

SUBSCRIPTION AGREEMENT

between

TONY G-CO INVESTMENT HOLDINGS LIMITED

and

ALCLIN MANUFACTURING PROPRIETARY LIMITED

and

ALCLIN PROPRIETARY LIMITED

and

CHRISTO GUSTAV COETZEE

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1. **Interpretation**

1.1 Any reference in this Agreement to:

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

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

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

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

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

2. **Definitions**

Unless expressly defined hereunder, terms with the first letter(s) capitalised shall, when used in this Agreement, bear the meanings assigned to them in the Transaction Agreement and shall be deemed to be incorporated herein and form part of this Agreement:

- 2.1 “Agreement” means this Subscription Agreement including its annexures (if any);
- 2.2 “Accountants” means the Company’s accountants from time to time;
- 2.3 “B Class Ordinary Shares - Alclin” bears the meaning ascribed to it in the Transaction Agreement;
- 2.4 “B Class Ordinary Shares – Alclin Manufacturing” bears the meaning ascribed to it in the Transaction Agreement;
- 2.5 “First Subscription Portion” means \$571 096,80;
- 2.6 “First Subscription Shares” means:

(a) the First Tranche Alclin Shares (161 710 B Class Ordinary Shares - Alclin in Alclin); and

(b) the First Tranche Alclin Manufacturing Shares (161 710 B Class Ordinary Shares – Alclin Manufacturing in Alclin Manufacturing);

2.7 “Fourth Subscription Portion” means \$114 219,36;

2.8 “Fourth Subscription Shares” means:

(a) the Fourth Tranche Alclin Shares (32 340 B Class Ordinary Shares - Alclin in Alclin); and

(b) the Fourth Tranche Alclin Manufacturing Shares (32 340 B Class Ordinary Shares – Alclin Manufacturing in Alclin Manufacturing);

2.9 “Fifth and Further Subscription Portion” means \$552 985,94;

2.10 “Fifth and Further Subscription Shares” means:

(a) the Fifth and Further Tranche Alclin Shares (156 580 B Class Ordinary Shares - Alclin in Alclin); and

(b) the Fifth and Further Tranche Alclin Manufacturing Shares (156 580 B Class Ordinary Shares – Alclin Manufacturing in Alclin Manufacturing);

2.11 “Second Subscription Portion” means \$70 632. 48;

2.12 “Second Subscription Shares” means:

(a) the Second Tranche Alclin Shares (20 000 B Class Ordinary Shares - Alclin in Alclin); and

(b) the Second Tranche Alclin Manufacturing Shares (20 000 B Class Ordinary Shares – Alclin Manufacturing in Alclin Manufacturing);

2.13 “Signature Date” means the date of signature of this Agreement by the Party last signing;

2.14 “Third Subscription Portion” means \$456 877. 44;

2.15 “Third Subscription Shares” means:

- (a) the Third Tranche Alclin Shares (129 370 B Class Ordinary Shares - Alclin in Alclin); and
- (b) the Third Tranche Alclin Manufacturing Shares (129 370 B Class Ordinary Shares – Alclin Manufacturing in Alclin Manufacturing); and

2.16 “Transaction Agreement” means the transaction agreement concluded between the Parties, and which contemplates the conclusion of this Agreement.

3. **Incorporation of the Transaction Agreement**

3.1 This Agreement shall at all times be read together with and interpreted in the context of the Transaction Agreement.

3.2 Should there be any conflict with the provisions of this Agreement and the provisions of the Transaction Agreement, the provisions of this Agreement shall apply.

3.3 This is the “Subscription Agreement” contemplated by the Transaction Agreement.

4. **Introduction**

4.1 Immediately prior to the implementation of this Agreement, Coetzee will be the holder of all of the issued shares in the Alclin Companies, being 500 000 A Class Ordinary shares in each of the Alclin Companies.

4.2 The Alclin Companies, Coetzee and the Subscriber have agreed that:

- (a) Alclin will issue the Subscription Shares – Alclin to the Subscriber; and
- (b) Alclin Manufacturing will issue the Subscription Shares – Alclin Manufacturing to the Subscriber,

subject to the terms of this Agreement.

- 4.3 Following the implementation of this Agreement, the Subscriber will be the holder of 50% of the issued shares in each of the Alclin Companies, being 500 000 B Class Ordinary Shares – Alclin in Alclin and 500 000 B Class Ordinary Shares – Alclin Manufacturing in Alclin Manufacturing.

5. **Conditions Precedent to this Agreement**

- 5.1 This Agreement (except clauses 1 to 3, this clause 5 and clauses 14.3 to 17, all inclusive (**Surviving Clauses**)) is subject to the fulfilment, or waiver, of the conditions precedent (save for any condition which requires this Agreement to become unconditional) to the Transaction Agreement.
- 5.2 If the conditions precedent are not fulfilled, or where applicable, extended or waived, on or prior to the dates stipulated for such fulfilment, the provisions of this Agreement, except the Surviving Clauses, will never become effective.

6. **Subscription and Issue of the First Subscription Shares**

- 6.1 On the First Payment Date and with effect from 16 November 2023, and as Step Two, provided the Further Payment Conditions are met:
- (a) the Subscriber shall pay (or procure the payment of) \$1 617 093. 99 to the Alclin Companies, the First Subscription Portion of which is paid as consideration for the First Subscription Shares, to be apportioned as follows:
 - (i) \$561 388. 15– Alclin; and
 - (ii) \$9 708. 65 – Alclin Manufacturing;
 - (b) Alclin will allot and issue the First Subscription Shares – Alclin to the Subscriber;
 - (c) Alclin Manufacturing will allot and issue the First Subscription Shares – Alclin Manufacturing to the Subscriber; and

- (d) the Attorneys will deliver the share certificates evidencing the First Subscription Shares to the Subscriber (or the Subscriber's nominee), at the address provided by the Subscriber (or the Subscriber's nominee).
- 6.2 The risk in and the benefit of the First Subscription Shares will pass to the Subscriber with effect from the First Payment Date, on completion of the steps contemplated in clause 6.1.
- 6.3 The Alclin Companies must thereafter procure that the Accountants immediately attend to the registration of the Subscriber as the registered and beneficial holder of the First Subscription Shares in the Alclin Companies' securities registers.
- 6.4 Upon receipt of the amount referred to in clause 6.1(a), Alclin and Coetzee shall procure that its Bankers immediately transfer that amount to ESCO and will immediately send the relevant proof of payment to the Subscriber.

7. **Subscription and Issue of the Second Subscription Shares**

- 7.1 On and with effect from the Second Payment Date, and as Step Three, provided that the Further Payment Conditions are met:
 - (a) the Subscriber shall pay (or procure the payment of) \$200 000. 00 to the Alclin Companies, the Second Subscription Portion of which is paid as consideration for the Second Subscription Shares, to be apportioned as follows:
 - (i) \$69 431. 73 – Alclin; and
 - (ii) \$1 200. 75 – Alclin Manufacturing;
 - (b) Alclin will allot and issue the Second Subscription Shares – Alclin to the Subscriber;
 - (c) Alclin Manufacturing will allot and issue the Second Subscription Shares – Alclin Manufacturing to the Subscriber; and

- (d) the Attorneys will deliver the share certificates evidencing the Second Subscription Shares to the Subscriber (or the Subscriber's nominee), at the address provided by the Subscriber (or the Subscriber's nominee).

7.2 The risk in and the benefit of the Second Subscription Shares will pass to the Subscriber with effect from the Second Payment Date, on completion of the steps contemplated in clause 7.1.

7.3 The Alclin Companies must thereafter procure that the Accountants immediately attend to the registration of the Subscriber as the registered and beneficial holder of the Second Subscription Shares in the Alclin Companies' securities registers.

8. **Subscription and Issue of the Third Subscription Shares**

8.1 On and with effect from the Third Payment Date, and as Step Four, provided that the Further Payment Conditions are met:

- (a) the Subscriber shall pay (or procure the payment of) \$1 293 675. 19 to the Alclin Companies, the Third Subscription Portion of which is paid as consideration for the Third Subscription Shares, to be apportioned as follows:

- (i) \$449 877. 52 – Alclin; and

- (ii) \$7 766. 92 – Alclin Manufacturing;

- (b) Alclin will allot and issue the Third Subscription Shares – Alclin to the Subscriber;

- (c) Alclin Manufacturing will allot and issue the Third Subscription Shares – Alclin Manufacturing to the Subscriber; and

- (d) the Attorneys will deliver the share certificates evidencing the Third Subscription Shares to the Subscriber (or the Subscriber's nominee), at the address provided by the Subscriber (or the Subscriber's nominee).

- 8.2 The risk in and the benefit of the Third Subscription Shares will pass to the Subscriber with effect from the Third Payment Date, on completion of the steps contemplated in clause 8.1.
- 8.3 The Alclin Companies must thereafter procure that the Accountants immediately attend to the registration of the Subscriber as the registered and beneficial holder of the Third Subscription Shares in the Alclin Companies' securities registers.
- 8.4 Upon receipt of the amount referred to in clause 8.1(a), Alclin and Coetzee shall procure that its Bankers immediately transfer that amount to ESCO and will immediately send the relevant proof of payment to the Subscriber.

9. **Subscription and Issue of the Fourth Subscription Shares**

- 9.1 On and with effect from the Fourth Payment Date, and as Step Five, provided that the Further Payment Conditions are met:
 - (a) the Subscriber shall pay (or procure the payment of) \$323 418. 80 to the Alclin Companies, the Fourth Subscription Portion of which is paid as consideration for the Fourth Subscription Shares, to be apportioned as follows:
 - (i) \$112 277. 63 – Alclin; and
 - (ii) \$1 941. 73 – Alclin Manufacturing;
 - (b) Alclin will allot and issue the Fourth Subscription Shares – Alclin to the Subscriber;
 - (c) Alclin Manufacturing will allot and issue the Fourth Subscription Shares – Alclin Manufacturing to the Subscriber; and
 - (d) the Attorneys will deliver the share certificates evidencing the Fourth Subscription Shares to the Subscriber (or the Subscriber's nominee), at the address provided by the Subscriber (or the Subscriber's nominee).

- 9.2 The risk in and the benefit of the Fourth Subscription Shares will pass to the Subscriber with effect from the Fourth Payment Date, on completion of the steps contemplated in clause 9.1.
- 9.3 The Alclin Companies must thereafter procure that the Accountants immediately attend to the registration of the Subscriber as the registered and beneficial holder of the Fourth Subscription Shares in the Alclin Companies' securities registers.
- 9.4 Upon receipt of the amount referred to in clause 9.1(a), Alclin and Coetzee shall procure that its Bankers immediately transfer that amount to ESCO, and will immediately send the relevant proof of payment to the Subscriber.

10. **Subscription and Issue of the Fifth and Further Subscription Shares**

- 10.1 On and with effect from the Fifth and Further Payment Date, and as Step Six, provided that the Further Payment Conditions are met :
- (a) the Subscriber shall pay (or procure the payment of) \$1 565 812. 02 to the Alclin Companies, the Fifth and Further Subscription Portion of which is paid as consideration for the Fifth and Further Subscription Shares, to be apportioned as follows:
 - (i) \$543 585. 18 – Alclin; and
 - (ii) \$9 400.76 – Alclin Manufacturing;
 - (b) Alclin will allot and issue the Fifth and Further Subscription Shares – Alclin to the Subscriber;
 - (c) Alclin Manufacturing will allot and issue the Fifth and Further Subscription Shares – Alclin Manufacturing to the Subscriber; and
 - (d) the Attorneys will deliver the share certificates evidencing the Fifth and Further Subscription Shares to the Subscriber (or the Subscriber's nominee), at the address provided by the Subscriber (or the Subscriber's nominee).

10.2 The risk in and the benefit of the Fifth and Further Subscription Shares will pass to the Subscriber with effect from the Fifth and Further Payment Date, on completion of the steps contemplated in clause 10.1.

10.3 The Alclin Companies must thereafter procure that the Accountants immediately attend to the registration of the Subscriber as the registered and beneficial holder of the Fifth and Further Subscription Shares in the Alclin Companies' securities registers.

11. **Payments**

11.1 All payments made and to be made pursuant to this Agreement shall be made in United States dollars.

11.2 All payments by the Subscriber to the Alclin Companies in terms of this Agreement shall into the following bank account:

Name of Accountholder	:	Alclin (Pty) Ltd
Bank	:	Nedbnak Ltd
Branch	:	Still Bay, Western Cape
Branch Code	:	198765
Account Number	:	7579015560
Account Type	:	USD Foreign Currency Account
Swift Code	:	NEDSZAJJ
Reference	:	Tony G-Co

12. **Use of funds**

The Subscription Consideration shall be used by the Alclin Companies as follows:

12.1 the First Subscription Portion must be used by the Alclin Companies to pay the manufacturer of the Machinery;

12.2 the Second Subscription Portion must be used by the Alclin Companies for working capital purposes;

12.3 the Third Subscription Portion must be used by the Alclin Companies to pay the manufacturer of the Machinery;

- 12.4 the Fourth Subscription Portion must be used by the Alclin Companies to pay the manufacturer of the Machinery; and
- 12.5 the Fifth and Further Subscription Portion must be used by the Alclin Companies for working capital purposes.

13. **Exchange Control**

- 13.1 Each of the Subscriptions recorded herein requires Exchange Control approval as contemplated in section 1 of the Exchange Control Regulations promulgated under the Currency and Exchanges Act, 1933, and endorsement of the share certificates in respect thereof as foreign owned.
- 13.2 The Parties shall do all things necessary, immediately after the issue of the share certificates to lodge the share certificates and all supporting documents reasonably necessary, to the authorised dealers to procure the necessary endorsements.
- 13.3 If, for whatever reason, the share certificates are not endorsed as foreign owned, the Parties will meet and negotiate in good faith in an endeavour to procure the necessary endorsements, provided that if no consensus is reached, the Subscriber may at its discretion:
 - (a) terminate the Agreement and demand repayment by the Alclin Companies of any and all funds advanced under this Agreement; or
 - (b) suspend any obligation on it to advance any funds.

14. **Loan Agreement and Shareholder Agreements**

The Alclin Companies shall be deemed to be in breach of this Agreement:

- 14.1 should an Event of Default occur under the Loan Agreement;
- 14.2 should either of the Alcin Companies and/or Coetzee be in breach of the Transaction Agreement; or
- 14.3 should either of the Alcin Companies and/or Coetzee be in breach of either of the Shareholders Agreements.

15. **Stipulatio Alteri**

15.1 For the avoidance of all doubt, to the extent that Tony G-Co in its sole discretion deems it necessary for *inter alia* Canadian regulatory, funding, taxation or other reasons, it shall nominate one or more Tony G-Co Nominee to exercise the subscription rights of Tony G-Co, at any Transaction Step.

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

16. **Specific Transaction Agreement Provisions**

The Parties shall be bound by:

16.1 the warranties provisions of clause 11;

16.2 the indemnity provisions of clause 12;

16.3 the confidentiality provisions of clause 13;

16.4 the breach and termination provisions of clause 15;

16.5 the notices and *domicilia* provisions of clause 16;

16.6 the mutual support provisions of clause 17;

16.7 the dispute resolution provisions of clause 19; and

16.8 the general provisions of clause 20,

of the Transaction Agreement, each of which is:

1) herein incorporated by reference thereto; and

2) amended to the extent necessary so as to apply to this Agreement *mutatis mutandis*.

17. **Counterparts**

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

Signed at [redacted] on November 16, 2023

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

"Ron Akram"

Name: Ron Akram

Capacity: Chief Executive Officer

Who warrants authority

Signed at [redacted] on November 16, 2023

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

"Christo Coetzee "

Name: Christo Coetzee

Capacity: Sole director

Who warrants authority

Signed at [redacted] on November 16, 2023

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

"Christo Coetzee "

Name: Christo Coetzee

Capacity: Sole director

Who warrants authority

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

"Christo Coetzee "

Christo Coetzee