

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 9, 2021 (February 3, 2021)

NET 1 UEPS TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Florida
(State or other jurisdiction
of incorporation)

000-31203
(Commission
File Number)

98-0171860
(IRS Employer
Identification No.)

**President Place, 4th Floor, Cnr.
Jan Smuts Avenue and Bolton Road
Rosebank, Johannesburg, South Africa**
(Address of principal executive offices) (ZIP Code)

Registrant's telephone number, including area code: **011-27-11-343-2000**

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of each class	Trading Symbols	Name of each exchange on which registered
Common Shares	UEPS	NASDAQ Global Select Market

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a -12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d -2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e -4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b -2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.01. Completion of Acquisition or Disposition of Assets.

On February 3, 2021, Net 1 UEPS Technologies, Inc. (the "Company"), through its wholly owned subsidiary, Net1 Holdings LI AG, ("Net1 AG"), entered into a share purchase agreement (the "Purchase Agreement") with Kuno Frick Familienstiftung (the "Purchaser") and Bank Frick & Co. AG ("Bank Frick"), pursuant to which Net1 AG agreed to sell 14,000 voting shares and 3,500 non-voting shares (collectively, the "Sale Shares"), representing Net1 AG's entire interest in, or 35% of, Bank Frick to the Purchaser for an aggregate purchase price of \$30,000,000 (the "Purchase Price").

The Purchase Price will be payable in three installments: \$18,610,500 was paid on February 4, 2021 (net of a credit of \$3,610,500 from the Company to the Purchaser under the Release and Indemnity (as defined and described below)), \$7,500,000 due and payable on October 30, 2021 and \$3,889,500 due and payable on July 15, 2022, subject to the Purchaser's option to prepay the whole or any part of the outstanding balance of the Purchase Price at any time.

In connection and contemporaneously with the Purchase Agreement, Net1 AG, the Purchaser and Bank Frick entered into a security pledge and cession (the "Security Pledge and Cession"), pursuant to which the Purchaser pledged and ceded as security the Sale Shares to Net1 AG in order to secure all payment obligations by it in favor of Net1 AG under the Purchase Agreement.

In connection and contemporaneously with the Purchase Agreement, the Company, the Purchaser, Bank Frick, and certain other parties entered into a release and indemnity agreement (the "Release and Indemnity"), pursuant to which the Company and its affiliates were released from any and all liabilities to Bank Frick and all such liabilities were delegated and transferred to the Purchaser. In exchange for the Purchaser accepting the delegation and transfer of such liabilities, the Company agreed to make a one-time payment of \$3,610,500 to the Purchaser, which was paid by way of set-off against the Purchaser's obligation to make the first installment payment referred to above.

The descriptions of the Purchase Agreement, Security Pledge and Cession and Release and Indemnity above do not purport to be complete and are qualified in their entirety by reference to the full text of the agreements, copies of which are attached hereto as Exhibits 10.1, 10.2 and 10.3, respectively, and incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

On February 4, 2021, the Company issued a press release announcing the agreement to sell its entire interest in Bank Frick as described in Item 2.01 above. A copy of Net1's press release is attached as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.

(b) Pro forma financial information

Unaudited Pro Forma Consolidated Financial Statements for Net1 comprising:

Unaudited Pro Forma Consolidated Balance Sheet as of December 31, 2020	F-1
Unaudited Pro Forma Consolidated Statement of Operations for the year ended June 30, 2020	F-2
Unaudited Pro Forma Consolidated Statement of Operations for the six months ended December 31, 2020	F-3
Notes to the Unaudited Pro Forma Consolidated Financial Statements	F-4

(d) Exhibits

Exhibit

No.	Description
10.1	Share Purchase Agreement, dated February 3, 2021, between Net1 Holdings LI AG, Kuno Frick Familienstiftung and, as Object of Sale, Bank Frick & Co. AG
10.2	Release and Indemnity Agreement, dated February 3, 2021, between Net 1 UEPS Technologies, Inc., Masterpayment Ltd, Masterpayment AG, Summit Payment Services AG, Ceevo Financial Services (Malta) Limited, Kuno Frick Familienstiftung and Bank Frick & Co. AG
10.3	Security Pledge and Cession, dated February 3, 2021, given by Kuno Frick Familienstiftung in favour of Net1 Holdings LI AG, with the main holder being, Bank Frick & Co. AG
99.1	Press Release, dated February 4, 2021, issued by Net1

NET 1 UEPS TECHNOLOGIES, INC.
UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

Overview

The following unaudited pro forma consolidated financial statements have been prepared to give effect to Net 1 UEPS Technologies, Inc. (the "Company"), through its wholly owned subsidiary Net1 Holdings LI AG, disposing of its entire shareholding in Bank Frick & Co. (the "Disposal"). The Company accounted for its non-controlling interest in Bank Frick using the equity method and Bank Frick was classified as an equity-accounted investment. The Company has prepared these unaudited pro forma consolidated financial statements based on (a) its historical unaudited consolidated financial statements as of and for the six months ended December 31, 2020, (b) its historical audited consolidated financial statements as of and for the year ended June 30, 2020 (refer also to Note 1 below regarding a restatement affecting the consolidated statement of operations), and (c) financial information for Bank Frick as of the same date and for the same periods which has been derived as described below. The unaudited pro forma consolidated financial statements present the pro forma financial position and results of operations of the consolidated company based on the historical financial information and after giving effect to the Disposal and certain adjustments which the Company believes to be (a) directly attributable to the Disposal, (b) factually supportable, and (c) in the case of certain income adjustments, expected to have a continuing impact, as described in the notes to the unaudited pro forma consolidated financial statements.

The Company has presented an unaudited pro forma consolidated balance sheet which removes the equity method entries related to Bank Frick from the Company as of December 31, 2020, as if the Disposal had occurred on that date. The Company has presented an unaudited pro forma consolidated statement of operations of the Company for the six months ended December 31, 2020, and the year ended June 30, 2020, which removes the historical equity method entries related to Bank Frick from the Company for the periods presented as if the disposal had occurred on July 1, 2019.

No account has been taken within these unaudited pro forma consolidated financial statements of any future changes in accounting policies which may or may not occur as a result of the Disposal.

The pro forma adjustments are based on information that is currently available and contain certain preliminary estimates and assumptions and thus the actual effects of the Disposal may differ from the effects reflected herein. These unaudited pro forma consolidated financial statements are not intended to be indicative of the consolidated results of operations or financial position of the consolidated company that would have been reported had the Disposal been completed as of the dates presented, and are not representative of future consolidated results of operations or financial condition of the consolidated company.

You should read these unaudited pro forma consolidated financial statements in conjunction with the Company's audited consolidated financial statements included in its Annual Report on Form 10-K for the year ended June 30, 2020, filed on September 10, 2020, and its unaudited condensed consolidated financial statements included in the Company's Quarterly Report on Form 10-Q for the six months ended December 31, 2020, filed on February 4, 2021.

UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET
As of December 31, 2020, in \$ '000

	Net1	Pro forma adjustments	Notes	Pro forma
ASSETS				
Current assets		18,600	2 (b)	
Cash and cash equivalents	206,251	(3,600)	2 (b)	221,251
Restricted cash related to ATM funding	60,803	-		60,803
Accounts receivable, net and other receivables	24,447	7,500	2 (b)	31,947
Finance loans receivable, net	21,620	-		21,620
Inventory	20,939	-		20,939
Total current assets before settlement assets	334,060	22,500		356,560
Settlement assets	2,814	-		2,814
Total current assets	336,874	22,500		359,374
Property, plant and equipment, net	8,687	-		8,687
Operating lease right-of-use	5,112	-		5,112
Equity-accounted investments	53,126	(33,019)	2 (a)	20,107
Goodwill	28,455	-		28,455
Intangible assets, net	536	-		536
Deferred income taxes	281	-		281
Other long-term assets, including reinsurance assets	43,907	3,900	2 (b)	47,807
TOTAL ASSETS	476,978	(6,619)		470,359
LIABILITIES				
Current liabilities				
Short-term credit facilities for ATM funding	60,803	-		60,803
Accounts payable	6,109	-		6,109
Other payables	25,066	(1,483)	2 (b)	23,583
Operating lease liability - current	2,585	-		2,585
Income taxes payable	984	-		984
Total current liabilities before settlement obligations	95,547	(1,483)		94,064
Settlement obligations	2,814	-		2,814
Total current liabilities	98,361	(1,483)		96,878
Deferred income taxes	3,262	-		3,262
Operating lease liability - long term	2,715	-		2,715
Other long-term liabilities, including insurance policy liabilities	2,400	-		2,400
TOTAL LIABILITIES	106,738	(1,483)		105,255
Redeemable common stock	84,979	-		84,979
EQUITY				
Common stock	80	-		80
Additional paid-in-capital	302,196	-		302,196
Treasury shares	(286,951)	-		(286,951)
Accumulated other comprehensive loss	(141,242)	(2,766)	2 (a)	(144,008)
Retained earnings	411,178	(253)	2 (c)	408,808
TOTAL NET1 EQUITY	285,261	(5,136)		280,125
Non-controlling interest	-	-		-
TOTAL EQUITY	285,261	(5,136)		280,125
TOTAL LIABILITIES, REDEEMABLE COMMON STOCK AND SHAREHOLDERS' EQUITY	476,978	(6,619)		470,359

See accompanying notes to unaudited pro forma consolidated financial statements.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
For the year ended June 30, 2020
(in \$ '000, except per share data or unless otherwise indicated)

	Net1 (as restated) (Note 1)	Pro forma adjustments	Notes	Pro forma
Revenue	144,299	-		144,299
Expenses				
Cost of goods sold, IT processing, servicing and support	102,308	-		102,308
Selling, general and administration	75,256	-		75,256
Depreciation and amortization	4,647	-		4,647
Impairment losses	6,336	-		6,336
Operating loss	(44,248)	-		(44,248)
Gain on disposal of FIHRST	9,743	-		9,743
Loss on disposal of DNI	1,010	-		1,010
Loss on deconsolidation of CPS	7,148	-		7,148
Termination fee paid to cancel Bank Frick option	17,517	-		17,517
Interest income	2,805	-		2,805
Interest expense	7,641	-		7,641
Loss before income tax expense	(65,016)	-		(65,016)
Income tax expense	2,656	-		2,656
Net loss before loss from equity-accounted investments	(67,672)	-		(67,672)
Loss from equity-accounted investments	(29,542)	17,273	2 (a)	(12,269)
Net loss from continuing operations	(97,214)	17,273		(79,941)
Net income from discontinued operations	6,402	-		6,402
Gain on disposal of discontinued operations	12,454	-		12,454
Net loss	(78,358)	17,273		(61,085)
Net loss attributable to Net1	(78,358)	17,273		(61,085)
Continuing	(97,214)	17,273		(79,941)
Discontinued	18,856	-		18,856
Loss per share attributable to Net1 shareholders:				
<i>Basic loss:</i>	(1.37)			(1.07)
<i>Continuing</i>	(1.70)			(1.40)
<i>Discontinued</i>	0.33			0.33
<i>Diluted loss:</i>	(1.37)			(1.05)
<i>Continuing</i>	(1.70)			(1.37)
<i>Discontinued</i>	0.33			0.32
Weighted-average number of outstanding shares of common stock used to calculate basic loss per share	56,003			56,003
Weighted-average number of outstanding shares of common stock used to calculate diluted loss per share	57,119			57,119

See accompanying notes to unaudited pro forma consolidated financial statements.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
For the six months ended December 31, 2020
(in \$ '000, except per share data or unless otherwise indicated)

	Net1	Pro forma adjustments	Notes	Pro forma
Revenue	67,441	-		67,441
Expenses				
Cost of goods sold, IT processing, servicing and support	50,799	-		50,799
Selling, general and administration	40,625	-		40,625
Depreciation and amortization	1,997	-		1,997
Operating loss	(25,980)	-		(25,980)
Change in fair value of equity securities	15,128	-		15,128
Loss on disposal of equity-accounted investment	13	-		13
Interest income	1,328	-		1,328
Interest expense	1,424	-		1,424
Loss before income tax expense	(10,961)	-		(10,961)
Income tax expense	2,378	-		2,378
Net loss before loss from equity-accounted investments	(13,339)	-		(13,339)
Loss from equity-accounted investments	(20,153)	(979)	2(a)	(21,132)
Net loss from continuing operations	(33,492)	(979)		(34,471)
Net loss attributable to Net1	(33,492)	(979)		(34,471)
Loss per share attributable to Net1 shareholders:				
<i>Basic loss</i>	(0.59)			(0.61)
<i>Diluted loss</i>	(0.59)			(0.60)
Weighted-average number of outstanding shares of common stock used to calculate basic loss per share	56,211			56,211
Weighted-average number of outstanding shares of common stock used to calculate diluted loss per share	56,880			56,880

See accompanying notes to unaudited pro forma consolidated financial statements.

1. Basis of presentation

The accompanying unaudited pro forma consolidated financial statements present the pro forma financial position and results of operations of the consolidated company based on the historical financial information and after giving effect to the Disposal and certain adjustments which the Company believes to be (a) directly attributable to the Disposal, (b) factually supportable, and (c) in the case of certain income adjustments, expected to have a continuing impact, which are described in these notes. Please refer to "Overview" for further discussion of the basis of presentation of these unaudited pro forma consolidated financial statements.

Restatement of consolidated statement of operations from Form 10-K

As reported in the Company's Form 10-Q filed on February 4, 2021, In November 2020, the Company identified an error with respect to the recognition of certain revenue and related cost of goods sold, IT processing, servicing and support during its assessment and systems development of new products. The Company incorrectly duplicated the recognition of acquiring fees in revenue and recorded an equal and opposite entry in cost of goods sold, IT processing, servicing and support in its unaudited condensed consolidated statement of operations due to the misinterpretation of certain system reports. The error had no impact on the Company's operating income (loss), net income, balance sheet or cash flows. The Company determined that the error impacted reported results for the period from July 1, 2018 to September 30, 2020. The error impacts the Company's reported results and the Company has restated revenue and related cost of goods sold, IT processing, servicing and support included in the consolidated statement of operations for the year ended June 30, 2020, by decreasing both captions by \$6.7 million as follows:

	As reported \$ '000	Correction \$ '000	As restated \$ '000
Revenue	150,997	(6,698)	144,299
Cost of goods sold, IT processing, servicing and support	109,006	(6,698)	102,308

2. Pro forma adjustments

The following are descriptions of each of the pro forma adjustments included in the unaudited pro forma consolidated financial statements:

(a) Reversal of equity method entries related to Bank Frick

Impact on balance sheet as of December 31, 2020

The table below presents the impact of the Bank Frick equity method entries on the Company's December 31, 2020, balance sheet. These entries have been reversed from the Company's unaudited pro forma consolidated balance sheet as a result of the Disposal:

	Bank Frick December 31, 2020 USD '000
ASSETS	
Equity-accounted investments	33,019
TOTAL ASSETS	33,019
EQUITY	
Accumulated other comprehensive loss	2,766
Retained earnings	(18,442)
TOTAL NET1 EQUITY	(15,676)
TOTAL EQUITY	(15,676)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	(15,676)

The table below presents the impact of the Bank Frick equity method entries on the Company's consolidated statement of operations for the six months ended December 31, 2020, and the year ended June 30, 2020. These entries have been reversed from the Company's unaudited pro forma consolidated statement of operations as a result of the Disposal:

	Bank Frick	
	Six months ended	
	December 31, 2020	Year ended June 30, 2020
	\$ '000	\$ '000
Earnings (Loss) from equity-accounted investments	979	(17,273)

(b) Consideration received on Disposal

The fair value of the consideration received on Disposal was \$30.0 million and \$15.0 million was received in cash, representing \$18.6 million related to the first payment by the Kuno Frick Familienstiftung, net of \$3.6 million paid to terminate all existing arrangements with Bank Frick and settle all liabilities related to IPG's activities with Bank Frick. The remaining amounts are expected to be received as follows: (i) \$ 7.5 million on October 30, 2021, and (ii) the remaining amount, of \$3.9 million on July 15, 2022. The \$3.6 million comprises an amount to settle future obligations due of \$2.1 million, and not reflected in the Company's December 31, 2020, consolidated balance sheet, and EUR 1.2 million (\$1.5 million using exchange rates applicable as of December 31, 2020), representing liabilities included within other payables as of December 31, 2020. Because the Company is required to expense this liability as if it had been incurred, it has charged the liability of \$2.1 million to retained earnings as of December 31, 2020. No adjustment has been made to the unaudited pro forma consolidated statement of operations for this liability as they are non-recurring.

(c) Loss recognized on Disposal

The table below presents the calculation of the loss recognized on Disposal:

	As of December 31, 2020 \$ '000
Fair value of consideration received	30,000
Less: carrying value of Bank Frick in the Company's accounts	(33,019)
Add: release of foreign currency translation reserve included in accumulated other comprehensive loss	2,766
Loss on Disposal ⁽¹⁾	(253)

(1) The Company does not expect to incur any tax expense related to the disposal.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 9, 2021

NET 1 UEPS TECHNOLOGIES, INC.

By: /s/ Alex M.R. Smith

Name: Alex M.R. Smith

Title: Chief Financial Officer

SHARE PURCHASE AGREEMENT

between

Net1 Holdings LI AG,

Registration Number: FL-0002.626.627-6,

Landstrasse 14, 9496 Balzers
("the Seller")

and

Kuno Frick Familienstiftung

Registration Number: FL - 0001.118.013-4

("the Purchaser")

and

as object of sale

Bank Frick & Co. AG

Landstrasse 14, 9496 Balzers, Liechtenstein

Registration Number: **FL-0001.548.501-4**

("the Company")

all together being the "**Parties**" or separately the "**Party**".

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1 PARTIES AND INTERPRETATION

1.1 The parties to this agreement are -

1.1.1 Kuno Frick Familienstiftung, a Liechtenstein Foundation registered in the commercial register of Liechtenstein under number FL - 0001.118.013-4, Landstrasse 14, Post Box 43, FL-9496 Balzers, Liechtenstein ("**Purchaser**");

1.1.2 Net1 Holdings LI AG, a Liechtenstein Corporation (Aktiengesellschaft: public limited company) registered in the commercial register of Liechtenstein under number FL-0002.626.627-6, Landstrasse 14, 9496 Balzers, Liechtenstein ("**Seller**"); and

1.1.3 Bank Frick & Co. AG, registered in the commercial register of Liechtenstein under FL-0001.548.501-4, a company with limited liability whose principal place of business is at Landstrasse 14, Post Box 43, FL-9496 Balzers, Liechtenstein ("**Company**").

1.2 For the purposes of this Agreement, the following words and expressions will bear the meanings ascribed to them below and cognate expressions will bear corresponding meanings, unless the contrary appears from the context -

1.2.1 "**Agreement**" means the agreement contained in this document;

1.2.2 "**Completion Date**" the 1st business day after the day on which the last outstanding Condition Precedent is fulfilled or waived, as the case may be;

1.2.3 "**Conditions Precedent**" means the conditions precedent set out in clause 3;

1.2.4 "**Purchase Price**" shall have the meaning given to it in clause 5.1;

1.2.5 "**Release and Indemnity**" means the agreement headed "*Release and Indemnity*" entered into between, among others, the Seller, the Purchaser and the Company contemporaneously with the entering into of this Agreement in terms of which, among other things, the Seller (and its related parties and their respective employees and officers) is fully and finally released from any and all undertakings and security arrangements of any nature whatsoever provided by it (or them) to the Company and its related parties;

1.2.6 "**Security Pledge and Cession**" means the agreement headed "*Security Pledge and Cession*" entered into between, among others, the Seller and the Purchaser contemporaneously with the entering into of this Agreement in terms of which, among other things, the Purchaser pledges and cedes in security the Sale Shares to the Seller in order to secure all payment obligations by it in favour of the Seller under this Agreement;

- 1.2.7 "SHA" means the agreement headed "*Amended and Restated Shareholders Agreement*" dated 9th of April 2020; and
- 1.2.8 "Sale Shares" means the following shares in the issued share capital of the Company:
- 1.2.8.1 14,000 (fourteen thousand) voting shares; and
- 1.2.8.2 3,500 (three thousand five hundred) non-voting shares.
- 1.3 In this Agreement -
- 1.3.1 clause headings and the heading of the Agreement are for convenience only and are not to be used in its interpretation;
- 1.3.2 an expression which denotes -
- 1.3.2.1 any gender includes the other genders;
- 1.3.2.2 a natural person includes a juristic person and *vice versa*;
- 1.3.2.3 the singular includes the plural and *vice versa*;
- 1.3.2.4 a Party includes a reference to that Party's successors in title and assigns allowed at law; and
- 1.3.2.5 a reference to a consecutive series of two or more clauses is deemed to be inclusive of both the first and last mentioned clauses.
- 1.4 Any reference in this Agreement to -
- 1.4.1 "**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 Central European Standard Time;
- 1.4.2 "**days**" shall be construed as calendar days unless qualified by the word "business", in which instance a "business day" will be any day other than a Saturday, Sunday or legally proclaimed public holiday (being such in the Republic of South Africa and/or Liechtenstein from time to time).
- 1.5 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.
- 1.6 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.
-

- 1.7 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.
- 1.8 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 immediately preceding business day.

2 INTRODUCTION

- 2.1 The share capital of the company is CHF 20,000,000 (twenty million Swiss francs) and is divided into 40,000 (forty thousand) registered shares with a par value of CHF 500 (five hundred Swiss francs) each.
- 2.2 In addition, CHF 5,000,000 (five million Swiss francs) were issued in 10,000 (ten thousand) registered PCs (Participation Certificates, non-voting shares, Partizipationsscheine) with a par value of CHF 500 (five hundred Swiss francs) each.
- 2.3 The parties agreed that the Purchaser will buy the Sale Shares from Net1 on the terms and subject to the conditions set out in this Agreement.

3 CONDITIONS PRECEDENT

- 3.1 Save for clauses 1 to 3 and clauses 9 to 14, all of which will become effective immediately, this agreement is subject to the fulfilment of the Conditions Precedent that by not later than 23h59 on 3 February 2021 -
- 3.1.1 the board of directors of the Company has approved the transfer of the Sale Shares in terms of this Agreement;
- 3.1.2 the Parties have signed the Security Pledge and Cession and the Security Pledge and Cession has become unconditional in accordance with its terms, other than in respect of any condition which requires this Agreement to become unconditional in accordance with its terms; and
- 3.1.3 the relevant Parties have entered into the Release and Indemnity and the Release and Indemnity has become unconditional in accordance with its terms, other than in respect of any condition which requires this Agreement to become unconditional in accordance with its terms.
- 3.2 All Parties shall use their reasonable endeavours and the Parties will co-operate in good faith to procure the fulfilment of the Conditions Precedent as soon as reasonably possible after the Signature Date.
-

- 3.3 Unless all the Conditions Precedent have been fulfilled or waived by not later than the relevant dates for fulfilment thereof set out in clause 4.1 (or such later date or dates as may be agreed in writing between the Parties before the aforesaid date or dates) the provisions of this agreement, save for clauses 1 to 3 and clauses 9 to 14, which will remain of full force and effect, will never become of any force or effect and the *status quo ante* will be restored as near as may be possible and none of the Parties will have any claim against the others in terms hereof or arising from the failure of the Conditions Precedent.

4 SALE AND PURCHASE

- 4.1 Against payment in full of the first instalment contemplated in clause 5.1.1, the Seller hereby sells and transfers and the Purchaser hereby acquires the Sale Shares on the Completion Date.
- 4.2 The Seller undertakes to complete and deliver to the Company the transfer form attached to this Agreement as Annexure A and, on receipt thereof, the Purchaser shall immediately procure the completion and delivery of the necessary transfer form/s back to the Seller pursuant to the provisions of the Security Pledge and Cession.

5 PRICE AND PAYMENT

- 5.1 The Parties agree that the total aggregate purchase price payable by the Purchaser to the Seller for the Sale Shares will be an amount of USD30,000,000 (thirty million United States Dollars) ("**Purchase Price**"), payable in instalments as follows -
- 5.1.1 the first instalment of USD18,610,500 (eighteen million six hundred and ten thousand five hundred United States Dollars) will become due and payable on 4 February 2021, provided that the Purchaser shall be entitled (and required) to set-off any payment obligation by the Seller under the Release and Indemnity against the Purchaser's obligation to pay under this clause 5.1.1;
- 5.1.2 the second instalment of USD7,500,000 (seven million five hundred thousand United States Dollars) will become due and payable on 30 October 2021; and
- 5.1.3 the third and final instalment of USD3,889,500 (three million eight hundred and eighty nine thousand five hundred United States Dollars) will become due and payable on 15 July 2022.
- 5.2 Subject to the provisions of clause 5.6.2.2, no interest shall accrue on the Purchase Price.
- 5.3 The Purchaser may at any time prepay the whole or any part of the outstanding balance of the Purchase Price. Upon payment in full of the entire Purchase Price the security held by the Seller under the Security Pledge and Cession will fall away in accordance with its terms.
-

5.4 All payments by the Purchaser will be made by electronic funds transfer of freely available funds without set-off or deductions of any nature whatsoever (save as expressly permitted in the Release and Indemnity) into the following account held by Net1 with the Company -

Account 0103407/001.000.840

IBAN: LI38 0881 1010 3407 K000 U

5.5 The Purchaser's payment in full of all instalments of the Purchase Price shall constitute full and final discharge of the Purchaser's payment obligations in terms of this clause 5.

5.6 In the event that -

5.6.1 the Purchaser fails to make any payment due under clause 5.1; or

5.6.2 the Company and/or the Purchaser becoming the subject of any formal proceedings in terms of which an administrator is appointed to assume part or all of the functions of the board of directors of the Company or the Purchaser, as the case may be, or the Company and/or the Purchaser enters into a general compromise with its/their creditors (excluding any compromises entered into in the normal and ordinary course of business),

then -

5.6.2.1 the balance of all payments under the Agreement will automatically accelerate and immediately become due and payable without the need for any further written notice; and

5.6.2.2 the outstanding balance of payments will automatically attract interest at a fixed rate of 5% (five percent) per annum compounded monthly in arrears without the need for any further written notice.

5.6.3 The Seller shall be entitled to cede all or any of its rights to receive payment under this Agreement, to its ultimate controlling shareholder or to any company directly or indirectly controlled by such ultimate controlling shareholder.

6 FMA NOTIFICATION

6.1 The Parties acknowledge that every proposed direct or indirect acquisition and every proposed direct or indirect disposal of a qualifying holding in a bank or investment firm must be notified in writing to the FMA by the person or persons interested in the acquisition and the disposal. Every proposed direct or indirect increase or every proposed direct or indirect reduction of a qualifying holding must also be notified if, as a consequence of the increase or reduction, the thresholds of 20%, 30%, or 50% of the capital or voting rights of the bank or investment firm were to be reached or crossed in either direction, or the bank or investment firm were to become a subsidiary of an acquirer, or the bank or investment firm were to no longer be a subsidiary of the person disposing of the qualifying holding.

- 6.2 It is recorded for the sake of good order that the Purchaser notified the FMA on 1 February 2021 about the intended transfer of the Sale Shares pursuant to this Agreement.

7 TERMINATION OF SHAREHOLDERS AGREEMENT

The SHA is hereby terminated on the Completion Date and against payment in full of the first instalment contemplated in clause 5.1.1 (but without prejudice to any claims which a Party may have under the SHA the cause of action of which arose prior to the Completion Date).

8 ANTI EMBARRASSMENT UNDERTAKING

- 8.1 In the event that a Disposing Party: (i) Disposes (whether in one or more transactions) of all or any part of the Relevant Sale Equity (or any rights therein) to a third party; or (ii) receives a Special Distribution, at any time prior to the first anniversary of the Completion Date, the Purchaser shall pay to Net1 an amount equal to 75% of the difference between: (i) the Disposal Price; or (ii) the Special Distribution, as applicable, on the one hand and the purchase price payable by the Purchaser to the Seller under clause 5.1, on the other hand ("**Net1 Disposal Profit**").

- 8.2 The Net1 Disposal Profit shall be payable to Net1 within 10 business days of receipt of the Disposal Price or Special Dividend, as the case may be, by the Disposing Party into any bank account nominated by the Seller in writing, in the case of a cash payment, or, in the case of shares or other non-cash consideration ("**Non Cash Consideration**"), deliverable to the Seller by whatever form of delivery that might be appropriate, including any form of constructive delivery. If the Non-Cash Consideration is subject to any restrictions which preclude the delivery of such consideration to the Seller, then the Disposing Party will hold the Non-Cash Consideration as the Seller's nominee until such time as the restrictions have been lifted, and ownership and all risk and benefit in and to the Non-Cash Consideration will be deemed to have passed to the Seller on the date on which the Disposing Party receives the Non-Cash Consideration.

- 8.3 The Parties agree that once all or part of the Relevant Sale Equity is Disposed of ("**Disposed Sale Equity**") and the Purchaser has procured the payment by the Disposing Party as set out in this clause 8, then notwithstanding the fact that a Disposing Party may subsequently trigger a further Disposal in respect of the same Disposed Sale Equity, the Seller shall have no further claim against the Disposing Party in respect of such subsequent Disposal.

- 8.4 For purposes of this clause 8 -

- 8.4.1 "**Dispose**" means -
-

- 8.4.1.1 to sell, exchange, assign, cede, donate, transfer or otherwise alienate any Shares; and/or
- 8.4.1.2 to procure that the Company and/or its subsidiaries sell, exchange, assign, cede, donate, transfer or otherwise alienate all or any material part of their businesses and assets to a third party; and/or
- 8.4.1.3 to enter into any transaction or arrangement of any nature whatsoever which is designed to have the same/similar economic effect as an event contemplated in clauses 8.4.1.1 and/or 8.4.1.2; and/or
- 8.4.1.4 any initial public offering of the Relevant Sale Equity, in which event the Disposal Price will be the listing price, and "**Disposed**" and "**Disposal**" shall have a corresponding meaning;
- 8.4.2 "**Disposing Party**" means: (i) the Company, in respect of any Disposal in terms of clauses 8.4.1.2 (and/or 8.4.1.3 to the extent applicable); or (ii) KFS in all other instances (including the receipt by it of a Special Dividend);
- 8.4.3 "**Disposal Price**" means the price at which the Relevant Sale Equity is Disposed of pursuant to the Disposal, net of any *bona fide* arm's length expenses incurred by the Disposing Party in procuring the Disposal, provided that for purposes of determining the Disposal Price the following shall be included in the calculation of the Disposal Price -
- 8.4.3.1 any special or extraordinary dividends (or other distributions) declared by the Company (whether in cash or in kind) subsequent to the implementation of the transaction contemplated in this Agreement;
- 8.4.3.2 the amount of any other direct or indirect consideration payable on account of the Disposal, irrespective of its nature, including without limitation, any restraint of trade payment or pre sale dividend declaration or dividend entitlement excluded from the Disposal,
- and where the Disposal Price is paid by way of Non-Cash Consideration, the Disposal Price will be determined by valuing the Non-Cash Consideration at its fair market value as at the date of its receipt by the Disposing Party;
- 8.4.4 "**Distribution**" means, in relation to the Company, any payment (whether in cash or *in specie* and whether by way of set-off, counterclaim or otherwise) by way of interest or principal (whether in respect of an inter-company loan or otherwise), dividend, redemption, fee, royalty or other distribution or payment (including by way of the repurchase of any shares) by or on behalf of the Company to or for the account of any Shareholder;
-

- 8.4.5 "**Ordinary Distribution**" means any Distribution which the Company pays to the ordinary Shareholders from profits of the Company generated in the ordinary course of business;
- 8.4.6 "**Relevant Sale Equity**" means -
- 8.4.6.1 the Shares held by KFS, or any portion thereof, as well as any corresponding loan claims ("**Sale Equity**"), or any portion thereof; and/or
- 8.4.6.2 any instrument into which any of the Sale Equity may have been converted, or for which it may have been exchanged after the Completion Date; and/or
- 8.4.6.3 in respect of a disposal in terms of 8.4.1.2, all or any material part of the businesses and assets of the Company and/or its subsidiaries, as the case may be; and
- 8.4.7 "**Special Distribution**" means any Distribution which the Company pays to the Shareholders, excluding any Ordinary Distribution, but including a distribution out of the proceeds of: (i) a Disposal in terms of clause 8.4.1.2; and (ii) a capital raise by the Company by way of the issue of Shares (and/or any instrument convertible into Shares) and/or conferring any right which would allow the holder thereof to directly or indirectly participate in the profits of the Company.

9 WARRANTIES

- 9.1 Each of the Parties hereby warrants to and in favour of the others that -
- 9.1.1 it has the legal capacity and has taken all necessary corporate action required to empower and authorise it to enter into this agreement;
- 9.1.2 this agreement constitutes an agreement valid and binding on it and enforceable against it in accordance with its terms;
- 9.1.3 the execution of this agreement and the performance of its obligations hereunder does not and shall not -
- 9.1.3.1 contravene any law or regulation to which that Party is subject;
- 9.1.3.2 contravene any provision of that Party's constitutional documents; or
- 9.1.3.3 conflict with, or constitute a breach of any of the provisions of any other agreement, obligation, restriction or undertaking which is binding on it.
- 9.2 It is recorded that the Purchaser is intimately involved in the business and affairs of the Company. As such, the Seller hereby only warrants that it has the ability to give unencumbered transfer of the Sale Shares to the Purchaser but, save for such warranties and representations expressly given or made in this Agreement, no warranties or representations are given or made by the Seller, in respect of the Sale Shares, the Company or its business, or any other matter whatsoever.
-

10 PUBLICITY

- 10.1 Subject to clause 10.3, each Party undertakes to keep confidential and not to disclose to any third party, save as may be required in law (including by the rules of any recognised securities exchange, where applicable) or permitted in terms of this Agreement, the nature, content or existence of this Agreement and any and all information given by one Party to the other pursuant to this Agreement.
- 10.2 No announcements of any nature whatsoever will be made by or on behalf of a Party relating to this Agreement without the prior written consent of the other Party, save for any announcement or other statement required to be made in terms of the provisions of any law or by the rules of any recognised securities exchange, in which event the Party obliged to make such statement will first consult with the other Party in order to enable the Parties in good faith to attempt to agree the content of such announcement, which (unless agreed) must go no further than is required in terms of such law or rules. This will not apply to a Party wishing to respond to the other Party which has made an announcement of some nature in breach of this clause 10.
- 10.3 This clause 10 shall not apply to any disclosure made by a Party to its professional advisors or consultants, provided that they have agreed to the same confidentiality undertakings, or to any judicial or arbitral tribunal or officer, in connection with any matter relating to this Agreement or arising out of it.
- 10.4 The press release regarding the transactions contemplated in this Agreement shall be agreed by the Parties prior to such release.

11 BREACH

- 11.1 In the event of any of the Parties ("**Defaulting Party**") committing a breach of any of the terms of this Agreement and failing to remedy such breach within a period of 5 days after receipt of a written notice from another Party ("**Aggrieved Party**") calling upon the Defaulting Party so to remedy, then the Aggrieved Party shall be entitled, at its sole discretion and without prejudice to any of its other rights in law, either to claim specific performance of the terms of this Agreement or to cancel this Agreement forthwith and without further notice, and in either case to claim and recover damages from the Defaulting Party.
- 11.2 The Parties agree that any costs awarded will be recoverable on an attorney-and-own-client scale unless the Court specifically determines that such scale shall not apply, in which event the costs will be recoverable in accordance with the High Court tariff, determined on an attorney-and-client scale.
-

12 NOTICES AND DOMICILIA

- 12.1 The Parties select as their respective *domicilia citandi et executandi* the following physical addresses, and for the purposes of giving or sending any notice provided for or required under this Agreement, the said physical addresses as well as the following email addresses -

<u>Name</u>	<u>Physical Address</u>	<u>Email Address</u>
The Seller	Landstrasse 14 FL - 9496 Balzers	alex.smith@net1.com

and to:

6th Floor, President Place
Cnr Jan Smuts Ave and Bolton Road
Rosebank
Johannesburg
2121
South Africa

Marked for the attention of: Alex Smith

<u>Name</u>	<u>Physical Address</u>	<u>Email Address</u>
The Purchaser	Landstrasse 14 FL - 9496 Balzers	Mario.Frick@sfplex.li Roland.Frick@bankfrick.li

Marked for the attention of: Dr. Mario Frick and Roland Frick

<u>Name</u>	<u>Physical Address</u>	<u>Email Address</u>
The Company	Landstrasse 14 FL - 9496 Balzers	Edi.woegerer@ bankfrick.li Kimsey.jordan@ bankfrick.li

Marked for the attention of: Geschäftsleitung

provided that a Party may change its *domicilium* to another physical address (provided that such physical address is not a post office box or *poste restante*), or may change its address for the purposes of notices to any other physical address or email address by written notice to the other Party to that effect. Such change of address will be effective 5 business days after receipt of the notice of the change.

- 12.2 All notices to be given in terms of this Agreement will be given in writing and will -

12.2.1 be delivered by hand or sent by email;

12.2.2 if delivered by hand during business hours, be presumed to have been received on the date of delivery. Any notice delivered after business hours or on a day which is not a business day will be presumed to have been received on the following business day; and

12.2.3 if sent by email during business hours, be presumed to have been received on the date of successful transmission of the email. Any email sent after business hours or on a day which is not a business day will be presumed to have been received on the following business day.

- 12.3 Notwithstanding the above, any notice given in writing, and actually received by the Party to whom the notice is addressed, will be deemed to have been properly given and received, notwithstanding that such notice has not been given in accordance with this clause 12.

13 GOVERNING LAW AND JURISDICTION

- 13.1 This Agreement and any claim arising out of or in connection therewith shall be governed by, and construed in accordance with, the substantive laws of Liechtenstein, excluding its rules on conflict of laws and excluding international treaties (in particular the Vienna Convention on the International Sale of Goods dated 11 April 1980; CISG).
- 13.2 Any dispute, controversy or claim arising out of or in relation to this contract, including the validity, invalidity, breach or termination thereof as well as non-contractual claims, shall be resolved by arbitration in accordance with the Rules of Arbitration of the Liechtenstein Chamber of Commerce and Industry to the exclusion of the judicial authorities. The following specific rules are agreed on -
- 13.2.1 the number of arbitrators shall be one.
- 13.2.2 the seat of the arbitral tribunal shall be Balzers.
- 13.2.3 the arbitral proceedings shall be conducted in English.
- 13.3 The amount in dispute for the calculation of fees and costs is uncapped.

14 MISCELLANEOUS

- 14.1 This Agreement supersedes and replaces all and any agreements between the Parties (or any of them, as may be applicable) and undertakings given to or on behalf of the Parties (or any of them, as may be applicable) in relation to the subject matter of this Agreement.
- 14.2 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 either of the Parties.
- 14.3 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 the Parties. No waiver, suspension or postponement by either 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 that Party.
-

- 14.4 No latitude, extension of time or other indulgence which may be given or allowed by either Party to the other in respect of the performance of any obligation hereunder, and no delay or forbearance in the enforcement of any right of either Party arising from this Agreement and no single or partial exercise of any right by either Party under this Agreement, shall in any circumstances be construed to be an implied consent or election by that Party or operate as a waiver or a novation of or otherwise affect any of its rights in terms of or arising from this Agreement or preclude it from enforcing at any time and without notice, strict and punctual compliance with each and every provision or term hereof.
- 14.5 Except as specifically provided otherwise in this Agreement, no Party may assign this Agreement nor any right or obligation hereunder without the prior written consent of the other Party.
- 14.6 If any provision, or portion of provision, contained in the Agreement is invalid or unenforceable, the remaining provisions, or the remaining portion of such provision, shall remain in full force and effect. Instead of the invalid provision, a rule shall apply that achieves as closely as possible the intention of the Parties in drafting the invalid provision
- 14.7 Each Party undertakes to keep, and shall procure that its affiliates, their employees, representatives and advisors keep, in strict confidence the information which they received on the banking aspects (including in respect of matters relating to clients and internal procedures). This confidentiality obligation shall continue to be in effect after termination of this Agreement.
- 14.8 Each Party will bear and pay its own legal costs and expenses of and incidental to the negotiation, drafting, preparation and implementation of this Agreement.

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Share Purchase Agreement – Signature Page

SIGNED at Balzers on 3 February 2021

For and on behalf of
KUNO FRICK FAMILIENSTIFTUNG

/s/ Dr Mario K. Frick

Name of Signatory : Dr. Mario K. Frick

Designation of Signatory: Director / Board member

Share Purchase Agreement – Signature Page

SIGNED at Balzers on 3 February 2021

For and on behalf of
NET1 HOLDINGS LI AG

/s/ Dr. Mario K. Frick

Name of Signatory : Dr. Mario K. Frick

Designation of Signatory: Director

/s/ A.M.R. Smith

Name of Signatory: A.M.R. Smith

Designation of Signatory: Director

Share Purchase Agreement – Signature Page

SIGNED at Balzers on 3 February 2021

For and on behalf of
BANK FRICK & CO AG

/s/ Melanie Mündle

Name of Signatory : Melanie Mündle

/s/ Edi Wögerer

Name of Signatory : Edi Wögerer

Transfer Instruction

ASSIGNMENT AND TRANSFER OF Registered Shares and Participation Certificates

This Assignment and Transfer of Stock Certificate (the "Assignment") is made and effective on February 2021,

BETWEEN:

Net1 Holdings LI AG,
 Registration Number: FL-0002.626.627-6,
 Landstrasse 14, 9496 Balzers ("Net1" or "the Seller")

AND:

Kuno Frick Familienstiftung
 Registration Number: FL - 0001.118.013-4
 (being "the Shareholder" of Bank Frick)
 ("KFS" or "the Purchaser")

FOR VALUE RECEIVED, and according to the Share Purchase Agreement of, after payment of the first installment of USD 15,000,000 the undersigned hereby sells, assigns and transfers to the Purchaser

- a. 35% of the 40,000 (forty thousand) registered: 14'000 shares.
- b. 35% of the original 10,000 (then thousand) PCs: 3,500 PCs.

of the stock of

Bank Frick & Co. AG
 Landstrasse 14, 9496 Balzers, Liechtenstein
 Registration Number: FL-0001.548.501-4
 ("Bank Frick" or "the Bank" or "the Company")

These shares and Participation Certificates (PC) are registered in the SELLER's bank deposit with Bank Frick & Co AG: 602.440

The undersigned SELLER hereby and irrevocably constitutes and appoints Bank Frick & Co AG, to transfer the said stock to the deposit of the Purchaser (subject to the terms of the agreement headed " Security Pledge and Cession" entered into on or about 3 February 2021).

Name of Director	Signature

RELEASE AND INDEMNITY AGREEMENT

between

NET 1 UEPS TECHNOLOGIES, INC.

MASTERPAYMENT LTD

MASTERPAYMENT AG

SUMMIT PAYMENT SERVICES AG

CEEVO FINANCIAL SERVICES (MALTA) LIMITED

KUNO FRICK FAMILIENSTIFTUNG

and

BANK FRICK & CO. AG

1 PARTIES

1.1 The Parties to this Agreement are -

- 1.1.1 Net 1 UEPS Technologies, Inc.;
- 1.1.2 Masterpayment Ltd;
- 1.1.3 Masterpayment AG;
- 1.1.4 Summit payment services;
- 1.1.5 Ceevo Financial Services (Malta) Limited;
- 1.1.6 Kuno Frick Familienstiftung; and
- 1.1.7 Bank Frick & Co. AG.

1.2 The Parties agree as set out below.

2 INTERPRETATION

2.1 In this Agreement, unless the context indicates a contrary intention, the following words and expressions bear the meanings assigned to them and cognate expressions bear corresponding meanings -

- 2.1.1 "**Adverse Consequences**" means, all adverse consequences of whatever description including, but not limited to all claims, damages, fines, costs, losses and fees, including reasonable fees and expenses of legal counsel and other experts;
- 2.1.2 "**Affiliate**" means, with respect to a Party -
 - 2.1.2.1 any person or Entity which directly or indirectly Controls, is controlled by, or is under common Control with such Party; and
 - 2.1.2.2 all directors, employees, officers, agents, consultants and contractors of such Party and/or such person or Entity referred to in clause 2.1.2.1;
- 2.1.3 "**Agreement**" means the agreement contained in this document;
- 2.1.4 "**Company**" means Bank Frick & Co. AG, registered in the commercial register of Liechtenstein under FL-0001.548.501-4, a company with limited liability whose principal place of business is at Landstrasse 14, Post Box 43, FL-9496 Balzers, Liechtenstein;
- 2.1.5 "**Condition Precedent**" means the suspensive condition set out in clause 4.1;
- 2.1.6 "**Control**" means, with respect to any Entity, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Entity, whether through the ownership of voting securities (or other ownership interests), by contract or otherwise, and (without derogating from the generality of the foregoing) includes -

-

- 2.1.6.1 owning (directly or indirectly) the majority of the issued ordinary shares or membership interests of such Entity; and/or
- 2.1.6.2 controlling (directly or indirectly) the majority of voting rights in relation to such Entity; and/or
- 2.1.6.3 the right to appoint (and then appointing) so many directors on the board of directors or so many trustees or so many other individuals (who, in relation to such Entity perform a similar decision making function as directors perform in respect of a company and as trustees perform in respect of a trust), as the case may be, of such Entity as controls or control the majority of the voting rights of all such directors, trustees or individuals, as the case may be;
- 2.1.7 "**Effective Date**" shall have the meaning given to the term "*Completion Date*" in the Sale Agreement;
- 2.1.8 "**Entity**" means any juristic person, association, business, corporation, company, concern, enterprise, firm, partnership, joint venture, trust, undertaking, voluntary association, body corporate and any similar entity;
- 2.1.9 "**Guarantee Agreement**" means the agreement headed "*Guarantee Agreement (Guarantee on First Demand)*" entered into between the Company, Net1 UEPS Technologies Inc., Masterpayment AG, Masterpayment Ltd., and Summit Payment Services AG on or about 26 June 2017;
- 2.1.10 "**KFS**" means Kuno Frick Familienstiftung, a Liechtenstein Foundation, registered in the commercial register of Liechtenstein under number FL - 0001.118.013-4, Landstrasse 14, Post Box 43, FL-9496 Balzers, Liechtenstein;
- 2.1.11 "**Liabilities**" means any liability of whatsoever nature (whether present or future, actual or contingent) and howsoever arising (whether based in contract, codified or uncodified law);
- 2.1.12 "**Net1**" means Net 1 UEPS Technologies, Inc., incorporated in the State of Florida, the United States of America;
- 2.1.13 "**Net1 Liabilities**" means any and all Liabilities which Net1 or any of its Affiliates may have towards Bank Frick and/or any of its Affiliates, including in respect of any Liabilities arising under any guarantees (including the Guarantee Agreement), indemnities, suretyships and/or any contract (whether verbal or in writing (and including the Underlying Contracts));
-

- 2.1.14 **"Parties"** means the parties to this Agreement and **"Party"** shall refer to any one of them as determined by the context;
- 2.1.15 **"Sale Agreement"** means an agreement headed *"Share Purchase Agreement"* between Net1, KFS and the Company, entered into or to be entered into contemporaneously with the entering into of this Agreement, in terms of which, among other things, Net1 will sell all of the shares it holds in the Company to KFS;
- 2.1.16 **"Signature Date"** means the date of signature of this Agreement by the Party last signing; and
- 2.1.17 **"Underlying Agreements"** means any and all agreements entered into between Net1 and/or any of its Affiliates, on the one hand, and the Company and/or any of its Affiliates, on the other hand, including the following agreements -
- 2.1.17.1 Vereinbarung über die Erbringung von Dienstleistungen im Zahlungsverkehr im eigenen Namen auf fremde Rechnung zwischen Bank Frick und Masterpayment Ltd (including all attachments thereto), dated 28 December 2016;
- 2.1.17.2 Agreement on Rendering Services with Payment Transactions in one's Own Name for a Third-Party Account between Bank Frick and Ceevo Financial Services (Malta) Limited, dated 11 March 2019;
- 2.1.17.3 Amendment Commission Agreement for revenues generated through the Tradico Pipeline, between Masterpayment AG and the Company, dated 30 November 2016;
- 2.1.17.4 License agreement "MDM" between Masterpayment and the Company, dated 30 November 2016;
- 2.1.17.5 Amendment License agreement "gateway" between Masterpayment LTD (Branch Munich) and Bank Frick, dated 30 November 2016.
- 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 Central European Standard Time;
- 2.3.2 "**days**" shall be construed as calendar days unless qualified by the word "business", in which instance a "business day" will be any day other than a Saturday, Sunday or legally proclaimed public holiday (being such in the Republic of South Africa and/or Liechtenstein from time to time).
- 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 governmental 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 The rule of construction that this Agreement shall be interpreted against the Party responsible for the drafting of this Agreement, shall not apply.
- 2.11 The use of any expression in this Agreement covering a process available under Liechtenstein law, such as winding-up, shall, if either of the Parties to this Agreement 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.
- 2.12 Any reference in this Agreement to "**this Agreement**" or to 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, supplemented or augmented from time to time.
- 2.13 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 Net1, KFS and the Company has entered into or intend to enter into the Sale Agreement.
- 3.2 With effect from the Effective Date, Net1 will delegate and KFS will assume the Net1 Liabilities. As such, the Company has agreed that Net1 and its Affiliates be released from the Net1 Liabilities and that the Underlying Agreements be terminated.
- 3.3 The Parties wish to record in writing their agreement in respect of the above and matters ancillary thereto.

4 CONDITION PRECEDENT

- 4.1 Save for clauses 1 to 4, and clauses 8 to 17 all of which will become effective immediately, this Agreement is subject to the fulfilment of the Condition Precedent that the Sale Agreement has been entered into by the parties thereto and has become unconditional in accordance with its terms, save in respect of any condition requiring that this Agreement becomes unconditional.
- 4.2 Unless all the Condition Precedent has been fulfilled or waived, the provisions of this Agreement, save for clauses 1 to 4, and clauses 8 to 17, which will remain of full force and effect, will never become of any force or effect and the *status quo ante* will be restored as near as may be and neither of the Parties will have any claim against the other in terms hereof or arising from the failure of the Condition Precedent.
-

5 FULL AND FINAL TERMINATION AND RELEASE

- 5.1 The Parties agree that, with effect from the Effective Date -
- 5.1.1 Net1 hereby delegates and transfers the Net1 Liabilities to KFS, which delegation KFS hereby accepts;
- 5.1.2 the Company and its Affiliates will have no claims of any nature whatsoever against Net1 (or any Affiliate of Net1) in respect of the Net1 Liabilities;
- 5.1.3 Net1 and Net1's Affiliates will be fully and finally released from the Net1 Liabilities;
- 5.1.4 any documents, agreements and/or deeds (including the Underlying Agreements and the Guarantee) pertaining to any Net1 Liability will automatically terminate and cease to be of any further force or effect; and
- 5.1.5 the Company will not have a claim against Net1 and/or Net1's Affiliates in respect of, any and all rights, claims, demands, actions, causes of action, liabilities, debts, damages or demands under or in connection with any Net1 Liability. To the extent that any of the Company and/or the Company's Affiliates in fact has any lawful residual claim against Net1 and/or Net1's Affiliates, the Company shall procure that such claims are waived in their entirety.
- 5.2 The Company hereby undertakes to do, and procure the doing, of all things as may be necessary, expedient or desirable in order to give effect to the provisions of clause 5.1, including but not limited to obtaining written consents and waivers from each of the Company's Affiliates and any creditor in respect of any Net1 Liability.
- 5.3 In exchange for KFS accepting the delegation contained in clause 5.1.1, Net1 undertakes to make a once off payment of USD3,610,500 (three million six hundred and ten thousand five hundred United States Dollars) to KFS. KFS acknowledges and agrees that settlement of the aforementioned payment obligation shall only occur by way of set off, as follows: Net1's obligation to pay the aforementioned sum shall be set off against the KFS' obligation to pay an equivalent portion of the first instalment of the purchase price under the Sale Agreement. No interest shall accrue on the aforementioned sum.

6 INDEMNITY

The Company hereby indemnifies and agrees to hold Net1 and Net1's Affiliates harmless from and against the entirety of any Adverse Consequences which may at any time be suffered by Net1 and/or any Affiliate of Net1 in relation to and/or in connection with the failure by the Company to comply with the provisions of this Agreement (or to procure compliance by any Affiliate of the Company with the provisions of this Agreement).

7 STIPULATION

Whenever reference is made to any Affiliate of Net1 (which is not in any event a Party), any benefits conferred on such Affiliate in terms of this Agreement shall constitute a stipulation for the benefit of such Affiliate, capable of being accepted by at any time by way of written notice to the Company.

8 GENERAL WARRANTIES

8.1 Each of the Parties hereby warrants to and in favour of the other that -

8.1.1 it has the legal capacity and has taken all necessary corporate action required to empower and authorise it to enter into this Agreement;

8.1.2 this Agreement constitutes an agreement valid and binding on it and enforceable against it in accordance with its terms;

8.1.3 the execution of this Agreement and the performance of its obligations hereunder does not and shall not -

8.1.3.1 contravene any law or regulation to which that Party is subject;

8.1.3.2 contravene any provision of that Party's constitutional documents; or

8.1.3.3 conflict with or constitute a breach of any of the provisions of any other agreement, obligation, restriction or undertaking which is binding on it; and

8.1.4 to the best of its knowledge and belief, it is not aware of the existence of any fact or circumstance that may impair its ability to comply with all of its obligations in terms of this Agreement;

8.1.5 it is entering into this Agreement as principal (and not as agent or in any other capacity);

8.1.6 the natural person who signs and executes this Agreement on its behalf is validly and duly authorised to do so;

8.1.7 no other party is acting as a fiduciary for it; and

8.1.8 it is not relying upon any statement or representation by or on behalf of any other Party, except those expressly set forth in this Agreement.

8.2 Each of the representations and warranties given by the Parties in terms of clause 8.1 shall -

- 8.2.1 be a separate warranty and will in no way be limited or restricted by inference from the terms of any other warranty or by any other words in this Agreement;
- 8.2.2 continue and remain in force notwithstanding the completion of any or all the transactions contemplated in this Agreement; and
- 8.2.3 *prima facie* be deemed to be material and to be a material representation inducing the other Party to enter into this Agreement.

9 PUBLICITY

- 9.1 Subject to clause 9.3, each Party undertakes to keep confidential and not to disclose to any third party, save as may be required in law (including by the rules of any recognised securities exchange, where applicable) or permitted in terms of this Agreement, the nature, content or existence of this Agreement and any and all information given by one Party to the other pursuant to this Agreement.
- 9.2 No announcements of any nature whatsoever will be made by or on behalf of a Party relating to this Agreement without the prior written consent of the other Party, save for any announcement or other statement required to be made in terms of the provisions of any law or by the rules of any recognised securities exchange, in which event the Party obliged to make such statement will first consult with the other Party in order to enable the Parties in good faith to attempt to agree the content of such announcement, which (unless agreed) must go no further than is required in terms of such law or rules. This will not apply to a Party wishing to respond to the other Party which has made an announcement of some nature in breach of this clause 9.
- 9.3 This clause 9 shall not apply to any disclosure made by a Party to its professional advisors or consultants, provided that they have agreed to the same confidentiality undertakings, or to any judicial or arbitral tribunal or officer, in connection with any matter relating to this Agreement or arising out of it.

10 BREACH

The Parties agree that the cancellation of this Agreement in the event of a breach would be an inappropriate and insufficient remedy and that irreparable damage would occur if the provisions of this Agreement were not complied with. It is accordingly agreed that, in the event of a breach, the aggrieved Party shall be entitled (without prejudice to any other rights which it may have in law save for the right to cancel the Agreement) to an order for specific performance and to recover any damages which it may have suffered.

11 NOTICES AND DOMICILIA

- 11.1 The Parties select as their respective *domicilia citandi et executandi* the following physical addresses, and for the purposes of giving or sending any notice provided for or required under this Agreement, the said physical addresses as well as the following email addresses -

<u>Name</u>	<u>Physical Address</u>	<u>Email Address</u>
Net1 (and its Affiliates which are Parties)	Landstrasse 14 FL - 9496 Balzers	alex.smith@net1.com

and to:

6th Floor, President Place
Cnr Jan Smuts Ave and Bolton Road
Rosebank
Johannesburg
2121
South Africa
Landstrasse 14

Marked for the attention of: Alex Smith

KFS	Landstrasse 14 FL - 9496 Balzers	Mario.Frick@sfplex.li Roland.Frick@bankfrick.li
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Marked for the attention of: Dr. Mario Frick and Roland Frick

<u>Name</u>	<u>Physical Address</u>	<u>Email Address</u>
Company	Landstrasse 14 FL - 9496 Balzers	Edi.woegerer@ bankfrick.li Kimsey.jordan@ bankfrick.li

Marked for the attention of: Geschäftsleitung

provided that a Party may change its *domicilium* to another physical address (provided that such physical address is not a post office box or *poste restante*), or may change its address for the purposes of notices to any other physical address or email address by written notice to the other Party to that effect. Such change of address will be effective 5 business days after receipt of the notice of the change.

- 11.2 All notices to be given in terms of this Agreement will be given in writing and will -

11.2.1 be delivered by hand or sent by email;

11.2.2 if delivered by hand during business hours, be presumed to have been received on the date of delivery. Any notice delivered after business hours or on a day which is not a business day will be presumed to have been received on the following business day; and

- 11.2.3 if sent by email during business hours, be presumed to have been received on the date of successful transmission of the email. Any email sent after business hours or on a day which is not a business day will be presumed to have been received on the following business day.
- 11.3 Notwithstanding the above, any notice given in writing, and actually received by the Party to whom the notice is addressed, will be deemed to have been properly given and received, notwithstanding that such notice has not been given in accordance with this clause 11.

12 **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 Parties or either of them.

13 **APPLICABLE LAW AND JURISDICTION**

- 13.1 This Agreement and any claim arising out of or in connection therewith shall be governed by, and construed in accordance with, the substantive laws of Liechtenstein, excluding its rules on conflict of laws and excluding international treaties (in particular the Vienna Convention on the International Sale of Goods dated 11 April 1980; CISG).
- 13.2 Any dispute, controversy or claim arising out of or in relation to this Agreement, including the validity, invalidity, breach or termination thereof as well as non-contractual claims, shall be resolved by arbitration in accordance with the Rules of Arbitration of the Liechtenstein Chamber of Commerce and Industry to the exclusion of the judicial authorities. The following specific rules are agreed on -
- 13.2.1 the number of arbitrators shall be one;
- 13.2.2 the seat of the arbitral tribunal shall be Balzers;
- 13.2.3 the arbitral proceedings shall be conducted in English; and
- 13.2.4 the amount in dispute for the calculation of fees and costs is uncapped.

14 **INDEPENDENT ADVICE**

Each of the Parties to this Agreement hereby acknowledges and agrees that -

- 14.1 it has been free to secure independent legal and other professional advice (including financial and taxation advice) as to the nature and effect of all of the provisions of this Agreement and that it has either taken such independent advice or has dispensed with the necessity of doing so; and
- 14.2 all of the provisions of this Agreement and the restrictions herein contained are fair and reasonable in all the circumstances and are in accordance with the Party's intentions.
-

15 GENERAL

15.1 Whole Agreement

15.1.1 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 either of the Parties.

15.1.2 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.

15.2 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 the Parties.

15.3 No Indulgences

No latitude, extension of time or other indulgence which may be given or allowed by either Party to the other in respect of the performance of any obligation hereunder, and no delay or forbearance in the enforcement of any right of either Party arising from this Agreement and no single or partial exercise of any right by either Party under this Agreement, shall in any circumstances be construed to be an implied consent or election by that Party or operate as a waiver or a novation of or otherwise affect any of its rights in terms of or arising from this Agreement or estop or preclude it 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 either 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.

15.4 No Waiver or Suspension of Rights

No waiver, suspension or postponement by either 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 that Party. Any such waiver, suspension or postponement will be effective only in the specific instance and for the purpose given.

15.5 **Continuing Effectiveness of Certain Provisions**

The expiration or termination of this Agreement shall not affect such of the provisions of this Agreement as expressly provide that they will operate after any such expiration or termination or which of necessity must continue to have effect after such expiration or termination, notwithstanding that the clauses themselves do not expressly provide for this.

15.6 **No Assignment**

Neither this Agreement nor any part, share or interest herein nor any rights or obligations hereunder may be ceded, delegated or assigned by either Party without the prior signed written consent of the other, save as otherwise provided herein.

15.7 **Exclusion of Electronic Signature**

The reference in clauses 15.2, 15.4 and 15.6 to writing signed by a Party shall, notwithstanding anything to the contrary in this Agreement, be read and construed as excluding any form of electronic signature.

16 **COSTS**

Except as otherwise specifically provided herein, each Party will bear and pay its own legal costs and expenses of and incidental to the negotiation, drafting, preparation and implementation of this Agreement.

17 **SIGNATURE**

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

17.2 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.

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

[The remainder of this page has been intentionally left blank.]

Release and Indemnity Agreement – Signature Page

SIGNED at Rosebank on 3 February 2021

For and on behalf of
NET 1 UEPS TECHNOLOGIES, INC.

/s/ A.M.R. Smith

Name of Signatory: A.M.R. Smith

Designation of Signatory: Interim CEO/CFO

Release and Indemnity Agreement – Signature Page

SIGNED at Cape Town on 3 February 2021

For and on behalf of
MASTERPAYMENT LTD

/s/ Philippus Stefanus Meyer

Name of Signatory: Philippus Stefanus Meyer

Designation of Signatory: Director

Release and Indemnity Agreement – Signature Page

SIGNED at Cape Town on 3 February 2021

For and on behalf of
MASTERPAYMENT AG

/s/ Philippus Stefanus Meyer

Name of Signatory: Philippus Stefanus Meyer

Designation of Signatory: Director

Release and Indemnity Agreement – Signature Page

SIGNED at Cape Town on 3 February 2021

For and on behalf of
SUMMIT PAYMENT SERVICES AG

/s/ Philippus Stefanus Meyer

Name of Signatory: Philippus Stefanus Meyer

Designation of Signatory: Director

Release and Indemnity Agreement – Signature Page

SIGNED at Cape Town on 3 February 2021

For and on behalf of
CEEVO FINANCIAL SERVICES (MALTA) LIMITED

/s/ Philipus Stefanus Meyer

Name of Signatory: Philippus Stefanus Meyer

Designation of Signatory: Director

Release and Indemnity Agreement – Signature Page

SIGNED at Balzers on 3 February 2021

For and on behalf of
KUNO FRICK FAMILIENSTIFTUNG

/s/ Dr. Mario Frick

Name of Signatory: Dr. Mario K. Frick

Designation of Signatory: Board Member

Release and Indemnity Agreement – Signature Page

SIGNED at Balzers on 3 February 2021

For and on behalf of
BANK FRICK & CO AG

/s/ Melanie Mündle

Name of Signatory : Melanie Mündle

Designation of Signatory: CFO

/s/ Edi Wögerer

Name of Signatory : Edi Wögerer

Designation of Signatory: CEO

SECURITY PLEDGE AND CESSION

given by

KUNO FRICK FAMILIENSTIFTUNG

in favour of

NET1 HOLDINGS LI AG

with the main holder (hauptsächlicher Besitzer) being

BANK FRICK & CO. AG

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1 PARTIES

1.1 The Parties to this Agreement are -

1.1.1 Kuno Frick Familienstiftung;

1.1.2 Net1 Holdings LI AG; and

1.1.3 Bank Frick & Co. AG.

1.2 The Parties agree as set out below.

2 INTERPRETATION

2.1 In this Agreement, unless the context indicates a contrary intention, the following words and expressions bear the meanings assigned to them and cognate expressions bear corresponding meanings -

2.1.1 "**Agreement**" means this pledge and cession in security;

2.1.2 "**Company**" means Bank Frick & Co registered in the commercial register of Liechtenstein under FL-0001.548.501-4, a company with limited liability whose principal place of business is at Landstrasse 14, Post Box 43, FL-9496 Balzers, Liechtenstein;

2.1.3 "**Condition Precedent**" means the suspensive condition set out in clause 4.1;

2.1.4 "**Creditor**" means Net1 Holdings LI AG, a Liechtenstein Corporation (Aktiengesellschaft: public limited company), registered in the commercial register of Liechtenstein under number FL-0002.626.627-6, Landstrasse 14, 9496 Balzers, Liechtenstein;

2.1.5 "**Distribution**" means, in relation to the Company, any payment (whether in cash or in specie and whether by way of set-off, counterclaim or otherwise) by way of interest or principal (whether in respect of an inter-company loan or otherwise), dividend, redemption, fee, royalty or other distribution or payment (including by way of the repurchase of any shares) by or on behalf of the Company to or for the account of any shareholder of the Company;

2.1.6 "**Main Agreement**" means an agreement headed "*Share Purchase Agreement*" between the Creditor, the Pledgor and the Company, to be entered into contemporaneously with the entering into of this Agreement, in terms of which, among other things, the Creditor will sell the Pledged Shares to the Pledgor;

2.1.7 "**Parties**" means the parties to this Agreement;

2.1.8 "**Pledged Shares**" shall have the meaning given to the term "*Sale Shares*" in the Main Agreement;

- 2.1.9 "**Pledgor**" means Kuno Frick Familienstiftung, a Liechtenstein Foundation, registered in the commercial register of Liechtenstein under number FL - 0001.118.013-4, Landstrasse 14, Post Box 43, FL-9496 Balzers, Liechtenstein;
- 2.1.10 "**Rights and Interests**" means all of the Pledgor's rights of any nature whatsoever to and interests of any nature whatsoever in the Pledged Shares, whether actual, prospective or contingent, direct or indirect, whether a claim for the payment of money or for the performance of any other obligation, and whether or not the said rights and interests were within the contemplation of the Parties at the Signature Date;
- 2.1.11 "**Secured Obligations**" means any and all indebtedness or obligations of any nature whatsoever of the Pledgor (whether actual or contingent, present or future) to the Creditor from time to time in terms of the Main Agreement, including in respect of the principal amount, interest, costs, expenses, fees and the like; and
- 2.1.12 "**Signature Date**" means the date of signature of this Agreement by the Party signing last.
- 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 Central European Standard Time;
- 2.3.2 "**days**" shall be construed as calendar days unless qualified by the word "business", in which instance a "business day" will be any day other than a Saturday, Sunday or legally proclaimed public holiday (being such in the Republic of South Africa and/or Liechtenstein from time to time);
-

- 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 governmental 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 in terms of 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 No provision of this Agreement shall (unless otherwise stipulated) constitute a stipulation for the benefit of any person (*stipulatio alteri*) who is not a Party to this Agreement.
- 2.13 The use of any expression in this Agreement covering a process available under Liechtenstein law, such as winding-up, shall, if either of the Parties to this Agreement 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.
- 2.14 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.
- 2.15 In this Agreement the words "**clause**" or "**clauses**" and "**annexure**" or "**annexures**" refer to clauses of and annexures to this Agreement.

3 INTRODUCTION

As security for the due performance of the Secured Obligations, the Pledgor has agreed to pledge all of the Pledged Shares and cede *in securitatem debiti* all of the Rights and Interests to the Creditor on the terms and conditions set out in this Agreement.

4 CONDITIONS PRECEDENT

- 4.1 Save for clauses 1 to 4, and clauses 22 to 29 all of which will become effective immediately, this Agreement is subject to the fulfilment of the Condition Precedent that the Sale Agreement has been entered into by the parties thereto and has become unconditional in accordance with its terms, save in respect of any condition requiring that this Agreement becomes unconditional.
- 4.2 Unless the Condition Precedent has been fulfilled or waived, the provisions of this Agreement, save for clauses 1 to 4, and clauses 22 to 29 which will remain of full force and effect, will never become of any force or effect and the *status quo ante* will be restored as near as may be possible and neither of the Parties will have any claim against the other in terms hereof or arising from the failure of the Condition Precedent.

5 PLEDGE AND CESSION

The Pledgor hereby pledges the Pledged Shares and, subject to clause 6.1, hereby cedes *in securitatem debiti* all of the Rights and Interests (but within the limitations of Art. 26a of the Banking Act), to the Creditor, as security for the due, proper and timeous payment and performance in full of the Secured Obligations, which pledge and cession the Creditor hereby accepts.

6 PERFECTION

- 6.1 The Pledgor shall deliver to the Creditor share transfer forms in respect of the Pledged Shares, in a form acceptable to the Creditor, duly completed and signed but undated and otherwise in blank as to the transferee but taking into account the limitations of Art. 26a of the Banking Act.
- 6.2 The Company, as depositary of the Pledged Shares, shall generally be responsible for the safekeeping of the pledged shares (and ensuring that the Pledged Shares are not in any way traded or disposed of without the express written consent of the Creditor) and to monitor compliance by the Pledgor with the provisions of this Agreement, including in respect of the monitoring of the securities deposit account of the Pledgor at the Company.
- 6.3 Should a realisation of the Pledged Shares become triggered in terms of this Agreement, the Company undertakes to support the Creditor by doing all such things as may be required to achieve a realisation of the Pledged Shares, without delay.
- 6.4 All documents required to be delivered by the Pledgor to the Creditor in order to enable the perfection of the pledge, shall be delivered to the Creditor on the Signature Date.

7 DISTRIBUTIONS AND VOTING

Notwithstanding that the rights to receive Distributions payable and to vote in respect of the Pledged Shares are ceded, *in securitatem debiti*, to the Creditor, as are all other rights attaching to the Pledged Shares, whilst this Agreement remains in force and provided that the Pledgor is not in breach of the Main Agreement or this Agreement, the Pledgor shall be entitled, subject to clause 13.6, to -

- 7.1 exercise all voting rights in respect of the Pledged Shares; and
- 7.2 receive all Distributions payable in respect of the Pledged Shares,

and no use will be made of the cession of the rights to Distributions or voting rights.

8 DURATION

This Agreement is a continuing covering security and will commence on the Signature Date and be and remain in force continuously until the Creditor has confirmed in writing that the Pledgor has fully and finally discharged the Secured Obligations (which the Creditor shall be obliged to do if it is factually correct), regardless of intermediate payment or discharge of the Secured Obligations in whole or in part.

9 WARRANTIES, REPRESENTATIONS AND UNDERTAKINGS

- 9.1 Each warranty, representation and undertaking set out in this Agreement shall be a separate warranty, representation and undertaking and shall in no way be limited or restricted by reference to or inference from the terms of any other warranty, representation and undertaking.
-

- 9.2 The Pledgor acknowledges that it makes the representations and gives the warranties and undertakings in this Agreement with the intention of inducing the Creditor to enter into this Agreement and the Secured Obligations and that the Creditor enters into this Agreement and the Secured Obligations on the basis of, and in full reliance on, each of such warranty, representation and undertaking.
- 9.3 The warranties, representations and undertakings set out below shall be continuing and shall be deemed to be repeated until the date upon which this Agreement terminates in accordance with clause 8.
- 9.4 The Pledgor hereby warrants to and in favour of the Creditor that -
- 9.4.1 it has the power to enter into and perform in terms of this Agreement and the transactions contemplated hereby and has taken all necessary corporate and other action (including, without limitation, the passing of all necessary resolutions of shareholders and/or directors) to authorise the entry into and performance of this Agreement and the transactions contemplated hereby in accordance with its terms;
- 9.4.2 this Agreement constitutes legal, valid and binding obligations on it in accordance with its terms;
- 9.4.3 it has a material interest in securing the Secured Obligations;
- 9.4.4 the entry into and performance by the Pledgor of its obligations in terms of this Agreement and the transactions contemplated hereby do not -
- 9.4.4.1 conflict with any law or regulation or any official or judicial order;
- 9.4.4.2 conflict with its constitutional documents;
- 9.4.4.3 conflict with any agreement or document to which it is a party or which is binding upon it or any of its assets; or
- 9.4.4.4 result in the creation or imposition of (or enforceability of) any encumbrance on any of its assets or the provisions of any agreement or document;
- 9.4.5 all authorisations, approvals, consents, licences, exemptions, filings, regulations, notarisations and other matters, official or otherwise, required of the Pledgor in connection with the entry into and performance by the Pledgor and the validity and enforceability against it of this Agreement have been obtained or effected and, if obtained and effected, are in full force and effect and all fees (if any) payable by the Pledgor in connection therewith, if due, have been paid and there has been no default in the performance of any of the terms or conditions thereof which is material to the effectiveness of any of the foregoing;
-

- 9.4.6 the assets of the Pledgor, fairly valued, exceed its liabilities;
- 9.4.7 the Pledged Shares pledged and the Rights and Interests ceded to the Creditor under this Agreement have not been pledged, ceded (either outright or as security), discounted, factored, mortgaged under notarial bond or otherwise disposed of or hypothecated to anyone else, and the Pledgor agrees, without prejudice to anything contained in this Agreement, that should it nevertheless transpire that it has at any time pledged, ceded or otherwise disposed of any of the right, title and interest in and to any of the Pledged Shares or the Rights and Interests, then this Agreement will operate as a pledge and cession of all the Pledgor's reversionary rights and all the Pledgor's remaining right, title and interest in and to the Pledged Shares or the Rights and Interests, including all the Pledgor's rights of action whatsoever against any prior cessionary, pledgee or other holder of such Pledged Shares or Rights and Interests for the time being; and
- 9.4.8 it is and will remain the sole and beneficial owner of all the Pledged Shares and the Rights and Interests to the exclusion of all others and no person will have an option or right of first refusal over the Pledged Shares and/or the Rights and Interests.
- 9.5 The Pledgor undertakes and agrees -
- 9.5.1 that it will not commit any wilful act nor suffer any wilful omission, and will not wilfully permit any other person to do any act or suffer any omission, which will have or may be calculated to have the effect of diminishing or adversely affecting the rights of the Creditor hereunder or the value or effectiveness of the Pledged Shares and/or the Rights and Interests;
- 9.5.2 not to exercise any and all rights in respect of the Pledged Shares and/or the Rights and Interests which it may have which will be in conflict with the rights of the Creditor in terms of this Agreement;
- 9.5.3 that it may not alienate, realise, negotiate, cede, assign, transfer or pledge or in any other manner encumber or deal in or with the Pledged Shares and/or the Rights and Interests without the prior written consent of the Creditor;
- 9.5.4 that upon receipt from the Creditor of notice in writing of the occurrence of any breach of the Secured Obligations and a failure to remedy such breach, it will forthwith pay over to the Creditor any interest, dividend or other benefits of any nature accrued and/or received in respect of the Pledged Shares and the Rights and Interests relating to the period after such breach, by depositing the same into a nominated account as the Creditor may from time to time direct in writing; and
-

- 9.5.5 to the extent possible, -
- 9.5.5.1 to prevent any variation of the rights relating to the Pledged Shares or any of them or the Rights and Interests which could diminish or adversely affect their value without the prior written consent of the Creditor;
- 9.5.5.2 not to authorise the creation of any additional shares of whatever description in the authorised share capital of the Company; and
- 9.5.5.3 to procure that the share capital of the Company will not, without the prior written consent of the Creditor, be repurchased, increased, reduced or otherwise altered, no unissued shares in the Company will be issued or consolidated, sub-divided or converted into another class.
- 9.6 The Pledgor hereby indemnifies the Creditor against any loss or damage that may be suffered by the Creditor arising from or in connection with a breach of any of the warranties and undertakings given in terms of this clause 9.

10 MAINTENANCE OF SECURITY

- 10.1 If, before the Creditor realises its security in terms of clause 13 -
- 10.1.1 a resolution is passed to the effect that the Company make a Distribution (other than a Distribution in the ordinary course) to its shareholders, the Creditor is hereby authorised, as true and lawful attorney, to accept and receive the amount of such Distribution for and on behalf of the Pledgor and to deposit same in an interest bearing account nominated by the Creditor;
- 10.1.2 the Company repurchases any or all of the Pledged Shares, the Creditor is hereby authorised, as true and lawful attorney, to accept and receive the consideration amount for and on behalf of the Pledgor and to deposit same in an interest bearing account nominated by the Creditor;
- 10.1.3 any offer is received by the Pledgor in its capacity as shareholder, which would, if accepted, result in a sale, share exchange or disposal of all or any of the Pledged Shares, it shall only be entitled to vote in favour of such offer and/or accept such offer with the prior written consent of the Creditor and -
- 10.1.3.1 the Creditor is hereby authorised, as true and lawful attorney to accept and receive the consideration for and on behalf of the Pledgor and to deposit same in an interest bearing account nominated by the Creditor; and
- 10.1.3.2 any shares acquired or received in exchange for any Pledged Shares shall automatically be subject to the terms of this Agreement and be deemed to constitute Pledged Shares; and
-

- 10.1.4 any of the Pledged Shares be sub-divided, consolidated or converted into any other shares, the sub-divided, consolidated or converted shares shall automatically be subject to the terms of this Agreement and be deemed to constitute Pledged Shares.
- 10.2 If any amount is deposited in an interest bearing account nominated by the Creditor pursuant to clause 10.1, such account and the funds standing to the balance thereof shall be deemed to be ceded and pledged to the Creditor as security for the Secured Obligations without further notice, on the same terms and conditions *mutatis mutandis* as the terms and conditions contained in this Agreement. It is specifically recorded that the Creditor shall be entitled to utilise all or any of the funds standing to the credit of such account to settle, pay and discharge any Secured Obligation which is due and payable and which the Pledgor fails to with comply with duly and punctually.
- 10.3 The Pledgor shall -
- 10.3.1 notify all persons required by the Creditor in writing that payment for, delivery of or performance in respect of the relevant Pledged Shares and/or Rights and Interests as contemplated in clause 10.1 must be made to the Creditor and that payment, delivery or performance to the Pledgor or to anyone else will not constitute valid payment, delivery or performance, and the Creditor shall be entitled to do likewise. The Pledgor shall on demand by the Creditor provide proof that such notification has been duly given. Should the Pledgor fail to do so on demand, the Creditor shall be entitled to give such notifications on behalf of the Pledgor;
- 10.3.2 refuse to accept any payment, delivery or performance tendered in respect of any of the Pledged Shares and/or the Rights and Interests in the circumstances contemplated in clause 10.1 and order that such payment, delivery or performance be tendered to the Creditor; and
- 10.3.3 at its own cost, carry out any directions the Creditor may give in regard to implementing the provisions of this clause 10 and sign any document or do any other reasonable and lawful act necessary to give effect thereto.

11 FURTHER DOCUMENTS

The Pledgor hereby undertakes that, for so long as this Agreement is in force, the Pledgor will -

- 11.1 sign such further document/s as may be required by the Creditor to give effect to this Agreement; and
- 11.2 generally do everything that may be required by the Creditor for the purposes of and to give effect to this Agreement, failing which the Creditor may, if possible, attend thereto and recover from the Pledgor any reasonable expenses incurred in doing so.
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12 ADDITIONAL SECURITY

This Agreement is in addition to and not in substitution for any other security held or hereafter to be held by the Creditor from the Pledgor or any third party in connection with the Secured Obligations or otherwise and the Creditor shall, without prejudice to its rights hereunder, be entitled to release any such additional security held by it.

13 REALISATION

- 13.1 Should the Pledgor be in breach of any of the Secured Obligations, the Main Agreement or this Agreement and fail to remedy such breach within the period allowed therefor (if any), the Creditor shall be entitled to pursue any remedy available to it in law including, but not limited to, any one of the forms of relief set out in clauses 13.2 to 13.6.
- 13.2 Without first obtaining an order of court, the Creditor shall, to the extent permitted in law, be entitled to -
- 13.2.1 exercise all the rights, powers and privileges attaching to the Pledged Shares and/or the Rights and Interests;
- 13.2.2 sell, assign, transfer or otherwise dispose of or realise the Pledged Shares and/or the Rights and Interests, or any of them, or to realise the underlying value of the Pledged Shares and/or the Rights and Interests in any such manner as may be lawful in terms of applicable laws (including banking laws), provided that should it be permitted in terms of applicable laws (including banking laws) to dispose of the Pledged Shares and/or the Rights and Interests to its holding company or any subsidiary of such holding company, such disposal will be at a market related price;
- 13.2.3 institute legal proceedings which it may deem necessary in connection therewith;
- 13.2.4 give good, valid and sufficient receipts and discharges for the purchase price or proceeds of the Pledged Shares and/or the Rights and Interests or the proceeds of the underlying assets; and
- 13.2.5 effect transfer of the Pledged Shares and/or convey valid title in the Rights and Interests on behalf of the Pledgor.
- 13.3 After payment of the Pledgor's indebtedness to the Creditor in respect of the Secured Obligations, and all costs and expenses in connection with such realisation and legal proceedings (including any stamp duty, securities transfer tax, uncertificated securities tax, transfer duty or any other tax that may be imposed), the balance, if any, of such proceeds will be paid to the Pledgor or its order. In the event of such proceeds being insufficient to pay the Pledgor's indebtedness to the Creditor in respect of the Secured Obligations and the costs and expenses aforesaid, then the Pledgor undertakes to pay the shortfall on demand, as provided for in clause 15.
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- 13.4 Notwithstanding any other provision of this Agreement, the Creditor shall be entitled at any time to sue for the recovery of the moneys remaining due and payable to the Creditor in respect of the Secured Obligations, or any portion thereof, and to obtain judgment and to attach and sell in execution the Pledged Shares, the Rights and Interests and any other property or effects belonging to the Pledgor, as may be necessary to settle the Pledgor's indebtedness to the Creditor in respect of the Secured Obligations.
- 13.5 If any of the provisions of this clause 13 are in conflict with any applicable law, or are held to be unenforceable or invalid for any reason whatsoever, this clause 13 shall, notwithstanding anything to the contrary contained herein, be construed as to entitle the Creditor to deal with its rights arising out of this Agreement in such manner as may be sanctioned or approved in terms of an order of court of competent jurisdiction.
- 13.6 The Parties agree that from the date of the breach of the Secured Obligations, and for as long as it continues, the Creditor shall be entitled to exercise the voting rights attaching to the Pledged Shares, and to receive all Distributions payable in respect of the Pledged Shares.
- 13.7 On the Creditor taking any action in terms of this clause 13, the Pledgor shall on demand by the Creditor -
- 13.7.1 notify all persons required by the Creditor in writing that payment for, delivery of or performance in respect of the relevant Pledged Shares and/or Rights and Interests must be made to the Creditor and that payment, delivery or performance to the Pledgor or to anyone else will not constitute valid payment, delivery or performance, and the Creditor shall be entitled to do likewise. The Pledgor shall on demand by the Creditor provide proof that such notification has been duly given. Should the Pledgor fail to do so on demand, the Creditor shall be entitled to give such notifications on behalf of the Pledgor;
- 13.7.2 refuse to accept any payment, delivery or performance tendered in respect of any of the Pledged Shares and/or the Rights and Interests and order that such payment, delivery or performance be tendered to the Creditor;
- 13.7.3 at its own cost, carry out any directions the Creditor may give in regard to the realisation of the Pledged Shares and/or the Rights and Interests and sign any document or do any other reasonable and lawful act necessary to vest the Pledged Shares and/or the Rights and Interests in the Creditor, to enable the sale or disposition of the Pledged Shares and/or the Rights and Interests, which may otherwise be necessary or required to perfect the pledge and cession created in this Agreement.
- 13.8 The Pledgor acknowledges that -
- 13.8.1 the secured rights granted by it in favour of the Creditor in terms of this Agreement are securities which underlie a transaction of a commercial nature;
-

- 13.8.2 the Secured Obligations are obligations and debt of a commercial nature;
- 13.8.3 the application of clause 13 in the circumstances prescribed therein, may confer upon the Creditor certain procedural advantages, which in the light of the commercial nature of the transactions secured by this Agreement are fair, reasonable and necessary to ensure that the Creditor does not suffer unfair commercial prejudice by being deprived of these procedural advantages; and
- 13.8.4 the Pledgor knows and understands the meaning, import and consequences of this Agreement and in particular clause 13.
- 13.9 None of the foregoing shall prevent the Pledgor from applying to any court that has jurisdiction for appropriate relief in the circumstances, provided always that the terms of this Agreement shall apply as between the Parties.
- 13.10 Notwithstanding anything to the contrary contained in this Agreement, the Creditor shall not be obliged to take any particular steps to collect or otherwise enforce its rights in respect of the Pledged Shares and/or the Rights and Interests.

14 **APPROPRIATION OF PROCEEDS**

The Creditor may appropriate all amounts received pursuant to the collection, sale or other realisation of the Pledged Shares and/or the Rights and Interests to the repayment of amounts due and payable under the Secured Obligations in such manner as the Creditor in its sole discretion sees fit.

15 **SHORTFALL**

- 15.1 Should the value realised by the Creditor pursuant to clause 13 exceed the Pledgor's indebtedness to the Creditor in respect of the Secured Obligations as certified in accordance with clause 17.3, then the amount by which the value realised so exceeds such indebtedness will be paid by the Creditor to the Pledgor within 10 business days after such realisation is effected. Should the value realised be less than the Pledgor's indebtedness to the Creditor as so certified, then the Pledgor will be bound to pay to the Creditor the shortfall within 10 business days after the date of such realisation.
- 15.2 All payments to be made by the Pledgor to the Creditor in terms of this Agreement shall be made in the currency designated for payment under the Sale Agreement, free of exchange, any other costs, charges or expenses and without any deduction, set-off or counterclaim whatsoever.

16 **BINDING NATURE**

- 16.1 The Pledgor agrees that it will be bound in terms of this Agreement to the full extent thereof, despite the fact that -
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- 16.1.1 any intended additional security from the Pledgor for the debts secured by this Agreement may not be obtained or may be released or may cease to be held for any other reason;
- 16.1.2 any document required to be delivered in terms of this Agreement has not been delivered;
- 16.1.3 the Creditor and the Pledgor may agree a variation or novation of the Secured Obligations or any of them;
- 16.1.4 the Creditor may grant any indulgences to the Pledgor or may not exercise any one or more of its rights hereunder or under the Secured Obligations, either timeously or at all; and
- 16.1.5 any other fact or circumstance may arise (including any act or omission by the Creditor) on which the Pledgor might otherwise be able to rely on as a defence based on waiver (other than an express written waiver) or estoppel.
- 16.2 If the Pledgor suffers any loss arising from any of the facts, circumstances, acts or omissions referred to in clause 16.1 above, the Pledgor will have no claim against the Creditor in respect thereof.

17 **WAIVER AND INDEMNITY**

The Pledgor hereby -

- 17.1 agrees that the Creditor shall not be responsible for any loss from the sale of the Pledged Shares and/or the Rights and Interests, howsoever arising, or for any reduction in the value of the Pledged Shares and/or the Rights and Interests;
 - 17.2 absolves the Creditor from all liability whatsoever should it fail to collect any Distributions or other benefits (however named or described, without any exception) arising from or by virtue of the Pledged Shares and/or the Rights and Interests, or should it fail to take up any rights issued or granted in relation to the Pledged Shares and/or the Rights and Interests, or in any way fail or omit to protect its or the Pledgor's interests relating to the Pledged Shares and/or the Rights and Interests; and
 - 17.3 absolves and indemnifies the Creditor and its directors, officers, employees, representatives and advisers from and against any loss or damage, whether direct or indirect, consequential or otherwise, suffered by the Pledgor arising from any cause in connection with this Agreement, whether the loss or damage results from contract, delict, negligence or any other cause and whether this Agreement has been terminated or not.
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18 CERTIFICATE OF INDEBTEDNESS

The Pledgor agrees that the nature and amount of the Pledgor's indebtedness to the Creditor will at any time be presumed to be adequately proven by a written certificate signed by or on behalf of the Creditor, acting reasonably and in good faith, which certificate will constitute *prima facie* proof in any legal proceedings against the Pledgor of the contents thereof and of the amount of the Pledgor's indebtedness and the fact that such amount is due and payable.

19 RENUNCIATION OF BENEFITS

The Pledgor hereby renounces any benefits to which it may be entitled in law as a result of this Agreement including, without limitation, the benefits of the legal exceptions of no cause of debt (*non causa debiti*), no value received (*non numeratae pecuniae*), simultaneous citation and division of debt (*de duobus vel pluribus reis debendi*), error in calculation (*errore calculi*) and revision of accounts, insofar as they or any of them may be applicable. The Pledgor acknowledges that it is fully aware of the meaning and effect of those benefits and the renunciation thereof.

20 SUPPORT

The Parties undertake at all times to do all such things, perform all such actions and take all such steps and to procure the doing of all such things, the performance of all such actions and the taking of all such steps as may be open to them and necessary for or incidental to the putting into effect or maintenance of the terms, conditions and/or import of this Agreement.

21 NO CONDITIONS, WARRANTIES AND REPRESENTATIONS

No representations, promises or warranties have been made or given to the Pledgor by the Creditor or any other person in connection with this Agreement.

22 INDEPENDENT ADVICE

22.1 The Pledgor acknowledges and agrees that it has not relied in any way upon any information and/or advice given by the Creditor in the preparation, negotiation and/or implementation of this Agreement and has taken all reasonable actions to satisfy itself as to the consequences of entering into this Agreement.

22.2 The Pledgor acknowledges that -

22.2.1 it has been free to secure independent legal and other advice as to the nature and effect of all the provisions of this Agreement and that it has either taken such independent legal and other advice or dispensed with the necessity of doing so; and

22.2.2 all of the provisions of this Agreement and the restrictions herein contained are fair and reasonable in all the circumstances and are part of the overall intention of the Parties in connection with this Agreement.

23 NOTICES AND DOMICILIA

23.1 The Parties select as their respective *domicilia citandi et executandi* the following physical addresses, and for the purposes of giving or sending any notice provided for or required under this Agreement, the said physical addresses as well as the following email addresses -

<u>Name</u>	<u>Physical Address</u>	<u>Email Address</u>
Pledgor	Landstrasse 14 FL - 9496 Balzers	Mario.Frick@sfplex.li Roland.Frick@bankfrick.li

Marked for the attention of: Dr. Mario Frick and Roland Frick

<u>Name</u>	<u>Physical Address</u>	<u>Email Address</u>
Creditor	Landstrasse 14 FL - 9496 Balzers	alex.smith@net1.com

and to:

6th Floor, President Place
Cnr Jan Smuts Ave and Bolton Road
Rosebank
Johannesburg
2121
South Africa

<u>Name</u>	<u>Physical Address</u>	<u>Email Address</u>
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Marked for the attention of: Alex Smith

Company	Landstrasse 14 FL - 9496 Balzers	Edi.woegerer@ bankfrick.li Kimsey.jordan@ bankfrick.li
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Marked for the attention of: Geschäftsleitung

provided that a Party may change its *domicilium* to another physical address (provided that such physical address is not a post office box or *poste restante*), or may change its address for the purposes of notices to any other physical address or email address by written notice to the other Party to that effect. Such change of address will be effective 5 business days after receipt of the notice of the change.

23.2 All notices to be given in terms of this Agreement will be given in writing and will -

23.2.1 be delivered by hand or sent by email;

- 23.2.2 if delivered by hand during business hours, be presumed to have been received on the date of delivery. Any notice delivered after business hours or on a day which is not a business day will be presumed to have been received on the following business day; and
- 23.2.3 if sent by email during business hours, be presumed to have been received on the date of successful transmission of the email. Any email sent after business hours or on a day which is not a business day will be presumed to have been received on the following business day.
- 23.3 Notwithstanding the above, any notice given in writing, and actually received by the Party to whom the notice is addressed, will be deemed to have been properly given and received, notwithstanding that such notice has not been given in accordance with this clause 23.

24 ASSIGNMENT

- 24.1 Should the Creditor cede, delegate or assign any of its rights or obligations under the Main Agreement in accordance with its terms, the Creditor shall be entitled to cede, delegate or assign any of its rights or obligations under this Agreement without the consent of the Pledgor.
- 24.2 To the extent that any such cession, delegation or assignment results in a splitting of claims against the Pledgor, the Pledgor hereby consents to such splitting of claims.
- 24.3 Neither this Agreement nor any part, share or interest herein nor any rights or obligations hereunder may be ceded, delegated or assigned by the Pledgor without the prior written consent of the Creditor.

25 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 Parties or either of them.

26 APPLICABLE LAW AND JURISDICTION

- 26.1 This Agreement and any claim arising out of or in connection therewith shall be governed by, and construed in accordance with, the substantive laws of Liechtenstein, excluding its rules on conflict of laws and excluding international treaties (in particular the Vienna Convention on the International Sale of Goods dated 11 April 1980; CISG).
- 26.2 Any dispute, controversy or claim arising out of or in relation to this Agreement, including the validity, invalidity, breach or termination thereof as well as non-contractual claims, shall be resolved by arbitration in accordance with the Rules of Arbitration of the Liechtenstein Chamber of Commerce and Industry to the exclusion of the judicial authorities. The following specific rules are agreed on -
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- 26.2.1 the number of arbitrators shall be one;
- 26.2.2 the seat of the arbitral tribunal shall be Balzers;
- 26.2.3 the arbitral proceedings shall be conducted in English; and
- 26.2.4 the amount in dispute for the calculation of fees and costs is uncapped.

27 GENERAL

27.1 Whole Agreement

27.1.1 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 either of the Parties.

27.1.2 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.

27.2 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 the Parties.

27.3 No Indulgences

No latitude, extension of time or other indulgence which may be given or allowed by any Party to the other Party 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 in terms of 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.

27.4 **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.

27.5 **Provisions Severable**

All provisions and the various clauses of this Agreement are, notwithstanding the manner in which they have been grouped together or linked grammatically, severable from each other. Any provision or clause of this Agreement which is or becomes unenforceable in any jurisdiction, whether due to voidness, invalidity, illegality, unlawfulness or for any other reason whatever, shall, in such jurisdiction only and only to the extent that it is so unenforceable, be treated as *pro non scripto* and the remaining provisions and clauses of this Agreement shall remain of full force and effect. The Parties declare that it is their intention that this Agreement would be executed without such unenforceable provision if they were aware of such unenforceability at the time of execution hereof.

27.6 **Continuing Effectiveness of Certain Provisions**

The expiration or termination of this Agreement shall not affect such of the provisions of this Agreement as expressly provide that they will operate after any such expiration or termination or which of necessity must continue to have effect after such expiration or termination, notwithstanding that the clauses themselves do not expressly provide for this.

27.7 **No Assignment**

Neither this Agreement nor any part, share or interest herein nor any rights or obligations hereunder may be ceded, delegated or assigned by either Party without the prior signed written consent of the other Party, save as otherwise provided herein.

27.8 **Exclusion of Electronic Signature**

The reference in clauses 27.2, 27.4 and 27.7 to writing signed by a Party shall, notwithstanding anything to the contrary in this Agreement, be read and construed as excluding any form of electronic signature.

28 **COSTS**

28.1 Each Party will bear and pay its own legal costs and expenses of or incidental to the negotiation, drafting, preparation and implementation of this Agreement.

28.2 The Pledgor agrees and undertakes to reimburse the Creditor on demand with any and all costs and expenses (including legal costs on the scale as between attorney-and-own-client) which the Creditor may at any time incur in or about the exercise of any of the Creditor's rights in terms of this Agreement, including collection commission, tracing fees and other expenses in connection therewith.

29 SIGNATURE

- 29.1 This Agreement is signed by the Parties on the dates and at the places indicated below.
- 29.2 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.
- 29.3 The persons signing this Agreement in a representative capacity warrant their authority to do so.
- 29.4 The Parties record that it is not required for this Agreement to be valid and enforceable that a Party shall initial the pages of this Agreement and/or have its signature of this Agreement verified by a witness.

[The remainder of this page has been intentionally left blank.]

Security Pledge and Cession Agreement – Signature Page

SIGNED at Balzers on 3 February 2021

For and on behalf of
KUNO FRICK FAMILIENSTIFTUNG

/s/ Dr. Mario K. Frick

Name of Signatory: Dr. Mario K. Frick

Designation of Signatory: Board Member

Security Pledge and Cession Agreement – Signature Page

SIGNED at Balzers on 3 February 2021

For and on behalf of
NET1 HOLDINGS LI AG

/s/ Dr. Mario K. Frick

Name of Signatory: Dr. Mario K. Frick

Designation of Signatory: Director

/s/ A.M.R. Smith

Name of Signatory: A.M.R. Smith

Designation of Signatory: Director

Security Pledge and Cession Agreement – Signature Page

SIGNED at Balzers on 3 February 2021

For and on behalf of
BANK FRICK & CO AG

/s/ Melanie Mündle

Name of Signatory : Melanie Mündle

Designation of Signatory: CFO

/s/ Edi Wögerer

Name of Signatory : Edi Wögerer

Designation of Signatory: CEO

Net1 Sells Remaining Stake in Bank Frick

Johannesburg, February 4, 2021 - Net 1 UEPS Technologies, Inc. (NasdaqGS: UEPS; JSE: NT1) ("Net1" or the "Company") today announced that it has sold its remaining interest in Bank Frick & Co. AG ("Bank Frick") back to The Kuno Frick Family Foundation for \$30 million. The gross proceeds of \$30 million will be reduced by \$3.6 million to terminate various agreements and settle liabilities between Bank Frick and Net1's IPG operations. The Company received a \$15 million payment at closing and the remaining proceeds are payable in two installments over the next 18 months.

"The sale of our interest in Bank Frick is a milestone in the execution of the corporate strategy that we announced in September 2020," said Alex Smith, Net1's CFO and interim CEO. "The sale of this interest and the previously announced closure of the International Payments Group will significantly reduce the cash burn and operating losses from Net1's non-core operations. Furthermore, the sale will release capital and management bandwidth to increase our focus on the significant market opportunity in Net1's areas of core competency in South Africa."

The Company will provide further details on its second quarter fiscal 2021 earnings call tomorrow, February 5, 2021.

About Net1 (www.net1.com)

Net1 is a South African-focused financial technology company with a presence in Africa, Asia and Europe. Net1 utilizes its proprietary banking and payment technology to distribute low-cost financial and value-added services to underserved consumers and small businesses. The Company also provides transaction processing services, including being a payment processor and bill payment platform in South Africa. Net1 leverages its strategic investments in banks, telecom and mobile payment technology companies to further expand its product offerings or to enter new markets.

Net1 has a primary listing on NASDAQ (NasdaqGS: UEPS) and a secondary listing on the Johannesburg Stock Exchange (JSE: NT1). Visit www.net1.com for additional information about Net1.

Forward-Looking Statements

This press release contains forward-looking statements that involve substantial risks and uncertainties. All statements, other than statements of historical fact, included in this press release regarding strategy, future operations, future financial position, future revenues, projected costs, prospects, plans and objectives of management are forward-looking statements. The Company may not actually achieve the plans, intentions or expectations disclosed in its forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements that the Company makes. Factors that might cause such differences include: the ability of the Company to successfully capitalize on market opportunities in South Africa; and other important factors included in the Company's reports filed with the Securities and Exchange Commission, particularly in the "Risk Factors" section of the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2020, as such Risk Factors may be updated from time to time in subsequent reports. The Company does not assume any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Investor Relations Contact:

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Managing Director - ICR
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Business Director - BCW
Phone: +27-82-610-0650
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