

PRE-LISTING STATEMENT

The definitions and interpretations commencing on page 6 of this Pre-listing Statement apply to this cover page.

This Pre-listing Statement is prepared and issued in terms of the Listings Requirements. This Pre-listing Statement is not an invitation to the public to subscribe for securities, but is issued in compliance with the JSE Listings Requirements, for the purpose of providing information to the public with regard to the Company. This Pre-listing Statement does not constitute, envisage or represent an offer to the public, as envisaged in the Companies Act, nor does it constitute a prospectus registered in terms of the Companies Act.

This Pre-listing Statement is issued in connection with:

- a private placement to raise a minimum of R500 000 000 by way of an offer for subscription to Invited Investors for at least 50 000 000 Private Placement Shares in the Company, at the Issue Price of R10 per Private Placement Share; and
- the subsequent listing of all the Shares of the Company on the main board of the JSE.

2015

Opening Date of the Private Placement at 09:00 on	Wednesday, 4 November
Closing Date of the Private Placement at 12:00* on	Friday, 6 November
Results of the Private Placement released on SENS on	Monday, 9 November
Results of the Private Placement published in the press on	Tuesday, 10 November
Listing of Shares on the JSE expected at commencement of trade on	Thursday, 12 November

* *Invited Investors must advise their CSDP or Broker of their acceptance of the Private Placement Shares in the manner and cut-off time stipulated by their CSDP or Broker.*

The offer, in the form of the Private Placement, is being made to Invited Investors only and will comprise a minimum of 50 000 000 Private Placement Shares at the Issue Price.

This Pre-listing Statement is not an invitation to the public to subscribe for Shares in the Company. Only persons who fall within any of the categories envisaged in section 96(1)(a) of the Companies Act or who subscribe for a minimum amount of R1 000 000 per single addressee acting as principal as contemplated in section 96(1)(b) of the Companies Act, are entitled to participate in the Private Placement.

Immediately prior to the Private Placement and the Listing:

- the authorised share capital of the Company comprised 6 000 000 000 ordinary shares of no par value;
- the issued share capital of the Company comprised 1 000 ordinary shares of no par value; and
- the Company had no treasury shares in issue.

Assuming that a minimum of 50 000 000 Private Placement Shares are issued in terms of the Private Placement, immediately after the Private Placement and the Listing:

- the authorised share capital of the Company will comprise 6 000 000 000 ordinary shares of no par value;
- the issued share capital of the Company will comprise 50 001 000 ordinary shares of no par value; and
- the Company will have no treasury shares in issue.

Upon Listing on the JSE, assuming that a minimum of 50 000 000 Private Placement Shares are issued in terms of the Private Placement, the anticipated market capitalisation of the Company should be approximately R500 000 000.

On Listing and thereafter, all Shares in issue will rank *pari passu* in respect of all rights. There are no convertibility or redemption provisions relating to any of the Private Placement Shares offered in terms of the Private Placement. The Private Placement Shares will only be issued in dematerialised form. No certificated Private Placement Shares will be issued. There will be no fractions of Private Placement Shares offered or issued in terms of the Private Placement. The Private Placement will not be underwritten.

The Listing is conditional upon Gaia raising a minimum amount of R500 000 000 in terms of the Private Placement and the Company meeting the spread requirements of the JSE. The proceeds of the Private Placement will be used by Gaia to acquire Viable Assets.

Subject to Gaia raising the aforementioned minimum amount and meeting the spread requirements of the JSE, the JSE has granted Gaia a listing as a SPAC on the main board of the JSE of a minimum of 50 001 000 Shares under the abbreviated name: "Gaia", JSE share code: GAI and ISIN: ZAE000210555, with effect from the commencement of trade on Thursday, 12 November 2015.

The Directors, whose names are set out in paragraph 6.1.1 of this Pre-listing Statement, collectively and individually accept full responsibility for the accuracy of the information contained in this Pre-listing Statement which relates to Gaia and, in this regard, certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Pre-listing Statement contains all information required by the JSE Listings Requirements.

The Auditors and Independent Reporting Accountants and each of the experts, whose names appear in the "Corporate Information" section of this Pre-listing Statement, have given and have not, prior to the formal approval of this Pre-listing Statement by the JSE, withdrawn their written consents to the inclusion of their names, and acting in the capacities stated and, where applicable, to their reports, being included in this Pre-listing Statement.

An abridged version of this Pre-listing Statement will be released on SENS on Monday, 2 November 2015 and published in the press on Tuesday, 3 November 2015.

 PSG CAPITAL Transaction Advisor, Sponsor and Bookrunner	 KPMG Auditors and Independent Reporting Accountants	 enS AFRICA Attorneys
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Date of issue Monday, 2 November 2015

Copies of this Pre-listing Statement are available in English only and may, from Monday, 2 November 2015 be obtained from the registered office of Gaia and from PSG Capital, during normal business hours at the addresses set out in the "Corporate Information" section of this Pre-listing Statement. A copy of this Pre-listing Statement will also be available on Gaia's website (www.gaiainfrastructure.com).

CORPORATE INFORMATION

Directors

JR Oliphant (Managing Director)
MM Nieuwoudt (Executive Director)
T Soudien-Witten (Financial Director)
L de Wit (Chairman)*
PB Schabort*
C Ferreira*
RB Makhubela**
KP Lebina (Lead Independent Director)**
N Kimber**
KE Mbalo**
* *Non-executive*
Independent

Company secretary and registered office

Exceed (Cape Town) Inc.
(Registration number 2000/011257/21)

2nd Floor, Oakdale House
The Oval
1 Oakdale Road
Claremont, 7700
(PO Box 44721, Claremont, 7735)

Date of incorporation of Gaia

16 April 2015

Place of incorporation of Gaia

South Africa

Auditors and Independent Reporting Accountants

KPMG Inc.
(Registration number 1999/021543/21)
MSC House, 1 Mediterranean Street
Cape Town City Centre
Cape Town, 8001
(PO Box 4609, Cape Town, 8000)

Transaction Advisor, Sponsor and Bookrunner

PSG Capital Proprietary Limited
(Registration number 2006/015817/07)
1st Floor, Ou Kollege
35 Kerk Street
Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7599)

and

1st Floor, Building 8
Inanda Greens Business Park
54 Wierda Road West
Wierda Valley
Sandton, 2196
(PO Box 650957, Benmore, 2010)

Transfer secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Bankers

FirstRand Bank Limited
(Registration number 1929/001225/06)
25th Floor, Portside Building
5 Buitengracht Street
Cape Town, 8001
(PO Box 695, Cape Town, 8000)

Attorneys

Edward Nathan Sonnenbergs Incorporated
(Registration number 2006/018200/21)
La Gratitude
97 Dorp Street
Stellenbosch
7600
(PO Box 940, Stellenbosch, 7599)

IMPORTANT LEGAL NOTES

This Pre-listing Statement is not an invitation to the public to subscribe for securities, but is issued in compliance with the JSE Listings Requirements, for the purpose of providing information to the public with regard to the Company. This Pre-listing Statement does not constitute, envisage or represent an offer to the public, as envisaged in the Companies Act, nor does it constitute a prospectus registered in terms of the Companies Act.

FORWARD-LOOKING STATEMENT DISCLAIMER

This Pre-listing Statement includes statements about Gaia that are, or may be deemed to be forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words such as “targets”, “believe”, “aim”, “expect”, “project”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “will”, “estimated”, “potential” or similar words and phrases.

Examples of forward-looking statements include statements regarding a future financial position or future profits, cash flows, corporate strategy, estimates of capital expenditures, acquisition strategy, or future capital expenditure levels, and other economic factors, such as, amongst other things, interest and exchange rates and public sector spend and resource allocation.

By their nature, forward-looking statements involve known and unknown uncertainties, assumptions and other important factors, because they relate to events and depend on circumstances that may or may not occur in the future, whether or not outside of the control of Gaia. Such factors may cause Gaia’s actual results, financial and operating conditions, liquidity and the developments within the industry in which Gaia operates to differ materially from those made in, or suggested by, the forward-looking statements contained in this Pre-listing Statement. Gaia cautions that forward-looking statements are not guarantees of future performance.

All these forward-looking statements are based on estimates and assumptions made by Gaia, all of which estimates and assumptions, although Gaia believes them to be reasonable, are inherently uncertain. Accordingly, no assurance can be given that any such forward-looking statements will prove to have been correct. Any forward-looking statement made in this Pre-listing Statement or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of Gaia not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement is not known. Gaia has no duty to, and does not intend to, update or revise the forward-looking statements contained in this Pre-listing Statement after the date of this Pre-listing Statement, except as may be required by law or regulation.

OFFER IN SOUTH AFRICA ONLY

This Pre-listing Statement has been issued in connection with the Private Placement in South Africa only and is addressed only to Invited Investors to whom the Private Placement may lawfully be made. The distribution of this Pre-listing Statement and the making of an offer by means of the Private Placement may be restricted by law. Persons into whose possession this Pre-listing Statement comes must inform themselves about and observe any and all such restrictions. This Pre-listing Statement does not constitute an offer of or invitation to subscribe for and/or purchase any Shares in any jurisdiction in which the offer would be unlawful.

The release, publication or distribution of this Pre-listing Statement in certain jurisdictions other than South Africa may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than South Africa should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities laws of any such jurisdiction. It is the responsibility of the non-resident Shareholder to satisfy himself or herself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with this Pre-listing Statement.

Any Shareholder who is in doubt as to his position, including, without limitation, his tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

CONTENTS

The definitions commencing on page 6 of this Pre-listing Statement apply to this table of contents.

	Page		Page
Corporate information	2	Section four – Additional material information	
Important legal notes	3	28. Promoters' and other interests	34
Salient dates	5	29. Government protection and investment encouragement law	34
Definitions and interpretation	6	30. Exchange control	34
		31. Litigation	34
PRE-LISTING STATEMENT		32. Material contracts	34
Section one – Information on Gaia		33. Experts' consents	34
1. Introduction	10	34. Responsibility statement	35
2. Investment opportunity	10	35. King Code and corporate governance	35
3. Information relating to Gaia	17	36. Documents available for inspection	35
4. Prospects	19	Annexure 1	
5. Management of Gaia	19	Report of historical financial information of Gaia	36
6. Directors	20	Annexure 2	
7. The Manager	24	Accounting policies of the Gaia Group going forward	38
8. Share capital	25	Annexure 3	
		Independent Reporting Accountants' report on the historical financial information of Gaia	42
Section two – Details of the Private Placement		Annexure 4	
9. Purpose of the Private Placement and the Listing	28	<i>Pro forma</i> statement of financial position of Gaia as at 16 April 2015	43
10. Particulars of the Private Placement	28	Annexure 5	
11. Minimum subscription	30	Independent Reporting Accountants' Report on the <i>Pro forma</i> statement of financial position of Gaia	44
12. Listing on the JSE	30	Annexure 6	
		Relevant provisions of the Memorandum of Incorporation of Gaia and the memorandum of incorporation of Gaia Financial Services	46
Section three – Financial information		Annexure 7	
13. Private Placement and Listing costs	31	Relevant provisions of the Management Agreement	52
14. Estimated operating expenses	31	Annexure 8	
15. Borrowings and loans receivable	31	Director and senior management profiles	55
16. Amounts paid to promoters, brokerages and commissions	32	Annexure 9	
17. Escrow account	32	Other directorships	58
18. Working capital	32	Annexure 10	
19. Historical financial information of Gaia	32	King Code and corporate governance	61
20. Pro forma financial information of Gaia	33	Specimen private placement Application Form (blue)	71
21. Material changes	33		
22. Material commitments, lease payments and contingent liabilities	33		
23. Loans to Directors or managers	33		
24. Principal immovable property owned and leased	33		
25. Intercompany financial and other transactions	33		
26. Material acquisitions	33		
27. Property disposed of or to be disposed of	33		

SALIENT DATES

The definitions and interpretations commencing on page 6 of this Pre-listing Statement apply to this salient dates section.

	2015 ¹
Abridged Pre-listing Statement published on SENS on	Monday, 2 November
Pre-listing Statement distributed on	Monday, 2 November
Abridged Pre-listing Statement published in the press on	Tuesday, 3 November
Opening Date of the Private Placement at 09:00 on	Wednesday, 4 November
Closing Date of the Private Placement at 12:00 ² on	Friday, 6 November
Results of the Private Placement published on SENS on	Monday, 9 November
Results of the Private Placement published in the press on	Tuesday, 10 November
Notification of allotments to successful Invited Investors by	Tuesday, 10 November
Listing of Shares on the JSE expected at commencement of trade on	Thursday, 12 November
Accounts at CSDPs/Brokers updated in respect of Dematerialised Shareholders on ³	Thursday, 12 November

Notes:

- 1. All references to dates and times are to local dates and times in South Africa. These dates and times are subject to amendment. Any such amendment will be released on SENS.*
- 2. Invited Investors must advise their CSDP or Broker of their acceptance of the Private Placement in the manner and cut-off time stipulated by their CSDP or Broker.*
- 3. CSDPs effect payment on a delivery-versus-payment basis.*

DEFINITIONS AND INTERPRETATION

In this Pre-listing Statement and annexures hereto, unless the context indicates otherwise, a word or an expression which denotes any gender includes the other genders, a natural person includes a juristic person and vice versa, the singular includes the plural and *vice versa* and the following words and expressions bear the meanings assigned to them below:

“Application Form”	the application form to be used by Invited Investors for purposes of subscribing for Private Placement Shares in terms of the Private Placement, a specimen of which is attached to this Pre-listing Statement (<i>blue</i>) and which will be made available to Invited Investors;
“Auditors” and “Independent Reporting Accountants”	KPMG Inc., chartered accountants (SA) (Registration number 1999/021543/21), a company incorporated under the laws of South Africa being the auditors and independent reporting accountants of Gaia;
“Basel III”	the International Framework for Liquidity Risk Measurement, Standards and Monitoring published by the Basel Committee on Banking Supervision;
“Board” or “Directors”	the board of directors of Gaia at the Last Practicable Date;
“Broker”	a “stockbroker” as defined in the Financial Markets Act, or its nominee;
“Business Day”	a day which is not a Saturday, Sunday or official public holiday in South Africa;
“Code for Responsible Investing in South Africa”	the code issued by the Committee on Responsible Investing by Institutional Investors in South Africa in February 2012, a forum formed by stakeholder members of the Institute of Directors in Southern Africa, giving guidance on how institutional investors should execute investment analysis and investment activities and exercise rights so as to promote good corporate governance;
“CIPC”	the Companies and Intellectual Property Commission established by section 185 of the Companies Act;
“Common Monetary Area”	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“Companies Act”	Companies Act, No. 71 of 2008, as amended from time to time;
“CPI”	means the Consumer Price Index for all urban areas published by Statistics South Africa from time to time;
“CSDP”	a Central Securities Depository Participant, accepted as a participant in terms of the Financial Markets Act, with whom a Shareholder holds a dematerialised share account;
“Custody Agreement”	a custody mandate agreement between a person and a CSDP or Broker, regulating their relationship in respect of Dematerialised Shares held on Gaia’s uncertificated securities register and administered by a CSDP or Broker on behalf of that person;
“Dematerialised Shareholders”	Shareholders who hold Dematerialised Shares;
“Dematerialised Shares”	Shares which have been incorporated into the Strate system and which are no longer evidenced by certificates or other physical Documents of Title;
“Documents of Title”	share certificates, certified transfer deeds, balance receipts or any other physical documents of title pertaining to the Shares in question, acceptable to the Board;
“ENS”	Edward Nathan Sonnenbergs Incorporated (Registration number 2006/018200/21), a personal liability company incorporated under the laws of South Africa;
“Escrow Agent”	ENS, the attorneys of the Company;
“Escrow Agreement”	the escrow agreement entered into between the Escrow Agent and the Company on or about October 2015, as amended from time to time, which governs, <i>inter alia</i> , the terms on which the capital raised by the Company in terms of the Private Placement is held in escrow and invested in either (i) investment grade bonds (being debt securities with a rating of “BBB” or above as rated by Standard and Poor’s Corporation or an equivalent rating by any similar institution); or (ii) bank deposits with a recognised bank, by the Escrow Agent, and the terms of the release of such capital which is to be utilised to cover the Company’s operating expenses, acquire Viable Assets and/or be distributed to Shareholders, as envisaged in the JSE Listings Requirements;

"Eskom"	Eskom Holdings SOC Limited (Registration number 2002/015527/06), a public company incorporated under the laws of South Africa;
"Exchange Control Regulations"	the Exchange Control Regulations, 1961, as amended from time to time, issued in terms of section 9 of the Currency and Exchanges Act, No. 9 of 1933, as amended from time to time;
"Financial Markets Act"	the Financial Markets Act, No. 19 of 2012, as amended from time to time;
"Founders"	the founders of Gaia Infrastructure Partners, being PB Schabert and L de Wit;
"Gaia" or "the Company"	Gaia Infrastructure Capital Limited (Registration number 2015/115237/06), a public company incorporated under the laws of South Africa (previously Gaia Capital Proprietary Limited) which was converted from a private company to a public company on 14 September 2015;
"Gaia Financial Services"	Gaia Financial Services Proprietary Limited (Registration number 2015/212709/07), a private company incorporated under the laws of South Africa on 22 July 2015, being a wholly-owned subsidiary of Gaia with 1 000 ordinary no par value shares in issue and which was acquired as a shelf company by Gaia on 4 August 2015;
"Gaia Group"	Gaia and its wholly-owned subsidiary, Gaia Financial Services;
"Gaia Infrastructure Partners"	Gaia Infrastructure Partners Proprietary Limited (Registration number 2012/093632/07), a private company incorporated under the laws of South Africa (previously Gaia Energy Proprietary Limited);
"GDP"	gross domestic product;
"Government"	the national government of South Africa;
"Green Fields"	a plant, production facility or asset that is in the development or construction phase and has not yet reached commercial operation;
"IFRS"	International Financial Reporting Standards;
"Income Tax Act"	the Income Tax Act, No. 58 of 1962, as amended from time to time;
"Invited Investors"	a limited number of specifically selected and invited investors in South Africa to whom the Private Placement was addressed and which Private Placement is only capable of acceptance by such invitation;
"Issue Price"	the price at which the Private Placement Shares will be issued by Gaia pursuant to the Private Placement, being R10 per Private Placement Share;
"JSE"	JSE Limited (Registration number 2005/022939/06), licensed as an exchange under the Financial Markets Act, and a public company incorporated under the laws of South Africa;
"JSE Listings Requirements"	the Listings Requirements of the JSE, as amended from time to time;
"King Code"	the King Report on Corporate Governance for South Africa, as amended or replaced from time to time;
"Last Practicable Date"	the last practicable date prior to the finalisation of this Pre-listing Statement, being Tuesday, 20 October 2015;
"Listing"	the listing of the entire issued ordinary share capital of Gaia as a SPAC on the JSE main board, which listing is expected to occur with the commencement of trade on the Listing Date;
"Listing Date"	the proposed date of the Listing which is expected to be on or about Thursday, 12 November 2015;
"Management Agreement"	the management agreement entered into between Gaia, Gaia Financial Services and the Manager on or about October 2015 in terms of which the Manager provides the Services to Gaia and Gaia Financial Services, details of which are set out in paragraph 7 and Annexure 7 of this Pre-listing Statement;
"Manager"	Gaia Infrastructure Partners;
"Memorandum of Incorporation" or "MOI"	the memorandum of incorporation of Gaia;
"MW"	megawatts;

DEFINITIONS AND INTERPRETATION *(continued)*

“National Infrastructure Plan”	the program adopted by the Government in 2012 that aims to facilitate fast tracked Government-led infrastructure investment in South Africa;
“National Transport Master Plan 2050”	a statutory national plan adopted by the Department of Transport that aims to develop a dynamic, long term and sustainable land use/multi-modal transportation system framework for the development of infrastructure facilities in South Africa;
“NERSA”	the National Energy Regulator of South Africa, a regulatory authority established as a juristic person in terms of section 3 of the National Energy Regulator Act, No. 40 of 2004;
“Pre-listing Statement”	this Pre-listing Statement dated Monday, 2 November 2015, including all annexures hereto;
“Principles for Responsible Investment”	the principles for responsible investment as adopted by a United Nations supported initiative comprised of an international network of investors that aims to achieve sustainable global financial systems through fostering good governance, integrity and accountability;
“Private Placement”	the private placement by the Company to raise a minimum of R500 000 000 by way of an offer to Invited Investors to subscribe for the Private Placement Shares at the Issue Price;
“Private Placement Shares”	a minimum of 50 000 000 Shares to be offered and issued in terms of the Private Placement;
“PSG Capital” or “Transaction Advisor, Sponsor and Bookrunner”	PSG Capital Proprietary Limited (Registration number 2006/015817/07), a private company incorporated under the laws of South Africa;
“Rand” or “R”	South African Rand, the official currency of South Africa;
“Register”	Gaia’s securities register maintained by the Transfer Secretaries, including the relevant sub-registers of the CSDPs administering the sub-registers of Gaia, and the register of disclosures in relation to Gaia;
“REIPPPP”	the Renewable Energy Independent Power Producers Procurement Programme currently managed by the Department of Energy of the Republic of South Africa;
“SENS”	the Stock Exchange News Service of the JSE;
“Services”	means the services to be provided by the Manager in terms of the Management Agreement, details of which are set out in Annexure 7 to this Pre-listing Statement;
“Shareholders”	registered holders of Shares;
“Shares”	ordinary no par value shares in the share capital of Gaia;
“South Africa”	the Republic of South Africa;
“SPAC”	a special purpose acquisition company as envisaged in the JSE Listings Requirements, being a special purpose vehicle established to facilitate the primary capital raising process to enable the acquisition of Viable Assets in pursuit of a listing on the main board of the JSE;
“Strate”	Strate Proprietary Limited (Registration number 1998/022242/07), a private company incorporated under the laws of South Africa, a central securities depository licensed in terms of the Financial Markets Act and responsible for the electronic clearing and settlement system provided to the JSE;
“Transfer Secretaries” or “Computershare”	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a private company incorporated under the laws of South Africa;
“US\$”	United States Dollars, the official currency of the United States of America; and
“Viable Asset/s”	asset/s which meet the investment policy and acquisition criteria set out in paragraph 3.2 of this Pre-listing Statement, which, if acquired, will enable Gaia to qualify for a listing, other than as a SPAC, pursuant to the main board listing criteria of the JSE.



GAIA INFRASTRUCTURE CAPITAL LIMITED
(previously Gaia Capital Proprietary Limited)
(Incorporated in the Republic of South Africa)
(Registration number 2015/115237/06)
(Share Code: GAI, ISIN ZAE000210555)
("Gaia" or "the Company")

DIRECTORS

JR Oliphant (Managing Director)
MM Nieuwoudt (Executive Director)
T Soudien-Witten (Financial Director)
L de Wit (Chairman)*
PB Schabort*

C Ferreira*
RB Makhubela*#
KP Lebina (Lead Independent Director)**
N Kimber**
KE Mbalu**

* *Non-executive*
Independent

PRE-LISTING STATEMENT

SECTION ONE – INFORMATION ON GAIA

1. INTRODUCTION

- 1.1. The Manager, Gaia Infrastructure Partners, was formed and incorporated in Cape Town, South Africa, in 2012, by the Founders for the purpose of facilitating the investment of long-term capital in infrastructure projects in Southern Africa, with an initial focus on the renewable energy sector. The focus has subsequently been broadened to other infrastructure sectors. The Manager intends to introduce Gaia to the public, to facilitate exposure to investments in infrastructure in Southern Africa. The Board is responsible for Gaia's objectives and its business and investment strategies as well as its overall supervision. Gaia has however outsourced the identification and assessment of Viable Assets, as well as the structuring and implementation of the acquisition and potential disposal of Viable Assets (which acquisitions and disposals must be approved by the Company), to the Manager in terms of the Management Agreement. The Manager has extensive expertise and knowledge of and experience in investments in the infrastructure and renewable energy sectors.
- 1.2. The Board intends to list Gaia as a SPAC on the main board of the JSE in order to, *inter alia*, raise capital to invest in its strong pipeline of infrastructure and renewable energy projects.
- 1.3. It is the Directors' intention to pursue, in compliance with the JSE Listings Requirements pertaining to a SPAC, a strategy of investing in Viable Assets in relation to the infrastructure and renewable energy sectors, thereby aligning the interests of the vendors and investors, in pursuit of a listing on the main board of the JSE.
- 1.4. In accordance with its investment policy as stipulated in paragraph 3.3 of this Pre-listing Statement, the Company is targeting investments in Viable Assets with a benchmark gross investment return on initial investments of CPI plus 6% and is targeting a subsequent dividend distribution rate of CPI plus 2,5%. The Company believes the inflation-linkage inherent in the infrastructure sector, and offered by Gaia's investment returns, will be attractive to investors.
- 1.5. In anticipation of the Listing, Gaia intends to raise a minimum of R500 000 000 through the Private Placement. The proceeds of the Private Placement will be used to acquire Viable Assets in pursuance of a listing on the main board of the JSE and in accordance with the Company's investment policy and acquisition criteria.
- 1.6. The purpose of this Pre-listing Statement is to:
 - 1.6.1. provide Invited Investors with relevant information relating to the Gaia Group, the Manager, the Private Placement and the proposed Listing on the JSE;
 - 1.6.2. communicate the strategy and the objectives of Gaia; and
 - 1.6.3. set out the salient details of the Listing and the Private Placement and the procedure for participating therein.

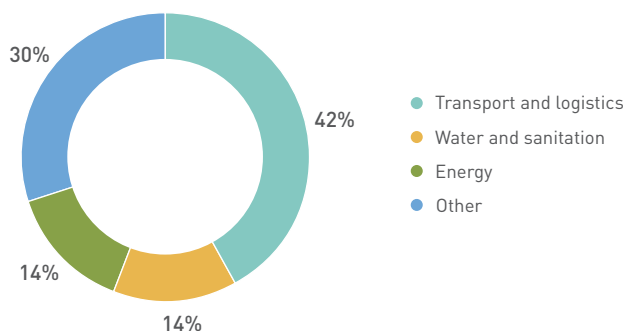
2. INVESTMENT OPPORTUNITY

2.1. South African infrastructure investment

- 2.1.1. South Africa has the most developed economy as well as the second largest GDP in Africa. The country is widely acknowledged to be a key emerging market to act as a "spring board" into Africa. Despite this, South Africa's infrastructure is still significantly lagging and requires vast amounts of funding to catalyse and develop the country's economic and socio-economic potential and objectives.
- 2.1.2. Post 1994, South Africa has seen an increase in the percentage of the population serviced by standing infrastructure. For example, the percentage of households connected to the electricity grid has increased from 77% in 2002 to 86% in 2015 while the percentage of households with access to water and sanitation has increased to 90% and 76%, respectively, from access rates in 2002 of 56,3% and 62,3% respectively (*Source: "General household survey" – Statistics SA; 2014*).
- 2.1.3. Beyond this, the country's infrastructure in general is, in most cases, beyond its economic useful life and has deteriorated significantly. According to the 2013 transportation and logistics industry report published by PricewaterhouseCoopers Incorporated, up to 78% of South African road networks are older than their original 20 year design life and approximately 96% of all exports are conveyed by sea from South Africa's 2 major ports, being Cape Town and Durban. The current "Demand to Capacity" ratios for these ports are estimated at more than 75% in aggregate. Once this ratio of throughput to design capacity rises above the 75% level, ports tend to become congested and thus less efficient in operational performance, necessitating large-scale upgrades. In other words, the volume of goods that are shipped through the port could be substantially more if the port infrastructure were able to accommodate the flow of goods. The strain placed by these significant increases in demand is evident in the current capacity constraints experienced by the country across different infrastructure sub-sectors (*Source: "Handbook on Infrastructure Statistics" – African Development Bank Group; 2011*).
- 2.1.4. The Government has identified infrastructure as a strategic investment area and infrastructure is seen as a critical success factor in ensuring, amongst others:
 - 2.1.4.1. balanced economic development;
 - 2.1.4.2. the unlocking of economic opportunities;
 - 2.1.4.3. that socio-economic needs are addressed; and
 - 2.1.4.4. job creation.

2.1.5. In 2012, the cabinet established a Presidential Infrastructure Coordinating Commission (“**PICC**”). The PICC has as its mandate the planning and coordinating of the National Infrastructure Plan; a program aimed at facilitating fast tracked Government-led infrastructure investment across a number of key sectors. This, together with other development initiatives, has culminated in stated planned Government infrastructure capital spend from 2013 to 2016 of over R800 billion from the state [Source: “2013 Budget Review” – National Treasury, 2013]. Figure 1 below divides this planned spend across 3 main infrastructure sub-sectors, being (i) energy; (ii) water and sanitation; and (iii) transport and logistics.

Figure 1: Planned Government infrastructure spending



2.1.6. While the Government has indicated its full support for this sector and infrastructure investment as a whole (as evidenced by the National Infrastructure Plan and the PICC), the fiscus cannot fund the capital requirements on its own. While infrastructure investments can also be funded through State Owned Enterprises (“**SOE**”), the balance sheets of the SOE’s are stretched, thereby necessitating the need for Government to open up the space for private sector investment in infrastructure.

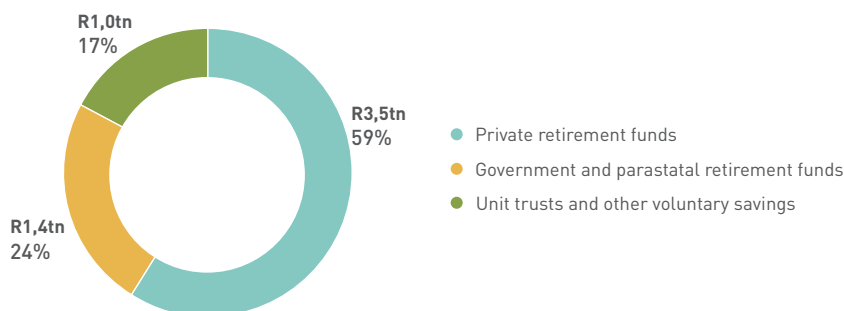
2.1.7. The involvement of the private sector in infrastructure investment has 2 major advantages for the country, namely:
 2.1.7.1. increased access to capital for maintenance and expansion; and
 2.1.7.2. improved management and higher efficiencies.

2.1.8. The 2 variables mentioned above interact so as to present profitable opportunities for both private sector investors and management teams, while helping Government to fast track delivery of the economic infrastructure necessary to promote sustainable economic growth.

2.1.9. South Africa has a relatively well developed institutional savings industry, but little of this private sector capital has participated in infrastructure development in the country. Banking institutions have largely participated in the REIPPPP as lenders to development projects. These funders cannot however hold investments over a long term due to the restrictive nature of banking regulations, in particular the Basel III requirements.

2.1.10. Figure 2 below gives a graphic representation of the institutional savings market in South Africa, based on 3 major categories namely (i) private retirement funds; (ii) Government retirement funds; and (iii) unit trusts and other voluntary savings.

Figure 2 Institutional savings market in South Africa



2.1.11. The retirement industry has significant amounts of capital, but little of this has participated in long term infrastructure investments. This is unfortunate as infrastructure investments present ideal opportunities on which pension funds and other long-term investors could anchor and diversify their investment strategies, given the

SECTION ONE – INFORMATION ON GAIA *(continued)*

characteristics of capital preservation and inflation hedged income generation. In 2011, amendments were made to Regulation 28 of the Pension Funds Act, No. 24 of 1956, to provide for greater allowance for investment in alternative investment asset classes such as infrastructure, creating an enabling environment for what is a natural fit between investors and the opportunities.

- 2.1.12. Globally, institutional investors have been mobilising progressively more private infrastructure investments. While these investment models have traditionally structured themselves around the conventional private equity mechanism, these institutional investment fund models have in recent times evolved their investment mandates to reflect the assets they are looking to hold. Increasingly, institutional investors are looking for direct investments in the underlying assets, allowing for better returns, lower fees, and better control of their investments. These investment models have further evolved to proffer additional exit strategy options, further increasing institutional uptake. This investment model is well established in countries/regions such as Canada, Asia and Australia through infrastructure real estate investment trusts.
- 2.1.13. One reason for the dearth in participation by the private institutional investors in infrastructure opportunities is an absence of experienced and technically proficient investment managers in the infrastructure space in South Africa. Most finance institutions, whether banking institutions or asset management firms, are restricted by regulatory requirements, lack of buy-side expertise with respect to long term infrastructure investments and limited investment mandates.
- 2.1.14. Through the expertise of the Manager, Gaia wishes to bridge this void and become the foremost capital allocator and investment manager to the institutional and retail investor community in the infrastructure asset class. Gaia believes that the listing of an infrastructure focused fund will enable institutional investors such as pension funds to pursue investments directly through their listed equity portfolios, thereby unlocking a potentially higher investment allocation to infrastructure investments. In addition to the aforementioned, Gaia believes that the listing of an infrastructure focused fund will also be suitable for retail investors with similar risk profiles.

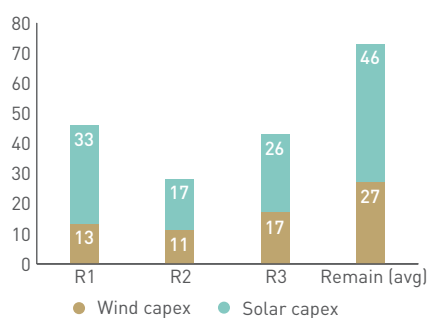
2.2. Energy and energy-related infrastructure

- 2.2.1. The South African energy sector presents a particular opportunity for discerning long term investors. Currently, energy and electricity supply is widely regarded as South Africa's biggest infrastructure challenge. A number of historic factors have contributed to South Africa having a weak and intermittent electricity supply, including:
- 2.2.1.1. the lack of proactive investment into the electricity generation assets and electricity transmission infrastructure;
- 2.2.1.2. the poor maintenance of existing assets; and
- 2.2.1.3. the ever increasing cost of production.
- 2.2.2. The table below shows the aging of Eskom's existing coal-fired power stations. It is evident that more than 60% of the power stations are over their design life of 30 years and need to be decommissioned *(Source: "GDP growth threatened by electricity shortage: Eskom – seeking growth in the dark" Renaissance Capital, 8 April 2015)*.

Station	Location	Nominal capacity (MW)	Age in 2014 (design life 30 years)
Arnot	Middelburg	2 232	38
Camden	Ermelo	1 480	42
Duhva	Witbank	3 450	34
Grootvlei	Balfour	1 090	44
Hendrina	Mpumalanga	1 865	43
Kendal	Witbank	3 840	25
Komati	Middelburg	791	52
Kriel	Bethal	2 850	34
Lethabo	Viljoensdrift	3 558	28
Majuba	Volkstrust	3 558	17
Matimba	Lephalele	3 690	27
Matla	Bethal	3 450	34
Tutuka	Standerton	3 510	28

- 2.2.3. It can conservatively be calculated that at least R737 billion would have to be spent to replace the total capacity of the 13 power stations listed in the Table 1 above.
- 2.2.4. There have been significant budget overruns by Eskom on new build coal-fired plants Medupi and Kusile that have resulted in a lack of confidence in the state owned entity's ability to address the problem economically.
- 2.2.5. This constrained electricity supply presents risks to South Africa's economic growth prospects. It is estimated that load shedding cost the South African economy a staggering R98,5 billion between January and June of 2015 (Source: CSIR Energy Centre Report – 2015).
- 2.2.6. In response to these escalating difficulties and in line with the global movement towards clean energy generation solutions, the Government has fully endorsed the country's renewable energy industry. The country currently boasts the fastest growing renewable energy industry in the world. South Africa's recently updated Integrated Resource Plan (2010 – 2030) forecasts at least a further 19 500 MW of renewable energy development within the next 15 years. In 2012, South Africa embarked on the internationally commended REIPPPP. The extremely successful REIPPPP has commissioned more than 5 000 MW of clean energy within 3 years alone.
- 2.2.7. It is estimated that the total REIPPPP investments in the past 4 years added up to more than R162 billion in 2014 constant prices. Of the R162 billion spent to date, 60% has been in the form of debt instruments while 40% has been in the form of equity instruments. Furthermore, up to 25% of all debt instruments and up to 50% of all equity investments have originated from overseas, signifying again the low participation by South African institutional and retail investors. The REIPPPP capital expenditure is depicted below (Source: "Renewable Energy IPP Procurement Programme, Bid Window 4, Preferred Bidders' Announcement" – Department of Energy, 16 April 2015).

REIPPPP capital expenditure (R'bn)



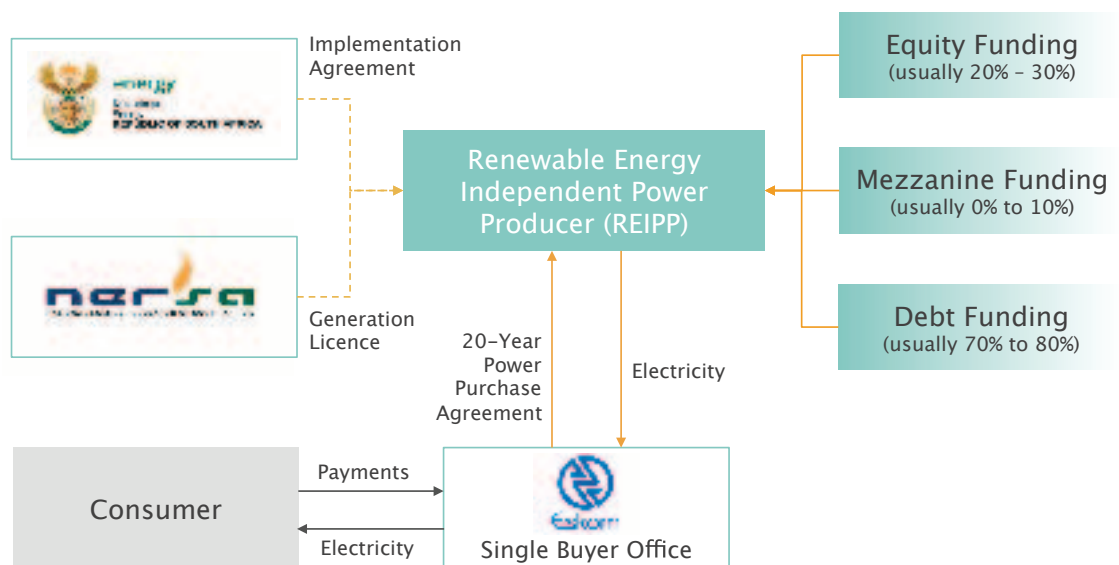
- 2.2.8. With these estimates and the Integrated Resource Plan (2010 – 2030) projections in mind, the renewable energy industry in South Africa is likely to attract more than R525 billion in the next 15 years.

2.3. REIPPPP opportunity landscape and mechanics

- 2.3.1. The REIPPPP presents opportunities for both the country and industry through the introduction of new electricity generation capacity and replacement capacity. The program also presents an opportunity for institutional and retail investors, particularly through the secondary refinancing market.
- 2.3.2. Although traditionally energy infrastructure investments have not been expansively financed by institutional or public money, Gaia believes that there are a number of factors which position the institutional market as an integral role player in unlocking this rapid economic development potential within the energy infrastructure space. Some of these factors include:
- 2.3.2.1. improvements in efficiencies and costs related to technology;
 - 2.3.2.2. greater understanding of the cash flow and return profiles; and
 - 2.3.2.3. maturing markets providing good long term inflation linked returns.
- 2.3.3. The REIPPPP is structured as a competitive bidding process whereby renewable energy developers tender for the right to build utility scale power plants that have the right to sign a power purchase agreement with Eskom.
- 2.3.4. Various risk elements are addressed as part of the programme structure and as part of industry practice. The off take agreement whereby electricity is purchased over the 20 year term is backed by explicit Government guarantees. The resource prediction (for example wind and/or sunshine etc) is verified by independent verification companies. Typically, the construction and operations risk is contracted out the technology suppliers and specialist operating firms. The linking of the tariff to CPI provides a further risk mitigation measure to the financial performance of projects.

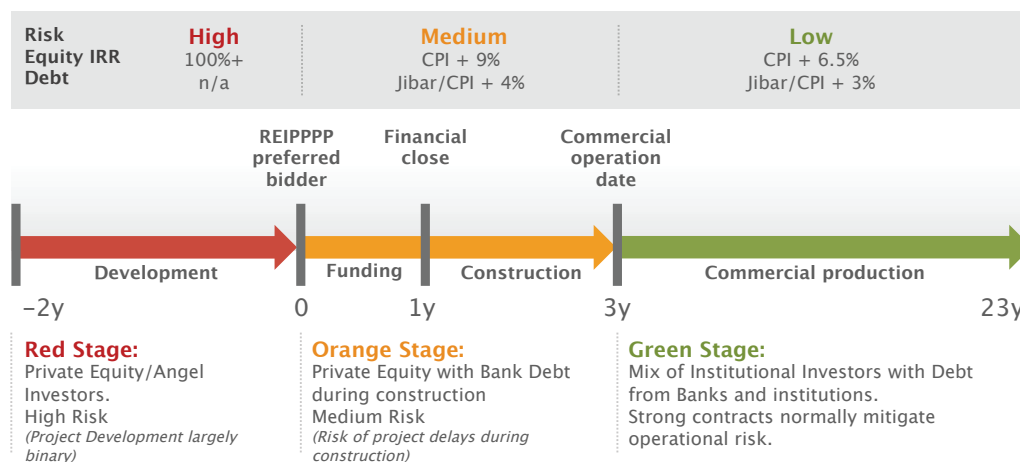
SECTION ONE – INFORMATION ON GAIA *(continued)*

- 2.3.5. The REIPPPP program initially envisioned the procurement of 3 625 MW of power over a maximum of 5 tender rounds. Another 100 MW was reserved for small projects below 5 MW that were procured in a separate small projects independent power producer program. Further allocations of 8 100 MW were subsequently made. Caps were set on the total capacity to be procured for individual technologies – the largest allocations were for wind and photovoltaics, with smaller amounts for concentrated solar, biomass, biogas, landfill gas, and hydro. The rationale for these caps was to limit the supply to be bid out and therefore increase the level of competition among the different technologies and potential bidders *(Source: “Renewable Energy IPP Procurement Programme, Bid Window 4, Preferred Bidders’ Announcement” – Department of Energy, 16 April 2015)*.
- 2.3.6. The project contracts were entered into with the Department of Energy in order to obtain power generation licences from NERSA and to obtain the power purchase contracts with Eskom’s single buyer office.
- 2.3.7. The diagram below depicts the contracting framework and typical funding mix of renewable energy projects:



- 2.3.8. Investment risks related to the REIPPPP:
- 2.3.8.1. Projects have different risk profiles, depending on the stage of their lifecycle, from Green Fields development to mature commercial production.
- 2.3.8.2. The initial stages of project development include soliciting permits and consents and conducting various resource assessment studies. This represents significant periods of uncertainty in relation to obtaining the requisite consents and data and as such the early stages represent high risk levels for investors and project developers.
- 2.3.8.3. Investment risk is lowered once a project is selected as a preferred bidder under the program. Once financial closure has been concluded, the construction and project management related to bringing the project to operation present risks to the timing and extent of revenues and costs related to the project. Post commercial operation, projects represent lower risk profiles that are well suited to the institutional investor market and retail investors with similar risk appetites.

2.3.8.4. The diagram below reflects the different investment stages in the REIPPPP and the related risk return profiles in each stage.



2.3.8.5. As set out in its investment policy in paragraph 3.3 of this Pre-listing Statement, Gaia will pursue investments where projects have reached commercial operation or are near to commercial operation, being projects not more than 6 months from operation.

2.3.9. Opportunities for institutional and retail investors:

2.3.9.1. Investments in infrastructure in general and renewable energy projects in particular have various advantages for institutional and retail investors.

2.3.9.2. The financial returns of the projects are attractive due to the following factors:

- cash flows are contracted over a long term, being 20 years in the case of renewable energy projects;
- returns are in the form of cash distributions; and
- returns are explicitly linked to CPI.

2.3.9.3. The above factors are important elements in providing liability matched income streams to institutional investors that are pursuing liability driven investment strategies, such as pension funds.

2.3.9.4. Furthermore, a lack of investment in infrastructure has deleterious effects on the economy as a whole. As can be seen from the lack of investments made in electricity generation assets by Eskom, the rest of the economy is adversely affected.

2.3.9.5. Investment in renewable energy projects also have clear linkage to the greening of the economy, job creation, social upliftment and rural development, all of which are important elements for institutional and retail investors to consider in their responsible investment strategies.

2.3.10. Current landscape of REIPPPP projects:

Thus far around 6 000 MW has been procured in the REIPPPP for a total spend of approximately R162 billion. Assuming a project finance structure in most of the projects, it presents an equity investment size of R40,5 billion. The secondary equity market size is therefore significant based on the existing project base and will continue to grow as further rounds of projects are brought into the market (Source: "Renewable Energy IPP Procurement Programme, Bid Window 4, Preferred Bidders' Announcement" – Department of Energy, 16 April 2015).

Landscape of available projects

REIPPP summary	Round 1	Round 2	Round 3	Round 4a	Round 4b (est)	Total
Total MWs	1 416	1 044	1 438	1 121	1 000	6 019
Total project spend (Rm)	47 792	28 059	43 324	23 077	20 000	162 252
Project debt to equity (%)	75	75	75	75	75	75
Total project equity (Rm)	11 948	7 015	10 831	5 769	5 000	40 563
Minimum BEE ownership (12%)	1 434	842	1 300	692	600	4 868
Maximum BEE ownership (40%)	4 779	2 806	4 332	2 308	2 000	16 225

2.4. Transport and Logistics

2.4.1. The status of South Africa as the "spring board" into Africa for global investors necessitates good road, rail, port, and air infrastructure development. Improved transport infrastructure will promote transport and trade in goods

SECTION ONE – INFORMATION ON GAIA *(continued)*

and services, improve tourism, facilitate a productive transactional environment, while improving the standard of living. South Africa has publicly disclosed some of its required transport related strategic investment projects including some of the following initiatives:

- 2.4.1.1. the “Durban – Free State – Gauteng logistics and industrial corridor” upgrade – strengthen logistics and transport corridor, new port and port upgrades;
- 2.4.1.2. unlocking of raw materials in the northern belt – rail, pipeline, logistics corridor to connect Mpumalanga and Gauteng;
- 2.4.1.3. South-Eastern node & corridor development – dams, highway, increased rail capacity, port and rail upgrades;
- 2.4.1.4. unlocking of economic opportunities in the North West Province – accelerated road and rail infrastructure; and
- 2.4.1.5. Saldanha-Northern Cape development corridor – integrated rail and port expansion and increased port capacity.

2.4.2. Roads and Railways

- 2.4.2.1. South Africa’s historical lack of proactive transport related infrastructure investment has resulted in deteriorating road networks. For example, up to 78% of South African road networks are older than their original design life *(Source: “Africa Gearing Up – Future prospects in Africa for the transport and logistics industry” – PricewaterhouseCoopers; 2013)*. The impact of this deterioration can be seen in the difficulties experienced in such long freight corridors as the Gauteng–Durban road network. As 35,6% of the country’s GDP is generated in Gauteng, which is 500 km away from the nearest local port in Durban, it is imperative that such infrastructure is maintained up to standard and free from congestion.
- 2.4.2.2. Considering such constraints, the Government has embarked on the National Transport Master Plan 2050 which guides the transport infrastructure development plans. The National Transport Master Plan envisions a major shift from road transport to rail transport for both freight and passenger travel.

2.4.3. Ports

- 2.4.3.1. In South Africa, 96% of all exports are conveyed by sea. Additionally, port and cargo traffic has significantly increased, promoting the need to expand port capacity. South Africa’s 2 major ports, Cape Town port and Durban port, currently have a “Demand to Capacity” ratio of more than 75%, indicating growing congestion and necessitating large-scale upgrades either at the source or through new build capacity. Although significant investments have transpired, South Africa’s port productivity or efficiency remains lower than its global competitors *(Source: “Handbook on Infrastructure Statistics” – African Development Bank Group; 2011)*.
- 2.4.3.2. Considering the current status-quo of the South African Transport industry, 54% of the Government’s spending budget over the next 3 years has been allocated to Transport related infrastructure development. From a long-term perspective then, Transport & Logistics in South Africa clearly provides numerous financing opportunities, which in turn, ensures more efficient tradability, increasing South Africa’s global competitiveness.

2.4.4. Transport and logistics opportunity

Gaia foresees that private capital will be deployed in this sector along the same lines as the process followed in the energy sector and will be in a favourable position to participate in opportunities therein.

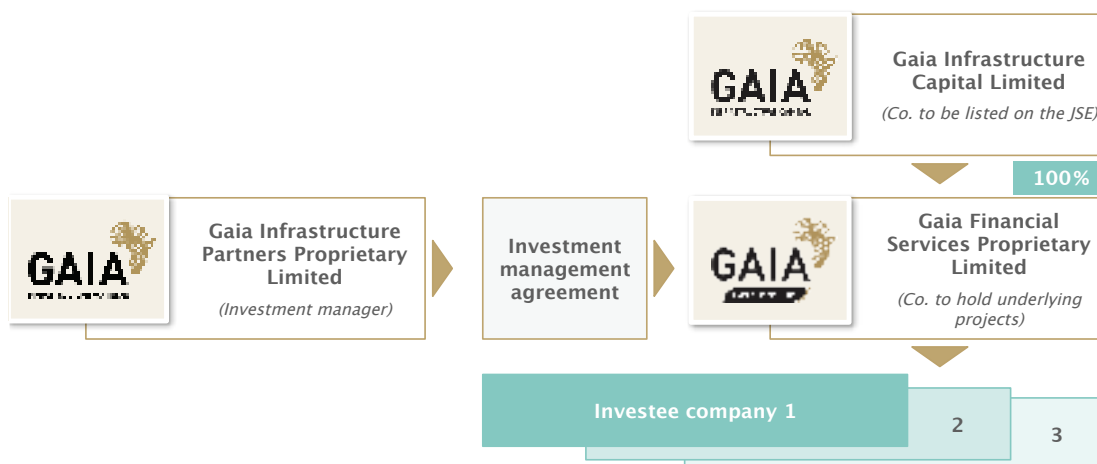
2.5. Water and sanitation

- 2.5.1. Although the provision of safe, clean, reliable potable water is the most essential human right, ever increasing urbanisation, further industrialisation, increased mining activities, increased energy demand, and increases in agricultural activities all contribute to South Africa’s declining water sources.
- 2.5.2. South Africa is described as a “water stressed” country. It is estimated that US\$68 billion (approximately R952 billion) needs to be invested over the next 15 years in order to ensure that the countries water needs are adequately addressed. In addition to the significant underinvestment in new infrastructure, there is large-scale neglect in the maintenance of existing water infrastructure *(Source: “African Infrastructure Review – September – November 2013” – Nedbank Capital; 2013)*.
- 2.5.3. Although historically water and sanitation related infrastructure has not been largely financed by institutional and retail investors, Gaia believes that the institutional and retail market is perfectly positioned to play a big role in developing this industry. Water related infrastructure development is a very mature market with very conventional equipment and operating systems, the combination of which results in a long-term low risk investment with very predictable cash flows.
- 2.5.4. As with energy infrastructure, the opportunities originate through new generation capacity and the replacement capacity while from an investment perspective, a great opportunity exists in both the primary and potentially the secondary buy and lease back refinancing market.

- 2.5.5. Evidently, there are numerous water and sanitation related infrastructure funding opportunities in South Africa and by supporting the development of water infrastructure, investors support the provision and increased access to clean water while developing local infrastructure capabilities in a sustainable manner. Sustainable development translates directly into development of skills in the local labour market and improved employment opportunities.

3. INFORMATION RELATING TO GAIA

3.1. Structure



3.2. Investment strategy

- 3.2.1. Gaia aims to be a diversified infrastructure investment company, and will directly invest in large-scale energy, transport and water related infrastructure projects (being projects with a value in excess of R1 billion) in a responsible and transparent manner. In so doing, the Company will provide investors with good, predictable, inflation linked, liquid and long-term yielding investments whilst providing investors with liquidity to exit their investments. The Company will focus on making investments in various infrastructure projects through equity and debt instruments that meet the required returns.
- 3.2.2. Gaia will initially look to invest in renewable energy projects in South Africa through the REIPPPP and will later seek to expand its portfolio to include other sectors of infrastructure. Although the Company's primary focus will be in South Africa, it may consider opportunities in the rest of Africa.
- 3.2.3. Gaia will adhere to the United Nations backed Principles for Responsible Investment and the Code for Responsible Investing in South Africa.
- 3.2.4. Gaia and Gaia Financial Services will be advised by the Manager on all investment and potential investment decisions. Although the Board is responsible for the Company's objectives, business and investment strategies and its overall supervision, the Company has outsourced the identification, assessment, structuring, resultant acquisition and potential disposal of Viable Assets, to the Manager in terms of the Management Agreement. The Manager has extensive expertise and knowledge of and experience in investments in the infrastructure and renewable energy sectors. The Manager will compile reports based on its analysis of the relevant factors and will present each proposed investment opportunity to the Company. Following the Board's in principle decision to acquire a Viable Asset (and all subsequent investments), the Manager shall ensure that the necessary due diligence investigations are carried out and the Manager will be responsible for negotiating the terms of investments. The Directors will at all times retain the final sanction over all investment and divesture decisions.

3.3. Investment policy

Gaia will aim to meet the following investment criteria:

- 3.3.1. it will invest in operational or near operational projects, being projects not more than 6 months from operation, as referred to in paragraph 2.3.8.5 of this Pre-listing Statement;
- 3.3.2. it will target investments which will generate returns of CPI plus 6%;
- 3.3.3. investments with visible environmental, social and governance policy appreciation;
- 3.3.4. it will target investments with low risk and attractive long-term inflation-linked predictable cash generation profile;
- 3.3.5. it will make investments of not less than R200 000 000 per investment in the case where the assets have not been evaluated previously; and investments of not less than R100 000 000 per investment in the case where the assets have been evaluated previously;
- 3.3.6. it will strive to ensure management value add and directorship roles to further optimise the underlying assets;
- 3.3.7. it will target investments in underlying projects which have a strong and well aligned management team with clear operational and corporate strategies;

SECTION ONE – INFORMATION ON GAIA *(continued)*

- 3.3.8. it will acquire a minimum of 15% equity interest, with minority protections; and
- 3.3.9. it will make investments with acceptable third party credit risk exposure.

3.4. Investment risks

- 3.4.1. The risks of an investment in infrastructure may be generally divided into those specific to the infrastructure asset and those affecting the broader asset class.
- 3.4.2. The asset specific risks encompass risks pertaining to the design, construction and operation of the infrastructure asset while the asset class risks include economic risk and regulatory and political risk.
- 3.4.3. Asset specific risks largely depend on the maturity of the particular asset. In the construction phase, there is considerable risk associated with the construction process, such as the construction period, budget overruns and the like. Importantly, a key feature of infrastructure assets is that as an asset matures, its risk profile declines and its valuation increases, all other things remaining equal. Gaia will invest in operational or near-operational assets to mitigate the construction risk on the asset.
- 3.4.4. Of the more generic risks affecting the infrastructure asset class, perhaps the most pertinent is interest rate risk. The prevailing level of interest rates can have an impact on the discount rates applied to the valuation of infrastructure investments, and on the debt portion of the investment structure; such that as interest rates rise, the valuation of an infrastructure investment will generally fall. This is generally a short-term phenomenon. Over the medium to longer-term, this initial fall in value is mitigated as revenue from the underlying asset grows. Generally, revenue increases are derived from CPI linked pricing increases (CPI generally increases in a higher growth environment) and the volume increases that occur in a growing economy.

3.5. JSE approval of the acquisition of Viable Assets

- 3.5.1. In terms of paragraph 4.35 of the JSE Listings Requirements, the acquisition of Viable Assets must be approved by a majority of disinterested Directors and the majority of the Shareholders at a general meeting.
- 3.5.2. In the event that not all of the capital raised from the Private Placement is utilised for purposes of the acquisition of Viable Assets, Shareholders will be requested to approve a further resolution at the same general meeting dealing with the further use and retention of the balance of the capital ("**Residual Capital**") after the acquisition of Viable Assets has been approved.
- 3.5.3. For JSE purposes, in conjunction with the completion of the acquisition of Viable Assets, Gaia will be required to satisfy the JSE that it meets the criteria for a listing on the main board of the JSE. In terms of Gaia's investment policy it must acquire a minimum of a 15% equity interest in new investments, however Gaia is not restricted from acquiring a controlling interest, should the Board elect to do so. Accordingly, to the extent that Gaia acquires a controlling interest in a new investment, Gaia will need to comply with, *inter alia*, the criteria set out in section 4 of the JSE Listings Requirements applicable to operating entities and to the extent that Gaia acquires a minority interest in a new investment, Gaia will need to comply with, *inter alia*, the criteria set out in section 15 of the JSE Listings Requirements applicable to investment entities.
- 3.5.4. Once listed on the JSE, either as an operating entity or as an investment entity, Gaia will be subject to the JSE Listings Requirements in all respects. Failure to meet those criteria once the acquisition of Viable Assets has been completed will result in the Company being delisted by the JSE.
- 3.5.5. Gaia will initially be listed as a SPAC in the "*Non-Equity Investment Instruments*" sector of the main board of the JSE. Following the acquisition of Viable Assets, Gaia will be reclassified into the appropriate sector.
- 3.5.6. In terms of the JSE Listings Requirements and subject to any extension granted by the JSE, should the Company not complete an acquisition of Viable Assets within 24 months of the Listing Date, the JSE will suspend Gaia's Listing on the JSE. The JSE will proceed to delist the Company once the Company has:
 - 3.5.6.1. completed a distribution of the funds held in escrow by the Escrow Agent, less outstanding operating expenses, within 60 days after the expiry of the aforementioned 24 month period, to all Shareholders *pro rata* to their shareholdings. Such distribution must comply with the solvency and liquidity test as required pursuant to the Companies Act. All interest earned in escrow will form part of the distribution, excluding any taxes and expenses relating to the distribution and anticipated voluntary liquidation; and
 - 3.5.6.2. proposed a special resolution to Shareholders, and same having been adopted by the requisite number of Shareholders, for the voluntary liquidation of the Company.

3.6. Gearing

In addition to the use of its own resources, the Company will employ external financing as a source of capital. The Company will use borrowings to advance tail-end cash flows in order to increase overall returns. The Board will adopt policies from time to time to set limits on the extent of the Company's borrowings. Interest rate movement risk will be mitigated by using inflation-linked rate loans or other hedging instruments. The implementation of such policies and the use of such instruments largely serve to make interest on borrowings a known and controlled expense. Other than in exceptional circumstances, the Company will use borrowings to fund acquisitions on a case by case basis and only where it is satisfied

that the overall yield from a particular prospective acquisition is or will be greater than the cost of the borrowing required for that particular acquisition, or when the leveraging produces enhanced returns.

4. PROSPECTS

- 4.1. Infrastructure as an asset class is one that requires capital to develop. The Government does not have the funding required to meet its infrastructure needs. In order to fulfil its development mandate, the Government must partner with the private sector. The overwhelming success of the REIPPPP is testament to the success that can be achieved in such public-private partnerships.
- 4.2. Accordingly, the Directors believe that the Gaia Group has excellent prospects on the basis of the various potential Viable Assets that the Manager has identified which are at different stages of due diligence investigations and negotiations, additional transactions in the pipeline, current market conditions, the Government's need for private partners and access to future deal flow, which the Directors believe will provide returns in line with the Company's investment return expectations and targets detailed above.

5. MANAGEMENT OF GAIA

- 5.1. The management function of Gaia is outsourced on market related terms to the Manager. Salient details relating to the Manager and the Management Agreement are set out in paragraph 7 and **Annexure 7** of this Pre-listing Statement.
- 5.2. The Board, as a whole, considered and approved the terms and conditions of the Management Agreement prior to Gaia entering into same. The independent Directors of Gaia shall perform an annual review of the Manager's performance and, if required, make appropriate recommendations to Shareholders. The services to be provided by the Manager are listed and set out in Annexure A to the Management Agreement. These services are objective criteria against which the Manager will be evaluated. In addition, the Directors of Gaia will assess the performance of the Manager based on the quality of the Viable Assets identified and investments made by Gaia, as well as the return on such investments to Shareholders. If poor investments result in poor returns to Shareholders, the independent Board may make appropriate recommendations to Shareholders to terminate the Management Agreement.
- 5.3. The instances in which the Management Agreement may be terminated are set out in **Annexure 7** of this Pre-listing Statement together with the consequences of such termination. If the Management Agreement is terminated at any time and Gaia intends to appoint a new manager, the appointment of such new manager and new management agreement shall be subject to approval of Shareholders by ordinary resolution.
- 5.4. The Board is responsible for ensuring that Gaia complies with all of its statutory and regulatory obligations, as specified in the Companies Act, the MOI, and following the listing, in the JSE Listings Requirements.
- 5.5. The Gaia executive committee meets monthly and has the following members:

Name	Position
JR Oliphant	Managing Director
T Soudien-Witten	Financial Director
MM Nieuwoudt	Executive Director
B Magoro	Investor Relations

- 5.6. Profiles of the members of the executive committee, detailing their experience, appear in **Annexure 8** to this Pre-listing Statement.
- 5.4. The Board has appointed a number of further committees to assist the Board in discharging its duties, with the particulars of such committees appearing in **Annexure 10** to this Pre-listing Statement.

SECTION ONE – INFORMATION ON GAIA *(continued)*

6. DIRECTORS

6.1. Composition of the Board

6.1.1. The full names, ages, business address and designations of the Directors of Gaia are provided below:

Full Name	Age	Designation	Business address
JR Oliphant	33	Managing Director	2nd Floor, Oakdale House, The Oval, Oakdale Road, Newlands, Cape Town, South Africa
MM Nieuwoudt	44	Executive Director	2nd Floor, Oakdale House, The Oval, Oakdale Road, Newlands, Cape Town, South Africa
T Soudien-Witten	38	Financial Director	2nd Floor, Oakdale House, The Oval, Oakdale Road, Newlands, Cape Town, South Africa
L de Wit ¹	60	Non-executive chairman	2nd Floor, Oakdale House, The Oval, Oakdale Road, Newlands, Cape Town, South Africa
PB Schabort ²	57	Non-executive Director	2nd Floor, Oakdale House, The Oval, Oakdale Road, Newlands, Cape Town, South Africa
C Ferreira	63	Non-executive Director	2nd floor, Katherine and West, 114 West Street, Sandown, Sandton, 2146
RB Makhubela	49	Independent non-executive Director	1006 T Knightsbridge Apartments, Century City, Cape Town, 7441
KP Lebina	34	Lead independent non-executive Director	58 Cowley Road, Bryanston, Johannesburg, 2191
N Kimber	43	Independent non-executive Director	42 Smits Road, Dunkeld, Johannesburg, 2196
KE Mbalo	52	Independent non-executive Director	59 Glanville Crescent, Wendywood, Sandton, 2144

Notes:

1. L de Wit is also a Founder of the Gaia Infrastructure Partners; and

2. PB Schabort is also a Founder of the Gaia Infrastructure Partners.

6.1.2. The board of directors of Gaia Financial Services is identical to the Gaia Board.

6.1.3. The following changes occurred to the Board over the past 12 months:

- 6.1.3.1. JR Oliphant was appointed as an executive Director on 16 April 2015;
- 6.1.3.2. MM Nieuwoudt was appointed as an executive Director on 16 April 2015;
- 6.1.3.3. T Soudien-Witten was appointed as financial Director on 1 October 2015;
- 6.1.3.4. L de Wit was appointed as a non-executive Director on 1 October 2015;
- 6.1.3.5. PB Schabort was appointed as a non-executive Director on 1 October 2015;
- 6.1.3.6. C Ferreira was appointed as a non-executive Director on 1 October 2015;
- 6.1.3.7. RB Makhubela was appointed as an independent non-executive Director on 1 October 2015;
- 6.1.3.8. KP Lebina was appointed as an independent non-executive Director on 1 October 2015;
- 6.1.3.9. N Kimber was appointed as an independent non-executive Director on 1 October 2015; and
- 6.1.3.10. KE Mbalo was appointed as an independent non-executive Director on 1 October 2015.

6.1.4. Profiles of the Directors, detailing their experience, appear in **Annexure 8** to this Pre-listing Statement.

6.2. Additional information

6.2.1. A list of other directorships held by the Directors and the directors of Gaia Financial Services is set out in **Annexure 9** to this Pre-listing Statement.

6.2.2. All of the Directors of Gaia and the directors of Gaia Financial Services are South African citizens.

6.2.3. No Director or director of Gaia Financial Services is a partner with unlimited liability.

6.2.4. None of the Directors or the directors of Gaia Financial Services:

- 6.2.4.1. have been declared bankrupt, insolvent or have entered into any individual voluntary compromise arrangements;
- 6.2.4.2. have been directors with an executive function of any company put under, or proposed to be put under, any business rescue plans, or that is or was the subject of an application for business rescue, any notices in terms of section 129(7) of the Companies Act, receiverships, compulsory liquidations, creditors voluntary

liquidations, administrations, company voluntary arrangements or any compromise or arrangements with creditors generally or any class of creditors, at the time of such event or within the 12 months preceding any such event;

- 6.2.4.3. have been partners in a partnership that was the subject of any compulsory liquidation, administration or partnership voluntary arrangement, at the time of such event or within the 12 months preceding any such event;
- 6.2.4.4. have entered into any receiverships of any asset(s) or of a partnership where such directors are or were partners during the preceding 12 months;
- 6.2.4.5. have been publicly criticised by a statutory or regulatory authority, including recognised professional bodies, or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;
- 6.2.4.6. have been involved in any offence of dishonesty;
- 6.2.4.7. have been removed from an office of trust, on the grounds of misconduct, involving dishonesty; or
- 6.2.4.8. have been the subject of any court order declaring him delinquent or placing him under probation in terms of section 162 of the Companies Act and/or section 47 of the Close Corporations Act, No. 69 of 1984 or been disqualified by a court to act as a director in terms of section 219 of the Companies Act, No. 61 of 1973.

6.3. Chief financial officer

T Soudien-Witten is the chief financial officer and financial Director of Gaia. The audit committee has considered and satisfied itself of the appropriateness of the expertise and experience of T Soudien-Witten.

6.4. Borrowing powers

- 6.4.1. The provisions of the MOI regarding the borrowing powers exercisable by Directors are set out in **Annexure 6** to this Pre-listing Statement. The MOI does not provide for the borrowing powers of the Directors to be varied and any variation of such powers would accordingly require Shareholders to approve a special resolution amending the MOI. The borrowing powers of the directors of Gaia Financial Services are identical to those of Gaia.
- 6.4.2. The borrowing powers of the Directors of Gaia and the directors of Gaia Financial Services have not been exceeded during the 3 years preceding the Last Practicable Date and no exchange control or other restrictions have been imposed on the Gaia Group's borrowing powers in that period.

6.5. Appointment and qualification of Directors

- 6.5.1. The relevant provisions of the MOI regarding the term of office of Directors, the manner of their appointment and rotation and their retirement are set out in **Annexure 6** to this Pre-listing Statement. No person has the right in terms of any agreement in respect of the appointment of any Director or any number of Directors.
- 6.5.2. The relevant provisions of the MOI relating to the qualification of Directors appear in **Annexure 6** to this Pre-listing Statement. Apart from satisfying the qualification and eligibility requirements set out in section 69 of the Companies Act and the applicable provisions set out in paragraph 28 of the MOI (an extract of which appears in **Annexure 6** to this Pre-listing Statement), a person need not satisfy any eligibility requirements or qualifications to become or remain a Director of Gaia.
- 6.5.3. The relevant provisions of the memorandum of incorporation of Gaia Financial Services relating to the qualification and remuneration of the directors of Gaia Financial Services appear in Annexure 6 to this Pre-listing Statement.

6.6. Remuneration of Directors

- 6.6.1. The relevant provisions of the MOI, which provide for the remuneration of its Directors, are set out in **Annexure 6** to this Pre-listing Statement.
- 6.6.2. Gaia may pay remuneration to non-executive Directors for their services as directors in accordance with a special resolution approved by Shareholders within the previous 2 years, as set out in section 66(8) and (9) of the Companies Act, and the power of Gaia in this regard is not limited or restricted by the MOI.
- 6.6.3. Any Director who (i) serves on any executive or other committee; or (ii) devotes special attention to the business of Gaia; or (iii) travels or resides outside South Africa for the purpose of Gaia; or (iv) otherwise performs or binds himself to perform services which, in the opinion of the Board, are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration or allowances in addition to or in substitution of the remuneration to which he may be entitled as a Director, as a disinterested quorum of the Board may from time to time determine.
- 6.6.4. Directors may also be paid all their travelling and other expenses necessarily incurred by them in connection with the business of Gaia and attending meetings of the Directors or of committees of the Directors.
- 6.6.5. Gaia will not pay the executive Directors a salary, as the Manager will be paying their salaries from the fees it receives from the Gaia Group in terms of the Management Agreement.
- 6.6.6. The remuneration receivable by the Directors will not be varied as a result of the Listing.

SECTION ONE – INFORMATION ON GAIA (continued)

6.6.7. No remuneration was paid to Directors prior to 16 April 2015. The remuneration of Directors by the Gaia Group for the financial year ended 29 February 2016, shall be as set out below:

6.6.7.1. Salary, fees and bonuses

	Salary (R) ¹	Directors' fees (R)	Fees for other services (R)	Bonuses (R) ²
JR Oliphant	-	-	-	-
T Soudien-Witten	-	-	-	-
MM Nieuwoudt	-	-	-	-
Total	-	-	-	-

Notes:

1. The Gaia Group will not pay the executive Directors a salary, as the Manager will be paying their salaries from the fees it receives from the Gaia Group in terms of the Management Agreement. The remuneration of the executive Directors by the Manager, for the financial year ended 29 February 2016, shall be as set out below:

	Salary (R) ¹	Directors' fees (R)	Fees for other services (R)	Bonuses (R) ²
JR Oliphant	R1 800 000	-	-	-
T Soudien-Witten	R1 100 000	-	-	-
MM Nieuwoudt	R1 440 000	-	-	-
Total	R4 340 000	-	-	-

2. A bonus pool arrangement is in place between the executive Directors and the Manager, but no guaranteed bonuses are payable. No such bonuses are payable by Gaia to any Director.

6.6.7.2. Contributions and expenses

	Provident fund, medical aid and pension contributions (R)	Expense allowance (R) ¹	Total remuneration (R)
JR Oliphant	-	-	R1 800 000
T Soudien-Witten	-	-	R1 100 000
MM Nieuwoudt	-	-	R1 440 000
Total	-	-	R4 340 000

Note:

1. There are no allowances for expenses outside the ambit of business expenses such as travel, accommodation and the like referred to in paragraph 6.6.4 of this Pre-listing Statement.

6.6.8. The anticipated Directors' fees payable by Gaia for the financial year, ending 28 February 2016, are set out below:

6.6.8.1. Directors' fees

	Directors' fees (R)
L de Wit	R133 000
PB Schabort	R100 000
C Ferreira	R100 000
RB Makhubela	R120 000
KP Lebina	R120 000
N Kimber	R120 000
KE Mballo	R100 000
Total	R793 000

- 6.6.9. Directors are not entitled to any commission and are not party to any gain or profit-sharing arrangements with Gaia. Save for the emoluments set out in the tables at paragraphs 6.6.7 and 6.6.8 of this Pre-listing Statement above, no other material benefits were received by Directors prior to 16 April 2015.
- 6.6.10. No fees have been paid to any third party in lieu of directors' fees.
- 6.6.11. Gaia has not, in the 3 years preceding the date of this Pre-listing Statement, paid (or agreed to pay) any amounts (whether in cash or in securities or otherwise) or given any benefits to any Director or to any company in which he is beneficially interested, directly or indirectly, or of which he is a director ("**the associate company**") or to any partnership, syndicate or other association of which he is a member ("**the associate entity**"), to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the associate company or the associate entity in connection with the promotion or formation of Gaia.

6.7. Interests of Directors

- 6.7.1. Save as set out below, no Director of Gaia (including any person who may have resigned as a Director within the last 18 months) has any material beneficial interest, directly or indirectly, in any transactions that were effected by Gaia (i) during the current or immediately preceding financial year; or (ii) during an earlier financial year and remain in any respect outstanding or unperformed.
- 6.7.2. Save for being a Shareholder of Gaia (as set out in paragraph 6.7.4 of this Prelisting Statement) and a shareholder of the Manager (as set out in paragraph 7.3 of this Prelisting Statement), no Director has had any material beneficial interest, either direct or indirect, in the Listing and no promoter or Director of Gaia is or was a member of a partnership, syndicate or other association of persons that has or had such an interest.
- 6.7.3. Save for being a Shareholder of Gaia (as set out in paragraph 6.7.4 of this Prelisting Statement) and a shareholder of the Manager (as set out in paragraph 7.3 of this Prelisting Statement), no Director has had any material beneficial interest, either direct or indirect, in the promotion of the Company. No cash or securities have been paid and no benefit has been given to any promoter within the last 3 years.
- 6.7.4. Assuming that the Private Placement is fully subscribed, as at the Listing Date, the direct and indirect beneficial interests of the Directors (including any Directors who have resigned during the 18 months preceding the Last Practicable Date) and their associates in the issued share capital of Gaia, shall be as follows:

Director	Number of shares held directly	Number of shares held indirectly	% of shares in issue held
L de Wit	–	1 041 500	2,083%
PB Schabort	–	1 041 500	2,083%
C Ferreira	417 000	–	0,834%
Total	417 000	2 083 000	5%

- 6.7.5. The Directors' interests in securities which are set out in the table above ("**Directors' Shares**") will be subscribed for by each of the abovementioned Directors ("**Subscribing Directors**") at the Issue Price in terms of the Private Placement and will be held in custody by their respective brokers ("**Custody Agents**") in accordance with the JSE Listings Requirements, as envisaged below.
- 6.7.6. The holding of the Directors' Shares in custody by the Custody Agents are governed in terms of custodial agreements entered into by (or on behalf of) each of the Subscribing Directors and their respective Custody Agents ("**Custodial Arrangements**"). In terms of the Custodial Arrangements, amongst other things:
- 6.7.6.1. the Custody Agents shall hold the Directors' Shares in custody until the later of: (i) the date which is 6 months from the date of completion of the acquisition of Viable Assets by Gaia and (ii) the receipt of written notice from the respective Subscribing Director requesting the respective Custody Agent to release that Subscribing Director's respective Directors' Shares (the "**Custodial Period**");
- 6.7.6.2. the Subscribing Directors and the Custody Agents shall not be entitled to dispose of the Directors' Shares for the duration of the Custodial Period; and
- 6.7.6.3. the Custody Agents shall have no right, title or interest in respect of the Directors' Shares, including voting rights and the right to dividends and distributions, which rights shall remain with the Subscribing Directors.

6.8. Service contracts of Directors

Service contracts have been concluded between the Manager and each of Gaia's executive Directors on terms and conditions that are standard for such appointments. There are no service contracts between the Company and any of its non-executive Directors.

SECTION ONE – INFORMATION ON GAIA (continued)

7. THE MANAGER

7.1. Overview of the Manager

- 7.1.1. The Manager was incorporated in Cape Town in 2012 as a private company under registration number 2012/093632/07. The Manager changed its name from “Gaia Energy Proprietary Limited” to “Gaia Infrastructure Partners Proprietary Limited” on 29 April 2015.
- 7.1.2. The Manager is constituted by a combination of highly skilled actuarial, engineering, project development, and investment professionals who facilitate exposure for long-term investors to infrastructure investment opportunities. The Manager’s emphasis is on employing an investment model that presents institutional and retail investors with investment opportunities in the underlying assets while introducing a more liquid instrument in the medium term to ensure maximum investment flexibility for institutional and retail investors.
- 7.1.3. The Manager will provide the Services to Gaia and Gaia Financial Services in the terms of Management Agreement. The Management Agreement was considered and approved by the Board as a whole and was entered into between Gaia, Gaia Financial Services and the Manager. The salient provisions of the Management Agreement are set out in **Annexure 7** to this Pre-listing Statement.

7.2. Expertise of the Manager

- 7.2.1. The Manager represents several “buy-side” investors and has a unique skill set and experience set in the following sectors:
- technical and engineering;
 - project finance;
 - deal flow;
 - capital markets;
 - financial product development;
 - retirement fund industry; and
 - governance in the listed environment.
- 7.2.2. During 2014 and 2015, the Manager originated, placed and closed transactions totalling approximately R1,35 billion in the secondary REIPPPP equity market (“**Existing Managed Assets**”). The transactions include significant stakes in 3 solar photovoltaic projects and 1 wind project, acquired in unlisted funds. The Manager will continue to manage several unlisted funds and the Existing Managed Assets, which are unrelated to Gaia, after the Listing of Gaia.
- 7.2.3. After the Listing, Gaia will have a right of first refusal in respect of all potential new investments identified by the Manager which meet the Company’s investment policy. When determining if a potential investment should be pursued, the Board will consider the size of the investment, diversification of risk and general risk profile thereof. Accordingly, the Directors may determine to place all or only a portion of the proposed investment into Gaia.

7.3. Shareholders of the Manager

The non-executive directors of the Manager, as listed below in paragraph 7.4 of this Pre-listing Statement, collectively hold 66% of the issued share capital of the Manager. The executive directors of the Manager, as listed below in paragraph 7.4 of this Pre-listing Statement, collectively hold the remaining 33% of the issued share capital of the Manager.

7.4. Details of directors of the Manager

The full names, ages, business address and capacities of the directors of the Manager are outlined below:

Full name	Age	Designation	Business address
JR Oliphant	33	Managing director	2nd Floor, Oakdale House, The Oval, Oakdale Road, Newlands, Cape Town, South Africa
MM Nieuwoudt	44	Chief investment officer	2nd Floor, Oakdale House, The Oval, Oakdale Road, Newlands, Cape Town, South Africa
PB Schabort	57	Chairman	2nd Floor, Oakdale House, The Oval, Oakdale Road, Newlands, Cape Town, South Africa
L de Wit	60	Non-executive director	2nd Floor, Oakdale House, The Oval, Oakdale Road, Newlands, Cape Town, South Africa
C Ferreira	63	Non-executive director	2nd floor, Katherine and West, 114 West Street, Sandown, Sandton, 2146

7.5. Experience of the directors of the Manager

Profiles of the directors of the Manager, detailing their experience, appear in **Annexure 8** to this Pre-listing Statement.

7.6. Disclosures by the directors of the Manager

None of the directors of the Manager:

- 7.6.1. have been declared bankrupt, insolvent or have entered into any individual voluntary compromise arrangements;
- 7.6.2. have been directors with an executive function of any company put under, or proposed to be put under, any business rescue plans, or that is or was the subject of an application for business rescue, any notices in terms of section 129(7) of the Companies Act, receiverships, compulsory liquidations, creditors voluntary liquidations, administrations, company voluntary arrangements or any compromise or arrangements with creditors generally or any class of creditors, at the time of such event or within the 12 months preceding any such event;
- 7.6.3. have been partners in a partnership that was the subject of any compulsory liquidation, administration or partnership voluntary arrangement, at the time of such event or within the 12 months preceding any such event;
- 7.6.4. have entered into any receiverships of any asset(s) or of a partnership where such directors are or were partners during the preceding 12 months;
- 7.6.5. have been publicly criticised by a statutory or regulatory authority, including recognised professional bodies, or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;
- 7.6.6. have been involved in any offence of dishonesty;
- 7.6.7. have been removed from an office of trust, on the grounds of misconduct, involving dishonesty; or
- 7.6.8. have been the subject of any court order declaring him delinquent or placing him under probation in terms of section 162 of the Companies Act and/or section 47 of the Close Corporations Act, No. 69 of 1984 or been disqualified by a court to act as a director in terms of section 219 of the Companies Act, No. 61 of 1973.

7.7. Remuneration of the directors

- 7.7.1. The directors of the Manager are all Directors of Gaia and, accordingly, any and all remuneration and benefits received by such directors from Gaia and/or the Manager have been disclosed in paragraph 6.6 of this Pre-listing Statement.
- 7.7.2. The directors of the Manager will not receive any remuneration from Gaia as a direct consequence of the Listing.
- 7.7.3. Gaia has not paid any amounts (whether in cash or in securities), nor given any benefits to any directors of the Manager or to any company in which the directors of the Manager are beneficially interested, or to any partnership, syndicate or other association of which the directors of the Manager are members, or to any director of the Manager as an inducement to become a director of Gaia or of the Manager or otherwise, or for services rendered by the directors of the Manager, or otherwise for services rendered by the directors of the Manager or by an associate company or associate entity in connection with the promotion or formation of Gaia.

7.8. Interests of the directors of the Manager in Gaia

- 7.8.1. All of the directors of the Manager are also Directors of Gaia. Accordingly, the direct and indirect beneficial interests of such directors (including any directors who have resigned during the 18 months preceding the Last Practicable Date) and their associates in the issued share capital of Gaia have been disclosed in paragraph 6.7.4 of this Pre-listing Statement.
- 7.8.2. No director of the Manager has or had any interest, directly or indirectly, in any transaction which is, or was, material to the business of Gaia and which was effected by Gaia during the current financial year which remains in any respect outstanding or unperformed.
- 7.8.3. Save for being a Shareholder or a shareholder of the Manager, no director of the Manager has had any material beneficial interest, either direct or indirect, in the promotion of Gaia.
- 7.8.4. Save for being a Shareholder or a shareholder of the Manager, no director of the Manager has had any material beneficial interest, either direct or indirect, in any property acquired or to be acquired by Gaia.

8. SHARE CAPITAL

- 8.1. The authorised and issued share capital of Gaia as at the Last Practicable Date was as follows:

	R
Stated capital	
<i>Authorised</i>	
6 000 000 000 ordinary shares with no par value	-
<i>Issued</i>	
1 000 ordinary shares with no par value issued at R0,10	100
Total	100

Note:

- 1. As at the Last Practicable Date, no Shares were held in treasury.

SECTION ONE – INFORMATION ON GAIA (continued)

- 8.2. Assuming that the Private Placement is fully subscribed, the authorised and issued share capital of the Company after the Private Placement and Listing is expected to be as follows:

	R
Stated capital	
<i>Authorised</i>	
6 000 000 000 ordinary shares with no par value	-
<i>Issued</i>	
50 001 000 ordinary shares with no par value	500 000 100
Total	500 000 100

Notes:

1. As at the time of the Listing, no Shares will be held in treasury.
2. The table in paragraph 8.2 of this Pre-listing Statement assumes that the Private Placement is fully subscribed.

- 8.2.1. As at the time of the Listing:
- 8.2.1.1. no debentures had been created or issued by Gaia or Gaia Financial Services; and
 - 8.2.1.2. all Shares in issue were fully paid up and freely transferable.
- 8.2.2. On the Listing Date, all Shares in issue shall rank *pari passu* with each other in all respects, including in respect of voting rights and dividends.
- 8.2.3. There are no preferential conversion and/or exchange rights in respect of any Shares.

8.3. Major and controlling Shareholders

- 8.3.1. At the Last Practicable Date, those Shareholders who, insofar as is known to Gaia, directly or indirectly, beneficially hold 5% or more of the issued share capital of Gaia are set out below. The Board is not aware of any pre-existing intention of any major Shareholder to dispose of a material number of their Shares at or immediately after the Listing.

Shareholder	Number of shares held	% of shares in issue held
Gaia Infrastructure Partners	1 000	100%
Total	1 000	100%

- 8.3.2. Prior to the Private Placement and Listing, there has been no change in the controlling Shareholder of Gaia since its incorporation on 16 April 2015, save for the original acquisition of Gaia as a shelf company by Gaia Infrastructure Partners on 16 April 2015.
- 8.3.3. As a result of the Private Placement, Gaia Infrastructure Partners will be diluted to a nominal shareholding in Gaia and will no longer control Gaia. The identity of the new controlling Shareholder of Gaia, if any, is not known as at the Last Practicable Date.

8.4. Rights attaching to Shares

Salient provisions in the MOI relating to the rights attaching to Shares, appear in Annexure 6 to this Pre-listing Statement.

8.5. Changes to share capital

There have been no changes to Gaia's authorised share capital (including no share consolidations or subdivisions) since its incorporation, save as set out below:

- 8.5.1. Gaia was incorporated with an authorised share capital of 1 000 Shares of no par value on 16 April 2015; and
- 8.5.2. Gaia increased its authorised share capital to 6 000 000 000 Shares of no par value on 14 September 2015.

8.6. Options and preferential rights in respect of Shares

There is no contract or arrangement, either actual or proposed, whereby any option or preferential right of any kind has been or will be given to any person to subscribe for any Shares or any shares in Gaia Financial Services.

8.7. Dividends

- 8.7.1. The Directors do not intend to declare any dividends prior to the completion of an acquisition of Viable Assets. Thereafter, subject to section 46 of the Companies Act, the Company's targeted annualised dividend distribution rate shall be CPI plus 2,5%, which distribution rate shall be calculated with reference to the Company's net asset value as set out in the most recent annual financial statements of the Company.
- 8.7.2. In terms of the MOI all unclaimed monies that are due to any Shareholder pursuant to the declaration of a dividend shall be held by Gaia in trust until lawfully claimed by such Shareholder, or until the Shareholder's claim to such money has prescribed in terms of the applicable laws of prescription.

8.7.3. No arrangements exist under which future dividends are waived or are agreed to be waived.

8.8. Rights offer

Since the Company's incorporation, Gaia has not undertaken any rights offers.

8.9. Shares issued

Other than pursuant to the Private Placement, neither Gaia nor Gaia Financial Services has issued any shares since its incorporation.

8.10. Authorisations

The following resolutions were passed by Gaia Infrastructure Partners, being the sole Shareholder of Gaia on the date on which such resolutions were taken:

- 8.10.1. the special resolution required to change the name of the Company from "Gaia Capital Proprietary Limited" to "Gaia Infrastructure Capital Proprietary Limited";
- 8.10.2. the special resolution required to increase the authorised share capital of Gaia from 1 000 Shares to 6 000 000 000 Shares;
- 8.10.3. the special resolution required for the adoption of the new MOI;
- 8.10.4. the special resolution required to convert the Company from a private company to a public company;
- 8.10.5. the special resolution required for the authorised but unissued Shares to be placed under the control of the Directors, subject to the provisions of section 38 of the Companies Act and the Listings Requirements.

SECTION TWO – DETAILS OF THE PRIVATE PLACEMENT

9. PURPOSE OF THE PRIVATE PLACEMENT AND THE LISTING

9.1. The main purpose of the Private Placement and the Listing is to:

- 9.1.1. provide investors, both institutional and retail, with an opportunity to participate over the long-term in the capital growth and the income streams of the Company;
- 9.1.2. create an avenue for investors to invest in infrastructure projects in Southern Africa, usually only accessed through private equity, which has limitations on liquidity;
- 9.1.3. enhance the liquidity and tradability of the Shares;
- 9.1.4. provide the Company with a platform to raise equity funding and debt to pursue growth and investment opportunities;
- 9.1.5. provide the Company with the ability to use listed Shares to fund future acquisitions;
- 9.1.6. establish the Company as a leader in its industry; and
- 9.1.7. enhance the public profile and general public awareness of Gaia.

9.2. The proceeds of the Private Placement will be used by the Company to fund the acquisition of Viable Assets.

10. PARTICULARS OF THE PRIVATE PLACEMENT

10.1. Salient dates relating to the Private Placement

	2015
Opening Date of the Private Placement at 09:00 on	Wednesday, 4 November
Closing Date of the Private Placement at 12:00 on	Friday, 6 November
Results of the Private Placement published on SENS on	Monday, 9 November
Results of the Private Placement published in the press on	Tuesday, 10 November
Notification of allotments to successful Invited Investors by	Tuesday, 10 November
Listing of Shares on the JSE expected at commencement of trade on	Thursday, 12 November
Accounts at CSDPs/Brokers updated in respect of Dematerialised Shareholders on	Thursday, 12 November

Note:

1. The above dates are subject to change. Any such change will be announced on SENS.

10.2. Details of the Private Placement

- 10.2.1. Pursuant to the Private Placement, the Company intends to raise a minimum of R500 000 000 by way of an offer for subscription to Invited Investors of a minimum of 50 000 000 Private Placement Shares in the Company at the Issue Price.
- 10.2.2. The Private Placement Shares issued in terms of this Pre-listing Statement will be allotted subject to the provisions of the MOI and will rank *pari passu* in all respects including distributions, with all existing issued Shares in the Company.
- 10.2.3. There are no convertibility or redemption provisions relating to any Shares.
- 10.2.4. The Private Placement Shares will only be issued in dematerialised form. No certificated Private Placement Shares will be issued.
- 10.2.5. No fractions of Private Placement Shares will be offered in terms of the Private Placement.
- 10.2.6. The Directors in their sole discretion are entitled to increase the number of Private Placement Shares offered in terms of the Private Placement and the quantum sought to be raised.
- 10.2.7. The Directors in their sole discretion are entitled to amend the terms of the Private Placement, provided that any such amendments shall be advised to Invited Investors.

10.3. Condition to the Listing

- 10.3.1. The Listing is subject to:
 - 10.3.1.1. Gaia raising a minimum amount of R500 000 000 in terms of the Private Placement; and
 - 10.3.1.2. the achievement of a spread of Shareholders acceptable to the JSE, being public shareholders (as contemplated in the JSE Listings Requirements) holding not less than 20% of the issued share capital of the Company to ensure reasonable liquidity.
- 10.3.2. If any condition precedent fails, the Private Placement and any acceptance thereof shall not be of any force or effect and no person shall have any claim whatsoever against Gaia or any other person as a result of the failure of any condition.

10.4. Procedures for acceptance

- 10.4.1. The Private Placement is open to Invited Investors only.

- 10.4.2. Only persons who fall within any of the categories envisaged in section 96(1)(a) of the Companies Act or who subscribe for a minimum amount of R1 000 000 per single addressee acting as principal as contemplated in section 96(1)(b) of the Companies Act, are entitled to participate in the Private Placement.
 - 10.4.3. Invited investors are to provide PSG Capital with their completed Application Form by 12:00 on Friday, 6 November 2015. Invited Investors will be informed of their allocated Private Placement Shares, if any, by Tuesday, 10 November 2015. Invited Investors must make the necessary arrangements to enable their CSDP or Broker, as the case may be, to make payment for the allocated Private Placement Shares on settlement date. The allocated Private Placement Shares will be transferred, on a “delivery-versus-payment” basis, to successful applicants on the settlement date, which is expected to be Thursday, 12 November 2015.
 - 10.4.4. The following parties may not participate in the Private Placement:
 - 10.4.4.1. any person who may not lawfully participate in the Private Placement; and/or
 - 10.4.4.2. any investor who has not been invited to participate in the Private Placement; and/or
 - 10.4.4.3. any person acting on behalf of a minor or deceased estate.
 - 10.4.5. No applications will be accepted after 12:00 on Friday, 6 November 2015.
 - 10.4.6. Applications submitted by Invited Investors are irrevocable and may not be withdrawn once received by the PSG Capital.
 - 10.4.7. Application Forms must be completed in accordance with the provisions of this Pre-listing Statement and the instructions contained in the Application Form, a specimen of which is attached to this Pre-listing Statement (*blue*) and which will be made available to Invited Investors.
 - 10.4.8. Copies or reproductions of the Application Form will be accepted at the discretion of the Directors.
 - 10.4.9. Any alterations on the Application Form must be authenticated by full signature.
 - 10.4.10. Receipts will not be issued for applications, application monies or supporting documents received.
 - 10.4.11. Each application will be regarded as a single application.
 - 10.4.12. Other than as detailed in the Application Form, no documentary evidence of capacity to apply need accompany the Application Form, but the Company reserves the right to call upon any applicant to submit such evidence for noting, which evidence will be held on file with the Company or the Transfer Secretaries or returned to the applicant at the applicant’s risk.
 - 10.4.13. The Directors reserve the right to accept or refuse any applications, either in whole or in part, or to abate any or all applications (whether or not received timeously) in such manner as they may, in their sole and absolute discretion, determine.
- 10.5. Issue and allocation of the Private Placement Shares**
- 10.5.1. All Private Placement Shares subscribed for in terms of this Pre-listing Statement will be issued at the expense of Gaia.
 - 10.5.2. It is intended that notice of the allocations will be given by Tuesday, 10 November 2015.
 - 10.5.3. Successful applicants’ accounts with their CSDP or Broker will be credited with the allocated Private Placement Shares on the settlement date being Thursday, 12 November 2015, on a “delivery-versus-payment” basis.
- 10.6. Payment and delivery of the Private Placement Shares**
- 10.6.1. No payment should be submitted with the Application Form delivered to the Bookrunner. Applicants must make the necessary arrangements to enable their CSDP or Broker to make payment for the allocated Private Placement Shares on the settlement date, which is expected to be Thursday, 12 November 2015, in accordance with each applicant’s agreement with their CSDP or Broker.
 - 10.6.2. The allocated Private Placement Shares will be transferred, on a “delivery-versus-payment” basis, to successful applicants on the settlement date, which is expected to be Thursday, 12 November 2015.
 - 10.6.3. The applicant’s CSDP or Broker must commit to Strate to the receipt of the applicant’s allocation of Private Placement Shares against payment on Thursday, 12 November 2015.
 - 10.6.4. On the settlement date, the applicant’s allocation of Private Placement Shares will be credited to the applicant’s CSDP or Broker against payment during the Strate settlement runs, prior to the opening of the market.
 - 10.6.5. The CSDP or Broker concerned will receive and hold the Private Placement Shares (as Dematerialised Shares) on the applicants’ behalf.
- 10.7. Representation**
- Any Invited Investor applying for or accepting the Private Placement Shares in the Private Placement shall be deemed to have represented to Gaia that such investor was in possession of a copy of this Pre-listing Statement at that time. Any party applying for or accepting Private Placement Shares on behalf of another investor shall be deemed to have represented to

SECTION TWO – DETAILS OF THE PRIVATE PLACEMENT *(continued)*

Gaia that they are duly authorised to do so and warrant that they and the purchaser for whom they are acting as agent are duly authorised to do so in accordance with all relevant laws and such investor guarantees the payment of the requisite subscription price and that a copy of this Pre-listing Statement was in the possession of such investor for whom they are acting as agent.

10.8. Applicable law

The Private Placement, applications, allocations and acceptances will be exclusively governed by the laws of South Africa and each Invited Investor will be deemed, by applying for Private Placement Shares, to have consented and submitted to the jurisdiction of the courts of South Africa in relation to all matters arising out of or in connection with the Private Placement.

10.9. Strate

10.9.1. Shares may be traded only on the JSE in electronic form (as Dematerialised Shares) and will be trading for electronic settlement in terms of Strate immediately following the Listing.

10.9.2. Strate is a system of “paperless” transfer of securities. If you have any doubt as to the mechanics of Strate please consult your Broker, CSDP or other appropriate adviser and you are referred to the Strate website (<http://www.strate.co.za>) for more detailed information.

10.9.3. Some of the principal features of Strate are:

10.9.3.1. electronic records of ownership replace certificates and physical delivery of certificates;

10.9.3.2. trades executed on the JSE must be settled within 5 Business Days;

10.9.3.3. all investors owning Dematerialised Shares or wishing to trade their securities on the JSE are required to appoint either a Broker or a CSDP to act on their behalf and to handle their settlement requirements; and

10.9.3.4. unless investors owning Dematerialised Shares specifically request their CSDP to register them as an “own-name” holder (which entails a fee), their respective CSDPs or Broker’s nominee company holding shares on their behalf, will be the holder (member) of the relevant company and not the investor. Subject to the agreement between the investor and the CSDP or Broker (or the CSDPs or Broker’s nominee company), generally in terms of the rules of Strate, the investor is entitled to instruct the CSDP or Broker (or the CSDPs or Broker’s nominee company), as to how it wishes to exercise the rights attaching to the shares and/or to attend and vote at shareholder meetings.

10.10. Oversubscription

10.10.1. In the event of an oversubscription, the Board shall, in its sole discretion, determine an appropriate allocation mechanism. The Board will take into account the spread requirements of the JSE, the liquidity of the Shares and consider the potential shareholder base that the Board wishes to achieve.

10.10.2. Depending upon the level of demand, Invited Investors may receive no Private Placement Shares or fewer than the number of Private Placement Shares applied for. Any dealing in Shares prior to delivery of the Private Placement Shares is entirely at the Invited Investor’s own risk.

10.11. Simultaneous issues

No Shares are to be issued simultaneously with the issue of Private Placement Shares for which application is being made.

10.12. Underwriting

The Private Placement will not be underwritten.

11. MINIMUM SUBSCRIPTION

The Listing is conditional upon raising a minimum amount of R500 000 000 in terms of the Private Placement.

12. LISTING ON JSE

Prior to the Private Placement and the Listing, Gaia does not have any Shares listed on any stock exchange.

Subject to raising the minimum amount contemplated in paragraph 11 of this Pre-listing Statement above and the achievement of a spread of public shareholders (as contemplated in the JSE Listings Requirements) acceptable to the JSE, being public shareholders holding not less than 20% of the issued share capital of the Company, the JSE has granted Gaia approval for the listing of a minimum of 50 001 000 Shares with effect from the commencement of business on Thursday, 12 November 2015 in the “*Non-Equity Investment Instruments*” sector of the JSE under the abbreviated name “Gaia”, JSE share code: GAI and ISIN: ZAE000210555. As at the Last Practical Date, the Company expects meet the relevant spread requirement after the Private Placement. Accordingly, it is anticipated that the Listing will be effective as from the commencement of trade of the JSE on Thursday, 12 November 2015.

SECTION THREE – FINANCIAL INFORMATION

13. PRIVATE PLACEMENT AND LISTING COSTS

The total estimated costs of the Private Placement and the Listing, which amount to approximately R7 656 000 including VAT, are detailed in the table below:

		R'000
Transaction Advisor and Sponsor	PSG Capital	1 710
Capital raising fees	PSG Capital	4 418
Legal and CIPC fees	Edward Nathan Sonnenbergs Inc.	513
Printing, publication, distribution and advertising expenses	Maxx Corporate Communication	399
JSE documentation fees	JSE	80
JSE listing fees	JSE	195
Transfer Secretaries	Computershare	57
Administration fees	Strate	29
Auditors and Independent Reporting Accountants	KPMG	143
Contingency		112
Total		7 656

14. ESTIMATED OPERATING EXPENSES

14.1. The estimated operating expenses (including VAT) that will be incurred by the Company for the periods ending 28 February 2016 and 28 February 2017 are as follows:

Operating Expense	2016 (R'000)	2017 (R'000)
Listing and Private Placement costs	7 656	–
JSE annual fees	–	285
Legal fees (including the fees of the Escrow Agent)	285	275
Non-executive Directors fees	904	958
Sponsor fees	171	182
Company Secretary	96	103
Management fees ¹	950	2 850
Travel and Accommodation	114	114
Audit fee	74	82
Service provider fees	296	506
Estimated transaction costs for acquiring Viable Assets ²	2 000	2 000
Total	12 547	7 354

Notes:

1. The management fees included in the table above have been calculated based on the reduced management fee receivable by the Manager prior to the acquisition of Viable Assets, as determined in accordance with the provisions of the Management Agreement; and
2. The amount of the transaction costs that will be incurred pursuant to the acquisition of Viable Assets is merely an estimate as this will depend on various factors such as the size of the Viable Assets acquired and the advisers' fees.

14.2. The operating expenses, which will be paid from the proceeds of the Private Placement, have been estimated based on what the Board believes to be an accurate representation of costs associated with the running of an office whose purpose is to identify investment opportunities and the acquisition of Viable Assets.

14.3. In accordance with the Listings Requirements, the Company may not exceed the estimated operating expenses unless a resolution is passed at a meeting of Shareholders by achieving a 75% majority of the votes cast to that effect.

15. BORROWINGS AND LOANS RECEIVABLE

15.1. Loans to Directors

As at the Last Practicable Date, no loans have been made or security furnished by Gaia to or for the benefit of any Director, manager or any associate of a Director or manager of the Company.

15.2. Material loans

As at the Last Practicable Date, no material loans have been made to Gaia or Gaia Financial Services and no loan capital is currently outstanding.

SECTION THREE – FINANCIAL INFORMATION *(continued)*

15.3. Material commitments, lease payments and contingent liabilities

As at the Last Practicable Date, the Company did not have any material capital commitments or contingent liabilities.

15.4. Loans receivable

As at the Last Practicable Date, the neither the Company nor Gaia Financial Services had any material loans receivable.

16. AMOUNTS PAID TO PROMOTERS, BROKERAGES AND COMMISSIONS

Since the incorporation of Gaia:

- 16.1. other than those amounts reflected in paragraphs 13 and 14 of this Pre-listing Statement above, no amounts have been paid to any promoter, partnership, syndicate or other association;
- 16.2. no Director, or any partnership, syndicate or any other association of which he is a member, or any of his associates, has been paid to induce him, or qualify him to become a Director, or for the promotion of Gaia;
- 16.3. no amount has been paid to any underwriter;
- 16.4. no commissions, discounts or brokerages were paid, or any special terms granted, to any person in connection with the issue or sale of any Shares.
- 16.5. no royalties or items of a similar nature have been paid or are payable by Gaia.

17. ESCROW ACCOUNT

- 17.1. The capital raised by way of the Private Placement of will be paid directly into the trust account of the Escrow Agent. As contemplated in paragraph 4.36(b) of the JSE Listings Requirements and the Escrow Agreement, the Escrow Agent will, upon the requisite and lawful instruction of the Company, transfer the capital raised by the Private Placement into an interest bearing account for the benefit of the Company ("**Escrow Account**").
- 17.2. As contemplated in paragraph 4.36(b) of the JSE Listings Requirements and the Escrow Agreement, the Escrow Agent must invest the capital in escrow in:
 - 17.2.1. investment grade bonds (being debt securities with a rating of "BBB" or above as rated by Standard and Poor's Corporation or an equivalent rating by any similar institution);
 - 17.2.2. bank deposits with a recognised bank; or
 - 17.2.3. such other investment product approved by the JSE.
- 17.3. The Escrow Agent will invest the capital raised by way of the Private Placement in the Coronation Jibar Plus Fund ("**Fund**") managed by Coronation Fund Managers ("**Coronation**"). The Fund is managed in accordance with the Collective Investment Schemes Control Act 45 of 2002, which does not set any minimum requirements for the credit rating of the instruments into which a fund invests. However, Coronation's policy with regards to the Fund is to only buy instruments or make cash investments which comply with requirements of paragraph 4.36(b) of the JSE Listings Requirements. Coronation has undertaken to notify Gaia and the Escrow Agent in the event that an instrument held by the Fund is subsequently downgraded so that it falls below the required rating band and to provide Gaia and the Escrow Agent with reasonable notice prior to implementing any change in its investment policy with regards to the Fund, to enable Gaia and the Escrow Agent to exit the Fund. In such event the Escrow Agent will immediately exit the Fund and reinvest the capital in investments that comply with paragraph 17.2 above.
- 17.4. The Escrow Agreement contains standard indemnities in favour of the Escrow Agent and in terms thereof Gaia waives any claim which it may have against the Escrow Agent or any of its directors or employees arising out of, inter alia, the Escrow Agent's failure to release any capital in the Escrow Account as contemplated in the Escrow Agreement.

18. WORKING CAPITAL

The Directors are of the opinion that, following the Proposed listing, as set out in this Pre-listing Statement:

- 18.1. the Gaia Group will be able, in the ordinary course of business, to pay its debts for a period of 12 months after the date of this Pre-listing Statement;
- 18.2. the assets of the Gaia Group will be in excess of the liabilities of the Gaia Group for a period of 12 months after the date of this Pre-listing Statement.
- 18.3. the share capital and reserves of the Gaia Group will be adequate for ordinary business purposes for a period of 12 months after the date of this Pre-listing Statement; and
- 18.4. the working capital of the Gaia Group will be adequate for ordinary business purposes for a period of 12 months after the date of this Pre-listing Statement.

19. HISTORICAL FINANCIAL INFORMATION OF GAIA

Annexure 1 and **Annexure 2** to this Pre-listing Statement contains the report of historical financial information of Gaia, while the Independent Reporting Accountants' report thereon is included as **Annexure 3** to this Pre-listing Statement. The historical financial information is the responsibility of the Directors.

20. PRO FORMA FINANCIAL INFORMATION OF GAIA

A *pro forma* statement of the financial position of Gaia, showing the *pro forma* financial position of Gaia as at 16 April 2015, is presented in **Annexure 4** to this Pre-listing Statement and is the responsibility of the Directors, while the Independent Reporting Accountants' report thereon is included as **Annexure 5** to this Pre-listing Statement.

21. MATERIAL CHANGES

Save for the Private Placement contemplated in this Pre-listing Statement:

- 21.1. there have been no other material changes in the financial or trading position of the Gaia Group since the end of its audit as at 16 April 2015;
- 21.2. there have been no other changes in the business or trading objects of the Gaia Group since its incorporation;
- 21.3. there have been no other major changes in the nature of property, plant and equipment and in the policy regarding the use thereof; and
- 21.4. there have been no other material changes in the nature of business of the Gaia Group.

22. MATERIAL COMMITMENTS, LEASE PAYMENTS AND CONTINGENT LIABILITIES

As at the Last Practicable Date, Gaia had no material commitments, lease payments or contingent liabilities.

23. LOANS TO DIRECTORS OR MANAGERS

The Gaia Group has not made any loans to, or furnished any security for the benefit of, any Director or manager of Gaia (or of any associate of any such Director or manager).

24. PRINCIPAL IMMOVABLE PROPERTY OWNED AND LEASED

As at the Last Practicable Date, neither the Company nor Gaia Financial Services owns or leases any immovable property and will operate out of the Manager's offices in Claremont, Cape Town. No separate leased offices are foreseen.

25. INTERCOMPANY FINANCIAL AND OTHER TRANSACTIONS

There are no material inter-company financial and other transactions.

26. MATERIAL ACQUISITIONS

Neither Gaia nor Gaia Financial Services has undertaken any material acquisitions since its incorporation, respectively, and, save in respect of the acquisition of Viable Assets, is not currently contemplating any potential material acquisitions.

27. PROPERTY DISPOSED OF OR TO BE DISPOSED OF

Neither Gaia nor Gaia Financial Services has disposed of any material property since its incorporation and neither company is currently contemplating any material disposals.

SECTION FOUR – ADDITIONAL MATERIAL INFORMATION

28. PROMOTERS' AND OTHER INTERESTS

- 28.1. No amounts have been paid or have accrued as payable and no benefit was given or proposed to be given within the last 3 years to any promoter or to any partnership, syndicate or other association of which any promoter is or was a member.
- 28.2. No Director or promoter has any material beneficial interest, direct or indirect, in the promotion of Gaia, save for being a Shareholders and/or a shareholder of the Manager.
- 28.3. No commissions were paid, or accrued as payable, by Gaia within the 3 years preceding the date of this Pre-listing Statement in respect of any underwriting.
- 28.4. No commissions, discounts, brokerages or other special terms have been granted by Gaia within the 3 years preceding the date of this Pre-listing Statement in connection with the issue or sale of any securities, stock or debentures in the capital of Gaia.

29. GOVERNMENT PROTECTION AND INVESTMENT ENCOURAGEMENT LAW

There is no Government protection or investment encouragement law affecting the Gaia Group.

30. EXCHANGE CONTROL

The following summary is intended as a guide and is, therefore, not comprehensive. If you are in any doubt hereto, please consult your attorney, accountant or professional advisor.

30.1. Emigrants from the Common Monetary Area

- 30.1.1. A former resident of the Common Monetary Area who has emigrated from South Africa may use blocked Rand to purchase Shares in terms of the Private Placement.
- 30.1.2. All payments in respect of subscriptions for Private Placement Shares by emigrants using blocked Rand must be made through the authorised dealer in foreign exchange controlling the block assets.
- 30.1.3. Statements issued to Dematerialised Shareholders will be restrictively endorsed as "NON-RESIDENT".
- 30.1.4. If applicable, refund monies in respect of unsuccessful applications, emanating from blocked Rand accounts, will be returned to the authorised dealer administering such blocked Rand accounts for the credit of such applicant's blocked Rand account.
- 30.1.5. No residents of the Common Monetary Area may, either directly or indirectly, be permitted to receive an allocation as employees of any offshore subsidiaries.

30.2. Applicants resident outside the Common Monetary Area

- 30.2.1. A person who is not resident in the Common Monetary Area should obtain advice as to whether any government and/or legal consent is required and/or whether any other formality must be observed to enable an application to be made in terms of the Private Placement.
- 30.2.2. This Pre-listing Statement is accordingly not a Private Placement in any area or jurisdiction in which it is illegal to make such an offer. In such circumstances this Pre-listing Statement is provided for information purposes only. Statements issued to Dematerialised Shareholders will be restrictively endorsed as "NON-RESIDENT".

31. LITIGATION

There are no legal or arbitration proceedings (including any such proceedings that are pending or threatened) of which Gaia is aware, which may have, or have during the 12 months preceding the Last Practicable Date had, a material effect on the financial position of the Gaia Group.

32. MATERIAL CONTRACTS

- 32.1. Save for the Escrow Agreement and the Management Agreement, no material contracts have been entered into by Gaia or Gaia Financial Services, being restrictive funding arrangement and/or contracts entered into other than in the ordinary course of business and (i) within the 2 years prior to the date of this Pre-listing Statement or, (ii) at any other time where such agreement contains an obligation or settlement that is material to Gaia as at the date of this Pre-listing Statement.
- 32.2. While Gaia is currently considering a number of acquisitions, no formal binding agreement/s have been entered into.

33. EXPERTS' CONSENTS

The Auditors and Independent Reporting Accountants and each of the experts, whose names appear in the "Corporate Information" section of this Pre-listing Statement, have given and have not, prior to the formal approval of this Pre-listing Statement by the JSE, withdrawn their written consents to the inclusion of their names, and acting in the capacities stated and, where applicable, to their reports, being included in this Pre-listing Statement.

34. RESPONSIBILITY STATEMENT

The Directors, whose names are set out in paragraph 6.1.1 of this Pre-listing Statement, collectively and individually accept full responsibility for the accuracy of the information contained in this Pre-listing Statement which relates to Gaia and, in this regard, certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Pre-listing Statement contains all information required by the JSE Listings Requirements.

35. KING CODE AND CORPORATE GOVERNANCE

Shareholders are referred to Annexure 10 to this Pre-listing Statement, which concerns the application of the King Code and other corporate governance principles to Gaia.

36. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection at the registered office of Gaia and at the Stellenbosch and Johannesburg offices of PSG Capital at the addresses referred to in the "Corporate Information" section of this Pre-listing Statement, during normal office hours from the date of issue of this Pre-listing Statement up to the Listing Date:

- 36.1. the MOI and the memorandum of incorporation of Gaia Financial Services;
- 36.2. the Management Agreement;
- 36.3. the Escrow Agreement;
- 36.4. the report of historical financial information of Gaia as reproduced at **Annexure 1** and **Annexure 2** to this Pre-listing Statement;
- 36.5. the *pro forma* statement of financial position of Gaia as at 16 April 2015;
- 36.6. the Independent Reporting Accountants' report on the historical financial information of Gaia, as reproduced at Annexure 3 to this Pre-listing Statement;
- 36.7. the Independent Reporting Accountants' report on the *pro forma* statement of financial information of Gaia as at 16 April 2015, as reproduced at Annexure 5 to this Pre-listing Statement;
- 36.8. the employment agreements of the executive Directors;
- 36.9. written consent letters by experts and advisers, as referred to in paragraph 33 of this Pre-listing Statement above; and
- 36.10. a copy of this Pre-listing Statement.

SIGNED AT CAPE TOWN ON 28 OCTOBER 2015 BY L DE WIT ON BEHALF OF ALL THE DIRECTORS OF THE COMPANY, AS LISTED BELOW, IN TERMS OF POWERS OF ATTORNEY SIGNED BY SUCH DIRECTORS



L de Wit

Chairman

JR Oliphant
MM Nieuwoudt
T Soudien-Witten
PB Schabort
C Ferreira
RB Makhubela
KP Lebina
N Kimber
KE Mbalu

ANNEXURE 1: REPORT OF HISTORICAL FINANCIAL INFORMATION OF GAIA

The definitions commencing on page 6 of the Pre-listing Statement have been used throughout this **Annexure 1**.

BASIS OF PREPARATION:

The historical financial information, comprising of the statement of financial position and the statement of changes in equity as at 16 April 2015 and the notes thereto ("**Report of Historical Financial Information of Gaia**") has been extracted, without adjustments, from the audited statutory financial statements of Gaia for the one day period ended 16 April 2015 ("**Financial Statements**"). The Financial Statements have been prepared in accordance with IFRS and, to the extent relevant, the accounting policies of the Gaia Group as set out in **Annexure 2** to the Pre-listing Statement.

The Financial Statements were audited by KPMG Inc in accordance with International Standards on Auditing and an unqualified audit opinion on the Financial Statements was issued. KPMG Inc. is also the independent reporting accountants to the Gaia Group and has issued an independent reporting accountants' report on this Report of Historical Financial Information of Gaia which is included as Annexure 3 to this Pre-listing Statement.

The Directors are responsible for the Report of Historical Financial Information of Gaia.

DIRECTORS COMMENTARY

Gaia was incorporated as a newly formed investment company in South Africa on 16 April 2015. The main business of the Company as stated in the MOI encompassed general trading in all aspects.

STATEMENT OF FINANCIAL POSITION

	At 16 April 2015
Assets	
Current assets	–
Cash and cash equivalents	100
Total assets	100
Capital and reserves	
Equity and liability	
Share capital	100
Total equity and liabilities	100
Number of Shares in issue	1 000
Net asset value per Share	0,10
Tangible asset value per Share	0,10

STATEMENT OF CHANGES IN EQUITY FOR THE ONE DAY PERIOD ENDED 16 APRIL 2015

	Notes	Share capital	Share premium	Retained loss	Total
As at 16 April 2015		–	–	–	–
Issue of Directors' Shares	1.3	100	–	–	100
At 16 April 2015		100	–	–	100

Gaia has been dormant since incorporation and has no trading history, therefore, no statement of profit or loss and other comprehensive income has been presented. The company held no cash or cash equivalents for this period therefore, a statement of cash flows is not presented.

NOTES TO THE REPORT OF HISTORICAL FINANCIAL INFORMATION OF GAIA

In addition to the significant accounting policies listed as part of Annexure 2 to the Pre-listing Statement, the following policies are applicable to Gaia:

1. Significant accounting policies

1.1 Statement of compliance

This Report of Historical Financial Information of Gaia has been prepared in accordance with IFRS and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council.

1.2 Basis of preparation

The Report of Historical Financial Information of Gaia has been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The Report of Historical Financial Information of Gaia has been prepared on the going concern basis and the accounting policies set out below have been applied consistently across to all periods presented.

The Company's functional currency used for the preparation of the Report of Historical Financial Information is South African Rand.

1.3 Issued capital

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

	As at 16 April 2015
Authorised share capital	
1 000 ordinary shares of no par value	100
Issued share capital	
1 000 ordinary shares of no par value issued at R0,10	100

2. Taxation

No provision has been made for taxation as Gaia has no taxable income during the 1 day period ended.

3. Employees

No remuneration was paid to the Directors or other members of key management personnel during the 1 day period ended.

4. Subsequent events

The Directors confirm that, save as set out in this Pre-listing Statement, there has been no material change in the financial or trading position of Gaia between date of incorporate and the date of issue of this Pre-listing Statement.

ANNEXURE 2: ACCOUNTING POLICIES OF THE GAIA GROUP GOING FORWARD

ACCOUNTING POLICIES AND BASIS OF PREPARATION

The Company's financial statements are prepared in accordance with IFRS, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act and incorporate the principal accounting policies set out below.

The financial statements are prepared on the fair value basis except as noted below. Other assets, liabilities and equity are stated at historic cost. Fair value adjustments (where applicable) do not affect the calculation of distributable earnings but do affect the net asset value per Share to the extent that adjustments are made to the carrying values of assets and liabilities.

1. USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that may affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions will be reviewed on an ongoing basis. Revisions to accounting estimates will be recognised in the period in which the estimate is revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment within the relevant financial year, as well as critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements will be separately disclosed in the notes of the financial statements.

2. INTEREST

Interest income and expense, including interest income from non-derivative financial assets at fair value through profit or loss, are recognised in profit or loss, using the effective interest method.

The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial instrument (or, when appropriate, a shorter period) to the carrying amount of the financial instrument. When calculating the effective interest rate, Gaia will estimate future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

Interest received or receivable and interest paid or payable are recognised in profit or loss as interest income and interest expense, respectively.

3. DIVIDEND INCOME AND DIVIDEND EXPENSE

Dividend income is recognised in profit or loss on the date that the right to receive payment is established. For quoted equity securities this is usually the ex-dividend date. For unquoted equity securities this is usually the date when the Shareholders approved the payment of a dividend. Dividend income from equity securities designated at fair value through profit or loss is recognised in profit or loss as a separate line item.

4. FOREIGN CURRENCY

Transactions in foreign currencies are translated into the functional currency at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss as net foreign exchange gain/loss, except for those arising on financial instruments at fair value through profit or loss, which are recognised as a component of net gain from financial instruments at fair value through profit or loss.

5. NET GAIN/LOSS FROM FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Net gain/loss from financial instruments at fair value through profit or loss includes all realised and unrealised fair value changes and foreign exchange differences, but excludes interest and dividend income.

Net realised gain from financial instruments at fair value through profit or loss is calculated using the average cost method.

6. FEES AND COMMISSION EXPENSES

Fees and commission expenses are recognised in profit or loss as the related services are performed.

7. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Recognition and initial measurement

Financial assets and liabilities at fair value through profit or loss will be recognised initially on the trade date, which is the date that Gaia becomes a party to the contractual provisions of the instrument. Other financial assets and liabilities will be recognised on the date they are originated.

Financial assets and financial liabilities at fair value through profit or loss are recognised initially at fair value, with transaction costs recognised in profit or loss. Financial assets or financial liabilities not at fair value through profit or loss are recognised initially at fair value plus transaction costs that are directly attributable to their acquisition or issue.

(ii) Classification

Financial assets and financial liabilities are classified into the following categories:

Financial assets and financial liabilities at fair value through profit or loss:

- Designated at fair value through profit or loss – equity investments and debt securities

Financial assets and financial liabilities at amortised cost:

- Loans and receivables – cash and cash equivalents, and other receivables
- Other liabilities – other payables

Certain financial assets are designated as at fair value through profit or loss when the assets are managed, evaluated and reported internally on fair value basis. A non-derivative financial asset with fixed or determinable payments may be classified as a loan and receivable unless it is quoted in an active market, or it is an asset for which the holder may not recover substantially all of its investment, other than because of credit deterioration.

(iii) Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principle repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

(iv) Fair value measurement

“Fair value” is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market available at that time. The fair value of a liability reflects its non-performance risk.

When available, the fair value of an instrument is measured using quoted prices in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Instruments are quoted in an active market at a mid price, because this price provides a reasonable approximation of the exit price.

If there is no quoted price in an active market, then valuation techniques that maximises the use of relevant observable inputs and minimises the use of unobservable inputs is used. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e. the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets. When transaction price provides the best evidence of fair value at initial recognition, the financial instrument will be initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model will subsequently be recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is supported wholly by observable market data or the transaction is closed out.

All changes in fair value, other than interest and dividend income and expense and net foreign exchange gains or losses, are recognised in profit or loss as part of net gain/loss from financial instruments at fair value through profit or loss.

Gaia recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

(v) Impairment of financial assets

A financial asset not classified at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset or a group of financial assets is considered to be impaired if objective evidence indicates that one or more loss events have occurred and have had a negative effect on the estimated future cash flows of that asset that can be measured reliably. Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to Gaia in terms that would not be considered otherwise, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses will be recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss. Any interest in such transferred financial assets is created or retained by Gaia is recognised as a separate asset or liability.

ANNEXURE 2: ACCOUNTING POLICIES OF THE GAIA GROUP GOING FORWARD *(continued)*

(vi) De-recognition

The de-recognition of a financial asset occurs when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset. Any interest in such transferred financial assets that is created or retained by Gaia is recognised as a separate asset or liability.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset de-recognised), and consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Gaia enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all the risks and rewards of the transferred asset or a portion of them. If all or substantially all risk and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with retention of substantially all risks and rewards include securities.

Gaia will derecognise a financial liability when its contractual obligations are discharged, cancelled or expire.

(vii) Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, there is a legal right to offset amounts and either party intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS i.e. gains and losses arising from a group of similar transactions, such as gains and losses from financial instruments at fair value through profit or loss.

(viii) Specific instruments

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits with banks and highly liquid financial assets with maturities of 3 months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value and are used in the management of short-term commitments. Cash and cash equivalents are measured at amortised cost which approximates their fair value.

Ordinary shares

Incremental costs directly attributable to the issue of Shares, net of any tax effects, are recognised as a deduction from equity.

8. CONSOLIDATION

No consolidation is required for an investment entity when it obtains control of another entity. Instead an investment entity shall measure an investment in a subsidiary at fair value through profit or loss.

An investment entity:

- obtains funds from one or more investors for the purpose of providing those investors with investment management services;
- commits to its investors that its business purpose is to invest partners solely for returns from capital appreciation,
- investment income, or both;
- measures and evaluates the performance of substantially all of its investments on a fair value basis.

Gaia meets the definition of an investment entity and therefore do not consolidate its investments in subsidiary Gaia Financial Services.

9. TAXATION

Income tax for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is recognised for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, goodwill that arises on initial recognition in a business combination, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. The amount of deferred tax recognised is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates expected to be applied to temporary differences when they reverse, based on tax laws enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

10. NEW STANDARDS AND INTERPRETATIONS NOT ADOPTED

Future amendments not early adopted in the 2015 financial statements:

IFRS 9 Financial Instruments (effective for financial periods commencing on or after 1 January 2018)

IFRS 9 addresses the initial measurement and classification of financial assets and financial liabilities and will replace the relevant sections of IAS 39. There are 2 options in respect of classification of financial assets, namely, financial assets measured at amortised cost or at fair value. Financial assets are measured at amortised cost when the business model is to hold assets in order to collect contractual cash flows and when they give rise to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets are measured at fair value. Embedded derivatives are no longer separated from hybrid contracts that have a financial asset host.

The classification and measurement requirements of financial liabilities are the same as per IAS 39, except for the following 2 aspects:

- fair value changes for financial liabilities (other than financial guarantees and loan commitments) designated at fair value through profit or loss, that are attributable to the changes in the credit risk of the liability will be presented in other comprehensive income ("OCI"). The remaining amount of the fair value change is recognised in profit or loss. However, if this requirement creates or enlarges an accounting mismatch in profit or loss, then the whole fair value change is presented in profit or loss. The determination as to whether such presentation would create or enlarge an accounting mismatch is made on initial recognition and is not subsequently reassessed; and
- derivative liabilities that are linked to and must be settled by delivery of an unquoted equity instrument whose fair value cannot be reliably measured, are measured at fair value text.

This standard will be adopted by Gaia for the first time for its financial reporting year ending 28 February 2016. The standard will be applied retrospectively, subject to transitional provisions.

The impact on the financial statements has not been determined at 16 April 2015.

IFRS 15: Revenue from Contracts with Customers (effective for financial periods commencing on or after 1 January 2017)

The standard, issued by the IASB in May 2014, introduces a general framework to establish whether, when and to what extent revenue will be recognised. The standard replaces the recognition criteria set forth in IAS 18 – *Revenue*. IFRS 15 is applicable for financial years beginning on or after 1 January 2017, and early adoption is permitted. The impact on the financial statements has not been determined.

ANNEXURE 3: INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF GAIA

The Directors
Gaia Infrastructure Capital Limited
2nd Floor, Oakdale House
The Oval
1 Oakdale Road
Claremont
7700

28 October 2015

Dear Sirs

Independent Reporting Accountants' Report on the Historical Financial Information of GAIA as at 16 April 2015.

The definitions commencing on page 6 of the Pre-listing Statement to which this letter is attached apply *mutatis mutandis* to this report.

At your request, and for the purposes of the Pre-listing Statement, we have audited the historical financial information of Gaia as at 16 April 2015, presented in the Report of Historical Financial Information of Gaia as at 16 April 2015, which comprises the statement of financial position, statement of changes in equity, a summary of significant accounting policies and other explanatory notes ("**Report of Historical Financial Information of Gaia**"), as presented in **Annexure 1** and **Annexure 2** to the Pre-listing Statement dated on or about Monday, 2 November 2015, in compliance with the JSE Listings Requirements and IFRS.

KPMG Inc is the independent reporting accountant and auditor to Gaia.

Responsibility of the Directors

The Directors are responsible for the compilation, contents and preparation of the Pre-listing Statement including the Report of Historical Financial Information of Gaia in accordance with the JSE Listings Requirements.

The Directors are also responsible for the fair presentation of the historical financial information of Gaia in accordance with IFRS and for such internal control as the Directors determine is necessary to enable the preparation of the Report of Historical Financial Information of Gaia that is free from material misstatement, whether due to fraud or error.

Responsibility of the Independent Reporting Accountants

Our responsibility is to express an audit opinion on the Report of Historical Financial Information of Gaia based on our audit, as at 16 April 2015, in accordance with International Standards on Auditing.

Report of Historical Financial Information of Gaia

We have audited the Report of Historical Financial Information of Gaia attached as **Annexure 1** and **Annexure 2** to the Pre-listing Statement.

Responsibility of the Independent Reporting Accountants in respect of the Report of Historical Financial Information of Gaia

Our responsibility is to express an opinion on the Report of Historical Financial Information of Gaia. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Report of Historical Financial Information of Gaia is free from material misstatement.

Scope of audit

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Report of Historical Financial Information of Gaia. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Report of Historical Financial Information of Gaia, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Report of Historical Financial Information of Gaia in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Report of Historical Financial Information of Gaia.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the Report of Historical Financial Information of Gaia

In our opinion, the Report of Historical Financial Information of Gaia, as set out in **Annexure 1** and **Annexure 2** to the Pre-listing Statement, presents fairly, in all material respects, for the purpose of the Pre-listing Statement, the consolidated financial position of Gaia at 16 April 2015 in accordance with IFRS and in the manner required by the JSE Listings Requirements.

Yours faithfully

KPMG Inc.

Per LM September
Chartered Accountants (SA)
Director

ANNEXURE 4: PRO FORMA STATEMENT OF FINANCIAL POSITION OF GAIA AS AT 16 APRIL 2015

BASIS OF PREPARATION

The *Pro forma* Statement of Financial Position of Gaia as at 16 April 2015 ("*Pro forma Statement of Financial Position of Gaia*") has been prepared, based on the assumption that the Private Placement and Listing had taken place on 16 April 2015, has been prepared for illustrative purposes only and because of its nature may not fairly present Gaia's financial position and changes in equity after the Private Placement and the Listing.

The *Pro forma* Statement of Financial Position of Gaia has been prepared using accounting policies that comply with IFRS and that are consistent with those applied in the audited Report of Historical Financial Information of Gaia, as set out in **Annexure 1** and **Annexure 2** to the Pre-listing Statement.

The *Pro forma* Statement of Financial Position of Gaia has been prepared in accordance with the JSE Listing Requirements and the South African Institute of Chartered Accountants Guide on *Pro forma* Financial Information (revised and issued in September 2014) and are the responsibility of the Directors.

The Independent Reporting Accountants' report on the *Pro forma* Statement of Financial Position of Gaia is set out in **Annexure 5** to this Pre-listing Statement.

The *Pro forma* Statement of Financial Position of Gaia as at 16 April 2015 is set out in the following table:

Pro forma statement of financial position of Gaia as at 16 April 2015 reflecting effects of the capital raise from the specific issue:

	Before balance sheet 16 April 2015 R'000	<i>Pro forma</i> adjustment for capital raised R'000	<i>Pro forma</i> balance sheet 16 April 2015 R'000
Statement of financial position			
Assets			
Current assets			
Cash and cash equivalents	–	492 344	492 344
Total assets	–	492 344	492 344
Capital and reserves			
Share capital	–	495 189	495 189
Retained income/(loss)	–	(2 845)	(2 845)
Liabilities			
Non-current liabilities	–	–	–
Total equity and liabilities	–	492 344	492 344
Net asset value (R'000)	–	492 344	492 344
Number of shares in issue	1 000	50 000 000	50 001 000
NAV per share (cents)	10	985	985

Notes and Assumptions:

- Column 1 presents the Statement of Financial Position of Gaia, which has been extracted, without adjustment, from the audited Report of Historical Financial Information of Gaia as set out in **Annexure 1** and **Annexure 2** of this Pre-listing Statement.
- Column 2 presents the financial effects of the Private Placement and the Listing including the following adjustments:
 - The net asset value per Share figure is calculated on the basis that the Private Placement was effected on 16 April 2015.
 - An increase in cash and cash equivalents to reflect the receipt of the R500 000 000 proceeds in respect of the Private Placement less transaction costs.
 - An increase in stated capital to reflect the issue of 50 000 000 new Gaia Shares at an issue price of R10 per Share in respect of the Private Placement.
 - Gaia issues 50 000 000 Shares at R10 per Share in terms of the Private Placement.
 - Transaction costs of R7 656 000 has been assumed for the Private Placement and Listing, of which R4,8 million has been capitalised against share capital in accordance with IAS 32: Financial Instruments and R2,85 million expensed through the Statement of Comprehensive Income.

ANNEXURE 5: INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE *PRO FORMA* STATEMENT OF FINANCIAL POSITION OF GAIA

The Directors
Gaia Infrastructure Capital Limited
2nd Floor, Oakdale House
The Oval
1 Oakdale Road
Claremont
7700

28 October 2015

Dear Sirs

Independent Reporting Accountants' Report on the *Pro forma* Statement of Financial Position of Gaia

The definitions commencing on page 6 of the Pre-listing Statement to which this letter is attached apply *mutatis mutandis* to this report.

We have completed our assurance engagement to report on the compilation of the *pro forma* statement of financial position of Gaia and the related notes as at 16 April 2015 (collectively "***Pro forma Statement of Financial Position of Gaia***"). The *Pro forma* Statement of Financial Position of Gaia is set out in **Annexure 4** to the Pre-listing Statement.

The *Pro forma* Statement of Financial Position of Gaia has been compiled by the Directors to illustrate the impact of the Private Placement, as detailed in the Pre-listing Statement, on the historical statement of financial position of Gaia as at 16 April 2015, had the Private Placement been in effect on 16 April 2015 for statement of financial position purposes.

As part of this process, the audited statement of financial position of Gaia has been extracted by the Directors from the Report of Historical Financial Information of Gaia in respect of which an independent reporting accountants' report, containing an unmodified audit opinion, has been issued.

36.11. Responsibility of the Directors

The Directors are responsible for compiling the *Pro forma* Statement of Financial Position of Gaia on the basis of the applicable criteria as detailed in paragraphs 8.15 to 8.33 of the Listings Requirements and the SAICA Guide on *Pro forma* Financial Information, revised and issued in September 2014 ("**Applicable Criteria**").

36.12. Responsibility of the Independent Reporting Accountants

Our responsibility is to express an opinion about whether the *Pro forma* Statement of Financial Position of Gaia has been compiled, in all material respects, by the Directors on the basis of the Applicable Criteria, based on our procedures performed.

We conducted our engagement in accordance with International Standard on Assurance Engagements ("**ISAE**") 3420, *Assurance Engagements to Report on the Compilation of Pro forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that the reporting accountants' comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the *Pro forma* Statement of Financial Position of Gaia on the basis of the Applicable Criteria.

The purpose of the *Pro forma* Statement of Financial Position of Gaia included in the Pre-listing Statement is solely to illustrate the impact of the Private Placement on the unadjusted audited historical statement of financial position of Gaia as if the Private Placement had been undertaken on 16 April 2015, for purposes of the *pro forma* statement of financial position.

A reasonable assurance engagement to report on whether the *Pro forma* Statement of Financial Position of Gaia has been properly compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Directors in the compilation of the *Pro forma* Statement of Financial Position of Gaia provide a reasonable basis for presenting the significant effects directly attributable to the Private Placement and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to the Applicable Criteria; and
- The *Pro forma* Statement of Financial Position of Gaia reflects the proper application of those *pro forma* adjustments to the unadjusted audited historical statement of financial position of Gaia.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of Gaia and the Private Placement in respect of which the *Pro forma* Statement of Financial Position of Gaia has been compiled and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the *Pro forma* Statement of Financial Position of Gaia.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

36.13. Opinion

In our opinion, the *Pro forma* Statement of Financial Position of Gaia has been compiled, in all material respects, on the basis of the Applicable Criteria.

Yours faithfully

KPMG Inc.

Per LM September

Chartered Accountants (SA)

Director

ANNEXURE 6: RELEVANT PROVISIONS FROM THE MEMORANDUM OF INCORPORATION OF GAIA AND THE MEMORANDUM OF INCORPORATION OF GAIA FINANCIAL SERVICES

This **Annexure 6** contains extracts of various provisions from the Memorandum of Incorporation of Gaia and the memorandum of incorporation of Gaia Financial Services, as required under the JSE Listings Requirements. In each case, the numbering and wording below matches that of the Memorandum of Incorporation of Gaia and the memorandum of incorporation of Gaia Financial Services, respectively.

GAIA MEMORANDUM OF INCORPORATION

For a full appreciation of the provisions of the Memorandum of Incorporation, Shareholders are referred to the full text of the Memorandum of Incorporation, which is available for inspection, as provided for in paragraph 35 of the Pre-listing Statement.

2. SPECIAL PURPOSE ACQUISITION PERIOD

Notwithstanding anything to the contrary contained in this MOI, for as long as the Company is considered to be a SPAC:

- 2.1. *the Holders shall be required to vote on and approve any proposed acquisition of Viable Assets by Ordinary Resolution; and*
- 2.2. *should an acquisition of Viable Assets not have been completed during the period of 24 (twenty four months commencing on the date upon which the Company's Securities are first listed on the JSE, or any extended period granted by the JSE, the Holders of the Company shall be entitled to receive an amount equal to the aggregate amount held by the Company in escrow in accordance with the Listings Requirements (net of any applicable taxes and expenses related to the distribution and voluntary liquidation), plus the interest earned, divided by the aggregate number of Securities.*

3. LISTING OF SECURITIES ON THE JSE

- 3.1. *The Listings Requirements, including the provisions of the Listings Requirements in respect of SPACs, if applicable, apply to the Company for as long as the Securities of the Company are listed on the JSE and insofar as the Listings Requirements are applicable. Notwithstanding anything else to the contrary contained in this MOI, all references to the Listings Requirements in this MOI and compliance with the Listings Requirements shall only apply for as long as any Securities of the Company are listed on the JSE.*
- 3.2. *Furthermore, the application of, and compliance with, the Listings Requirements is subject to any exemptions that may be granted by the JSE. Any exemption granted will apply equally to this MOI.*

8. AMENDMENTS TO THE MOI

- 8.1. *Save for correcting errors substantiated as such from objective evidence or which are self evident errors (including, but without limitation ejusdem generis, spelling, punctuation, reference, grammar or similar defects) in the MOI, which the Board is empowered to do in terms of section 17(1) subject to the provisions of the Listings Requirements, all other amendments of the MOI shall be effected in accordance with section 16(1) and section 16(4) and the Listings Requirements. All such other amendments shall be approved by a Special Resolution passed by the Holders of ordinary Shares, but subject to clause 9.4.*
- 8.2. *Notice of any corrections made in terms of clause 8.1 must be given to Holders which may be done by way of notification on the Company's web-site, if any.*
- 8.3. *For the avoidance of doubt, amendments to the MOI shall include, without limitation:*
 - 8.3.1. *the creation of any class of Shares;*
 - 8.3.2. *the variation of any preferences, rights, limitations and other terms attaching to any class of Shares;*
 - 8.3.3. *the conversion of one class of Shares into one or more other classes;*
 - 8.3.4. *an increase in the number of authorised Securities of a class;*
 - 8.3.5. *a consolidation of Securities;*
 - 8.3.6. *a sub-division of Securities; and/or*
 - 8.3.7. *the change of name of the Company.*

9. AUTHORISED SECURITIES, ALLOTMENT AND ISSUE AND FINANCIAL ASSISTANCE

- 9.1. *The Company is authorised to issue 6 000 000 000 (six billion) ordinary Shares with no par value (which includes Shares already issued at any time), which shall have Voting Rights in respect of every matter that may be decided by voting, as set out in clause 26.22, and which shall rank after all other classes of Shares in the Company which do not rank pari passu with the ordinary Shares as regards Distributions and returns of capital, but save as aforesaid shall be entitled to receive the net assets of the Company upon its liquidation.*
- 9.2. *Subject to clause 6.4, the Board shall have the power to amend the authorisation (including increasing or decreasing the number) and classification of Shares (including determining rights and preferences) as contemplated in section 36(2)(b) or 36(3) or to Convert ordinary Shares into redeemable preference Shares or to Convert Securities of any one class into Securities of any other class whether issued or not, provided that for as long as any Securities of the Company are listed on the JSE, the Board may only do so where it has complied with the Listings Requirements.*

- 9.3. All Securities of a class shall rank *pari passu* in all respects.
- 9.4. No rights, privileges or conditions for the time being attached to any class of Securities of the Company nor any interests of that class of Securities may (unless otherwise provided by the terms of issue of the Securities of that class), whether or not the Company is being wound up, be varied, nor may any variations be made to the rights, privileges or conditions of any class of Securities, unless the consent in Writing of the Holders of not less than 75% (seventy five per cent) of the issued Securities of that class has been obtained (provided that an amendment by written consent as aforesaid shall be valid only if permitted in terms of the Listings Requirements or with the consent of the JSE, for so long as any securities of the Company are listed on the JSE's lists), or a Special Resolution has been passed by the Holders of that class of Securities at a separate meeting of the Holders of that class. The provisions of this MOI relating to Shareholders' Meetings shall *mutatis mutandis* apply to any such separate meeting except that:
- 9.4.1. the necessary quorum to commence the meeting and consider the matter shall be sufficient Person/s Present and entitled to vote Securities of that class holding in aggregate at least 25% (twenty five per cent) of all the Voting Rights that are entitled to be exercised on the matter, provided that the meeting may not begin unless, in addition, if there are more than 3 (three) Securities Holders who Hold Securities of that class, at least 3 (three) Securities Holders entitled to vote are Present;
- 9.4.2. for so long as the Securities of the Company are listed on the JSE's lists, once a quorum has been established, all the Securities Holders of that class constituting a quorum must be Present to hear the matter; and
- 9.4.3. if a quorum is not Present, the meeting shall be adjourned for 1 (one) week to the same day in the next week, or if that day is a public holiday, to the next succeeding day which is not a public holiday and if, at any such adjourned meeting of such Holders, the required quorum contemplated in clause 9.4.1 is not Present, those Persons entitled to vote who are Present shall be the requisite quorum.
- 9.5. For as long as Securities of the Company are listed on the JSE, no Shares may be authorised in respect of which the preferences, rights, limitations or any other terms of any class of Shares may be varied in response to any objectively ascertainable external fact or facts as provided for in sections 37(6) and 37(7), unless permitted by the JSE.
- 9.6. Notwithstanding any implication to the contrary in this MOI, the Board may not authorise any financial assistance by the Company in connection with the subscription for or purchase of its Securities or any options over Securities or those of a Related or Inter-Related company without complying with section 44(3).

11. AUTHORITY TO ISSUE SECURITIES

- 11.1. Except as may be permitted by (and in those circumstances, in compliance with) the Listings Requirements from time to time, the Board shall not have the power to issue authorised Securities (other than as contemplated in clause 11.7 or clause 12 (Pre-emption on Issue of Securities) or clause 13 (Other Issues of Shares)) without the prior approval contemplated in clause 11.2 (where required in terms of clause 11.2) and with the approval of the JSE (where such approval is required in terms of the Listings Requirements from time to time).
- 11.2. As regards the issue of:
- 11.2.1. Shares, other Securities convertible into Shares, options over Shares or Securities or a grant of any other right exercisable for Securities in the circumstances contemplated in sections 41(1) and (3), the Directors shall not have the power to allot or issue same without the prior approval of a Special Resolution except, in the circumstances contemplated by section 41(1) of the Companies Act, section 41(2) of the Companies Act applies;
- 11.2.2. other equity Securities not referred to in clause 11.2.1, and other equity Securities including options in respect thereof, the Directors shall not have the power to allot or issue same or grant options over same without the prior approval of an Ordinary Resolution of the Shareholders, provided that such issue has been approved by the JSE. For the avoidance of doubt, no approval of shareholders shall be required in order for Directors to allot and issue shares in terms of a rights offer, a claw-back offer, an acquisition issue or a vendor consideration placing, save for in circumstances where section 41(3) is applicable.
- 11.3. No special privileges, such as attending and voting at general meetings and the appointment of directors, may be granted to secured and unsecured debt instruments as contemplated in section 43(3).
- 11.4. If the issue of any debt instrument, according to its terms, will or may result in the allotment or issue of Shares or substitution or conversion of the debt instrument for Shares of the Company, the provisions of clause 11.2.1 and/or clause 13 (Other Issues of Shares) shall apply at the time of issuing the debt instrument.
- 11.5. Any such approval contemplated above in this clause 11 (Authority to Issue Securities) may be in the form of a general authority to the Directors, whether conditional or unconditional, to allot or issue any such Securities contemplated in clauses 11.1, 11.2 and 11.4 in their discretion, or in the form of a specific authority in respect of any particular allotment or issue of such Securities contemplated in clauses 11.2 and 11.4. Such authority shall endure for the period provided in the Ordinary Resolution or Special Resolution in question, subject to the provisions of the Listings Requirements, but may be revoked by Ordinary Resolution (if initially approved by Ordinary Resolution) or Special Resolution (if initially approved by Special Resolution), as the case may be, at any time.

ANNEXURE 6: RELEVANT PROVISIONS FROM THE MEMORANDUM OF INCORPORATION OF GAIA AND THE MEMORANDUM OF INCORPORATION OF GAIA FINANCIAL SERVICES *(continued)*

- 11.6. Notwithstanding anything to the contrary contained in this MOI, the Company may exclude from any rights offer any Holder or category of Holders:
- 11.6.1. in accordance with section 99(7) and with the approval of the JSE (to the extent necessary); or
- 11.6.2. if the Company is precluded by any law or regulatory requirement (including but not limited to anti-money laundering legislation) from extending such rights offer to such Holder or category of Holders.
- 11.7. The Board may issue capitalisation Shares or offer any qualifying Holder of Shares an election to instead receive a cash payment in lieu of awarding a capitalisation Share in accordance with section 47.
- 11.8. No Shares of a class which is listed may be issued other than as fully paid.

28. NUMBER OF DIRECTORS, ELECTION OF DIRECTORS, ALTERNATE DIRECTORS AND CASUAL VACANCIES

- 28.1. The minimum number of Directors shall be 5 (five). Subject to clause 28.10, any failure by the Company at any time to have the minimum number of Directors does not limit or negate the authority of the Board, or invalidate anything done by the Board or the Company.
- 28.2. At the first Annual General Meeting, all the Directors are to retire. Thereafter, at the Annual General Meeting held in each year, 1/3 (one-third) of the Directors, or if their number is not a multiple of 3 (three), then the number nearest to, but not less than, 1/3 (one-third) shall retire from office, provided that in determining the number of Directors and which to retire no account shall be taken of any Director who has been appointed as the chief executive officer or executive financial Director (as these offices are contemplated in the Listings Requirements, if applicable), managing Director, joint managing Director and/or to any other executive office for a fixed period and his contract provides that he is not subject to retirement during that fixed period.
- 28.2.1. The Directors so to retire at each Annual General Meeting shall be those who have been the longest in office since their last election;
- 28.2.2. As between Directors of equal seniority, the Directors to retire shall, in the absence of agreement, be selected from among them by lot;
- Provided that notwithstanding anything herein contained, if at the date of any Annual General Meeting, any Director will have:
- 28.2.3. held office for a period of 3 (three) years since his last election or appointment; or
- 28.2.4. reached 75 (seventy five) years of age since the previous Annual General Meeting, unless the Board resolves otherwise, he shall retire at such Annual General Meeting, either as one of the Directors to retire in pursuance of the foregoing or additionally thereto.
- 28.3. A retiring Director shall act as a Director throughout the Meeting at which he retires. The length of time a Director has been in office shall be computed from the date of his last election. Retiring Directors shall be eligible for re-election, unless they have reached the retirement age detailed in clause 28.2.4.
- 28.4. Each of the Directors and the Alternate Directors, other than a Director contemplated in clause 28.9, shall be elected (which, in the case of a vacancy arising, shall take place at the next Annual General Meeting) in accordance with the provisions of the Companies Act to serve for a maximum term of 3 (three) years as a Director or Alternate Director. An Alternate Director shall serve in the place of 1 (one) or more Director/s named in the resolution electing him during the Director's/s' absence or inability to act as Director. If a Person is an Alternate Director to more than 1 (one) Director or if an Alternate Director is also a Director, he shall have a separate vote, on behalf of each Director he is representing, in addition to his own vote, if any.
- 28.5. There are no general qualifications prescribed by the Company for a Person to serve as a Director or an Alternate Director in addition to the requirements of the Companies Act. The Board, with the assistance of the nominations committee, must make recommendations to the Holders regarding the eligibility of Persons nominated for election as Directors, taking into account their past performance and contribution, if applicable.
- 28.6. No Director shall be entitled to appoint any Person as an Alternate Director to himself without the prior approval of the Board, but the Board shall be entitled to appoint Alternate Directors provided that they do not constitute more than 50% (fifty percent) of all Alternate Directors in office.
- 28.7. In any election of Directors and Alternate Directors, the election is to be conducted according to the provisions set out in the Companies Act.
- 28.8. No Person shall be elected as a Director or Alternate Director, if he is Ineligible or Disqualified and any such election shall be a nullity.
- 28.9. For purposes of section 66(4)(a)(i) of the Companies Act, any vacancy occurring on the Board may be filled by the Board, but so that the total number of the Directors shall not at any time exceed the maximum number fixed, if any. The Individual so appointed shall cease to hold office at the termination of the first Shareholders' Meeting to be held after the appointment of such Individual as a Director unless he is elected at such Shareholders' Meeting.
- 28.10. If the number of Directors falls below the minimum number fixed by or pursuant to this MOI, the continuing Directors (or sole continuing Director) must, as soon as possible and, in any event, not later than 3 (three) months from the date that the

number of Directors falls below the minimum, fill the vacancies or call a Shareholders' Meeting for the purpose of filling the vacancies. After the expiry of the aforesaid 3 (three) month period, the continuing Directors or Director may act only for the purpose of summoning a Shareholders' Meeting or filling vacancies.

28.11. The office of Directors shall not be occupied for an indefinite period.

29. CESSATION OF OFFICE AS DIRECTOR OR ALTERNATE DIRECTOR

A Director or Alternate Director shall immediately cease to hold office as such:

- 29.1. if he becomes Ineligible or Disqualified in terms of the Companies Act; or
- 29.2. when he resigns by Written notice to the Company; or
- 29.3. if the Board determines that he has become incapacitated to the extent that the Person is unable to perform the functions of a director, and is unlikely to regain that capacity within a reasonable time, and the Director/Alternate Director has not within the permitted period filed an application for review or has filed such an application but the court has not yet confirmed the removal (during which period he shall be suspended); or
- 29.4. if he is removed by Ordinary Resolution; or
- 29.5. if he is removed by resolution of the Board for being negligent or derelict in performing the functions of a Director, and the Director/Alternate Director has not within the permitted period filed an application for review or has filed such an application but the court has not yet confirmed the removal (during which period he shall be suspended); or
- 29.6. if he files a petition for the surrender of his estate or an application for an administration order, or if he commits an act of insolvency as defined in the insolvency law for the time being in force, or if he makes any arrangement or composition with his creditors generally; or
- 29.7. for as long as the Securities of the Company are listed on the JSE, if he becomes ineligible in terms of the Listings Requirements or is declared ineligible by the JSE; or
- 29.8. at the end of the first Annual General Meeting held after he attains the age of 75 (seventy five) years, unless the Board resolves otherwise; or
- 29.9. if he is otherwise removed in accordance with the provisions of this MOI or the Companies Act.

30. REMUNERATION OF DIRECTORS AND ALTERNATE DIRECTORS AND MEMBERS OF BOARD COMMITTEES

- 30.1. The Directors or Alternate Directors or members of Board committees shall be entitled to such remuneration for their services as Directors or Alternate Directors or members of Board committees as may have been determined from time to time by Special Resolution within the previous 2 (two) years. In addition, the Directors and Alternate Directors shall be entitled to all reasonable expenses properly and necessarily incurred by them in travelling (including hotels) to and from meetings of the Directors and Holders, and the members of the Board committees shall be entitled to all reasonable expenses properly and necessarily incurred by them in travelling (including hotels) to and from meetings of the members of the Board committees, as determined by a disinterested quorum of Directors. The Company may pay or grant any type of remuneration contemplated in sections 30(6)(b) to (g) to any executive Directors.
- 30.2. A Director may be employed in any other capacity in the Company or as a director or employee of a company controlled by, or itself a major Subsidiary of, the Company and in that event, his appointment and remuneration in respect of such other office shall be determined by a disinterested quorum of Directors.

31. FINANCIAL ASSISTANCE FOR DIRECTORS AND PRESCRIBED OFFICERS AND THEIR RELATED AND INTER RELATED PARTIES

- 31.1. The Board's powers to provide direct or indirect financial assistance as contemplated in section 45(2) are not limited in any manner by this MOI.
- 31.2. If the Board adopts a resolution as contemplated in section 45(2) regarding financial assistance to the Directors/Prescribed Officers and others contemplated in that section, the Company shall comply with the provisions of section 45.

32. GENERAL POWERS AND DUTIES OF DIRECTORS

- 32.1. The business and affairs of the Company must be managed by or under the direction of its Board, which has the authority to exercise all the powers and perform any of the functions of the Company.
- 32.2. The Board must appoint a chief executive officer and an executive financial Director (as such offices are contemplated in the Listings Requirements, if applicable). The Board may from time to time appoint 1 (one) or more of the Directors to the office of managing Director or executive Director (provided always that the number of Directors so appointed by the Board as chief executive officer, executive financial Director, managing Director, joint managing Directors and/or the holders of any other executive office, including a chairperson who holds an executive office but not a chairperson who is a non-executive Director, shall at all times be less than ½ [one-half] of the number of Directors in office) for such period (not exceeding 3 [three] years) and at such remuneration (whether by way of salary or commission, or participation in profits or partly in one way and partly in another) and generally on such terms as they may think fit, and it may be made a term of his appointment that he be paid a pension, gratuity or other benefit on his retirement from office.

ANNEXURE 6: RELEVANT PROVISIONS FROM THE MEMORANDUM OF INCORPORATION OF GAIA AND THE MEMORANDUM OF INCORPORATION OF GAIA FINANCIAL SERVICES *(continued)*

32.3. *The Board may from time to time entrust to and confer upon a chief executive officer or executive financial Director (as such offices are contemplated in the Listings Requirements, if applicable), or managing Director or executive Director for the time being such of the powers vested in the Directors as they may think fit, and may confer such powers for such time and to be exercised for such objects and upon such terms and with such restrictions as they may think expedient, and they may confer such powers either collaterally or to the exclusion of, and in substitution for, all or any of the powers of the Directors, and may from time to time revoke or vary all or any of such powers. A chief executive officer or executive financial Director (as such offices are contemplated in the Listings Requirements, if applicable) or managing Director or executive Director appointed pursuant to the provisions hereof shall not be regarded as an agent or delegate of the Directors and after powers have been conferred upon him by the Board in terms hereof he shall be deemed to derive such powers directly from this clause.*

37. DISTRIBUTIONS

37.1. *The Company, in compliance with the Companies Act and the Listings Requirements:*

37.1.1. *may make Distributions from time to time, provided that:*

37.1.1.1. *any such Distribution:*

37.1.1.1.1. *is pursuant to an existing legal obligation of the Company, or a court order; or*

37.1.1.1.2. *has been declared, having been authorised by the Board in accordance with the Companies Act, by resolution of the Board (except a distribution which results in Shareholders holding Shares in an unlisted entity, which shall require the prior sanction of an Ordinary Resolution);*

37.1.1.2. *it reasonably appears that the Company will satisfy the Solvency and Liquidity Test set out in section 4, immediately after completing the proposed Distribution; and*

37.1.1.3. *the Board, by resolution, has acknowledged that it has applied the Solvency and Liquidity Test in the Companies Act and reasonably concluded that the Company will satisfy the Solvency and Liquidity Test immediately after completing the proposed Distribution.*

37.1.2. *must, before incurring any debt or other obligation for the benefit of any Holders, comply with the requirements in clause 37.1.1, and must complete any such Distribution fully within 120 (one hundred and twenty) Business Days after the acknowledgement referred to in clause 37.1.1.3, failing which it must again comply with clauses 37.1.1.1.2, 37.1.1.2*

and 37.1.1.3. Dividends and other Distributions shall be paid to Holders registered as at a date subsequent to the date of declaration or date of confirmation of the dividend, or other Distribution, whichever is the later. Any dividend or other Distribution may be paid by electronic funds transfer or by cheque payable to the order of the Holder entitled thereto, or (in the case of joint Holders) of that Holder whose name stands first on the register in respect of the joint holding. Every such cheque shall (unless otherwise directed) be sent by post to the last registered address of the Holder entitled thereto, and the receipt of the Person whose name appears in the Securities Register, or in the case of joint Holders, of any one of such Holders, or of his or their agent duly appointed in Writing, shall be a good discharge to the Company for all dividends or other Distributions. Every such cheque shall be sent at the risk of the Person entitled to the money represented thereby.

37.2. *No Distribution may be made if it is a Distribution of capital and an obligation is imposed that the Company is entitled to require the capital to be subscribed to the Company again.*

37.3. *No notice of change of address or instructions as to payment given after the determination of a dividend or other Distribution by the Company in terms of clause 37.1.1.1 shall become effective until after the dividend or other Distribution has been made, unless the Board so determines at the time the dividend or other Distribution is approved.*

37.4. *Subject to clause 37.5 and to the laws of prescription of South Africa in force from time to time, all unclaimed dividends or other Distributions as contemplated in this clause 37 shall be held in trust by the Company until claimed, without the payment of interest, provided that any dividend or other Distribution remaining unclaimed for a period of not less than 3 [three] years from the date on which it became payable, may be forfeited by resolution of the Directors for the benefit of the Company.*

37.5. *The Company shall be entitled at any time to delegate its obligations in respect of unclaimed dividends or other unclaimed Distributions or any other amounts payable to Holders in their capacity as such, to any one of the Company's bankers from time to time.*

37.6. *The Board shall be entitled to determine that Distributions to Holders of ordinary Shares are paid in new ordinary Shares from time to time, provided that the terms thereof contain an election for qualifying Holders of Shares to receive a cash Distribution and the provisions of section 47(2) of the Companies Act shall apply with the necessary changes for the context.*

37.7. *The Directors may resolve that any Distribution or other payment made to all or any Securities Holders whose registered addresses are outside the Republic or who have given written instructions requesting payment at addresses outside the Republic, shall (subject to any exchange control regulations in force at that time) be paid in such other currency or currencies as may be stipulated by the Directors. The Directors may also stipulate the date (hereinafter referred to as the "Currency Conversion Date") upon which, and a provisional rate of exchange at which, the currency of South Africa shall*

be converted into such other currency or currencies, provided that the currency conversion shall be within a period of 30 (thirty) days prior to the date of payment. If, in the opinion of the Directors, there is no material difference between the rate/s of exchange ruling on the Currency Conversion Date and the provisional rate/s of exchange stipulated by the Directors, then the currency of South Africa shall be converted at such provisional rate/s. If, in the opinion of the Directors, there is a material difference between the aforementioned rates, then the currency of South Africa shall be converted into such other currency or currencies at the rate/s of exchange ruling on the Currency Conversion Date, or at a rate or rates of exchange which, in the opinion of the Directors, is/are not materially different. Any subsequent rise or fall of rate/s of exchange determined as above shall be disregarded.

- 37.8. *Subject to the provisions of this MOI, the Act and, for as long as the Securities of the Company are listed on the JSE, the Listings Requirements, to the extent applicable, the Company may, from time to time, in any manner as may be prescribed or permitted by law, reduce its issued share capital, stated capital, any share premium account and any capital redemption reserve fund and, in particular, without derogating from the generality of the power hereby conferred, may cancel any paid-up share capital which has been lost or is not represented by available assets or may pay off any paid-up share capital which is in excess of the requirements of the Company.*

38. CAPITALISATION

- 38.1. *The Company in Shareholders' Meeting on recommendation of the Directors, or the Directors, may, without limitation to its powers, at any time and from time to time, subject to the fulfilment of the requirements in section 47 and the Listings Requirements, pass a resolution to capitalise any amounts or funds including:*
- 38.1.1. *any sum forming part of the undivided profits standing to the credit of the Company's reserve fund;*
 - 38.1.2. *any sum in the hands of the Company and available for distribution as a dividend and not required for payment or provision of dividends on preference Shares;*
 - 38.1.3. *any sum carried to reserve as a result of a sale or revaluation of the assets of the Company or part thereof; or*
 - 38.1.4. *any sum received by way of premium on the issue of any shares or debentures of the Company, provided that the Board shall require Shareholder approval by Ordinary Resolution for any capitalisation issue where Shareholders are not entitled to participate in the capitalisation in proportion to their shareholding in the Company.*

GAIA FINANCIAL SERVICES MEMORANDUM OF INCORPORATION

For a full appreciation of the provisions of the memorandum of incorporation of Gaia Financial Services, Shareholders are referred to the full text of the memorandum of incorporation, which is available for inspection, as provided for in paragraph 35 of the Pre-listing Statement.

ANNEXURE 7: RELEVANT PROVISIONS OF THE MANAGEMENT AGREEMENT

The salient features of the Management Agreement are set out below.

For a full appreciation of the provisions of the Management Agreement, Shareholders are referred to the text of the Management Agreement, which is available for inspection as provided for in paragraph 35 of the Pre-listing Statement.

1. DEFINITIONS

The definitions in the Management Agreement relevant to this Pre-listing Statement and this **Annexure 7** are found in clause 1 of the Management Agreement, and are follows:

- 1.1. “**Accounting Date**” means 29 February 2016 and 28 February (or the last day in February) in each year thereafter, or such other date as Gaia Financial Services may determine and notify to the Manager from time to time in accordance with this Management Agreement;
- 1.2. “**Accounting Period**” means a period of no more than 12 months ending on and including an Accounting Date and beginning on the day following the preceding Accounting Date or, in the case of the first Accounting Period, on the Commencement Date;
- 1.3. “**Commencement Date**” means the date upon which the Company’s Shares are first admitted to listing on the JSE;
- 1.4. “**Enterprise Value**” shall bear the meaning ascribed thereto in clause 1.4 of Annexure B to this Management Agreement;
- 1.5. “**Event of Default**” shall bear the meaning ascribed thereto in clause 12.2 of the Management Agreement which reads that an Event of Default shall be deemed to have occurred upon the happening of any one or more of the following events (if it is not capable of remedy) or, if the event is capable of remedy, if it is not remedied within 21 days of its occurrence:
 - 1.5.1. an arbitrator determines in terms of clause 16 of the Management Agreement that the Manager has committed fraud, acted recklessly, in bad faith or with wilful malfeasance in the performance of its obligations under the Management Agreement;
 - 1.5.2. the Manager becomes subject to any judgement, consent, decree or interdict of a court of competent jurisdiction precluding it from discharging its obligations under the Management Agreement for a period in excess of 3 months; or
 - 1.5.3. the Manager, Gaia Financial Services or Gaia are wound-up, liquidated or placed under business rescue (whether provisionally or finally and whether such winding-up is voluntary or compulsory) or the directors or members of the Manager, Gaia Financial Services or Gaia, as the case may be, pass a resolution for its winding-up.
- 1.6. “**Group**” means collectively Gaia Financial Services, the Company and the Company’s subsidiaries from time to time;
- 1.7. “**In Force Period**” means the period commencing on the day immediately following the end of the Interim Period and terminating on the date upon which this Management Agreement is terminated;
- 1.8. “**Interim Period**” means the period commencing on the Commencement Date and terminating on the date upon which the Group acquires a Viable Asset;
- 1.9. “**Interim Period Quarter**” shall mean each period of three months during the Interim Period commencing on (and including) a Quarterly Date and ending on (but excluding) the next succeeding Quarterly Date provided that:
 - 1.9.1. the first Interim Period Quarter shall commence on the Commencement Date and end on the earlier of first Quarterly Date thereafter or the last day of the Interim Period; and
 - 1.9.2. the last Interim Period Quarter shall end on the last day of the Interim Period;
- 1.10. “**Management Fee**” has the meaning ascribed thereto in Annexure B of the Management Agreement;
- 1.11. “**Termination Date**” shall bear the meaning ascribed thereto in clause 12.1 of the Management Agreement;
- 1.12. “**Total Subscription Value**” means the aggregate amount received by Gaia from Shareholders in respect of the subscription price for Shares, from time to time;
- 1.13. “**Trading Day**” means a day upon which the JSE is open for trade;
- 1.14. “**Quarter**” mean each period of three months commencing on (and including) a Quarterly Date and ending on (but excluding) the next succeeding Quarterly Date provided that:
 - 1.14.1. the first Quarter shall commence on the first day of the In Force Period and end on the first Quarterly Date thereafter; and
 - 1.14.2. the last Quarter shall end on the Termination Date; and
- 1.15. “**Quarterly Date**” means 1 March, 1 June, 1 September and 1 December.

2. DURATION, TERM AND AMENDMENT

- 2.1. Gaia Financial Services has appointed Gaia Infrastructure Partners (the “Manager”) to render management services to the Group. The term for which the Manager has been appointed is a period of not less than 5 years commencing on the Commencement Date, after which 5 year period either party may give 12 months’ notice of termination of the agreement. If Gaia Financial Services wishes to terminate the Management Agreement on notice as aforesaid, it must obtain the approval of the shareholders of the Company by ordinary resolution. Shareholders of the Company, who also directly or indirectly hold shares in the Manager, will be excluded from voting on the aforementioned ordinary resolution.
- 2.2. Notwithstanding the foregoing, the Management Agreement will terminate immediately (whether or not the 5 year period has expired) if an Event of Default occurs. The Management Agreement is also capable of termination (whether or not the 5 year period has expired) to the extent that the any party breaches the Management Agreement and such breach is not remedied within 10 business days of receipt of written notice from the aggrieved party requiring the breach to be remedied.

- 2.3. If the Management Agreement is terminated for any reason, save where the Management Agreement is terminated by Gaia or Gaia Financial Services as a result of an Event of Default, a termination fee is payable to the Manager (“Termination Fee”). No such Termination Fee will accordingly be payable in the event where the Management Agreement is terminated as a result of an Event of Default, whether during or after the first 5 year period. The Termination Fee will be an amount which is equal to 5% of the Enterprise Value (calculated in accordance with clause 5.1.4 below) determined as at the Termination Date. The Termination Fee shall be payable within 10 Business Days of the Termination Date. Accordingly by way of example only, if the Management Agreement terminated and a Termination Fee is due and payable at a time that the Enterprise Value of Gaia is R1 billion, a Termination Fee of R50 million will be due and payable to the Manager.
- 2.4. Any material amendment of the Management Agreement must be approved by ordinary resolution of shareholders of the Company.

3. THE SERVICES

The services to be rendered by the Manager in terms of the Management Agreement are detailed in Annexure A to the Management Agreement and include:

- 3.1. originating, evaluating and investigating appropriate investment opportunities and exit strategies, and presenting these to the Company and/or Gaia Financial Services for approval;
- 3.2. advising the Group regarding structuring, managing and monitoring of investments, reinvestments and divestments;
- 3.3. supervising the negotiation, preparation and review of all documents required in connection with the acquisition and realisation of investments;
- 3.4. monitoring the performance of investments;
- 3.5. appointing professional consultants required by the Group from time to time;
- 3.6. reporting to the board of Gaia Financial Services in relation to the business of the Group and the status and performance of the investments; and
- 3.7. calculating and submitting recommendations to the board of Gaia Financial Services in respect of the subscription price payable by any person wishing to subscribe for shares in the Company.

4. RIGHTS, OBLIGATIONS AND DUTIES OF THE MANAGER, THE COMPANY AND GAIA FINANCIAL SERVICES

- 4.1. The Manager is obliged to render the services with due and professional care, skill and diligence.
- 4.2. Any advice provided by the Manager is merely a recommendation and not an instruction or direction, and the Manager does not provide discretionary intermediary services – clause 3.2 of the Management Agreement.
- 4.3. However, no company in the Group may make an investment other than an investment recommended by the Manager, unless the Manager consents thereto – clause 4.1 of the Management Agreement.
- 4.4. Neither the Company nor Gaia Financial Services may conclude an agreement with a third party which provides for the rendering of services similar to the services rendered by the Manager under the Management Agreement – clause 4.3.2 of the Management Agreement.
- 4.5. All capital raised by the Group and all proceeds from investments made by the Group must, after allowing for certain permissible deductions (including distributions to be made to shareholders of the Company in accordance with the Company’s distribution policy), be made available for investment in terms of the Management Agreement – clause 4.3.1 of the Management Agreement.
- 4.6. The Manager does not warrant the performance of any investment, whether recommended by the Manager or not (clause 6.2 of the Management Agreement), and is not liable for any losses suffered by the Group arising from the performance by it of the services under the Management Agreement save in respect of any matter resulting from the Manager’s fraud, wilful misconduct, bad faith, recklessness, gross negligence or a material breach of its obligations under the Management Agreement which is not remedied within a reasonable period – clause 13 of the Management Agreement.

5. FEES PAYABLE TO THE MANAGER

In addition to the Termination Fee detailed in paragraph 2.3 above, the fees payable to the Manager are detailed in Annexure B to the Management Agreement. The Manager will be paid 2 kinds of fees for the rendering of the services, namely a management fee and transaction fees.

5.1. Management Fee

- 5.1.1. The Manager shall be entitled to receive, for each Accounting Period, an annual fee payable in arrears in 4 quarterly instalments in Rand (the “**Management Fee**”). The Management Fee shall constitute an expense of Gaia Financial Services.
- 5.1.2. For each Interim Period Quarter, the Management Fee shall be calculated in accordance with the following formula:

$$MF = TSV \times R \times \frac{n}{365}$$

ANNEXURE 7: RELEVANT PROVISIONS OF THE MANAGEMENT AGREEMENT *(continued)*

where:

MF = Management Fee;

TSV = Total Subscription Value;

R = a nominal annual rate of 0,5%; and

n = the number of days in each Interim Period Quarter.

- 5.1.3. During the In Force Period, the Management Fee shall be calculated in accordance with the following formula:

$$MF = EV \times R \times \frac{n}{365}$$

where:

MF = Management Fee;

EV = the Enterprise Value for the relevant Quarter determined in accordance with clause 5.1.4 below;

R = a nominal annual rate of 0,8%; and

n = the number of days in each Quarter.

- 5.1.4. The Enterprise Value shall be calculated as follows:

$$EV = AMC + D$$

where:

EV = the weighted Enterprise Value of Gaia for the relevant Quarter;

AMC = is the Average Market Capitalisation for the relevant Quarter determined in accordance with clause 5.1.5 below; and

D = is the average debt balance due for the relevant Quarter.

- 5.1.5. The Average Market Capitalisation shall be calculated as follows:

$$AMC = DMC/n$$

where:

AMC = is the Average Market Capitalisation of SPAC for the relevant Quarter;

DMC = is aggregate of the Daily Market Capitalisations for each Trading Day in the relevant Quarter, determined in accordance with clause 5.1.6 below; and

n = is the number of Trading Days in the relevant Quarter.

- 5.1.6. The Daily Market Capitalisation shall be calculated as follows:

$$DMC = \frac{X}{Y} \times Z$$

where:

DMC = Daily Market Capitalisation for each Trading Day in the Quarter

X = the total aggregate Rand value of all on-market trades of Shares on the JSE on the relevant Trading Day

Y = the total number of Shares traded on-market on the JSE on the relevant Trading Day

Z = the number of Shares in issue at the end of the relevant Trading Day

- 5.1.7. The Manager shall calculate the Management Fee for each Quarter or Interim Period Quarter (as the case may be) and shall deliver an invoice for the Management Fee, together with a copy of such calculation to Gaia Financial Services within 10 Business Days of the end of the relevant Quarter or Interim Quarter. Gaia Financial Services shall accept or dispute the calculation in writing within 5 Business Days of receipt thereof. Any dispute regarding the Manager's calculation shall be resolved in accordance with clause 9.4 of the Management Agreement.

- 5.1.8. Subject to clause 9.1 of the Management Agreement, Gaia Financial Services shall pay the Management Fee within 10 Business Days of the date of receipt of the invoice or the date upon which any dispute regarding the calculation of the Management Fee is resolved, whichever is later.

5.2. Transaction Fees

- 5.2.1. In addition to the management fee, the Manager is entitled to be paid transaction fees by Gaia Financial Service on the acquisition or disposal by Gaia Financial Services of an investment.

- 5.2.2. In the case of an acquisition of an investment, the transaction fee shall be equal to 1% of the acquisition cost of the investment. The acquisition cost is the aggregate cost incurred by Gaia Financial Services in acquiring the relevant investment, including any equity and debt components of the investment, but excluding all transaction costs such as legal, accounting and advisory fees (including the transaction fee due to the Manager).

- 5.2.3. In the case of a disposal, the transaction fee is equal to 1% of the disposal proceeds of the investment. The disposal proceeds are the aggregate proceeds received by Gaia Financial Services, in cash or in kind, from the realisation or disposal of an investment.

ANNEXURE 8: DIRECTOR AND SENIOR MANAGEMENT PROFILES

DIRECTORS

John Rabagadi Oliphant (John) (33)

Managing Director

BSc (Hons) Adv Mathematics of Finance, BSc Actuarial Science & Mathematical Statistics

John is currently the managing director and a shareholder of Gaia Infrastructure Partners.

John is the former principal executive officer of the Government Employees Pension Fund (“**GEPF**”), the largest pension fund in Africa with assets of more than R1,2 trillion (US\$120 billion). He was the key driver behind GEPF’s leading investment policies and strategy. Working closely with the board, he managed to double the assets of the GEPF in less than 5 years, during the toughest economic environment in recent history. John also served on a number of key strategic industry initiatives including being a member of the PRI Advisory Council and chairman of the Code for Responsible Investing in South Africa (“**CRISA**”) committee. John helped establish the CRISA which is hailed as one of the best in the world, this contributed to him winning an Industry Person of the Year award in financial services in 2012. He was also recognised by the Mail and Guardian as one of the Top 200 Young South Africans in 2012 for his contribution in the world of pensions. In 2013 he was named Africa’s Top Emerging Leader by Africa Investor.

Matthys Michiel Nieuwoudt (Mich) (44)

Executive Director

Pr.Eng, B.Eng (Electronic), MBA

Mich is a qualified engineer and currently the chief investment officer and a shareholder of Gaia Infrastructure Partners. Mich graduated from the University of Pretoria in 1995, majoring in Microwave Field Theory, Computers and Bio-Engineering. After stints in the petrochemical industry with Polifin and defence industry with Thales, he joined PSG Investment Bank in 1999. After completing his MBA at the University of Stellenbosch Business School in 2003, he joined Siemens Business Services (“**Siemens**”). While working for Siemens, he had the opportunity to gain international experience in Europe, consulting as far afield as Norway, the Netherlands and Germany. Mich joined the Square One Group in 2005 and was responsible for group operations. In 2008, Mich teamed up with PB Schabort. He worked on the Eden Island Project and mining operations in West Africa alongside Chinese partners before focusing on the build out of SAGIT Energy Ventures, a renewable energy developer. He was part of the founding team and is currently the chief investment officer of Gaia Infrastructure Partners.

Tamee Soudien-Witten (Tamee) (38)

Financial Director

CA (SA), B.Comm (Honours)

Tamee is a qualified chartered accountant and holds a B.Comm Honours degree from the University of Natal. She has over 12 years’ experience in the financial services industry, of which 10 years were spent working for Old Mutual, where she held a number of senior roles and has acquired a broad range of skills and experience in financial management, reporting as well as project management. Before joining Gaia, Tamee spent a year working in the renewable energy sector, specifically as part of the team responsible for the construction of a wind and solar farm.

Leon de Wit (Leon) (60)

Chairman and non-executive Director

B Com (Maths), Fellow of Institute of Actuaries in London, UK, Owner President Management Program – Harvard Executive Business School, Boston, USA

Leon qualified as an actuary whilst working for Sanlam Limited and is currently a director and shareholder of Gaia Infrastructure Partners. In 1984, Leon relocated to Gauteng where he spent most of his professional career consulting to many of the largest retirement funds in South Africa. He joined PSG Group Limited in its early years taking responsibility for Channel Life Limited and its subsidiaries and associates. After completing an Owner President Management Program at the Harvard Executive Business School in 2002, Leon decided to leave formal employment. He and his family moved to a boutique wine farm in Stellenbosch where he has since engaged in special projects and community development programs. Leon and PB Schabort have been working on the funding of renewable energy projects by South African institutions since 2011, culminating in the establishment of Gaia Infrastructure Partners.

Philip Botha Schabort (Botha) (57)

Non-executive Director

Pr.Eng, Hons.B.Eng, MBA

Botha is a professional engineer and holds degrees in engineering from Stellenbosch University and an MBA from the University of Witwatersrand (“**Wits**”). He is a director of various companies. He started his career in 1980 as a civil engineer where he specialised in project management and construction. After obtaining an MBA from Wits in 1986 he joined stock broking firm Senekal Mouton & Kitshoff (“**SMK**”) which is listed on the JSE, where he specialised in the bond- and money markets. From 1987 he served as director with SMK and Anderson Wilson & Partners. Botha was a founding shareholder and director of the JSE listed PSG Group Limited (“**PSG Group**”) in 1996. He was a founding director of separately listed PSG Investment Bank Holdings Limited (“**PSG Investment Bank**”) where he served as managing director until 2000. He also served on the boards of a number of subsidiaries of PSG Group.

Botha has extensive investment experience in the areas of international property development, renewable energy projects, mining exploration, private equity and technology. Along with L de Wit, he founded Gaia Infrastructure Partners in 2011.

ANNEXURE 8: DIRECTOR AND SENIOR MANAGEMENT PROFILES *(continued)*

Clive Ferreira (Clive) (63)

Non-executive Director

B.Sc (Civil Eng), B.Comm, MBA

Clive was a founding director of Fieldstone Holdings SARL in 1995, and has more than 25 years' experience in corporate and project finance. He holds a B.Sc. in Civil Engineering from Stellenbosch University, a degree in commerce from the University of South Africa and an MBA (Finance) from the University of Oregon.

Over the last 15 years he has travelled widely in the region focussing on energy and infrastructure related projects. The projects which Clive has been actively involved in, in a leading role, include: the restructuring of ownership of the 2 075 MW Cahora Bassa hydro-power station; the privatisation of Metrogas, the privatisation of the 600 MW coal-fired Kelvin power station; the concession of the Uganda generation and distribution assets, the development of the 190 MW Ibom power plant in Nigeria, the bio-ethanol Grown energy project in Mozambique, the 360 MW Kariba North Bank Power extension project in Zambia and the development of a new IPP in Ghana. He is currently providing financial advisory services to bidders for the new generation in South Africa and a wind power project in Namibia.

Romeo Bob Makhubela (Romeo) (59)

Independent non-executive Director

B.Comm

Romeo holds a B.Comm degree from Vista University and a Postgraduate Diploma in Business Management from the University of the Witwatersrand. Highlights of his career include being recognized by Association of Black Securities and Investment Professionals as the Top Black Portfolio Manager in South Africa in 2002 and serving as chief investment officer and chief executive officer at a number of highly regarded firms. These include the position of chief investment officer at Metropolitan Asset Managers and Metropolitan Holdings Limited; head of portfolio management at Momentum Asset Management Proprietary Limited; and chief executive officer at Vunani Fund Managers Proprietary Limited.

Kuby Prudence Lebina (Prudence) (34)

Independent non-executive Director

CA (SA), B.Comm, Hdip Accounting

Prudence is head of corporate development and investor relations at Atlatsa Resources Corporation ("Atlatsa"). She joined Atlatsa in mid-2014 and is part of the Atlatsa executive committee. Prudence is responsible for group communication, execution of corporate development opportunities in line with group strategy and overseeing stakeholder relations including communities and investors. Prudence was previously an investor relations manager and corporate finance principal analyst at Exxaro Resources Limited ("Exxaro"). She was part of the Exxaro corporate finance division responsible for group investment valuations and reviews in support of the investment review committee of the board. Prudence interacted regularly with research analysts as well as institutional and individual investors in presenting a consistent investment message to them.

From January 2006 to June 2010, Prudence was employed by Deutsche Bank SA Proprietary Limited in the Global Corporate Finance division. She worked on mergers and acquisitions advisory mandates including Black Economic Empowerment ("BEE") transactions as well as the JSE Limited Sponsor services. Prudence qualified as a chartered accountant in December 2005 after serving her articles in the advisory department at PriceWaterhouseCoopers for 3 years. She passed both her Part 1 and Part 2 qualifying exams at first attempt. Her involvement on auditing projects included various external and internal audit assignments, IT system process assurance audits (application and general computer controls review) focusing on banking and financial services clients.

She holds a bachelor of commerce degree and a higher diploma in accounting qualification from the University of Witwatersrand. She also holds a certificate in business leadership from Columbia Business School in New York. She is a member of the South African Institute of Chartered Accountants, African Women Chartered Accountants and Business Women Association. Prudence is also a Student Sponsorship Programme volunteer where she mentors previously disadvantaged students in high schools.

Nathiera Kimber (Nathiera) (43)

Independent non-executive Director

BA LLB, Hdip Tax, Master's degree in Tax

Upon completion of her BA LLB at the University of the Western Cape in 1994, Nathiera completed her legal articles with Sonnenberg Hoffmann & Galombik and was admitted as an attorney. Nathiera joined the University of the Western Cape's law faculty as a lecturer in Commercial Law in 1997 and commenced her Higher Diploma in Tax through the University of Cape Town. She lectured in Tax, Insolvency and Commercial Law.

During her academic career, Nathiera wrote various articles, one of which is published in the South African Law Journal. She was Top Achiever for the Higher Diploma in Tax for her year, was upgraded and requested to complete her Masters. In 1998 Nathiera completed her Masters in Tax through the University of Cape Town. In the interim she assisted with editing Juta's tax law reports and research.

In June 1998 Nathiera joined Mettle (Proprietary) Limited as a legal advisor. During June 1999, PSG Investment Bank Limited ("PSG Investment Bank") presented Nathiera with an opportunity in investment banking, as the group secretary for PSG Investment Bank on an executive level. In January 2002 Nathiera resigned from PSG Investment Bank and rejoined the University of the Western Cape as a senior

lecturer in the Mercantile Law department. Nathiera served as external examiner in the respective departments of Commercial Law for the Walter Sisulu University, the University of Cape Town and University of Stellenbosch.

In January 2008 Nathiera took a year sabbatical to join her husband in Kimberley in his business. In January 2009 Nathiera and her husband acquired the assets of the London listed Kimcor Group. Over the past 6 years those businesses forming part of the group have been restored to profitability. Whilst retaining her interest in the Kimberley business, Nathiera opened the first Barbour (the iconic British brand) store on the African continent, in Sandton City. Subsequent to the opening thereof she has now been awarded the Southern African distribution rights for the Barbour brand.

Khalipha Edward Mbalo (Eddie) (52)

Independent non-executive Director

Television Engineering Certificate – NHK Institute: Japan

Eddie was the chairman and interim chief executive officer of On Digital Media (“**ODM**”), the operator of Top TV, until the company was put through business rescue in 2013. He became the interim chief executive officer of StarSat, when it was rebranded after securing a strategic equity partner in Star Times Media of China in 2014. He is currently the executive consultant to the business rescue practitioner and the new chief executive officer of StarSat. He is also a non-executive director of the restructured ODM.

From 2001 to 2011, Eddie served as the chief executive officer of the National Film and Video Foundation (“**NFVF**”), a statutory body within the Ministry of Arts and Culture of South Africa, which is responsible for the promotion and development of South African film industry. During his tenure as chief executive officer, South African films received several international accolades.

Eddie started his own production company in 1984, working for high-profile foreign agencies such as ABC News (USA) and World Wide Television News, whilst being one of the main suppliers of an Anti-Apartheid News Magazine programme, “South Africa Now”, which was broadcast in 63 public broadcasting service television stations across the United States and around the world. Eddie trained as a television engineer at the NHK Institute in Japan and produced a number of documentaries; South Africa’s first TV Talk Show hosted by a black woman, “Top Level” (later to become “The Felicia Mabuza Suttle Show”); and a comedy series “Flat 27”, all for the SABC.

In 1998, Eddie joined South Africa’s first (and then newly licensed) commercial broadcaster, e.tv as its head of current affairs. He is best known for his current affairs show, “e.files”. On leaving the NFVF, he became a partner in Forefront Media Group with NFVF’s former head of production and development, Ryan Haidarian, and together they produced “Vehicle 19” (Paul Walker) and are currently in production with their second movie, “Accident”.

Eddie became involved in industry governance, playing a critical role in the drafting of the Broadcasting Act, as well as shaping the content development strategy with the Department of Arts and Culture, the Department of Communication and the Department of Trade and Industry (“**DTI**”) in South Africa. As head of the NFVF, Eddie was central to the creation of financial instruments that support the development of the film industry, such as the DTI rebates and section 12.0 of the Income Tax Act.

At the 64th Cannes Film Festival, Eddie was honoured with an African Vision Award by the Hollywood Reporter in association with Agoralumiere International, for his dedication as a creative defender of African Cinema alongside “Lumumba” star Eriq Ebouaney and journalist Marie-Roger Biloa.

ANNEXURE 9: OTHER DIRECTORSHIPS

The table below sets out the names of the companies and other entities of which Directors are or have been directors, members or partners during the 5 years preceding the Last Practicable Date.

Director	Name of Company or Entity	Designation	Active/Resigned
JR Oliphant	Batseta Council of Retirement Funds for South Africa	Director	Active
	Gaia Finance	Director	Active
	Gaia Financial Services	Director	Active
	Gaia Fund Managers	Director	Active
	Gaia Infrastructure Capital	Director	Active
	Gaia Infrastructure GP 1	Director	Active
	Gaia Infrastructure Partners	Director	Active
	Rietvlei Water Project	Director	Active
	Third Way Investment Group	Director	Active
	Third Way Investment Partners	Director	Active
	Third Way Investment Partners GP 1	Director	Active
	TW SPV 1	Director	Active
	V and A Waterfront Developments	Director	Resigned
	V and A Waterfront Holdings	Director	Resigned
	V and A Waterfront Marina	Director	Resigned
	V and A Waterfront Properties	Director	Resigned
Victoria and Alfred Waterfront	Director	Resigned	
All Weather Capital	Director	Active	
MM Nieuwoudt	Gaia Infrastructure Partners	Director	Active
	Bayes Holdings	Director	Active
	Bayes Projects	Director	Active
	Gaia Finance	Director	Active
	Gaia Financial Services	Director	Active
	Gaia Fund Managers	Director	Active
	Gaia Infrastructure Capital	Director	Active
	Gaia Infrastructure GP 1	Director	Active
	Hazika Holdings	Director	Active
	Langhoogte Wind Farm	Director	Active
	Nieuw Graan	Member	Active
	Rietvlei Water Project	Director	Active
	Sagit Energy Ventures	Director	Active
	Thunderbird Logistics	Member	Active
	Windgrow One	Director	Active
	Wolseley Wind Farm	Director	Active
	Suurvlakte Wind Energy Facility	Director	Active
Zenzisa 37	Member	Active	
Zenzisa 36	Member	Active	
T Soudien-Witten	None	-	-
L de Wit	Africom Commodities	Director	Resigned
	Amazink Live	Director	Active
	Capcubed Investments	Director	Resigned
	Compagnie Financiere Quantum	Director	Resigned
	Eden Island Investments 10	Director	Resigned
	Familia Asset Managers	Director	Active
	Gaia Infrastructure Partners	Director	Active
	Kudu Khaya Properties	Trustee	Active
	Leon De Wit	Director	Active
	Marina Landscaping	Director	Active
	Mec Landscapes	Director	Resigned
	Novare CIS (RF)	Director	Active
	PSG Channel Holdings	Director	Resigned

Director	Name of Company or Entity	Designation	Active/Resigned
L de Wit (continued)	PSG Collective Investments	Director	Resigned
	PSG Invest	Director	Resigned
	PSG Invest Nominees	Director	Resigned
	PSG Invest Services	Director	Resigned
	PSG Konsult	Director	Resigned
	PSG Life	Director	Resigned
	PSG Wealth Nominees	Director	Resigned
	Safrican Insurance Company	Director	Resigned
	Statuo Wines	Director	Active
	Tascal Investments 2	Director	Resigned
	The 19th Company	Director	Active
Triomf Fertilizer	Director	Resigned	
PB Schabort	Sagint	Director	Active
	Bayes Holdings	Director	Active
	Bayes Projects	Director	Active
	Blue Planet Trading 18	Officer	Resigned
	Exact Africa Lease Management Outsourcing	Director	Resigned
	Exact Africa Property Solution Company	Director	Resigned
	FDP Kommersiele Beleggings No. 1	Member	Resigned
	Florensec Properties 25	Director	Active
	Gaia Infrastructure Partners	Director	Active
	JFS Properties No. 9	Director	Active
	Langhoogte Wind Farm	Director	Active
	Local and Overseas Leisure Corporation	Company secretary	Active
	Marina Landscaping	Director	Resigned
	Olivewood Resources	Director	Active
	Rietvlei Water Project	Director	Active
	Sable Metals and Minerals	Director	Resigned
	Sable Platinum Holdings	Director	Active
	Sagit Energy Ventures	Director	Active
	Suurvlakte Wind Energy Facility	Director	Active
	The South African General Investment and Trust Company	Director	Active
	Wild Dog Prospecting	Director	Active
Windgrow One	Director	Active	
Wolseley Wind Farm	Director	Active	
Structured and General Investment and Trust Company	Director	Active	
Local and Overseas Leisure Company	Director	Active	
C Ferreira	ABC Sodwana	Director	Active
	Gaia Infrastructure Partners	Director	Active
	C Ferreira and Associates	Member	Active
	Fieldstone Africa	Director	Resigned
	Fieldstone South Africa	Director	Resigned
	Fixtrade 763	Director	Resigned
	Grown Energy	Director	Resigned
	Mathopo Investments	Director	Resigned
	Fieldstone Capital Holdings	Director	Resigned
	Fieldstone Holdings SARM	Director	Resigned
	Fieldstone Private Capital Holdings	Director	Resigned
	FPCG Mauritius	Director	Resigned
	Fieldstone Partners	Director	Resigned
	Fieldstone Deutschland	Director	Resigned

ANNEXURE 9: OTHER DIRECTORSHIPS *(continued)*

Director	Name of Company or Entity	Designation	Active/Resigned
RB Makhubela	African Pride Consulting	Director	Active
	Friem South Africa	Director	Resigned
	Grenpride Investments	Director	Active
	Lerumo Property Investments	Director	Resigned
	Makhubela Cellulars	Member	Active
	Metropolitan Asset Managers	Director	Resigned
	Momentum Asset Management	Director	Resigned
	Mzansi Energy	Director	Active
	Texton BEE Investments	Director	Active
	Texton Broadbased Empowerment	Director	Active
	Texton Property Fund	Director	Active
	Vunani Fund Managers	Director	Resigned
	Welile Financial Services	Director	Active
	Zava African Capital	Director	Active
	Zava African Holdings	Director	Active
	Zava Capital Infrastructure	Director	Active
Zava Financial Services	Director	Active	
KP Lebina	African Premises	Member	Active
	Ndasele	Director	Active
	Skyprops 112	Director	Resigned
	Waldobuzz	Director	Active
	A Re Bjaleng Trade and General Projects	Member	Active
N Kimber	Anmic Diamonds	Director	Active
	Koffiefontein Diamonds	Director	Active
	Superkolong Holdings	Director	Active
	Supermix Operations	Director	Active
	Newlands Diamond Mine	Director	Active
	Stone Path Trade	Director	Active
	Supermix Construction	Director	Active
	Supermix Industrial	Director	Active
	Zevoware	Director	Active
	Weypridge Properties	Director	Active
	Blaauwbosch Diamond Mine	Director	Active
	New Rush Diamonds	Director	Active
Kophia Diamonds	Director	Active	
KE Mbalo	Forefront Media Group	Director	Active
	Khalipha Consulting	Director	Active
	Transfontier Parks Destinations	Director	Active
	Khaliphani Investment Holdings	Director	Active
	On Digital Media	Director	Active
	Diduscan	Director	Active
	Unisa Foundation	Trustee	Resigned
	Mbalo Family Trust	Trustee	Active
	Mbalo Family Investment Trust	Trustee	Active

ANNEXURE 10: KING CODE AND CORPORATE GOVERNANCE

PART A

Gaia is committed to the principles of transparency, integrity, fairness and accountability.

The King Code recognises that no “one size fits all” approach can be adopted in the application of its principles and that it may not be appropriate for entities to adopt all of its principles, in the context of its particular business and/or operational environment.

A full report is attached in Part B hereof which, to the best of the knowledge and belief of the Board, sets out the extent of Gaia’s current application of the principles of the King Code and explains the non-application of certain of its principles and/or where principles are not fully applied.

The key principles underpinning the corporate governance of Gaia and systems of control that form an integral part of corporate governance are set out hereunder.

1. THE BOARD

1.1. Introduction

The Board consists of 10 members, of whom 7 are non-executive Directors and 4 are independent non-executive Directors (see **Annexure 8** to the Pre-listing Statement for their profiles). The changes to the Board during the 12 months prior to the Last Practicable Date are set out in paragraph 6.1.3 of the Pre-listing Statement.

Gaia does not have a nomination committee and the appointment of Directors is considered to be a matter for the Board as a whole with all appointments being made in a formal and transparent manner.

There is a policy evidencing a clear balance of power and authority at Board level, to ensure that no one Director has unfettered powers of decision making.

The key roles and responsibilities of the Board include the following:

- acting as the focal point for, and custodian of, corporate governance;
- determining the strategies and strategic objectives of Gaia;
- determining and setting the tone of Gaia’s values;
- satisfying itself that Gaia is governed effectively in accordance with corporate governance best practices;
- monitoring the implementation of the Board’s strategies, decisions, values and policies;
- ensuring that Gaia has an effective and independent audit and risk committee and remuneration committee;
- ensuring that disputes are resolved effectively and efficiently; and
- appointing and evaluating the performance of the chief executive officer.

The Board considers it a good business imperative that all actions undertaken in the Company’s name are executed ethically and professionally.

Directors disclose their personal financial interests at the start of every Board or committee meeting.

1.2. Composition of the Board

The Board consists of 10 Directors, of whom 7 are non-executive Directors and 4 are independent non-executive Directors.

Gaia has an appointed chief executive officer and chairman, being JR Oliphant and L de Wit respectively.

The chairman of the Board is not independent for purposes of the King Code. Accordingly, the Board has appointed KP Lebina as lead independent Director in compliance with the King Code and the JSE Listings Requirements.

1.3. Expertise and experience of the chief financial officer

T Soudien-Witten is the chief financial officer of Gaia. The audit committee has considered and satisfied itself of the appropriateness of the expertise and experience of T Soudien-Witten.

1.4. Company secretary

All Board members have access to the advice and services of the company secretary which is responsible for the proper administration of the Board and the implementation of sound corporate governance procedures. This includes Board induction and training programmes and the supply of all information to assist Board members in the proper discharge of their duties.

The Board is of the opinion that the company secretary is suitably qualified and experienced to carry out their duties as stipulated under section 88 of the Companies Act.

The Board is satisfied that an arm’s length relationship exists.

2. BOARD COMMITTEES

2.1. Audit committee

Following the Listing, Gaia is required to have an audit committee. In anticipation of the Listing, the Board has appointed the following members to the audit committee, which members will be proposed for re-election by Shareholders at Gaia's first annual general meeting to be held in 2016:

- KP Lebina;
- RB Makhubela; and
- N Kimber,

all of whom are independent non-executive Directors.

KP Lebina has been appointed as the chairperson of the audit committee.

The audit committee shall assist the Board by providing an objective and independent view on the Gaia Group's finance, accounting and control mechanisms and by reviewing and ensuring that consideration is given to the following:

- the accounting policies of Gaia and any proposed revisions thereto;
- the effectiveness of Gaia's information systems and internal controls;
- the appointment and monitoring of the effectiveness of the external auditors;
- the appropriateness, expertise and experience of the chief financial officer;
- setting the principles for recommending the use of external auditors for non-audit services and recommending that these be kept to a minimum;
- the annual report and specifically the annual financial statements included therein;
- the reports of the external auditors;
- Gaia's going concern status; and
- compliance with applicable legislation and requirements of regulatory authorities.

In terms of risk management (through consultation with the external auditors), the committee ensures that management's processes and procedures are adequate to identify, assess, manage and monitor group-wide risks.

This committee will hold a minimum of 2 meetings per year.

2.2. Remuneration committee

The remuneration committee will be primarily responsible for reviewing and approving executive Directors' remuneration if such remuneration is payable by the Gaia Group. Further, the remuneration committee will assist the Board in reviewing non-executive Directors' remuneration recommendations. In doing so, it will take cognisance of both local and international best practices to ensure that such total remuneration is fair and reasonable to both the Directors and the Company. Currently Gaia has only made provision for non-executive Directors' remuneration.

The Directors' remuneration has been agreed and set for the 2016 financial year (as set out in paragraph 6.6 of this Circular) and will only be reviewed once Viable Assets have been acquired by Gaia. At such time the Remuneration committee will be constituted and evaluate and make recommendations to the Board with regards to an appropriate remuneration policy as well as the appropriate remuneration for all Directors and other employee's.

2.3. Executive committee

The Gaia executive committee meets monthly and acts as a consolidating oversight committee for the Gaia Group. The composition of this committee is reflected in paragraph 5.5 of the Pre-listing Statement.

3. LEGAL AND COMPLIANCE

The Board recognises its responsibility to ensure that Gaia complies with all applicable laws and considers adherence to all relevant industry charters, codes and standards. Board members are familiar with the industry and aware of the potential impact of legislative changes. The combined risk and internal audit function manages the process of compliance according to a framework that has been approved and is being monitored by the audit and risk committee.

During the past financial year no instances of material non-compliance were noted and no judgements, damages, penalties or fines were recorded or levied against Gaia, its Directors or employees for non-compliance with any legislation.

4. REMUNERATION REPORT

Gaia's remuneration approach is and will continue to be aimed at remunerating Directors, executives and employees fairly and responsibly. This approach takes cognisance of local and international remuneration best practices to ensure that Gaia attracts and retains appropriate skills and talent.

The remuneration committee will be constituted once Viable Assets have been acquired by Gaia. Remuneration will be governed by the remuneration committee, which will be mandated by and report to the Board, and which will oversee the setting and administration of remuneration. The committee will consider the holistic compensation model as well as the specific remuneration

of all executive Directors and prescribed officers, including the fees paid to all non-executive Directors. Fees payable to Directors are recommended by the Board to the Shareholders at annual general meetings for approval.

5. IT GOVERNANCE REPORT

Information technology ("IT") at Gaia is a strategic tool that facilitates the successful implementation of the Company's strategy and sustainable business performance. IT is governed on an operational level and executive management ensures that Gaia complies with all relevant IT laws, rules, codes and standards.

The IT function at Gaia focuses on being an enabler to business, aligning with business initiatives, creating fluidity, and assisting in providing a competitive operational edge to business. Gaia has an IT policy that is implemented at an operational level, where there is a strong focus on change control processes and incident reporting systems. The business currently does not have a Board-approved internal IT control framework, but an IT business continuity plan is in place. Going forward it is the intention that an annual review will be done by an external company to test the strength and identify any vulnerabilities within the IT system security.

Going forward it is the intention that independent external audits will be conducted to validate infrastructure and application security.

The IT function's main areas of focus include the following:

- enhancing availability;
- performance and IT agility;
- continual refinement of security; and
- opportunity identification and implementation.

The most important risks associated with information technology in Gaia relate to the following:

- data leakage prevention;
- vendor compliance with legislation; and
- database administration and optimisation.

PART B – APPLICATION OF PRINCIPLES IN THE KING CODE

PREAMBLE

Gaia is committed to the principles of transparency, integrity, fairness and accountability. Gaia has a newly constituted Board and is in the process of assessing the application of the principles set out in the King Code. Notwithstanding the aforementioned Gaia shall strive to apply the principles set out in the King Code in accordance with the content of the table below. The actual application of the principles will be determined at the end of the financial year ending 28 February 2016.

Key – Level of compliance:

Applied	✓
Partially applied	*
Not applicable	✗

Principle	Level of compliance	Comments
1. Ethical leadership and corporate citizenship		
1.1 The board should provide effective leadership based on an ethical foundation	✓	Applied. Ethics form part of the values of the Company and the Board. The Board provides effective leadership based on an ethical foundation.
1.2 The board should ensure that the company is, and is seen to be, a responsible corporate citizen	✓	Applied. The Board ensures that the Company is a responsible corporate citizen.
1.3 The board should ensure that the company's ethics are managed effectively	✓	Applied. Ethical principles are always applied during decision-making. A social and ethics committee has been established which has social and ethics matters as a standing agenda point and will meet at least twice a year.

ANNEXURE 10: KING CODE AND CORPORATE GOVERNANCE *(continued)*

	Principle	Level of compliance	Comments
2.	Board and Directors		
2.1	The board should act as the focal point for and custodian of corporate governance	✓	Applied. The Board as a whole is responsible for effective corporate governance.
2.2	The board should appreciate that strategy, risk, performance and sustainability are inseparable	✓	Applied. Strategy, risk, performance and sustainability are considered collectively by the Board in the decision-making process and monitoring of the Gaia Group's performance.
2.3	The board should provide effective leadership based on an ethical foundation	✓	Applied. Ethics form part of the values of the Company and the Board.
2.4	The board should ensure that the company is and is seen to be a responsible corporate citizen	✓	Applied. The Board ensures that the Company is a responsible corporate citizen.
2.5	The board should ensure that the company's ethics are managed effectively	✓	Applied. Ethics are the responsibility of the Board as a whole.
2.6	The board should ensure that the company has an effective and independent audit committee	✓	Applied. The audit committee consists of 3 independent non-executive Directors. The audit committee members all have the necessary experience and skills to serve on an audit committee.
2.7	The board should be responsible for the governance of risk	✓	Applied. The Board as a whole is responsible for risk governance.
2.8	The board should be responsible for information technology ("IT") governance	✓	Applied. The Board as a whole is responsible for information technology (IT) governance.
2.9	The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards	✓	Applied. Compliance with all applicable laws and adherence to non-binding rules, codes and standards form part of the values of the Company.
2.10	The board should ensure that there is an effective risk-based internal audit	*	The Company has appointed its own internal auditors with effect from September 2015. At present the Company does not have any Viable Assets. When the Company is fully operational and has all the accompanying procedures and controls in place, the Board will ensure that an effective risk-based internal audit is performed.
2.11	The board should appreciate that stakeholders' perceptions affect the company's reputation	✓	Applied. The Board monitors stakeholders' perceptions, in light of the importance of the Company's reputation.
2.12	The board should ensure the integrity of the company's integrated report	*	The Company has not issued an integrated report yet. The Company will take the necessary measures to ensure the integrity of the integrated report when it is issued.
2.13	The board should report on the effectiveness of the company's system of internal controls	*	At present the Company is not trading. Once the Company is fully operational and has all the accompanying procedures and controls in place, the Board will instruct the internal auditor to evaluate the effectiveness of the internal controls. The Board will then report on the effectiveness of the Company's system of internal controls.
2.14	The board and its directors should act in the best interests of the company	✓	Applied. The Board acts in the best interests of the Company.
2.15	The board should consider business rescue proceedings or other turnaround mechanisms as soon as the company is financially distressed as defined in the Act	✓	Applied. This will be considered, if applicable.

Principle	Level of compliance	Comments
2.16 The board should elect a chairman of the board who is an independent non-executive director. The chief executive officer of the company should not also fulfil the role of chairman of the board	*	Partially applied. The Company has appointed a separate chairman and this role is not fulfilled by the chief executive officer. The Board has appointed a lead independent Director as the chairman is not regarded as independent.
2.17 The board should appoint the chief executive officer and establish a framework for the delegation of authority	✓	Applied. The Board has appointed a chief executive officer and a framework for the delegation of authority has been established.
2.18 The board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent	✓	Applied. There is a balance between executive and non-executive Directors with a majority of the Board being non-executive Directors and the majority of the non-executive Directors being independent.
2.19 Directors should be appointed through a formal process	✓	Applied. All Directors are appointed through a formal process. Appointment of Directors is a matter for the Board as a whole. The Board is of the view that the size of the Company does not justify a separate nominations committee. This approach is in line with the JSE Listings Requirements which does not require that listed companies appoint a nominations committee where it is not appropriate to the business of the Company.
2.20 The induction of and ongoing training and development of directors should be conducted through formal processes	*	Partially applied. The Board has an informal induction process. New Directors will have unlimited access to the Company's resources in order to familiarise themselves with all matters related to the Company. Consideration will be given to a formal induction programme and ongoing training and development for appointees.
2.21 The board should be assisted by a competent, suitably qualified and experienced company secretary	✓	Applied. A competent, suitably qualified and experienced company secretary has been appointed.
2.22 The evaluation of the board, its committees and the individual directors should be performed every year	*	The Board and its committees have only recently been appointed and constituted and at the Last Practicable Date no evaluation of the Board, Directors or committees have been performed yet. The Board, its committees and individual Directors will be evaluated annually as provided for in the committee charters within the first financial year of the Company following the Listing.
2.23 The board should delegate certain functions to well-structured committees without abdicating its own responsibilities	✓	Applied. Committees make recommendations which are approved at Board level.
2.24 A governance framework should be agreed between the group and its subsidiary boards	*	The Board and the board of directors of its subsidiaries have only recently been appointed and at the Last Practicable Date no governance framework has been agreed yet. The Board will however agree a governance framework for the Company and its subsidiaries within the first financial year of the Company following the Listing.
2.25 Companies should remunerate directors and executives fairly and responsibly	✓	Applied. The Board is of the view that executive Directors are remunerated fairly and reasonably. Non-executive Directors' fees are compatible with what is deemed appropriate for the size and nature of the Company.

ANNEXURE 10: KING CODE AND CORPORATE GOVERNANCE *(continued)*

Principle	Level of compliance	Comments
2.26 Companies should disclose the remuneration of each individual director and certain senior executives	*	The Board and the senior executives have only recently been appointed. The Company will evaluate which disclosures will be required and will make such disclosures in accordance with the King Code principle in its first integrated report following the Listing.
2.27 Shareholders should approve the company's remuneration policy	*	The remuneration policy is still being finalised and the Company has not had an annual general meeting yet. The remuneration policy will be compiled by the remuneration committee for approval by the Board and Shareholders at an annual general meeting once the Company has acquired Viable Assets.
3. Audit Committees		
3.1 The board should ensure that the company has an effective and independent audit committee	✓	Applied. The audit committee consists of 3 independent non-executive Directors.
3.2 Audit committee members should be suitably skilled and experienced independent, non-executive directors (subsidiary exemption)	✓	Applied. Audit committee members are suitably skilled and experienced.
3.3 The audit committee should be chaired by an independent non-executive director	✓	Applied. The audit committee is chaired by an independent non-executive Director.
3.4 The audit committee should oversee the integrated reporting (integrated reporting, financial, sustainability and summarised information) The audit committee should be responsible for evaluating the significant judgements and reporting decisions affecting the integrated report The audit committee's review of the financial reports should encompass the annual financial statements, interim reports, preliminary or provisional result announcements, summarised integrated information, any other intended release of price-sensitive financial information, trading statements, circulars and similar documents	*	The audit committees has only recently been appointed and constituted. The Company has not yet issued an integrated report but the audit committee will oversee same. The audit committee will be responsible for evaluating the significant judgements and reporting decisions affecting the integrated report when the Company issues same in future. The Company has not issued any financial reports other than those included in this Pre-listing Statement. The audit committee has reviewed all financial information included in this Pre-listing Statement and will review any annual financial statements, interim reports, preliminary or provisional result announcements, summarised integrated information, any other intended release of price-sensitive financial information, trading statements, circulars and similar documents released by the Company in future.
3.5 The audit committee should ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities	*	The audit committee of the Company has only recently been constituted. Following the Listing, the audit committee of the Company will be mandated to ensure that a combined assurance model is applied. The Company has also appointed an internal auditor with effect from September 2015.
3.6 The audit committee should satisfy itself of the expertise, resources and experience of the company's finance function	✓	Applied. The audit committee has satisfied itself in this regard.
3.7 The audit committee should be responsible for overseeing of internal audit	✓	Applied. The Company has appointed an internal auditor with effect from September 2015 that will report directly to the audit and risk committee.

Principle	Level of compliance	Comments
3.8 The audit committee should be an integral component of the risk management process	✓	Applied. Forms part of the role and responsibility of the audit and risk committee.
3.9 The audit committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process	✓	Applied. Forms part of the role of the audit and risk committee.
3.10 The audit committee should report to the board and shareholders on how it has discharged its duties	*	Partially applied. The newly formed audit and risk committee will report annually on the discharge of their duties to the newly appointed Board. The audit committee and the Board has only recently been appointed and at the Last Practicable Date no such report has yet been made by the audit committee.
4. The governance of risk		
4.1 The board should be responsible for the governance of risk	✓	Applied. Governed by the Board as a whole.
4.2 The board should determine the levels of risk tolerance	✓	Applied. Risk levels are discussed at Board level.
4.3 The risk committee or audit committee should assist the board in carrying out its risk responsibilities	✓	Applied. The audit and risk committee will assist the Board in carrying out its risk responsibility.
4.4 The board should delegate to management the responsibility to design, implement and monitor the risk management plan	✓	Applied. The Board has delegated the responsibility to management.
4.5 The board should ensure that risk assessments are performed on a continual basis	✓	Applied. The Board performs risk assessment on a continual basis.
4.6 The board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks	✓	Applied. All risk factors within the current business model are continually monitored.
4.7 The board should ensure that management considers and implements appropriate risk responses	✓	Applied. Responses are monitored and preventative measures implemented to the extent possible.
4.8 The board should ensure continual risk monitoring by management	✓	Applied. Risk-monitoring forms part of planning and decision-making.
4.9 The board should receive assurance regarding the effectiveness of the risk management process	✓	Applied. This occurs at Board level.
4.10 The board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders	✓	Applied. Risks will be disclosed in the integrated report and further disclosures will be assessed when needed.
5. The governance of Information Technology		
5.1 The board should be responsible for information technology ("IT") governance	✓	Applied. The Board is responsible for IT governance.
5.2 IT should be aligned with the performance and sustainability objectives of the company	✓	Applied. Objectives are aligned.

ANNEXURE 10: KING CODE AND CORPORATE GOVERNANCE *(continued)*

Principle	Level of compliance	Comments
5.3 The board should delegate to management the responsibility for the implementation of an IT governance framework	*	Partially applied. The Board is assisted by management in the implementation of an IT policy. A governance framework will be considered for approval by the Board.
5.4 The board should monitor and evaluate significant IT investments and expenditure	✓	Applied. The Board receives the budget and progress reports for all material IT-related investments.
5.5 IT should form an integral part of the company's risk management	✓	Applied. IT is considered as part of risk management.
5.6 The board should ensure that information assets are managed effectively	✓	Applied. The Board has appointed an audit and risk committee which will assist it to carry out its responsibilities.
5.7 A risk committee and audit committee should assist the board in carrying out its IT responsibilities	✓	Applied. The Board has appointed the audit and risk committee which will assist it to carry out its IT responsibilities.
6. Compliance with laws, codes, rules and standards		
6.1 The board should ensure that the company complies with applicable laws and considers adherence to nonbinding rules, codes and standards	✓	Applied. The Board considers applicable laws, codes, rules and standards and changes thereto. Compliance with laws is embedded within the internal controls and processes of the operations of the business. Any material non-compliance is reported to the Board as and when the executive Directors become aware of same.
6.2 The board and each individual director should have a working understanding of the effect of the applicable laws, rules, codes and standards on the company and its business	✓	Applied. The Board and each individual Director have a working understanding of the effect of the applicable laws, rules, codes and standards on the Company and its business.
6.3 Compliance risk should form an integral part of the company's risk management process	✓	Applied. Compliance forms part of the process.
6.4 The board should delegate to management the implementation of an effective compliance framework and processes	✓	Applied. This is performed by the executive team.
7. Internal Audit		
7.1 The board should ensure that there is an effective risk-based internal audit	✓	Applied. The Company has appointed internal auditors with effect from September 2015.
7.2 Internal audit should follow a risk-based approach to its plan	✓	Applied. Compliance forms part of the process.
7.3 Internal audit should provide a written assessment of the effectiveness of the company's system of internal control and risk management	*	At present the Company is not trading. Once the Company is fully operational and has all the accompanying procedures and controls in place, the internal auditors will be directed to evaluate the effectiveness of the internal controls and risk management and provide a written assessment of its findings.
7.4 The audit committee should be responsible for overseeing internal audit	✓	Applied. The Company has appointed internal auditors with effect from September 2015. The audit committee will oversee the internal audit.
7.5 Internal audit should be strategically positioned to achieve its objectives	✓	Applied. It is strategically positioned to achieve its objectives.

Principle	Level of compliance	Comments
8. Governing stakeholder relationships		
8.1 The board should appreciate that stakeholders' perceptions affect a company's reputation	✓	Applied. The Board monitors stakeholders' perceptions in light of the importance of the Company's reputation.
8.2 The board should delegate to management to proactively deal with stakeholder relationships	✓	Applied. Stakeholder relationships are critical for the Company and the executive team manages these proactively.
8.3 The board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the company	✓	Applied. All stakeholders are considered during decision-making.
8.4 Companies should ensure the equitable treatment of shareholders	✓	Applied. Equitable treatment of Shareholders is important and considered during decision-making.
8.5 Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence	✓	Applied. Communication with stakeholders is the responsibility of the Board.
8.6 The board should ensure that disputes are resolved as effectively, efficiently and expeditiously as possible	✓	Applied. The Board remains informed of any disputes and strive to ensure that they are resolved efficiently.
9. Integrated Reporting and disclosure		
9.1 The board should ensure the integrity of the company's integrated report	*	The Company has not yet issued an integrated report but will apply due care in the compilation of the report.
9.2 Sustainability reporting and disclosure should be integrated with the company's financial reporting	*	The Company has not yet issued an integrated report but will evaluate the need for sustainability reporting and include sustainability matters (if necessary) in the integrated report when same is issued.
9.3 Sustainability reporting and disclosure should be independently assured	*	The Company will evaluate the need for sustainability reporting and if included in its integrated report will have such disclosures independently assured (to the extent necessary).



GAIA INFRASTRUCTURE CAPITAL LIMITED
(previously Gaia Capital Proprietary Limited)
(Incorporated in the Republic of South Africa)
(Registration number 2015/115237/06)
(Share Code: GAI, ISIN ZAE000210555)
["Gaia" or "the Company"]

SPECIMEN PRIVATE PLACEMENT APPLICATION FORM

NOT FOR COMPLETION OR DELIVERY. APPLICATION FORMS WILL BE PROVIDED TO INVITED INVESTORS BY THE TRANSACTION ADVISOR, SPONSOR AND BOOKRUNNER, PSG CAPITAL PROPRIETARY LIMITED.

The definitions and interpretations commencing on page 6 of this Pre-listing Statement apply to this Application Form.

This Application Form must be read in conjunction with the Pre-listing Statement.

TO BE COMPLETED BY INVITED INVESTORS ONLY

This is an offer to subscribe for Shares in Gaia ("Private Placement Shares") at an issue price of R10 ("Issue Price") ("Private Placement"), to Invited Investors in terms of the Pre-listing Statement issued on Monday, 2 November 2015.

Successful applicants will be advised of their allotment of Private Placement Shares by Tuesday, 10 November 2015.

Invited Investors are referred to the particulars of the Private Placement as detailed in paragraph 10 of the Pre-listing Statement and by their signature of this Application Form agree to be bound by the terms and conditions contained therein.

Please refer to the instructions overleaf before completing this Application Form.

Dematerialised Shares

The allocated Private Placement Shares will be transferred to successful applicants in dematerialised form only. Accordingly, all successful applicants must appoint a Central Securities Depository Participant ("CSDP") directly, or a Broker, to receive and hold the Dematerialised Shares on their behalf. Should a Shareholder require a physical share certificate for their Private Placement Shares, they will have to, at their own cost, certificate such Shares following the Listing and should contact their CSDP or Broker to do so.

As allocated Private Placement Shares will be transferred to successful applicants on a delivery-versus-payment basis, payment will be made by your CSDP or Broker on your behalf.

Invited Investors should complete this Application Form in respect of the Private Placement and hand deliver, or email it to:

If delivered by hand or by courier:

Attention: Willie Honeyball
PSG Capital Proprietary Limited
1st Floor, Ou Kollege
35 Kerk Street
Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7599)

If emailed:

willieh@psgcapital.com

This Application Form must be stamped and signed by an applicant's CSDP or Broker. Failure to do so may result in this Application Form being rejected.

This Application Form must be received by no later than 12:00 on Friday, 6 November 2015.

Invited Investors must contact their CSDP or Broker and advise them that they have submitted the Application Form as instructed above. Pursuant to the application, Invited Investors must make arrangements with their CSDP or Broker for payment to be made as stipulated in the agreement governing their relationship with their CSDP or Broker, in respect of the Private Placement Shares allocated to them in terms of the Private Placement by the settlement date, expected to be Thursday, 12 November 2015.

Condition precedent

The Listing is conditional upon Gaia raising a minimum amount of R500 000 000 in terms of the Private Placement and the achievement of a spread of shareholders acceptable to the JSE, being public shareholders (as contemplated in the JSE Listings Requirements) holding not less than 20% of the issued share capital of Gaia.

Reservation of rights

The Board of Gaia shall, in its sole discretion, determine an appropriate allocation mechanism, as far as possible, taking into account the spread requirements of the JSE, the liquidity of the Shares and considering the potential shareholder base that the Board wishes to achieve.

The Directors of Gaia reserve the right to accept or reject, either in whole or in part, any Application Form should the terms contained in the Pre-listing Statement, of which this Application Form forms part, and the instructions herein not be properly complied with.

Only persons who fall within any of the categories envisaged in section 96(1)(a) of the Companies Act or who purchase or subscribe for Private Placement Shares, the acquisition cost of which is not less than R1 000 000 per single addressee acting as principal (as contemplated in section 96(1)(b) of the Companies Act), are entitled to participate in the Private Placement.

To the directors:

Gaia Infrastructure Capital Limited

1. I/We, the undersigned, confirm that I/we have full legal capacity to contract and, having read the Pre-listing Statement, hereby irrevocably apply for and request you to accept my/our application for the under mentioned value to subscribe for Private Placement Shares under the Private Placement set out in the Pre-listing Statement and in accordance with the terms and conditions set out therein and that may, in your absolute discretion, be allotted to me/us.

SPECIMEN PRIVATE PLACEMENT APPLICATION FORM *(continued)*

2. I/We wish to receive my/our allocated Private Placement Shares in dematerialised form and will deliver this Application Form to PSG Capital Proprietary Limited ("**PSG Capital**"), and will provide appropriate instructions to my/our CSDP or Broker, as the case may be, with regard to the application herein and the payment thereof, as stipulated in the agreement governing my/our relationship with my/our CSDP or Broker, as the case may be. I/We accept that payment in respect of this application will be, in terms of the custody agreement entered into between me/us and my/our CSDP or Broker, as the case may be, on a delivery-versus-payment basis.
3. I/We understand that the Listing and Private Placement are subject to the terms and conditions precedent detailed in the Pre-listing Statement and in this Application Form and that, should any of the conditions precedent fail, the Private Placement and any acceptance thereof shall not be of any force or effect and that I/we will not have any claim whatsoever against the Company or any other person as a result of the failure of any conditions.
4. I/We warrant and undertake that I/we are persons who fall within the categories envisaged in section 96(1)(a) of the Companies Act, No. 71 of 2008 ("**Companies Act**") or that my/our subscription consideration in respect of the Private Placement Shares when converted to South African Rand will be above the amount prescribed in terms of section 96(1)(b) of the Companies Act, and that I/we are therefore entitled to participate in the Private Placement.

Dated: 2015 Telephone number: ()

Signature Mobile number:

Assisted by (where applicable)

Surname of individual or name of corporate body:	Mr
	Mrs
	Miss
	Other titled
Full names (if individual):	
Postal address (preferably PO Box address):	Postal code:
Telephone number:	()
Mobile phone number:	
E-mail address:	
Rand value of Private Placement Shares applied for	R (Enter figures only – not words)

Required information must be completed by CSDP or Broker* with their stamp and signature affixed hereto:

CSDP name	
CSDP contact person	
CSDP contact telephone number	
SCA or bank CSD account number	
Scrip account number	
Settlement bank account number	
Stamp and signature of CSDP or Broker	

This application will constitute a legal contract between Gaia and the applicant. Application forms will not be accepted unless the above information has been furnished.

Instructions:

1. Applications are irrevocable and may not be withdrawn once submitted.
2. CSDPs and Brokers will be required to retain a copy of this Application Form for presentation to the Directors if required.
3. Please refer to the terms and conditions of the Private Placement set out in paragraph 10 of the Pre-listing Statement. Applicants should consult their Broker or other professional advisor in case of doubt as to the correct completion of this Application Form.
4. Applicants need to have appointed a CSDP or Broker and must advise their CSDP or Broker in terms of the custody agreement entered into between them and their CSDP or Broker. Payment will be made on a delivery-versus-payment basis.
5. No payment should be submitted with this Application Form to Gaia or PSG Capital.
6. If payment is dishonoured, or not made for any reason, Gaia may, in its sole discretion, regard the relevant application as invalid or take such other steps in regard thereto as it may deem fit.
7. No receipts will be issued for Application Forms, application monies or any supporting documentation.
8. All alterations on this Application Form must be authenticated by full signature of the applicant and his CSDP or Broker.
9. As allocated Private Placement Shares are being transferred to successful applicants on a delivery-versus-payment basis, no payment will be required to be made if the Private Placement or the Listing is not successful.

* If an applicant has more than one account, please attach a separate schedule with all relevant details.

