

Shareholders Agreement

Between

James May

and

Richard Hemsworth

(Collectively the "**Shareholders**")

It is agreed

1. Definitions and interpretation

1.1. In this Agreement:

1.1.1. **Act** means the Companies Act, 71 of 2008;

[REDACTED]

1.1.3. **Agreement** means this Shareholders Agreement;

[REDACTED]

1.1.5. **Board** means the board of directors of the Company;

[REDACTED]

1.1.7. **Business Day** means any day other than a Saturday, Sunday or official public holiday in South Africa;

1.1.8. **Claims** means all claims by any Shareholder against the Company arising from Shareholders loans;

1.1.9. **Company** means Hello Contact (Pty) Ltd with Registration Number 20209/2099292/0290 incorporated in accordance with the company laws of South Africa, with its principal place of business at 16 Ebenezer Road;

[REDACTED]

[REDACTED]

[REDACTED]

1.1.13. **Dispose** means to sell, transfer, make over, donate, encumber or otherwise dispose of a legal or beneficial interest in a Share;

1.1.14. **Drag Along Notice** has the meaning given in clause entitled 'Drag Along Rights' below;

[REDACTED]

[REDACTED]

1.1.17. **Effective Date** means the Signature Date hereof;

1.1.18. **Entity** means any company, business trust, partnership, joint venture or close corporation by whatever name called and whether or not capable of suing or being sued in its own name;

[REDACTED]

1.1.20. **Expert** means a person appointed in accordance with the provisions of the clause entitled 'Determination of value of equity';

[REDACTED]

- [REDACTED]
- [REDACTED]

1.1.22. **Insolvency Event** means in relation to an Entity or individual (which Entity or individual is a Shareholder), as the case may be:

- a receiver, liquidator, business rescue practitioner, trustee or similar official appointed over any of the assets or undertaking of the Entity;
- the Entity suspends payment of its debts generally;
- the Entity is or becomes Financially Distressed;
- the Entity enters into or resolves to enter into any arrangement, scheme or compromise with, or assignment for the benefit of, its creditors generally or any class of them;
- an application or order is made for the winding-up or dissolution of, or the appointment of a provisional liquidator, to the Entity or a resolution is passed or steps are taken to pass a resolution for the winding-up or dissolution of the Entity otherwise than for the purpose of an amalgamation or reconstruction which has the prior consent of all Shareholders, or steps are taken to commence business rescue proceedings under the Act;
- a individual's estate being sequestrated, whether provisionally or finally.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

1.1.27. **Secretary** means the Company's secretary, or where there is no secretary, then the Managing Director;

1.1.28. **Seller** means a Shareholder, or two or more Shareholders acting together, expecting or intending to sell Shares under a contract or a notice given under this Agreement (other than by Permitted Disposal);

1.1.29. **Share** means an ordinary share in the issued share capital of the Company;

1.1.30. **Shareholders** means the Shareholders of the Company, being the signatories hereto, and Shareholder shall as the context requires, be a reference to any one of them, or any other holder of Shares from time to time;

[REDACTED]

1.1.32. **Signature Date** means the date of the last signature to this Agreement;

[REDACTED]

1.1.34. **South Africa** means the Republic of South Africa as constituted from time to time;

1.1.35. **Tag Along Right** has the meaning given to it in the clause entitled 'Tag Along Rights';

[REDACTED]

[REDACTED]

1.1.38. **Trigger Event** in relation to a Shareholder means:

- a person (other than the Shareholder) acquiring any legal or equitable interest in Shares held by the Shareholder;
- the death, disability or other form of incapacity to a Shareholder which renders such Shareholder unable to perform his/her obligations toward the Company in terms of this Agreement and/or the Distribution Agreement;
- the Shareholder being subject of an Insolvency Event; or

- the Shareholder breaching this Agreement (other than in an immaterial manner) and the breach remaining unremedied for 20 Business Days after the Company or another Shareholder has notified the Shareholder in breach.

1.2. Any reference in this Agreement to:

1.2.1. a clause is, subject to any contrary indication, construed as a reference to a clause of this Agreement;

1.2.2. law is construed as any law including common law, statute, constitution, decree, judgment, treaty, regulation, directive, by-law, order or any other measure of any government, local government, statutory or regulatory body or court having the force of law; and

[REDACTED]

[REDACTED]

[REDACTED]

1.5. If any provision in a definition confers rights, or imposes obligations on any Party, effect is given to it as a substantive provision of this Agreement.

1.6. Unless the context indicates otherwise an expression which denotes any gender includes both the others; reference to a natural person includes a juristic person; the singular includes the plural, and the plural includes the singular.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

1.11. Any reference to a document or instrument includes the document or instrument as ceded, delegated, novated, altered, supplemented or replaced from time to time.

1.12. A reference to a Party includes that Party's successors-in-title and permitted assigns.

[REDACTED]

[REDACTED]

1.15. Unless the context indicates otherwise, any reference in this Agreement to agreed in writing means agreed in writing by means of one or more written instruments signed by all the Parties on the same document or in counterpart, and which clearly provides that the relevant matter or document is separately agreed specifically for purposes of, and/or must be read with, one or more specific provisions of this Agreement.

[REDACTED]

[REDACTED]

[REDACTED]

2. Ranking of documents

[REDACTED]

[REDACTED]

2.2.1. any Party may require the Memorandum of Incorporation to be amended accordingly; and

2.2.2. the Shareholders undertake to vote in favour of all resolutions of the Company necessary to amend the Memorandum of Incorporation in terms of the clause above.

2.3. The Shareholders undertake not to vote in favour of any resolution that will result in the Memorandum of Incorporation being inconsistent or conflicting with the provisions of this Agreement.

2.4. Any disagreement between the Parties as to the content of the Memorandum of Incorporation pursuant to this clause 2 shall be resolved by the Expert, acting as an expert and not as an arbitrator, and whose decision will be final and binding on the Parties, save in the case of a manifest error.

3. Share capital

3.1. As at the Signature Date:

[REDACTED]

3.1.2. the issued shares in the Company are held in the classes and quantity as stipulated below:

- James May: 2000 Ordinary Shares;
- Richard Hemsworth: 800 Ordinary Shares.

4. Statutory matters

[REDACTED]

5. Dividend policy

[REDACTED]

6. Shareholder Loans

6.1. All loans by any of the Shareholders to the Company shall be granted only upon the written consent of both Shareholders, shall attract interest at a rate of 10% per annum compounded monthly in arrears, and become immediately due and payable on the sale or disposal of the Business or on the passing of any resolution or the granting of any order (whether provisional or final):

[REDACTED]

[REDACTED]

7. Shareholders not to bind the Company

[REDACTED]

7.2. Each of the Shareholders undertakes that it will not seek to bind the Company in any way and each of the Shareholders respectively undertakes not to hold itself out at any time, to any third party as having authority to bind the Company in any manner whatsoever.

8. Financial matters

[REDACTED]

9. Disposal of Shares

9.1. A Shareholder must not Dispose of any Shares except as specifically provided or permitted under this Agreement.

9.2. Notwithstanding, anything else set out herein, a Disposal with the written consent of all Shareholders is permitted (Permitted Disposal).

10. Proposed Share transfers

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

10.1.4. the Price per Transfer Share (which must be payable on Completion);

10.1.5. the warranties (if any) the Seller proposes to give the proposed purchaser;

10.1.6. all other terms of the proposed sale; and 10.1.7. If applicable, notice that the Seller is exercising its Drag Along Rights (Drag Along Notice); and

10.2. A Transfer Notice cannot be withdrawn until the processes in clauses 11 to 15 (to the extent relevant) are complete.

11. Pre-emption

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] er Shares in response to a Transfer Notice (referred to below as a Buyer) must notify the Secretary within 15 Business Days after receipt of the Transfer Notice of the number of Transfer Shares it is willing to purchase (its Desired Number).

11.3. The Desired Number for any Shareholder who does not notify under the above sub-clause is zero.

11.4. A notice as referred to above, in response to a Transfer Notice, is irrevocable.

11.5. If the Secretary receives notices for an aggregate Desired Number equal to or greater than the total number of Transfer Shares the Secretary must:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

11.5.4. then, continually repeat the process (each time excluding from the process and from the calculation of Specified Proportions, the Seller and each Buyer who has already been allocated its Desired Number or whose Desired Number is zero) until all Transfer Shares have been allocated.

11.6. The Secretary may allocate what would otherwise be fractional interests in Transfer Shares to Buyers as the Secretary thinks fit.

11.7. The Secretary must notify all Shareholders of the allocation of Transfer Shares and of arrangements for Completion.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Along Right;

then each other Shareholder has the right (Tag Along Right) to require the Seller of the Transfer Shares to cause the purchaser named in the Transfer Notice to also buy some or all of their Shares at the same Price as specified in the Transfer Notice.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

12.3. If the Seller of the Transfer Shares Completes the sale notified in the Transfer Notice, the Seller must ensure that the purchaser of its shares simultaneously completes acquisition of all Shares the subject of the exercise of a Tag Along Right.

[REDACTED]

[REDACTED]

[REDACTED]

13. Drag Along Rights

13.1. If a Seller, or group of Sellers, which hold, whether alone or collectively, 70% or more of all Shares issues a Transfer Notice for sale of all its Shares to a purchaser that is not Affiliated with the Seller then, subject to the below, the Seller has, or group of Sellers have, as the case may be, the right (Drag Along Right) to require all other Shareholders also to sell all their Shares to that purchaser on the same terms.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

13.5. Having given a Drag Along Notice, if the Seller of the Transfer Shares Completes its sale, the Seller must ensure that the purchaser of its Shares simultaneously Completes the acquisition of all Shares which are the subject of Drag Along Notices.

13.6. Apart from the above, a Shareholder selling shares under a Drag Along Right has no obligations to the Seller of the Transfer Shares or to the purchaser of its Shares. In particular the Shareholder is not obliged to provide any warranties.

14. Completion of Share Transfers

[REDACTED]

[REDACTED]

14.2. The rights and obligations of the Parties in respect of any transfer of Shares under this Agreement are suspended and subject to the prior approval of any competent and necessary regulatory authority, if applicable. Each Party will use all reasonable efforts on its part to ensure that any necessary approvals are obtained.

14.3. At Completion each transferee must pay to each transferor the Price for all the Shares being transferred:

[REDACTED]

14.4.3. clear title in those shares free of any Encumbrance; and

14.4.4. the share certificates for all those Shares (if issued);

14.4.5. to the Company, resignation of any director or directors appointed by the transferor under the Memorandum of Incorporation whom, following Completion, the transferor is no longer entitled to appoint.

14.5. If a transferor required to transfer shares under either:

14.5.1. the pre-emption provisions; or

[REDACTED]

14.7. The Company will pay all securities transfer tax payable in respect of a Transfer and shall be entitled to claim such securities transfer tax from the transferor.

15. New shareholders

[REDACTED]

15.2. The Company must not register in its records or otherwise recognise any interest in or Encumbrance over Shares unless an Accession Agreement has been executed and delivered as required under this clause, and unless all obligations of the Shareholder under this Agreement have been satisfied.

16. Forced transfer of shares on Trigger Event

[REDACTED]

16.2. The Default Shareholder must be treated as having accepted the Price notified under the first sub-clause of this clause (Offer Price) unless within ten Business Days after receipt of that notice it issues a notice to the Acquiring Shareholder and the Secretary requiring the Secretary to submit the matter for valuation by an Expert in accordance with the 'Appointment of Expert' clause herein.

[REDACTED]

[REDACTED]

16.5. The Parties must proceed with sale of the Default Shareholder's Shares in accordance with the sub-clause below, if:

16.5.1. the Default Shareholder does not give a notice requiring the Secretary to submit the matter for valuation by an Expert ; or

16.5.2. the Valuation Price is not greater than the Offer Price notified under the first sub-clause of this clause, or

16.5.3. the Acquiring Shareholder gives a notice stating that they are happy to pay the Valuation Price.

16.6. If the sale of the Default Shareholder's Shares is to proceed under this clause, then:

16.6.1. the Secretary must notify all Shareholders of the proposed sale and the Price;

16.6.2. the Default Shareholder must be treated as having issued to all other Shareholders a Transfer Notice for sale of all its Shares; and

16.6.3. the Acquiring Shareholder's Desired Number is all the Default Shareholder's Shares.

16.7. Tag Along Rights and Drag Along rights do not apply to a sale of Shares under this clause. The Default Shareholder is not required to give any warranties.

17. Determination of value of equity

[REDACTED]

[REDACTED]

17.2. the Expert will not take into account any potential disadvantage that the Company may suffer due to the loss of the contribution of the particular Shareholder to the Company or any Trigger Event;

17.3. the Expert will, in the determination of the value of the Equity of a Shareholder, allow the Shareholders an opportunity to make a representation to the Expert in respect of the deemed value of the said Shares;

[REDACTED]

[REDACTED]

17.6. the costs of the Expert in effecting the aforesaid valuation will be borne by the Shareholders in proportion to their holding of Shares in the Company, unless otherwise determined by the Expert.

18. Publications and announcements

[REDACTED]

19. Remuneration

The Board will be entitled to set policies in relation to the remuneration of the Directors and other key executives in their capacities as employees of the company and not as directors. Such policies may determine annual remuneration packages and any increases in remuneration packages must be approved by the Board. To the extent

that Board does not approve a remuneration package, it will be referred to the Shareholders.

20. Breach

[REDACTED]

[REDACTED] above to claim immediate payment and/or performance by the Defaulting Shareholder of all of the Defaulting Shareholder's obligations whether or not the due date for payment and/or performance shall have arrived, in either event without prejudice to the Aggrieved Shareholder's rights to claim damages; it being agreed that, without prejudice to the Aggrieved Shareholder's right to claim damages as aforesaid, the remedy of specific performance may be the proper remedy for any breach of this Agreement as damages may be an inadequate remedy. The foregoing is without prejudice to such other rights as the Aggrieved Shareholder may have at law.

21. Arbitration

[REDACTED]

this Agreement shall be decided by arbitration in the manner set out in this clause.

21.2. The said arbitration shall be held subject to the provisions of this clause:

21.2.1. in Gauteng;

21.2.2. informally;

21.2.3. otherwise in accordance with the provisions of the Arbitration Act and the rules of the Arbitration Foundation of South Africa;

it being the intention that if possible it shall be held and concluded within 21 Business Days after it has been demanded.

21.3. The arbitrator shall be if the question in issue is:

21.3.1. primarily an accounting matter an independent accountant agreed upon between the Parties;

21.3.2. primarily a legal matter, an independent practising senior advocate with no less than ten years' standing agreed upon between the Parties;

21.3.3. any other matter an independent person agreed upon between the Parties.

21.4. If the Parties cannot agree upon a particular arbitrator under the provisions of this clause within seven Business Days after the arbitration has been demanded, the nomination shall be made by the President for the time being of the South African Institute of Chartered Accountants within seven days after the Parties have so failed to agree.

[REDACTED]

22. Appointment of Expert

Where certification or determination is required by any Expert under this Agreement:

22.1. such Expert shall be appointed by agreement between the Parties;

[REDACTED]

23. Confidential Information

23.1. Confidential information relating to the Shareholders shall include, without limitation:

23.1.1. financial information;

23.1.2. technology owned by or licensed to the Company;

23.1.3. information, plans, trade secrets and know-how of whatever nature and in whatever form pertaining to the Business;

23.1.4. all documents, notes and other records based on or incorporating the above; and

23.1.5. the terms of this Agreement.

[REDACTED]

[REDACTED]

[REDACTED]

23.3.2. was at the time of receipt part of the public domain or lawfully thereafter became part of the public domain;

23.3.3. was lawfully received from a third party entitled to possess and disclose that information;

23.3.4. was disclosed to a potential purchaser of the Party's Shares and the potential purchaser has entered into a confidentiality agreement with the Company to its reasonable satisfaction.

24. Termination

[REDACTED]

24.2. Without prejudice to the accrued rights of any Party, a Shareholder that has ceased to hold Shares shall have no further rights or obligations under this Agreement.

25. General

25.1. This Agreement, read with the Memorandum of Incorporation, is the whole agreement between the Parties in regard to its subject matter.

[REDACTED]

[REDACTED]

[REDACTED]

25.5. The exercise of a power or right does not preclude either its exercise in the future or the exercise of any other power or right.

25.6. A waiver is not effective unless it is in writing.

25.7. Waiver of a power or right is effective only in respect of the specific instance to which it relates and for the specific purpose for which it is given.

25.8. The Parties undertake to do everything reasonable in their power necessary for or incidental to the effectiveness and performance of this Agreement.

[REDACTED]

[REDACTED]

26. Notices and addresses

26.1. Notices

Any notice, consent, approval or other communication in connection with this Agreement (Notice) will be in writing in English.

26.2. Addresses

[REDACTED]

- [REDACTED]
- [REDACTED]

26.2.2. Any Party may by Notice to the other Parties change its address.

26.3. Effective on receipt

26.3.1. Any Notice takes effect when received by the recipient (or on any later date specified in the Notice) and, unless the contrary is proved, is deemed to be received:

[REDACTED]

[REDACTED]

[REDACTED]

26.4. Service of legal process

26.4.1. Each Party chooses its physical address referred to above as its address at which legal process and other documents in legal proceedings in connection with this Agreement may be served (domicilium citandi et executandi).

26.4.2. Any Party may by Notice to other Party change its address at which legal process and other documents in legal proceedings in connection with this Agreement may be served to another physical address as specified by such Party.

27. Applicable law

This Agreement is governed by South African law.

28. Jurisdiction

[REDACTED]

29. Counterparts

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

Signatures on next page

James May

Richard Hemsworth

Signature

Place:

Date:

Signature

Place:

Date: