

Dear Nic

I refer to our meeting held at Stellenbosch on the 30th and 31st of March 2017 and confirm as follows:

The 800 contracts for settlement due for signing on 30th and 31st March 2017 were tendered to you, Mr Nic Georgiou, to be signed at Stellenbosch, as agreed with you.

You attended the meeting but however declined to sign the agreements and indicated that you soon want to make a more favourable offer than the current one on the table, to enable you to settle the HSAG Action group as a whole and not only a portion thereof. You said that you cannot find finances from the banks due to the class action and therefore need to settle the whole class action.

Nic, during our negotiations last week you asked me to simply explain on a piece of paper the dynamics of the class action and financial effect if you don't settle sooner rather than later. I quickly showed you that, if you don't honour your current offer of contribution to cost and a further R2 000 is requested from our 6 688 members it will cost you an additional R13,376 million. If our 6 688 paid their registration and legal costs and you must also pay the negotiation cost, and therefore you must budget to repay the investors R25 million. You offered a 1% brokerage fee which means R25 million. All in all, it means that you must weigh up the current litigation and negative impact together with penalty interest payments and excessive security requirements of banks against the ability to settle the disputes amicably over an agreed and acceptable period. We insisted on repayment of 65% capital on the same terms and conditions as the current offer with two further payments of 7.5% respectively, the first one 48 months and the second one 60 months after date of signature of the contract. You indicated that, taking the above and all circumstances into consideration, you will positively consider two further payments of 5%, totalling 60% of capital.

The HSAG would like to emphasize the urgency of the matter and therefore urge you to make the offer by not later than 20th April 2017.

We would also like, once again, to list the following requirements which should form part of the offer.

- (i) The offer should be made an order of court by the attorneys, Theron and Partners.
- (ii) Yourself, as a fully authorized representative of all the respondents, will agree to the certification of the class action in the High Court of South Africa.
- (iii) All other requirements, as set out in the original agreements, regarding legal fees and or relating to fees and disbursements pertaining the negotiations, drafting and conclusion of this agreement, whether legal or otherwise, shall be paid by yourself / Orthotouch / cessionary on demand by the attorneys, Theron and Partners.
- (iv) The cessionary irrevocably consents that the cedent's attorney may sign the agreement for and on behalf of the cedent / HSAG member.
- (v) Notwithstanding the date of signature of the contract, the first pay-out shall be made on / before 31st May 2017.

We await your offer.

Johan Stander
HSAG