

Arnot Opco Proprietary Limited (in business rescue)

(Registration number: 2019/072282/07)

(Arnot Opco)

Resolutions passed by creditors of Arnot Opco on 28 July 2023

It is recorded that:

1. On 14 July 2023, the business rescue practitioner (“BRP”) of Arnot Opco Proprietary Limited (**‘Arnot Opco’**) published a business rescue plan (the **‘Plan’**) for Arnot Opco. The Plan is predicated on the implementation of the Management Restructuring Plan or Disposal or Sales Process as envisaged in the Plan.
2. Subsequent to that, the BRP on the same day issued a notice convening a meeting of creditors in terms of section 151 of the Companies Act, 2008, as amended (**the ‘Companies Act’**) for creditors to consider and vote on the proposed Plan (**the ‘s151 Meeting’**).
3. The s151 Meeting will be held electronically on Friday, 28 July 2023 at 10h00 via Microsoft Teams.
4. Prior to the publication of the Plan, the BRP received 4 (four) expressions of interests from interested parties for the acquisition of the business as a going concern or for the acquisition of the entire issued share capital or majority shareholding in the Company.
5. Non-disclosure agreements were concluded with the 4 (four) interested parties and were given access to the data room to enable them to conduct a due diligence on the operational, financial, technical, environmental, and legal aspects of the Company. None of the 4 (four) interested parties submitted offers. However, post the conclusion of the term sheet with Siphesihle SS Mining Proprietary Limited (**“SSS Mining”**) and 90-day exclusivity granted to SSS Mining, all the engagements with potential interested parties were suspended.
6. On the other hand, it should be noted that, since the commencement of Business Rescue proceedings, the Shareholders have been engaging with various interested parties as part of the Shareholder led initiative to raise post-commencement finance (**“PCF”**) or find a strategic equity partner with the requisite technical expertise, capital and management expertise. This Shareholder led initiative was excluded from the 90-day exclusivity period granted to SSS Mining.
7. Consequently, 3 (three) expressions of interests were received from 3 (three) interested parties. All 3 (three) interested parties signed the non-disclosure agreements and were granted access to the data room to enable them to conduct a due diligence on the operational, financial, technical, environmental, and legal aspects of the Company. All 3 (three) interested parties were requested to submit their binding offers by no later than 15 June 2023 at 17h00.
8. On 15 June 2023, the BRP received 3 (three) binding offers from the 3 (three) interested parties. The 3 (three) interested parties have already conducted and concluded due diligence on the operational, financial, technical, environmental, and legal aspects of the Company.

9. It should be noted that on 03 July 2023, the BRP received an expression of interest from Cometa Trading SA (“**Cometa Trading**”). Subsequent to this, the expression of interest was presented to the Creditors Committee on 07 July 2023, where it was recommended that Cometa Trading be given an opportunity to participate in the sales or disposal process. A non-disclosure agreement was concluded, and Cometa Trading was granted access to the data room to enable them to conduct a due diligence on the operational, financial, technical, environmental, and legal aspects of the Company. They were also requested to submit their binding offer by no later than Friday, 21 July 2023 at 17h00. However, on 21 July 2023, they requested for further extension and their binding offer was ultimately submitted on 25 July 2023 at 13h00.

10. The offers can be summarised as follows:

10.1 **Offer A – Ndalamo Offer**

10.1.1 The first binding offer received by the BRP is from Ndalamo Coal Proprietary Limited (“**Ndalamo**”), a wholly owned subsidiary of Ndalamo Resources Proprietary Limited for the proposed 100% acquisition of the Business of the Company for a price consideration of **R435 000 000.00 (four hundred and thirty-five million Rand)**. The price consideration of R435 000 000.00 (four hundred and thirty-five million Rand) is made up of:

10.1.1.1 **R70 000 000.00 (seventy million Rand)** to settle creditors claims, both pre and post Business Rescue, to be distributed at the discretion of the BRP; and

10.1.1.2 **R365 000 000.00 (three hundred and sixty-five million Rand)** as post commencement funding (“**PCF**”) to fund:

- the refurbishment of the existing plant and related infrastructure;
- re-capitalisation and development of underground workings with related surface infrastructure;
- acquisition of surface rights; and
- establishment of the opencast mining operations.

10.1.1.3 The PCF amount of **R365 000 000.00 (three hundred and sixty-five million Rand)** will be converted into equity. The PCF amount is only repayable by the Company to Ndalamo if the proposed transaction fails for any reason whatsoever.

10.1.2The **R70 000 000.00 (seventy million Rand)** to settle creditors claims for both pre and post will be paid payable on section 11 Ministerial approval.

10.1.2 In terms of the proposed binding offer by Ndalamo (“**Ndalamo Offer**”), Ndalamo will establish a new entity or NewCo to acquire the business of the Company, which includes:

10.1.2.2 all the assets;

10.1.2.3 the Rehabilitation trust;

- 10.1.2.4 the Rehabilitation liabilities; and
- 10.1.2.5 Employee related liabilities.
- 10.1.3 NewCo will be held 100% by Ndalamo. Ndalamo is willing to dilute its 100% shareholding in NewCo to 75% to cater for the participation of Arnot Affected Employees Trust or any trust or scheme to benefit community and employees. This dilution will be effective once Ndalamo has been confirmed as the preferred and exclusive bidder for the proposed transaction.
- 10.1.4 The payment of the purchase price by Ndalamo will be conditional on various regulatory conditions being fulfilled, including section 11 Ministerial approval in terms of the Ministerial and Petroleum Resources Development Act 28 of 2002 (“MPRDA”).
- 10.1.5 Until such time as the section 11 Ministerial approval is received, Ndalamo will provide PCF to restart the Arnot Mine and will enter into a permissible PCF agreement and other relevant transaction agreements to ensure that Ndalamo has management control (operational and financial control) of the Arnot Mine with effect from date of approval of the Plan whereby Ndalamo is nominated as the successful bidder.
- 10.1.6 Ndalamo requires the following security for PCF to be provided to restart the Arnot Mine prior to section 11 Ministerial approval:
 - 10.1.6.2 The plant infrastructure and related logistics infrastructure owned by the Company;
 - 10.1.6.3 Any and all surface rights held in the name of the Company;
 - 10.1.6.4 The mining rights and prospecting rights held by the Company; and
 - 10.1.6.5 The underground workings and all supporting infrastructure.
- 10.1.7 The Ndalamo Offer is subject to the following conditions:
 - 10.1.7.2 Security required for PCF as set out in 10.1.6 above;
 - 10.1.7.3 Approval of the binding offer by the BRP and Ndalamo being nominated as the preferred and successful bidder for the transaction on an exclusive basis;
 - 10.1.7.4 Pre-Competition Commission approval, Ndalamo require a PCF agreement between NewCo and the Company, which is to be regulated under Business Rescue as to ensure that there is a control on costs and disbursement of the PCF provided by NewCo. The conditions of this agreement are to be agreed between the parties upon confirmation of Ndalamo as the successful bidder of the proposed transaction;
 - 10.1.7.5 Post-Competition Commission Ndalamo enters into the requisite management agreements for the management and

control of the business and operations during the interim phase, pre-regulatory approval;

- 10.1.7.6 Execution of the necessary transaction agreements; and
- 10.1.7.7 Ndalamo's receipt of all regulatory approvals relating to the transfer of the mine assets including but not limited to, Competition Commission approval and the section 11 Ministerial approval.
- 10.1.8 Ndalamo is in advanced stages of engagement for the potential solution for the rectification plan for Eskom shortfall, this will ensure sufficient return to significantly reduce the Eskom liability for potential contractual penalty. It will also have enough margins which will be used towards fast payment of the purchase price.
- 10.1.9 NewCo will purchase coal suitable for supply to Eskom under the Coal Supply Agreement between the Company and Eskom. The profit is to be split on a 70/30 basis between NewCo and the Company. The 30% margin will be a prepayment which is fully managed by the BRP, that will be used to reduce the PCF requirements on a monthly basis. The rectification sales is to commence within one week after the execution of all transaction agreements.

10.2 Offer B – Mashwayi Offer

- 10.2.1 The second binding offer received by the BRP is from Mashwayi Consortium Opco ("Mashwayi"), a special purpose vehicle to be incorporated, which shall be 100% owned by another special purpose vehicle for this purpose ("Mashwayi Consortium Holdco"). A further special purpose vehicle which will also be 100% owned by Mashwayi Consortium Holdco, will be incorporated for purposes of ultimately acquiring the land on which the mining operations of the Company are conducted ("Mashwayi Consortium Propco").
- 10.2.2 The shares in Mashwayi Consortium Holdco will be held as follows:
 - Mashwayi Projects Proprietary Limited – 60%; and
 - Arnot Investco Proprietary Limited – 40%.
- 10.2.3 In terms of the proposed binding offer by Mashwayi, ("**Mashwayi Offer**") Mashwayi will acquire the Business of the Company as a going concern for a purchase consideration of **R225 000 000.00 (two hundred and twenty-five million Rand)**, comprising of:
 - 10.2.3.1 all associated liabilities,
 - 10.2.3.2 employees,
 - 10.2.3.3 specified commercial contracts; and
 - 10.2.3.4 specified rights (including rehabilitation trust balances and assets) in relation to the Arnot Mine.

- 10.2.4 The purchase price is payable in cash on a debt-free basis and contemplates the settlement in full of the creditor's post-commencement claims and the balance to be distributed equally to the pre-business rescue creditors claims.
- 10.2.5 The purchase consideration is payable in cash as follows:
- 10.2.5.1 25% (**R56 250 000.00**) of the purchase consideration shall be paid into an interest-bearing escrow account administered by a designated escrow agent nominated by both Mashwayi and the Company on the approval of the proposed transaction by the creditors.
- 10.2.5.2 The initial payment will be on the terms to be agreed upon with the Company, and will be held as a non-refundable deposit in the event that the proposed transaction does not materialise due to the wilful conduct of Mashwayi; and
- 10.2.5.3 The remaining 75% of the purchase consideration will be paid on the closing date of the proposed transaction or once all the approvals have been granted and all the conditions have been fulfilled.
- 10.2.6 In addition to the purchase consideration Mashwayi undertakes to make a provision for the transaction costs associated with the proposed transaction and the business rescue costs including payment of a success fee. An amount of **R10 000 000.00 (ten million rand)** will be made available to cover the transaction and business rescue costs.
- 10.2.7 Pending the approval or conditions of the offer being fulfilled, Mashwayi proposes that between date of signature of the definitive agreements and the date in which all the approvals are granted or conditions being fulfilled ("**Interim Period**"), Mashwayi proposes the following in order for the Company to meet its working capital requirements:
- 10.2.7.1 Entering into a coal supply agreement with the Company in order to provide coal rectification to Eskom on behalf of the Company. The coal will be used by the Company to remedy its deficit in terms of the Coal Supply Agreement with Eskom. Out of the coal rectification process by Mashwayi, the Company will make a R50.00 per ton margin. The coal rectification will commence within 30 days after signing the definitive agreements.
- 10.2.7.2 To ensure certainty with regards to the Company's return in terms of the rectification agreement, Mashwayi guarantees that it shall supply no less than 65 0000 (sixty-five thousand) tonnes per month for the duration of the rectification agreement. In addition, Mashwayi guarantees that the Company will receive no less than 1 000 000 (one million) tonnes ("**Committed Tonnage**") during the term of the rectification agreement.
- 10.2.7.3 In the event that the approvals or conditions are fulfilled before the delivery of the Committed Tonnage in terms of the

rectification agreement, the balance or undelivered coal will be converted to a royalty payment to the Company up to 100 000 (one hundred thousand) and no less than 65 000 (sixty-five thousand) tonnes per month. The royalty fee will be paid into an account nominated by the BRP. A guaranteed amount of R50 000 000.00 (fifty million Rand) will be generated by Mashwayi to the Company as part of the rectification agreement or royalty fee.

- 10.2.7.4 If at the end of the Interim Period, it is determined that the creditor dividend will be less than 50c/Rand, Mashwayi undertakes to increase the Committed Tonnage in order to account for the short fall; and
- 10.2.7.5 In addition to the coal rectification agreement and subject to an assessment as to whether there will be a violation of the pre-implementation prohibition in terms of the Competition Act, Mashwayi proposes that an interim-joint management agreement between the Company and Mashwayi is concluded in order to regulate and manage the affairs of the Company during the Interim Period so as to ensure the proper upkeep of the assets.
- 10.2.7.6 The interim arrangement will also include contract mining agreement in terms of which Mashwayi will be contracted to undertake opencast and underground mining.
- 10.2.7.7 The high-level terms of the interim-management agreement will be inter alia the following:
 - 10.2.7.7.1 Mashwayi will fund the operations of the Company including all running costs. In the event that the proposed transaction fails for any reason whatsoever, the funds disbursed will be converted to PCF;
 - 10.7.2.7.7.2 Mashwayi will assume all treasury and procurement functions;
 - 10.7.2.7.7.3 certain reserved matters will require the approval of Mashwayi before being actioned or implemented;
 - 10.7.2.7.7.4 Mashwayi shall be granted extensive information and access rights in relation to the Company and its business;
 - 10.7.2.7.7.5 Mashwayi and the BRP will discuss measures to cut or reduce costs including suspension of contracts;
 - 10.7.2.7.7.6 Mashwayi will enter into negotiations with the Company and Eskom in order to secure access

to the land where operations will be conducted which is owned by Eskom. Mashwayi is amenable to paying any reasonable deposit required by Eskom with the aim of purchasing the land outright on completion of the proposed transaction.

10.7.2.7.7.7 Mashwayi and the Company will share the revenue generated from opencast and underground mining at 10 Shaft on a 70/30 split in favour of Mashwayi;

10.7.2.7.7.8 Mashwayi and the BRP to agree on management fee to be paid to Mashwayi; and

10.7.2.7.7.9 any revenue generated by the Company will be paid into an account nominated by Mashwayi acting as paymaster.

10.3 Offer C – NG Global Offer

10.3.1 The third binding offer received by the BRP is from NG Global Consortium, which is made up of the NG Global Energy Solutions Proprietary Limited and Strategic Partners. If successful, NG Global Consortium (“**NG Global**”) will incorporate 2 (two) new private entities, namely, a bidding company for purposes of entering into definitive transaction documents in relation to the proposed transaction (“**BidCo**” or “**NG Global Consortium HoldCo**”); and an operating company, which will be the subsidiary of the NG Global Consortium HoldCo, for purposes of undertaking the transferring of assets and certain liabilities from the Company (“**NG Global Consortium Opco**”).

10.3.2 In terms of the binding offer from NG Global, it will through BidCo or NG Global Consortium HoldCo acquire the assets and certain liabilities of the Company as a going concern for **R317 824 677.66-00 (three hundred and seventeen million eight hundred and twenty-four thousand six hundred and seventy-seven Rand and sixty cents)**~~three hundred and seventeen million Rand~~ (“**NG Global Offer**”), which inter alia includes the following:

10.3.2.1 Employees;

10.3.2.2 Mining Right;

10.3.2.3 Water Use License;

10.3.2.4 All movable and immovable assets;

10.3.2.5 Rail and port allocation through quattrro;

10.3.2.6 Rehabilitation trust including Eskom’s obligation under settlement agreement; and

10.3.2.7 Eskom Coal Supply Agreement.

- 10.3.3 NG Global is committed to involving the Affected Employees Trust in the ownership of NG Global Consortium HoldCo by issuing 20% shares to the Affected Employees Trust, thereby ensuring that the former employees of Exxaro share in the benefits derived from these resources.
- 10.3.4 The purchase consideration of ~~R317 000 000.00 (three hundred and seventeen million Rand)~~ R317 824 677.66 (three hundred and seventeen million eight hundred and twenty-four thousand six hundred and seventy-seven Rand and sixty cents) will be applied towards the following:
- 10.3.4.1 Settlement of creditors pre-commencement claims; and
 - 10.3.4.2 Settlement of creditors post-commencement claims
- 10.3.5 In terms of the NG Global offer, **R250 000 000.00 (two hundred and fifty million Rand)** of the purchase consideration will be used to settle creditors pre-commencement claims. Based on the current estimated creditors pre-commencement claims, NG Global is of the view that creditors will each receive a dividend of 75c in Rand towards pre-commencement claims.
- 10.3.6 The **R250 000 000.00 (two hundred and fifty million Rand)** to settle creditors pre-commencement claims will be paid as follows:
- 10.3.6.1 **R150 000 000.00 (one hundred and fifty million Rand)** payable on fulfilment of all condition precedents including section 11 Ministerial approval;
 - 10.3.6.2 **R50 000 000.00 (fifty million Rand)** payable on the 1st anniversary from the date that all condition precedents are fulfilled and the section 11 Ministerial approval is granted; and
 - 10.3.6.3 **R50 000 000.00 (fifty million Rand)** payable on the 2nd anniversary from the date that all condition precedents are fulfilled and the section 11 Ministerial approval is granted.
- 10.3.7 All creditors pre-commencement claim amounts will be deposited into a bank account nominated and managed by the BRP. In addition, a bank guarantee will be provided in respect of 2 (two) **R50 000 000.00 (fifty million Rand)** payment tranches.
- 10.3.8 **R67 824 677.66 (sixty-seven million eight hundred and twenty-four thousand six hundred and seventy-seven Rand)** of the purchase consideration will be used to settle the creditors post-commencement claims. This amount is capped at R67 824 677.66 (sixty-seven million eight hundred and twenty-four thousand six hundred and seventy-seven Rand) and is based on the post-commencement claims as at 31 May 2023.
- 10.3.9 The creditors post-commencement claims will be settled in 10 (ten) instalments commencing from the 1st anniversary of the fulfilment of all conditions precedent including section 11 Ministerial approval. This payment plan will be accelerated through ramp-up production.
- 10.3.10 In terms of the proposed binding offer from NG Global, it will provide post-commencement funding in the amount of **R80 000 000.00 (eighty million**

Rand). The PCF amount ~~is not repayable will accrue interest at prime plus 3% per annum and is repayable over 60 (sixty months) with a 6 (six) month capital payment holiday. It will only be repayable in the event that the proposed transaction fails for any reason whatsoever. The PCF is to be secured by cession of debtors, inventory and capital equipment.~~

10.3.11 The PCF amount will be split as follows:

10.3.11.1 **R50 000 000.00 (fifty million Rand)** will be used to fund the re-establishment of 10 shaft in order to unlock about 10 million tonnes of coal and deploy additional continuous miner section for underground production ramp-up.

10.3.11.2 **R30 000 000.00 (thirty million Rand)** trade finance facility to assist the Company with working capital requirement through realised margin i.e., the facility is intended to facilitate coal buy-ins and coal sales at a profit margin. It is envisaged that the Company will be able to purchase coal c 30 000 (thirty thousand) tons per month and make a profit margin of R70.00 to R80.00 per ton.

10.3.12 The PCF in respect of the 10 Shaft re-establishment will be available on a drawdown basis within 14 days from the adoption of the Plan by creditors. The funds will be paid into an escrow account between NG Global and the Company.

10.3.13 Pending the section 11 Ministerial approval and the fulfilment of all the condition precedents, NG Global proposes that an interim joint management committee be established for the operational and financial management of the affairs of the business as well as to oversee the execution of 10 shaft re-establishment.

10.3.14 NG Global intends to retain the services of the current mining contractor as the underground contractor for the 10 Shaft.

10.3.15 In addition, NG Global will supply 40 000 (forty thousand) tonnes of coal per month to the Company in order to provide coal rectification to Eskom at a delivered price of R570.00 per ton. As a result of the coal rectification process, the Company is likely to generate a profit margin of ±R60 per ton. This forms part of the R30,000,000 (thirty million Rand) trade facility referred to in 9.3.14 above.

10.4 Offer D – Cometa Offer

10.4.1 The fourth binding offer received by the BRP is from Cometa Assets Proprietary Limited (“**Cometa**”). In terms of the proposed offer, Cometa will acquire the material assets of the Company for **R290 071 084.00 (two hundred and ninety million and seventy-one thousand and eight four Rand)**. The purchase consideration is payable in cash, on a cash-free and debt-free basis. The purchase consideration was based on the latest disclosed PCF Creditors claim and will increase based on the updated balance to the end of July.

- 10.4.2 The offer (“**Cometa Offer**”) is to purchase all the material assets from the Company that are required to operate the mine as a going concern, which inter alia includes:
- 10.4.2.1 The equipment, infrastructure and other moveable assets owned by the Company and being capable of transfer;
 - 10.4.2.2 Outstanding inventory and trade receivables (as varied only in the ordinary course of business);
 - 10.4.2.3 Immovable properties;
 - 10.4.2.4 Rehabilitation guarantees (rehabilitation funds in Trust Accounts);
 - 10.4.2.5 The converted Mining Right;
 - 10.4.2.6 All legislative and regulatory approvals, and
 - 10.4.2.7 The Eskom Coal Supply Agreement.
- 10.4.3 Cometa will form a newly incorporated entity, the Cometa Arnot Acquisition Company (“**the Cometa Arnot Acquisition Co**”), for the purposes of the proposed transaction. The Cometa Arnot Acquisition Co together with the Arnot Affected Employees Trust, and a new trust for the benefit of the current Arnot employees not represented by the former (“**the Arnot Current Employees Trust**”), will incorporate a new holding company (“**the Arnot NewCo**”) to own 100% of the Arnot Assets. The Arnot NewCo will have leading empowerment credentials.
- 10.4.4 Cometa will agree a new shareholding structure of up to 25% in the Arnot NewCo for the Arnot Affected Employees Trust and the new Arnot Current Employees Trust. Together, they will receive a combined shareholding equivalent of up to 25% including 2 (two) representatives on the board of Arnot NewCo.
- 10.4.5 The Arnot NewCo has engaged Nu Gen, a management company to operate the Arnot Assets should the proposed transaction proceed. The plan is for Arnot NewCo to immediately expand underground operations into 10 Shaft as well as purchase the Eskom owned land situated at Mooifontein to access the opencast opportunities at Pit 1A and Pit 2A. The Arnot NewCo will firstly supply the Eskom Coal Supply Agreement from Pit 1A, 10 and 11 Shaft and supply coal from an Eskom approved Cometa asset within close proximity in order to supplement production during ramp-up and rectification period.
- 10.4.6 Cometa operates an Eskom approved asset within 50km of the Arnot Coal Mine which is currently supplying in-specification coal to the Camden Power Station. Production at the approved asset is sufficient to begin immediate rectification supply to supplement current production while 10 Shaft and pit 1A ramp up to steady-state. Cometa is ready to immediately supply coal to the Company subject to agreeing a delivery schedule and price negotiations.

- 10.4.7 Cometa has already engaged with prospective opencast miners which include both JCI Mining and Concor Mining Services who have provided letters of support.
- 10.4.8 The Arnot NewCo will continue mining the extended 11 Shaft and immediately prepare to recommission 10 Shaft for full production.
- 10.4.9 The proposed transaction is subject to the following suspensive conditions:
 - 10.4.9.1 Obtaining all applicable authorisations and regulatory approvals for the legal transfer of the Arnot Assets to Arnot NewCo;
 - 10.4.9.2 Obtaining Eskom's consent for the cession of the Eskom CSA to Arnot NewCo and waiver by Eskom of its rights to terminate the Eskom CSA, and to claim penalties and/or damages as a result of the historic breaches by the Company under the Eskom CSA;
 - 10.4.9.3 The acquisition by Arnot NewCo of portions 1, 7 and the remainder of the farm known as Mooifontein 448 including the transfer of servitudes or right of use ancillary thereto, from Eskom, and any other land or right of use thereof necessary to access the opencast areas;
 - 10.4.9.4 The execution of the shareholders agreement between the proposed trusts and the Cometa Arnot AcquisitionCo in respect of their shareholding in Arnot NewCo;
 - 10.4.9.5 Transferring the funds currently held in a trust account for rehabilitation obligations of the Company to a new trust structure with the beneficial ownership held by Arnot NewCo for the rehabilitation obligations of Arnot NewCo in respect of the Arnot Coal Mine; and
 - 10.4.9.6 The execution of market standard long-form agreements for transactions of this nature.
- 10.4.10 Cometa is exploring mechanisms to allow for payment to creditors pre-finalisation of the suspensive conditions provided that sufficient security is provided.
- 10.4.11 The Cometa Arnot AcquisitionCo will place up to **R72 517 771.00 (seventy-two million five hundred and seventeen seven hundred and seventy-one Rand)**, being 25% of the purchase consideration, in an interest bearing escrow deposit account as security for the proposed transaction upon signature of the long-form agreements.
- 10.4.12 Cometa is prepared to negotiate a market related break fee that is payable to the Company that will be detailed in the long-form agreements.
- 10.4.13 In addition, Cometa will make the following investment when acquiring the Arnot Assets and will provide a working capital facility in the transition period:
 - 10.4.13.1 Mooifontein land purchase – R50 600 000.00

10.4.13.2 Working capital injection (transition period) – R50 000 000.00

10.4.13.3 Capital expenditure planned – R201 459 461.00

10.4.14 With regard to the working capital facility, Cometa is prepared to agree a form of working capital finance for the Company in the transition period between signing of the long-form agreements and the finalisation of the suspensive conditions. Such financing can be extended by way of a working capital facility, in-specification coal sold to the Company Delivered at Place on preferential payment terms to align to Eskom payment dates, or purchasing coal on Free on Truck on preferential payment terms. Such working capital financing will be secured against the Eskom receivable. The primary option is to supply coal via the rectification order on preferential payment terms to the Company such that Cometa effectively funds the rectification supply and the Company achieves an appropriate margin.

10.4.15 In order to ensure a smooth transition following the interim period between signing of and closing of the proposed transaction, and as a condition to the working capital financing (as described above), Cometa will assume joint management control of the Company alongside the BRP in a form so as to not trigger a change of control.

10.4.16 The binding offer is not subject to any further diligence by Cometa, has received all required internal approvals and Cometa is ready to conclude the long-form agreements swiftly.

Creditors of Arnot Opco hereby resolve that:

11 Resolution 1

11.1 The offer by Ndalamo is approved by the creditors.

11.2 The BRP may implement the offer by Ndalamo and conclude the necessary agreements and other transactional documents to give effect to the Transaction.

12 Resolution 2

12.1 The offer by Mashwayi is approved by the creditors.

12.2 The BRP may implement the offer by Mashwayi and conclude the necessary agreements and other transactional documents to give effect to the Transaction.

13 Resolution 3

13.1 The offer by NG Global is approved by the creditors.

13.2 The BRP may implement the offer by NG Global and conclude the necessary agreements and other transactional documents to give effect to the Transaction.

14 Resolution 4

- 14.1 The offer by Cometa is approved by creditors.
- 14.2 The BRP may implement the offer by Cometa and conclude the necessary agreements and other transactional documents to give effect to the Transaction.