

25 June 2020

ELB Group Limited

(Registration number: 1930/002553/06)

14 Atlas Road
Anderbolt
Boksburg
Gauteng
South Africa
1459

By Email: alteas@elb.co.za

Dear Sirs

IRREVOCABLE UNDERTAKING

Introduction

1. It is recorded that ELB Group Limited ("**ELB**") is contemplating a potential transaction which will entail, *inter alia*, -
 - 1.1 an offer to all ELB shareholders except Apex Partners Holdings Pty Ltd ("**Eligible Shareholders**") to acquire all of the ordinary shares in the issued share capital of ELB ("**Shares**") held by them for a cash consideration of R2.00 per Share ("**Offer Price**"), in accordance with the provisions of sections 48 and 114(1)(e) of the Companies Act, No. 71 of 2008, as amended ("**Act**") and paragraph 1.17(b) of the Listings Requirements of the JSE Limited ("**Listings Requirements**") by way of a scheme of arrangement ("**Scheme**"); and
 - 1.2 separate to the Scheme, but concurrently with it, a conditional general offer ("**General Offer**") by ELB to Eligible Shareholders, to acquire all of the Shares held by them for the same Offer Price, in accordance with the provisions of sections 48 and 117(1)(c)(v) of the Act and paragraphs 1.15(c) and 5.69 of the Listings Requirements, which will be implemented only if the Scheme fails; and
 - 1.3 the subsequent delisting of all of the Shares from the stock exchange operated by JSE Limited ("**JSE**"), in terms of paragraph 1.17(b) of the Listings Requirements ("**Delisting**"), pursuant to the implementation of the Scheme or, if the Scheme fails, pursuant to the Delisting Resolution (as defined below in paragraph 3.4) being approved, and the General Offer being implemented.



2. The Scheme, General Offer and Delisting are together referred to herein as the “**Proposed Transaction**”.
3. In order to implement the Proposed Transaction, the board of directors of ELB intends to convene a general meeting of ELB shareholders (“**General Meeting**”) in order to propose certain resolutions (including both special and ordinary resolutions) that are necessary to approve, implement and effect the Proposed Transaction, including (but not limited to) the following resolutions:
 - 3.1. special resolution to approve the Scheme in terms of sections 48(8), 114 and 115 of the Act;
 - 3.2. special resolution to approve the repurchase contemplated by the General Offer in terms of section 48(8) of the Act;
 - 3.3. special resolution to approve the specific repurchase contemplated by the General Offer in terms of paragraph 5.69 of the Listings Requirements; and
 - 3.4. ordinary resolution to approve the delisting of the Shares in terms of paragraphs 1.15 and 1.16 of the Listings Requirements (“**Delisting Resolution**”),

(together, the “**Proposed Resolutions**”),which Proposed Resolutions may be passed, with or without modification.
4. It is ELB's intention that a circular regarding the Proposed Transaction (“**Circular**”), which will incorporate a notice convening the General Meeting, will be issued to ELB shareholders by no later than 31 August 2020, and we are providing the undertakings set out below prior to having received a copy of such Circular; it being understood that our undertakings are being provided on the express basis that the Offer Price per Share is not less than R2.00, under either of the Scheme or the General Offer, as applicable.
5. ELB is seeking irrevocable commitments from us to vote in favour of the Proposed Resolutions.

Agreement and undertakings

6. Visio Fund Management Proprietary Limited (Reg Nr: 2014/055541/07) (the “**Grantor**”), hereby warrants and represents in favour of ELB that it and/or its subsidiaries are the registered and/or beneficial owners of, or are otherwise able to exercise, or to control the exercise of, all of the voting rights attaching to, Shares in ELB, comprising, as at the date of this letter, **5 399 899** Shares (“**Grantor Shares**”). For purposes of this letter, the “**Grantor Shares**” shall include any additional Shares that the Grantor and/or its subsidiaries may beneficially own, or otherwise directly or indirectly control, as at the record date for voting at the General Meeting, or at any



time prior to the implementation of the Scheme ("**Scheme Implementation Date**"), as applicable.

7. The Grantor further warrants and represents in favour of ELB that as at the date of signature of this letter, the date that the Proposed Resolutions are voted on, Scheme Implementation Date and each day in between, that:

7.1. each of the undertakings set out in this letter shall extend to all the Grantor Shares;

7.2. it is able to transfer or to procure the transfer of the Grantor Shares free from any pledge, lien, mortgage, hypothec or other security interest or encumbrance, option or other third party right of any nature;

7.3. it is able to exercise, or to procure the exercise of, the voting rights attaching to the Grantor Shares and there are no restrictions in the manner in which it is entitled to vote or procure the vote of the Grantor Shares;

7.4. it has the full legal capacity, power and authority to enter into this letter and to give effect to the agreement and undertakings contained herein;

7.5. the entry into and performance by it of its obligations under, and the transactions contemplated by, this letter do not and will not (i) conflict with: (a) its constitutional documents; or (b) any agreement or instrument binding upon it, or constitute a default or termination event (however described) under any such agreement or instrument; or (ii) contravene any law or regulation to which it is subject;

7.6. it is able to vote, or procure the vote in respect of, the Grantor Shares, in favour of all of the Proposed Resolutions; and

7.7. each of the undertakings set out herein is given in favour of ELB, is irrevocable, is legally binding upon the Grantor and is capable of enforcement against the Grantor by ELB.

8. In relation to the Proposed Transaction, the Grantor hereby irrevocably and unconditionally undertakes in favour of ELB:

8.1. to attend, in person or by proxy, any shareholders' meeting, including, without limitation, any meeting (or at any adjournment thereof) contemplated by the Listings Requirements and/or the Act, convened for purposes of voting on the Proposed Resolutions, including for the avoidance of doubt the General Meeting;

8.2. to the extent permissible in terms of applicable law and regulation (including the Listings Requirements), to vote, or to procure the voting of, all of the Grantor Shares, in favour of the Proposed Resolutions at any shareholders' meeting of ELB convened for purposes of



voting on the Proposed Resolutions (including for the avoidance of doubt the General Meeting or any adjournment(s) thereof) or in writing on any written resolutions proposed, as the case may be, in order to approve the Proposed Resolutions;

- 8.3. to not vote the Grantor Shares or to procure that the Grantor Shares are not voted in favour of any resolution to postpone or adjourn any shareholders' meeting of ELB convened for purposes of voting on the Proposed Resolutions, including for the avoidance of doubt the General Meeting or any adjournment(s) thereof;
- 8.4. to complete, execute and deliver or to procure the completion, execution and delivery of all the necessary forms, letters, written resolutions and documents which may be necessary or desirable for purposes of fulfilling the Grantor's obligations under this letter;
- 8.5. to complete, execute and deliver or to procure the completion execution and delivery of any forms, and to provide ELB with all such information, relating to the Shares and the registered and beneficial owners of the Shares, which may be required by ELB in order to comply with the applicable regulatory requirements under the Act and/or Chapter 5 of the Companies Regulations, 2011, including but not limited to regulations 101(7)(c)(i)(cc), 106(4)(c)(iii)(bb) and 106(7)(d)(iii);
- 8.6. until this letter lapses in accordance with paragraph 11, not to deal in (including conveying or giving an instruction to deal in), sell, transfer, dispose of (including any borrowing arrangement), encumber, hypothecate, grant any option over (save for any option disclosed in writing to ELB prior to the date of this letter), declare a trust in respect of, or otherwise trade in, any of the Grantor Shares or any interest in them, or enter into any contract agreeing to do so, and, to the extent that the Grantor is not the registered holder of any of the Grantor Shares, to procure that such registered holders do not dispose of the Grantor Shares that they hold in any way contemplated in this paragraph 8.6. For the avoidance of doubt, this letter shall not prohibit an acquisition of any further Shares by the Grantor and/or any of its group companies; provided that the undertakings given herein shall with automatic effect apply also in respect of such additional Shares which shall be deemed to constitute Grantor Shares; and
- 8.7. in respect of the Grantor Shares of which the Grantor is not the registered holder, to procure that each such registered holder is made aware of the contents of this letter and irrevocably and unconditionally undertakes to comply with all the undertakings set out therein and takes all such actions as shall be necessary for the terms thereof to be complied with in full.



9. The Grantor appoints the chairman of the General Meeting or failing him the chairman of the ELB board of directors, with the power of substitution, to be its lawful attorney, agent and proxy in its name, place and stead, to exercise all voting rights with respect to the Grantor Shares in accordance with its undertakings herein and to do all things which may be necessary for the fulfilment of its obligations under the undertakings contained herein.
10. The Grantor warrants and represents to ELB that the Grantor will be able to abide by the undertakings provided in this letter.
11. The undertakings provided in this letter shall endure from the date hereof up until the earlier of the Scheme Implementation Date and **16 September 2020**.
12. The undertakings in this letter remain enforceable despite the Proposed Resolutions being proposed to shareholders at different meetings and/or if one or more of the Proposed Resolutions are not proposed to ELB shareholders due to one or more of the elements of the Proposed Transaction not proceeding or not proceeding on terms that would require the passing of a Proposed Resolution.
13. The Grantor hereby agrees that any correspondence, press announcements or JSE SENS announcements, circulars, notices and other documentation in respect of the Proposed Transaction may include a reference to the Grantor (and/or its subsidiaries and holding companies) in regard to, and to, the terms of this letter and the Grantor's (and/or its subsidiaries' and holding companies') holding and/or control of the Grantor Shares, and consents (i) to be named or referenced for the purposes of or in connection with the foregoing; and (ii) to this letter being made available by ELB for public inspection in accordance with applicable law or regulations and/or delivered by ELB to the JSE in connection with the approval of the Proposed Resolutions, including the Circular. The Grantor will not withdraw its consent while this letter remains in force.
14. The Grantor acknowledges that it has signed non-disclosure undertakings in relation to the Proposed Transaction contemplated in this letter prior to this letter having been made available to it, and hereby agrees and undertakes to comply (and warrants that it has to date complied), with such non-disclosure undertakings which shall extend to the contents of this letter with effect from the signature hereof.
15. The Grantor acknowledges and confirms that this letter does not create any obligation on ELB to proceed with or implement the Proposed Transaction which may be subject to certain conditions, including, amongst other things, receipt of approvals from applicable regulatory authorities and ELB shareholders. It is recorded that at the date of this letter, ELB may not have entered into part or all of the agreements required to implement the Proposed Transaction. This does not invalidate the undertakings in this letter.



16. The Grantor acknowledges that it has been advised that the confidential information contained in this letter and the Proposed Transactions may constitute "price sensitive information" or "inside information" as contemplated in the Listings Requirements and the Financial Markets Act, 19 of 2012 ("FMA"), respectively. The Grantor undertakes to comply with all of its obligations under the FMA, including but not limited to, undertaking not to commit the offenses listed in sections 78 to 81 of the FMA.
17. If any amendments are made to the terms of the agreements, notices or circulars relating to the Proposed Transaction and/or Proposed Resolutions, or any change is made to the high level terms of the Proposed Transaction and/or Proposed Resolutions expressed above, then the provisions of this irrevocable undertaking will continue to apply, and the words "Proposed Transaction" and "Proposed Resolutions" shall be read as referring to the Proposed Transaction and Proposed Resolutions as so amended, and the undertakings given in this letter shall be construed accordingly.
18. The Grantor confirms that it shall not be entitled to be paid any commission or commitment fee or other consideration in connection with the undertakings given in this letter.

General Clauses

19. This letter constitutes the whole agreement between the parties thereto with regard to the subject matter hereof and supersedes all prior verbal or written agreements or understandings or representations by or between the parties regarding the subject matter of this letter, and the parties will not be entitled to rely, in any dispute regarding this letter, on any terms, conditions or representations not expressly contained in this letter. The terms of this letter do not supersede, negate, amend, or otherwise vary the terms of any confidentiality and non-disclosure agreement concluded and in force between the parties.
20. No addition to or variation, deletion, or agreed cancellation of all or any clauses or provisions of this letter will be of any force or effect unless in writing and signed by the parties.
21. No waiver of any of the terms and conditions of this letter will be binding or effectual for any purpose unless in writing and signed by the party giving the same. Any such waiver will be effective only in the specific instance and for the purpose given. Failure or delay on the part of either party in exercising any right, power or privilege hereunder 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. The Grantor shall not be entitled to cede any of its rights or delegate any of its obligations hereunder without the express prior written consent of ELB. ELB shall be entitled to cede any of its rights or delegate any of its obligations hereunder without notice to the Grantor.



23. The Grantor agrees that damages would not be an adequate remedy for breach of the undertakings contained herein and that ELB would be entitled to seek an order of specific performance in relation to the breach of the Grantor's obligations arising out of the undertakings contained herein.
24. Unless the context otherwise requires, words in the singular include the plural and in the plural include the singular.
25. If any provision of this letter is void, voidable or unenforceable for any reason then it shall be severed from the rest of this letter and the remainder of this letter shall remain enforceable.
26. This letter has been negotiated and the rule of interpretation that construes the interpretation of an agreement against the one who has prepared it shall not apply.
27. This letter may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same undertaking as at the date of signature of the party last signing one of the counterparts.

Notices and Domicilia

28. The parties choose the following addresses as their *domicilium citandi et executandi* and respective address for the delivery of any document in connection with this letter (hereinafter referred to as “**service address**”):
 - 28.1. The Grantor at:

Physical: 5th Floor, 92 Rivonia Road, 2146

Email: patrice@visiocapital.co.za
 - 28.2. ELB at:

Physical: 14 Atlas Road, Anderbolt, Boksburg

Email: alteas@elb.co.za
29. Either party may change their service address by delivery of a written notice to that effect to the service address of the other party. The change will be effective from the date of delivery, save that such a change shall not be binding if the party making the change ceases to have a working email address and a physical address within South Africa as its service address.



30. Any notice to be given by either party to the other party in terms of this letter will be delivered by hand or delivered by email.
31. Any notice delivered by hand (which may include by courier or by sheriff) during normal business hours will be deemed to have been received by the addressee on the date of delivery.
32. Any notice delivered by email shall be deemed to have been received by the addressee on date of dispatch.
33. Any document actually received shall be deemed to have been delivered even if not delivered in accordance with the provisions of this clause.

Governing Law

34. The provisions of this letter shall be construed with and governed in accordance with the laws of the Republic of South Africa and the Grantor hereby agrees that any legal action or proceedings arising out of or in connection with this letter may be brought in the High Court of South Africa, Gauteng Local Division, Johannesburg (or any successor of that court) and irrevocably submits to the non-exclusive jurisdiction of such court.

Yours faithfully



For and on behalf of **Visio Fund Management Pty Ltd**,
who warrants that he/she is duly authorised to sign

25 June 2020

DATE

Accepted by ELB:



For and on behalf of **ELB Group Limited**, who warrants that
he/she is duly authorised to sign

26 June 2020

DATE