# Good day,

We have reviewed the draft agreement and our findings are:

Overall, the agreement places huge administrative burden on Axxent Capital for her lean structure, introduces complexities into the proposed arrangement and is ambiguous about who is in charge of managing the investments.

Details of contentious issues:

1. Provision 1.1 - "Joint account to be operated in the name of Axxent and trustees"; Does it mean joint signatories? How will this be managed with distance and electronic bank transfer platforms?

This will likely be a cumbersome arrangement. We believe relationship between Meristem Trustee and Meristem Securities or Meristem Wealth who will provide trading and other execution platforms such suffice to maintain control by the Trustees, especially once we sign an undated sales mandate (to protect the trustees).

2. Provision 1.2 - Trades to be "executed through a licensed fund/asset management company as approved by the trusteee": appointing fund manager is not the prerogative of the Trustee. Similarly, execution through a licensed fund/asset management is ambiguous. Does that preclude Axxent Capital from execution? Axxent Capital will retain execution and only cede that to possibly a broker and that will be at Axxent Capital (ACL)'s discretion. For instance, ACL should be free to directly execute on platforms (of say registered brokers etc). Provision 1.2 and 1.6 seem to contradict/ are unclear.

3. Provision 1.6 - Joint execution of withdrawals not likely to be workable. While we understand the reason for this, it will slow down prompt disbursement of funds to investors. Alternative arrangement that serves same control purpose needs to be come up with.

4. Provision 1.11 - Places administrative burden on Axxent. If the investment accounts are in joint names, the Trustees should be able to request valuation straight from broker or Asset manager and keeping ACL in copy of such requests.

5. Provision 1.13 - Unrestricted Access to the books , accounts etc of Axxent can only be possible if and only if it relates to the Trusteeship arrangement.

6. Nothing covers surplus investment over and above the liability exposure of ACL. Such belongs to ACL/ACL shareholders. Also, nothing precludes ACL from having a portion of proprietary funds in the nominee account with the Trustee.

7. Termination of the agreement should be possible within one month, by giving one month notice to the Trustee.

Other observations in due course will be made available to you through this channel.

Many thanks,

Obafemi Bamidele, CFA