdiction of incorporation for Tax purposes and has not at any time, been treated as resident in any other jurisdiction for the purposes of any double Taxation arrangements or for any other Tax purposes and does not have a permanent establishment or taxable presence outside its jurisdiction of incorporation.
- 12.6 All transactions or arrangements made by the Issuer have been made on fully arm's length terms. There are no circumstances in which Part 4 of the Taxation International and Other Provisions Act 2010 (“**TIOPA 2010**”) or any other rule or provision could apply causing any Taxation Authority to make an adjustment to the

terms on which such transaction or arrangement is treated as being made for Taxation purposes and no such adjustment has been made, threatened or attempted in fact.

- 12.7 The Issuer has not been involved in any transaction or series of transactions the main purpose, or one of the main purposes of which, was the avoidance of Tax.
- 12.8 No person, acting in the capacity of an Associated Person (as defined in section 44(4)(a) of the Criminal Finances Act 2017 ("**CFA 2017**")) of the Issuer has committed:
 - 12.8.1 a UK tax evasion facilitation offence under section 45(5) of the CFA 2017;
or
 - 12.8.2 a foreign tax evasion facilitation offence under section 46(6) of the CFA 2017.
- 12.9 The Issuer is registered as a member of the Parent's VAT Group for the purposes of VAT.
- 12.10 All supplies made by the Parent's VAT Group insofar as they directly relate to the Issuer are taxable supplies and the Parent's VAT Group has not been, or will not be, denied full credit for all input tax by reason of the operation of sections 25 and 26 of the Value Added Tax Act 1994 ("**VATA 1994**") and regulations made thereunder or for any other reasons in respect of any supplies received insofar as they directly relate to the Issuer.
- 12.11 Any document that may be necessary or desirable in proving the title of the Issuer to any asset which is owned by the Issuer at the Funding Date is duly stamped for stamp duty purposes or has had the transfer or registration tax due in respect of it paid. No such documents which are outside the United Kingdom would attract duty if they were brought into the United Kingdom.

SCHEDULE E
REORGANIZATION OF THE ISSUER

See attached.

REORGANISATION STEPS PLAN

Parties:

"AEC"	Africa Energy Corp.
"AEC SA"	Africa Energy SA Corp.
"Arostyle"	Arostyle Investments Pty Limited
"Capgro"	The Capgro Trust
"Impact SPV"	Impact Oil & Gas South Africa Block 11B-12B Limited
"IOG"	Impact Oil & Gas Limited
"Main Street"	Main Street 1549 Proprietary Limited

Loans:

"AEC Loan Notes"	██████████ aggregate loan notes to be issued by AEC to Impact SPV
"Arostyle Loan"	Impact SPV's US\$35.2m loan to Arostyle in 2018
"Main St/Arostyle Loan"	Arostyle's US\$35.2m loan to Main Street
"Main St/AEC SA Loan"	AEC SA's US\$33.8m loan to Main Street
"SPV Loan"	IOG's US\$35.2m loan to Impact SPV

Reorganisation – Investment by AEC in Impact SPV		Timing
A – AEC and IOG to enter into Subscription Agreement		Date of Investment Agreement
1.	AEC corporate approval of entry into the Subscription Agreement with IOG	
2.	IOG committee resolution approving entry into the Subscription Agreement with AEC	
3.	AEC and IOG enter into the Subscription Agreement	
B – Impact SPV share capital reconstruction and amendments to articles of association: - Creation of Class B shares of £0.01 each carrying 55 votes per share and with the following entitlement to dividends: - o 0% of first ██████████ of dividends; - o 100% of second ██████████ of dividends; and - o further dividends paid on Class A and Class B shares as a single class - Class A shares – IOG's existing ordinary shares of £0.15 each re-named and re-designated as Class A shares and attached rights remaining unchanged except as a consequence of the Class B share rights as follows: - o 100% of first ██████████ of dividends; - o 0% of second ██████████ of dividends; and		3 business days before Funding Date

o further dividends (i.e. after first and second dividends, [REDACTED] in total) paid on Class A and Class B shares as a single class		
4.	Amended articles of association of Impact SPV	
5.	Impact SPV board resolutions approving: - share capital reconstruction comprising the re-naming and re-designating of the existing ordinary shares as Class A shares and creating a new class of Class B shares; - variation of rights attached to Class A shares as a consequence of the rights of the Class B shares; and - amendments to Impact SPV's articles of association reflecting share capital reconstruction	
6.	Impact SPV shareholder special resolution signed by IOG approving: - share capital reconstruction, - variation of rights attached to ordinary shares held by IOG, and - amendments to Impact SPV's articles of association reflecting share capital reconstruction	
7.	Impact SPV to issue replacement share certificate to IOG, cancel old share certificate and update register of members	
8.	Impact SPV to make filings with Companies House of - shareholder special resolution attaching amended articles (within 15 days of passing of the resolution); and - statements of capital (SH08 for re-designation and SH10 for variation of rights) within 1 month	
C – AEC's subscription for 2,412,214 Class B shares in Impact SPV at [REDACTED] per share and issue of AEC Loan Notes to satisfy the subscription amount of [REDACTED]		Funding Date (3 business days after satisfaction of the conditions)
9.	AEC corporate approval of - subscription for Class B shares in Impact SPV; and - issue of AEC Loan Notes	
10.	AEC's issue of AEC Loan Notes which are payable on demand and do not carry any rights to interest or conversion to shares (loan note instrument and two loan note certificates (one in [REDACTED] and the other in [REDACTED]))	
11.	Impact SPV shareholder ordinary resolution signed by IOG authorising Impact SPV directors to issue Class B shares	
12.	Impact SPV board resolutions approving AEC's subscription for Class B shares in exchange for AEC Loan Notes	

13.	Impact SPV to issue new share certificate within 2 months and update register of members within 2 months and PSC register within 14 days	
14.	Impact SPV to make filings with Companies House of - shareholder resolution within 15 days of passing; - statement of capital (SH01) within 1 month; and - PSC notice (PSC01/09) within 14 days	
15.	Termination by Impact SPV of Capgro Guarantee	
16.	Amended and restated Arostyle Loan Agreement becomes effective	
D – Impact SPV’s capital reduction by either by reducing its share premium account by [REDACTED] or cancelling the whole share premium account		Funding Date
17.	Management accounts to be prepared for Impact SPV directors’ consideration for the purposes of making solvency statement	
18.	Impact SPV board resolutions approving the capital reduction approved by all directors	
19.	Impact SPV directors’ solvency statement made by all directors <i>on the same day</i> on the same day as the board resolution	
20.	Impact SPV shareholders’ special resolution approving the capital reduction within 15 days of the solvency statement	
21.	Impact SPV directors’ compliance statement made by all directors within 15 days of the shareholder resolution being passed confirming that the solvency statement was (i) made not more than 15 days before the resolution was passed and (ii) was duly provided to shareholders	
22.	Filing with the Companies House within 15 days of the shareholder resolution being passed (statement of capital (SH19), shareholder resolution, solvency statement, compliance statement and a cheque of £10 for the filing fee) <i>(Note: to allow 2-3 weeks for the capital reduction to be effective given delays to Companies House service as a result of COVID-19)</i>	
E – Impact SPV’s interim distribution of [REDACTED] to IOG on Class A shares and repayment of [REDACTED] SPV Loan satisfied by distribution of Loan Notes		The business day after capital reduction becoming effective (2-3 weeks after the filing)
23.	Management accounts reflecting capital reduction to be prepared for Impact SPV directors’ consideration for non-cash interim dividend on Class A shares (consisting of the distribution of the AEC Loan Notes) to IOG	
24.	Impact SPV board resolutions approving:	

	- distribution of [REDACTED] in AEC Loan Notes to IOG as non-cash interim dividend; and - repayment of SPV Loan to IOG by transferring AEC Loan Notes in [REDACTED] to IOG	
25.	IOG board resolution approving: - Impact SPV's non-cash interim dividend on Class A shares (consisting of the distribution of the AEC Loan Notes); and - receipt of the AEC Loan Notes as Impact SPV's non-cash interim dividend and repayment of SPV Loan	
26.	AEC board resolution approving Impact SPV's non-cash interim dividend on Class A shares	
27.	Impact SPV shareholders' ordinary resolutions approving non-cash interim distribution	
28.	IOG to serve termination notice under the intra-group loan agreement	
G – Changes to the Impact SPV's board – appointment of AEC directors and resignation of IOG directors		The business day after capital reduction becoming effective
29.	AEC nominees' consent to act	
30.	Impact SPV shareholders' ordinary resolution signed by AEC to appoint AEC nominees as directors of Impact SPV	
31.	Existing IOG directors to submit resignation letters to Impact SPV	
32.	Impact SPV to update register of directors and register of directors' residential addresses	
33.	Filings of appointment (AP01) and termination (TM01) with Companies House within 14 days	
F – IOG's subscription for 509,092,771 shares in AEC at [REDACTED] per share under the Subscription Agreement in exchange for AEC Loan Notes or [REDACTED] in cash		On the Subscription Date (being 20 Business Days from the Funding Date or such other date as agreed – intended to be shortly after the capital reduction becomes effective)

1.	IOG to transfer outstanding AEC Loan Notes or [REDACTED] in cash to AEC	3 days prior to the Subscription Date
2.	AEC to issue 509,092,771 AEC shares to IOG	3 days prior to the Subscription Date

SCHEDULE F
PROPOSED AMENDMENT TO THE ISSUER'S ARTICLES OF INCORPORATION

See attached.

**THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES**

**NEW ARTICLES OF ASSOCIATION
of
IMPACT OIL & GAS SA BLOCKS 11B-12B LIMITED
Company No. 07993785
(the "Company")**

Adopted by a special resolution passed on [•] 2020

ARTICLES OF ASSOCIATION

INDEX TO THE ARTICLES

PART 1 INTERPRETATION AND LIMITATION OF LIABILITY	1
1. DEFINED TERMS	1
2. LIABILITY OF MEMBERS	2
PART 2 DIRECTORS	2
DIRECTORS' POWERS AND RESPONSIBILITIES	2
3. DIRECTORS' GENERAL AUTHORITY	2
4. SHAREHOLDERS' RESERVE POWER	2
5. DIRECTORS MAY DELEGATE	2
6. COMMITTEES.....	2
DECISION-MAKING BY DIRECTORS	3
7. DIRECTORS TO TAKE DECISIONS COLLECTIVELY	3
8. UNANIMOUS DECISIONS.....	3
9. CALLING A DIRECTORS' MEETING	3
10. PARTICIPATION IN DIRECTORS' MEETINGS	3
11. QUORUM FOR DIRECTORS' MEETINGS.....	4
12. CHAIRING OF DIRECTORS' MEETINGS	4
13. CASTING VOTE.....	4
14. CONFLICTS OF INTEREST	4
15. RECORDS OF DECISION TO BE KEPT	5
16. DIRECTORS' DISCRETION TO MAKE FURTHER RULES.....	5
APPOINTMENT OF DIRECTORS.....	5
17. METHODS OF APPOINTING DIRECTORS	5
18. TERMINATION OF DIRECTOR'S APPOINTMENT	5
19. DIRECTORS' REMUNERATION	5
20. DIRECTORS' EXPENSES	6
PART 3 SHARES AND DISTRIBUTIONS	6
SHARES	6
21. ALL SHARES TO BE FULLY PAID UP	6
22. POWERS TO ISSUE DIFFERENT CLASSES OF SHARE	6
23. COMPANY NOT BOUND BY LESS THAN ABSOLUTE INTERESTS.....	6
24. SHARE CERTIFICATES	6
25. REPLACEMENT SHARE CERTIFICATES	7
26. SHARE TRANSFERS	7
27. TRANSMISSION OF SHARES	7
28. EXERCISE OF TRANSMITTEES' RIGHTS	7
29. TRANSMITTEES BOUND BY PRIOR NOTICES	8
30. CLASSES OF SHARES	8
31. CLASS RIGHTS	8

32.	CLASS A SHARES.....	8
33.	CLASS B SHARES.....	8
	DIVIDENDS AND OTHER DISTRIBUTIONS	9
34.	PROCEDURE FOR DECLARING DIVIDENDS	9
35.	PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS	9
36.	NO INTEREST ON DISTRIBUTIONS	10
37.	UNCLAIMED DISTRIBUTIONS	10
38.	NON-CASH DISTRIBUTIONS	10
39.	WAIVER OF DISTRIBUTIONS	11
	CAPITALISATION OF PROFITS.....	11
40.	AUTHORITY TO CAPITALISE AND APPROPRIATION OF CAPITALISED SUMS	11
	PART 4 DECISION-MAKING BY SHAREHOLDERS.....	11
	ORGANISATION OF GENERAL MEETINGS	11
41.	ATTENDANCE AND SPEAKING AT GENERAL MEETINGS	11
42.	QUORUM FOR GENERAL MEETINGS	12
43.	CHAIRING GENERAL MEETINGS.....	12
44.	ATTENDANCE AND SPEAKING BY DIRECTORS AND NON- SHAREHOLDERS.....	12
45.	ADJOURNMENT	12
	VOTING AT GENERAL MEETINGS	13
46.	VOTING: GENERAL.....	13
47.	ERRORS AND DISPUTES	13
48.	POLL VOTES	13
49.	CONTENT OF PROXY NOTICES	13
50.	DELIVERY OF PROXY NOTICES	14
51.	AMENDMENTS TO RESOLUTIONS	14
	PART 5 ADMINISTRATIVE ARRANGEMENTS.....	15
52.	MEANS OF COMMUNICATION TO BE USED	15
53.	COMPANY SEALS.....	15
54.	NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS	15
55.	PROVISION FOR EMPLOYEES ON CESSATION OF BUSINESS.....	15
	DIRECTORS' INDEMNITY AND INSURANCE	15
56.	INDEMNITY	15
57.	INSURANCE	16

PART 1

INTERPRETATION AND LIMITATION OF LIABILITY

Defined terms

1. In the articles, unless the context requires otherwise:

"articles" means the Company's articles of association,

"Bankruptcy" includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy,

"Chairman" has the meaning given in article 12,

"Chairman of the meeting" has the meaning given in article 42,

"Class A Fixed Dividend" has the meaning given in article 32(2),

"Class A Shares" means the class A ordinary shares of £0.15 each in the capital of the Company, having the rights and being subject to the restrictions and provisions set out in article 32,

"Class B Fixed Dividend" has the meaning given in article 33(2),

"Class B Shares" means the class B ordinary shares of £0.01 each in the capital of the Company, having the rights and being subject to the restrictions and provisions set out in article 33,

"Companies Acts" means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the Company,

"Director" means a director of the Company, and includes any person occupying the position of director, by whatever name called,

"Distribution Recipient" has the meaning given in article 35,

"Document" includes, unless otherwise specified, any document sent or supplied in electronic form,

"Electronic Form" has the meaning given in section 1168 of the Companies Act 2006,

"Fully Paid" in relation to a share, means that the nominal value and any premium to be paid to the Company in respect of that share have been paid to the Company, **"hard copy form"** has the meaning given in section 1168 of the Companies Act 2006,

"Holder" in relation to shares means the person whose name is entered in the register of members as the holder of the shares,

"Instrument" means a document in hard copy form,

"Ordinary Resolution" has the meaning given in section 282 of the Companies Act 2006,

"Paid" means paid or credited as paid,

"Participate", in relation to a directors' meeting, has the meaning given in article 10,

"Proxy Notice" has the meaning given in article 49,

"Realisation" means a disposal by Main Street 1549 Proprietary Limited of the whole, and not only a part, of its ownership interest in the Exploration Right CNR 12/3/67 relating to the Block 11B/12B offshore South Africa, as amended, renewed and extended from time to time, and all rights and obligations derived therefrom and associated therewith, or a disposal by Arostyle Investments Proprietary Limited of all of its ordinary shares in the share capital of Main Street 1549 Proprietary Limited,

"Shareholder" means a person who is the holder of a share,

"Shares" means shares in the Company,

"Special Resolution" has the meaning given in section 283 of the Companies Act 2006,

"Subsidiary" has the meaning given in section 1159 of the Companies Act 2006,

"Transmittee" means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law, and

"Writing" means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the Company.

Liability of members

2. The liability of the members is limited to the amount, if any, unpaid on the shares held by them.

PART 2

DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

Directors' General Authority

3. Subject to the articles, the directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

Shareholders' reserve power

4. (1) The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action.
(2) No such special resolution invalidates anything which the directors have done before the passing of the resolution.

Directors may delegate

5. (1) Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles:
 - (a) to such person or committee,
 - (b) by such means (including by power of attorney),
 - (c) to such an extent,
 - (d) in relation to such matters or territories, and
 - (e) on such terms and conditions,as they think fit.
(2) If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.
(3) The directors may revoke any delegation in whole or part, or alter its terms and conditions.

Committees

6. (1) Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.
(2) The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

DECISION-MAKING BY DIRECTORS

Directors to take decisions collectively

7. (1) The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 8.
- (2) If:
 - (a) the Company only has one director, and
 - (b) no provision of the articles requires it to have more than one director,the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making.

Unanimous decisions

8. (1) A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.
- (2) Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.
- (3) References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.
- (4) A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

Calling a directors' meeting

9. (1) Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.
- (2) Notice of any directors' meeting must indicate:
 - (a) its proposed date and time,
 - (b) where it is to take place, and
 - (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- (3) Notice of a directors' meeting must be given to each director, but need not be in writing.
- (4) Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

Participation in directors' meetings

10. (1) Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when:
 - (a) the meeting has been called and takes place in accordance with the articles, and
 - (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- (2) In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.
- (3) If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

Quorum for directors' meetings

11. (1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- (2) The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two.
- (3) If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision:
 - (a) to appoint further directors, or
 - (b) to call a general meeting so as to enable the shareholders to appoint further directors.

Chairing of directors' meetings

12. (1) The directors may appoint a director to chair their meetings.
- (2) The person so appointed for the time being is known as the chairman.
- (3) The directors may terminate the chairman's appointment at any time.
- (4) If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

Casting vote

13. (1) If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.
- (2) But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

Conflicts of interest

14. (1) If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the Company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes.
- (2) But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the Company is to be counted as participating in the decision-making process for quorum and voting purposes.
- (3) This paragraph applies when:
 - (a) the Company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process,
 - (b) the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest, or
 - (c) the director's conflict of interest arises from a permitted cause
- (4) For the purposes of this article, the following are permitted causes:
 - (a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the Company or any of its subsidiaries,
 - (b) subscription, or an agreement to subscribe, for shares or other securities of the Company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities, and
 - (c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the Company or any of its subsidiaries which do not provide special benefits for directors or former directors.

- (5) For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.
- (6) Subject to paragraph (7), if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.
- (7) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

Records of decisions to be kept

- 15. The directors must ensure that the Company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

Directors' discretion to make further rules

- 16. Subject to the articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

APPOINTMENT OF DIRECTORS

Methods of appointing directors

- 17. (1) Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director:
 - (a) by ordinary resolution, or
 - (b) by a decision of the directors.
- (2) In any case where, as a result of death, the Company has no shareholders and no directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director.
- (3) For the purposes of paragraph (2), where (2) or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

Termination of director's appointment

- 18. A person ceases to be a director as soon as:
 - (a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law,
 - (b) a bankruptcy order is made against that person,
 - (c) a composition is made with that person's creditors generally in satisfaction of that person's debts,
 - (d) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months,
 - (e) *[paragraph omitted pursuant to The Mental Health (Discrimination) Act 2013]*
 - (f) notification is received by the Company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms.

Directors' remuneration

- 19. (1) Directors may undertake any services for the Company that the directors decide.
- (2) Directors are entitled to such remuneration as the directors determine:

- (a) for their services to the Company as directors, and
 - (b) for any other service which they undertake for the Company
- (3) Subject to the articles, a director's remuneration may:
 - (a) take any form, and
 - (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.
- (4) Unless the directors decide otherwise, directors' remuneration accrues from day to day.
- (5) Unless the directors decide otherwise, directors are not accountable to the Company for any remuneration which they receive as directors or other officers or employees of the Company's subsidiaries or of any other body corporate in which the Company is interested.

Directors' expenses

- 20. The Company may pay any reasonable expenses which the directors properly incur in connection with their attendance at:
 - (a) meetings of directors or committees of directors,
 - (b) general meetings, or
 - (c) separate meetings of the holders of any class of shares or of debentures of the Company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

PART 3

SHARES AND DISTRIBUTIONS

SHARES

All shares to be fully paid up

- 21. (1) No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the Company in consideration for its issue.
- (2) This does not apply to shares taken on the formation of the Company by the subscribers to the Company's memorandum.

Powers to issue different classes of share

- 22. (1) Subject to the articles, but without prejudice to the rights attached to any existing share, the Company may issue shares with such rights or restrictions as may be determined by ordinary resolution.
- (2) The company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.

Company not bound by less than absolute interests

- 23. Except as required by law, no person is to be recognised by the Company as holding any share upon any trust, and except as otherwise required by law or the articles, the Company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it.

Share certificates

- 24. (1) The Company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.
- (2) Every certificate must specify:
 - (a) in respect of how many shares, of what class, it is issued,
 - (b) the nominal value of those shares,

- (c) that the shares are fully paid, and
 - (d) any distinguishing numbers assigned to them
- (3) No certificate may be issued in respect of shares of more than one class.
- (4) If more than one person holds a share, only one certificate may be issued in respect of it.
- (5) Certificates must:
 - (a) have affixed to them the Company's common seal, or
 - (b) be otherwise executed in accordance with the Companies Acts.

Replacement share certificates

- 25. (1) If a certificate issued in respect of a shareholder's shares is:
 - (a) damaged or defaced, or
 - (b) said to be lost, stolen or destroyed, that shareholder is entitled to be issued with a replacement certificate in respect of the same shares
- (2) A shareholder exercising the right to be issued with such a replacement certificate:
 - (a) may at the same time exercise the right to be issued with a single certificate or separate certificates,
 - (b) must return the certificate which is to be replaced to the Company if it is damaged or defaced, and
 - (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

Share transfers

- 26. (1) Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor.
- (2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- (3) The Company may retain any instrument of transfer which is registered.
- (4) The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.
- (5) The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

Transmission of shares

- 27. (1) If title to a share passes to a transmittee, the Company may only recognise the transmittee as having any title to that share.
- (2) A transmittee who produces such evidence of entitlement to shares as the directors may properly require:
 - (a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and
 - (b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had
- (3) But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

Exercise of transmittees' rights

- 28. (1) Transmittees who wish to become the holders of shares to which they have become entitled must notify the Company in writing of that wish.

- (2) If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.
- (3) Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

Transmittees bound by prior notices

29. If a notice is given to a shareholder in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the shareholder before the transmittee's name has been entered in the register of members.

Classes of Shares

30. The Shares of each class of shares shall entitle the holders thereof to the respective rights and privileges and subject them to the respective restrictions and provisions contained in these articles.

Class rights

31. (1) The Company's share capital shall be divided into the following classes of shares:
 - (a) Class A Shares; and
 - (b) Class B Shares.
- (2) The holders of the Class A Shares and the Class B Shares shall be required to vote together as if such shares represented a single class unless such is prohibited by applicable law.

Class A Shares

32. (1) A holder of Class A Shares voting on any resolution proposed either at a general meeting or as a written resolution shall be entitled to cast one (1) vote per Class A Share.
- (2) Class A Shares have attached to them the following rights as regards the payment of dividends:
 - i) a right to receive a fixed dividend payable in cash or *in specie* of [REDACTED] in aggregate ("**Class A Fixed Dividend**") prior to the declaration or payment of any other dividend on any class of Shares; and
 - ii) following the payment of the Class A Fixed Dividend and the Class B Fixed Dividend (as defined below), a right to receive any other dividend and capital distribution (including on a winding up), such dividend or capital distribution (including on a winding up) to be proportionate to the number of outstanding Class A Shares as against the total number of the then outstanding Shares and for which purpose any difference in nominal value between the Class A Shares and the Class B Shares shall be disregarded.
- (3) No dividend may be declared or paid on any Shares unless and until the full amount of Class A Fixed Dividend is paid on Class A Shares.
- (4) Class A Shares do not confer any rights of redemption.

Class B Shares

33. (1) A holder of Class B Shares voting on any resolution proposed either at a general meeting or as a written resolution shall be entitled to cast fifty-five (55) votes per Class B Share.
- (2) Class B Shares have attached to them the following rights as regards the payment of dividends:
 - i) a right to receive a fixed dividend of [REDACTED] in aggregate ("**Class B Fixed Dividend**") prior to the declaration or payment of any other dividend on any class of Shares other than the Class A Fixed Dividend; and

- ii) following the payment of the Class A Fixed Dividend and the Class B Fixed Dividend, a right to receive any other dividend and capital distribution (including on a winding up), such dividend or capital distribution (including on a winding up) to be proportionate to the number of outstanding Class B Shares as against the total number of the then outstanding Shares and for which purpose any difference in nominal value between the Class A Shares and the Class B Shares shall be disregarded.
- (3) No dividend, except for a Class A Fixed Dividend, may be declared or paid on any Shares unless and until the full amount of Class B Fixed Dividend is paid on Class B Shares.
- (4) Class B Shares do not confer any rights of redemption.

DIVIDENDS AND OTHER DISTRIBUTIONS

Procedure for declaring dividends

- 34. (1) The Company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- (2) A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.
- (3) No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
- (4) Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it.
- (5) If the Company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears.
- (6) The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- (7) If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

Payment of dividends and other distributions

- 35. (1) Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means:
 - (a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide,
 - (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide,
 - (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide, or
 - (d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.

- (2) In the articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable:
- (a) the holder of the share, or
 - (b) if the share has two or more joint holders, whichever of them is named first in the register of members, or
 - (c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee

No interest on distributions

36. The Company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by:
- (a) the terms on which the share was issued, or
 - (b) the provisions of another agreement between the holder of that share and the Company.

Unclaimed distributions

37. (1) All dividends or other sums which are:
- (a) payable in respect of shares, and
 - (b) unclaimed after having been declared or become payable, may be invested or otherwise made use of by the directors for the benefit of the Company until claimed.
- (2) The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it.
- (3) If:
- (a) twelve years have passed from the date on which a dividend or other sum became due for payment, and
 - (b) the distribution recipient has not claimed it,
- the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the Company.

Non-cash distributions

38. (1) Subject to the terms of issue of the share in question, the Company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).
- (2) For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution:
- (a) fixing the value of any assets,
 - (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients, and
 - (c) vesting any assets in trustees.
- (3) Without prejudice to (1), the Company may, by ordinary resolution on the recommendation of the directors, pay Class A Fixed Dividend by a distribution to the holder of Class A Shares of loan notes or securities exchangeable for or convertible into securities of any company.

Waiver of distributions

39. Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the Company notice in writing to that effect, but if:
- (a) the share has more than one holder, or
 - (b) more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,
- the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

CAPITALISATION OF PROFITS

Authority to capitalise and appropriation of capitalised sums

40. (1) Subject to the articles, the directors may, if they are so authorised by an ordinary resolution:
- (a) decide to capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account or capital redemption reserve, and
 - (b) appropriate any sum which they so decide to capitalise (a **"capitalised sum"**) to the persons who would have been entitled to it if it were distributed by way of dividend (the **"persons entitled"**) and in the same proportions.
- (2) Capitalised sums must be applied:
- (a) on behalf of the persons entitled, and
 - (b) in the same proportions as a dividend would have been distributed to them
- (3) Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.
- (4) A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the Company which are then allotted credited as fully paid to the persons entitled or as they may direct.
- (5) Subject to the articles the directors may:
- (a) apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another,
 - (b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments), and
 - (c) authorise any person to enter into an agreement with the Company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

PART 4

DECISION-MAKING BY SHAREHOLDERS

ORGANISATION OF GENERAL MEETINGS

Attendance and speaking at general meetings

41. (1) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

- (2) A person is able to exercise the right to vote at a general meeting when:
 - (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
 - (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- (3) The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- (4) In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- (5) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

Quorum for general meetings

42. No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

Chairing general meetings

43. (1) If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.
- (2) If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:
 - (a) the directors present, or
 - (b) (if no directors are present), the meeting,
 must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.
- (3) The person chairing a meeting in accordance with this article is referred to as "the chairman of the meeting".

Attendance and speaking by directors and non-shareholders

44. (1) Directors may attend and speak at general meetings, whether or not they are shareholders.
- (2) The chairman of the meeting may permit other persons who are not:
 - (a) shareholders of the Company, or
 - (b) otherwise entitled to exercise the rights of shareholders in relation to general meetings,
 to attend and speak at a general meeting

Adjournment

45. (1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.
- (2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if:
 - (a) the meeting consents to an adjournment, or
 - (b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner

- (3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- (4) When adjourning a general meeting, the chairman of the meeting must:
 - (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
 - (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting
- (5) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):
 - (a) to the same persons to whom notice of the Company's general meetings is required to be given, and
 - (b) containing the same information which such notice is required to contain
- (6) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

VOTING AT GENERAL MEETINGS

Voting: general

46. A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the articles.

Errors and disputes

47. (1) No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid
- (2) Any such objection must be referred to the chairman of the meeting, whose decision is final.

Poll votes

48. (1) A poll on a resolution may be demanded:
 - (a) in advance of the general meeting where it is to be put to the vote, or
 - (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared
- (2) A poll may be demanded by:
 - (a) the chairman of the meeting,
 - (b) the directors,
 - (c) two or more persons having the right to vote on the resolution, or
 - (d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution.
- (3) A demand for a poll may be withdrawn if:
 - (a) the poll has not yet been taken, and
 - (b) the chairman of the meeting consents to the withdrawal
- (4) Polls must be taken immediately and in such manner as the chairman of the meeting directs.

Content of proxy notices

49. (1) Proxies may only validly be appointed by a notice in writing (a "**proxy notice**") which:
 - (a) states the name and address of the shareholder appointing the proxy,

- (b) identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;
 - (c) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine, and
 - (d) is delivered to the Company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.
- (2) The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
 - (3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
 - (4) Unless a proxy notice indicates otherwise, it must be treated as:
 - (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
 - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

Delivery of proxy notices

- 50. (1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person.
- (2) An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- (3) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- (4) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

Amendments to resolutions

- 51. (1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
 - (a) notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
 - (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- (2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:
 - (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
 - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- (3) If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

PART 5

ADMINISTRATIVE ARRANGEMENTS

Means of communication to be used

52. (1) Subject to the articles, anything sent or supplied by or to the Company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company.
- (2) Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.
- (3) A director may agree with the Company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

Company seals

53. (1) Any common seal may only be used by the authority of the directors.
- (2) The directors may decide by what means and in what form any common seal is to be used.
- (3) Unless otherwise decided by the directors, if the Company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
- (4) For the purposes of this article, an authorised person is:
- (a) any director of the Company,
 - (b) the company secretary (if any), or
 - (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

No right to inspect accounts and other records

54. Except as provided by law or authorised by the directors or an ordinary resolution of the Company, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a shareholder.

Provision for employees on cessation of business

55. The directors may decide to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

DIRECTORS' INDEMNITY AND INSURANCE

Indemnity

56. (1) Subject to paragraph (2), a relevant director of the Company or an associated company may be indemnified out of the Company's assets against:
- (a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company,
 - (b) any liability incurred by that director in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),
 - (c) any other liability incurred by that director as an officer of the Company or an associated company.

- (2) This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.
- (3) In this article:
 - (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
 - (b) a "relevant director" means any director or former director of the Company or an associated company.

Insurance

- 57. (1) The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant director in respect of any relevant loss
- (2) In this article:
 - (a) a "relevant director" means any director or former director of the Company or an associated company,
 - (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company, and
 - (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

SCHEDULE G
PROPOSED AMENDED AND RESTATED AROSTYLE LOAN AGREEMENT

See attached.

AMENDED AND RESTATED LOAN AGREEMENT

entered into between

IMPACT OIL & GAS SA BLOCKS 11B-12B LIMITED

and

AROSTYLE INVESTMENTS PROPRIETARY LIMITED

and

MAIN STREET 1549 PROPRIETARY LIMITED

TABLE OF CONTENTS

1	PARTIES.....	1
2	INTERPRETATION.....	1
3	INTRODUCTION.....	11
4	FURTHER FUNDING.....	12
5	DURATION	12
6	LOAN	12
7	INTEREST.....	12
8	REPAYMENT.....	13
9	TERMINATION RIGHT	13
10	PAYMENT COVENANTS	14
11	PROJECTCO DISPOSAL	15
12	FURTHER ASSURANCE	15
13	REPRESENTATIONS AND WARRANTIES	16
14	UNDERTAKINGS	18
15	EVENTS OF DEFAULT AND ENFORCEMENT	22
16	TAXES AND INDEMNITIES	25
17	CONFIDENTIALITY	25
18	TRANSFERS	26
19	NOTICES	26
20	BENEFIT OF THE AGREEMENT.....	28
21	APPLICABLE LAW AND JURISDICTION.....	29
22	GENERAL.....	29
23	COSTS AND EXPENSES.....	30
24	SIGNATURE	30

ANNEXURES

Annexure A Upside Participation Amount

LOAN AGREEMENT entered into between the Parties, dated 14 December 2018, as amended and restated by the **DEED OF AMENDMENT AND RESTATEMENT** dated _____ August 2020 to which this Agreement is attached as **Appendix A**.

1 PARTIES

1.1 The Parties to this Agreement are –

1.1.1 Impact Oil & Gas SA Blocks 11B-12B Limited;

1.1.2 Arostyle Investments Proprietary Limited; and

1.1.3 Main Street 1549 Proprietary Limited.

1.2 The Parties agree as set out below.

2 INTERPRETATION

2.1 In this Agreement –

2.1.1 "**Additional ProjectCo Shareholder Loan**" means any interest free shareholder loan from Capgro to the Borrower (which is then on-loaned by the Borrower to ProjectCo) which is subordinated to the Outstanding Amount on terms satisfactory to the Lender;

2.1.2 "**Advance Date**" means [●];

2.1.3 "**AFE**" has the meaning given to such term in the JOA;

2.1.4 "**Africa Energy**" means Africa Energy SA Corp., registration number BC1025602, duly incorporated in accordance with the laws of the Province of Columbia, Canada;

2.1.5 "**Africa Energy Deed of Undertakings**" means the deed of undertakings entered into on the Signature Date between the Lender and Africa Energy;

2.1.6 "**Agreement**" means the agreement contained in this document, including all annexures hereto;

2.1.7 "**Annual Exploration Work Programme and Budget**" has the meaning given to such term in the JOA;

2.1.8 "**Annual Production Work Programme and Budget**" has the meaning given to such term in the JOA;

2.1.9 "**Anti-Corruption Law**" means the South African Prevention and Combatting of Corrupt Activities Act 2004, the United Kingdom Bribery Act 2010, the United States Foreign Corrupt Practices Act of 1977 and any similar laws or regulations in any jurisdiction relating to bribery, corruption or any similar practices;

- 2.1.10 **"Applicable Laws"** means –
- 2.1.10.1 the common law;
 - 2.1.10.2 all the legislation of any tier of government which is binding in South Africa;
 - 2.1.10.3 any order of any competent court; and
 - 2.1.10.4 any order of any authority of any nature whatsoever, provided that such order has the force of law;
- 2.1.11 **"Asset Sale"** means the disposal by ProjectCo of the whole, and not only a part, of the Exploration Participation Interest;
- 2.1.12 **"Borrower"** means Arostyle Investments Proprietary Limited, registration number 2017/366108/07, a limited liability private company duly incorporated in accordance with the laws of South Africa;
- 2.1.13 **"Borrower Loan Account"** means the shareholder loan account created in the books of ProjectCo in favour of the Borrower pursuant to the ProjectCo Shareholder Funding;
- 2.1.14 **"Borrower Pledge and Cession Agreement"** means the written pledge and cession agreement entered into on the Signature Date between the Borrower and the Lender pursuant to which, amongst other things, the Borrower –
- 2.1.14.1 cedes and pledges to the Lender all its Shares; and
 - 2.1.14.2 cedes to the Lender its rights, title and interest in and to –
 - 2.1.14.2.1 the ProjectCo Shareholder Loan;
 - 2.1.14.2.2 the Borrower Loan Account; and
 - 2.1.14.2.3 any and all other amounts of any nature whatsoever now or from time to time in the future which becomes due and owing to the Borrower under the Borrower Loan Account (including any Additional ProjectCo Shareholder Loans),
- as security for its obligations under this Agreement;
- 2.1.15 **"Business Day"** means a day (other than a Saturday, a Sunday or official public holiday) on which banks are open for general business in London and Johannesburg;
- 2.1.16 **"Call Option"** has the meaning given to such term in the Call Option Agreement;
- 2.1.17 **"Call Option Agreement"** means the option agreement entered into on the Signature Date between the Parties, ProjectCo and Impact Oil & Gas Limited pursuant to which, amongst other things, Arostyle grants to the Lender an option to acquire all of its Shares;

- 2.1.18 **"Capgro"** means The Capgro Trust, duly established under the laws of South Africa with Master's reference number IT114894/96;
- 2.1.19 **"Capgro Performance Guarantee"** means the performance guarantee entered into on the Signature Date between Capgro and the Lender pursuant to which, amongst other things, Capgro guarantees to the Lender all of the Obligors' obligations under the Finance Documents, as amended;
- 2.1.20 **"Capgro Pledge and Cession Agreement"** means the written pledge and cession agreement entered into on the Signature Date between Capgro and the Lender pursuant to which, amongst other things, Capgro cedes and pledges to the Lender all its shares in the Borrower;
- 2.1.21 **"Capgro Side Letter"** means the side letter to be entered into on the Signature Date between Capgro, the Borrower and the Lender;
- 2.1.22 **"CNRL"** means CNR International (South Africa) Limited, registration number 209026327, a company organised and existing under the laws of the province of Alberta, Canada;
- 2.1.23 **"CNRL Farmout Agreement"** means the written farmout agreement dated 20 November 2017 entered into between ProjectCo and CNRL pursuant to which ProjectCo acquired 5% of the Exploration Participation Interest held by CNRL;
- 2.1.24 **"Contract"** means the Exploration Right CNR 12/3/67 relating to the Exploration Area originally granted to CNRL on 22 May 2012 pursuant to Schedule II, Item 4 of the Mineral and Petroleum Resources Development Act, no 28 of 2002 of South Africa, as amended from time to time, and renewed as from 17 May 2018 for a period of 2 years ending on 16 May 2020 in favour of both CNRL and Total SA under a notarial deed of renewal signed between Total SA, CNRL and the government of South Africa on 12 September 2018, including any further extension thereto;
- 2.1.25 **"Default"** means –
- 2.1.25.1 any Event of Default; and
- 2.1.25.2 the occurrence of any event which, if the applicable grace period expires or if notice is given and the applicable notice period expires, will constitute an Event of Default;
- 2.1.26 **"Discharge Date"** means the day on which the Borrower has paid all amounts, whether in respect of interest, principal or otherwise, which becomes payable by it pursuant to the terms of this Agreement and the Lender is satisfied and has confirmed to the Borrower in writing that there are no further liabilities due and payable by the Borrower to the Lender on such date;

- 2.1.27 **"Discovery Bonus"** has the meaning given to it in the Farmout Agreements;
- 2.1.28 **"Event of Default"** means any event of default envisaged in clause 15;
- 2.1.29 **"Exploration Area"** means the Block 11B/12B being the offshore area of South Africa, as more particularly depicted in the Contract;
- 2.1.30 **"Exploration Participation Interest"** means the ownership interest in the Contract held by ProjectCo and all rights and obligations derived from and associated with the Contract;
- 2.1.31 **"Farmout Agreements"** means the Total SA Farmout Agreement and the CNRL Farmout Agreement;
- 2.1.32 **"Finance Document"** means –
- 2.1.32.1 this Agreement;
 - 2.1.32.2 each Security Document;
 - 2.1.32.3 the Capgro Performance Guarantee;
 - 2.1.32.4 the ProjectCo PoA;
 - 2.1.32.5 the Africa Energy Deed of Undertakings;
 - 2.1.32.6 the Call Option Agreement; and
 - 2.1.32.7 any other document designated as a Security Document by written agreement between the Parties from time to time;
- 2.1.33 **"Financial Indebtedness"** means any indebtedness for or in respect of –
- 2.1.33.1 moneys borrowed and debit balances at banks or other financial institutions; and
 - 2.1.33.2 any amount raised under any transaction having the commercial effect of a borrowing or otherwise classified as borrowings under generally accepted accounting principles;
- 2.1.34 **"Government Body"** means in respect of any country, any national, federal, regional, state, municipal, or other local government, any subdivision, agency, department, commission, authority or any other executive, legislative or administrative entity thereof, or any instrumentality, ministry, agency or other authority, acting within its legal authority;
- 2.1.35 **"Initial Arostyle Funding Amount"** means USD510,000;

- 2.1.36 **"Initial ProjectCo Shareholder Loan"** means the shareholder loan from the Borrower to ProjectCo dated the same date as the Advance Date in an amount equal to the Loan and on the same terms and conditions as the corresponding shareholder loan from Africa Energy to ProjectCo;
- 2.1.37 **"JOA"** means the written joint operating agreement dated 4 July 2014 entered into between CNRL and Total SA which sets out the respective interests, rights and obligations of the parties thereto with regard to the Contract and the Exploration Area, as amended from time to time;
- 2.1.38 **"Joint Account"** has the meaning given to such term in the JOA;
- 2.1.39 **"Lender"** means Impact Oil & Gas SA Blocks 11B-12B Limited with company number 07993785 and registered office at Elder House, St Georges Business Park, Brooklands Road, Weybridge, Surrey KT13 OTS United Kingdom;
- 2.1.40 **"Lender Bank Account"** means the bank account nominated by the Lender, the details of which are provided in writing by the Lender to ProjectCo.
- 2.1.41 **"Legal Reservations"** means –
- 2.1.41.1 the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement rights by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors; and
- 2.1.41.2 any other matters which are set out as qualifications or reservations as to matters of law of general application in legal opinions delivered to the Lender;
- 2.1.42 **"Loan"** means a loan from the Lender to the Borrower in an amount of USD35,205,703
- 2.1.43 **"Material Adverse Event"** means the occurrence of any facts and/or circumstances which have, or which are reasonably likely to have, a material adverse effect on –
- 2.1.43.1 the financial condition (including assets, revenues, liabilities and results of operations) or affairs of an Obligor;
- 2.1.43.2 the ability of an Obligor or Capgro to perform in a timely manner all or any of its obligations (including payment obligations) under the Finance Documents; or
- 2.1.43.3 the ability of the Lender to exercise and/or enforce any right granted or intended or purported to be granted to it under the Finance Documents;
- 2.1.44 **"Multi-Year Work Programme and Budget"** has the meaning given to such term in the JOA;

- 2.1.45 **"Obligors"** means the Borrower and ProjectCo;
- 2.1.46 **"Operating Committee"** has the meaning given to such term in the JOA;
- 2.1.47 **"Operator"** has the meaning given to such term in the JOA;
- 2.1.48 **"Option Sale"** has the meaning given to such term in the Call Option Agreement;
- 2.1.49 **"Outstanding Amount"** means, as at the Realisation Date, the aggregate amount of –
- 2.1.49.1 the outstanding Loan; and
- 2.1.49.2 the Upside Participation Amount;
- 2.1.50 **"Parties"** means the Borrower and the Lender and **"Party"** shall refer to any one of them, as the context may indicate;
- 2.1.51 **"Permitted Distribution"** has the meaning given to it in clause 10.3;
- 2.1.52 **"Production Right Application Date"** has the meaning given to it in the Farmout Agreements;
- 2.1.53 **"Production Work Programme and Budget"** has the meaning given to such term in the JOA.
- 2.1.54 **"ProjectCo"** means Main Street 1549 Proprietary Limited, registration number 2017/252494/07, a limited liability private company duly incorporated in accordance with the laws of South Africa;
- 2.1.55 **"ProjectCo Bank Account"** means the bank account nominated by ProjectCo, the details of which are set out below, or such other bank account as ProjectCo may designate in writing on 5 Business Days' notice to the Lender and the Borrower –
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- 2.1.56 **"ProjectCo Capital Requirements"** means the capital required by ProjectCo to fund its ongoing participation in the Contract, as contemplated by the Project Documents and on the terms and conditions set out in the ProjectCo Shareholders Agreement;

- 2.1.57 **"ProjectCo Disposal"** means either –
- 2.1.57.1 an Asset Sale; or
- 2.1.57.2 a Share Sale;
- 2.1.58 **"ProjectCo Disposal Purchaser"** means any purchaser in connection with a ProjectCo Disposal;
- 2.1.59 **"ProjectCo PoA"** means the English law irrevocable power of attorney granted to the Lender by the Borrower in respect of certain matters pertaining to the Borrower's rights under the ProjectCo Shareholders Agreement;
- 2.1.60 **"ProjectCo Shareholders"** means the Borrower and Africa Energy;
- 2.1.61 **"ProjectCo Shareholder Funding"** means the advance by the Borrower of funds to ProjectCo by way of a ProjectCo Shareholder Loan so as to discharge the Borrower's requirement to fund its ProjectCo Shareholder Proportion of the ProjectCo Capital Requirements from time to time;
- 2.1.62 **"ProjectCo Shareholder Loan"** means, as applicable, (1) the Initial ProjectCo Shareholder Loan and/or (2) any Additional ProjectCo Shareholder Loan.
- 2.1.63 **"ProjectCo Shareholder Proportions"** means the proportion, expressed as a percentage, in which the ProjectCo Shareholders hold the Shares, being, in respect of –
- 2.1.63.1 the Borrower, 51%; and
- 2.1.63.2 Africa Energy, 49%;
- 2.1.64 **"ProjectCo Shareholders Agreement"** means the written second amended and restated shareholders agreement entered into between the ProjectCo Shareholders and ProjectCo pursuant to which the parties thereto regulate the relationship between the ProjectCo Shareholders and ProjectCo and between the ProjectCo Shareholders themselves dated the date hereof;
- 2.1.65 **"Project Documents"** means –
- 2.1.65.1 the Contract;
- 2.1.65.2 the JOA;
- 2.1.65.3 the Farmout Agreements; and
- 2.1.65.4 the ProjectCo Shareholders Agreement;
- 2.1.66 **"R"** means South African Rand, the lawful currency of South Africa from time to time;

- 2.1.67 **"Realisation Date"** means the date, as applicable –
- 2.1.67.1 an Obligor; or
- 2.1.67.2 a Lender pursuant to clause 11.1,
- receives the proceeds of a ProjectCo Disposal other than as a result of the application of clause 12.1 of the Amended Shareholders Agreement;
- 2.1.68 **"Restricted Person"** means a person that is –
- 2.1.68.1 listed on, or owned or controlled by a person listed on, a Sanctions List, or a person acting on behalf of such person;
- 2.1.68.2 located in, incorporated under the laws of, or owned or controlled by, or acting on behalf of, a person located in or organised under the laws of a country or territory that is the target of country-wide Sanctions; or
- 2.1.68.3 otherwise a target or subject of Sanctions;
- 2.1.69 **"Sanctions"** means any economic, trade or sanctions financial laws or regulations administered, enacted or enforced by any Sanctions Authority;
- 2.1.70 **"Sanctions Authority"** means –
- 2.1.70.1 the Security Council of the United Nations;
- 2.1.70.2 the United States of America;
- 2.1.70.3 the European Union;
- 2.1.70.4 South Africa;
- 2.1.70.5 the United Kingdom; and
- 2.1.70.6 the governments and official institutions or agencies of any of paragraphs 2.1.70.1 to 2.1.70.5 above, including but not limited to OFAC, the US Department of State, and Her Majesty's Treasury;
- 2.1.71 **"Sanctions List"** means the Specially Designated Nationals and Blocked Persons list and the Sectoral Sanctions Identifications (SSI) List maintained by OFAC, the Consolidated List of Financial Sanctions Targets maintained by Her Majesty's Treasury, or any similar list issued or maintained and made public by, or public announcement of a Sanctions designation made by, a Sanctions Authority, each as amended, supplemented or substituted from time to time;
- 2.1.72 **"Security"** means the security created by the Security Documents;

- 2.1.73 **"Security Documents"** means –
- 2.1.73.1 the Capgro Pledge and Cession Agreement;
- 2.1.73.2 the Borrower Pledge and Cession Agreement; and
- 2.1.73.3 any other agreement or document that may at any other time be concluded as security for the obligations of the Borrower under or in connection with this Agreement, and **"Security Document"** means, as the context requires, any one of them;
- 2.1.74 **"Security Interest"** means any mortgage, pledge, security cession, hypothec, lien and any other instrument which confers security over any asset on any person for any obligation;
- 2.1.75 **"Shareholder Loans"** means –
- 2.1.75.1 any ProjectCo Shareholder Loan; and
- 2.1.75.2 any shareholder loan(s) from Africa Energy to ProjectCo made pursuant to the terms of the ProjectCo Shareholders Agreement.
- 2.1.76 **"Shares"** means ordinary shares in the share capital of ProjectCo;
- 2.1.77 **"Share Sale"** means the disposal by the Borrower of all of its Shares; or
- 2.1.78 **"Signature Date"** means December 14, 2018;
- 2.1.79 **"South Africa"** means the Republic of South Africa;
- 2.1.80 **"Tax"** means any tax, levy, impost, duty or other charge or withholding of a similar nature (including, without limitation, any penalty or interest payable in connection with any failure to pay or delay in paying any of the same);
- 2.1.81 **"Tax Deduction"** means any deduction or withholding for or on account of Tax from a payment under a Finance Document;
- 2.1.82 **"Technical Advisory Committee"** has the meaning given to such term in the JOA;
- 2.1.83 **"Total SA"** means Total E&P South Africa B.V., registration number 57018553, a company organised and existing under the laws of the Netherlands;
- 2.1.84 **"Total SA Farmout Agreement"** means the written farmout agreement dated 18 November 2017 entered into between ProjectCo and Total SA pursuant to which ProjectCo acquired 5% of the Exploration Participation Interest held by Total SA;
- 2.1.85 **"Upside Participation Amount"** means the amount determined and calculated in accordance with the provisions of Annexure A;

- 2.1.86 "USD" means United States Dollar, the lawful currency of the United States of America from time to time;
- 2.1.87 "Voluntary Prepayment Date" has the meaning given to such term in clause 9.1.2.2;
- 2.1.88 "Voluntary Prepayment Premium" means an amount equal to [REDACTED]; and
- 2.1.89 "Work Programme and Budget" has the meaning given to such term in the JOA.
- 2.2 In this Agreement –
- 2.2.1 clause headings and the heading of the Agreement are for convenience only and are not to be used in its interpretation;
- 2.2.2 an expression which denotes –
- 2.2.2.1 any gender includes the other genders;
- 2.2.2.2 a natural person includes a juristic person and *vice versa*;
- 2.2.2.3 the singular includes the plural and *vice versa*;
- 2.2.2.4 a Party includes a reference to that Party's successors in title and assigns allowed at law; and
- 2.2.2.5 a reference to a consecutive series of two or more clauses is deemed to be inclusive of both the first and last mentioned clauses.
- 2.3 Any reference in this Agreement to –
- 2.3.1 "business hours" shall be construed as being the hours between 08h30 and 17h00 on any Business Day. Any reference to time shall be based upon Greenwich Mean Time;
- 2.3.2 "days" shall be construed as calendar days;
- 2.3.3 "laws" means all constitutions; statutes; regulations; by-laws; codes; ordinances; decrees; rules; judicial, arbitral, administrative, ministerial, departmental or regulatory judgements, orders, decisions, rulings, or awards; policies; voluntary restraints; guidelines; directives; compliance notices; abatement notices; agreements with, requirements of, or instructions by any Government Body; and the common law, and "law" shall have a similar meaning and
- 2.3.4 "person" means any person, company, close corporation, trust, partnership or other entity whether or not having separate legal personality.
- 2.4 The words "include" and "including" mean "include without limitation" and "including without limitation". The use of the words "include" and "including" followed by a specific

example or examples shall not be construed as limiting the meaning of the general wording preceding it.

- 2.5 Any substantive provision, conferring rights or imposing obligations on a Party and appearing in any of the definitions in this clause 2 or elsewhere in this Agreement, shall be given effect to as if it were a substantive provision in the body of the Agreement.
- 2.6 Words and expressions defined in any clause shall, unless the application of any such word or expression is specifically limited to that clause, bear the meaning assigned to such word or expression throughout this Agreement.
- 2.7 Unless otherwise provided, defined terms appearing in this Agreement in title case shall be given their meaning as defined, while the same terms appearing in lower case shall be interpreted in accordance with their plain English meaning.
- 2.8 A reference to any statutory enactment shall be construed as a reference to that enactment as at the Signature Date and as amended or substituted from time to time.
- 2.9 Unless specifically otherwise provided, any number of days prescribed shall be determined by excluding the first and including the last day or, where the last day falls on a day that is not a Business Day, the next succeeding Business Day.
- 2.10 If the due date for performance of any obligation under this Agreement is a day which is not a Business Day then (unless otherwise stipulated) the due date for performance of the relevant obligation shall be the immediately preceding Business Day.
- 2.11 The rule of construction that this Agreement shall be interpreted against the Party responsible for the drafting of this Agreement, shall not apply.
- 2.12 The use of any expression in this Agreement covering a process available under English or South African law, such as winding up, shall, if any of the Parties is subject to the law of any other jurisdiction, be construed as including any equivalent or analogous proceedings under the law of such other jurisdiction.
- 2.13 Any reference in this Agreement to "**this Agreement**" or any other agreement or document shall be construed as a reference to this Agreement or, as the case may be, such other agreement or document, as amended, varied, novated or supplemented from time to time.
- 2.14 In this Agreement the words "**clause**" or "**clauses**" and "**annexure**" or "**annexures**" refer to clauses of and annexures to this Agreement.

3 INTRODUCTION

- 3.1 The Borrower required capital to make available certain ProjectCo Shareholder Funding.

3.2 Subject to the terms and conditions of this Agreement, the Lender provided the Loan to the Borrower for such purpose.

3.3 In this Agreement the Parties regulate matters related thereto.

4 FURTHER FUNDING

Other than the Loan, the Lender shall provide no further funding to the Borrower under this Agreement.

5 DURATION

This Agreement shall terminate on the Discharge Date.

6 LOAN

6.1 The Loan is denominated in USD.

6.2 The Lender advanced the Loan to the Borrower on the Advance Date.

6.3 The proceeds of the Loan have been applied exclusively by the Borrower towards the ProjectCo Shareholder Funding.

7 INTEREST

7.1 Calculation of Interest

Subject to clause 7.2, the Outstanding Amount shall not accrue any interest.

7.2 Default Interest

7.2.1 If an Event of Default has occurred and the Lender has given written notice to such effect to the Borrower, all amounts owing by the Borrower to the Lender under this Agreement (whether in respect of capital or otherwise) shall, without prejudice to any other rights which the Lender may have against the Borrower as a result of such occurrence, accrue interest at a rate equal to the 2% per month with effect from the date on which the Lender delivers its aforesaid notice to the Borrower up to but excluding the date on which the applicable Event of Default is remedied.

7.2.2 Any interest due under this clause 7.2 and not paid shall be compounded monthly on the first day of such calendar month and shall be payable by the Borrower to the Lender on demand.

8 REPAYMENT

8.1 Repayment Obligation

The Borrower shall pay, or procure payment to, the Lender an amount equal to the Outstanding Amount on the Realisation Date.

8.2 Redraw of Amounts Repaid

The Borrower shall not be entitled to redraw any amounts repaid to the Lender under this Agreement.

8.3 Amended Shareholders Agreement

For the avoidance of doubt, the provisions of clause 8.1 and clauses 10 to 11 (both inclusive) shall not apply in respect of a ProjectCo Disposal as a result of the application of clause 12.1 of the Amended Shareholders Agreement.

9 PREPAYMENTS AND TERMINATION RIGHT

9.1 Voluntary Prepayment

9.1.1 Subject to clause 9.1.1, the Borrower shall be entitled to make a prepayment of all of the outstanding Loan(s) prior to the Realisation Date (a "**Voluntary Prepayment**").

9.1.2 If the Borrower wishes to make a Voluntary Prepayment it shall be required to pay the Lender the amount of the outstanding Loan together with the Voluntary Prepayment Premium (the "**Voluntary Prepayment Amount**") and –

9.1.2.1 the Borrower shall give written notice (a "**Prepayment Notice**") to the Lender at least 5 Business Days prior to the date on which the Borrower wishes to make the prepayment (the "**Voluntary Prepayment Date**");

9.1.2.2 the Borrower shall, in its Prepayment Notice, set out the Voluntary Prepayment Amount; and

9.1.2.3 a Prepayment Notice, once given, shall be irrevocable and the Borrower shall pay the Voluntary Prepayment Amount to the Lender on the Voluntary Prepayment Date.

9.2 Termination Right

At any time after completion of the first well to be drilled after the Advance Date, the Lender may, in its sole discretion, declare that the Discharge Date is deemed to have occurred.

10 PAYMENT COVENANTS

10.1 All payments (whether in respect of interest, principal or otherwise) which become payable by the Borrower to the Lender under this agreement shall be settled by the Borrower or –

10.1.1 ProjectCo; or

10.1.2 any ProjectCo Disposal Purchaser,

(each a "**Paying Party**"),

by payment directly to the Lender by electronic transfer directly into the Lender Bank Account on the due date for payment. Payment of any such amount by or on behalf of the Borrower to the Lender shall fully and finally discharge the Borrower's obligation to make payment of that amount to the Lender (and ProjectCo's corresponding obligation under the relevant ProjectCo Shareholder Loan).

10.2 The Upside Participation Amount shall be determined by the Lender in accordance with Annexure A and the Lender shall provide the Borrower with (1) the amount of the Upside Participation Amount and (2) a summary of how it calculated that amount. Following receipt of such information, the Borrower shall immediately instruct the relevant Paying Party to pay to the Lender the Upside Participation Amount (and any other amounts that are payable by the Borrower to the Lender) in accordance with this clause 10.

10.3 Any payment of the Upside Participation Amount by any Paying Party to the Lender shall constitute a distribution from ProjectCo to the Borrower (and such distribution shall be a "**Permitted Distribution**").

10.4 If the date for payment of any amount which becomes payable pursuant to this Agreement (whether in respect of interest, principal or otherwise) is not a Business Day, the due date for payment shall be the next Business Day.

10.5 The Borrower shall have no right to –

10.5.1 defer, withhold or adjust any payment due to the Lender arising out of this Agreement;

10.5.2 obtain the deferment of any judgment for any such payment or part thereof; or

10.5.3 obtain deferment of any execution of any judgment,

by reason of any set-off or counterclaim of whatsoever nature and howsoever arising, except as may be otherwise permitted in this Agreement.

11 PROJECTCO DISPOSAL

- 11.1 Each Obligor undertakes to use its best endeavours procure that any ProjectCo Disposal Purchaser in a Share Sale shall make a payment in an amount equal to the Upside Participation Amount directly to the Lender in accordance with clause 10.1.
- 11.2 Each Obligor shall give preference to an Asset Sale, rather than a Share Sale, and shall use its reasonable endeavours to procure that any ProjectCo Disposal Purchaser undertakes the transaction by way of an Asset Sale.
- 11.3 If so directed by the Lender, the Borrower undertakes to the Lender that as and when the ProjectCo Shareholders are required to vote in respect of resolutions which seek to –
- 11.3.1 approve a ProjectCo Disposal; and
- 11.3.2 approve the distribution to the ProjectCo Shareholders of the proceeds received by ProjectCo pursuant to the ProjectCo Disposal
- (collectively, the "**Disposal Approvals**"),
- the Borrower shall cast the votes which it is entitled to as a shareholder of ProjectCo in favour of such Disposal Approvals.
- 11.4 The Borrower hereby undertakes to provide the Lender with written notice, not less than 2 Business Days prior to the date on which the ProjectCo Shareholders are to consider the resolutions relating to the Disposal Approvals whether at a meeting of ProjectCo Shareholders or by way of written resolution, confirming that it shall exercise its votes in accordance with the provisions of clause 11.3.

12 FURTHER ASSURANCE

- 12.1 Each Obligor shall promptly do all such acts or execute all such documents (including Security Interests) as the Lender may reasonably specify (and in such form as the Lender may reasonably require in favour of the Lender or its nominee(s)) –
- 12.1.1 to perfect the Security created or intended to be created under or evidenced by the Security Documents;
- 12.1.2 for the exercise of any rights, powers and remedies of the Lender provided by or pursuant to the Finance Documents or by law; and/or
- 12.1.3 to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security.
- 12.2 Each Obligor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection

or maintenance of any Security conferred or intended to be conferred on the Lender by or pursuant to the Finance Documents.

13 REPRESENTATIONS AND WARRANTIES

13.1 In addition to any representations and warranties given elsewhere in this Agreement by the Obligors to the Lender, each Obligor, respectively, makes the representations and warranties contained in this clause 13 to the Lender. Each such representation and warranty –

13.1.1 is a separate and distinct representation and warranty;

13.1.2 is material;

13.1.3 has induced the Lender to enter into this Agreement; and

13.1.4 is given, save where otherwise indicated, as at the Signature Date and the Advance Date, and shall be deemed to have been repeated on each day between the Signature Date and the Discharge Date.

13.2 It is a private limited liability company, duly incorporated and validly existing under the laws of its jurisdiction of incorporation.

13.3 It has the power to own its assets and carry on its business as it is being conducted.

13.4 Subject to the Legal Reservations, its obligations, as contained in the Finance Documents to which it is a party, are valid and binding and enforceable in accordance with their terms.

13.5 It has the legal capacity and power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of this Agreement and the transactions contemplated by this Agreement, each Finance Document to which it is a party.

13.6 All authorisations and any other notices, acts, conditions or things required or desirable –

13.6.1 subject to Legal Reservations, to enable it lawfully to enter into, exercise its rights and comply with its obligations under each Finance Document to which it is a party;

13.6.2 to make each Finance Document admissible in evidence in its jurisdiction of incorporation; and

13.6.3 for it to carry on its respective businesses in the ordinary course as it is currently being conducted,

have been obtained or effected and are in full force and effect.

- 13.7 Under the laws of South Africa it is not necessary that the Finance Documents be filed, recorded or enrolled with any court or other authority in South Africa or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to the Finance Documents.
- 13.8 Subject to the Legal Reservations, the choice of the governing law of the Finance Documents will be recognised and enforced in South Africa.
- 13.9 Subject to the Legal Reservations, any judgement obtained in relation to a Finance Document in the jurisdiction of the governing law of that Finance Document will be recognised and enforced in South Africa.
- 13.10 It has conducted its businesses in compliance with Anti-Corruption Laws and has instituted and maintains policies and procedures designed to promote and achieve compliance with such laws.
- 13.11 Neither it, nor any of their directors or officers –
 - 13.11.1 is a Restricted Person or is controlled by a Restricted Person; or
 - 13.11.2 is subject to any claim, proceeding, formal notice or investigation with respect to Sanctions alleging a breach by it of Sanctions.
- 13.12 No Default or Material Adverse Event has occurred or is reasonably likely to result from the making of any Loan or the entry into, the performance of, or any transaction contemplated by any Finance Document.
- 13.13 It is not in breach of or in default under any material terms of any other agreement to which it is a party or which is binding on it or any of its assets.
- 13.14 All information provided to the Lender by or on behalf of it or in connection with this Agreement is true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated to be given and is not misleading in any material respect provided that insofar as such information was compiled by or sourced from a third party such information is, to the best of its knowledge and belief, true and accurate in all material respects and is not misleading in any material respect.
- 13.15 To the best of its knowledge and belief no information has been given or withheld by it that results in the information or projections referred to above being untrue or misleading in any material respect.
- 13.16 No legal suit, action, proceeding or process of or before any court, arbitrator, arbitral tribunal or governmental authority which, if resolved against it, may result in the occurrence of a Default, has been commenced or, to the best of its knowledge and belief and after making reasonable enquiries, has been threatened.

- 13.17 As of the Signature Date it has not taken any corporate action, nor have legal proceedings been initiated against it, nor, to the best of its knowledge and belief and having made due and proper enquiry, have any other steps been taken against it, for its winding up, dissolution, administration or re-organisation, commencement of business rescue proceedings, for the enforcement of any Security Interest over all or any of its assets or revenues or for the appointment of a receiver, administrator, administrative receiver, conservator, custodian, trustee, business rescue practitioner or similar officer of it or of any of its assets.
- 13.18 Both immediately before and after the Signature Date, its assets (fairly valued) exceed its liabilities (taking into account contingent and prospective liabilities but excluding the Loan and Shareholder Loans).
- 13.19 The execution or delivery of the Finance Documents and any exercise by it of its rights and performance of its obligations thereunder have not and do not –
- 13.19.1 to the best of its knowledge and belief, breach any agreement, mortgage bond, deed or other instrument to which it is a party and which is binding upon it or any of its assets;
- 13.19.2 to the best of its knowledge and belief and after making reasonable internal enquiries, contravene any law or regulation applicable to it; or
- 13.19.3 breach any court order in respect of it or any decision by any arbitrator, arbitral tribunal or government authority in respect of it and which is binding on it.
- 13.20 No Default might reasonably be expected to result from the conclusion of the Finance Documents or the advance of the Loan by the Lender to the Borrower under this Agreement.
- 13.21 To the best of its knowledge and belief and after having made reasonable enquiries, it is not in breach of or in default under any agreement to which it is a party or which is binding on any of its assets.

14 UNDERTAKINGS

- 14.1 For the entire period which commences on the Signature Date and which terminates on the Discharge Date, each Obligor, respectively, gives the undertakings contained in this clause 14 to the Lender. Each aforesaid undertaking –
- 14.1.1 is a separate and distinct undertaking;
- 14.1.2 shall not be qualified by or limited with reference to any other undertaking contained in this clause 14; and

14.1.3 is material and has induced the Lender to conclude this Agreement.

14.2 **Reporting Undertakings**

The Borrower shall –

14.2.1 within 5 Business Days of receipt of written demand from the Lender, deliver to the Lender –

14.2.1.1 any information whatsoever with respect to any of the affairs whatsoever of an Obligor which the Lender requests disclosure of; and

14.2.1.2 a copy of any documentation whatsoever with respect to any of the affairs whatsoever of an Obligor which the Lender requests sight of,

and the Borrower may only refuse to produce such information or documentation if it –

- (1) is not within the knowledge or possession or control of the Borrower; or
- (2) it is precluded from providing such information and documentation pursuant to the terms of a Project Document provided that if it is so precluded, the Borrower shall use its best endeavours to procure the consent or agreement of the counterparty/ies to such Project Document so as to enable it to deliver such information to the Lender as soon as is practicably possible;

14.2.2 inform the Lender of the occurrence of any Material Adverse Event or any event which is likely to have a material effect on the profits of an Obligor, or its business, including any action taken by any creditor against it, and any subsequent remedial measures taken in such regard;

14.2.3 if it becomes aware of the occurrence of any facts or circumstances which could reasonably be expected to result in the occurrence of a Default or a Material Adverse Event, forthwith and in writing advise the Lender of such facts and/or circumstances; and

14.2.4 forthwith notify the Lender if any litigation, arbitration or administrative proceedings are commenced against an Obligor if such litigation, arbitration or administrative proceedings could reasonably be expected, if resolved against the Obligor, to result in the occurrence of a Material Adverse Event.

14.3 **Positive Undertakings**

Each Obligor, respectively, shall –

14.3.1 comply in all respects with all Applicable Laws, if failure so to comply would materially impair its ability to perform its obligations under the Finance Documents;

- 14.3.2 conduct its businesses in compliance with Anti-Corruption Laws;
- 14.3.3 obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all authorisations, approvals, licences and consents required by it to enable it lawfully to enter into and perform its obligations under this Agreement and to conduct its business and affairs to the extent to which any failure to obtain any such authorisation, approval, licence and/or consent could reasonably be expected to give rise to a Material Adverse Event;
- 14.3.4 take all steps required or desirable to maintain and preserve (1) all of the Security in accordance with the Security Documents, and (2) and all security arrangements contemplated thereunder;
- 14.3.5 ensure that its payment obligations under the Finance Documents will rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except those creditors whose claims are mandatorily preferred by any Applicable Law;
- 14.3.6 pay all and any Taxes which it becomes obliged to pay, except if it has in good faith disputed its liability to pay any such Tax;
- 14.3.7 procure that no change is made to the general nature of its business from that carried on at the date of this Agreement;
- 14.3.8 procure that the Lender may attend, if it so wishes, all discussions, negotiations or meetings that are held with a third party in respect of a potential ProjectCo Disposal;
- 14.3.9 allow the Lender and the Lender's duly authorised representatives such reasonable access to and right of inspection of the Borrower's books, records and financial information contained in whatever format, as the Lender may from time to time reasonably require in writing for the purposes of securing the Lender's interests as a creditor of the Borrower provided, that the Lender shall (1) give reasonable notice to the Borrower that it requires the aforesaid access and right of inspection, and (2) pay all the costs and expenses incurred by it in connection with such inspection, except if a Default has occurred in which case the Borrower shall pay the aforesaid costs and expenses; and
- 14.3.10 following the occurrence of an Event of Default which is continuing, if required by the Lender, use their best endeavours, and procure that Capgro uses its best endeavours, to achieve a ProjectCo Disposal.

14.4 **Negative Undertakings**

No Obligor, respectively, shall –

- 14.4.1 create or permit to subsist any Security over any of its assets other than the Security or any lien arising by operation of law and in the ordinary course of trading;
- 14.4.2 amend the ProjectCo Shareholders Agreement, its memorandum of incorporation or any of its other constitutional documents;
- 14.4.3 enter into any material agreement without first obtaining the prior written consent of the Lender;
- 14.4.4 other than pursuant to a ProjectCo Disposal or a transaction contemplated in clause 12.1 of the ProjectCo Shareholders Agreement , enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset;
- 14.4.5 enter into any amalgamation, demerger, merger or corporate reconstruction;
- 14.4.6 acquire a company or any shares or securities or a business or undertaking (or, in each case, any interest in any of them) or incorporate a company;
- 14.4.7 incur or allow to remain outstanding any Financial Indebtedness other than (1) any Financial Indebtedness owed by the Borrower to the Lender; (2) any Shareholder Loans;
- 14.4.8 incur or allow to remain outstanding any guarantee in respect of any obligation of any person other than as required pursuant to a Project Document;
- 14.4.9 declare, make or pay any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its share capital (or any class of its share capital) other than a Permitted Distribution;
- 14.4.10 repay or distribute any dividend or share premium reserve other than a Permitted Distribution;
- 14.4.11 pay any management, advisory or other fee to or to the order of any of its direct or indirect shareholders without the prior written consent of the Lender (not to be unreasonably withheld);
- 14.4.12 redeem, repurchase, defease, retire or repay any of its share capital or resolve to do so; or
- 14.4.13 directly or indirectly use the proceeds of any Loan for any purpose which would breach any Anti-Corruption Laws.

14.5 **Borrower Undertakings**

The Borrower shall fund its ProjectCo Shareholder Proportion of the general and administrative costs incurred by ProjectCo.

15 **EVENTS OF DEFAULT AND ENFORCEMENT**

15.1 An Event of Default shall occur –

- 15.1.1 if the Borrower (or ProjectCo on its behalf) fails to pay to the Lender any amount which becomes payable by it to the Lender pursuant to this Agreement on the due date for such payment;
- 15.1.2 if any representation or statement made or deemed to be made by an Obligor or Capgro under the Finance Documents or any other document delivered by or on behalf of an Obligor or Capgro under or in connection with any Finance Document is or proves to have been incorrect or misleading when made or deemed to be made;
- 15.1.3 if an Obligor fails to comply with the undertaking given to the Lender pursuant to clause 11 and, if such failure is capable of remedy, fails to remedy such failure within 5 Business Days of written demand from the Lender;
- 15.1.4 if an Obligor or Capgro fails to comply with any obligation (other than the obligations envisaged in clauses 15.1.1 to 15.1.3) imposed on it pursuant to the Finance Documents and, if such breach is capable of remedy, fails to remedy that breach within 10 Business Days of receipt of demand from the Lender;
- 15.1.5 if an Obligor or Capgro repudiates any Finance Document;
- 15.1.6 if any Finance Document becomes illegal or void or ceases to be enforceable in accordance with its terms;
- 15.1.7 if any Security ceases to be valid and binding or is not, or ceases to be a first ranking security (or such other ranking as is expressed and intended to apply as set out in the relevant Security Documents) or becomes unlawful;
- 15.1.8 if any final judgment of any court or arbitration award against an Obligor in an amount in excess of R100,000 remains unsatisfied for a period of 10 Business Days after the Obligor is notified thereof, and for the purposes of this sub-clause a final judgment means a judgment (1) which is not appealable, or (2) which is appealable but in respect of which the period for the lodging of an appeal has lapsed and the Obligor has failed to institute appeal proceedings, or (3) which is not capable of rescission, or (4) which is capable of rescission but in respect of which the period for applying for rescission has lapsed and the Obligor has failed to apply for rescission or the Obligor

has applied for rescission of such judgment and the application for rescission has been denied;

- 15.1.9 if any asset of an Obligor with a book value in excess of R500,000 is attached under a writ of execution within 15 days of the Obligor becoming aware of that attachment and the Obligor (1) fails to stay such execution, or (2) such execution remains unfulfilled, for more than 30 days;
- 15.1.10 if any Financial Indebtedness of an Obligor in an amount in excess of R100,000 is declared to be or otherwise becomes due and payable before its specified maturity, is placed on demand or is declared by or on behalf of a creditor to be prematurely due and payable or of being placed on demand, in each case, as a result of an event of default (howsoever described), and is not settled within 10 Business Days after the Obligor is notified thereof;
- 15.1.11 if a commitment for, or underwriting of, any Financial Indebtedness of an Obligor in excess of an amount of R100,000 is cancelled or suspended by a creditor as a result of an event of default (howsoever described);
- 15.1.12 if any of an Obligors' creditors becomes entitled to foreclose on any Security Interest given to secure the relevant creditor's Financial Indebtedness;
- 15.1.13 if an Obligor commits an act or omission that would constitute an act of insolvency, within the meaning of the Insolvency Act, No 24 of 1936 (or any similar act or omission within the meaning of any replacement legislation);
- 15.1.14 if an Obligor is unable to pay its debts in the sense that –
 - 15.1.14.1 a creditor, by cession or otherwise, to whom the Obligor is indebted in a sum not less than R250,000 then due has served on the Obligor, by leaving the same at its domicile, a demand requiring it to pay the sum so due and the Obligor has for 3 weeks thereafter neglected to pay the sum, or to secure or compound for it to the reasonable satisfaction of the creditor;
 - 15.1.14.2 any process issued on a judgement, decree or order of any court in favour of a creditor of the Obligor is returned by the Sheriff of the applicable court or the messenger with an endorsement that it has not found sufficient disposable property to satisfy the judgement, decree or order or that any disposable property found did not upon sale satisfy such process; or
- 15.1.15 if an Obligor is proved to the satisfaction of a court that the Obligor is unable to pay its debts;
- 15.1.16 if an Obligor stops, suspends or threatens to stop or suspend payment of all or a material part of its debts or makes a general assignment or any arrangement or

composition with or for the benefit of its creditors or a moratorium is agreed or declared or takes effect in respect of or affecting all or a material part of its Financial Indebtedness or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its Financial Indebtedness;

- 15.1.17 if an Obligor takes any proceeding or other step with a view to the general readjustment, rescheduling or deferral of its Financial Indebtedness (or any part thereof which it would otherwise be unable to pay when due) or any resolution is taken or proposed to take any such step;
 - 15.1.18 if any seizure, expropriation or nationalisation by or on behalf of any governmental, regulatory or other authority of the whole or the greater part of an Obligors' business and/or assets occurs;
 - 15.1.19 if any material authorisation required by an Obligor to carry on its business in the ordinary course and in all material respects as it is being conducted is revoked or cancelled by any government or regulatory authority and such authorisation is not reinstated within 10 Business Days of the date upon which the applicable Obligor becomes aware of such revocation or termination;
 - 15.1.20 if Capgro disposes of its shares in the Borrower;
 - 15.1.21 if Capgro is terminated or dissolved; or
 - 15.1.22 if a Material Adverse Event occurs.
- 15.2 If an Event of Default occurs the Lender shall be entitled, on the giving of written notice to the Borrower at any time while that Event of Default is continuing and without prejudice to any rights which it may at law have as a result of such occurrence, to –
- 15.2.1 accelerate or place on demand all amounts owing by the Borrower to the Lender under this Agreement, whether in respect of principal under a Loan, the Upside Participation Amount, interest or otherwise so that all such amounts shall immediately become due and payable;
 - 15.2.2 demand and be entitled to receive specific performance by an Obligor of any obligation of it under this Agreement;
 - 15.2.3 claim damages incurred and/or suffered by the Lender; and/or
 - 15.2.4 exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.

15.3 If the Lender elects to exercise any or all of its rights, remedies, powers and discretions under the Security Documents in accordance with clause 15.2, the proceeds of any enforcement action it receives shall be applied in the following order of priority –

15.3.1 all costs and expenses (including legal fees) incurred by the Lender in connection with exercising its rights, remedies, powers and discretions under the Finance Documents;

15.3.2 payment of the outstanding Loan;

15.3.3 payment of the Initial Arostyle Funding Amount; and

15.3.4 if applicable, payment of the Upside Participation Amount.

16 TAXES AND INDEMNITIES

16.1 If at any time the Borrower is required by law to make a Tax Deduction, then as soon as the Borrower becomes aware of such requirement, the Borrower shall –

16.1.1 promptly notify the Lender of such Tax Deduction (and in any event prior to such Tax Deduction being made);

16.1.2 provide the Lender with evidence of how it has determined that it is required by law to make a Tax Deduction; and

16.1.3 seek the Lender's approval of the amount of the Tax Determination.

16.2 If a Tax Deduction is required by law to be made by the Borrower, the amount of the payment due from the Borrower shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.

16.3 The Borrower shall, within 3 Business Days of demand, indemnify the Lender against any cost, loss or liability incurred by the Lender as a result of the occurrence of any Default.

16.4 The Borrower shall promptly indemnify the Lender against any cost, loss or liability incurred by the Lender (or officer or employee of the Lender) in connection with or arising out of the use of proceeds under this Agreement or the Security, unless such loss or liability is caused by the gross negligence or wilful misconduct of the Lender (or employee or officer of the Lender).

17 CONFIDENTIALITY

17.1 No Party will disclose this Agreement or any part thereof, or any of the provisions of this Agreement, to any third party without first obtaining the prior written consent of the other Parties, unless it is required to do so by law or by any regulatory body in which case the

Parties will consult with each other (including as to the terms of any such announcement), if in law entitled to do so, before complying with such requirement.

17.2 All communications between the Parties and all information and other materials supplied to the Parties or received by either of them from the other, which is either marked "confidential" or is by its nature confidential or intended to be for the knowledge of the recipient alone, and all information concerning the respective business activities, operations, financial affairs and the financial and other arrangements of the Parties with any person with whom either of them is in a confidential relationship with regard to the matter in question coming to the knowledge of the recipient ("**Confidential Information**") shall be kept confidential by the recipient.

17.3 Clause 17.2 does not apply to –

17.3.1 disclosure of Confidential Information to a director, officer, trustee, employee, adviser or representative of the Parties whose function requires them to have the Confidential Information provided that all such persons shall be instructed to treat the same as confidential;

17.3.2 use or disclosure of Confidential Information required to be used or disclosed by any law or authority to which the Parties are subject (including any Tax authority); and

17.3.3 Confidential Information which becomes publicly known except as a result of a breach of clause 17.2.

17.4 The provisions of this clause shall survive the failure or termination of this Agreement for whatever reason.

18 **TRANSFERS**

No Party or Obligor may assign any of its rights or transfer by novation any of its rights and obligations under the Finance Documents.

19 **NOTICES**

19.1 **Communications in writing**

Any communication to be made under or in connection with this Agreement shall be made in writing and, unless otherwise stated, may be made by fax or letter.

19.2 **Addresses**

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Agreement is –

19.2.1 in the case of Impact Oil & Gas SA Blocks 11B-12B Limited:

Address: [c/o Impact Oil & Gas Limited, Griffin House, West Street, Woking, Surrey, GU21 6BS United Kingdom]

for the attention of: [General Counsel];

19.2.2 in the case of Arostyle Investments Proprietary Limited:

Address: 6th Floor, 85 Grayston Drive, Sandton 2196, Johannesburg, South Africa

for the attention of: [REDACTED]; and

19.2.3 in the case of Main Street 1549 Proprietary Limited:

Address: 22nd floor Metropolitan Centre, 7 Walter Sisulu Avenue, Cape Town, 8001, Republic of South Africa

for the attention of: VP Exploration

with a copy to: Captrust Investments, 6th Floor, 85 Grayston Drive, Sandton 2196, Johannesburg, South Africa

for the attention of: [REDACTED],

or any substitute address or fax number or department or officer as the Party may notify in writing to the other Party on not less than 5 Business Days' notice.

19.3 **Delivery**

19.3.1 Any communication, notice or document (for purposes of this clause a **communication**) made or delivered by one person to another under or in connection with this Agreement will only be effective when received by the recipient and, unless the contrary is proved, shall be deemed to be received –

19.3.1.1 if by way of fax, be deemed to have been received on the first Business Day following the date of transmission provided that the fax is received in legible form;

19.3.1.2 if delivered by hand, be deemed to have been received at the time of delivery; and

19.3.1.3 if by way of courier service, be deemed to have been received on the seventh Business Day following the date of such sending,

and if a particular department or officer is specified as part of its address details provided under clause 19.2 above, if addressed to that department or officer.

19.3.2 Any communication to be made or delivered will be effective only when actually received by that Party and then only if it is expressly marked for the attention of the department or officer specified in clause 19.2 (or any substitute department or officer as the Party shall specify for this purpose).

19.3.3 Any communication which becomes effective, in accordance with this clause 19.3, after 17h00 in the place of receipt shall be deemed only to become effective on the following day.

19.4 **Electronic communication**

19.4.1 Any communication to be made between the Parties under or in connection with this Agreement may be made by electronic mail or other electronic means (including, without limitation, by way of posting to a secure website) if the Parties –

19.4.1.1 notify each other in writing of their electronic mail address and/or any other information required to enable the transmission of information by that means; and

19.4.1.2 notify each other of any change to their address or any other such information supplied by them by not less than 5 Business Days' notice.

19.4.2 Any electronic communication as specified in clause 19.4.1 to be made between the Parties may only be made in that way to the extent that the Parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication.

19.4.3 Any electronic communication as specified in clause 19.4.1 will be effective only when actually received (or made available) in readable form.

19.4.4 Any electronic communication which becomes effective, in accordance with clause 19.4.3, after 17h00 in the place in which the Party to whom the relevant communication is sent or made available has its address for the purpose of this Agreement shall be deemed only to become effective on the following day.

19.4.5 Any reference in this Agreement to a communication being sent or received shall be construed to include that communication being made available in accordance with this clause 19.4.

19.5 **English language**

Any notice or other document given under or in connection with this Agreement shall be in English.

20 **BENEFIT OF THE AGREEMENT**

This Agreement will also be for the benefit of and be binding upon the successors in title and permitted assigns of the Lender or any of them.

21 APPLICABLE LAW AND JURISDICTION

- 21.1 This Agreement and any non-contractual obligations arising out of or in connection with it is governed by English law.
- 21.2 All disputes arising out of or in connection with this Agreement shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by three arbitrators appointed in accordance with the said Rules. The seat of the arbitration shall be London.

22 GENERAL

22.1 Whole Agreement

- 22.1.1 This Agreement constitutes the whole of the agreement between the Parties relating to the matters dealt with herein and, save to the extent otherwise provided herein, no undertaking, representation, term or condition relating to the subject matter of this Agreement not incorporated in this Agreement shall be binding on any of the Parties.
- 22.1.2 This Agreement supersedes and replaces any and all agreements between the Parties (and other persons, as may be applicable) and undertakings given to or on behalf of the Parties (and other persons, as may be applicable) in relation to the subject matter hereof.

22.2 Variations to be in Writing

No addition to or variation, deletion, or agreed cancellation of all or any clauses or provisions of this Agreement will be of any force or effect unless in writing and signed by all the Parties.

22.3 No Indulgences

No latitude, extension of time or other indulgence which may be given or allowed by any Party to the other Parties in respect of the performance of any obligation hereunder, and no delay or forbearance in the enforcement of any right of any Party arising from this Agreement and no single or partial exercise of any right by any Party under this Agreement, shall in any circumstances be construed to be an implied consent or election by such Party or operate as a waiver or a novation of or otherwise affect any of the Party's rights under or arising from this Agreement or estop or preclude any such Party from enforcing at any time and without notice, strict and punctual compliance with each and every provision or term hereof. Failure or delay on the part of any Party in exercising any right, power or privilege under this Agreement will not constitute or be deemed to be a waiver thereof, nor will any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

22.4 **No Waiver or Suspension of Rights**

No waiver, suspension or postponement by any Party of any right arising out of or in connection with this Agreement shall be of any force or effect unless in writing and signed by such Party. Any such waiver, suspension or postponement will be effective only in the specific instance and for the purpose given.

22.5 **Certificates and Determinations**

Any certification or determination by the Lender of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

22.6 **Exclusion of Third Party Rights**

A person who is not a Party to this Agreement shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

23 **COSTS AND EXPENSES**

23.1.1 The Borrower shall promptly on demand pay the Lender the amount of all costs and expenses (including legal fees) reasonably incurred by the Lender in connection with the negotiation, preparation, printing, execution and perfection of Finance Documents and any other documents referred to in this Agreement.

23.1.2 The Obligors shall, within 3 Business Days of demand, pay to Lender the amount of all costs and expenses (including legal fees) incurred by it in connection with the enforcement of, or the preservation of any rights under, any Finance Document and the Security and any proceedings instituted by or against the Lender as a consequence of taking or holding the Security or enforcing these rights.

24 **SIGNATURE**

24.1 This Agreement is signed by the Parties on the dates and at the places indicated below.

24.2 This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same Agreement as at the date of signature of the Party last signing one of the counterparts.

24.3 The persons signing this Agreement in a representative capacity warrant their authority to do so.

[Original execution blocks intentionally deleted]

Annexure A**Upside Participation Amount****1 Definitions****1.1 "Disposal Proceeds" means –**

1.1.1 in the case of a Share Sale, 100% of the total proceeds received by the Borrower; or

1.1.2 in the case of an Asset Sale, 51% of the total proceeds received by ProjectCo,
after the deduction of any applicable Taxes payable by the relevant disposing entity
(other than withholding Taxes relating to distributions to a ProjectCo Shareholder);

1.2 "Funded Portion" means the aggregate amount of –

1.2.1 the Initial Arostyle Funding Amount;

1.2.2 the outstanding Loan; and

1.2.3 any Additional ProjectCo Shareholder Loan used to fund ProjectCo Capital
Requirements by the Borrower, as notified and evidenced in writing by the Borrower to
the Lender's satisfaction on or prior to the Realisation Date; and

1.3 **"Upside Participation Amount"** has the meaning given to it in paragraph 2 of this
Annexure A.

2 Participation Interest

The **"Upside Participation Amount"** is an amount calculated in accordance with the
following formula (provided that if such amount is less than zero, it shall be deemed to be
zero; provided further that if such amount is greater than [REDACTED], it shall be
deemed to be [REDACTED]) –

$$UPA = [REDACTED]$$

in which –

UPA represents the *Upside Participation Amount*;

DP represents the *Disposal Proceeds*

FP represents the *Funded Portion*

SCHEDULE H
PROPOSED AMENDED AND RESTATED PROJECTCO SHAREHOLDERS AGREEMENT

See attached.

SECOND AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT

between

AFRICA ENERGY CORP
(Registration No. BC0920635)
("AEC")

and

AFRICA ENERGY SA CORP
(Registration No. BC 1025602)
("Africa Energy")

and

AROSTYLE INVESTMENTS (RF) (PROPRIETARY) LIMITED
(Registration No.2017/366108/07)
("Arostyle")

and

MAIN STREET 1549 (PROPRIETARY) LIMITED
(Registration No.2017/252494/07)
(the "Company")

Table of Contents

	Page No
1. Introduction.....	1
2. Definitions and interpretation	1
3. Duration of this Agreement	11
4. Novation	11
5. The issued Share capital of the Company	12
6. Future creation and issues of shares	12
7. Conflict with Act and/or the Amended MOI.....	12
8. Resolutions and decision making.....	14
9. Funding of Company	14
10. Suretyships/Guarantees by the Shareholders.....	22
11. Voluntary offer of Shares	22
12. Compulsory Exit.....	23
13. Restricted and Permitted Transfers	30
14. Relationship between the Shareholders.....	31
15. Anti-Bribery Laws and Obligations	31
16. Termination.....	31
17. Confidentiality	31
18. Dispute resolution	33
19. Miscellaneous matter	36
Annexe A RESERVED MATTERS.....	43
Annexe B AMENDED MOI	45
Annexe C GOVERNANCE AGREEMENT.....	46
Annexe D SALE DISTRIBUTION PROCEEDS	47

1. Introduction

- 1.1 The Founders have entered into a joint venture through the medium of the Company for the purpose of conducting the Business, as provided for in this Agreement and the Amended MOI.
- 1.2 The Founders and the Company wish to enter into a formal written agreement governing their joint venture through the Company, as read with the Amended MOI.
- 1.3 The Parties wish to amend the Amended Shareholders Agreement so as to give effect to an alternative funding regime agreed between the Parties and to provide for certain additional matters agreed to between AEC and Arostyle.
- 1.4 In terms of clause 19.6 of the Amended Shareholders Agreement, no contract varying, adding to or deleting from shall be effective unless reduced to writing and signed by and on behalf of the Parties.
- 1.5 This Agreement records the terms and conditions which govern the relationships among the Parties in respect of the joint venture and the Business.
- 1.6 This Agreement shall supersede and replace the Amended Shareholders Agreement in its entirety and all other prior agreements, whether oral or written, as between the Parties, with respect to the Amended Shareholders Agreement.

2. Definitions and interpretation

- 2.1 In this Agreement, the following words shall, unless otherwise stated or inconsistent with the context in which they appear, bear the following meanings and other words derived from the same origins as such words (that is, cognate words) shall bear corresponding meanings (and any capitalised words used in this agreement but not defined below shall have capitalised the meaning set out in the Amended MOI:
 - 2.1.1 **"AE Shareholder Loan"** has the meaning given to such term in clause 9.3.1.3;
 - 2.1.2 **"AEC"** means Africa Energy Corp, incorporation number BC0920635, a company incorporated in accordance with the laws of British Columbia Canada, listed in Toronto on the TSXV under ticker symbol "AFE", and in Stockholm on the

		Nasdaq First North Growth Market under ticker symbol "AEC";
2.1.3	"AEC Shares"	means common shares in AEC, as constituted from time to time;
2.1.4	"Affiliates"	means as to each Shareholder (i) a person which is directly or indirectly Controlled by a Shareholder, (ii) a person which directly or indirectly Controls a Shareholder, (iii) a person which is directly or indirectly Controlled by a person which directly or indirectly Controls a Shareholder;
2.1.5	"Africa Energy"	means Africa Energy SA Corp, registration number BC1025602, a private company incorporated in accordance with the laws of the province of British Columbia, Canada;
2.1.6	"Agreed Pro-Rata Ratio"	means the ratio for the time being which Shares held by Shareholders respectively bears to the total issued Shares in the Company, which ratio shall initially be 49:51 in respect of Africa Energy and Arostyle, respectively;
2.1.7	"Agreement"	means the shareholders' agreement recorded herein, including the Annexes, as amended from time to time in terms of 19.6;
2.1.8	"Amended Loan Agreement"	means the amended and restated loan agreement dated contemporaneously with this Agreement (as entered into between Impact (as a lender), Arostyle (as the borrower) and the Company (as obligor), in terms of which Impact advanced and loaned funds to Arostyle (payable directly to the Company) to enable Arostyle to meet its funding obligations under the Amended Shareholders Agreement (prior to its amendment) and the Amended MOI (prior to its amendment);
2.1.9	"Amended MOI"	means the memorandum of incorporation of the Company from time to time as replaced by the draft amended MOI attached hereto marked Annexe B;
2.1.10	"Amended Shareholders Agreement"	means the amended and restated shareholders agreement concluded between the Parties on or about 14 December 2018 which regulates the relationship between them;

2.1.11	"Annexes"	means the annexes attached hereto;
2.1.12	"Arostyle"	means Arostyle Investments (RF) (Proprietary) Limited, registration number 2017/366108/07, a private company incorporated in accordance with the laws of the Republic of South Africa;
2.1.13	"Asset"	means the 10% participating interest held by the Company in (a) the Exploration Right CNR 12/3/67 relating to Block 11B/12B originally granted to CNRI on 22 May 2012 pursuant to Schedule II, Item 4 of the MPRDA and renewed as from 11 September 2015 for a further period of two years ending on 10 September 2017 in favour of both CNRI and TEPSA under a notarial deed of renewal signed between TEPSA, CNRI and the Republic of South Africa on 5 October 2015, and (b) any extension or renewal of such exploration right and any production right subsequently granted by the Republic of South Africa;
2.1.14	"Asset Sale"	has the meaning given to such term in clause 12.1.4;
2.1.15	"Block 11B/12B JOA"	means the joint operating agreement entered into on 4 July 2014 between CNRI and TEPSA, which sets out the respective interests, rights and obligations of the parties thereto with regard to the Exploration Right CNR 12/3/67 relating to Block 11B/12B originally granted on 22 May 2012, as amended from time to time;
2.1.16	"Business Day"	means any day, other than (a) a Saturday, Sunday or statutory holiday in the Province of Alberta, Canada or the City of Cape Town, South Africa, and (b) a day on which banks are generally closed in the Province of Alberta, Canada or the City of Cape Town, South Africa;
2.1.17	"C\$"	means Canadian Dollars, the lawful currency of Canada;
2.1.18	"Cash Amount"	has the meaning given to the term in clause 12.1.3.1;
2.1.19	"Class B Shares"	means class B shares in the authorised share capital of the Company with the rights and privileges set out in the Amended MOI;

2.1.20	"CIPC"	means the Companies and Intellectual Property Commission established by section 185 of the Companies Act;
2.1.21	"Claims"	means, in relation to any Shareholder, the claims of whatsoever nature and howsoever arising which that Shareholder has against the Company (including any Shareholder loans to the Company);
2.1.22	"Companies Act"	the Companies Act, 71 of 2008, as amended or replaced from time to time;
2.1.23	"Company Funding Obligations"	has the meaning given to the term in clause 9.3.2.1;
2.1.24	"Company"	means Main Street 1549 Proprietary Limited, registration number 2017/252494/07, a private company incorporated in the Republic of South Africa in terms of the Companies Act;
2.1.25	"Control"	means the ownership directly or indirectly of more than 50% of the voting rights in a person, and "Controlled" shall have the corresponding meaning;
2.1.26	"CNRI"	means CNR International (South Africa) Limited, registration number 209026327, a company organized and existing under the laws of the province of Alberta, Canada;
2.1.27	"DA"	means Distributable Amount as such term is defined in the Amended MOI;
2.1.28	"Director"	a director of the Company, and where the context so provides, an alternate director appointed in respect of such Director;
2.1.29	"Discharge Date"	has the meaning given to the term in the Amended Loan Agreement;
2.1.30	"Disposal Loan"	has the meaning given to the term in clause 12.1.3.1;
2.1.31	"Disposal Proceeds"	has the meaning given to the term in clause 12.1.3.1;
2.1.32	"FOAs"	the Farmout Agreements concluded between the Company and each of CNRI and TEPSA as amended, varied or revised from time to time;

2.1.33	"Founders"	means Africa Energy and Arostyle;
2.1.34	"Funding End Date"	means the earlier of: (i) the completion of the applicable Share Sale or Asset Sale; or (ii) the date that is twelve (12) months after the delivery of the applicable ROFO Offer;
2.1.35	"Governance Agreement"	means the agreement in substantially the form attached hereto as Annexe C;
2.1.36	"Guarantee"	means the guarantees provided or to be provided by each of the Shareholders in terms of the FOAs, as security for their funding obligations of the Company in their Respective Proportions;
2.1.37	"Impact"	means Impact Oil & Gas SA Blocks 11B-12B Limited, a company incorporated and registered in England and Wales with company number 07993785, whose registered office is at Elder House, St Georges Business Park, Brooklands Road, Weybridge, Surrey KT13 OTS, United Kingdom;
2.1.38	"Implementation Agreement"	means the written implementation agreement entered into between AEC and the Parties on [●], 2020;
2.1.39	"Losses"	means, in respect of any matter, all claims, complaints, demands, proceedings, actions, causes of action, orders, judgments, awards, penalties, fines, losses, damages, liabilities, costs and expenses (including, without limitation, any and all legal fees) arising as a consequence of such matter; provided, however, "Losses" excludes any and all punitive damages, exemplary damages and consequential losses;
2.1.40	"Luiperd Well Completion"	has the meaning given to the term in clause 9.3.1.6;
2.1.41	"Market Value"	means the USD market value of any Shares or the Asset, as applicable, as agreed between the relevant Shareholder(s). If the Shareholders fail to reach agreement within 10 Business Days of any Shareholders request for such determination in writing, the market value of such Shares or the Asset, as applicable, will be determined by an independent valuer, (an "Independent Valuer"), appointed

by agreement between the Shareholders, or failing agreement within five Business Days of any Shareholders request for such appointment in writing, appointed by the Chairman of the South African Institute of Chartered Accountants or his or her nominee. The Independent Valuer shall be instructed to determine Market Value between a willing seller and a willing buyer on an arm's length basis. The Independent Valuer shall (i) act as an expert and not as an arbitrator, (ii) take into account any written submissions made by the relevant Parties, (iii) have access to such books, documents and other records of the Company, and be entitled to receive such additional information from the Parties, as the Independent Valuer may consider necessary or desirable for the purpose of making its determination. The Determination of the Independent Valuer shall, in the absence of patent error, be final and binding on the Parties;

2.1.42	"Minimum Price"	has the meaning given to the term in clause 9.3.1.6.2;
2.1.43	"MPRDA"	means the Mineral and Petroleum Resources Development Act, No. 28 of 2002, as amended or replaced from time to time by legislation governing the upstream oil and gas sector, including all regulations issued thereunder;
2.1.44	"Option Commencement Period"	has the meaning given to the term in clause 12.1;
2.1.45	"Ordinary Share Priority Dividend"	has the meaning given to the term in the Amended MOI;
2.1.46	"Ordinary Share Redemption Dividend"	means the amount obtained in accordance with the following formula:
2.1.47	"Parties"	means AEC, the Founders (as Shareholders) and the Company;
2.1.48	"Prime Rate"	means the publicly quoted basic rate of interest levied by First National Bank Limited, from time to time on overdraft, calculated on a 365 (three hundred and sixty five) day year, irrespective of whether the applicable year is a leap year, and proved, prima facie, in the event of a dispute and in the

		absence of manifest error, by a certificate under the hand of any divisional director or manager of First National Bank Limited, whose appointment and authority need not be proved;
2.1.49	"Prior Breaches"	has the meaning given to the term in clause 3.1.2;
2.1.50	"Project Funding Obligations"	has the meaning given to the term in clause 9.3.1.2;
2.1.51	"Project Funding Shareholder Loan"	has the meaning given to the term in clause 9.3.1.2;
2.1.52	"Rand" or "R"	means South African Rand, the lawful currency of the Republic of South Africa;
2.1.53	"Redemption Dividend"	has the meaning given to the term in the Amended MOI;
2.1.54	"Required Approvals"	has the meaning given to the term in clause 12.1.3;
2.1.55	"Respective Proportion"	means each Shareholder's shareholding in the Company, as contemplated in clause 5 and as such shareholding may change from time to time;
2.1.56	"Reserved Matters"	means matters contemplated in Annexe A (which include decisions to be made by the Company in respect of the Block 11B/12B JOA, Project Funding Obligations and Company Funding Obligations) that may only be duly passed by Reserved Matter Approval;
2.1.57	"Reserved Matter Approval"	means the approval of the Reserved Matters by unanimous approval from all of the Shareholders;
2.1.58	"ROFO Offer Period"	has the meaning given to the term in clause 12.1.4.3;
2.1.59	"ROFO Transfer Documents"	has the meaning given to the term in clause 12.1.4.5;
2.1.60	"Sale Notice"	has the meaning given to the term in clause 12.1.4;
2.1.61	"Sale Proceeds"	has the meaning given to the term in clause 12.1.4.9

2.1.62	"Scheduled Redemption Date"	has the meaning given to such term in the Amended MOI;
2.1.63	"Securities"	means "securities" as defined in the Companies Act, from time to time, and shall include, without limitation, the Shares and unless the context indicates differently, any debt instruments;
2.1.64	"Senior Equity Loan"	has the meaning given to such term in clause 9.3.7;
2.1.65	"Share Sale"	has the meaning given to the term in clause 12.1.4;
2.1.66	"Shareholder Loans"	means all outstanding amounts owing to any of the Shareholders by the Company, including any Project Funding Shareholder Loans and AE Shareholder Loans;
2.1.67	"Shares"	means the Ordinary Shares and the Class B Shares;
2.1.68	"Signature Date"	means, when this Agreement has been signed by each Party (whether or not in counterpart), the latest of the dates on which this Agreement (or any counterpart) was signed by any Party;
2.1.69	"Shareholders"	means the holders of Shares and/or other Securities in the Company from time to time;
2.1.70	"Subscription Price Dividend"	has the meaning given to such term in the Amended MOI;
2.1.71	"Surviving Provisions"	means clauses 2 (Definitions and interpretation), 3 (Duration of this Agreement), 16 (Termination), 17 (Confidentiality), 18 (Dispute Resolution), 19 (Miscellaneous matters) and any other provisions of this Agreement which are expressed to continue in force after termination or which by necessary implication must continue after termination;
2.1.72	"TEPSA"	means Total E&P South Africa B.V. registration number 57018553, a company organized and existing under the laws of the Netherlands;
2.1.73	"Termination Date"	means the date when this Agreement (other than the Surviving Provisions) is terminated in terms of clause 16 (Termination);
2.1.74	"Third Party"	has the meaning given to the term in clause 12.1.4.3.2;

2.1.75	"Third Party Sale"	has the meaning given to the term in clause 12.1.4.3.2;
2.1.76	"Third Party Sale Period"	has the meaning given to the term in clause 12.1.4.6;
2.1.77	"Trigger Event"	means any of the trigger events referred to in clause 12.2;
2.1.78	"TO"	means the number of outstanding Ordinary Shares;
2.1.79	"TSXV"	means the TSX Venture Exchange, being the securities exchange in Canada owned and operated by the TMX Group Limited;
2.1.80	"USD"	means the United States Dollar, the lawful currency of the United States of America; and
2.1.81	"VWAP"	means, in relation to shares or securities listed on an exchange, the volume weighted average market price of the securities on that exchange over a specified number of trading days on that exchange.

2.2 In this Agreement:

- 2.2.1 references to a statutory provision include any subordinate legislation made from time to time under that provision and include that provision as modified or re-enacted from time to time;
- 2.2.2 words importing the masculine gender include the feminine and neuter genders and vice versa; the singular includes the plural and vice versa; and natural persons include artificial persons and vice versa;
- 2.2.3 references to a **"person"** include a natural person, company, close corporation or any other juristic person or other corporate entity, a charity, trust, partnership, joint venture, syndicate, or any other association of persons;
- 2.2.4 references to a **"subsidiary"** or a **"holding company"** shall be references to a subsidiary or holding company as defined in the Companies Act;
- 2.2.5 if a definition imposes substantive rights and obligations on a Party, such rights and obligations shall be given effect to and shall be enforceable, notwithstanding that they are contained in a definition;

- 2.2.6 where any word is defined within the context of any particular clause in this Agreement, that word, unless it is clear from the clause in question that that word has limited application only to the relevant clause, shall bear the meaning ascribed to it for all purposes in terms of this Agreement, notwithstanding that that word has not been defined in clause 2.1;
- 2.2.7 words defined in this Agreement shall bear the same meanings in the Annexes unless the Annexes contain their own definitions of such words;
- 2.2.8 where any number of days is prescribed, those days shall be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a day which is not a Business Day, in which event the last day shall be the next succeeding Business Day;
- 2.2.9 any provision in this Agreement which is or may become illegal, invalid or unenforceable in any jurisdiction affected by this Agreement shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be treated as having not been written (i.e. *pro non scripto*) and severed from the balance of this Agreement, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction;
- 2.2.10 the use of any expression covering a process available under South African law (such as but not limited to a winding-up) shall, if any of the Parties is subject to the law of any other jurisdiction, be interpreted as including any equivalent or analogous proceeding under the law of such other jurisdiction;
- 2.2.11 the rule of construction that if general words or terms are used in association with specific words or terms which are a species of a particular genus or class, the meaning of the general words or terms shall be restricted to that same class (ie the *eiusdem generis* rule) shall not apply, and whenever the word "*including*" is used followed by specific examples, such examples shall not be interpreted so as to limit the meaning of any word or term to the same genus or class as the examples given.
- 2.3 Each of the provisions of this Agreement has been negotiated by the Parties and drafted for the benefit of the Parties, and accordingly the rule of construction that the contract shall be interpreted against or to the disadvantage of the Party responsible for the drafting or preparation of the Agreement (ie the *contra proferentem* rule), shall not apply.

3. **Duration of this Agreement**

3.1 **commencement and duration**

3.1.1 The provisions of this Agreement shall commence on and with effect from the Signature Date and (subject to clause 3.2) shall endure until the Termination Date.

3.1.2 The Parties expressly agree and accept that any and all breaches of this Agreement that occurred prior to the Signature Date, including for certainty any breaches relating to any Project Funding Obligations and any rights or remedies provided for in this Agreement (collectively, the “**Prior Breaches**”) in respect of any such Prior Breaches are waived by the Parties. No Party shall be liable to any other Party for any such Prior Breaches, provided that for certainty, nothing herein shall relieve any Party from any breaches and the associated consequences thereof provided for in this Agreement that occur after the Signature Date. Each of the Parties hereby represents that as at the Signature Date, it is not aware of any Prior Breaches.

3.2 **provisions surviving after the Termination Date**

3.2.1 Notwithstanding the expiration or termination of this Agreement, the Parties expressly agree and accept that the Surviving Provisions shall not terminate but shall continue to operate after any such expiration or termination, notwithstanding that the relevant provisions themselves do not provide for this.

3.2.2 Save in relation to the Surviving Provisions, a Shareholder shall cease to be bound by this Agreement from the date on which that Shareholder validly ceases to hold any Shares. For the avoidance of doubt, the termination of this Agreement with respect to such Shareholder shall not affect any of its existing or contingent obligations and liabilities which arose prior to the termination of this Agreement in relation to that Shareholder or which may accrue thereafter in respect of any act or omission which occurred prior to such termination.

4. **Novation**

On and with effect from the Signature Date, this Agreement, as read with the Amended MOI, shall novate and supersede all previous agreements between the Parties in relation to Block 11B/12B JOA and the incorporation of a joint venture company.

5. The issued Share capital of the Company

As at the Signature Date the issued share capital of the Company comprises 100 Ordinary Shares, which is registered in the names of the Founders as follows:

- 5.1 51 Ordinary Shares held by Arostyle, constituting 51% of the issued Shares; and
 - 5.2 49 Ordinary Shares held by Africa Energy, constituting 49% of the issued Shares;
- (the "**Respective Proportion**").

6. Future creation and issues of shares

- 6.1 In accordance with the Implementation Agreement, there shall be created 1,000,000 shares called "Class B Shares", which shall bear the rights and privileges set out in the schedule to the Amended MOI attached hereto. To the extent that the Company issues any Class B Shares that have not been authorised as contemplated in section 36 of the Act, then the Parties shall take all such steps as may be necessary to ensure that the issuance of any such Class B Shares is retroactively authorised within the 60 business days contemplated in section 38(2) of the Act.
- 6.2 Save as otherwise provided in this Agreement and unless otherwise agreed in writing by all the Shareholders there shall be no further allotments and/or issues of any Shares (including Ordinary Shares) by the Company, except to all of the Shareholders in the then Agreed Pro-Rata Ratio.

7. Conflict with Act and/or the Amended MOI

- 7.1 [The Parties have negotiated and agreed the form of the Amended MOI as at the Signature Date, as attached hereto as Annexe B. The Parties shall take all such steps as may be necessary to approve the annexed Amended MOI and have it lodged and accepted by the CIPC, and consider themselves bound by the annexed Amended MOI from the Signature Date. To the extent that the Company issues any Class B Shares that have not been authorised as contemplated in section 36 of the Act, then the Parties shall take all such steps as may be necessary to approve a resolution as contemplated in section 38(2) of the Companies Act to retroactively authorise such issue] **[Note : Only to be included if Amended MOI not in force prior to Signature Date.]**
- 7.2 If any person at any time contends that any provision of this Agreement is not consistent with or contravenes, or is or has become inconsistent with, any provision

of the Amended MOI or the Companies Act, then a meeting of the Shareholders may be convened for purposes of the Shareholders considering and, if deemed fit, approving any proposed special resolution(s) and/or Reserved Matter Approval required to appropriately amend the offending provisions of this Agreement so as to remove or eliminate any such inconsistency or contravention.

- 7.3 Notwithstanding anything to the contrary contained elsewhere in this Agreement, no person shall be required, obliged or entitled in terms of this Agreement to do or omit to do something in terms of this Agreement that is inconsistent with or contravenes any provision of the Amended MOI and/or the Companies Act. Any person who does something or fails to do something so as not to be inconsistent with or contravene any provision of the Amended MOI the Companies Act or to avoid personal liability under section 218(2) of the Companies Act, but as a result thereof contravenes any provision of the Amended MOI which provision of the Amended MOI could be declared void by a court in terms of section 218(1) of the Companies Act, shall not for that reason alone be liable or responsible therefor under the Amended MOI or this Agreement with respect to any claim by the Company or any Shareholder or any Director or any other person entitled to do so in terms of this Agreement or the Amended MOI, arising out of or in connection with any such act or omission.
- 7.4 Any Shareholder, Director or prescribed officer of the Company, or any member of a Board committee or statutory audit committee, who is of the view or forms the view that any provision of this Agreement or the Amended MOI contravenes or is or has become inconsistent with any provision of the Companies Act, whether or not such provision could be declared void by a court in terms of section 218(1) of the Companies Act or a person could incur personal liability in terms of section 218(2) of the Companies Act, shall within 5 (five) business days of forming that view in writing inform the Board of such view and the reasons for such view.
- 7.5 If any provision of the Companies Act is amended, or the Board is aware of or informed of any inconsistency or contravention in terms of clause 7.4, or otherwise, then in addition to and without limiting the rights or remedies of any other person, the Board shall be responsible for expeditiously assessing that amendment to the Companies Act and/or that inconsistency or contravention and, if required, expeditiously proposing the appropriate special resolutions and/or Reserved Matter Approval required to appropriately amend this Agreement and/or the Amended MOI so as to remove or eliminate any applicable contraventions or inconsistencies.

8. Resolutions and decision making

- 8.1 For any ordinary resolution to be approved by Shareholders, it must be supported by Shareholders collectively holding more than 50% of the aggregate Ordinary Shares in the Company.
- 8.2 For a special resolution to be approved by Shareholders, it must be supported by Shareholders collectively holding at least 75% of the aggregate Ordinary Shares in the Company.
- 8.3 Notwithstanding any other provision to the contrary in this Agreement, Reserved Matters will require approval by way of Reserved Matter Approval.

9. Funding of Company

9.1 responsibility of the Board

The Board shall be responsible for determining the future additional financial requirements from time to time of the Company.

9.2 sources of future funding

Notwithstanding clauses 9.3.1.1 to 9.3.1.5, the Company will use its reasonable commercial endeavours to procure that such future financial requirements of the Company are provided for in the relevant Annual Budget and are met as far as is practicable from:

- 9.2.1 the Company's own resources;
- 9.2.2 borrowings from banks and other third party sources on the most favourable terms reasonably obtainable as to interest, repayments and security (but without allowing any prospective lender a right to participate in the equity share capital of the Company as a condition of any loan); and/or
- 9.2.3 a combination of the foregoing.

9.3 funding Company expenditure

9.3.1 Project Specific Budget

- 9.3.1.1 The Shareholders are responsible for providing all the funding to meet the requirements of the Company in terms of the Block 11 B/12B JOA ("**Project Funding Obligation**") which is not, or is unlikely to become,

available from the sources referred to in clauses 9.2.1 or 9.2.2, in their Respective Proportions.

9.3.1.2

Notwithstanding clause 9.3.1.1, AEC hereby, unconditionally and irrevocably, undertakes to fund Arostyle's Respective Proportion of any funding required under a Project Funding Obligation subject to the terms and conditions of this Agreement. Accordingly, AEC will directly (or in its sole discretion, through any Affiliate of AEC, which for certainty may include Impact and/or Africa Energy), with effect from the Signature Date, provide all funding to meet the requirements of the Company in terms of the Block 11B/12B JOA, in relation to any Work Programme and Budget which has been approved by the Operating Committee (the "**Project Funding Obligations**"). The terms "Work Programme and Budget" and "Operating Committee" shall have the meanings ascribed to those terms in the Block 11B/12B JOA. The Project Funding Obligations will be discharged by AEC (or the Affiliate designated by AEC) providing either (i) a loan to which the provisions of clause 9.3.7 shall apply *mutatis mutandis* but clause 9.3.8 shall not apply (a "**Project Funding Shareholder Loan**") or (ii) subscribing for Class B Shares as set forth in clause 9.3.1.5.2. Notwithstanding the foregoing, in the event any Trigger Event occurs in respect of Arostyle or the Required Approvals are not obtained as contemplated in clause 12.1 (for purposes of implementing a transaction contemplated in clause 12.1), the undertaking provided by AEC in this clause 9.3.1.2 to fund Arostyle's Respective Proportion of any Project Funding Obligations shall, at the sole option of AEC upon providing written notice to Arostyle after the Funding End Date, cease immediately. Upon AEC's obligations ceasing as set forth herein, clause 9.3.1.5.2 and clause 9.3.1.5.3 shall thereafter be read to provide that each Shareholder shall be obligated to pay their Respective Proportion of the Project Funding Obligation Cash Call, with AEC (or any Affiliate) and Arostyle each permitted to elect to provide such funding through Project Funding Shareholder Loans or the subscription for Class B Shares. For the avoidance of doubt, Arostyle shall have no liability or any repayment obligation in respect of any funding provided by AEC (or any Affiliate) pursuant to the undertaking provided by AEC in this

clause 9.3.1.2 to fund Arostyle's Respective Proportion of such Project Funding Obligations.

9.3.1.3 Prior to the Signature Date, pursuant to the issue of a Cash Call (as defined in the Block 11B/12B JOA) to the Company, AEC (through Africa Energy) has advanced to the Company, in addition to Africa Energy's Respective Proportion, the Respective Proportion attributable to Arostyle (on behalf of Arostyle) as this relates to the Project Funding Obligation ("**AE Shareholder Loan**") and such AE Shareholder Loan shall be deemed to constitute a Senior Equity Loan as contemplated in clause 9.3.7. The provisions of clause 9.3.7, save for the provisions of clauses 9.3.7.1, 9.3.7.3 and 9.3.8, shall apply *mutatis mutandis* to the AE Shareholder Loan. For the avoidance of doubt, Arostyle shall have no liability or any repayment obligation in respect of any funding provided by AEC pursuant to the AE Shareholder Loan to fund Arostyle's Respective Proportion of such Project Funding Obligations.

9.3.1.4 As soon as reasonably possible after the registration/filing of the Amended MOI, and the Company becomes lawfully entitled to issue the B Shares, AEC (or the Affiliate designated by it) shall subscribe for such number of Class B Shares at a price of US\$1,000 per Class B Share as will equal the amount outstanding under the AE Shareholder Loan and AEC (or the Affiliate designated by it) agrees to discharge the AE Shareholder Loan as consideration payable for the issue and subscription for such Class B Shares. Subject only to compliance with the Companies Act, the Company shall issue the Class B Shares to AEC and discharge the AE Shareholder Loan accordingly. In the event that the Company is unable to lawfully issue the B Shares or AEC (or the Affiliate designated by it or AEC is not lawfully entitled to subscribe for or otherwise hold and become entitled to benefit in respect of its terms by 31 December 2020 as a result of the failure to obtain any requisite regulatory approval (particularly SARB approval) then the provisions of clause 9.3.7 shall apply as well as the provisions of clauses 9.3.7.1, 9.3.7.3 and 9.3.8 without restriction, to the AE Shareholder Loan from the date of advance thereof.

9.3.1.5 The Project Funding Obligations will be satisfied by AEC (or the Affiliate designated by it) advancing Project Funding Shareholder Loans to the Company and/or subscribing for Class B Shares as follows:

- 9.3.1.5.1 the Company shall send a copy of any Cash Call, funding request or invoice from the Sellers (as defined in the FOAs) or from the Operator in terms of the Block 11B/12B JOA received by it or its agent ("**Project Funding Cash Call**") to Africa Energy and Arostyle as soon as reasonably possible after receipt thereof, but in any event within 2 (two) Business Days of receipt of the Project Funding Cash Call, requesting payment from AEC and Arostyle, as applicable, of the Project Funding Cash Call ("**Project Funding Obligation Cash Call**");
- 9.3.1.5.2 within 5 (five) Business Days of receipt of the Project Funding Obligation Cash Call AEC (or any Affiliate designated by it) shall pay the Project Funding Obligation Cash Call to the Company and confirm in writing whether such payment shall be by way of a Project Funding Shareholder Loan or the subscription for Class B Shares at a price of US\$1,000 per Class B Share, or any combination thereof, in an aggregate amount equal to the Project Funding Obligation Cash Call, in order for the Company to pay the Project Funding Cash Call by the due date, failing which, the provisions of clause 9.3.7 shall apply;
- 9.3.1.5.3 if AEC is unable to pay all or any part of the Project Funding Obligation in accordance with clause 9.3.1.5.2, it shall within 2 (two) Business Days of receipt of the Project Funding Obligation Cash Call give written notice to the Company of its inability to pay the Project Funding Obligation Cash Call and the reasons therefor, in such event, the provisions of clause 9.3.7 shall apply;
- 9.3.1.5.4 the Company shall, subject to clauses 9.3.1.5.2 and 9.3.1.5.3, (i) pay the Project Funding Cash Call within the time required pursuant to the relevant Project Funding Obligation, or as may be allowed under the Block 11B/12B JOA or the FOAs, unless in the reasonable opinion of Africa Energy, it considers that the Project Funding Cash Call is not a valid cash call in the circumstances, or under the terms of the Block 11B/12B JOA or the FOAs, (which determination must be communicated in writing by Africa Energy to Arostyle and Africa Energy and Arostyle shall reasonably consult with each other in respect of the validity of such Project Funding Cash Call, provided the final determination

regarding the validity of such Project Funding Cash Call shall be made by Africa Energy); and (ii) as applicable, issue the applicable number of Class B Shares or evidence the Project Funding Shareholder Loan, to AEC (or any Affiliate designated by it);

9.3.1.5.5

AEC may at any time, and from time to time, make a request in writing to the Company to convert any Project Funding Shareholder Loans or any other loans of AEC (or the Affiliate that was designated by AEC that provided the requisite funding) that were provided after the Signature Date in respect of any Project Funding Obligation into a number of Class B Shares at a price of US\$1,000 per Class B Share, and upon receipt of such written request from AEC, the Company shall promptly, and in any event within five (5) Business Days of receipt of such written request issue such Class B Shares to AEC (or the applicable Affiliate designated by AEC).

9.3.1.6

AEC hereby agrees with Arostyle that from the Signature Date until written notice is delivered by the Company to the Shareholders of: (i) the completion of drilling the Luiperd-1 exploration well, (ii) the results thereof being delivered to the Company, (iii) the initial public announcement thereof by AEC in accordance with applicable laws and (iv) the rig drilling the Luiperd-1 well being moved off site (collectively, the **“Luiperd Well Completion”**), AEC shall not issue any AEC Shares (or securities convertible into AEC Shares) without the prior written consent of Arostyle (such consent not to be unreasonably withheld, delayed or conditioned), except as follows:

9.3.1.6.1

in respect of incentive compensation arrangements of AEC in accordance with the terms of such arrangements that exist on the date of the Implementation Agreement, subject to a maximum of 10% of the AEC Shares issued and outstanding from time to time;

9.3.1.6.2

solely to fund any Project Funding Obligation Cash Call provided such amounts cannot be funded by AEC's existing cash on hand (after taking into account amounts required for general and administrative expenses of AEC) and the price (or conversion price, as applicable) in respect of any such issuance of AEC

Shares (or securities convertible into AEC Shares) shall not be less than C\$0.218 (the "**Minimum Price**"); or

- 9.3.1.6.3 as determined by the board of directors of AEC, acting reasonably and in good faith in accordance with their fiduciary duties, to address any emergency situation (being a situation relating to imminent and immediate harm to any person or property of AEC) or to ensure AEC continues as a going concern at a price (or conversion price, as applicable) not less than the Minimum Price.

9.3.2 **Company Budget**

- 9.3.2.1 If the Board determines that the Company requires further funding to finance its Business, excluding any requirement to pay any amounts in terms of the FOAs or Block 11B/12B JOA, which is not, or is unlikely to become, available from the sources referred to in clauses 9.2.1 or 9.2.2 (a "**Company Funding Obligation**"), then the Board shall notify the Shareholders accordingly in writing specifying the amount(s) of funding requested and the date(s) for the advance thereof (a "**Funding Notice**") and supply to any Shareholder such information as that Shareholder may reasonably request.

- 9.3.2.2 Upon receiving a Funding Notice in respect of a Company Funding Obligation, Shareholders must advance loans to the Company in accordance with their Respective Proportions, within 5 (five) Business Days of receipt by them of the Funding Notice.

- 9.3.3 Loans made under clause 9.3.2.2 shall be:

- 9.3.3.1 made on identical terms and conditions in an amount pro rata to the Shareholders Respective Proportions, at such time;
- 9.3.3.2 unsecured;
- 9.3.3.3 at interest rates to be agreed by Reserved Matter Approval or, in the absence of Reserved Matter Approval, interest free; and
- 9.3.3.4 not assignable by the Shareholder or the Company except in accordance with this Agreement or the Amended MOI.

- 9.3.4 The Shareholders may by Reserved Matter Approval determine any other terms and conditions of loans to be provided under clauses 9.3.1.5 and 9.3.2.2 in order to satisfy each contribution.
- 9.3.5 Any Shareholder who does not make the required funding to the Company as required by clauses 9.3.1.5 and/or 9.3.2.2 is in breach of this Agreement.
- 9.3.6 Each Shareholder acknowledges and agrees that any breach of the Project Funding Obligation or a Company Funding Obligation by a Shareholder ("**Defaulting Shareholder**") will cause loss or damage to the Company and any Non-Defaulting Shareholder, and accordingly, any breach of the Project Funding Obligation or the Company Funding Obligation may be enforced (or damages sought) by the Company or the Non-Defaulting Shareholder by legal action against the Defaulting Shareholder, including any costs and/or Losses associated with the calling up of any Guarantee. In addition, the Defaulting Shareholder agrees to indemnify and save harmless the Non-Defaulting Shareholder from and against all Losses suffered or incurred by the Non-Defaulting Shareholder (except to the extent that such Losses are the direct result of gross negligence, fraud or wilful misconduct on the part of the Non-Defaulting Shareholder). The foregoing rights are in addition to any other rights that the Company or a Non-Defaulting Shareholder may have under this Agreement or at law.
- 9.3.7 If a Defaulting Shareholder fails to provide the required funding to the Company as required under clauses 9.3.1.5 and/or 9.3.2.2, the Non-Defaulting Shareholder may (at its sole discretion), within (two) 2 Business Days of receipt of the notice contemplated in clause 9.3.1.5.3 or a Funding Notice or within (two) 2 Business Days of the failure to provide the funding to the Company by the Defaulting Shareholder as required by clauses 9.3.1.1, 9.3.1.5 or 9.3.2.2, whichever first occurs, elect to advance a loan to the Company in lieu of the Defaulting Shareholder (a "**Senior Equity Loan**"). In that event, the Defaulting Shareholder will be liable to pay to the Non-Defaulting Shareholder:
- 9.3.7.1 the amount advanced together with interest accruing on the amount of the Senior Equity Loan advanced by the Non-Defaulting Shareholder calculated at the Prime Rate plus 2% (two percent) from the date on which the Non-Defaulting Shareholder advances the Senior Equity Loan to the Company until the date the Defaulting Shareholder advances the relevant loan to the Company or pays the Non-Defaulting

Shareholder the Senior Equity Loan plus accrued interest, as the case may be;

9.3.7.2 the Senior Equity Loan shall be repaid in full, before any distributions to the Shareholders are made by the Company; and

9.3.7.3 legal costs incurred by the Non-Defaulting Shareholder on a full indemnity basis.

9.3.8 If the amount advanced under clause 9.3.7.1 is advanced to the Company by:

9.3.8.1 Africa Energy, then such amount shall be repaid within 30 days of such amount being advanced by Africa Energy, failing which Africa Energy shall be entitled, within 30 days on written notice to Arostyle, to:

9.3.8.1.1 continue with the Senior Equity Loan, which shall remain in place until Arostyle repays such amount to Africa Energy; or

9.3.8.1.2 exercise its rights of a forced sale in terms of clause 12.3;

9.3.8.2 Arostyle, then such amount shall be repaid within 30 days of such amount being advanced by Arostyle, failing which Arostyle shall be entitled, within 30 days on written notice to Africa Energy, to:

9.3.8.2.1 continue with the Senior Equity Loan, which shall remain in place until Africa Energy repays such amount to Arostyle; or

9.3.8.2.2 convert the Senior Equity Loan to Equity and dilute Africa Energy, on the basis that Arostyle shall be issued so many Shares by the Company in accordance with the formula below:

$$A = B/C \times D$$

Where:

A. is the number of Shares to be issued to the Non-Defaulting Shareholder

B. is the USD amount of the Senior Equity Loan

C. is the Market Value of the Company

D. is the number of Shares in issue at the time; or

9.3.8.2.3 exercise its rights of a forced sale in terms of clause 12.3.

9.3.9 The Parties undertake to take all such steps as may be necessary and approve all resolutions as may be required to give effect to the provisions of clause 9.3.8.

10. Suretyships/Guarantees by the Shareholders

10.1 Subject to clause 10.2, no Shareholder shall issue any guarantee, suretyship or indemnity to any third party for the obligations of the Company, which shall in any way bind or purport to bind the Company or any of the Shareholders, jointly and/or severally, unless such suretyship, guarantee and indemnity is furnished with the prior written consent of the Shareholders to be bound thereby, in which event, notwithstanding any individual liability in terms of such guarantee, suretyship or indemnity, the Shareholders who consent in writing to the issue of such guarantee, suretyship or indemnity shall:

10.1.1 bear any loss or damage arising out of or in connection with any guarantee, suretyship or indemnity in the same ratio in which they hold Ordinary Shares at the time that the guarantee, suretyship or indemnity was given; and

10.1.2 indemnify the Company and each other accordingly.

10.2 The Shareholders shall provide the Guarantee pursuant to the provisions of the FOAs for an amount not exceeding their Respective Proportions.

11. Voluntary offer of Shares

11.1 Subject to clause 11.2, all pre-emptive rights applicable to the offer and/or disposal of Shares, other than those contemplated in clauses 12 and 13, shall be in compliance with, and remain subject to, paragraphs 16 and 24 of the Amended MOI.

11.2 As contemplated in paragraph 22.10 as read with paragraph 24 of the Amended MOI, the Shareholders agree that prior to the Discharge Date, the provisions of paragraphs 16 and 24 of the Amended MOI shall not apply to any the transfer of Arostyle's Shares and Claims to Impact pursuant to the exercise by Impact of its rights under the security cession and pledge under the Loan Agreement or any other Finance Document (as defined in the Loan Agreement).

12. Compulsory Exit

Mutual Disposal Undertaking

- 12.1 Save as contemplated in relation to a Trigger Event in terms of clause 12.2 below and subject to clause 12.1.4.8, at any time after the Luiperd Well Completion (the “**Option Commencement Period**”), each of Arostyle and Africa Energy will be entitled, on 15 days' written notice (“**Option Notice**”) to the other of them, to require the Company to dispose of the Asset (each undertaking to vote in favour of a Shareholder Resolution required to give effect to such disposal and to take all other necessary action to implement such disposition, including all actions required to obtain the Required Approvals) to a wholly-owned subsidiary of AEC that is notified to the Company by AEC within 10 days of receipt of the Option Notice, provided if no such notification is provided by AEC, such wholly-owned subsidiary shall be Main Street 840 (Proprietary) Limited (the “**Prospective Purchaser**”) as follows:
- 12.1.1 the amount payable by the Prospective Purchaser is an amount equal to the Market Value (“**Disposal Consideration**”);
- 12.1.2 on receipt of the Disposal Proceeds, the Company undertakes (and each of the Shareholders' undertake in favour of each other to vote in favour any resolutions required to give effect to this) to permit the loan of the Cash Amount as provided in clause 12.1.3.2 and AEC hereby undertakes to cause the issuance of the AEC Shares to Arostyle pursuant to the subscription provided in clause 12.1.3.3.
- 12.1.3 the Company shall, subject to obtaining all regulatory and contractual approvals, including the MPRDA, the South African Reserve Bank and Article 12 of the Block 11B/12B JOA (collectively, the “**Required Approvals**”), dispose of the Asset to the Prospective Purchaser in consideration for the Disposal Consideration. The Disposal Consideration will be discharged by:
- 12.1.3.1 the Prospective Purchaser delivering cash in an amount equal to the average of the 10 day VWAP per AEC Share on each of the TSXV and the Nasdaq First North Growth Market (to the extent then listed on such markets, otherwise the average (if listed on more than one market) on such markets as the AEC Shares are then listed) ending on the date of the Option Notice multiplied by 64,455,916 (the “**Cash Amount**”) and the balance of the Disposal Consideration through the issuance to the

Company of a non-interest bearing loan with a maturity date that is the same as the Discharge Date (the “**Disposal Loan**” and together with the Cash Amount, the “**Disposal Proceeds**”);

- 12.1.3.2 the Company shall take the Cash Amount and make a non-interest bearing loan with a maturity date that is the same as the Discharge Date to Arostyle in an amount equal to the Cash Amount; and
- 12.1.3.3 Arostyle shall use the non-interest bearing loan it receives under clause 12.1.3.2 to subscribe for an aggregate of 64,455,916 AEC Shares, which AEC shall be obliged to issue to Arostyle (irrespective of the value of the non-interest bearing loan received and used by Arostyle to subscribe for the 64,455,916 AEC Shares is) and AEC and Arostyle shall enter into the Governance Agreement.

Sale Transaction

- 12.1.4 At any time after the Luiperd Well Completion, Africa Energy shall have the right, upon providing 60 Business Days written notice to Arostyle (a “**Sale Notice**”), of its intention to proceed with a sale of all of the Ordinary Shares and Class B Shares of the Company (a “**Share Sale**”) or a sale of all of the Company’s rights in and to the Asset (an “**Asset Sale**”) as follows:
 - 12.1.4.1 as soon as reasonably practicable, and in any event within 20 Business Days after receipt by Arostyle of the Sale Notice, the Shareholders shall meet to discuss in good faith the aforementioned possible sale and how such process might be conducted, including potential involvement of management/service providers, sale value targets, tax efficiencies, use and selection of advisers and budgets;
 - 12.1.4.2 after the Shareholders have met as set forth in clause 12.1.4.1, Africa Energy shall, after in good faith taking into consideration the matters discussed pursuant to clause 12.1.4.1, be entitled to deliver to Arostyle a written notice (a “**First Offer Notice**”) offering to sell its Ordinary Shares by way of Share Sale or offering to sell the Asset to Arostyle, in each case at an all cash price specified therein (the “**ROFO Offer**”);
 - 12.1.4.3 Arostyle shall have the right, exercisable by notice given to Africa Energy within twenty (20) Business Days after receipt of the First Offer Notice (the “**ROFO Offer Period**”):

- 12.1.4.3.1 to accept the ROFO Offer for either a Share Sale or Asset Sale, which sale shall be completed in accordance with the procedures set forth in clause 12.1.4.5 below; or
- 12.1.4.3.2 to agree that Africa Energy may enter into a Share Sale or Asset Sale with a bona fide independent third party purchaser who is at arm's-length with Africa Energy (for the purpose of this clause 12.1.4.3.2, a "**Third Party**"), which sale shall be subject to the conditions set forth in clause 12.1.4.6 below (a "**Third Party Sale**").
- 12.1.4.4 If no notice of acceptance is given by Arostyle under clause 12.1.4.3.1 within the ROFO Offer Period, Arostyle shall be deemed to have delivered a written notice pursuant to clause 12.1.4.3.2.
- 12.1.4.5 The agreement of sale arising pursuant to clause 12.1.4.3.1 above shall be closed ten (10) Business Days after the receipt of all Required Approvals (the "**ROFO Closing Date**") and the Parties (as applicable) shall enter into such transfer documents, conveyances and other agreements (the "**ROFO Transfer Documents**") as are required to effect such Share Sale or Asset Sale provided: (i) in the event of a Share Sale, Africa Energy shall only be required to provide a warranty that the Ordinary Shares are owned absolutely by Africa Energy and are free and clear of any and all liens, charges, covenants, encumbrances or claims of any kind whatsoever (other than any rights pursuant to this Agreement) (a "**Title Warranty**"); and (ii) in respect of an Asset Sale, the Company shall only be required to provide a Title Warranty in respect of the Asset, and in either case, no other warranties shall be provided by Africa Energy or the Company, as applicable.
- 12.1.4.6 If Arostyle does not accept the ROFO Offer within the ROFO Offer Period or Arostyle fails, after Africa Energy or the Company, as applicable, has tendered the requisite ROFO Transfer Documents, to pay the consideration due from Arostyle on account of the purchase price on the ROFO Closing Date as required, then Africa Energy shall have the right and privilege, for a period of one-hundred eighty (180) Business Days (the "**Third Party Sale Period**") after the expiration of the ROFO Offer Period or after the ROFO Closing Date, as applicable, to enter into a Third Party Sale, on such terms and conditions that are

not more favourable than the terms and conditions in the ROFO Offer. Such Third Party Sale shall be completed within one year of expiry of the Third Party Sale Period.

12.1.4.7

The Company undertakes (and each Shareholder undertakes in favour of each other to take all such action as is required to complete any such Share Sale or Asset Sale (whether to a Third Party or Arostyle), including providing such assistance as may be required in obtaining any Required Approvals and to vote in favour any resolutions required to give effect to this) to ensure that such Share Sale or Asset Sale is completed as contemplated by this Agreement and any proceeds of any Asset Sale are distributed to Shareholders in accordance with the Amended MOI.

12.1.4.8

In the event Africa Energy receives a proposal (whether binding or non-binding) during the Third Party Sale Period for a Third Party Sale and such proposal satisfies the conditions set forth in clause 12.1.4.6 above, Africa Energy shall be entitled to provide written notice to Arostyle that the Option Commencement Period shall be deferred for a period of ninety (90) days in order to permit Africa Energy to finalize the terms relating to such Third Party Sale. In the event a definitive agreement is entered into in respect of such Third Party Sale during the aforementioned ninety (90) day period, then the Option Commencement Period shall be further deferred until either: (i) such Third Party Sale is completed, in which case the right to deliver an Option Notice by either Africa Energy or Arostyle shall be terminated; or (ii) such Third Party Sale is terminated in accordance with the terms thereof or is otherwise not completed, whereby upon the occurrence of such event, the Option Commencement Period shall be deemed to have commenced and Africa Energy or Arostyle may thereafter deliver an Option Notice in accordance with clause 12.1.

12.1.4.9

The Shareholders each hereby agree that their intention is that any proceeds received from an Asset Sale (the “**Sale Proceeds**”) are intended to be distributed in accordance with the principles in the sample calculations attached hereto as Annexe D. The Shareholders agree that if there are any inconsistencies between the Amended MOI and Annexe D, the Shareholders shall take the required actions (including voting in favour of any required resolutions) to make such

amendments to the Amended MOI (including the terms of the Ordinary Shares and/or Class B Shares) to ensure that the Sale Proceeds are ultimately distributed in accordance with Annexe D.

Compulsory Offer of Shares

- 12.2 For purposes of this Agreement, a Trigger Event shall occur if:
- 12.2.1 a Shareholder is placed under curatorship, sequestration, liquidation or under a winding-up order, whether provisionally or finally, voluntarily or compulsorily;
 - 12.2.2 a Shareholder is wound-up, liquidated, placed under administration or business rescue, as the case may be, whether provisionally or finally and whether compulsorily or voluntarily;
 - 12.2.3 a Shareholder takes any steps to be deregistered in terms of the Companies Act or the legislation in terms of which it has been incorporated, as the case may be;
 - 12.2.4 a Shareholder enters into any compromise with its creditors generally, or offers to do so;
 - 12.2.5 a Shareholder which is a trust ceases to operate primarily for the benefit of those who are beneficiaries on the date when the trust first becomes a Shareholder in the Company;
 - 12.2.6 a Shareholder fails to provide a Guarantee for its Respective Proportion;
 - 12.2.7 a Shareholder breaches any of the material provisions of this Agreement (which includes clauses 9 and 15 for the avoidance of doubt) or any material provisions of the Amended MOI, and fails to remedy such breach within a reasonable time of being requested to do so or within the specific time stipulated for such remedy in the agreement in question, whichever is applicable;
 - 12.2.8 a Shareholder through any act or omission causes the Company to breach any term of the FOAs; and/or
 - 12.2.9 any change of Control in any Shareholder occurs (provided that for so long as AEC is a listed company, any change of Control in AEC shall not be considered a change of Control of Africa Energy for purposes of this

Agreement), without the prior written consent of the other Shareholder, save if such change in Control in respect of Arostyle occurs pursuant to the Amended Loan Agreement and the Finance Documents (as defined under the Amended Loan Agreement).

12.3 If a Trigger Event occurs, then that relevant Shareholder ("**Offeror Shareholder**") will be deemed on the day immediately preceding the date of the occurrence of a Trigger Event ("**Relevant Date**"), to have offered to sell to the other Shareholders (or their nominee/s):

12.3.1 all of its Ordinary Shares at a ■% discount to the Market Value, and its Claims at a ■% discount to the face value thereof, both as at the date on which the Intention Notice, as defined below, is delivered to the Offeror Shareholder and as at the Effective Date, as defined below. The Company and all other Shareholders shall be entitled to deliver a notice (the "**Intention Notice**") to the Offeror Shareholder that it wishes to consider the deemed offer (which notice may be given at any time after the deemed offer is made); or

12.3.2 all of its rights in and to the Asset at a ■% discount to the Market Value, as at the date on which the Intention Notice, defined below, is delivered to the Offeror Shareholder. The other Shareholders shall be entitled to deliver a notice (the "**Forced Sale Notice**") to the Offeror Shareholder and the Company stipulating that it requires the Company to dispose of its rights in and to the Asset and the Offeror Shareholder and the Company shall:

12.3.2.1 be obliged to do all things necessary, take all steps, sign all documents, provide all information and pass all resolutions required to effect such disposal and waives any rights it may have to veto or block such sale and shall vote in favour of all resolutions and take all such actions required to implement the sale; and

12.3.2.2 subject to section 46 of the Companies Act, only be entitled to its Respective Proportion of proceeds of the sale of the Asset after the Company has settled all its debts, less ■%. The foregoing shall be implemented by the Company distributing the proceeds of the foregoing sale after paying all debts of the Company (including Shareholders' loans and taxes) and then distributing the balance to the Shareholders in the Respective Proportions, save that the Company

shall pay ■% of the Offering Shareholder's distribution to the other Shareholders.

- 12.4 For the avoidance of doubt, if an offer is deemed to have been made as contemplated in this clause 12, the other Shareholders shall be entitled to, at any time, give the Intention Notice or Forced Sale Notice and the time periods shall only start running from the date of such Intention Notice or Forced Sale Notice (as the case may be), provided that once any Shareholder has delivered an Intention Notice or a Forced Sale Notice, then that shall be deemed to be the election of all Shareholders and the time periods shall commence as regards all Shareholders.
- 12.5 The deemed shares offer, contemplated in clause 12.3.1, shall be deemed to have been made on the basis that:
- 12.5.1 it shall remain open for acceptance for a period of 60 (sixty) days after the date on which the Market Value has been determined;
 - 12.5.2 the purchase price for the Shares and Claims shall, subject to necessary Regulatory Approvals being obtained, be payable within 30 (thirty) days after the (i) date of acceptance of the offer and (ii) Regulatory Approvals being obtained, whichever occurs later ("**Effective Date**"), against delivery of a written cession of the Claims and the share certificate(s) together with a signed share transfer form dated but left blank as to transferee;
 - 12.5.3 until the Effective Date, the Offeror Shareholder shall remain liable for all its obligations under this agreement, including clause 9, and shall diligently discharge such obligations on the terms of this Agreement; and
 - 12.5.4 the sale and cession of the Ordinary Shares and the Claims shall be come into effect and be implemented on the Effective Date.
- 12.6 In the event of a Scheduled Redemption Date, the Company shall after repayment of all outstanding Shareholder Loans and payment of the Subscription Price Dividend: (i) declare and pay the Ordinary Share Priority Dividend; and (ii) after payment of the Redemption Dividend, declare and pay the Ordinary Share Redemption Dividend (and each of the Shareholders shall take all steps, sign all documents, provide all information and pass all resolutions required to effect such distributions).
- 12.7 In the case of the sequestration, liquidation (whether provisional or final) or commencement of business rescue proceedings or other similar legal incapacity

of a Shareholder, as contemplated in clause 12.2.2, such Shareholders' rights and obligations in terms of this Agreement and the Amended MOI shall be deemed to have terminated on the day preceding the date of sequestration, liquidation (whether provisional or final) or other legal incapacity of the Shareholder concerned and be deemed to have been suspended on the day preceding the commencement of the business rescue proceedings or other legal incapacity of the Shareholder concerned. Upon such termination or suspension, as the case may be, the Shareholder and/or its nominee/s as Directors shall be deemed to have resigned as Director/s of the Company (if applicable).

- 12.8 In the event any Required Approvals are not obtained in connection with any transaction contemplated in clause 12.1, Africa Energy shall within ten (10) Business Days thereof deliver a Sale Notice and comply with the terms of clause 12.1.4, including the delivery of a ROFO Offer. If such ROFO Offer is not accepted by Arostyle, Africa Energy shall pursue a Third Party Sale in accordance with clause 12.1.4.6 and clause 12.1.4.7 shall be applicable to any such Third Party Sale.

13. Restricted and Permitted Transfers

- 13.1 For as long as a the Discharge Date, has not occurred, and subject to clause 11, the Shareholders shall be entitled to sell their Ordinary Shares to any third party in terms of the provisions in the Amended MOI, provided that the other Shareholders, by Reserved Matter Approval, approve of the identity of the third party, the technical capabilities of such third party and the third party's capability to fund the Project Funding Obligations, which approval shall not be unreasonably withheld or delayed, and further provided that any such transferee shall become a party to this Agreement and accept the relevant rights and obligations hereunder of the relevant Shareholder who is the transferor of such Ordinary Shares.
- 13.2 Any Shareholder may transfer its Shares and Shareholders' Loans to any of its Affiliates (or in the case of Arostyle, to Impact as contemplated under the Loan Agreement and Finance Documents (as defined in the Loan Agreement)) without triggering the pre-emptive rights in the Amended MOI, provided that:
- 13.2.1 the Affiliate or Impact (as the case may be) agrees in writing to be bound to the terms and conditions of this Agreement;

- 13.2.2 the transferring Shareholder remains bound by the terms and conditions of this Agreement or any other agreement it may have concluded with the Company and/or any Shareholder; and
- 13.2.3 in the case of an Affiliate, such Affiliate remains at all times an Affiliate of the transferring Shareholder; failing which such transferred Shares shall immediately be transferred back to the transferring Shareholder upon such Affiliate ceasing to be an Affiliate of the transferring Shareholder.
- 13.3 Arostyle shall be entitled to nominate or designate an Affiliate or a nominee entity for purposes of concluding any of the transactions contemplated in clause 12.1 and/or for purposes of receiving any payment or consideration pursuant to any transactions under clause 12.1.

14. Relationship between the Shareholders

The relationship between the Shareholders as such shall not be construed as that of partners or quasi partners.

15. Anti-Bribery Laws and Obligations

The Shareholders undertake to comply with the Anti-Bribery Laws and Obligations (a defined in the FOA's) as set out in the FOAs *mutatis mutandis*.

16. Termination

The provisions of this Agreement, other than the Surviving Provisions, shall terminate on the occurrence of any of the following events

- 16.1 an effective resolution to wind up the Company is passed and registered;
- 16.2 a binding order is made by a court having jurisdiction for the winding-up of the Company; or
- 16.3 at the election of the remaining Shareholders on 30 days' notice in writing given to the Board at any time after Africa Energy or Arostyle ceases to be a Shareholder.

17. Confidentiality

- 17.1 Without the prior written consent of the other Parties, each Party will keep confidential and will not disclose to any person, other than its Affiliates:

- 17.1.1 the details of this Agreement, as well as the details of all the transactions or agreements contemplated in this Agreement;
 - 17.1.2 all information relating to the Business, the operations, affairs, assets and liabilities of the Company; and
 - 17.1.3 all information relating to the Business, the operations, affairs, assets and liabilities of any Shareholder
- together ("**Confidential Information**").
- 17.2 The Parties each respectively agrees to keep all Confidential Information confidential and to disclose it only to their respective officers, directors, employees, consultants, Affiliates, and professional advisors who:
 - 17.2.1 have a need to know (and then only to the extent that each such person has a need to know);
 - 17.2.2 are aware that the Confidential Information should be kept confidential;
 - 17.2.3 are aware of the disclosing Party's undertaking in relation to such information in terms of this agreement; and
 - 17.2.4 have been directed by the disclosing Party to keep the Confidential Information confidential and have undertaken to keep the Confidential Information confidential.
 - 17.3 The obligations of the Parties in relation to the maintenance and nondisclosure of Confidential Information in terms of this Agreement do not extend to information that:
 - 17.3.1 is disclosed to the receiving Party in terms of this Agreement but at the time of such disclosure such information is known to be in the lawful possession or control of that Party and not subject to an obligation of confidentiality;
 - 17.3.2 is or becomes public knowledge, otherwise than pursuant to a breach of this Agreement by the Party who disclosed such Confidential Information;
 - 17.3.3 is required by the provisions of any law, statute or regulation, or during any court proceedings, or by the rules or regulations of any recognised stock exchange to be disclosed and the Party required to make the disclosure has limited, as far as reasonably possible, the extent of such disclosure and has consulted with the other Parties prior to making such disclosure.

18. **Dispute resolution**

18.1 **separate, divisible agreement**

This clause is a separate, divisible agreement from the rest of this Agreement and shall;

18.1.1 not be or become void, voidable or unenforceable by reason only of any alleged misrepresentation, mistake, duress, undue influence, impossibility (initial or supervening), illegality, immorality, absence of consensus, lack of authority or other cause relating in substance to the rest of the Agreement and not to this clause. The Parties intend that all disputes, including the issues set forth above, be and remain subject to arbitration in terms of this clause; and

18.1.2 remain in effect even if the Agreement expires or terminates for any reason whatsoever.

18.2 **Dispute subject to mediation and arbitration**

Save as may be expressly provided for elsewhere in this Agreement for the resolution of particular disputes, any other dispute arising out of or in connection with this Agreement or the subject matter of this Agreement or the Amended MOI, including without limitation, any dispute concerning:

18.2.1 the existence of the Agreement apart from this clause;

18.2.2 the interpretation, application and effect of any provisions in the Agreement or the Amended MOI;

18.2.3 the Parties' respective rights or obligations under the Agreement or the Amended MOI;

18.2.4 the rectification of the Agreement;

18.2.5 any alleged misrepresentation, mistake, duress, undue influence, impossibility (initial or supervening), illegality, immorality, absence of consensus, lack of authority or other cause relating to or in any way connected with the Agreement or any part or portion thereof;

18.2.6 the breach, expiry, termination or cancellation of the Agreement or any matter arising out of the breach, expiry, termination or cancellation; and

18.2.7 any claims in delict, compensation for unjust enrichment or any other claim, whether or not the rest of the Agreement apart from this clause is valid and enforceable, shall be referred, in the first instance, to mediation as set out in clause 18.3, failing which to arbitration as set out in clause 18.4.

18.3 **mediation**

If the Parties are unable to agree on a mediator or to resolve any dispute by way of mediation within 14 days of any Party in writing requesting that the dispute be resolved by mediation, then the dispute shall be submitted to and decided by arbitration as set out in this clause.

18.4 **arbitration**

All disputes which cannot be settled by mediation as described in clause 18.3 shall be finally settled in accordance with the Commercial Arbitration Rules of the Arbitration Foundation of Southern Africa ("**AFSA**") without recourse to the ordinary courts of law, except as explicitly provided for in clause 18.11.

18.5 **appointment of arbitrator**

18.5.1 The Parties shall agree on the arbitrator who shall be an attorney or senior advocate (with at least 10 years' experience in commercial legal practice) on the panel of arbitrators of AFSA. If agreement is not reached within 10 Business Days after any Party calls in writing for such agreement, the arbitrator shall be an attorney or senior advocate (with at least 10 years' experience in commercial legal practice) nominated by the Chairman of AFSA for the time being.

18.5.2 The request to nominate an arbitrator shall be in writing outlining the claim and any counterclaim of which the Party concerned is aware and, if desired, suggesting suitable nominees for appointment as arbitrator, and a copy shall be furnished to the other Parties who may, within 7 days, submit written comments on the request to the addressee of the request with a copy to the first Party.

18.6 **venue and period for completion of arbitration**

The arbitration shall be held in Cape Town and the Parties shall endeavour to ensure that it is completed as soon as possible.

18.7 **powers of the arbitrator**

The arbitrator shall have the power to order any interim and final relief permissible in law, including interdictory, mandatory and declaratory orders, awards of damages and orders as to costs.

18.8 **confidentiality**

18.8.1 Any arbitration; all documents in, and process associated with, the arbitration; and any decision or award in the arbitration, shall be kept strictly confidential by all Parties and shall not be disclosed to any other person.

18.8.2 The obligation in 18.8.1 shall not:

18.8.2.1 preclude any Party using information or documentation to apply to have any decision or award of the arbitrator recognised or enforced, or in any other court proceedings.

18.8.2.2 apply to any information or documentation which was not confidential prior to the arbitration or is in the public domain.

18.8.2.3 preclude any disclosure of information or documentation which is required by law.

18.9 **binding nature of arbitration**

The Parties irrevocably agree that, subject to clause 18.10, the decisions and awards of the arbitrator:

18.9.1 shall be binding on them;

18.9.2 shall be carried into effect; and

18.9.3 may be made an order of any court of competent jurisdiction.

18.10 **appeal**

The Parties agree that there shall be no appeal against the decision of the arbitrator unless the amount in dispute exceeds R50 000 000 (fifty million Rand) in which event any Party to the dispute may appeal the decision of the arbitrator to an appeal panel of three arbitrators appointed by agreement between the Parties to the dispute, failing which the appeal arbitrators shall be appointed by the Chairman

of AFSA. The appeal shall take place in accordance with the Commercial Arbitration Rules of AFSA.

18.11 application to court for urgent interim relief

Nothing contained in this clause 18 shall prohibit a Party from approaching any court of competent jurisdiction for urgent interim relief pending determination of the dispute by arbitration.

19. Miscellaneous matter

19.1 postal address

19.1.1 Any written notice in connection with this Agreement may be addressed:

19.1.1.1 in the case of Africa Energy to:

address : Suite 2000 - 885 West Georgia Street
Vancouver, BC
V6C 3E8
Canada

email : [REDACTED]

and marked for the attention of [REDACTED]

19.1.1.2 in the case of Arostyle to:

address : 6th floor
85 Grayston Drive
Sandton
2196
Republic of South Africa

email : [REDACTED]

and marked for the attention of [REDACTED].

19.1.1.3 in the case of the Company to:

address : [●]
email : [REDACTED]

and marked for the attention of [REDACTED].

19.1.2 The notice shall be deemed to have been duly given:

- 19.1.2.1 7 (seven) days after posting (21 (twenty one) days if the address is not in the Republic of South Africa), if posted by registered post (airmail, if available) to the Party's address in terms of this sub-clause;
- 19.1.2.2 on delivery, if delivered to the Party's physical address in terms of either this sub-clause or the next sub-clause dealing with service of legal documents, during normal business hours (or on the first Business Day after that if delivered outside such hours);
- 19.1.2.3 on despatch, if sent to the Party's then e-mail address during normal business hours (or on the first Business Day after that if despatched outside such hours),

unless the addressor is aware, at the time the notice would otherwise be deemed to have been given, that the notice is unlikely to have been received by the addressee through no act or omission of the addressee.

- 19.1.3 A Party may change that Party's address or fax number or e-mail address for this purpose by notice in writing to the other Party, such change to be effective only on and with effect from the 7th Business Day after the giving of such notice.
- 19.1.4 Notwithstanding anything to the contrary herein contained, a written notice or communication actually received by a Party shall be an adequate written notice or communication to it notwithstanding that it was not sent to or delivered at its chosen address in clause 19.1.1.

19.2 **address for service of legal documents**

- 19.2.1 The Parties choose the following physical addresses at which documents in legal proceedings in connection with this Agreement may be served (ie their *domicilia citandi et executandi*):

- 19.2.1.1 in the case of Africa Energy to:

address : Suite 2000 - 885 West Georgia Street
Vancouver, BC
V6C 3E8
Canada

- 19.2.1.2 in the case of Arostyle to :

address : [■];

19.2.1.3 in the case of the Company to:

address : [■].

19.2.2 A Party may change that Party's address for this purpose to another physical address in the Republic of South Africa by notice in writing to the other Party such change to be effective only on and with effect from the 7th Business Day after the giving of such notice.

19.2.3 Notwithstanding anything to the contrary herein contained, a written notice or communication actually received by a Party shall be an adequate service of such written notice or communication to that Party notwithstanding that it was not sent to or delivered or served at that Party's chosen *domicilium citandi et executandi*.

19.3 **entire contract**

This Agreement contains all the express provisions agreed on by the Parties with regard to the subject matter of the Agreement and the Parties waive the right to rely on any alleged provision not expressly contained in this Agreement.

19.4 **no stipulation for the benefit of a third person**

Save as is expressly provided for in this Agreement, no provision of this Agreement constitutes a stipulation for the benefit of a third person (ie a *stipulatio alteri*) which, if accepted by the person, would bind any Party in favour of that person.

19.5 **no representations**

A Party may not rely on any representation which allegedly induced that Party to enter into this Agreement, unless the representation is recorded in this Agreement.

19.6 **variation, cancellation and waiver**

No contract varying, adding to, deleting from or cancelling this Agreement, and no waiver of any right under this Agreement, shall be effective unless reduced to writing and signed by or on behalf of the Parties.

19.7 **indulgences**

The grant of any indulgence by a Party under this Agreement shall not constitute a waiver of any right by the grantor or prevent or adversely affect the exercise by the grantor of any existing or future right of the grantor.

19.8 **cession and delegation**

Except as provided for elsewhere in this Agreement, a Party may not cede any or all of that Party's rights or delegate any or all of that Party's obligations under this Agreement.

19.9 **applicable law**

This Agreement is to be governed, interpreted and implemented in accordance with the laws of the Republic of South Africa.

19.10 **jurisdiction of South African courts**

Subject to clause 18 above, the Parties consent and submit to the non-exclusive jurisdiction of the High Court of South Africa, (Gauteng Local Division, Johannesburg) for any proceedings arising out of or in connection with this Agreement.

19.11 **waiver of immunity**

To the extent that any Party enjoys any immunity from suit or execution in any jurisdiction, it hereby waives and agrees not to invoke that immunity to the extent possible in law in respect of any proceedings arising out of or in connection with this Agreement and the execution of any order, decision or award of any court, arbitral tribunal or other adjudicative body pursuant to such proceedings.

19.12 **costs**

19.12.1 Each Party shall bear that Party's own legal costs and disbursements of and incidental to the negotiation, preparation, settling, signing and implementation of this Agreement.

19.12.2 Any costs, including all legal costs on an attorney and own client basis and VAT, incurred by a Party arising out of or in connection with a breach by another Party shall be borne by the Party in breach.

19.13 **signature in counterparts**

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and which together shall constitute one and the same agreement.

19.14 independent advice

Each of the Parties hereby respectively agrees and acknowledges that:

19.14.1 it has been free to secure independent legal advice as to the nature and effect of each provision of this Agreement and that it has either taken such independent legal advice or has dispensed with the necessity of doing so; and

19.14.2 each provision of this Agreement (and each provision of the Annexes) is fair and reasonable in all the circumstances and is part of the overall intention of the Parties in connection with this Agreement.

19.15 good faith

The Parties shall at all times act in good faith towards each other and shall not bring any of the other Parties into disrepute.

19.16 co-operation

Each of the Parties undertakes at all times to do all such things, perform all such acts and take all such steps, and to procure the doing of all such things, within its power and control, as may be open to it and necessary for and incidental to the

putting into effect or maintenance of the terms, conditions and import of this Agreement.

Signed at _____ on _____ 2020

Witness _____ for **AFRICA ENERGY SA CORP**

1.
.....
duly authorised and warranting such
authority

2.

Signed at _____ on _____ 2020

Witness _____ for **AROSTYLE INVESTMENTS (RF)
(PROPRIETARY) LIMITED**

1.
.....
duly authorised and warranting such
authority

2.

Signed at _____ on _____ 2020

Witness _____ for **MAIN STREET 1549 PROPRIETARY LIMITED**

1. _____
_____ duly authorised and warranting such authority

2. _____

Solely in respect of clause 9 and clause 12.1.3.3 of this Agreement

Signed at _____ on _____ 2020

Witness _____ for **AFRICA ENERGY CORP.**

1. _____
_____ duly authorised and warranting such authority

2. _____

RESERVED MATTERS

1. The Company, its subsidiaries, the Directors and/or the Shareholders shall have no authority to make the following decisions or pass the following resolutions in respect of the Company or any of its subsidiaries, unless such decisions or resolution is approved by Reserved Matter Approval, and any decision or resolution taken in contravention hereof shall be *void ab initio*:
 - 1.1 any matter requiring a special resolution in terms of the Companies Act;
 - 1.2 the disposal or acquisition of any material assets or rights by the Company, including the terms and conditions on which the Company intends to acquire or dispose such assets or rights;
 - 1.3 the encumbrance (by way of mortgage, charges, royalties, rights of pre-emption or other security of any kind) of any material asset or right by the Company;
 - 1.4 any material change in the business or main objects of the Company;
 - 1.5 any change to the authorised or issued share capital of the Company;
 - 1.6 any change to the terms and conditions applicable to Shareholder Loans;
 - 1.7 any non-Shareholder borrowings by the Company in excess of USD100 000 (one hundred thousand United States Dollars);
 - 1.8 any lending by the Company;
 - 1.9 for as long as the Discharge Date has not occurred or been deemed to occur, the appointment or removal of any Director;
 - 1.10 the dissolution of the Company;
 - 1.11 any change to the dividend policy of the Company;
 - 1.12 any other matter which this Agreement and the Company's memorandum of incorporation expressly provides for Reserved Matter Approval;
 - 1.13 approval of the Company Budget (including any amendments thereto) (as described at clause 9.3.2);

- 1.14 approval of the Project Specific Budget (including any amendments thereto) (as described at clause 9.3.1); and
 - 1.15 the conclusion, novation or amendment to any management agreement that the Company wishes to conclude with a Shareholder or any other third party to provide any form of management, administration and or technical services to the Company from time to time, other than the technical service agreement concluded or to be concluded between the Company and Africa Energy;
 - 1.16 the declaration of a distribution to the Shareholders in accordance with section 46;
 - 1.17 amending or cancelling the provisions of this Agreement; and
 - 1.18 the issue of shares and option for shares in the Company.
2. For the purposes of the Reserved Matters listed herein, the term "*material asset*" shall mean any direct or indirect oil interest and/or gas rights of the Company and/or any other assets of the Company constituting at least ■% (■ percent) of the gross asset value of the Company from time to time (and if more than one of the Reserved Matters in respect of non-material assets occurs within a two year period such Reserved Matters shall be aggregated for the purposes of calculating such materiality).

Annexe B**AMENDED MOI**

See attached.

REPUBLIC OF SOUTH AFRICA

COMPANIES ACT 71 of 2008

MEMORANDUM OF INCORPORATION

of

Main Street 1549 Proprietary Limited

Registration Number 2017/252494/07

which is referred to in the rest of this MOI
as "**the Company**"

Adoption of memorandum of incorporation

This MOI was adopted by the shareholders of the Company by special resolution in accordance with section 16(1)(c) of the Companies Act

Table of Contents

	Page No
1. Interpretation	1
2. Incorporation as a private company.....	6
3. Constitution of the Company.....	6
4. Conflicts with the Companies Act	6
5. Amending the MOI	7
6. Powers of the Company.....	8
7. Constructive notice.....	8
8. Rules	8
9. The Company.....	8
10. Registered office	9
11. Management of the Company.....	9
12. Financial matters.....	10
13. Application of optional provisions of the Companies Act.....	11
14. Authorisation of shares	12
15. Issue of shares (including options)	14
16. Registered shareholders' rights of pre-emption on issue.....	16
17. Securities other than shares (debt instruments)	17
18. Securities register	17
19. Certificates evidencing securities.....	17
20. Financial assistance for the subscription of options or securities.....	18
21. Loans or other financial assistance to directors or prescribed officers.....	19
22. Transfer of securities.....	19
23. Conditions applicable to funding of the Company	21
24. Rights of pre-emption.....	21
25. Regulatory Approvals.....	25
26. Capitalisation shares.....	25
27. The Company acquiring the Company's shares.....	25
28. Distributions	25
29. Reserved Matter Approval	26
30. Shareholders' meetings	28
31. Appointment of Directors.....	29
32. Directors' meetings.....	30
33. Round-Robin resolutions.....	32
34. Indemnification of directors	32
35. Notices	32

Schedule 1	CLASS B SHARE TERMS	34
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1. Interpretation

In this memorandum of incorporation ("**MOI**"), unless contrary to the context –

- i. "**Affiliate**" means in relation to: (i) a person which is a company, means any company (established in any jurisdiction in the world) which is directly or indirectly a subsidiary or holding company of such company and includes any other person directly or indirectly Controlled by, or which Controls, that company; and in relation to (ii) a person who or which is an individual, firm or other unincorporated body, includes any individual, firm, unincorporated body or company directly or indirectly Controlled by, or which Controls, such individual, firm or unincorporated body;
- ii. "**Africa Energy**" means Africa Energy SA Corp., registration number BC1025602, a private company duly incorporated in accordance with the laws of the province of British Columbia, Canada;
- iii. "**Annual Budget**" means, in relation to any financial year of the Company, the budget (as amended from time to time) in respect of that financial year (or part thereof), comprising the (a) Project Specific Budget, and (b) Company Budget;
- iv. "**Asset**" has the meaning given to the term in the Shareholders Agreement;
- v. "**Auditors**" means the auditors of the Company for the time being;
- vi. "**Arostyle**" means Arostyle Investments Proprietary Limited, registration number 2017/366108/07, a private company incorporated in accordance with the laws of the Republic of South Africa;
- vii. "**Block 11B/12B JOA**" means the joint operating agreement entered into on 4 July 2014 between CNR International (South Africa) Limited and Total E&P South Africa B.V., which sets out the respective interests, rights and obligations of the parties thereto with regard to the Exploration Right CNR 12/3/67 relating to Block 11B/12B originally granted on 22 May 2012, as amended or replaced from time to time;
- viii. "**Board**" means the board of directors of the Company as constituted from time to time;
- ix. "**Business**" means the business described in paragraph 9.1 to be conducted by the Company;
- x. "**Business Day**" means any day other than a Saturday, Sunday or official holiday in the Republic of South Africa or Canada;

- xi. **"Chairperson"** the chairperson of the Company appointed in accordance with paragraph 31.5 from time to time, who will in the ordinary course also be the chair of meetings of the Directors and meetings of the Shareholders;
- xii. **"Class B Shares"** has the meaning set out in paragraph 14.1.2;
- xiii. **"Commission"** means the Companies and Intellectual Property Commission, established in terms of section 185 of the Companies Act;
- xiv. **"Companies Act"** means the Companies Act, No. 71 of 2008, as amended or replaced from time to time;
- xv. **"Companies Regulations"** means the Companies Regulations, 2011 promulgated in terms of section 223 of the Companies Act, as amended or replaced from time to time;
- xvi. **"Company"** means Main Street 1549 Proprietary Limited, registration number 2017/252494/07, a private company incorporated in accordance with the laws of the Republic of South Africa;
- xvii. **"Company Budget"** means, in relation to any financial year of the Company, the budget (as amended from time to time) in respect of that financial year (or part thereof) approved by the Board for all day-to-day matters and undertakings being conducted by the Company, other than under a Project Specific Budget;
- xviii. **"Control"** has the meaning assigned to it at section 2(2) of the Companies Act, and **"Controlled"** shall be construed accordingly;
- xix. **"Director"** means a director of the Company from time to time, appointed in accordance with the provisions of paragraph 31;
- xx. **"Identified Shares"** means the Ordinary Shares offered for sale from time to time by an Offeror pursuant to the provisions of paragraph 24;
- xxi. **"Impact"** means Impact Oil & Gas SA Blocks 11B-12B Limited, a company incorporated and registered in England and Wales with company number 07993785 and registered office at Elder House, St Georges Business Park, Brooklands Road, Weybridge, Surrey KT13 OTS United Kingdom;
- xxii. **"Impact Nominee"** has the meaning set out in paragraph 31.3;
- xxiii. **"Issue Shares"** has the meaning set out in paragraph 16;

- xxiv. **"Majority Shareholder"** means the Shareholder holding the highest number of issued Ordinary Shares from time to time;
- xxv. **"MOI"** means this memorandum of incorporation of the Company, as amended or replaced from time to time;
- xxvi. **"Offeror"** means a Shareholder offering Identified Shares for sale in terms of paragraph 24;
- xxvii. **"Ordinary Shares"** means shares in the Company which have been designated as such;
- xxviii. **"Project Specific Budget"** means, in relation to any financial year of the Company, the budget (as amended from time to time) in respect of that financial year (or part thereof) approved as a Reserved Matter Approval for a specific undertaking being conducted by the Company;
- xxix. **"publish"** or **"deliver"** means, in relation to any document that is required to be published or delivered to the Shareholders in terms of this MOI, that the document in question is prepared in plain language and, if applicable, in the prescribed form, in accordance with section 6(4) and (5), and is delivered to each registered shareholder at that Shareholder's registered address (either its business or postal or residential address, or by e-mail) as recorded in the securities register of the Company (Regulation 32(2)(a), paragraphs 18.2 and 35.1);
- xxx. **"registered shareholder"** means the holder of a share, or other security, issued by the Company and who is entered as such in the securities register of the Company, being the person who shall be regarded for purposes of this MOI as the person who, in relation to the Company, is the person entitled to exercise the rights attaching to the shares or other securities registered in their name (sections 1 and 57(1));
- xxxi. **"Regulatory Approval"** means any applicable approvals required to be given by any Regulatory Authority in terms of any legislation and/or any regulations having the force of law in South Africa from time to time;
- xxxii. **"Regulatory Authority"** means any one or more relevant regulatory authority in South Africa, as the circumstances may require;
- xxxiii. **"Reserved Matters"** means matters contemplated in paragraph 29 (which include decisions to be made by the Company in respect of the Block 11B/12B JOA, Project Funding Obligations and Company Funding Obligations (as defined in the Shareholders Agreement)) that may only be duly passed by the Shareholders and, for

as long as the Impact Nominee is a Director as contemplated in paragraph 31.3 below, the Directors by way of Reserve Matter Approval;

- xxxiv. **"Reserved Matter Approval"** means the approval of the Reserved Matters by (i) unanimous approval from all of the Shareholders, and (ii) for as long as the Impact Nominee is a Director as contemplated in paragraph 31.3 below, the unanimous approval from all of the Directors;
- xxxv. **"shares"** means shares in the issued share capital of the Company, irrespective of their class, including, without limitation, the Ordinary Shares and the Unspecified Shares;
- xxxvi. **"Shareholder Loans"** means shareholders' claims on loan account against the Company in respect of shareholders' loans advanced by shareholders to the Company from time to time;
- xxxvii. **"Shareholders"** means the holders of the issued Ordinary Shares from time to time;
- xxxviii. **"Shareholders Agreement"** means any signed written agreement or signed written agreements (as amended, varied or revised from time to time) in force from time to time between all or some of the Shareholders and the Company, in terms of which the rights and obligations of the Shareholders amongst themselves (in their capacities as Shareholders) are regulated and in terms of which the relationship between each Shareholder and the Company is regulated;
- xxxix. **"Trigger Offer"** means a trigger offer as defined in paragraph 24.2;
- xl. **"Unspecified Shares"** has the meaning contemplated in paragraph 14.1.2;
- xli. any reference to a **"person"** includes a natural person, company, close corporation or any other juristic person or other corporate entity, a charity, trust, partnership, joint venture, syndicate, or any other association of persons;
- xlii. a reference to a **"paragraph"** by number refers to the corresponding paragraph in this MOI;
- xliii. a reference to a **"section"** by number refers to the corresponding section of the Companies Act;
- xliv. references to a statutory provision include any subordinate legislation made from time to time under that provision and include that provision as modified or re-enacted from time to time;

- xliv. words importing the masculine gender include the feminine and neuter genders and *vice versa*; the singular includes the plural and *vice versa*; and natural persons include artificial persons and *vice versa*;
- xlvi. words and expressions which are defined and used or have a particular meaning ascribed to them in a particular context in the Companies Act shall when used in this MOI in a similar context bear the same meaning unless excluded by the subject or the context, or unless this MOI provides otherwise;
- xlvi. the provisions of this MOI shall be interpreted in the same way as the provisions of the Companies Act which form part of the constitution of the Company;
- xlvi. where any number of days is prescribed, those days shall be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a day which is not a Business Day, in which event the last day shall be the next succeeding Business Day; and
- xlix. each provision and each sentence and each part of a sentence in this MOI is separate and severable from each other, and to the extent any provision or sentence or part thereof is found to be illegal or unenforceable or inconsistent with or contravenes any provision of the Companies Act, or void, such may to that extent only be modified or severed from the MOI, so that the remaining part of that provision or sentence or part thereof, as the case may be, is legal, enforceable or consistent with or does not contravene the Companies Act or is not void.

A: Memorandum of Incorporation

2. Incorporation as a private company

The Company is incorporated, as from the date of incorporation in its registration certificate, as a private company in terms of section 8(2)(b) of the Companies Act as:

- 2.1 in terms of this paragraph, the Company is hereby prohibited from offering its securities to the public (section 8(2)(b)(ii)(aa)); and
- 2.2 the transferability of the securities of the Company is restricted (section 8(2)(b)(ii)(bb)).

3. Constitution of the Company

- 3.1 In terms of section 19(1)(c), the Company is incorporated in accordance with, and governed by:
 - 3.1.1 the unalterable provisions of the Companies Act, subject to any provisions of this MOI which impose any more onerous requirements as contemplated in section 15(2)(a)(iii);
 - 3.1.2 the alterable provisions of the Companies Act, subject to the limitations, extensions, variations or substitutions with respect to such alterable provisions set out in this MOI in accordance with section 1 read with 15(2)(a)(ii); and
 - 3.1.3 the provisions of this MOI subject to and in accordance with section 15(2).
- 3.2 The object and main business of the Company shall be to buy, hold, manage and/or sell interests and/or investments in oil exploration or production rights and generally do anything which may be connected or incidental thereto in the Republic of South Africa or any other jurisdiction as the Shareholders may agree by Reserved Matter Approval.

4. Conflicts with the Companies Act

- 4.1 If any person at any time contends that, for purposes of section 15(1) or section 218 or otherwise, any provision of this MOI is not consistent with or contravenes, or is or has become inconsistent with, any provision of the Companies Act (as amended from time to time), then a meeting of the Shareholders may be convened for purposes of the Shareholders considering and, if deemed fit, approving any proposed special resolution(s) and/or Reserved Matter Approval required to appropriately amend the offending provisions of this MOI so as to remove or eliminate any such inconsistency or contravention.

- 4.2 Notwithstanding anything to the contrary contained elsewhere in this MOI, no person shall be required, obliged or entitled in terms of this MOI to do or omit to do something in terms of this MOI that is inconsistent with or contravenes any provision of the Companies Act. Any person who does something or fails to do something so as not to be inconsistent with or contravene any provision of the Companies Act or to avoid personal liability under section 218(2), but as a result thereof contravenes any provision of this MOI which provision of the MOI could be declared void by a court in terms of section 218(1), shall not for that reason alone be liable or responsible therefore under this MOI with respect to any claim by the Company or any Shareholder or any director of the Company or any other person entitled to do so in terms of this MOI, arising out of or in connection with any such act or omission (sections 15(6) and 218).
- 4.3 Any Shareholder, director or prescribed officer of the Company, or any member of a Board committee or statutory audit committee, who is of the view or forms the view that any provision of this MOI contravenes or is or has become inconsistent with any provision of the Companies Act (as amended from time to time), whether or not such provision could be declared void by a court in terms of section 218(1) or a person could incur personal liability in terms of section 218(2), shall within 5 (five) business days of forming that view in writing inform the Board of such view and the reasons for such view (section 15(6)).
- 4.4 If any provision of the Companies Act is amended, or the Board is aware of or informed of any inconsistency or contravention in terms of paragraph 4.3, or otherwise, then in addition to and without limiting the rights or remedies of any other person, the Board shall be responsible for expeditiously assessing that amendment to the Companies Act and/or that inconsistency or contravention and, if required, expeditiously proposing the appropriate special resolutions and/or Reserved Matter Approval required to appropriately amend the MOI so as to remove or eliminate any applicable contraventions or inconsistencies.

5. **Amending the MOI**

- 5.1 Without limiting or detracting from any other provision in the Companies Act providing for the amendment of this MOI, any provision of this MOI may be amended by Reserved Matter Approval in terms of section 16(1)(c), provided that in the circumstances contemplated in paragraph 4, the Board or any one or more Directors or any one or more Shareholders may propose the Reserved Matter Approvals required to appropriately amend the offending provision(s) of the MOI, as contemplated in paragraph 4, in terms of section 16(2) read with section 16(1)(c)(ii).

- 5.2 In circumstances where the MOI is proposed to be amended to remove or eliminate a specific inconsistency or contravention with any provision of the Companies Act, which provision of the MOI is void in terms of section 15(1)(b) or could be declared void by a court in terms of section 218(1), as contemplated by paragraph 4; then a Shareholder undertakes not to object to that amendment on the grounds contemplated by section 164(2)(a) or demand that the Company pay the Shareholder the fair value for all of the shares held by that person, in terms of section 164.

6. **Powers of the Company**

Subject to the provisions of this MOI, the Company has all the legal powers and capacity of an individual, in terms of and subject to section 19(1)(b).

7. **Constructive notice**

The Board shall be responsible for assessing if and when a person should be provided with a copy of a document relating to the Company which has been filed or is accessible for inspection at an office of the Company, so that such person may be regarded as having received actual notice of such document (section 19(4)).

8. **Rules**

- 8.1 The Board may not, except with Reserved Matter Approval, make, amend or repeal any rules for the Company, as contemplated in section 15(3) to (5).
- 8.2 Any rules made, amended or repealed by the Board in terms of section 15(3) must be filed with the Commission by the Board within five Business Days after they have been approved by Reserved Matter Approval.

9. **The Company**

9.1 **Business of the Company**

The Shareholders have established the Company for purposes set out in this MOI.

9.2 **name of the Company**

The Business of the Company shall be carried on under the name and style of "**Main Street 1549 Proprietary Limited**", or such other name or names as shall from time to time be determined by the Board.

10. Registered office

The registered office of the Company shall initially be The Pavilion, Unit 7 Central Park On Esplanade, Century City, Western Cape, 7441, Republic of South Africa, or at such other place in the Republic of South Africa as determined by the Board.

11. Management of the Company

11.1 management vests in the Board

11.1.1 The Business and affairs of the Company and the ongoing administration of the Company shall be managed and controlled by the Board which may exercise all the powers of the Company in this regard, subject to the provisions of this MOI and, as applicable, the Companies Act.

11.1.2 Save in respect of the Reserved Matters, and subject at all times to the directions of the Board and the then applicable Annual Budget, the day-to-day management of the Company shall be delegated to and vest in the Company's executive employees.

11.1.3 Notwithstanding paragraphs 11.1.1 and 11.1.2, any Shareholder may provide management services to the Company, provided that:

11.1.3.1 such services are pre-approved in the Company Budget;

11.1.3.2 such services are rendered at cost i.e. "at no profit no loss"; and

11.1.3.3 to the extent that such services are not pre-approved in the Company Budget, the Shareholder rendering such services must obtain Reserved Matter Approval for payment in respect of such services, and provide the Board with the requisite justification for rendering such services.

11.2 delegation to executive Directors

Without limiting the generality of paragraph 11.1.2, the Board may, subject to the Companies Act and this MOI, delegate all or any of its powers or authority in paragraph 11.1 to the executive Directors; but any such delegation shall not relieve any Director of any of his duties or responsibilities. Any such delegation may be wholly or partially withdrawn by the non-executive Directors at any time.

11.3 **non-participation of Shareholders in management**

Save in respect of the Reserved Matters, the Shareholders shall take no part in the management or control of the Business and affairs and day-to-day administration of the Company, and shall have no right, authority or power to act for or bind or commit the Company.

12. **Financial matters**

12.1 **Annual Budget**

12.1.1 The Board shall be responsible for preparing the Annual Budget and all future Annual Budgets, as may be amended from time to time, including the:

12.1.1.1 Project Specific Budget (and such proposed amendments promptly communicated to Shareholders and in any event at least quarterly), for presentation to Shareholders for approval as a Reserved Matter Approval; and

12.1.1.2 Company Budget (and such revisions promptly communicated to the Board and in any event at least quarterly), for approval by the Board.

12.1.2 The Parties shall (if it has not already been done) procure that the opening Annual Budget is finalised and approved within 30 days of the Signature Date.

12.2 **Auditors**

The Board shall appoint such firm of chartered accountants as it may in its discretion think fit to fill any vacancy arising in the office of the auditors to the Company, provided that such replacement firm shall be one of Deloitte & Touche, EY and PricewaterhouseCoopers, or any successor to any such firm.

12.3 **Financial year of the Company**

12.3.1 The financial year of the Company shall end on 31 December each year.

12.3.2 The financial year end of the Company may be changed by Reserved Matter Approval.

12.4 **audited annual financial accounts**

12.4.1 The Board shall prepare, or cause to be prepared, and approve, accounts of the Company in respect of each Accounting Period in accordance with International Financial Reporting Standards in the Republic of South Africa.

12.4.2 The Board shall cause such accounts to be audited by the Auditors within 90 days of the end of each Accounting Period.

12.4.3 A set of the audited accounts that may be issued by the Auditors and a statement of accounting policies shall be furnished to each Shareholder as soon as possible following the end of each Accounting Period, and in any event within 90 days of the end of each Accounting Period.

12.5 **periodic reports to Shareholders**

Within 30 days of the end of each quarter ending on the last day of March, June, September and December of each year during the term of the Agreement, the Board shall prepare and send or cause to be prepared and sent to each Shareholder:

12.5.1 unaudited financial statements for the quarter in question; and

12.5.2 an analysis of the financial statements for the quarter in question.

12.6 **Shareholders' access to Company's financial records**

Shareholders shall at all reasonable times, subject to having given reasonable written notice to the Company, have access to and the right to inspect all the books and accounts of the Company. Nothing in this paragraph 12 shall give any of the Shareholders a right of access to any asset of the Company or the books and accounts of any subsidiary of the Company.

13. **Application of optional provisions of the Companies Act**

13.1 The Company elects, in terms of section 30(2)(b)(ii)(aa), that the annual financial statements of the Company shall be audited voluntarily.

13.2 The Company is not required, in terms of section 34(2), to comply with the provisions of Chapter 3 (Enhanced Accountability and Transparency) of the Companies Act.

13.3 The Company does not elect, in terms of section 118(1)(c)(ii), to submit voluntarily to the provisions of Parts B (Authority of Panel and Takeover Regulations) and C (Regulation of

affected transactions and offers) of Chapter 5 of the Companies Act, and to the Takeover Regulations provided for in that Companies Act

14. Authorisation of shares

14.1 The Company's authorised share capital comprises of –

14.1.1 10,000,000 ordinary shares with no par value, designated as Ordinary Shares;

14.1.2 1,000,000 redeemable shares with no par value, designated as "*Class B Shares*" (the "**Class B Shares**"), the preferences, rights, privileges and limitations and other terms of which are set out in Schedule 1 hereto; and

14.1.3 100,000 unspecified shares (the "**Unspecified Shares**") of no par value, the preferences, rights, limitation and other terms in respect of which are subject to determination by the Board prior to the issue thereof in accordance with paragraph 14.4.4.

14.2 The following rights are applicable to the Ordinary Shares in the Company:

14.2.1 all of the Ordinary Shares of the Company shall rank *pari passu* in all respects;

14.2.2 all Ordinary Shares shall have the right to -

14.2.2.1 be entered in the securities register of the Company as the registered holder of an Ordinary Share;

14.2.2.2 attend, participate in, speak at and vote on any matter to be considered at, any meeting of the Shareholders; and

14.2.2.3 receive any distribution by the Company, if and when declared on the Ordinary Shares, to be made in proportion to the number of Ordinary Shares held by each Shareholder holding Ordinary Shares;

14.2.3 if the Company is to be wound up, the assets remaining after payment of the debts and liabilities of the Company and the costs of the liquidation shall be distributed among the Shareholders holding Ordinary Shares in proportion to the number of Ordinary Shares held by each of them, provided that the provisions of this paragraph shall be subject to the rights of the Shareholders, issued upon special conditions;

14.2.4 in a winding-up of the Company, any part of the assets of the Company, including any securities of other companies may, with the sanction of Reserved Matter

Approval of the Company, be paid to the Shareholders of the Ordinary Shares *in specie*, or may, with the same sanction, be vested in trustees for the benefit of such Shareholders of the Ordinary Shares, and the liquidation of the Company may be closed and the Company dissolved; and

- 14.2.5 any other rights attaching to the Ordinary Share in terms of the Companies Act or any other law.
- 14.3 The authorisation and classification of shares, the number of authorised shares, and the preferences, rights, limitations and other terms associated with the shares and if applicable each class of shares, may be changed from time to time by an amendment of this MOI subject to paragraph 5, by Reserved Matter Approval (and not by the Board in the manner contemplated in section 36(3)). The Board shall not have the power or authority to amend all or any of the authorised shares.
- 14.4 The Shareholders shall only have the right, including the rights contemplated by section 36(3), subject to paragraphs 5 and 14.6, to amend this paragraph 14 of the MOI by Reserved Matter Approval to:
 - 14.4.1 increase or decrease the number of authorised shares that have been authorised but not issued (including any allotment, issue, redemption or buy-back of any Shares or the grant of any option over any Shares);
 - 14.4.2 reclassify any classified shares that have been authorised but not issued;
 - 14.4.3 create any new class or classes of authorised but unissued shares;
 - 14.4.4 classify any unclassified shares that have been authorised but not issued;
 - 14.4.5 before their issue, determine the preferences, rights, limitations or other terms of any blank shares (including the Unspecified Shares);
 - 14.4.6 consolidate or subdivide all or any shares of different classes of authorised but unissued shares; and/or
 - 14.4.7 do all or any combination of the above with respect to any authorised and issued shares.
- 14.5 If the Shareholders act pursuant to the authority contemplated in paragraph 14.4 above, the Company must file a notice of amendment of this MOI in accordance with section 16(7).

- 14.6 During business rescue proceedings applicable to the Company, the provisions of this paragraph 14 shall be subject to the provisions of section 137.

15. Issue of shares (including options)

15.1 status of authorised but unissued shares

An authorised share of the Company has no rights associated with it until it has been issued (section 35(4)).

15.2 Board's power to issue shares

- 15.2.1 The Board, after first having ascertained and verified the number of authorised but unissued shares of the Company, and subject to obtaining Reserved Matter Approval in terms of section 41, if applicable, may resolve to issue shares (including options for shares as contemplated by section 42) at any time but only within the classes, and to the extent, that the shares have been authorised by or in terms of paragraph 12.4 (section 38(1)). For the sake of clarity, the Board resolution "to issue" any shares by itself does not constitute the issuance of the shares. Shares will be deemed to be issued by the Company as provided for in accordance with the provisions of this MOI.

- 15.2.2 The Board may issue authorised shares only:

- 15.2.2.1 for adequate consideration to the Company as determined by the Board (subject to and in terms of section 40); or

- 15.2.2.2 in terms of conversion rights associated with previously issued shares (section 40(1)(b)); or

- 15.2.2.3 as capitalisation shares as contemplated in section 47 (section 40(1)(c)).

- 15.2.3 The Board may issue options for shares only for adequate consideration to the Company as determined by the Board (subject to and in terms of section 40 read with section 42).

- 15.2.4 The Company shall not issue any shares (or any options for shares) before the Board has determined the consideration for which, and the terms on which, those shares (or options) will be issued (section 40(2) read with section 43).

15.3 **timing of issue of shares**

Subject to section 40(5) to (7), when the Company has received the consideration approved by the Board for the issuance of any shares:

- 15.3.1 those shares are fully paid (section 40(4)(a)); and
- 15.3.2 the Company must issue those shares and cause the name of the holder to be entered in the Company's securities register in accordance with sections 49 to 51 (section 40(4)(b)). For the sake of clarity, at the time when the Company has received the consideration approved by the Board for the issuance of shares such shares shall at that time, in the absence of anything to the contrary specified in the resolution to issue such shares as to the timing of the issue, be treated as having been issued by the Company.

15.4 **entries in the securities register**

The Company shall as soon as possible within the 2 (two) Business Days after issuing any securities, enter or cause to be entered in its securities register, in respect of every class of securities issued, the names and addresses of the persons to whom the securities were issued and the number of securities issued to each of them, and such other information as is required to be entered into the securities register in terms of section 50(2) (section 50(2) and Regulation 32).

15.5 **provision of Shareholder information to the Company**

A person to whom securities have been issued or transferred shall, in order for that person's name to be entered in the securities register provide to the Company all the information relating to that person which is required to be included in the securities register in terms of the Companies Act and the Companies Regulations (Companies Regulations, Chapter 2, Part E - Securities Registration and Transfer).

15.6 **registered shareholders**

A person:

- 15.6.1 acquires the rights associated with any particular securities of the Company when that person's name is entered in the Company's securities register as a person to whom those securities have been issued (section 37(9)(a)); and
- 15.6.2 ceases to have the rights associated with any particular securities of the Company when the Transfer to another person, re-acquisition by the Company, or surrender

to the Company of those securities has been entered in the Company's securities register (section 37(9)(b)).

15.7 rights offer (exclusion of non-residents)

The Company shall not apply to the Commission to exclude from any rights offer any category of holders of the Company's securities who are not resident within the Republic of South Africa, in terms of section 99(7), except with Reserved Matter Approval (section 99(7) read with section 65(10)(b) and (12)).

15.8 endorsement of share certificates

All share certificates issued by the Company in respect of Shares shall be endorsed as follows:

"This certificate and the shares evidenced by this certificate are transferable only upon compliance with the provisions of a Shareholders Agreement entered into between [•] (Proprietary) Limited, registration number [•] ("Company") and all of the shareholders of the Company, dated [•], as amended from time to time, and the provisions of the memorandum of incorporation of the Company, copies of which is on file with the Company."

16. Registered shareholders' rights of pre-emption on issue

Subject to the provisions of paragraph 29, shares to be allotted and issued generally (the "**Issue Shares**") shall, before they are allotted and issued be offered to all of the Shareholders of the relevant class on a *pro rata* basis (*pro rata* meaning *pro rata* to the right each shareholder has to any distribution by the Company), for the avoidance of doubt, where the Company wishes to issue shares, same must be issued to all classes of Ordinary Shares. Such offer shall be made by notice in writing to each of the Shareholders, specifying the number of Issue Shares offered to it and the subscription price therefore and inviting it to state in writing within such period as the Board may determine (which will be not less than 60 days after the date of the notice) whether it wishes to subscribe for the Issue Shares specified in the notice and whether it also wishes to subscribe for Issue Shares in excess of its entitlement, and if so, to what maximum number. If, within such period, all or any of the shareholders have expressed their willingness to accept all or any of the Issue Shares offered to them, such shares shall be allotted and issued to them accordingly. Any Issue Shares so offered to the Shareholders and not taken up within such period shall be issued to those of the Shareholders who have taken up their full entitlement of Issue Shares and who have indicated a willingness to subscribe for excess shares as aforesaid and such issue shall be effected (as nearly as may be practical) on a *pro rata* basis (*pro rata* meaning *pro rata* to the right each shareholder has to any distribution by the

Company) but subject to the limitation that no Issue Shares shall be issued to any of the Shareholders in excess of the maximum number for which it has expressed a willingness to subscribe.

17. Securities other than shares (debt instruments)

The Board shall not authorise or issue any securities which are not shares, including any debt instruments, except upon such terms and subject to such conditions as the Shareholders have approved by Reserved Matter Approval (section 43).

18. Securities register

- 18.1 The Company shall, in accordance with sections 24(4)(a) and 50, establish or cause to be established a register of its issued securities in the prescribed form and maintain its securities register in accordance with the prescribed standards (Regulations 32, 33 and 34).
- 18.2 Each Shareholder or securities holder shall be responsible for providing the Company with all the information relating to that holder required for purposes of maintaining the securities register, including the name, business address, residential address, postal address, telefax number and available e-mail address of that holder (section 50(2)(b)(i) and (iv) read with Regulation 32(2)(a), paragraph 35.1).
- 18.3 In the case of any security registered in the names of two or more persons as joint holders, the person first-named in the securities register shall, save as is provided in paragraph 18.5, be the only person recognised by the Company as having any title to such security and to the related certificate of title.
- 18.4 Upon the death, insolvency or placing under curatorship by reason of insanity or prodigality of any joint holder of any security, the sole remaining holder or the first-named of two or more remaining joint holders, as the case may be, shall be the only person recognised by the Company as having any title to such security.
- 18.5 The Company shall be entitled to recognise any person who is not a registered security holder in respect of any securities as the person having title to such securities or holding or having any beneficial right in or to such securities, on such terms and subject to such conditions and for such period(s) as the Board deems fit.

19. Certificates evidencing securities

- 19.1 Securities shall be issued in the form of "certificated" securities (section 49(2)(a)).

- 19.2 A certificate evidencing any securities of the Company must comply with the formalities and content prescribed by section 51 and may otherwise be in such form as the Board prescribes from time to time.
- 19.3 The Board shall in respect of the issue of any security, authorise two persons to issue and sign certificates of title to such security (section 51(1)(b)).
- 19.4 Every registered securities holder shall be entitled on the initial issue or transfer of securities to the securities holder to the initial certificate(s) free of charge, but for every subsequent certificate the Board may make such charge as from time to time as the Board may think fit.
- 19.5 The Company shall as soon as possible within the two Business Days after the issue of any securities or the lodgement of an instrument of transfer for any securities have ready for delivery the relevant certificate(s) of title.
- 19.6 Every person to whom securities are issued and whose name is entered in the securities register shall be entitled to one certificate for all the securities in any class registered in his name, or to several certificates, each for a part of such securities.
- 19.7 A securities certificate complying with the provisions of section 51 is proof that the named security holder owns the securities specified in the certificate, in the absence of evidence to the contrary (section 51(1)(c)).
- 19.8 If a certificate is defaced, lost or destroyed, it must be replaced upon request with a duplicate certificate endorsed "**Duplicate Certificate**" on payment of such reasonable fee, if any, and on such terms, if any, as to evidence and indemnity as the Board may think fit.
- 19.9 A certificate registered in the names of two or more persons shall be delivered to the person first-named in the securities register as a holder thereof, and delivery of a certificate to that person shall be a sufficient delivery to all joint holders of that security.

20. **Financial assistance for the subscription of options or securities**

The Board may not authorise the Company to provide financial assistance for the purpose of, or in connection with, the subscription for any option or securities, as contemplated in section 44, except upon such terms and subject to such conditions as the Shareholders have approved by Reserved Matter Approval (section 44).

21. Loans or other financial assistance to directors or prescribed officers

The Board may not authorise the Company to provide loans or other financial assistance to any person as contemplated in section 45, except upon such terms and subject to such conditions as the Shareholders have approved by Reserved Matter Approval (section 45).

22. Transfer of securities

22.1 movable property

A security issued by the Company is movable property, transferable in any manner provided for or recognised by the Companies Act or other legislation (section 35(1)).

22.2 effect of a transfer

A person:

22.2.1 acquires the rights associated with any particular issued securities of the Company when that person's name is entered into the Company's securities register as a person to whom those securities have been transferred (section 37(9)(a)); and

22.2.2 ceases to have the rights associated with any particular securities of the Company when the transfer to another person, re-acquisition by the Company, or surrender to the Company of those securities has been entered in the Company's securities register (section 37(a)(b)).

22.3 certificate to be endorsed

The certificate evidencing any securities of the Company must state on its face any restriction on the transfer of the securities evidenced by that certificate (section 51(1)(a)(iv)).

22.4 restriction on transfer

The right of any Shareholder to transfer any shares of any class of shares, or other securities issued by the Company, shall be limited or restricted only to the extent provided for in respect of that class of shares, or securities, as specified in this paragraph 22 or as otherwise may be agreed amongst the Shareholders (section 36(1)(b)(ii) or section 36(1)(d)).

22.5 **Board's power to decline to register a transfer**

The Board may not decline to register the transfer of any securities in terms of a proper instrument of transfer except if and for so long as the transfer in question is not in accordance with the requirements for such transfer, if any, set out in this paragraph 22 with respect to the transfer of the securities in question or if contrary to or in breach of any other provision of this MOI. The transferor shall be deemed to remain the holder of and shall remain the registered shareholder in respect of such securities until the name of the transferee is entered in the securities register in respect thereof.

22.6 **proper instrument of transfer**

The instrument of transfer of any securities shall be in writing in the usual common form, or in such form as the Board may from time to time determine and shall specify the name of the transferor, the name of the transferee and the number of securities being transferred and signed by or on behalf of the registered shareholder as transferor. An instrument of transfer that complies with these requirements shall constitute a "**proper instrument of transfer**" for the purposes of section 51(6)(a).

22.7 **documents required for registration of transfer**

22.7.1 Any person wishing the Company to register the transfer of any securities shall deliver to the Company for registration:

22.7.1.1 a proper instrument of transfer; and

22.7.1.2 the original certificate (or a duplicate certificate issued pursuant to paragraph 19.8) of the securities being transferred or, in the absence of such original or duplicate certificate, such other evidence as the Company may require to prove the title of the transferor or his rights to transfer the securities.

22.7.2 The instrument of transfer, original or duplicate certificate and such other documentary evidence shall remain in the custody of the Company at its registered office.

22.8 **mandates to sign instruments of transfer**

22.8.1 All mandates or authorities to sign instruments of transfer granted by registered shareholders for the purpose of transferring securities, which have been lodged, produced or exhibited with or to the Company, shall be held in custody by the Company at its registered office.

22.8.2 Such mandates or authorities shall, as between the Company and the grantor of such mandate or authorities be deemed to continue and remain in full force and effect, and the Board may allow such instruments of transfer signed for the registered shareholder as transferor pursuant to such mandate or authority to be acted upon, until express written notice of its revocation signed by or on behalf of the registered shareholder is lodged at the Company's registered office. Even after the lodging of such notice of revocation, the Company shall be entitled to give effect to any instrument of transfer signed under the mandate or authority to sign and certified by any officer of the Company as being in order before the lodging of such written notice of revocation.

22.9 **recognition of title**

The parent or guardian of a registered shareholder who is a minor, the executor or administrator of a registered shareholder who is deceased, the trustee of a registered shareholder who is an insolvent or the *curator bonis* of any registered shareholder who is mentally incapacitated or prodigal or any person duly appointed by competent authority to represent or act for any registered shareholder shall, subject to the provisions of paragraphs 18.3 and 18.4 regarding joint holders, be the only person recognised by the Company as having any title to any securities registered in the name of such shareholder, including for voting purposes.

22.10 **registered shareholders' rights of pre-emption on transfer**

Unless otherwise agreed between the Shareholders, no transfer or encumbrance of shares, Shareholder Loans or securities issued by the Company in violation of this paragraph 22 shall be valid or effective, and the Board shall not enter or note any such transfer in the securities register or other records of the Company nor recognise any such transfer or encumbrance, unless and until the procedures prescribed in paragraph 24 have been complied with.

23. **Conditions applicable to funding of the Company**

The terms applicable to all funding and financial requirements of the Company, including Shareholder Loans will be determined by the Board from time to time, subject to Reserved Matter Approval.

24. **Rights of pre-emption**

24.1 Save as otherwise agreed between the Shareholders, no Shares or Shareholder Loans shall be sold or otherwise disposed of unless and until the procedures prescribed by this

paragraph 24 have been complied with. Any purported sale or disposal of Shares or Shareholder Loans in contravention of the provisions of this MOI shall be void. The Directors shall not give effect to any transfer of Shares or Shareholder Loans unless the provisions of this MOI have been complied with and shall be amended to prevent the Directors from affecting any transfer of Shares in contravention of the provisions of this MOI.

- 24.2 In the event that any Shareholder receives a *bona fide* offer to acquire all or part of its Ordinary Shares from a third party (including another Shareholder) (the "**Trigger Offer**"), it (the "**Offeror**") shall serve upon the Board a Notice. The Notice shall specify the value at which the Offeror is prepared to sell the Identified Shares and associated Shareholder Loans (which shall match the terms and conditions of the Trigger Offer, if applicable) and full details of the Trigger Offer (if applicable). Such details shall include, without limitation:
- 24.2.1 the name of the Shareholder or third party making the Trigger Offer and (in the case of a Shareholder which is a corporate entity, details of the ultimate controllers of that Shareholder); and
- 24.2.2 full terms and conditions of the Trigger Offer, including the price, in monetary terms, at which the Offeror proposes to sell the relevant Identified Shares and whether the Trigger Offer is fully funded.
- 24.3 The Board shall immediately offer all the Identified Shares and associated Shareholder Loans to the remaining Shareholders in the ratio in which they hold the remaining Ordinary Shares *inter se*, and on the same terms as the Trigger Offer (if applicable).
- 24.4 Any Offer made in terms of paragraph 24.3 shall remain open for acceptance in whole (and not in part) by the remaining Shareholders (individually or collectively) for a period of 60 (sixty) days from the date on which the Notice was delivered to the Board in terms of this MOI (the "**Offer Period**"). Acceptance of the Offer shall be in writing, shall be legally binding on the purchaser and shall not be subject to any conditions other than the granting of Regulatory Approvals (subject to paragraph 25 and within a maximum period of 150 (one hundred and fifty) days from the date of acceptance).
- 24.5 An accepting Shareholder may, in its notice of acceptance, notify the Board that it wishes to accept more than its due proportion of the Identified Shares at the price offered ("**Additional Acceptance**"), in which case, such accepting Shareholder shall be a "**Surplus Offeree**". If that Surplus Offeree is the sole accepting Shareholder of all the Identified Shares, all of the Identified Shares may be purchased by it without the need to make any further Offers. If there is more than one Surplus Offeree and any other

Shareholder/s do not accept the Offer in respect of certain of the Identified Shares that had been offered to them ("**Surplus Shares**"), then the Surplus Shares shall be deemed, on the expiry of the Offer Period, to have been offered to each Surplus Offeree/s with the proportion of Surplus Shares deemed to have been offered to each Surplus Offeree being the same proportion as exists between the number of Ordinary Shares held by each Surplus Offeree and the total number of Ordinary Shares held by all such Surplus Offerees, as at the Offer, and shall (subject to there being no Surplus Shares available following the application of this paragraph 24.5) to the extent of their Additional Acceptances be deemed to have been accepted by the Surplus Offeree/s. If, after such deemed offer and acceptance, there remain any Surplus Shares in respect of which the Offer has not been deemed to be accepted, then the deemed offer and acceptance provided for in this paragraph 24.5 shall be repeated as many times as is necessary to ensure that there are no Surplus Shares in respect of which the Offer which have not been accepted (in which case all of the Identified Shares contemplated in the Offer will be transferred to the relevant Shareholders) or there are Surplus Shares and no remaining Additional Acceptance which could (in terms of this paragraph 24.5) result in Surplus Shares being sold to a Surplus Offeree (in which case none of the Identified Shares that are contemplated in the Offer shall be sold to other Shareholders, and the provisions of paragraph 24.7 shall apply).

- 24.6 If any Regulatory Approval is required for the sale of the Identified Shares in terms of paragraph 24.5, then payment in respect of the sale concerned shall be made within 20 (twenty) days after the receipt of Regulatory Approval for the sale against delivery of the Shares. If the requisite Regulatory Approval is not obtained within 150 (one hundred and fifty) days of the date of acceptance of the Offer, or such longer period as agreed between the Shareholders, then the Identified Shares may be disposed of in accordance with paragraph 24.7. If any Regulatory Approval is conditional and the seller and the purchaser of the Identified Shares do not, within 5 (five) Business Days, accept the conditions imposed in writing, the provisions of paragraph 24.7 shall likewise apply.
- 24.7 If after the expiry of the Offer Period, not all the Identified Shares and associated Shareholder Loans have been taken up by the remaining Shareholders (individually or collectively), or if any sale of Identified Shares and associated Shareholder Loans is subject to one or more suspensive conditions which fail, the Offeror will not be obliged to sell any of the Identified Shares to any of the remaining Shareholders and all the Identified Shares may be sold in accordance with the provisions of paragraph 24.8. For this purpose, the third party identified in the Trigger Offer or any serious and *bona fide* third party purchaser of the Identified Shares shall be entitled, subject to signing a confidentiality agreement (provided that such confidentiality agreement is in line with

market standard confidentiality agreements of that nature at that point in time) and if there: (i) are any provisions contained therein which are not in line with market standard confidentiality agreements of that nature at that point in time then the relevant Shareholder who wishes to potentially dispose of its shares to such potential purchaser (the "**Relevant Shareholder**") hereby indemnifies the Company for any damages, loss or costs of any nature that the Company may suffer as a direct or indirect result thereof; and (ii) is a breach of the aforesaid confidentiality agreement and the Company suffers or incurs any damages, loss or costs of any nature as a direct or indirect result thereof the Relevant Shareholder hereby indemnifies the Company for such damages, loss and costs), in favour of the Relevant Shareholder, to:

- 24.7.1 have full access to appropriate documents of the Company, if any, necessary for the potential purchaser to make an informed decision as to whether to purchase the shares and at what price; and
- 24.7.2 interview the managing Director or Chief Executive Officer of the Company (and any other employee of the Company agreed to in writing by the managing Director or Chief Executive Officer) but no other employees whatsoever without the written approval of the Company,

provided that the Board, with the prior written consent of Shareholders holding at least 75 (seventy five) percent of the Ordinary Shares (which consent shall not be unreasonably withheld or delayed), shall only be entitled to provide a third party potential purchaser which is a competitor of the Company and/or a supplier to the industry in which the Company operates with annual financial statements in respect of the Company and any further information.

- 24.8 Any disposal of Identified Shares and associated Shareholder Loans to a third party in terms of paragraph 24.7 shall be subject to the following:
 - 24.8.1 none of the material terms and conditions of the disposal being more favourable to the third party than the equivalent term or condition specified in the Offer;
 - 24.8.2 the disposal being concluded within 60 (sixty) days of the expiry of the Offer Period or failure of a suspensive condition as contemplated in paragraph 24.7, as the case may be, and implemented within a further 60 days from the date on which the disposal was concluded.

25. **Regulatory Approvals**

If any Regulatory Approvals of any relevant Regulatory Authority are required for any transaction contemplated in this MOI, the Shareholders shall co-operate with each other (and procure the co-operation of the relevant counterparty, where applicable) in order to present the necessary application or filing to the relevant Regulatory Authorities as soon as reasonably possible and shall use all reasonable endeavours to procure that the required approval or consent is obtained as soon as possible. To the extent that any time periods have been imposed in this MOI for the completion of the particular transaction, which are inappropriate having regard to the time period permitted to the relevant Regulatory Authorities to consider the matter, the time periods in question in this MOI shall be extended for a reasonable period so as to enable the requisite application or filing to be made with the relevant Regulatory Authorities and for the relevant Regulatory Authorities to provide the required approval or consent.

26. **Capitalisation shares**

The Company may issue capitalisation shares, as provided for in section 47 only with the approval of the Shareholders by Reserved Matter Approval.

27. **The Company acquiring the Company's shares**

The Company may acquire shares of the Company, as provided for in section 48.

28. **Distributions**

28.1 Subject to the provisions of this MOI:

28.1.1 the rights of registered shareholders (whether in the same class or different classes of Shareholders), to or in respect of any distribution (if and when declared), (section 37(5)(c) and (d)), are as set out in paragraph 14.2;

28.1.2 the Company shall not declare or make a distribution except a distribution in compliance with section 46 and in accordance with the rights of registered shareholders as set out in paragraph 14.2;

28.1.3 distributions shall be declared payable or distributable to Shareholders registered as such on the record date with respect to such payment or distribution determined by the Board;

28.1.4 all cash distributions (including dividends, interest or other moneys) payable to a registered shareholder may be paid by cheque or electronic funds transfer or otherwise, as specified in the resolution declaring the distribution, or in the absence

of the method of payment being specified in such resolution, by electronic funds transfer. Payment may be sent by post to any of the registered address(es) of a registered shareholder specified in the securities register or, in the case of joint Shareholders, to any of the registered address(es) of that one of them first named in the securities register in respect of such joint shareholdings; and the payment of such cheque or payment by electronic transfer into the bank account recorded in the bank account register of the Company (if any) nominated by the Shareholder, or in the case of joint Shareholders into the bank account nominated by the Shareholder whose name stands first in the securities register in respect of the share, shall be a good discharge by the Company in respect thereof;

28.1.5 for the purpose of this paragraph, any notice of a new registered address or a change of registered address or any notice of new bank account details or a change of bank account details or any instruction as to payment being made at any other address or into any other bank account, not reflected in the securities register or the bank account register of the Company at the time of declaration of the distribution, which is received by the Company between the time of declaration of the distribution and the applicable time of payment of the distribution, and which would have the effect of changing the currency in which such payment would be made, shall become effective only after such time of payment; and

28.1.6 every payment of a distribution made by cheque through the post or by electronic transfer shall be made at the risk of the Shareholders or joint Shareholders. The Company shall not be responsible for the loss in transmission of any cheque or other document sent through the post either to a registered address of any Shareholder or to any other address requested by it or for the loss or misdirection of any electronic transfer.

28.2 Surplus cash available at any time that is not required for the Company's requirements in terms of its business plan or annual budget shall, subject to the provisions of section 46 of the Companies Act, be applied to make distributions to the holders of Ordinary Shares in accordance with the rights attaching to such shares in terms of this MOI. Notwithstanding the foregoing, no distributions shall be declared until such time as any Shareholder Loans, and all accrued interest thereon, have been repaid in full.

29. **Reserved Matter Approval**

29.1 The Company, its subsidiaries, the Directors and/or the Shareholders shall have no authority to make the following decisions or pass the following resolutions in respect of the Company or any of its subsidiaries, unless such decision or resolution is approved by

way of Reserved Matter Approval, and any decision or resolution taken in contravention hereof shall be void *ab initio*:

- 29.1.1 any matter requiring a special resolution in terms of the Companies Act;
- 29.1.2 the disposal or acquisition of any material assets or rights by the Company, including the terms and conditions on which the Company intends to acquire or dispose such assets or rights;
- 29.1.3 the encumbrance (by way of mortgage, charges, royalties, rights of pre-emption or other security of any kind) of any material asset or right by the Company;
- 29.1.4 any material change in the business or main objects of the Company;
- 29.1.5 any change to the authorised or issued share capital of the Company;
- 29.1.6 any change to the terms and conditions applicable to Shareholder Loans;
- 29.1.7 any non-Shareholder borrowings by the Company in excess of USD100 000 (one hundred thousand United States Dollars);
- 29.1.8 any lending by the Company;
- 29.1.9 for as long as the Company has not repaid the Shareholder Loans and has not distributed to the Shareholders (and specifically, in the case of Arostyle, the Company has declared the relevant distribution but not paid, on behalf of Arostyle, the amounts due by Arostyle to Impact) the net proceeds received from the disposal of the Asset, the appointment or removal of any Director;
- 29.1.10 the dissolution of the Company;
- 29.1.11 any change to the dividend policy of the Company;
- 29.1.12 any other matter which the Shareholders Agreement and this MOI expressly provides for Reserved Matter Approval;
- 29.1.13 approval of the Company Budget (including any amendments thereto);
- 29.1.14 approval of the Project Specific Budget (including any amendments thereto);
- 29.1.15 the conclusion, novation or amendment to any management agreement that the Company wishes to conclude with a Shareholder or any other third party to provide any form of management, administration and or technical services to the Company

- from time to time other than the technical service agreement concluded or to be concluded between the Company and Africa Energy;
- 29.1.16 the declaration of a distribution to the Shareholders in accordance with section 46;
- 29.1.17 amending or cancelling the provisions of the Shareholders Agreement; and
- 29.1.18 the issue of shares and option for shares contemplated in the Company.
- 29.2 For the purposes of the Reserved Matters listed herein, the term "material asset" shall mean any direct or indirect oil interest and/or gas rights of the Company and/or any other assets of the Company constituting at least 10% (ten percent) of the gross asset value of the Company from time to time (and if more than one of the Reserved Matters in respect of non-material assets occurs within a two year period such Reserved Matters shall be aggregated for the purposes of calculating such materiality).

30. Shareholders' meetings

- 30.1 An agenda of the matters to be discussed at any Shareholders' meeting shall be given contemporaneously with the notice convening the meeting. Such notice shall be given at least 5 Business Days before the meeting, provided that:
 - 30.1.1 a meeting may be called with less notice than required, but may proceed only if every Shareholder who is entitled to exercise voting rights in respect of any matter on the meeting agenda is present at the meeting and votes to waive the required minimum notice of the meeting; or
 - 30.1.2 if there is a material defect in the giving of notice of the meeting, the meeting may proceed, provided that every Shareholder who is entitled to exercise voting rights in respect of any item on the meeting agenda is present at the meeting and votes to approve the ratification of the defective notice.
- 30.2 No meeting of Shareholders shall be quorate unless Shareholders holding in aggregate 75 (seventy five) percent or more of the aggregate issued Ordinary Shares are present or represented at such meeting.
- 30.3 If within 30 (thirty) minutes from the time appointed for the Shareholders' meeting to commence, a quorum is not present or if the quorum requirements in paragraph 30.2 cannot be achieved for any one or more matters, the Shareholders' meeting shall be postponed, without motion, vote or further notice, subject to paragraph 30.5, to the next Business Day, and all the Shareholders shall be notified in writing of the date, time and place of the adjourned meeting. If at such adjourned Shareholders' meeting a quorum is

not present within 30 minutes from the time appointed for the Shareholders' meeting then the person/s entitled to vote present shall be deemed to be the requisite quorum for any matter.

- 30.4 A resolution of the Shareholders signed by Shareholders collectively holding such number of voting rights as is necessary for the passing of that resolution at a properly constituted meeting shall be as valid and effective as if it had been adopted by a duly convened meeting of Shareholders. Once each Shareholder has signed a counterpart, each such counterpart shall be considered an original and all such counterparts together shall constitute one and the same instrument. Any such counterpart may be a facsimile or electronically transmitted copy thereof.
- 30.5 The Shareholders shall meet at least once in each calendar year, or at such other intervals as they may determine.
- 30.6 Shareholders' meetings may be conducted entirely by electronic communication or one or more Shareholders (or their proxies) may participate by electronic communication in all or part of a meeting that is being held in person, provided that the electronic communication facility employed ordinarily enables all Shareholders participating in that meeting to communicate concurrently with one another without any intermediary and to participate reasonably effectively in the meeting.
- 30.7 Minutes of all Shareholder' meetings and resolutions and any documents made available to the Shareholders by the Company shall be kept in accordance with the requirements of the Companies Act.

31. Appointment of Directors

- 31.1 The Board comprises of not less than one director and not more than five directors.
- 31.2 The Shareholders shall be entitled to nominate one Director for each complete 24% (twenty-four percent) shareholding in the Company, provided that the Majority Shareholder shall be entitled to nominate one extra Director. The appointing Shareholder shall be entitled to remove and replace such Directors as it deems fit. The Shareholders agree to vote in favour of appointing any Director so nominated or for their removal or replacement.
- 31.3 For as long as the Company has not repaid the Shareholder Loans and has not distributed to the Shareholders (and specifically, in the case of Arostyle, the Company has declared the relevant distribution but not paid, on behalf of Arostyle, the amounts due by Arostyle to Impact), the net proceeds received from the disposal of the Asset, at least

one of the Directors nominated by Arostyle on the Board shall be a Director proposed by Impact ("**Impact Nominee**") to Arostyle.

- 31.4 Each director elected as contemplated is entitled to nominate for appointment an alternate director to act in his or her stead. Each alternate director is entitled to act as a director in the absence of the director for whom he or she is an alternate.
- 31.5 The Chairperson shall be appointed by Arostyle annually at the first board meeting of the Company's financial year provided that if the Chairperson is absent from a meeting for any reason, the directors shall elect one of their number to be chairperson of that meeting.
- 31.6 In relation to each of the Directors, the Company shall:
 - 31.6.1 maintain a director's liability insurance policy;
 - 31.6.2 pay all premiums due on such liability insurance policy; and
 - 31.6.3 not make any material alteration to the terms of, or the cover provided by, the liability insurance policy without the consent of the relevant director and, if applicable, the Shareholder(s) which appointed such Director,

to the fullest extent permitted by the Companies Act.

32. **Directors' meetings**

- 32.1 A quorum at meetings of the Board shall be three Directors, provided that two Directors shall be directors nominated by Arostyle, one of whom shall be the Impact Nominee and one Director shall be a Director nominated by Africa Energy. Any one Director shall be authorised to call a meeting of the Board at any time.
- 32.2 Meetings of the Board shall be called on not less than 5 business days' notice, provided that in cases of urgency the notice period will be 24 hours. If all Directors acknowledge actual receipt of any notice, are present in the meeting or waive notice of the meeting, the meeting may proceed even if no such notice was given or there was a defect in the giving of the notice.
- 32.3 If within 30 minutes from the time appointed for a Board meeting a quorum is not present, the meeting shall stand adjourned to a date to be determined by the Directors present (which date shall be the next Business Day) at the same time and place (or if such place not be available, at such other place as the Directors may appoint), and all the Directors shall be notified in writing of the date, time and place of the adjourned meeting. If at such

adjourned meeting, a quorum is not present within 30 minutes from the time appointed for the meeting, the Directors then present shall constitute a quorum for any matter. The agenda for any adjourned meeting shall be the same agenda as for the meeting which was originally scheduled and no additional matters may be added.

32.4 At any meeting of the Board, resolutions shall be passed by majority of the votes exercised on any matter, on the basis that:

32.4.1 each Director shall have a vote equal to the shareholding percentage in the Company that the Shareholder who nominated such Director has, provided that if such Shareholder nominated more than one Director and more than one is present at a meeting of Directors, the Directors will each have a vote equal to the shareholding of the Shareholder who nominated them divided by how many Directors nominated by that Shareholder are present at the meeting; and

32.4.2 the Chairperson or chair of the meeting of the Directors will not have a casting vote.

32.5 A resolution of the Directors signed by all the Directors shall be valid and effective as if it had been adopted by a duly convened meeting of Directors. Such a resolution may be executed in any number of counterparts. Once each Director (or his alternate) has signed a counterpart, each such counterpart shall be considered an original and all such counterparts together shall constitute one and the same instrument. Any such counterpart may be a facsimile or electronically transmitted copy thereof.

32.6 The Board shall meet at least twice in each calendar year, or at such other intervals as the Board may determine.

32.7 Without limiting the discretion of the Directors to regulate their meetings, meetings of the Board may be conducted by telephone conference call or by way of a video conference or other audio, audio visual or electronic means (hereinafter "**electronic communication**") or one or more Directors may participate in a meeting by electronic communication, provided that the electronic communication facility employed ordinarily enables all Directors participating in that meeting to communicate concurrently with each other without an intermediary and to participate effectively in the meeting.

32.8 Minutes of all Board meetings and resolutions and Directors' declarations shall be kept in accordance with the requirements of the Companies Act.

32.9 The Company shall bear all reasonable local travel and accommodation costs relating to the attendance of a Director at any Board meeting.

33. Round-Robin resolutions

- 33.1 A written resolution (which may consist of one or more documents in like form each signed by a Director) signed and passed by the Directors sufficient to form a quorum and holding the requisite number of votes, and inserted in the minute book (and any Director may procure such insertion), shall be valid and effective in accordance with its terms as if passed at a meeting of the Board, in terms of this MOI, provided that proper notice of the written resolution was duly given to each of the Directors in terms of this MOI and provided further that any Director, after receipt of such notice if he or she deems it necessary, may prior to the insertion in the minute book of a properly signed resolution, convene a meeting of the Directors in terms of paragraph 32.2 to discuss the contents of such notice.
- 33.2 Unless the contrary is stated therein, any such resolution shall be deemed to have been passed on the latest date on which it was signed by any Director.
- 33.3 A fax or electronic scanned copy of a Director's (or alternate Director's) signed resolution shall be acceptable evidence that such resolution has been signed by the Director whose signature appears on the fax or electronic scanned copy.

34. Indemnification of directors

- 34.1 The authority of the Company to advance expenses to a director, or indemnify a director, in respect of the defence of legal proceedings, as set out in section 78(4) is not amended by this MOI.
- 34.2 The authority of the Company to indemnify a director in respect of liability, as set out in section 78(5) is not amended by this MOI.
- 34.3 The authority of the Company to purchase insurance to protect the Company, or a director, as set out in section 78(7) is not amended by this MOI.

35. Notices

- 35.1 A notice required in terms of the Companies Act or this MOI to be given to Shareholders shall be delivered by the Company either by hand or by sending it by email (if the *domicilium* includes an email address) to the *domicilium* chosen by the Shareholder concerned. If a Shareholder has not nominated an address or email number in terms of paragraph 18.2, that registered shareholder shall be deemed to have waived his right to be served with notices.

- 35.2 All notices with respect to any shares to which persons are jointly entitled may be given to whichever of such persons is recognised by the Company as having any title to such shares in terms of paragraph 18.3, as the case may be, and notice so given shall be sufficient notice to all the holders of such shares.
- 35.3 The notice may be given by the Company to the persons entitled to a share in consequence of the death or insolvency of a Shareholder, or by sending it through the post in a prepaid envelope addressed to them by name, or by the title of representatives of the deceased, or trustees of the insolvent or by any like description, at the address (if any) supplied for the purpose by the persons claiming to be so entitled, or (until such address has been so supplied) by giving the notice in any manner in which same might have been given if the death or insolvency had not occurred.
- 35.4 Any notice by post shall be deemed to have been served at the time when the letter containing the notice was posted (that is, delivered to the post office where the post office is agent for the Shareholder) and in proving the giving of the notice by post, it shall be sufficient to prove that the letter containing the notice was properly addressed and delivered to the post office.
- 35.5 A notice given to any shareholder shall be binding on all persons claiming on his death or on any transmission of his interests.
- 35.6 The signature to any notice given by the Company may be written or printed, or partly written and partly printed.
- 35.7 Any person shall be entitled to send and receive any notice in terms of this paragraph 35 by electronic media, subject to the provisions of Regulation 7. Methods and times for delivery of notices sent by electronic media in terms of this paragraph 35.7 will be governed by Regulation 7 in particular, in accordance with Table CR 3 of the Regulations.

Schedule 1

CLASS B SHARE TERMS

1 DEFINITIONS

- 1.1 For purposes of these Class B Share Terms, capitalised words and terms appearing herein shall bear the same meanings ascribed thereto in the Memorandum of Incorporation of the Company, unless otherwise defined herein.
- 1.2 In these Class B Share Terms, unless inconsistent with or otherwise indicated by the context,–
- 1.2.1 **"Accounting Principles"** means generally accepted accounting principles in South Africa, including IFRS;
- 1.2.2 **"Accumulated Dividends"** means, in respect of each Class B Share, any and all Penalty Dividends or portions thereof which have accrued after a Dividend Payment Date, but which remain unpaid at that time;
- 1.2.3 **"Actual Issue Date"** means, in relation to each Class B Share, the date on which the Company issues that Class B Share to the Subscriber;
- 1.2.4 **"Actual Redemption Date"** means, in relation to any Class B Share, the date on which the Company redeems that Class B Share by paying its Redemption Price to the applicable Holder;
- 1.2.5 **"Actual Trigger Date"** means, the date on which a Trigger Event occurs in relation to each Class B Share;
- 1.2.6 **"Africa Energy"** means Africa Energy SA Corp., registration number BC1025602, duly incorporated in accordance with the laws of the province of British Columbia, Canada;
- 1.2.7 **"Applicable Laws"** means, from time to time, any law (including statutory, common or customary law), statute, constitution, decree, treaty, regulation, judgment, directive, by-law, order, other legislative measure, requirement, request or guideline (whether or not having the force of law but, if not having the force of law, is generally complied with by the Person to whom it is addressed or applied) of any government, supranational, local government, statutory or regulatory or self-regulatory or similar body or authority or court;
- 1.2.8 **"Arostyle"** means Arostyle Investments (RF) Proprietary Limited, registration number 2017/366108/07, a limited liability private company duly incorporated in accordance with the laws of South Africa;

- 1.2.9 **"Board"** means the board of directors of the Company, as constituted from time to time;
- 1.2.10 **"Business Day"** means any day other than a Saturday, Sunday or officially recognised public holiday on which banks are generally open for business in South Africa;
- 1.2.11 **"Calculation Date"** means the 1st day of the Calendar Month;
- 1.2.12 **"Calculation Period"** means each period which commences on (and includes) one Calculation Date and ends on (but excludes) the next Calculation Date, provided that –
 - 1.2.12.1 the first Calculation Period in respect of any particular Class B Share shall commence on its Actual Trigger Date and shall end on the first Calculation Date which occurs after that Actual Trigger Date;
 - 1.2.12.2 the last Calculation Period in respect of any particular Class B Share shall commence on (and include) the last Calculation Date which occurs prior to its Actual Redemption Date and end on (but excludes) that Actual Redemption Date;
 - 1.2.12.3 if a Dividend Payment Date occurs on a day which is not a Calculation Date (i) the period which commences on (and includes) the most recent Calculation Date and ends on (but excludes) that Dividend Payment Date shall be a Calculation Period, and (ii) the period which commences on (and includes) that Dividend Payment Date and which ends on (but excludes) the next Calculation Date shall be another Calculation Period; and
 - 1.2.12.4 if the Prime Rate changes on any day that is not a Calculation Date –
 - 1.2.12.4.1 the period which commences on (and includes) the most recent Calculation Date and which ends on (and excludes) the day on which the applicable change to the Prime Rate becomes effective shall be a Calculation Period; and
 - 1.2.12.4.2 the period which commences on (and includes) the day on which the applicable change to the Prime Rate becomes effective and which ends on (and excludes) the next Calculation Date shall be another Calculation Period;
- 1.2.13 **"Calendar Month"** means each Month of the Gregorian Calendar;
- 1.2.14 **"Class B Share Dividends"** means, in respect of, each Class B Share (i) in the case of a Scheduled Redemption Date, the Subscription Price Dividend and the Redemption Dividend, and includes (without double counting), any Accumulated Dividends if applicable, and (ii) in the case of an Early Redemption Date, any Accumulated Dividends, if applicable;

- 1.2.15 **"Class B Share Terms"** means the rights and privileges attaching to the Class B Shares as set out herein;
- 1.2.16 **"Class B Shares"** means the redeemable "*Class B Shares*" in the issued share capital of the Company which confer on their Holders the rights and privileges set out in these Class B Share Terms, and **"Class B Share"** means each or any of them, as the context requires;
- 1.2.17 **"Companies Act"** means the Companies Act, No. 71 of 2008, as amended, consolidated or re-enacted from time to time, and includes all Schedules to such Companies Act and the Companies Regulations;
- 1.2.18 **"Companies Regulations"** means the regulations published in terms of the Companies Act from time to time;
- 1.2.19 **"Company"** means Main Street 1549 Proprietary Limited, registration number 2017/366108/07, a private company with limited liability duly registered in accordance with the laws of South Africa;
- 1.2.20 **"Contributed Tax Capital"** means, in relation to the Class B Shares, the Subscription Price paid in relation thereto by Subscribers which amount constitutes "contributed tax capital" as such term is defined in section 1 of the Tax Act;
- 1.2.21 **"Distributable Amount"** means the proceeds available for distribution as a Dividend, to the Ordinary Shareholders pursuant to an event giving rise to the occurrence of the Realisation Date, prior to taking into account the Redemption Dividend but after taking into account: (i) all royalty payments, general & administrative costs, operating costs, Taxes and other statutory payments payable by the Company; (ii) the repayment of the aggregate Outstanding Shareholder Loan Accounts; (iii) the Ordinary Share Priority Dividend; and (iv) the Subscription Price Dividend, in each case on the Dividend Payment Date as determined by the Board acting reasonably and in good faith;
- 1.2.22 **"Distribution"** means any payment which constitutes a "distribution" as defined in section 1 of the Companies Act;
- 1.2.23 **"Dividend Payment Date"** means, in relation to each Class B Share: (i) in respect of the Subscription Price Dividend and the Redemption Dividend, the Scheduled Redemption Date; and (ii) in respect of a redemption contemplated in clause 4.3, the Early Redemption Date;
- 1.2.24 **"Early Redemption Date"** has the meaning provided to such term in clause 4.3.1.2;
- 1.2.25 **"Early Redemption Notice"** has the meaning provided to such term in clause 4.3.1.2;

- 1.2.26 **"Financial Indebtedness"** means any indebtedness for or in respect of –
- 1.2.26.1 moneys borrowed or credit obtained;
 - 1.2.26.2 any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
 - 1.2.26.3 any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
 - 1.2.26.4 the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Accounting Principles, be treated as a finance or capital lease;
 - 1.2.26.5 receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
 - 1.2.26.6 any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
 - 1.2.26.7 any amount raised by, and all amounts accrued and/or payable on account of, the issue of shares which are redeemable;
 - 1.2.26.8 the amount of any liability in respect of any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
 - 1.2.26.9 the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in clauses 1.2.26.1 to 1.2.26.9 above;
- 1.2.27 **"Financial Year"** means the financial year of the Company being currently the period commencing on 01 January and ending on 31 December of each year;
- 1.2.28 **"Holder"** means, in relation to any Class B Share at any time, the Person who then holds that Class B Share at that time including the Subscriber;
- 1.2.29 **"IFRS"** means international accounting standards within the meaning of the IAS Regulation 1606/2002, to the extent applicable to the relevant financial statements and/or management accounts (as applicable), in effect as at 30 June 2014;
- 1.2.30 **"Impact"** means Impact Oil & Gas SA Blocks 11B-12B Limited with company number 07993785 and registered office at Elder House, St Georges Business Park, Brooklands Road, Weybridge, Surrey KT13 OTS United Kingdom;

- 1.2.31 **"Insolvency Event"** means, in relation to any Person, any of the following events or circumstances –
- 1.2.31.1 it is dissolved or de-registered;
 - 1.2.31.2 an order or declaration is made, or a resolution is passed, for the administration, custodianship, bankruptcy, liquidation, winding-up, receivership, trusteeship, de-registration or dissolution (and, in each case, whether provisional or final) of it, its assets or its estate or an order or declaration is made, or a resolution is passed, to authorise the commencement of any business rescue proceeding in respect of it, its assets or its estate;
 - 1.2.31.3 it convenes any meeting to consider the passing of a resolution for the administration, custodianship, bankruptcy, liquidation, winding-up, receivership, trusteeship, de-registration or dissolution (and, in each case, whether provisional or final) of it, its assets or its estate or to authorise the commencement of any business rescue proceeding in respect of it, its assets or its estate;
 - 1.2.31.4 it seeks the appointment of an administrator, liquidator (whether provisional or final), business rescue practitioner, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets or estate;
 - 1.2.31.5 it has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;
 - 1.2.31.6 it is unable (or admits inability) to pay its debts generally as they fall due or is (or admits to being) otherwise insolvent or stops, suspends or threatens to stop or suspend payment of all or a material part of its indebtedness or proposes or seeks to make or makes a general assignment or any arrangement or composition with or for the benefit of its creditors generally or a moratorium is agreed or declared in respect of or affecting all or a material part of its indebtedness;
 - 1.2.31.7 it takes any proceeding or other step with a view to the general readjustment, rescheduling or deferral of its indebtedness (or any part thereof which it would otherwise be unable to pay when due) or proposes to take any such step;
 - 1.2.31.8 any receiver, administrative receiver, judicial receiver, administrator, compulsory manager, judicial custodian, trustee in bankruptcy, liquidator, business rescue

- practitioner or the like is appointed in respect of it, its estate or any material part of its assets or it requests any such appointment;
- 1.2.31.9 it commits any act which, if such act was committed by a natural person, would be an act of insolvency within the meaning of section 8 of the Insolvency Act, 1936 or any equivalent legislation in any jurisdiction to which such Person is subject;
- 1.2.31.10 it is or is deemed by any authority or legislation to be "financially distressed" (as defined in section 128 of the Companies Act);
- 1.2.31.11 it causes or is subject to any event with respect to it which, under the Applicable Laws of any jurisdiction, has an analogous effect to any of the events specified in clauses 1.2.31.1 to 1.2.31.10; or
- 1.2.31.12 it takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts;
- 1.2.32 "**Loan Agreement**" means the loan agreement dated 14 December 2018 entered into between Impact (as lender) and Arostyle (as the borrower) and the Company (as obligor) (as amended and/or restated from time to time), in terms of which Impact advanced and loaned an amount to Arostyle (payable directly to the Company) to enable Arostyle to meet its funding obligations under the Shareholders Agreement (in its amended and restated version dated 14 December 2018);
- 1.2.33 "**Material Adverse Effect**" means the occurrence of any circumstances reasonably likely to have a material adverse effect on –
- 1.2.33.1 the business, operations, property, condition (financial or otherwise) or prospects of the Company (taken as a whole);
- 1.2.33.2 the ability of any Holder to enforce or exercise any rights or remedies granted or intended to be granted under any of these Class B Share Terms;
- 1.2.34 "**Memorandum of Incorporation**" means the memorandum of incorporation of the Company;
- 1.2.35 "**Month**" means each period which commences on one day (the "**First Day**") in one Calendar Month and which ends on the same day but one in the next Calendar Month (the "**Second Calendar Month**") provided that if (i) the First Day is the first day of a Calendar Month, the applicable Month shall end on the last day of that Calendar Month, and (ii) there is no day in the Second Calendar Month which corresponds numerically to the First Day, the applicable Month shall end on the last day of the Second Calendar Month;

- 1.2.36 "Optional Redemption Date" has the meaning provided to such term in clause 4.2;
- 1.2.37 "Ordinary Share Priority Dividend" means an amount equal to [REDACTED], which amount may be declared to the Ordinary Shareholders in priority to the Redemption Dividend immediately prior to the Scheduled Redemption Date;
- 1.2.38 "Ordinary Shareholders" means the registered holders of Ordinary Shares;
- 1.2.39 "Ordinary Shares" means ordinary shares in the Company's share capital and "Ordinary Share" means each or any of them (as the context requires);
- 1.2.40 "Outstanding Class B Shares" means, on any day, all Class B Shares which have been issued but which have not been redeemed, and "Outstanding Class B Share" means each or any of them (as the context requires);
- 1.2.41 "Outstanding Shareholder Loan Accounts" means all outstanding amounts owing to each of Arostyle and Africa Energy as shareholder loans contemplated in clauses 9.3.3 and 9.3.7 of the Shareholders Agreement (as amended and/or restated), as at the Scheduled Redemption Date;
- 1.2.42 "Penalty Dividend" means a dividend, payable in the event of a Trigger Event, calculated in accordance with the provisions of clause 2.3;
- 1.2.43 "Penalty Dividend Rate" means the Prime Rate + 2%;
- 1.2.44 "Person" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
- 1.2.45 "Prime Rate" means the rate from time to time prescribed by First National Bank Limited as its Prime Rate and proved, prima facie, in the event of a dispute and in the absence of manifest error, by a certificate under the hand of any divisional director or manager of First National Bank Limited, whose appointment and authority need not be proved;
- 1.2.46 "ProjectCo Disposal" has the meaning provided to such term in the Loan Agreement;
- 1.2.47 "Realisation Date" has the meaning provided to such term in the Loan Agreement;
- 1.2.48 "Redemption Dividend" means, in respect of each Class B Share, an amount calculated in accordance with the formula contained in clause 2.2;
- 1.2.49 "Redemption Price" means, in respect of each Class B Share, the Redemption Dividend and any Accumulated Dividends (if applicable) in the case of a Scheduled Redemption Date;

- 1.2.50 **"Scheduled Redemption Date"** means, in respect of each Class B Share, the date, as determined by the applicable Holder by way of written notice to the Company at any time after the Realisation Date, that is (i) no earlier than 3 years and one day after the Actual Issue Date, and (ii) no later than 10 years after the Actual Issue Date; provided that if the Realisation Date has not occurred by the 10th anniversary of the Actual Issue Date, then the Scheduled Redemption Date shall be deemed to be the 10th anniversary of the Actual Issue Date;
- 1.2.51 **"Signature Date"** means, in respect of each Subscription, the date on which the Subscription Agreement is signed by the party last signing in time;
- 1.2.52 **"Solvency and Liquidity Test"** means the "solvency and liquidity test" contemplated in section 4(1) of the Companies Act;
- 1.2.53 **"South Africa"** means the Republic of South Africa;
- 1.2.54 **"STT"** means the securities transfer tax imposed under the Securities Transfer Tax Act, 25 of 2007;
- 1.2.55 **"Subscriber"** means the Party who subscribes for any Class B Shares under a Subscription Agreement;
- 1.2.56 **"Subscription"** means a subscription for Class B Shares by a Subscriber in terms of a Subscription Agreement;
- 1.2.57 **"Subscription Agreement"** means an agreement between the Company and a Subscriber in terms of which the Company undertakes to issue the Class B Shares to that Subscriber;
- 1.2.58 **"Subscription Price"** means, in respect of each Class B Share, the amount as indicated in the Subscription Agreement;
- 1.2.59 **"Subscription Price Dividend"** means, in respect of each Outstanding Class B Share, an amount equal to the Subscription Price together with any Accumulated Dividends;
- 1.2.60 **"Tax"** means all and any taxes and levies of whatever nature, including income tax, capital gains tax, value-added tax, value extraction tax, stamp duties, securities transfer tax, levies, assessments, imposts, deductions, charges and withholdings whatsoever in terms of any tax legislation, and includes all penalties, fines, additional tax or interest payable as a consequence of any failure or delay in paying any Taxes;
- 1.2.61 **"Tax Act"** means the Income Tax Act, 58 of 1962, as amended from time to time;

- 1.2.62 **"Transfer"** means the cession, assignment or transfer of all or a portion of a Holder's rights, benefits and obligations under a Subscription Agreement and any Outstanding Class B Shares;
- 1.2.63 **"Trigger Event"** means any event listed in clause 3 of these Class B Share Terms; and
- 1.2.64 **"USD"** means United States Dollars, the lawful currency of the United States of America.

2 **DIVIDENDS**

2.1 **Entitlement**

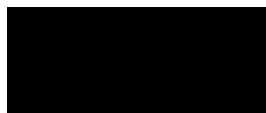
- 2.1.1 Each Holder shall be entitled, in respect of each Outstanding Class B Share held by it, to the Class B Share Dividends calculated in accordance with the provisions of this clause 2, provided that no Holder shall hold any entitlement to a Class B Share Dividend until the applicable Dividend Payment Date.
- 2.1.2 The Company shall, on a Dividend Payment Date, pay the Class B Share Dividends to the applicable Holders, provided that –
 - 2.1.2.1 the Company has sufficient funds, after having provided for royalty payments, general & administrative costs, operating costs, Taxes and other statutory payments payable by the Company, to pay the Class B Share Dividends in respect of that Class B Share to the Holder thereof;
 - 2.1.2.2 the Company resolves to pay Class B Share Dividends in respect of that Class B Share to the Holder thereof; and
 - 2.1.2.3 the Company is permitted, having applied the Solvency and Liquidity Test, to pay Class B Share Dividends in respect of that Class B Share to the Holder thereof.
- 2.1.3 Except in respect of the Ordinary Share Priority Dividend as provided herein and subject to the repayment of all Outstanding Shareholder Loan Accounts and the declaration and payment of the Subscription Price Dividend, the remaining Class B Share Dividends shall be paid in priority to the payment of dividends in respect of any other classes of shares in the Company's issued share capital, including Ordinary Shares.

2.2 **Dividend**

- 2.2.1 Subject to clause 2.1, the Subscription Price Dividend shall be paid on the applicable Dividend Payment Date after the repayment of all Outstanding Shareholder Loan Accounts and declared as a priority dividend prior to the declaration and payment of the Ordinary Share Priority Dividend and the Redemption Dividend. For the avoidance of

doubt, the declaration and payment of the Subscription Price dividend shall not constitute the redemption of any Class B Shares.

- 2.2.2 Subject to clause 2.1, the Redemption Dividend in respect of each Outstanding Class B Share shall be payable on the Scheduled Redemption Date after the repayment of all Outstanding Shareholder Loan Accounts, the Subscription Price Dividend and the Ordinary Share Priority Dividend and calculated in accordance with the following formula –



in which formula –

RD = the Redemption Dividend;

DA = the Distributable Amount;

OS = the number of Outstanding Class B Shares.

2.3 **Penalty Dividend in the case of a Trigger Event**

- 2.3.1 If a Trigger Event occurs, then for each Calculation Period, and for so long as such Trigger Event has not been remedied (if applicable), each Outstanding Class B Share shall be entitled to (and accrue) a Penalty Dividend at the Penalty Dividend Rate on the next succeeding Dividend Payment Date where any Class B Share Dividends will otherwise be paid, which shall be calculated in accordance with the following formula –

$$A = B \times C \times D$$

in which formula –

A = the Penalty Dividend for the applicable Calculation Period;

B = the aggregate of (i) the Subscription Price of that Class B Share, plus (ii) the Accumulated Dividends (if any) in respect of that Outstanding Class B Share on the first day of that Calculation Period;

C = the Penalty Dividend Rate; and

D = the number of days in the applicable Calculation Period divided by 365.

- 2.3.2 Each Penalty Dividend shall, for the purposes of abovementioned calculation –

- 2.3.2.1 accrue (irrespective as to when calculation occurs) on a daily basis during the applicable Calculation Period; and

2.3.2.2 be calculated on the actual number of days elapsed and on the basis of a 365-day year irrespective of whether or not the applicable year is a leap year.

2.3.3 If a Class B Share Dividend is, in terms of these Class B Share Terms, to be paid on any day which is not a Business Day, the Company shall make payment of the applicable Class B Share Dividends on the next Business Day unless the next Business Day will occur in the following Calendar Month, in which case, the Company shall make payment of the applicable Class B Share Dividends on the preceding Business Day.

3 **TRIGGER EVENTS**

Each of the events and circumstances set out in this clause 3 is a Trigger Event, whether or not the occurrence of such Trigger Event is within the Company's control. Failure by any Holder to notify the Company of the occurrence of any Trigger Event and/or to exercise its rights pursuant to the occurrence of any such Trigger Event shall not prejudice the rights of that Holder to subsequently exercise such rights on account of the occurrence of such Trigger Event, and accordingly the relevant Trigger Event shall be deemed to reoccur every day until such time as the relevant Trigger Event is waived or the Holders exercise their rights on account of the occurrence of such Share Trigger Event (as applicable).

3.1 **Solvency and Liquidity Test**

On or before each Dividend Payment Date in respect of the payment of any Class B Share Dividend by the Company and/or each Actual Redemption Date in respect of the payment of any Distribution, the board of directors of the Company apply the Solvency and Liquidity Test in respect of the applicable Distribution and are satisfied that after payment of such Distribution the Company will satisfy the Solvency and Liquidity Test but the board of directors of the Company fail to pass a resolution acknowledging that they have applied the Solvency and Liquidity Test and have reasonably concluded that the Company will satisfy the Solvency and Liquidity Test immediately after paying the relevant Distribution for any reason whatsoever.

3.2 **Proceedings**

3.2.1 Any litigation, arbitration or administrative proceedings are commenced against the Company which, if successfully determined, have, or are reasonably likely to have, a Material Adverse Effect.

3.2.2 The provisions of clause 3.2.1 shall not apply to any litigation, arbitration or administrative proceedings which is frivolous or vexatious or is contested in good faith (in each case in the reasonable opinion of the Holder) and is discharged, stayed or dismissed within 14 days of commencement.

3.3 Cross Default

- 3.3.1 Any Financial Indebtedness of the Company is not paid when due nor within any originally applicable grace period.
- 3.3.2 Any Financial Indebtedness of the Company is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).
- 3.3.3 Any commitment for any Financial Indebtedness of the Company is cancelled or suspended by a creditor of the Company as a result of an event of default (however described).
- 3.3.4 Any creditor of the Company becomes entitled to declare any Financial Indebtedness of the Company due and payable prior to its specified maturity as a result of an event of default (however described).
- 3.3.5 No Trigger Event will occur under clauses 3.3.1 to 3.3.4 above, if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within clauses 3.3.1 to 3.3.4 above is less than USD 1,000,000 (or its equivalent in any other currency or currencies).

3.4 Insolvency Events

- 3.4.1 An Insolvency Event occurs in relation to the Company.
- 3.4.2 The provisions of clause 3.4.1 shall not apply to any winding up petition which is frivolous or vexatious or is contested in good faith (in each case in the reasonable opinion of the Holder) and is discharged, stayed or dismissed within 14 days of commencement.

3.5 Failure to Comply with Final Judgment

- 3.5.1 The Company fails to comply with or pay any sum due from it under any final judgment or any final order made or given by any court or competent jurisdiction in an amount exceeding USD 1,000,000.
- 3.5.2 For the purposes of clause 3.5.1, a final judgment or final order means a judgment or order (1) which is not appealable, or (2) which is appealable but in respect of which the period for the lodging of an appeal has lapsed and the Company has failed to institute appeal proceedings, or (3) which is not capable of rescission, or (4) which is capable of rescission but in respect of which the period for applying for rescission has lapsed and the Company has failed to apply for rescission or has applied for rescission of such judgment or order and the application for rescission has been denied.

3.6 **Expropriation**

The authority or ability of the Company to conduct its business is wholly or substantially curtailed by any seizure, expropriation, nationalisation, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other Person which has or is reasonably likely to have a Material Adverse Effect.

3.7 **Cessation of Business**

The Company suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business which has or is reasonably likely to have a Material Adverse Effect.

3.8 **Authorisation**

Any material authorisation required by the Company to carry on its business in the ordinary course and in all material respects as it is being conducted is revoked or cancelled by any government or regulatory authority and such authorisation is not reinstated within 5 Business Days of the date upon which the Company becomes aware of such revocation or termination.

3.9 **Audit Qualification**

The Auditors of the Company qualify the audited annual consolidated financial statements of the Company in any material respect.

3.10 **Material Adverse Effect**

Any event or circumstance occurs which has or is reasonably likely to have a Material Adverse Effect.

4 **REDEMPTION**

4.1 **Scheduled Redemption**

4.1.1 The Company shall redeem all the Outstanding Class B Shares on the Scheduled Redemption Date.

4.1.2 Notwithstanding clause 4.1.1, if the Company is unable to redeem all the Outstanding Class B Shares on the Scheduled Redemption Date, the Company shall provide the Parties with prior written notification thereof. The Parties shall meet in good faith, within 5 Business Days of the written notification by the Company, to determine whether –

4.1.2.1 the Outstanding Class B Shares will be converted into Ordinary Shares in the Company; or

- 4.1.2.2 the total Subscription Price in respect of all the Outstanding Class B Shares will become due and payable to the Holder, and accrue interest on the Redemption Price of the Outstanding Class B Shares at the Penalty Dividend Rate from (and including) the Redemption Date until (and including) the Actual Redemption Date. Such interest shall accrue on a day-to-day basis and be calculated on a daily basis on the outstanding amount, on the number of days elapsed and on the basis of a 365-day year, irrespective of whether or not the applicable year is a leap year. The Company shall pay an amount equal to the accrued interest (as interest) on the Actual Redemption Date.

4.2 Voluntary Redemption

- 4.2.1 Upon the occurrence of the Realisation Date, the Company shall be entitled (but not obliged) to redeem, at any time upon 5 Business Days written notice to the Holder (the "**Optional Redemption Date**") such a number of the Outstanding Class B Shares as the Company may in its sole discretion determine, provided that the Company has first repaid all Outstanding Shareholder Loan Accounts, declared and paid the Subscription Price Dividend and declared and paid the Ordinary Share Priority Dividend.
- 4.2.2 Notwithstanding clause 4.2.1 above, and for the avoidance of doubt, should the Company exercise the option to redeem the Outstanding Class B Shares prior to the Scheduled Redemption Date, the Company will have the right at any time not to proceed with such redemption of the Outstanding Class B Shares.

4.3 Compulsory Early Redemption

- 4.3.1 If a Trigger Event occurs –
- 4.3.1.1 the Holder shall be entitled, but not obliged, to give written notice to the Company in which the Holder requires the Company to remedy that Trigger Event within 5 Business Days or the applicable grace period contemplated in clause , where relevant; and
- 4.3.1.2 if the Company does not remedy that Trigger Event within 5 Business Days or the applicable aforesaid grace period, the Holder shall be entitled (but not obliged) to deliver written notice (an "**Early Redemption Notice**") to the Company in which the Holder requires the Company to redeem the Outstanding Class B Shares on a date (the "**Early Redemption Date**") set out in the Early Redemption Notice, the Early Redemption Date to be no sooner than 3 Business Days after the date on which the Holder delivers the Early Redemption Notice to the Company.

4.3.2 If the Holder delivers an Early Redemption Notice to the Company, the Company shall, on the Early Redemption Date set out in the Early Redemption Notice –

4.3.2.1 pay all the outstanding Class B Share Dividends in respect of the Outstanding Class B Shares; and

4.3.2.2 redeem the Outstanding Class B Shares.

4.4 **Procedure for Redemption**

4.4.1 The Company shall redeem each Outstanding Class B Share on the Scheduled Redemption Date or Optional Redemption Date, as applicable, by paying its Redemption Price into the bank account nominated in writing by the Holder for this purpose. The Company shall pay the Redemption Price first out of the available Contributed Tax Capital and will provide the Holders with a copy of the resolution confirming payment of such portion the Redemption Price out of the available Contributed Tax Capital.

4.4.2 Against payment of the Redemption Price of any Outstanding Class B Share the relevant Holders shall, provided that all the Outstanding Class B Share Dividends in respect of that Outstanding Class B Share have been paid, surrender its share certificates in respect of that Outstanding Class B Share to the Company (or, if such certificate(s) has/have been lost or destroyed, such proof of loss or destruction and an indemnity against any loss, liability, damage, cost or expense which the Company may suffer as a result of issuing any replacement certificate as the Company may require) and against such surrender, unless all of the Class B Shares of that Holder have been redeemed, the Company shall (to the extent necessary) issue a share certificate(s) to that Holder in respect of those Class B Shares held by that Holder which were not redeemed within 5 Business Days of such surrender.

4.5 **Cost of Redemption**

The Company shall pay all the costs of redeeming the Outstanding Class B Shares including STT.

5 **VOTING**

5.1 No Class B Share shall have any votes (save as provided for in the Companies Act) except if –

5.1.1 a Trigger Event has occurred and is continuing;

5.1.2 the Realisation Date has occurred and the relevant Class B Share has not been redeemed; or

- 5.1.3 a resolution of the Company is proposed which directly affects the interests of the Holders, including the proposal of a resolution for –
 - 5.1.3.1 the winding-up, liquidation or business rescue, whether provisionally or finally, of the Company;
 - 5.1.3.2 the repurchase of any of the Company's shares;
 - 5.1.3.3 the reduction of the Company's share capital (other than the reduction of the share capital relating to any Outstanding Class B Shares) or any reserves (howsoever described); or
 - 5.1.3.4 a resolution of the Company is proposed for the disposal of the whole or substantially the whole of the undertaking of the Company, or the whole or the greater part of the assets of the Company,

in which case each Outstanding Class B Share will entitle its Holder to exercise 1 vote at a general meeting of the Company where the Class B Shares will vote together with the Ordinary Shares as a single class, to the maximum extent permitted by Applicable Law.

- 5.2 The Holders shall be entitled to receive notices of general meetings at which the Class B Shares are entitled to vote (but not to any other notice of any other general meetings).

6 RETURN OF CAPITAL

- 6.1 If the Company is liquidated each Class B Share shall be entitled to a return of capital equal to –
 - 6.1.1 its Subscription Price; and
 - 6.1.2 the Accumulated Dividends up to the date on which that return of capital is paid to the Holder.
- 6.2 Each Class B Share's right to a return of capital shall rank in priority to the rights (to returns of capital) of the Company of any other classes of shares in the Company.
- 6.3 Except for the rights conferred on the Class B Shares in terms of clauses 6.1 and 6.2, no Class B Share shall have any right participate in excess assets in the event of the Company's liquidation.

7 GENERAL

- 7.1 These Class B Share Terms may not be modified, altered, varied, added to or abrogated without the prior written consent of 75% of the relevant Holders.

- 7.2 No shares in the capital of the Company ranking, as regards rights to dividends, or on a winding-up as regards capital, in priority to or *pari passu* with the Class B Shares shall be created or issued without the prior written consent of the relevant Holder.

Annexe C**GOVERNANCE AGREEMENT**

See attached.

GOVERNANCE AGREEMENT

THIS AGREEMENT is made as of this ■ day of ■.

BETWEEN:

AFRICA ENERGY CORP.,

a corporation existing under the laws of the Province of British Columbia

(“AEC”)

– and –

AROSTYLE INVESTMENTS (RF) (PROPRIETARY) LIMITED

a corporation existing under the laws of the Republic of South Africa

(“Arostyle”)

WHEREAS:

- A. AEC and Arostyle are parties to a second amended and restated shareholders’ agreement in respect of Main Street 1549 (Proprietary) Limited (the “**Shareholders’ Agreement**”), and as a result of the exercise of certain rights therein, Arostyle is a shareholder of AEC; and
- B. AEC and Arostyle desire to document their agreement in respect of certain matters relating to Arostyle’s ownership or control of Common Shares.

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties agree as follows:

ARTICLE 1 INTERPRETATION AND GENERAL MATTERS

1.1 Definitions

In this Agreement, including the recitals, unless otherwise stated, capitalized terms used herein will have the meanings set forth in the Shareholders’ Agreement and as specified below:

“**Act**” means the *Business Corporations Act* (British Columbia);

“**Affiliate**” means with respect to any Person, any other Person that, directly or indirectly: (i) Controls, (ii) is Controlled by or (iii) is under common Control with, such Person;

“**Agreement**” means this agreement, as amended, supplemented or modified from time to time in accordance with the provisions hereof;

“**Arostyle Nominee**” has the meaning set forth in Section 2.1(a);

“ASM” means any annual general or annual general and special meeting of the shareholders of AEC, or the meeting resulting from any adjournment or postponement thereof;

“Canadian Securities Laws” means the applicable securities legislation of each of the Reporting Jurisdictions and all published regulations, policy statements, orders, rules, instruments, rulings and interpretation notes issued thereunder or in relation thereto, as the same may hereafter be amended from time to time or replaced;

“Concurrent Sale” has the meaning ascribed thereto in Section 3.2(a);

“Board” means the board of directors of AEC, as constituted from time to time;

“Common Shares” means the common shares in the capital of AEC, as constituted from time to time;

“Encumbrance” means any mortgage, charge, pledge, hypothec, security interest, prior claim, assignment, lien (statutory or otherwise), or restriction or adverse right or claim, or other third party interest or encumbrance of any kind, in each case, whether contingent or absolute;

“Management Nominees” means all of the director nominees recommended by the Board for election to the Board in AEC’s management proxy circular for the applicable ASM;

“Orderly Market Period” has the meaning ascribed thereto in Section 3.1(a);

“Parties” means AEC and Arostyle, and their respective successors and permitted assigns, and **“Party”** means any one of them;

“Person” includes an individual, a limited liability company, a partnership, a limited partnership, a corporation with or without share capital, a trust, a joint venture, a syndicate, an unincorporated organization, a union, a government or any department or agency thereof and the heirs, executors, administrators or other legal representatives of an individual;

“Reporting Jurisdictions” means the Provinces of British Columbia, Alberta and Ontario;

“Subsidiary” or **“subsidiary”** means a Person that is controlled directly or indirectly by another Person and includes a Subsidiary of that Subsidiary. A Person is considered to “control” another Person if: (i) the first Person beneficially owns or directly or indirectly exercises control or direction over securities of the second Person carrying votes which, if exercised, would entitle the first Person to elect a majority of the directors of the second Person, unless that first Person holds the voting securities only to secure an obligation, or (ii) the second Person is a partnership, other than a limited partnership, and the first Person holds more than 50% of the interests of the partnership, or (iii) the second Person is a limited partnership, and the general partner of the limited partnership is the first Person;

“Transfer” means any sale, assignment, exchange, transfer, assignment, gift, hedge, pledge, loan, creation of an Encumbrance, hypothecation, alienation or other transaction, whether voluntary, involuntary or by operation of law, by which the legal or beneficial ownership of, or any security interest or other interest in a security passes from one Person to another Person or to the same Person in a different capacity, whether or not for value; and

“Treasury Offering” has the meaning ascribed thereto in Section 3.2(a).

1.2 References and Headings

The references “hereunder”, “herein” and “hereof” refer to the provisions of this Agreement, and references to Articles and Sections herein refer to articles, sections, or subsections of this Agreement. The headings of the Articles and Sections and any other headings, captions or indices herein are inserted for convenience of reference only and shall not be used in any way in construing or interpreting any provision hereof.

1.3 Singular/Plural; Derivatives

Whenever the singular or masculine or neuter is used in this Agreement, it shall be interpreted as meaning the plural or feminine or body politic or corporate, and vice versa, as the context requires. Where a term is defined herein, a capitalized derivative of such term shall have a corresponding meaning unless the context otherwise requires.

1.4 Statutory References

Unless stated otherwise, any reference to a statute shall include and shall be deemed to be a reference to such statute and to the regulations made pursuant thereto, and all amendments made thereto and enforced from time to time, and to any statute or regulation that may be passed which has the effect of supplementing the statute so referred to or the regulations made pursuant thereto.

1.5 Business Days

Whenever any action to be taken pursuant to this Agreement would otherwise be required to be taken or made on a day that is not a Business Day, such action shall be taken on the first Business Day following such day.

ARTICLE 2 NOMINATION RIGHT

2.1 Board

- (a) Arostyle shall be entitled to designate one (1) nominee (a “**Arostyle Nominee**”) for election to the Board at each ASM, for so long as Arostyle or its Affiliates hold in aggregate not less than 10% of the Common Shares. Each Arostyle Nominee must meet the requirements of and be eligible to serve as a director of AEC pursuant to applicable law;
- (b) Upon Arostyle holding not less than 10% of the Common Shares, it shall provide notice in writing to AEC of the Arostyle Nominee and the Board shall appoint such Arostyle Nominee to the Board within fifteen (15) days of delivery of such written notice.
- (c) AEC shall thereafter use commercially reasonable efforts to ensure that the Arostyle Nominee is elected to the Board at each ASM, for so long as Arostyle holds not less than 10% of the Common Shares, including soliciting proxies in support of their election and taking the same actions taken by AEC to ensure the election of the other nominees selected by the Board for election to the Board.
- (d) Arostyle shall advise AEC of the identity of Arostyle Nominee at least 60 days prior to any meeting of shareholders at which directors of AEC are to be elected or within 20 days of being notified of the record date for such a meeting. If Arostyle does not advise AEC of the identity of an Arostyle Nominee prior to such deadline, then AEC will be deemed to

have nominated their incumbent nominee (or if there is no incumbent nominee at such time then no Arostyle Nominee shall be nominated for election at such ASM).

- (e) In the event that an Arostyle Nominee shall unexpectedly cease to serve as a director of AEC, whether due to such Arostyle Nominee's death, disability, resignation or removal, Arostyle shall cause the Board to promptly appoint a replacement Arostyle Nominee (who shall be a different person) designated by Arostyle to fill the vacancy created by such death, disability, resignation or removal, provided that Arostyle remains eligible to designate a Arostyle Nominee and that the replacement Arostyle Nominee satisfies the requirements of Section 2.1(a).
- (f) Each Arostyle Nominee shall be compensated for his or her service and reimbursed for expenses related to such service consistent with AEC's policies for director compensation and reimbursement.
- (g) AEC shall indemnify a Arostyle Nominee and provide Arostyle Nominee with director and officer insurance to the same extent it indemnifies and provides insurance for the members of the Board pursuant to its organizational documents, applicable law or otherwise.
- (h) Any Arostyle Nominee shall be entitled to disclose to Arostyle any information concerning AEC and its business, affairs and assets that he or she obtains or receives, subject to the recipient maintaining the confidentiality of disclosed information in accordance with the provisions set forth in the Shareholders' Agreement that is itself confidential to AEC and compliance with applicable law (including restrictions on trading securities with knowledge of undisclosed material information).

ARTICLE 3 ORDERLY MARKET ARRANGEMENTS

3.1 Orderly Market Arrangements

- (a) For so long as Arostyle and its Affiliates hold in aggregate not less than 5% of the issued and outstanding Common Shares (the "**Orderly Market Period**"), Arostyle agrees to effect any Transfer of Common Shares in an orderly manner of disposition that does not disrupt the market for the Common Shares. AEC agrees to use commercially reasonable efforts to provide such cooperation and assistance to Arostyle as Arostyle reasonably requests in connection with any intended dispositions of Common Shares by Arostyle or its Affiliates (each, a "**Proposed Disposition**"), including:
 - (i) participating in meetings with underwriters/agents and/or potential investors to the extent reasonably required and to the extent such does not unreasonably interfere with the business or operations of AEC; and
 - (ii) subject to the confidentiality provisions set forth in section 3.1(c), furnishing Arostyle, any underwriters/agents or potential investors with such financial and other information regarding AEC as may be reasonably requested in order for any such underwriters/agents or potential investors to complete customary due diligence in connection with any Proposed Disposition, provided that AEC shall not be required to disclose any information that in the reasonable judgment of AEC is competitively sensitive.

- (b) Arostyle undertakes to AEC that, unless the prior written consent of AEC shall first have been obtained, which consent shall not be unreasonably withheld, it shall, and shall procure that its Affiliates and its and their respective directors, officers, employees, advisers and agents (collectively, "**Representatives**") (to whom Arostyle shall be and is hereby authorized to disclose the Confidential Information (as hereinafter defined) subject to the terms and conditions of this section 3.1(b)), shall, keep confidential and shall not by failure to exercise due care or otherwise by any act or omission disclose to any person whatsoever, or use or exploit commercially for its or their own purposes, any of the confidential information of the other Parties. For the purposes of this Section 3.1(b), "**Confidential Information**" means"
- (i) information of whatever nature concerning the business, finances, assets, liabilities, dealings, transactions, know-how, customers, suppliers, processes or affairs of AEC, or any of its group undertakings from time to time; and
- (ii) any information which is expressly indicated to be confidential by AEC (or in relation to any of its group undertakings from time to time),

which Arostyle or its Representatives may from time to time receive or obtain (verbally or in writing or in disk or electronic form) from AEC or its Representatives result of the provisions of Section 3.1(a) of this Agreement, and excluding any confidential information that:

as a

- (i) was in the possession or was known by Arostyle or its representatives prior to its receipt from AEC or its Representatives;
- (ii) is or becomes available to Arostyle or its Representatives from a source other than AEC or its Representatives in circumstances where Arostyle or its Representatives are not aware that disclosure has been made in breach of an obligation of confidentiality;
- (iii) is in or comes into the public domain other than as a result of a breach of any undertaking or duty of confidentiality by Arostyle or its Representatives;
- (iv) was independently developed by Arostyle or its Representatives; and
- (v) is required by law, regulation or by any judicial, governmental or regulatory authority to be disclosed, provided that Arostyle shall use reasonable commercial efforts to ensure only such portion of the Confidential Information that is required to be disclosed is disclosed and, to the extent permitted, provide prior written notice to AEC of such proposed disclosure.
- (c) For the avoidance of doubt, for so long as Arostyle and its Affiliates hold in aggregate less than 5% of the issued and outstanding Common Shares, Arostyle and/or its Affiliates shall be entitled in its/their discretion to freely effect any Transfer of Common Shares, subject Arostyle's compliance with applicable laws, including Canadian Securities Laws.

3.2 AEC Offering

- (a) If during the Orderly Market Period AEC proposes to offer its Common Shares pursuant to an offering (excluding for greater certainty, any offering in connection with a merger,

acquisition or other business combination or an offering solely to then existing securityholders of AEC) for its own account (a “**Treasury Offering**”) and AEC together with any underwriter/agent involved in such Treasury Offering determines in good faith, acting reasonably, that there is excess demand in respect of such Treasury Offering, AEC will notify Arostyle of such potential excess demand on a reasonably timely basis and use reasonable commercial efforts to facilitate a sale of Common Shares by Arostyle or its Affiliates concurrently with the Treasury Offering (a “**Concurrent Sale**”) to any investors who do not participate in the Treasury Offering. Notwithstanding the foregoing, if AEC determines in good faith, acting reasonably, or is advised in good faith by any underwriter/agent involved in the Treasury Offering, acting reasonably, that the Concurrent Sale is likely to have an adverse effect on the distribution or sales price of the Treasury Offering, AEC shall not be obligated to take any action to facilitate any Concurrent Sale.

- (b) AEC and its Affiliates and their respective representatives shall not incur any liability as a result of providing the cooperation and assistance contemplated by Section 3.2(a) and Arostyle shall be responsible for, and shall reimburse AEC for, all reasonable out-of-pocket costs and expenses (including legal and other advisory fees) incurred by AEC in connection with any of the actions contemplated by Section 3.2(a) and shall indemnify and hold harmless AEC and its Affiliates and their respective representatives against any liability, action, regulatory proceeding or other claim or demand arising from or attributable to having provided such cooperation and assistance except to the extent finally determined by a court of competent jurisdiction to have resulted from the gross negligence, fraud or wilful misconduct of AEC or its Affiliates or a representative thereof.

ARTICLE 4 INFORMATION RIGHTS

4.1 Information Rights

In the event Arostyle is not entitled or is entitled (but has not exercised such right) to nominate an Arostyle Nominee to the Board pursuant to Section 2.1(a) hereof and provided Arostyle holds not less than 1% of the issued and outstanding Common Shares, AEC shall send to Arostyle all information and materials in respect of the operations of AEC that AEC sends to the members of the Board, in their capacity as members of the Board (“**Board Operational Materials**”), at substantially the same time and in substantially the same manner as AEC sends such Board Operational Materials to members of its Board. AEC reserves the right not to provide any Board Operational Materials to Arostyle if: (i) the Board reasonably determines in good faith, after receiving advice in writing from outside legal counsel, that dissemination of such Board Operational Materials to Arostyle could compromise or adversely affect the solicitor-client privilege between AEC and its legal counsel; or (ii) if the provision of the Board Operational Materials would violate any provision of law, or order of any court or other agency of government.

ARTICLE 5 REPRESENTATIONS

Each Party represents and warrants to the other Party that it has all requisite corporate power and authority to enter into this Agreement, and the execution and delivery of, and the performance of, and compliance with, the terms of this Agreement does not and will not result in any breach of, or constitute a default under, and do not and will not create a state of facts which, after notice or lapse of time or both, would result in a breach of or constitute a default under any term or provision of the articles, or resolutions of that Party, any applicable laws, mortgage, note, contract, agreement (written or oral), instrument, lease or other document

to which that Party is bound, or any judgment, decree, order, statute, rule or regulation applicable to that Party.

ARTICLE 6 MISCELLANEOUS PROVISIONS

6.1 Currency

References in this Agreement to “\$” are to United States dollars.

6.2 Waiver Must be in Writing

No waiver by any Party of any breach (whether actual or anticipated) of any of the terms, conditions, representations or warranties contained herein shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

6.3 No Amendment Except in Writing

This Agreement may be amended only by written instrument executed by AEC and Arostyle.

6.4 Service of Notice

Notwithstanding anything to the contrary contained herein, any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon delivery, when sent by facsimile (provided that confirmation of transmission is generated and kept on file by the sending party); or (iii) one (1) Business Day after deposit with an overnight courier service with next day delivery specified, in each case, properly addressed to the party to receive the same.

6.5 Addresses for Notice

- (a) Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered in person, transmitted by e-mail or sent by airmail or courier, charges prepaid, addressed as follows:

- (i) in the case of AEC:

Africa Energy Corp
Suite 2000 – 885 West Georgia Street
Vancouver, British Columbia
Canada
V6C 3E8

Attention: Garrett Soden and Jeromie Kufflick
Email: [REDACTED]

with a copy (which shall not constitute notice) to:

Torys LLP
4600 Eight Avenue Place East, 525 – 8th Avenue SW
Calgary, Alberta
T2P 1G1

Attention: Janan Paskaran
E-mail: [REDACTED]

(ii) in the case of Arostyle:

[REDACTED]

Attention: [REDACTED]
E-mail: [REDACTED]

with a copy (which shall not constitute notice) to:

[REDACTED]

Attention: [REDACTED]
E-mail: [REDACTED]

- (b) Any such notice or other communication shall be deemed to have been given:
- (i) if personally delivered, it shall be deemed to have been given upon delivery at the relevant address and on signature of a delivery receipt;
 - (ii) if delivered within the United Kingdom and sent by same-day or next-day courier, it shall be deemed to have been given upon proof of delivery and, if from or to any place outside the United Kingdom and sent by airmail or by air courier, it shall be deemed to have been given upon proof of delivery; and
 - (iii) if sent by email, it shall be given at the time it left the e-mail gateway of the party giving the notice, provided that any notice sent by e-mail after 17.00 hours (at the place where such e-mail is to be received) on any day shall be deemed to have been received at 08.00 hours on the next Business Day.
- (c) Any party may at any time change its address for service from time to time by giving notice to the other parties in accordance with this Section 6.5. A Party may change its address for service by notice to the other Party, and such changed address for service thereafter shall be effective for all purposes of this Agreement.

6.6 Further Assurances

Each Party shall provide such further documents or instruments required by any other Party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions.

6.7 Governing Law

This Agreement and any disputes or claims (including non-contractual disputes or claims) arising out of or in connection with its subject matter or formation are governed by and construed in accordance with the laws of England and Wales.

6.8 Time

Time shall be of the essence in this Agreement.

6.9 Entire Agreement

This Agreement and any agreement or document delivered pursuant to this Agreement constitute the entire agreement between AEC and Arostyle relating to the subject matter hereof and thereof. There are no collateral or other statements, understandings, covenants, agreements, representations or warranties, written or oral, relating to the subject matter hereof. This Agreement supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties or their predecessors relating to the subject matter of this Agreement.

6.10 Assignment and Enurement

Neither this Agreement nor any benefits or duties accruing under this Agreement shall be assignable by any Party without the prior written consent of the other Party, such consent not to be unreasonably withheld. Subject to the foregoing, this Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

6.11 Counterpart Execution

A Party will be entitled to rely on delivery by facsimile or by e-mail in PDF format of an executed copy of this Agreement by the other Party, including the completed attachments hereto, and acceptance by the receiving party of such facsimile or PDF copy will be legally effective to create a valid and binding agreement between AEC and Arostyle in accordance with the terms hereof. This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same document.

IN WITNESS WHEREOF the Parties have duly executed this Agreement as of the date first written above.

AEC:

AFRICA ENERGY CORP.

Per: _____

Name:

Title:

AROSTYLE:

**AROSTYLE INVESTMENTS (RF)
(PROPRIETARY) LIMITED**

Per: _____

Name:

Title:

SALE DISTRIBUTION PROCEEDS