



African Energy Partners Limited

(Incorporated in the Republic of South Africa)

(Registration number: 2017/024904/06)

JSE share code: AEY ISIN: ZAE000241741

("AEP" or "the Company")

PROSPECTUS

The definitions and interpretations commencing on page 8 of this document apply, *mutatis mutandis*, to this entire document, including this cover page, except where the context indicates a contrary intention.

This Prospectus is not an invitation to the public to subscribe for Offer Shares, but is issued in compliance with the Listings Requirements, the Companies Act and the Companies Regulations for the purpose of providing investors with the statutorily required information concerning AEP and is issued in respect of an Offer comprising:

- a Private Placement to Private Placees, being a selected group of institutional investors and high net worth individuals; and
- a Retail Offer to certain Retail Investors at the discretion of the Board,

to subscribe for the Offer Shares at a subscription price of R10.00 per Offer Share, to raise R400 million in aggregate.

The JSE has approved this Prospectus and has granted the Company a listing as a SPAC on the AltX of the JSE, in respect of the Offer Shares that will be issued pursuant to the Offer, in the "Non-equity Investment Instrument" sub-sector of the FTSE Global Classification System, under the abbreviated name: "**AFENERGY**", JSE ordinary share code: "**AEY**" and ISIN: ZAE000241741, with effect from the commencement of trade on Thursday, 1 June 2017.

As at the Listing Date:

- the authorised share capital of the Company will comprise 10 000 000 000 ordinary shares of no par value;
- the issued share capital of the Company will comprise 40 000 200 ordinary shares of no par value; and
- no Shares will be held in treasury.

A copy of this Prospectus in English, accompanied by the documents referred to under "Documents available for inspection" as set out in section 4, paragraph 9 of this Prospectus, was registered by CIPC on Friday, 28 April 2017 in terms of the Companies Act.

**Corporate Advisor, Bookrunner
and Designated Advisor**



Attorneys



**Auditors and Independent
Reporting Accountants**



On the Listing Date, all the Shares in issue shall rank *pari passu* with each other in all respects, including in respect of voting rights and dividends.

The Offer will not be underwritten. The Listing is conditional upon raising the Minimum Capital Amount.

Shareholders are advised that their Shares may only be traded on the JSE in Dematerialised form. Furthermore, the Offer Shares will be delivered in Dematerialised form only. No documents of title will be issued to Shareholders that participate in the Offer. Ordinary Shares held by the Founders in certificated form immediately prior to the Listing will be Dematerialised on or immediately prior to the Listing.

The Directors, whose names are given on page 13 of this Prospectus, collectively and individually accept full responsibility for the accuracy of the information provided in this Prospectus and 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 Prospectus contains all information required by the Listings Requirements.

All the advisors whose names are included in this Prospectus have given and have not, prior to the publication of this Prospectus, withdrawn their written consents for the inclusion of their names in the form and context in which they appear.

The distribution of this document in certain jurisdictions may be restricted by law. No action has been taken or will be taken to permit the possession or distribution of this document (or any other offering or publicity materials relating to the Offer Shares) in any jurisdiction where action for that purpose may be required or doing so is restricted or prohibited by law. Accordingly, neither this document, nor any advertisement, nor any other offering material may be distributed or published except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute an offer or an invitation or solicitation of an offer to subscribe for Ordinary Shares in any jurisdiction in which such an offer or invitation would be unlawful.

An abridged version of this Prospectus will be released on SENS on Tuesday, 9 May 2017 and published in the South African press on Wednesday, 10 May 2017.

Date of issue: 9 May 2017

This Prospectus is only available in English. Copies of this Prospectus will be made available on the Company's website at www.aep.co.za and may also be obtained during normal business hours from the registered office of the Company and the offices of the Sponsor at their respective addresses set out in the "*Corporate Information and Advisors*" section of this Prospectus from the date of issue hereof until Thursday, 1 June 2017.

CORPORATE INFORMATION AND ADVISORS

Name of Company and Registered Office

African Energy Partners Limited
(Registration number: 2017/024904/06)
c/o Thesele Group
28 Fricker Road, Illovo
Sandton, Johannesburg
Gauteng, 2196

Legal Advisors to the Company

Bowman Gilfillan Inc.
(Registration number: 1998/021409/21)
11 Alice Lane, Sandton
Johannesburg, 2196
(PO Box 785812, Sandton, 2146)

Escrow Agent

Rand Merchant Bank (a division of FirstRand
Bank Limited)
(Registration number: 1929/001225/06)
1 Merchant Place
Corner Fredman Drive and Rivonia Road, Sandton
Johannesburg, 2196
(PO Box 786273, Sandton, 2146)

Independent Reporting Accountants and Auditors

Deloitte & Touche
Deloitte Place, The Woodlands
20 Woodlands Drive, Woodmead
Sandton, 2196
(Private Bag X6, Gallo Manor, 2052)

Date and Place of Incorporation of AEP

Incorporated in the Republic of South Africa on
24 January 2017

Website: www.aep.co.za

Designated Advisor, Corporate Advisor and Bookrunner

Questco Proprietary Limited
(Registration number: 2002/005616/07)
Yellowwood House, Ballywoods Office Park
33 Ballyclare Drive
Bryanston, 2191

Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration number: 2004/003647/07)
Rosebank Towers, 15 Biermann Avenue
Rosebank, 2196
(PO Box 61051, Marshalltown, 2107)

Bankers

The Standard Bank of South Africa Limited
(Registration number: 1969/017128/06)
30 Baker Street, Rosebank
Johannesburg, 2196
(PO Box 62325, Marshalltown, 2017)

Company Secretary

Imbokodvo Bethany Governance and Statutory
Compliance Proprietary Limited
(Registration number: 2016/117816/07)
Yellowwood House, Ballywoods Office Park
33 Ballyclare Drive
Bryanston, 2191

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IMPORTANT INFORMATION

The definitions and interpretations commencing on page 8 of this Prospectus apply, *mutatis mutandis*, to this section and throughout this Prospectus.

SPECIAL NOTE IN RESPECT OF THE OFFER

Notwithstanding that this document constitutes a Prospectus, it (and the Offer) is not an offer to the general public and only constitutes an Offer for the subscription of Offer Shares to Private Placees and Retail Investors. Consequently, this Prospectus is addressed only to Qualifying Investors, and does not constitute an offer or invitation: (i) to subscribe in, into, or from; or (ii) capable of acceptance in, any Restricted Territory.

The distribution of this document in certain jurisdictions may be restricted by law. No action has been taken or will be taken to permit the possession or distribution of this document (or any other offering or publicity materials relating to the Offer Shares) in any jurisdiction where action for that purpose may be required or doing so is restricted or prohibited by law. Accordingly, neither this document, nor any advertisement, nor any other offering material may be distributed or published except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute an offer or an invitation or solicitation of an offer to subscribe for Ordinary Shares in any jurisdiction in which such an offer or invitation would be unlawful.

None of Questco and any of its directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for/ or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this Prospectus (or whether any information has been omitted from the Prospectus) for any other information relating to the Company, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available of for any loss, howsoever arising, from any use of the Prospectus or its contents or otherwise arising in connection herewith.

Questco is acting exclusively for the Company and no one else in connection with the Offer and Listing. It will not regard any other person as its client in relation to the offer and/or the Listing and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, nor for providing advice in relation to the Offer and/or the Listing, the contents of this Prospectus or any transaction, arrangement or other matter referred to herein.

FORWARD-LOOKING STATEMENTS

This document contains statements about the Company 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 views concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as “believe”, “aim”, “expect”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “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, anticipated levels of growth, estimates of capital expenditures, acquisition strategy, prospects, future expansion projects or future capital expenditure levels and other economic factors, such as, among other things, interest and exchange rates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The Company cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions and liquidity may differ materially from those made in, or suggested by, the forward-looking statements contained in this document.

All these forward-looking statements are based on estimates and assumptions made by the Company, all of which estimates and assumptions are inherently uncertain although the Company believes them to be reasonable. Such estimates, assumptions or statements may not eventuate. Factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those statements or assumptions include matters not yet known to the

Company or not currently considered material by the Company. Important factors that could cause actual events to differ materially from the Company's expectations include the following: changes in political, economic, legal and social conditions in South Africa and elsewhere; fluctuations in currencies; future legislation, including regulations and rules, as well as changes in enforcement policies; and other factors beyond the Company's control.

Any forward-looking statement made in this document or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of the Company 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. The Company has no duty to, and does not intend to, update, review or revise the forward-looking statements contained in this document after the date of issue of this document, except as may be required by applicable law or the requirements of the JSE.

None of the forward-looking statements have been reviewed or reported on by the Auditors.

Additional risk factors in respect of the business of the Company and the mitigation factors in respect thereof, are set out in Annexure 9 of this Prospectus.

PROSPECTUS COMPLIES WITH THE COMPANIES ACT

This Prospectus complies with section 100 of the Companies Act and Parts B and C of Chapter 4 of the Companies Regulations. The written consents of the experts and advisors set out in the "Corporate Information and Advisors" section of this Prospectus have been attached to the copy of the Prospectus filed with the CIPC. (Reg 51(4)(a))

DATE OF INFORMATION PROVIDED

Unless the context clearly indicates otherwise, all information provided in this Prospectus is provided as at the Last Practicable Date.

IMPORTANT DATES AND TIMES

2017

Abridged Prospectus published on SENS on	Tuesday, 9 May
Publication of the Prospectus in the South African press on	Wednesday, 10 May
Opening date of the Offer at 09:00 on	Monday, 15 May
Closing date of the Offer at 12:00 on	Friday, 26 May
Successful Applicants advised of allocations and results of the Offer released on SENS on	Tuesday, 30 May
Results of the Offer published in the South African press on	Wednesday, 31 May
Expected Listing Date	Thursday, 1 June
CSDP and broker accounts will be updated and debited with the funds on	Thursday, 1 June

1. All references to time above are to South African Standard Time.
2. The above dates may change, and any such change will be published on SENS and in the South African press.
3. No applications will be accepted after 12:00 on Friday, 26 May 2017.
4. CSDPs effect payment in respect of Dematerialised Shareholders on a delivery versus payment basis.

DEFINITIONS AND INTERPRETATIONS

In this document, unless otherwise stated or the context otherwise indicates, the words in the first column shall have the meanings stated opposite them in the second column, words in the singular shall include the plural and *vice versa*, words importing natural persons shall include corporations and associations of persons and an expression denoting any gender shall include the other genders:

“ AEP ” or “ the Company ”	African Energy Partners Limited (registration: number 2017/024904/06), a public company incorporated under the laws of South Africa;
“ AltX ”	the Alternative Exchange operated by the JSE Limited;
“ Applicant ”	means a Qualifying Investor;
“ Application Form ”	the application form in respect of the Offer, which form (<i>blue</i>) is attached to, and forms part of, this Prospectus and which must be completed by all prospective investors;
“ Auditors ” or “ Independent Reporting Accountants ”	Deloitte & Touche;
“ Bankers ”	The Standard Bank of South Africa Limited, the details of which are set out in the Corporate Information section of this Prospectus;
“ Board ” or “ Directors ”	the board of directors of the Company as at the Last Practicable Date, whose names appear on page 13 of this Prospectus;
“ Broker ”	a “stockbroker” as defined in the Financial Markets Act, or its nominee;
“ Business Day ”	any day other than a Saturday, Sunday or official public holiday in South Africa;
“ CIPC ”	the Companies and Intellectual Property Commission, established in terms of section 185 of the Companies Act;
“ Common Monetary Area ”	collectively, South Africa, the Kingdoms of Swaziland and Lesotho and the Republic of Namibia;
“ Companies Act ”	the Companies Act, No. 71 of 2008, as amended, and where appropriate in the context includes reference to the Companies Regulations;
“ Companies Regulations ”	the Companies Regulations, 2011, promulgated under section 223 of the Companies Act;
“ Completed ”	means, with reference to the acquisition of Viable Assets by the Company, that an acquisition has become unconditional and that the assets have been transferred into the name of the Company or a wholly-owned subsidiary of the Company (if any), and “ Complete ” and “ Completion ” shall be construed accordingly;
“ CSDP ”	a participant as defined in terms of section 1 of the Financial Markets Act;
“ Custody Agreement ”	a custody agreement entered into between certain Directors (namely, Nkosi Gugushe and Edwin Kikonyogo) and Trodera (through which the aforementioned Directors indirectly hold shares in the Company), on the one hand, and the Custodian, on the other hand;
“ Custodial Period ”	in relation to the Directors, means the period commencing on the Listing Date and terminating on the day that falls six months after the Completion of an acquisition of Viable Assets by the Company;

“Custodian”	FirstRand Bank Limited (registration number: 1929/001225/06) (acting through RMB Corporate Banking Custody and Trustee Services), appointed by the Company to hold in trust (for the Custodial Period) the shares subscribed for by certain Directors pursuant to the Listing, being 5% of the total issued share capital of the Company at the Listing Date;
“Destiny Corporation Energy”	Destiny Corporation Energy Proprietary Limited (registration number: 2011/011254/07), a private company incorporated in accordance with the laws of South Africa, being a wholly-owned subsidiary of Destiny Corporation Holdings;
“DCH” or “Destiny Corporation Holdings”	Destiny Corporation Holdings Proprietary Limited (registration number: 2005/002362/07), a private company incorporated in accordance with the laws of South Africa, of which Nkosi Gugushe owns 57% of the issued share capital, Edwin Kikonyogo owns 7% of the issued share capital;
“Dematerialise”	the process whereby Ordinary Shares are recorded by electronic records of ownership in the Strate system in the sub-register of the Company maintained by a CSDP or broker;
“Dematerialised Shares”	Shares which have been incorporated into Strate and which are no longer evidenced by physical documents of title, rather the ownership thereto is determined electronically and recorded in the sub-register maintained by a CSDP or broker;
“Dematerialised Shareholders”	Shareholders who hold Dematerialised Shares;
“Designated Advisor”	the Company’s Designated Advisor, Questco, duly appointed in terms of paragraph 21.12 of the Listings Requirements;
“Escrow Account”	the escrow account or accounts managed by the Escrow Agent in terms of the Escrow Agreement in accordance with paragraph 4.36 of the Listings Requirements, and which accounts relate to the proceeds of the Listing;
“Escrow Agent”	Rand Merchant Bank (a division of FirstRand Bank Limited) (registration number: 1929/001225/06), a registered bank and public company duly registered and incorporated in accordance with the laws of South Africa;
“Escrow Agreement”	the escrow agreement, dated 6 April 2017, between the Company and the Escrow Agent, referred to in paragraph 3.4.9 of Section 1 (<i>Information about AEP</i>) of this Prospectus, and salient details of which is set out in Annexure 5 of this Prospectus;
“Financial Markets Act”	the Financial Markets Act, No. 19 of 2012;
“Founders”	Nkosi Gugushe and Edwin Kikonyogo, who have subscribed for Offer Shares as part of the Offer in accordance with paragraph 4.34(e) of the Listings Requirements, and “Founder” shall mean either one of them;
“IFRS”	International Financial Reporting Standards;
“IKB”	Imbokodvo Bethany Governance and Statutory Compliance Proprietary Limited (registration number: 2016/117816/07), a private company incorporated under the laws of South Africa, full details of which are set out in the “Corporate Information and Advisors” section on page 1 of this Prospectus and the Company Secretary to AEP;
“Initial Period”	a period of 24 months from the Listing Date or such longer period as the JSE may permit;

“JSE”	as the context requires, either the: (i) JSE Limited, registration number: 2005/022939/06, a limited liability public company incorporated in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act; or (ii) securities exchange operated by the aforementioned company;
“Kaemelon”	Kaemelon Proprietary Limited (registration number: 2016/516964/07), a private company incorporated in accordance with the laws of South Africa, of which Destiny Corporation Energy owns 51% of the issued share capital, and Thesele Group Proprietary Limited owns 49% of the issued share capital;
“King Code”	the King Report on Corporate Governance Principles for South Africa, as amended from time-to-time;
“Last Practicable Date”	Wednesday, 19 April 2017, being the last practicable date prior to the finalisation of this document;
“List”	the list maintained by the JSE of securities admitted to listing;
“Listing”	the admission to the List of the entire issued share capital of the Company as a SPAC on the AltX in the Non-equity Investment Instruments sub-sector of the FTSE;
“Listings Requirements”	the listings requirements of the JSE, as amended from time-to-time;
“Listing Date”	the proposed date of the Listing, which is expected to be on Thursday, 1 June 2017;
“LNG”	Liquefied natural gas;
“Management Agreement”	the management agreement, dated 9 April 2017, between the Company and the Manager, referred to in paragraph 2.10 of Section 1 (<i>Information about AEP</i>) of this Prospectus and salient details of which is set out in Annexure 5 of this Prospectus;
“Manager” or “Destiny” or “Destiny Corporation Management Services”	Destiny Corporation Management Services Proprietary Limited (registration number: 2017/042291/07), a company incorporated in accordance with the laws of South Africa, of which Nkosi Gugushe and Edwin Kikonyogo collectively own 33.4% of the issued share capital and Kaemelon owns 66.6% of the issued share capital;
“Minimum Capital Amount”	the minimum capital amount that the Company must raise pursuant to the Offer in order to qualify for a listing as a SPAC on the AltX of the JSE, being R50 million;
“MOI”	the memorandum of incorporation of the Company, in force as at the Last Practicable Date;
“Offer”	collectively, the: (i) Private Placement and (ii) the Retail Offer;
“Offer Price”	R10.00 per Offer Share;
“Offer Proceeds”	all the monies raised by the Company pursuant to the Offer;
“Offer Shares”	40 000 000 new Shares which will be offered as part of and pursuant to the Offer;
“Permissible Expenses”	fees and expenses incurred by the Company which may be paid by the Company from the Escrow Account;
“Private Placees”	a selected group of institutional investors and high net worth individuals to whom the Private Placement will be specifically addressed, and by whom the Private Placement will be capable of acceptance, and who are not persons resident or located in a Restricted Territory;

“Private Placement”	the private placing to Private Placees, at the Offer Price, in respect of no less than 39 000 000 Offer Shares, or such additional Offer Shares as the Directors may determine in their discretion, and the subsequent raise of approximately R390 000 000 or such higher amount should additional Offer Shares be issued;
“Prospectus”	this Prospectus, dated 9 May 2017, including all annexures hereto;
“Qualifying Investors”	persons to whom Offer Shares are offered pursuant to the terms set forth in this Prospectus, being Private Placees and Retail Investors;
“Questco”	Questco Proprietary Limited (registration number: 2002/005616/07), a private company incorporated under the laws of South Africa, full details of which are set out in the “ <i>Corporate Information and Advisors</i> ” section on page 1 of this Prospectus and the Corporate Advisor, Bookrunner and Designated Advisor to AEP;
“Register”	the register of Shareholders of the Company (including the relevant sub-registers maintained by the CSDPs);
“Retail Investor”	members of the South African public, being persons who are not resident or located in a Restricted Territory;
“Retail Offer”	the offer to certain Retail Investors at the discretion of the Board at the Offer Price, in respect of no more than 1 000 000 Offer Shares, or such additional Offer Shares as the Directors determine in their discretion, and the subsequent raise of approximately R10 000 000 or such higher amount should additional Offer Shares be issued;
“Residual Capital”	the Offer Proceeds plus all interest accrued thereon, less: <ul style="list-style-type: none"> (i) the Permissible Expenses; (ii) the purchase price of Viable Assets; and (iii) the monies used by the Company to pay its professional advisers, to pay commissions, to negotiate and draft all relevant agreements in relation to the acquisition of Viable Assets and to Complete the acquisition of Viable Assets;
“Restricted Territories”	any jurisdiction where the dissemination of this Prospectus or the making of the Offer may be unlawful or fails to conform to the laws of such jurisdiction or requires any type of registration or the like with any regulator or public body or the like, including, without limitation, the USA, Canada, Australia and Japan (absent an applicable exemption from registration requirements);
“SARB”	the South African Reserve Bank;
“SENS”	the Stock Exchange News Service, the news service operated by the JSE;
“Settlement Date”	the date of settlement of the Offer, being the date on which the Offer Shares will be issued by the Company against receipt of the Offer Proceeds, which is expected to be on Thursday, 1 June 2017;
“Shares” or “Ordinary Shares”	ordinary shares of no par value in the authorised and issued ordinary share capital of the Company;
“Shareholders”	the holders of Shares in the issued ordinary share capital of the Company from time-to-time;
“South Africa”	the Republic of South Africa;

“SPAC”	a special purpose acquisition company, being a special purpose vehicle established for the purpose of facilitating the primary capital raising process to enable the acquisition of Viable Assets in pursuit of a listing as a company other than a SPAC, on the AltX (or Main Board), as envisaged in terms of the Listings Requirements;
“Strate”	Strate Proprietary Limited (registration number: 1998/022242/07), a limited liability private company duly incorporated and registered in South Africa, which is a registered central securities depository in terms of the Financial Markets Act and which is responsible for the electronic settlement system for transactions that take place on the JSE and off market trades;
“Takeover Regulation Panel”	the Takeover Regulation Panel, established in terms of section 196 of the Companies Act;
“Thesele Group Proprietary Limited”	Thesele Group Proprietary Limited (registration number: 2004/026485/07), a private company incorporated in accordance with the laws of South Africa;
“Trodera”	Trodera Proprietary Limited (registration number: 2015/398447/07), a private company incorporated in accordance with the laws of South Africa, which is owned in equal shares by Nkosi Gugushe and Edwin Kikonyogo;
“Transfer Secretaries”	Computershare Investor Services Proprietary Limited (registration number: 2004/003647/07), a limited liability private company incorporated in accordance with the laws of South Africa;
“Viable Assets”	assets that, if acquired, will enable the Company to qualify for a listing, other than as a SPAC, pursuant to the listing criteria of the AltX (or Main Board); and
“ZAR” or “R” or “Rand”	the lawful currency of South Africa.



African Energy Partners Limited

(Incorporated in the Republic of South Africa)

(Registration number: 2017/024904/06)

JSE share code: AEY ISIN: ZAE000241741

("AEP" or "the Company")

DIRECTORS

Executive

Edwin Kikonyogo (*Chief Executive Officer*)

Nkosi Gugushe (*Chief Operating Officer*)

Kevin Graham Simons (*Chief Financial Officer*)

Independent non-executive

David William Wright (*Chairperson*)

Silvanus Moses David

Erica Lizette Johnson

Carla Julia Cloete

Sifiso Siyabonga Sibiya

Meriam Maishibe Kekana

PROSPECTUS

SECTION 1 – INFORMATION ABOUT AEP

1. NAME, ADDRESS AND INCORPORATION (Reg 57)

- 1.1 African Energy Partners Limited (registration number: 2017/024904/06) was incorporated as a public company on 24 January 2017. (Reg 57(1)(a) and (c))
- 1.2 The Company's registered office, primary place of business and the address of the Company's transfer secretaries is set out in the "*Corporate Information and Advisors*" section on page 1 of this Prospectus. (Reg 57(1)(b))
- 1.3 The Company has no holding company or subsidiaries as at the Last Practicable Date. (Reg 57(3) (a) and (b))

2. DIRECTORS, OTHER OFFICE HOLDERS AND MATERIAL THIRD PARTIES (Reg 58)

- 2.1 The Board is currently made up of three executive directors and six independent non-executive directors.
- 2.2 The full names, business addresses, qualifications, positions and functions in the Company and experience of the Directors are set out below:

Name: **Edwin Charles Mukasa Balagadde Kikonyogo**
Nationality: Ugandan
Business address: 1 Ann Crescent
Corner Linden Street
Sandown, Johannesburg
Gauteng, 2191

Qualification: BA, MBA, Lemberg Programme.
Position: Chief Executive Officer. Invitee, as needed, to all Board committees.

Background and Experience: Edwin graduated with a BA degree from the University of London, an MBA from Rutgers University, and the Lemberg Programme in International Economics and Finance from Brandeis University. He is a founding executive of DCH and currently serves as an executive director of Destiny Corporation Energy. Since 2012, Edwin has been leading Destiny Corporation Energy's project development teams, with Destiny currently developing over 100 MW of cogeneration projects, fuelled by natural gas, biomass, furnace waste gas and waste heat recovery to power. Destiny is also developing 140 MW of battery energy storage projects, 650 MW of LNG to power, competing as part of an international consortium in over 3GW of LNG to power projects, negotiating the acquisition of natural gas producing fields with nearly 6TCF of recoverable reserve, negotiating the supply of 1MTPA of LNG to various power customers, negotiating the trade of up to 500 MW of electricity in the SAPP, competing as part of an international consortium in an up to 60 000bpd refinery, products pipeline and terminal project, signed distributor and licensing partnerships with world leaders in battery energy storage, clean coal, gas farming, micro-CHP, small scale LNG liquefaction and regasification, LNG logistics, solar thermal, and the ethane value chain. Counterparties include governments and utilities, JSE and FTSE listed companies, energy and power producers, shippers, industrial and mining companies. Over the previous ten years, Edwin has led Destiny's investments into industrial signage, real estate, welding and gas distribution, and integrated pharmaceutical manufacturer and distributor businesses. He has served on the boards of directors of investee companies, actively defining, directing and defending Destiny's business interests.

Prior to founding Destiny, Edwin's experience includes having worked for two years at Citibank CIB, where he began his career as a graduate trainee, having been exposed to all aspects of customer facing corporate and investment banking. Edwin also spent five years at Deutsche Bank as a senior associate in Metals and Mining Corporate and Project Finance, and four years at Barclays Capital as the Head of Africa Corporate Finance and Debt Capital Markets. His career experience is principally in corporate lending, investment banking, and corporate, structured and project finance. Edwin also has expertise in resources, telecoms and infrastructure finance.

Name: **Nkosi-Yawo Gugushe**
Nationality: South African
Business Address: 1 Ann Crescent
Corner Linden Street
Sandown, Johannesburg
Gauteng, 2191

Qualification: B Com Finance.
Position: Chief Operating Officer. Invitee, as needed, to all Board committees.

Background and Experience:

Nkosi graduated in 1995 from the University of KwaZulu-Natal with a BCom degree in Finance. He is a founding executive of DCH, and currently serves as the Chief Executive Officer of Destiny Corporation Energy. Since 2012, Nkosi has been a leader of Destiny Corporation Energy's project development teams, with Destiny currently developing over 100 MW of cogeneration projects, fuelled by natural gas, biomass, furnace waste gas and waste heat recovery to power. Destiny is also developing 140 MW of battery energy storage projects, 650 MW of LNG to power, competing as part of an international consortium in over 3GW of LNG to power projects, negotiating the acquisition of natural gas producing fields with nearly 6TCF of recoverable reserve, negotiating the supply of 1MTPA of LNG to various power customers, negotiating the trade of up to 500 MW of electricity in the SAPP, competing as part of an international consortium in an up to 60 000bpd refinery, products pipeline and terminal project, signed distributor and licensing partnerships with world leaders in battery energy storage, clean coal, gas farming, micro-CHP, small-scale LNG liquefaction and regasification, LNG logistics, solar thermal, and the ethane value chain. Counterparties include governments and utilities, JSE and FTSE listed companies, energy and power producers, shippers, industrial and mining companies. Over the previous ten years, Nkosi has led Destiny's investments into industrial signage, real estate, welding and gas distribution, and integrated pharmaceutical manufacturer and distributor businesses. He has served on the board of directors of investee companies, actively defining, directing and defending Destiny's business interests.

Prior to founding Destiny, Nkosi spent just over seven years with African Harvest Capital where he served as an Executive Director, and as the Head of Corporate Finance. From 1996 to 1999, Nkosi was a management consultant at Accenture. His career experience is principally in operations management, change management consulting, investment banking, structured and corporate finance.

Name:

Kevin Graham Simons

Nationality:

South African

Business address:

201 Cornelis Street
Fairland
Johannesburg, 2170

Qualification:

CA(SA), B Com Hons (Accounting).

Position and Board committees:

Chief Financial Officer. Invitee, as needed, to all Board committees.

Background and Experience:

Kevin graduated with a B Com Hons (Accounting) from the University of South Africa in 2000, having completed his undergraduate degree in Accounting at the Rand Afrikaans University. He qualified as a Chartered Accountant (South Africa) in 2006.

Since 2012, Kevin was Financial Manager for Sasol Group, which included Sasol Group Services, Sasol Energy, Sasol Oil, Sasol Chemicals, a number of international group holding and finance companies, as well as special projects such as Sasol's gas processing and pipeline facilities in Mozambique and South Africa, and the proposed GTL in Louisiana, USA. His role included project pre-feasibility, budgeting, accounting, taxation, reporting, governance and reporting, stakeholder relations, compliance, financial management and team leadership. In the previous six years, Kevin was appointed as Senior Manager: Finance, at Nambiti Consulting, where he spent the next three years of his career. Thereafter he also consulted for LPC Manhattan Moela (now Arcay Moela) and EOH

Consulting. In March 2009, Kevin started an owner-managed consulting company called Simons and Maggs Consulting and up until June 2012, consulted on various projects. Consistent with the opportunities which the Company will pursue as explained in paragraph 3 of this section 1 of the Prospectus, it is expected that Kevin will (having regard to his experience and background) play an instrumental role in assessing acquisition opportunities presented to the Company, conducting financial and operational due diligences, negotiations, legal and financial closure structuring and compliance, integration into the Company's operations, and ongoing financial performance. His extensive experience in compliance and governance reporting, domestically and internationally, in support of Sasol Limited, sees him bringing a wealth of experience in governance and transparent and useful reporting on complex assets and operations to the Company and its stakeholders.

Name:	David William Wright
Nationality:	South African
Business address:	35 Ravensberg Avenue Newlands Cape Town, 7700
Qualification:	BSc. Chemical Engineering, Certificate Programme for Finance and Accounting.
Position and Board committees:	Independent chairperson of the Board. Member of the remuneration and nomination committee, chairperson of the nomination function of the remuneration and nomination committee and member of the investment committee.
Background and Experience:	David graduated with a BSc. Chemical Engineering from the University of Natal in 1973. He also participated in a Certificate Programme for Finance and Accounting at Wits University Business School in 2004. David's professional affiliations include, <i>inter alia</i> , the Ministerial Advisory Council for Energy (a member since January 2015), the SA National Energy Association (SANEA) (SA Member Committee of the World Energy Council) of which he was appointed to the position of Secretary General in 2013 and currently holds this position, SA Institute of Chemical Engineers (a member since 1974) and the Institute of Directors of South Africa (a member since 2014). David spent 23 years of his career at Engen Limited, having served on the senior management team for over 12 years and, towards the end of his tenure, acting as Special Advisor to the Managing Director and Chief Executive Officer of Engen. Since August 2014, David has consulted for the Central Energy Fund, Phembani and Sasol Mining. Consistent with the opportunities which the Company will pursue as explained in paragraph 3 of this section 1 of the Prospectus, it is expected that David will (having regard to his experience and background) play an instrumental role in leading the Company as its lead independent Director. His role as an advisor to South Africa's Minister for Energy, and him representing South Africa on the international stage, places him at the forefront of world energy developments, to the benefit of the Company. David's two decades of operational and leadership experience at Engen position him as the perfect chairperson to lead the Company as it transforms from a listed SPAC to a multi-national energy company.

Name: **Silvanus Moses David**
Nationality: South African
Business address: 33 Hans Schoeman Street
Malanshof, Randburg
Johannesburg, 2194
Qualification: Postgraduate and Advanced Diplomas in Project Management, Management and Leadership Development Programmes, Certificate in Project Leading.
Position and Board committees: Independent non-executive Director. Member of the remuneration and nomination committee, chairperson of the remuneration function of the remuneration and nomination committee and member of the audit and risk committee.
Background and Experience: Silvanus holds Postgraduate and Advanced Diplomas in Project Management and is currently studying towards a Master's degree in Commerce (Project Management). Silvanus began his career in manufacturing with Pakco, and thereafter moved into a financial role at the Durban City Council. After spending three years at Santam as a project leader, Silvanus joined SITA in October 2000, and is still currently employed with SITA as a Programme Manager. Silvanus has experience in *inter alia*, scope, financial, procurement and risk management. Silvanus travels internationally to speak at project management conferences and also lectures part-time in project management. He brings a wealth of expertise to the Board in the field of project management. Consistent with the opportunities which the Company will pursue as explained in paragraph 3 of this section 1 of the Prospectus, it is expected that Silvanus will (having regard to his experience and background) play an instrumental role in assisting the Company to balance the pursuit of growth, through successful new acquisitions, and expansion of existing operations, while balancing stability, continued product and service supply to customers and cash generation. Silvanus will also play a supportive role to the Chairperson of the Board as his deputy, and as chairperson of the remuneration function of the remuneration and nomination committee, will be a key interface between the Board's independent directors and its executive directors, as well as the Company and the Manager.

Name: **Erica Lizette Johnson**
Nationality: South African
Business address: 105 Westcliff Drive
Parkview
Johannesburg, 2193
Qualification: B.Sc, M.Sc Electrical Engineering, MBA.
Position and Board committees: Independent non-executive Director. Member and chairperson of the audit and risk committee and the investment committee.
Background and Experience: Erica holds a B.Sc and M.Sc degree in Electrical Engineering from the University of Cape Town and an MBA from the University of the Witwatersrand. Erica joined Eskom in 1994 in the Distributor Division where she worked in the Regional Distribution Centre as an operations engineer before moving to the Systems Operations Department in 1997 as the National Control Manager. In 2002 Erica was promoted to head the system operations business unit. Since being appointed, she has received a number of recognitions. In 2005 she was nominated as the runner-up in the Eskom Executive of the Year Award. In 2006 she received the Executive of the Year Award for the leadership and managerial skills she displayed during the power outages experienced in the Western Cape.

Erica was promoted to Senior General Manager (Transmission) in October 2006 and to Managing Director (System Operations and Planning) in July 2007. After major power system failures in January 2008, Erica was assigned the responsibility of Recovery Program Manager for Eskom. She was subsequently appointed as Chief Officer: Customer Network Business in February 2008. During her two decades at Eskom, she built up an enviable understanding of, and track record within utilities systems and operations management, IT, risk, planning, legal, stakeholder and compliance management. She has deep relationships with the energy regulator, NERSA, and a network of working relationships with members of the SAPP and other African utilities. Since leaving Eskom, Erica has spent the last two years advising government, including corporates such as Vodacom and Standard Bank on their energy strategies. Consistent with the opportunities which the Company will pursue as explained in paragraph 3 of this section 1 of the Prospectus, it is expected that Erica will (having regard to her experience and background) play an instrumental role in defining, directing and defending the Company's strategy and its rollout across the continent. In addition, her operational expertise will enable the Company to maximise the value delivered by its operating assets to a broad variety of stakeholders, while acutely mitigating against and managing all the risks that arise from the ownership and operation of energy facilities. Her roles in the audit and risk committee (as chairperson) and the investment committee, position her to actively contribute this value.

Name:	Carla Julia Cloete
Nationality:	South African
Business address:	1 Merchant Place Corner Rivonia Road and Fredman Drive Sandton Johannesburg, 2196
Qualification:	LLB, LLM (Business Law).
Position and Board committees:	Independent non-executive Director. Member of the remuneration and nomination committee and member of the social and ethics committee.
Background and Experience:	<p>Carla completed her articles at Bowman Gilfillan Inc, where she went on to become an associate in the Corporate Department (M&A and Capital Markets). She has assisted with numerous corporate law matters, advising, <i>inter alia</i>, clients such as Tongaat-Hulett, Barclays Capital, Gateway Telecommunications, Goldman Sachs and Telkom.</p> <p>In 2009, Carla was appointed as a legal advisor (Global Markets) at Rand Merchant Bank ("RMB"). Carla's role at RMB is to advise the Global Markets division on all legal matters pertaining to all derivative transactions, liaising with clients and negotiating master agreements.</p> <p>Most recently, Carla was part of the team that advised Medi-Clinic in relation to the Mpilo1 Medi-Clinic BEE Restructure, which included hedging cover of approximately R700 million. Carla has spent the last eight years at RMB, as a legal advisor in the Global Market division which covers all market facing transactions, domestic and international. She advises, structures, negotiates and executes the legal aspects, from risk management to legal agreements (master and sub), commodities trading and pricing, financial instrument derivatives structuring and execution, for RMB Global Markets, proprietary and customer.</p>

Consistent with the opportunities which the Company will pursue as explained in paragraph 3 of this section 1 of the Prospectus, it is expected that Carla will (having regard to her experience and background) play an instrumental role in the legal and risk perspective the Company adopts in its business development as well as operations. In particular, Carla's expertise in contracting for complex levels of risk across commodities and beneficiated products will be of particular benefit to the Company. Carla's legal expertise and the attention to detail required will be most valuable in her role in the social and ethics committee

Name:	Sifiso Siyabonga Sibiya
Nationality:	South African
Business address:	Ground Floor, Block D The Braids Office Park 113 Bowling Avenue Gallo Manor
Qualification:	CA(SA), B Com Hons (Accounting).
Position and Board committees:	Independent non-executive Director. Member and chairperson of the investment committee and member of the social and ethics committee.
Background and Experience:	Sifiso holds a B Com Honours degree in Accounting from the University of Natal and qualified as a Chartered Accountant (South Africa) in 2004. He also holds certificates in geology, debt restructuring and mezzanine finance.

Sifiso completed his articles and went on to be appointed as internal audit manager at KPMG, where his duties included identifying key risk areas, training junior accountants and advising clients on Corporate Governance and Risk Management.

Sifiso joined Rand Merchant Bank in 2005 as a credit analyst, where he managed a portfolio holding over R100 billion in facilities. He was also involved in capital raising in excess of R50 billion. In 2008, Sifiso was the runner-up in RMB's Analyst of the Year. In October 2008, Sifiso became an entrepreneur, and in 2009 founded Sotobe Chartered Accountants, a private equity firm that also provides transaction advisory services, of which he serves as the Chief Executive Officer. Sifiso serves on the Boards of some of Sotobe's investee companies.

Consistent with the opportunities which the Company will pursue as explained in paragraph 3 of this section 1 of the Prospectus, it is expected that Sifiso will (having regard to his experience and background) play an instrumental role in determining both which assets are to be acquired and disposed of by the Company, and how such transactions are concluded. As chairperson of the investment committee, his private equity, corporate finance and mergers and acquisitions expertise will assist the Company to not only acquire the right assets in the right way, but to operate and manage them to create the expected value, and finally divest of them when they no longer fit into the Company's plans. As a differently-abled person, using a wheelchair for mobility, Sifiso will also bring a personal perspective to the Company's efforts at diversity and inclusivity, which initiative will be driven by the Board's social and ethics committee.

Name:	Meriam Maishibe Kekana
Nationality:	South African
Business address:	10 Junction Avenue, BP House Parktown Johannesburg, 2193
Qualification:	B Compt Accounting (Hons), CA(SA).
Position and Board committees:	Independent non-executive Director. Member of the audit and risk committee and chairperson of the social and ethics committee.
Background and Experience:	<p>Meriam holds a B Compt Accounting (Hons) degree from the Rand Afrikaans University (now University of Johannesburg) and qualified as a Chartered Accountant (South Africa) in 2003. Meriam has over 10 years' experience with EY (South Africa) where she was appointed as Senior Manager (Assurance). Meriam managed a large portfolio at EY, including some of the firm's largest clients, together with a smaller portfolio of large and medium-sized retail clients.</p> <p>Meriam joined BP Southern Africa Oil and Gas Industry in October 2013 and currently serves as an Assurance, Risk and Control Manager. She is involved, <i>inter alia</i>, in financial management and business controls, risk management, building investor relationships, and ethics and compliance. She also has specific responsibilities for risk management, ethics and compliance, and governance and reporting. In these roles, she has designed, implemented and continually refined self-assurance and interventionist programs and process for BP's Southern African businesses, reporting directly to the group CFO.</p> <p>Consistent with the opportunities which the Company will pursue as explained in paragraph 3 of this section 1 of the Prospectus, it is expected that Meriam will (having regard to her experience and background) play an instrumental role in the Company's development and implementation of systematic approaches to risk management, audit trails, ethics, compliance and reporting. As a member of the audit and risk committee, she is well-positioned to oversee this, and as chairperson of the social and ethics committee, to drive company-wide adoption, compliance and improvement.</p>

2.3 Company Advisors and Company Secretary (Reg 58(2)(b))

- 2.3.1 The Company Secretary is IKB, whose name and address is set out in the "*Corporate Information and Advisors*" section on page 1 of this Prospectus. IKB provides company secretarial services to a number of JSE listed companies. The members of the IKB team who will provide company secretarial services to AEP have significant company secretarial experience and hold various legal and company law qualifications. (Reg 58(2)(b)(iii))
- 2.3.2 The names and business addresses of the Company's Auditors, legal advisors, bankers, designated advisors and transfer secretaries are set out in the "*Corporate Information and Advisors*" section on page 1 of this Prospectus. (Reg 58(2)(b)(i) and (ii))
- 2.3.3 The Company Secretary and Company Advisors do not have any interest in the Company as at the Last Practicable Date.

2.4 Borrowing Powers of the Company Exercisable by the Directors (Reg 58(3)(c))

- 2.4.1 Until such time as the Company Completes an acquisition of Viable Assets, its borrowing powers will be limited by the Listings Requirements applicable to the borrowing powers of SPACs. In this regard, paragraph 4.39 of the Listings Requirements states that a SPAC will not be permitted to obtain any form of debt financing (excluding those of short-term trade or accounts payable used in the ordinary course of business to settle any operating expenses), except to facilitate the acquisition of Viable Assets.

- 2.4.2 Save as provided in paragraph 2.4.1 above, the Company's borrowing powers exercisable by the Directors are unlimited. Once the Company has Completed an acquisition of Viable Assets, the borrowing powers of the Company exercisable by the Directors will be unlimited.
- 2.4.3 The borrowing powers have not been exceeded since the date of incorporation of the Company.

2.5 **Directors' Remuneration (Reg 58(3)(b))**

As AEP is newly incorporated, there have been no directors' emoluments to date.

2.6 **Directors' appointment, remuneration and service contracts (Reg 58(3)(a))**

- 2.6.1 The Company has signed letters of appointment with each non-executive Director referred to in paragraph 2.2 of this section 1 of the Prospectus, in terms of which, among other things, each such Non-executive Director has agreed to serve as a Director of the Company. The salient terms of the letters of appointment are set out in Annexure 2 of this Prospectus.
- 2.6.2 In addition, the Company has entered into service contracts with each executive Director. The salient terms of these service contracts are also set out in Annexure 2 of this Prospectus.
- 2.6.3 Each Director will receive fees and remuneration for services rendered to the Company in accordance with the scale set out in Annexure 2 of this Prospectus. The amounts have been reviewed by the remuneration committee and any changes thereto will be proposed at the Company's first annual general meeting. The remuneration of Directors will not vary as a consequence of the Completion of an acquisition of a Viable Asset.
- 2.6.4 Each Director named in paragraph 2.2 of this section 1 of the Prospectus will hold office until the first annual general meeting of the Company after the Listing, at which annual general meeting each such Director will retire in accordance with the terms of the MOI and make himself or herself available for re-election. Thereafter, at each subsequent annual general meeting one third (or if the number is not three or a multiple of three, the nearest to one third, but not less than one third) of all the non-executive Directors of the Company will retire by rotation in accordance with the MOI and may make themselves available for re-election.
- 2.6.5 A summary of the provisions of the MOI relating to the qualification and remuneration of Directors, any power (and any restriction thereto) enabling the Directors to vote on remuneration to themselves or any member of the Board, and the retirement of Directors is set out in Annexure 3 of this Prospectus.
- 2.6.6 As at the Last Practicable Date, none of the Directors have received remuneration for any management, consulting, technical or other fees directly or indirectly, including payments to management companies, a part of which is paid to a Director. No Director has received any other material benefits, contributions under any pension scheme, and commission, gain or profit share, any share options, any shares in terms of a share purchase or option agreement from the Company or its associates. (Reg 58(3)(b))

2.7 **Directors interests in securities**

- 2.7.1 As at the Last Practicable Date, the Directors (being Nkosi Gugushe and Edwin Kikonyogo) each held a beneficial interest in Shares in the Company to the number and percentages more fully described in paragraph 8 of this section 1 of this Prospectus.
- 2.7.2 It is anticipated that as at the Listing Date, certain Directors (being Nkosi Gugushe and Edwin Kikonyogo), will, directly or indirectly, hold an aggregate beneficial interest in 2 000 200 Shares in the Company representing 5% of the total issued share capital of the Company, and that such Shares shall be held in custody by the Custodian in accordance the Listing Requirements, as more fully described in paragraph 8 of this section 1 of this Prospectus.

2.8 **Directors' interest in transactions**

Save as set out in this Prospectus, none of the Directors have had any beneficial interest, either directly or indirectly, in any transactions effected by the Company during the current or preceding financial year or during any earlier financial year which remains unperformed in any respect. It being noted that Company was only recently incorporated.

2.9 Directors' declarations

Each Director has confirmed that he has not been involved in, and is not subject to, any:

- 2.9.1 bankruptcies, insolvencies or individual voluntary compromise arrangement;
- 2.9.2 any business rescue plans and/or resolution proposed by any entity to commence business rescue proceedings, application having been made for any entity to begin business rescue proceedings, notices having been delivered in terms of section 129(7) of the Companies Act, receiverships, compulsory liquidations, creditors voluntary liquidations, administrations, company voluntary arrangements, or any compromise or arrangement with creditors generally or any class of creditors of any company where the Director is or was a director with an executive function at the time of any such event or within the preceding 12 months;
- 2.9.3 compulsory liquidations, administrations, partnership voluntary arrangements of any partnership where the individual was a partner at the time of such arrangements or within the preceding 12 months;
- 2.9.4 receiverships of any asset/s of such person or of a partnership of which the individual is or was a partner at the time thereof or within the preceding 12 months;
- 2.9.5 public criticism by statutory or regulatory authorities (including recognised professional bodies) or disqualified by a court from acting as a Director or in the management or conduct of the affairs of any company;
- 2.9.6 offence involving dishonesty;
- 2.9.7 removal from an office of trust, on the grounds of misconduct and involving dishonesty; or
- 2.9.8 order granted by court declaring the person delinquent or placing the person 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 disqualification by a court to act as a Director in terms of section 69 of the Companies Act.

2.10 Management of the Company (Reg 58(3)(d))

- 2.10.1 The management function of AEP is outsourced on market-related terms to the Manager, which is a black-owned and managed company, controlled by the Founders, who are also AEP's BEE shareholders upon Listing (full details of which shareholdings are contained in Annexure 5 to this Prospectus).
- 2.10.2 The relationship between the Manager and AEP is governed by the Management Agreement, the terms of which ensure that remuneration of and value creation for the Manager is strictly aligned with the financial and market performance of AEP and value creation for Shareholders.
- 2.10.3 The Management Agreement shall terminate on the tenth anniversary of the date of the Listing, at which date an amount will be payable by AEP to the Manager (or, at the election of the Manager, the shareholders of the Manager) which amount will be calculated using a predetermined formula, as set out in paragraph 2.9 of Annexure 5 of this Prospectus. This amount will be settled in cash, unless the requisite majority of disinterested shareholders otherwise agree to settle AEP's liability through an issue of new Shares.
- 2.10.4 The Management Agreement is capable of early termination with the approval of the requisite majority of disinterested shareholders.
- 2.10.5 To the extent that the Manager is found in breach of its obligations under the Management Agreement, the Board may terminate the Management Agreement without payment of any termination fee.
- 2.10.6 Salient details relating to the Management Agreement (including duties, fees and the consequences of termination for the Manager and for AEP in Various circumstances) are set out in Annexure 5 to this Prospectus.
- 2.10.7 The independent Directors of the Company, considered and approved the terms and conditions of the Management Agreement prior to AEP entering into same. As Edwin

Kikonyogo and Nkosi Gugushe are directors of the Manager and have a direct and indirect beneficial interest in aggregate of approximately 16.7% and 16.7%, respectively, in the issued share capital of the Manager, they recused themselves from all deliberations of the Board relating to the Company entering into the Management Agreement.

2.10.8 The independent Directors of AEP 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 5. The Independent Directors will assess the performance of the Manager based on the quality of the potential Viable Assets identified by the Manager during the Initial Period and, thereafter, based on the objectively measurable criteria set forth in Annexure 5.

2.10.9 The instances in which the Management Agreement may be terminated are set out in Annexure 5 of this Prospectus together with the consequences of such termination.

2.11 Transactions with related parties

As discussed in paragraph 2.10 above, the Manager and the Company have entered into the Management Agreement, in terms of which the Manager will provide investment advisory services and operational services to the Company. Nkosi Gugushe and Edwin Kikonyogo are directors and shareholders of the Manager. They also collectively own 5% of the issued share capital of the Company, and are both executive directors of the Company. Consequently, the Manager is a related party in terms of the Listings Requirements, and any future transactions with the Manager may be classified as related party transactions in terms of section 10 of the Listings Requirements.

3. HISTORY, STATE OF AFFAIRS AND PROSPECTS OF THE COMPANY AND ACQUISITION OF VIABLE ASSETS (Reg 59)

3.1 Overview – SPAC

3.1.1 A SPAC is a public company, the shares of which are listed on the JSE. The purpose of a SPAC is to raise capital which must be used to acquire assets which will, on their own, enable the company to qualify for a listing, other than as a SPAC, pursuant to the listing criteria of the JSE. Until such assets are acquired, the only asset of a SPAC is the cash which it holds pursuant to a capital raise through the issue of shares.

3.1.2 This cash must be held in escrow and invested conservatively in accordance with paragraph 4.36(b) of the Listings Requirements. The interest on the cash held in escrow will accrue in favour of the SPAC and accumulate in escrow. If an acquisition of such assets is not Completed within a period of 24 months from the date on which the SPAC is listed (or such later date as the JSE may permit), the SPAC is required to return the monies initially invested to its shareholders, plus accrued interest, less certain permitted expenses.

3.2 Overview of the Company

3.2.1 The Company was established by the Founders and incorporated and registered in South Africa on 24 January 2017 as a private company with the name: "*African Energy Partners Proprietary Limited*", and with registration number: 2017/024904/07. On 21 February 2017, and for purposes of the Listing, the Company was converted from a private company to a public company with the name: "*African Energy Partners Limited*" and with registration number: 2017/024904/06. As a result, the Company has not traded and has not conducted any business, other than in connection with the preparation of this Prospectus and Offer. (Reg 59(3)(a)(i) and (ii))

3.2.2 As at the Listing Date, the share capital of the Company comprised:

3.2.2.1 10 000 000 000 authorised but unissued Shares; and

3.2.2.2 40 000 200 issued Shares.

3.2.3 The intended purpose of the Company following the Listing will be to pursue acquisition opportunities, in accordance with the acquisition criteria detailed under paragraph 3.4.6 below, for the creation of a clean energy infrastructure and products business which will include the Company acquiring, owning and operating energy infrastructure assets that

produce, transport, store, handle and sell a variety of energy products, including electricity steam, chilled and heated, as well as engage in the processing, transportation and sale of certain fuels, such as natural gas (in all its forms, as well as related manufactured gases such as Liquid Petroleum), refined fuels such as Light/Heavy Fuel Oil, as well as biomass (i.e. fuel that is developed from organic materials, such as woodchip which is environmentally sustainable and which is used to generate electricity and other forms of thermal energy).

- 3.2.4 AEP will focus on opportunities in South Africa as well as across the African continent.
- 3.2.5 If the Company does not Complete an acquisition of a Viable Asset within the Initial Period, the Company will return the monies then held by, or on behalf of, the Company less the aggregate of all amounts payable by, or on behalf of, the Company, including: (i) Permissible Expenses; and (ii) any amounts payable by, or on behalf of, the Company to implement the distribution and anticipated voluntary liquidation.

3.3 **Material changes**

- 3.3.1 As the Company is newly incorporated, there have been no material changes to the business or the trading objects of the Company during the past five years, up to the Last Practicable Date.
- 3.3.2 There have been no material changes in the business of the Company during the past five years. (Reg 59(3)(b))

3.4 **Prospects and investment strategy and Acquisition of Viable Assets (Reg 59 (3)(c))**

3.4.1 **Background**

- 3.4.1.1 Affordable and secure electricity and energy supply is a critical requirement of any manufacturing process and therefore underpins the South African National Development Plan 2030, as published by the South African Government in 2012. The reliable on-site generation of clean electricity, together with heating and cooling energy, over a 24-hour period on any day, requires a stable supply of cost-effective natural gas as the primary fuel. With up to 15 000 Megawatts of industrial electricity consumption and a further 10 000 Megawatts of residential and commercial consumption available for supply using co-located and co-generated natural gas, the availability of this natural gas is critical to the success of the Department of Energy's Gas Utilisation Master Plan, its long-term plan for the development of the South African Gas industry.
- 3.4.1.2 South Africa is a signatory to the United Nations FCCC Climate Change COP17 Resolution, and has stated its commitment to climate change mitigation. Clean energy and environmentally sustainable manufacturing and consumption are global imperatives that are increasingly important considerations for consumers when determining their purchasing behaviours. These considerations are therefore also increasingly important considerations for manufacturers and retailers who, in their eagerness to grow and retain their consumer base, are beginning to scrutinise their supply chains for compliance with ever more stringent environmental standards.
- 3.4.1.3 AEP's ambitions, in particular its emphasis on the increased use of natural gas as the primary baseload fuel to replace both coal and diesel (which are high greenhouse gas emissions fuels), are closely and strategically aligned to critical national development initiatives, such as increasing the availability of cost-competitive, environmentally sustainable electricity to support economic growth, and to the increasingly important global focus on environmentally sympathetic mineral extraction, beneficiation and overall manufacturing.

3.4.2 **The South African energy sector and the role AEP intends to play in the sector**

- 3.4.2.1 The South African electricity sector has historically been a monopoly, where only the South African state utility company Eskom SOC Limited ("**Eskom**") was permitted to generate, distribute and transmit power in South Africa. In addition,

local municipalities, whether directly or through ring-fenced subsidiaries, were allowed to distribute electricity to consumers by reselling power acquired on a bulk basis from Eskom. The most recently published Integrated Resource Plan (“**IRP2016**”) of the South African Government Department of Energy estimates that South Africa’s electricity demand will increase from its current 238 million Terrawatt-hours (“**tWh’s**”) per annum to 344 tWh’s per annum by 2030, and 522 tWh’s per annum by 2050.

3.4.2.2 The sector is currently undergoing a rapid and profound evolution moving from a monopolistic structure to one where independent power producers (“**IPPs**”) are being pro-actively contracted by government, provincial, municipal and private enterprises to supply an ever-increasing amount of electricity. The power plant sizes available in this evolving landscape are typically below the scale mandated to Eskom. To date, international competition in the sector, where small- and large-scale power project development is more common, has largely been confined to the Renewables subsector consisting of Wind and Solar Power. In addition, the rapid and growing introduction of power supplied into South Africa’s national grid by intermittent solar and wind generation, has increased grid instability, and resulted in an increased need for reliable power generation to support the grid when renewable power is not available as expected – this flexible load following profile is best and most cost-effectively achieved with gas-fired power plants rather than baseload coal-fired plants.

3.4.2.3 Consistent with the foregoing, AEP is a South African IPP that intends focusing on the provision of clean energy solutions for state and industrial consumers of power and associated energy products. It will acquire control of operating power plants, which have existing long-term power supply agreements with customers. It will also acquire control of operational co-generation plants, which co-generate not just electricity, but other forms of energy, such as steam or hot water, for sale to a customer through an existing off-take agreement. These plants may be operating as “Baseload” (providing as much power as possible all day long, throughout any year), or as mid-merit or peaking plants, which provide power for certain specific periods, often by agreement when certain conditions present themselves or upon request by customers. To improve its strength to supply this energy reliably and competitively, AEP will integrate its operations by acquiring operating assets further up its supply chain, such as gas storage infrastructure, which will supply gas to existing third-party customers, as well as AEP’s electricity and co-generation plants.

3.4.3 ***The African energy sector and the opportunity for AEP***

According to the International Energy Agency, over 645 million Africans do not have access to electricity. Power consumption per capita in Africa is the lowest amongst all continents, currently estimated by the African Development Bank at 641 kWh per annum, compared to 6 500 kWhpa in Europe and 13 000 kWhpa in the United States. At the same time, Africa is rich in energy resources, from the abundant oil, coal and gas reserves to vast solar, wind, geothermal and hydroelectric potential. The New Deal on Energy for Africa, an Africa-wide initiative spearheaded by the African Development Bank, supported by member countries and international multi-lateral organisations, has set itself the target of universal access to energy across Africa by 2025. This program includes targets to increase on-grid generation to add 160 000 Megawatts of capacity by 2025 (the equivalent of just over 800 plants of 200 MW size each), add 130 million new grid connections by 2025 and increase access to clean cooking energy for 130 million households. The African Development Bank estimates that to achieve the goals of this New Deal on Energy for Africa it requires the mobilisation of an additional estimated US\$70 billion per annum, on top of the current US\$23 billion invested in the energy sector in 2014.

3.4.4 ***Rationale***

3.4.4.1 The Company wishes to obtain a listing as a SPAC on the AltX to take advantage of investor demand for energy assets in South Africa, and generally on the greater African continent.

- 3.4.4.2 AEP has been granted a listing by the JSE to raise the Offer Proceeds, and not less than the Minimum Capital Amount, in order to pursue the acquisition of the Viable Assets in terms of the Listings Requirements.
- 3.4.4.3 The Board believes that AEP is well placed to identify, compete for, and Complete, the acquisition of Viable Assets, given the Directors' knowledge, experience and industry-wide networks as well as their ability to structure the acquisition of the Viable Assets efficiently for the benefit of both the Company and potential investors, so maximising investor return.
- 3.4.4.4 The Company wishes to List for the following reasons:
- **Access to funding:** Listing will (i) enable the Company to access investment funding in order to acquire the appropriate assets in the chosen sector; and (ii) provide it with the initial and ongoing ability to raise capital through the issue of scrip, either to the vendors of assets or to the broader investment community, in order to pursue and acquire or invest in the desired Viable Assets;
 - **Credibility:** Listing will provide the Company with a certain level of credibility at the point when potential vendors are approached. Not only can the vendors independently verify the identity of the Company, they are also able to gain confidence in the ability of the Company to perform its obligations to them, including financially;
 - **Access to types of investors:** A listing will provide the Company access to other investors such as pension funds. Regulation 28 to the Pensions Funds Act, 1956, restricts retirement funds in terms of where their assets can be invested. According to the said regulation, listed equities is one of the largest category of assets that can be invested into and hence is accessible to retirement funds. This is in line with the stated intent of the Company to present a portfolio of assets that will be attractive to long-term investors such as pension funds;
 - **Broad-Based Black Economic Empowerment (B-BBEE):** AEP is managed by Destiny Corporation Management Services Proprietary Limited (registration number: 2017/042291/07), whose empowerment rating will be conducted in the course of the 2017. It is expected to achieve a high rating, owing to its ownership by two shareholders rated level 3 and level 2 respectively. Furthermore, the Board enjoys strong racial and gender diversity, and comprises a majority of historically disadvantaged individuals. It is the Company's intention, in due course, to have meaningful ownership by historically disadvantaged entities. Accordingly, it will strive to access opportunities in South Africa that require the B-BBEE credentials that the Company will possess, initially through its management structure, Board composition and procurement policies, and later through equity ownership. This will increase and broaden the scope of the opportunities that the Company is able to access.

3.4.5 **Acquisition of Viable Assets**

- 3.4.5.1 In terms of paragraph 4.35 of the Listings Requirements, the Company must Complete an acquisition of Viable Assets within the Initial Period, and the acquisition of the Viable Assets must be approved by a majority of disinterested Directors and a simple majority of Shareholders present and entitled to vote at a general meeting.
- 3.4.5.2 At the general meeting referred to above, and in the event that not all of the capital raised from the Offer is utilised for purposes of the acquisition of Viable Assets, Shareholders will be requested to approve a further resolution for the Company to retain the Residual Capital in order to enhance the activities of the Viable Assets or to make further acquisitions.
- 3.4.5.3 In terms of the Listings Requirements, subsequent to the Completion of the acquisition of a Viable Asset, AEP will be required to meet the criteria for a listing on the AltX. Once so listed, the Company will be subject to the Listings Requirements in all respects.

- 3.4.5.4 Failure to meet the criteria for a listing on the AltX once the acquisition of a Viable Asset has been Completed will result in the delisting of the Company by the JSE.
- 3.4.5.5 In terms of the Listings Requirements and subject to any extension granted by the JSE, should the Company not Complete an acquisition of a Viable Asset within the Initial Period, the JSE will suspend its Listing on the AltX and proceed to delist the Company once the Company has:
 - 3.4.5.5.1 completed a distribution of the funds held in escrow by the Escrow Agent, less outstanding operating expenses, within 60 calendar days after the expiry of the Initial 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
 - 3.4.5.5.2 proposed a special resolution to Shareholders, and same having been adopted by the requisite number of Shareholders, for the voluntary liquidation of the Company.
- 3.4.5.6 In terms of the Listings Requirements, the JSE may permit the Company prior to the Completion of an acquisition of a Viable Asset to raise additional capital for the acquisition of Viable Assets by issuing further Shares by way of a rights offer or such other mechanism as may be approved by Shareholders in accordance with the Listings Requirements. Any funds so raised must be paid into the Escrow Account.

3.4.6 **Investment targets and the acquisition criteria for Viable Assets**

- 3.4.6.1 AEP's vision is to significantly improve the quality of African lives by increasing access to, and use of, a variety of clean energy products by African countries, their industries and their citizens. It will do this by owning and operating a network of energy assets such as power plants, fuel terminals, and distribution logistics which produce, transport, store or handle for profit, under long-term supply contract, products such as electricity, steam, biomass and natural gas. Accordingly, any infrastructure assets which will fulfil one or more of the foregoing objectives will be considered Viable Assets as defined in this Prospectus.
- 3.4.6.2 The Viable Assets may include direct or indirect investments in physical infrastructure or special purpose vehicles which house same.
- 3.4.6.3 Viable Assets that the Company intends to acquire will be selected on the basis that, in line with the investment guidelines set out in paragraph 3.4.7, the following criteria are met:
 - 3.4.6.3.1 the assets satisfy the "energy sector" investment criterion;
 - 3.4.6.3.2 the assets are geographically located on the African continent;
 - 3.4.6.3.3 the asset is operating, or is no less than 12 months from commercial operations date at which point it will generate revenue;
 - 3.4.6.3.4 the assets strengthen the value proposition of AEP to existing customers, or provide access to new customers;
 - 3.4.6.3.5 the assets create additional revenues, through existing or new channels to market, for AEP; and
 - 3.4.6.3.6 the assets can be replicated at other sites where similar conditions exist, enabling AEP and its stakeholders to benefit from economies of scale.
- 3.4.6.4 The acquisition criteria may only be changed by the Board upon obtaining Shareholder approval by way of an ordinary resolution.

3.4.6.5 The Company has not, and at the Listing Date will not have, entered into any formal and binding acquisition agreement in relation to the acquisition of Viable Assets.

3.4.7 **Investment and dividend policy and guidelines**

3.4.7.1 AEP's investment strategy is to pursue the acquisition of: (i) physical infrastructure assets directly; and/or (ii) controlling stakes in companies owning and operating infrastructure in the energy sector, as described in paragraph 3.4.6 above.

3.4.7.2 The Company's investment policy and guidelines, as well as the investment strategy implemented, will be the responsibility of the Board as a whole.

3.4.7.3 The investment criteria which will be used by the Board to assess investment opportunities or potential acquisitions of Viable Assets, as well as the nature and purpose of which are described in paragraph 3.4.5 above, will include, *inter alia*:

3.4.7.3.1 expected long-term return, taking into account the long-term nature of the assets to be acquired and the terms of associated long-term contractual arrangements;

3.4.7.3.2 counterparty risks, such as credit risk, continuing contracts and regulatory environment;

3.4.7.3.3 country risk; and

3.4.7.3.4 the existence of long-term, contractual, inflation-beating cash flows.

3.4.7.4 Investment opportunities and/or the acquisition of Viable Assets will be assessed by the Board, as a whole or, where deemed appropriate, by the investment committee (acting as a committee of the Board) and presented to the Board for consideration and approval, excluding any members of the Board who may have an interest in the Viable Asset concerned and who are therefore not independent.

3.4.7.5 The Board does not intend to declare dividends prior to the Completion of an acquisition of Viable Assets. The Company may thereafter, subject to the requirements of sections 4 and 46 of the Companies Act, declare and pay dividends to Shareholders should the Board consider it appropriate in the circumstances.

3.4.8 **Acquisition pipeline**

3.4.8.1 AEP has identified opportunities to acquire several income-generating assets located across the African continent, all of which meet the criteria set out in paragraph 3.4.6 above.

3.4.8.2 The acquisition of Viable Assets will be funded by way of cash and/or Share issuances. The Board does not anticipate that the Company will use debt funding to acquire Viable Assets. In terms of paragraph 4.39(b) of the Listings Requirements, AEP may not obtain any form of debt financing (excluding those of short-term trade or accounts payable used in the ordinary course of business to settle any operating expenses contemplated in paragraph 13.3 below or Directors' remuneration), save to facilitate the acquisition of Viable Assets. Nonetheless, AEP may assume existing project finance related to a Viable Asset as part of the acquisition thereof.

3.4.8.3 As at the Last Practicable Date, AEP had not entered into any negotiations to acquire any Viable Assets.

3.4.9 **Escrow Agreement**

In accordance with paragraph 4.34(h) of the JSE Listings Requirements, all of the Offer Proceeds will be paid into the Escrow Account and managed by the Escrow Agent in terms of the Escrow Agreement (which agreement was submitted to the JSE and is available for inspection as envisaged in paragraph 9 of Section 4). The salient terms of the Escrow Agreement (and the relevant rules of the JSE Listings Requirements) are as set forth in Annexure 5.

3.4.10 **Material commitments, lease payments and contingent liabilities**

Save as otherwise disclosed in paragraph 6 of section 1 of this Prospectus, the Company has no material commitments, lease payments or contingent liabilities.

3.4.11 **Turnover, profit and loss and dividend history**

3.4.11.1 Regulation 59(3)(g) and Regulation 79 of the Companies Act requires particulars of gross turnover and profits or losses (before and after tax) of AEP in the preceding three financial periods to be disclosed. AEP is, however, a newly incorporated entity and as such has no operating or financial history in respect of the preceding three financial years. The Company's financial year-end is 30 June.

3.4.11.2 AEP has not paid dividends at any time prior to the Last Practicable Date.

4. **SHARE CAPITAL OF THE COMPANY (Reg 60)**

4.1 **Authorised and issued shares of the Company**

4.1.1 **Share capital prior to the Offer**

The authorised and issued Shares of the Company as at the Last Practicable Date will be as set out below. The issued Ordinary Shares comprise the shares held by the Founders.

	R
Authorised	
10 000 000 000 ordinary shares of no par value	–
Issued	
200 ordinary shares of no par value	200

The total amount of the stated capital of the Company immediately prior to the Offer will be R200.

4.1.2 **Share capital after the Offer**

The authorised and issued share capital of the Company as at the Listing Date, on the assumption that the Offer is fully subscribed, will be as follows:

	R
Authorised	
10 000 000 000 ordinary shares of no par value	–
Issued	
40 000 200	400 000 200

No Shares are held in treasury.

4.2 **Changes to the authorised and issued share capital of the Company**

4.2.1 On incorporation, the Company's share capital comprised of: (i) 10 000 000 000 authorised but unissued ordinary shares of no par value; and (ii) 0 issued Shares.

4.2.2 On 28 January 2017, the Company resolved to issue 100 ordinary shares at a subscription price of R1.00 to Edwin Kikonyogo and 100 ordinary shares at a subscription price of R1.00 to Nkosi Gugushe. (Reg 72(2))

4.2.3 Save as is disclosed above, there have been no alterations to the Company's Share capital during the past three years and no treasury shares have been issued at any time.

4.2.4 There have been no consolidations or sub-divisions of securities of the Company since its date of incorporation.

4.2.5 An application has been made for the Listing of the Shares on the AltX of the JSE. Details of the Offer are contained in section 2 of this Prospectus.

4.3 Authority to issue Ordinary Shares

4.3.1 On 5 April 2017, the Shareholders passed a special resolution passed in terms of section 41 of the Companies Act, in terms of which the Company was authorised to issue the Offer Shares pursuant to the Offer in accordance with the provisions of this Prospectus, and such share issuance was additionally approved by a resolution of the Board on 7 April 2017. Other Shareholder resolutions passed on 5 April 2017 are described in Annexure 10 of this Prospectus.

4.3.2 The provisions of the MOI regulating the issue of authorised but unissued securities of the Company are set out in Annexure 3 of this Prospectus.

4.4 Founders of AEP

AEP was founded by the Founders. Details of the Directors' beneficial interests are set out in paragraph 8 below.

4.5 Major and controlling shareholders

4.5.1 Prior to the implementation of the Offer and as at the Last Practicable Date, the following Shareholders beneficially held, directly or indirectly, 5% or more of the issued share capital of the Company:

Shareholder	Number of shares	Percentage shareholding (%)
Nkosi Gugushe	100	50
Edwin Kikonyogo	100	50
Total	200	100

4.5.2 Following the implementation of the Offer, none of the existing Shareholders are expected to hold, directly or indirectly, more than 5% of the issued share capital of the Company. Accordingly, it is not anticipated that the Company will have any major or controlling shareholders within the meaning of the Listings Requirements.

4.6 Rights attaching to Shares

4.6.1 Each Ordinary Share entitles the holder thereof, subject to any preferences, rights or other share terms of any class of shares ranking prior to the Ordinary Shares:

4.6.1.1 to vote on any matter to be decided by shareholders in accordance with the Companies Act and the MOI;

4.6.1.2 to receive any distribution in accordance with the holder's voting power;

4.6.1.3 on a liquidation of the Company, to receive the net assets of the Company in accordance with the holder's voting power; and

4.6.1.4 to all of the preferences, rights or other terms set out in the Companies Act or the MOI.

4.6.2 All Shares pursuant to the Offer and Listing will rank *pari passu* for dividends from the time of issue.

4.7 Variation of rights

The provisions of the MOI relating to the variation of rights attaching to the Ordinary Shares are set out in Annexure 3 of this Prospectus.

5. OPTIONS OR PREFERENTIAL RIGHTS IN RESPECT OF SHARES (Reg 61)

The Company is not party to any contract or arrangement (or proposed contract or arrangement), whereby an option or preferential right of any kind is (or is proposed to be) given to any person to subscribe for any shares in the Company.

6. **COMMISSIONS PAID OR PAYABLE IN RESPECT OF UNDERWRITING OF SHARES ISSUES (Reg 62)**

- 6.1 The Company has not entered into any underwriting agreement in respect of the Offer and there have been no commissions paid or payable by the Company in respect of underwriting from its incorporation date up to the Last Practicable Date.
- 6.2 No other commissions, discounts or brokerages have been paid nor have any other special terms been granted in connection with the issue of shares by the Company.

7. **MATERIAL CONTRACTS (Reg 63(1)(a) and (b), 63(2))**

- 7.1 Save for the Management Agreement as disclosed in paragraph 2.10 of this section 1 of the Prospectus and Annexure 5, the Escrow Agreement contemplated as disclosed in paragraph 3.4.9 of this section 1 of the Prospectus and Annexure 5, the Directors service agreements as set out in Annexure 2 of this Prospectus and the appointment of IKB as Company Secretary, the Company has not entered into any agreements relating to the payment of any royalties, secretarial or technical fees.
- 7.2 All the material contracts concluded by the Company within the two years prior to the date of this Prospectus or entered into at any time and containing an obligation or settlement that is material to AEP as at the date of this Prospectus, are open for inspection at its registered address during normal office hours from the date of issue of this Prospectus up to and including the Closing Date.

8. **INTEREST OF DIRECTORS AND PROMOTERS AND CUSTODY AGREEMENT (Reg 64)**

- 8.1 As at the Last Practicable Date, Edwin Kikonyogo and Nkosi Gugushe each held 100 Shares, respectively, in the Company representing in aggregate 100% of the issued share capital of the Company. Such Shares were issued by the Company to Edwin Kikonyogo and Nkosi Gugushe at a subscription price of R1.00 (one) Rand per Share, following the Company's incorporation.
- 8.2 It is anticipated that on the Listing Date, the Directors listed below will, directly or indirectly, hold an aggregate beneficial interest in Ordinary Shares of AEP representing 5% of the total issued share capital of the Company as set out in the table below:

Director	Direct beneficial	Indirect beneficial	Total number of Shares	Total %
Nkosi Gugushe	100	1 000 000*	1 000 100	2.5
Edwin Kikonyogo	100	1 000 000*	1 000 100	2.5
	200	2 000 000	2 000 200	5.0

*Notes: *Held through Trodera.*

- 8.3 Save for the 100 Shares each held by Edwin Kikonyogo and Nkosi Gugushe as at the Last Practicable Date, the Directors' interests in the Shares which are set out in the table above were subscribed for by Trodera, the issued share capital of which is owned equally by each of the abovementioned Directors on their behalf, at the Offer Price in terms of the Offer ("**Directors' Shares**") and are held in custody by the Custodian in accordance with the Listings Requirements, as envisaged below.
- 8.4 The holding of Trodera's Shares in custody by the Custodian is governed by the terms of the Custody Agreement entered into by Trodera and the Custodian. In terms of the Custody Agreement, amongst other things:
- 8.4.1 the Custodian shall hold the Directors' Shares in custody until the expiry of the Custodial Period;
- 8.4.2 the said Directors and the Custodian shall not be entitled to dispose of Trodera's Shares for the duration of the Custodial Period, nor may Trodera and the Custodian offer Trodera's Shares as security for any loans; and
- 8.4.3 the Custodian shall have no right, title or interest in respect of Trodera's Shares, including voting rights and the right to dividends and distributions, which rights shall remain with Trodera.

9. **LOANS (Reg 65)**

At the Last Practicable Date, AEP has no loans payable and had no loans advanced to any party.

10. **SHARES ISSUED OTHERWISE THAN FOR CASH (Reg 66)**

There have been no Shares issued other than for cash since the Company's incorporation.

11. **PROPERTY ACQUIRED OR TO BE ACQUIRED (Reg 67)**

Since incorporation of the Company and up to the date of this Prospectus, the Company has not acquired any immovable property or fixed assets.

12. **AMOUNTS PAID OR PAYABLE TO PROMOTERS (Reg 68)**

There have been no amounts paid, accrued to be paid or proposed to be paid to any promoter in the three years preceding the date of the Prospectus.

13. **PRELIMINARY EXPENSES AND ISSUE EXPENSES (Reg 69)**

13.1 The Company has not incurred any preliminary expenses over the three years preceding this Prospectus.

13.2 The total estimated expenses of the Offer, which amount to approximately R9.379 million excluding VAT, are detailed in the table below:

EXPENSE*	RECIPIENT	R
Corporate Advisor	Questco	6 500 000
Designated Advisor	Questco	750 000
Independent Reporting Accountants and Auditors	Deloitte	100 000
Legal advisors	Bowmans	1 500 000
Transfer Secretaries	Computershare	26 250
JSE listing fees	JSE	29 163
JSE documentation inspection fee	JSE	59 000
JSE fees for review of memorandum of incorporation	JSE	17 490
CIPC review and registration	CIPC	7 000
Strate fees	Strate	90 000
Press announcements, printing and marketing	Ince	100 000
Other		200 000
Total		9 378 903

*The expenses in the table above are to be paid from amounts raised in respect of the Offer.

13.3 The estimated Permissible Expenses that will be incurred by the Company for the periods ending 30 June 2018 and 30 June 2019 are as follows:

Nature of the cost	2018 R	2019 R
Listing costs	9 378 903	0 (nil)
Annual listing fees	208 000	220 000
Cost associated with acquisitions	3 600 000	3 600 000
Ongoing Sponsor fees	165 000	181 500
Company Secretary	300 000	330 000
Auditors	360 000	396 000
Rental	480 000	528 000
Travel	320 000	360 000
Salaries	4 560 000	5 080 000
Management fees	1 809 000	1 749 000 [#]

Nature of the cost	2018 R	2019 R
Directors' fees	755 000	800 300
Other running costs	2 000 000	1 320 000
Total	23 935 903	14 564 800

A fixed management fee of R150 000 per month is payable prior to the Company completing an acquisition of a Viable Asset. This amount shall escalate annually at a rate equal to the consumer price index. Following an acquisition of a Viable Asset, the management fee will be calculated in accordance with the formula set forth in Annexure 5 of this Prospectus.

- 13.4 The Permissible Expenses, which will be paid from the proceeds of the Offer, 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 acquire Viable Assets. Primary costs will be those associated with basic expenses such as travel, rental, Directors' fees, running costs to maintain the JSE listing and reporting to the marketplace, and the acquisition costs related to Viable Assets.
- 13.5 In accordance with the Listings Requirements, the Company may not exceed the Permissible Expenses unless a resolution is passed at a meeting of Shareholders by achieving a 75% majority of the votes cast to that effect.

SECTION 2- DETAILS OF THE OFFER

1. PURPOSE OF THE OFFER

- 1.1 The purpose of the Offer and Listing is to provide institutional and non-institutional investors an opportunity to invest in energy assets in South Africa, and generally on the greater African continent. (Reg 70(a))
- 1.2 The Minimum Capital Amount represents the minimum amount of capital required by the Company to qualify for a listing on the AltX. The Directors, however, are of the view that the R400 million in capital which is being targeted will provide the Company with the optimum amount of capital to secure investments in Viable Assets falling within its investment and acquisition criteria. (Reg 70(b))

2. SALIENT DATES AND TIMES (Reg 71)

The dates and times for the opening and closing of the Offer are set out below:

	2017
Abridged Prospectus published on SENS on	Tuesday, 9 May
Publication of the Prospectus in the South African press on	Wednesday, 10 May
Opening date of the Offer at 09:00 on	Monday, 15 May
Closing date of the Offer at 12:00 on	Friday, 26 May
Successful Applicants advised of allocations and results of the Offer released on SENS on	Tuesday, 30 May
Results of the Offer published in the South African press on	Wednesday, 31 May
Expected Listing Date	Thursday, 1 June
CSDP and broker accounts will be updated and debited with the funds on	Thursday, 1 June

1. All references to time above are to South African Standard Time.
2. The above dates may change, and any such change will be published on SENS and in the South African press.
3. No applications will be accepted after 12:00 on Friday, 26 May 2017.
4. CSDPs effect payment in respect of Dematerialised Shareholders on a delivery versus payment basis.

3. PARTICULARS OF THE OFFER (Reg 72)

3.1 Details of the Offer

- 3.1.1 In terms of the Offer, AEP intends to raise approximately R400 million in aggregate by way of an Offer comprising: (i) the Private Placement to Private Placees; and (ii) the Retail Offer to Retail Investors, of a subscription for approximately 40 000 000 Ordinary Shares in the Company at the Offer Price.
- 3.1.2 The Company's capital structure and alterations to the share capital since incorporation and preceding the date of this Prospectus are set out in paragraph 4 of section 1 of this Prospectus.
- 3.1.3 The Directors have resolved to issue up to 50 000 000 Shares at R10.00 per Share in terms of the Offer, should the demand for Shares exceed 40 000 000 Shares. The Directors consider this price to be justified due to the initial nature and purpose of a SPAC.
- 3.1.4 The Offer Shares issued in terms of this Prospectus will be issued subject to the provisions of the MOI and will rank *pari passu* in all respects including in respect of the receipt of distributions.
- 3.1.5 There are no convertibility or redemption provisions relating to the Shares.
- 3.1.6 In order to comply with section 33(2) of the Financial Markets Act, the Offer Shares will be issued by the Company in Dematerialised form only. Accordingly, all successful Applicants must open a securities account with a CSDP or Broker, to enable it to receive their allocated

Offer Shares. However, the Companies Act does allow Shareholders to hold their Shares in certificated form, and if Qualifying Investors wish to hold their Shares in certificated form following the Listing, they will have to, at their own cost, rematerialise their Shares following the Listing and should contact their CSDP or Broker in order to achieve this. It is noted that there are risks associated with holding Shares in certificated form, including the risk of loss or damage. All Shareholders who elect to convert their Shares from Dematerialised Shares to certificated Shares will have to, again, Dematerialise their Shares should they wish to trade them under the terms of Strate.

- 3.1.7 There will be no fractions of Shares issued in terms of the Offer.
- 3.1.8 Given that AEP is a newly incorporated company, it has not issued any securities to the public during the three years immediately preceding the date of this Prospectus.
- 3.1.9 Consistent with the foregoing, Qualifying Investors may apply for the subscription of Offer Shares in accordance with the procedures for acceptance as set out in paragraph 3.5 below.

3.2 **Conditions to the Listing (Reg 72(1)(e))**

- 3.2.1 The Listing is subject to the Company achieving a spread of public Shareholders acceptable to the JSE at the time of Listing on the AltX, being public Shareholders holding, collectively not less than 10% of the issued share capital of the Company to ensure reasonable liquidity.
- 3.2.2 The Listing is conditional on raising of the Minimum Capital Amount. (Reg 54(3)(b))
- 3.2.3 If the above conditions precedent fail, the Offer and any acceptance thereof shall not be of any force or effect and no person shall have any claim whatsoever against AEP or any other person as a result of the failure of any condition.

3.3 **Procedures for acceptance**

- 3.3.1 The Offer is open to Private Placees and Retail Investors. The Offer is not open to persons who have registered addresses or who are resident or located in the Restricted Territories.
- 3.3.2 Qualifying Investors may apply for Offer Shares by completing the Application Form (*blue*) which is enclosed with this Prospectus and in accordance with the provisions and terms of this Prospectus.
- 3.3.3 Application Forms (*blue*) must be completed in accordance with the provisions of this Prospectus and the instructions as set out in the Application Form (*blue*).
- 3.3.4 Applications must be for a minimum of 1 000 (one thousand) Offer Shares.
- 3.3.5 All Application Forms completed in accordance with the provisions of this Prospectus and the instructions set out on the Application Form should be delivered to:
 - Email address: aep@questco.co.za
 - Attention: Danielle Christodoulou
 - Physical address: Questco, First Floor, Yellowwood House
Ballywoods Office Park
33 Ballyclare Drive
Bryanston, 2191
- 3.3.6 Applicants are to provide their CSDP or Broker with their completed Application Form (*blue*) by 12:00 on Friday, 26 May 2017. Successful Applicants will be informed of their allocated Offer Shares, if any, on or about Tuesday, 30 May 2017. Successful Applicants must make the necessary arrangements to enable their CSDP or Broker, as the case may be, to make payment for their allocated Offer Shares on the Settlement Date. The allocated Offer Shares will be transferred, on a "delivery-versus-payment" basis, to successful Applicants on the Settlement Date, which is expected to be on or about Thursday, 1 June 2017.
- 3.3.7 No applications will be accepted after 12:00 on Friday, 26 May 2017.
- 3.3.8 Once submitted, applications are irrevocable and may not be withdrawn once received by the CSDP or Broker.

- 3.3.9 Copies or reproductions of the Application Form (*blue*) will be accepted at the discretion of the Directors.
- 3.3.10 Any alterations on the Application Form (*blue*) must be authenticated by full signature.
- 3.3.11 Receipts will not be issued for applications, application monies or supporting documents received.
- 3.3.12 Each application will be regarded as a single application.
- 3.3.13 Other than as detailed in the Application Form (*blue*), no documentary evidence of capacity to apply needs to accompany the Application Form (*blue*), 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.
- 3.3.14 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) (and to allocate Offer Shares) in such manner as they may, in their sole and absolute discretion, determine.

3.4 **Issue and allocation of Offer Shares**

- 3.4.1 All Offer Shares subscribed for in terms of this Prospectus will be issued at the expense of AEP.
- 3.4.2 Subject to the procedure described in paragraph 3.3.14, it is intended that notice of the allocations will be given on or about Tuesday, 30 May 2017.
- 3.4.3 Successful Applicants' accounts with their CSDP or Broker will be credited with the allocated Shares on the Settlement Date, which is expected to be on or about Thursday, 1 June 2017.

3.5 **Payment and delivery of Shares**

- 3.5.1 No payment should be submitted with the Application Form (*blue*) delivered to the Broker or CSDP.
- 3.5.2 Applicants must make the necessary arrangements to enable their CSDP or Broker to make payment in respect of the allocated Offer Shares on the Settlement Date, which is expected to be on or about Thursday, 1 June 2017.
- 3.5.3 The allocated Offer Shares will be transferred, on a "delivery-versus-payment" basis, to successful Applicants on the Settlement Date, which is expected to be on or about Thursday, 1 June 2017.
- 3.5.4 The applicant's CSDP or Broker must commit to Strate to the receipt of the applicant's allocation of Offer Shares against payment on or about Thursday, 1 June 2017.
- 3.5.5 On the Settlement Date, the applicant's allocation of Offer Shares will be credited to the applicant's CSDP or Broker account against payment during the Strate settlement runs, prior to the opening of the market.
- 3.5.6 The CSDP or Broker concerned will receive and hold the Dematerialised Shares on the applicants' behalf.
- 3.5.7 In the event that the Listing does not proceed, the Offer Shares will not be issued to Qualifying Investors and no funds will be transferred to the Company.
- 3.5.8 Should any applicant that has been allocated Offer Shares pursuant to the Listing wish to hold such Offer Shares in certificated form, such applicant should contact their CSDP or Broker and they will be able to assist and advise on what needs to be done in order to give effect to this. Applicants are advised that Strate's standard fees will apply in this regard.

3.6 **Representation**

- 3.6.1 Any Applicant applying for or accepting Offer Shares pursuant to the Offer shall be deemed to have represented to AEP that: (i) such investor was duly in possession of a copy of this Prospectus at that time; and (ii) such investor is a Qualifying Investor and does not have an address in, is not resident or located in, a Restricted Territory.

- 3.6.2 Any party applying for or accepting Offer Shares on behalf of another investor shall be deemed to have represented to AEP that: (i) they are duly authorised to do so; (ii) the purchaser for whom they are acting as agent is a Qualifying Investor and accordingly they are duly authorised to apply for Offer Shares in accordance with all relevant laws; (iii) that a copy of this Prospectus was duly in the possession of such investor for whom they are acting as agent; and (iv) it guarantees the payment of the issue price.

3.7 **Applicable law**

The Offer, applications, allocations and acceptances will be exclusively governed by the laws of South Africa and each investor will be deemed, by applying for Offer 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 Offer.

3.8 **Strate**

- 3.8.1 Shares may be traded on the JSE in electronic form only (as Dematerialised Shares) and will be trading for electronic settlement in terms of Strate immediately following the Listing.
- 3.8.2 Strate runs a system of “paperless” transfer of securities. If you have any doubt as to the mechanics of this system please consult your Broker, CSDP or other appropriate advisor or refer to the Strate website (www.strate.co.za).
- 3.8.3 Some of the principal features of Strate’s system are:
- 3.8.4 electronic records of ownership replace certificates and physical delivery of certificates.
- 3.8.5 trades executed on the JSE must be settled within three business days.
- 3.8.6 All Shareholders 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.
- 3.8.7 For assistance in opening such an account with any CSDP or Broker, please visit the website of the JSE (www.jse.co.za) or Strate (www.strate.co.za/aboutstrate/participants) which will provide all the names and contact numbers of the members of the JSE who can assist with the opening of such share accounts. It will be necessary to complete a custody mandate and provide FICA verification to the chosen CSDP/Broker – a process similar to opening a bank account.
- 3.8.8 Unless Shareholders owning Dematerialised Shares specifically request their CSDP to register them as an “own name” holder (which entails a fee), their respective CSDP’s 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 CSDP’s 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 CSDP’s 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.

3.9 **Pre-commitments**

As at the Last Practicable Date, there are no pre-commitments.

3.10 **Over-subscription**

- 3.10.1 There is no maximum number of Offer Shares per applicant that can be subscribed for and/or purchased in terms of the Private Placement or the Retail Offer.
- 3.10.2 In the event that there are applications for more than the Private Placement or the Retail Offer, such that the Offer is over-subscribed, then the Board shall, in its sole discretion, determine an appropriate allocation mechanism, such that the Offer Shares will be allocated on an equitable basis, as far as reasonably possible taking into account the spread requirements of the JSE, the liquidity of the Offer Shares and considering the potential Shareholder base that the Board wishes to achieve and whether or not the Board considers it appropriate to grant preferential allocation to any selected investor or group of selected Qualifying Investors.

3.10.3 Depending upon the level of demand, Qualifying Investors may receive no Offer Shares or fewer than the number of Offer Shares applied for. Any dealing in Offer Shares prior to delivery of the Offer Shares is entirely at the selected investor's own risk.

3.11 Simultaneous issues

The Company does not intend to issue any Shares simultaneously or almost simultaneously with, the Offer Shares to be issued pursuant to the Offer.

3.12 Previous issues of securities for cash

Save for the 200 Shares issued to the Founders on incorporation of the Company for R1.00 per Share, the Company has not issued any securities for cash, including for any premium during the three years immediately preceding the date of the Prospectus. (Reg 72(2)) and (Reg 72(3))

4. MINIMUM AND MAXIMUM SUBSCRIPTIONS IN TERMS OF THIS OFFER (Reg 73 and Reg 54(3))

- 4.1 The Listing is conditional upon raising the Minimum Capital Amount in terms of the Offer.
- 4.2 Shareholders are advised that applications in terms of the Private Placement or Retail Offer must be for a minimum of 1 000 Offer Shares and an aggregate subscription value of R10 000.00 (ten thousand Rand). However, there is no maximum number of Shares which an applicant may apply for.
- 4.3 Any amounts raised in excess of the projected issuing expenses, will achieve the Company's goal to increase its capital base. (Reg 70(b))
- 4.4 Should the Minimum Capital Amount not be raised in terms of the Offer, the Offer in terms of this Prospectus will become null and void, and all funds received will be returned to Applicants and no Shares will be issued pursuant to this Offer.
- 4.5 Should the Offer fail, an announcement to this effect will be made on the Company's website within 7 (seven) days of the Closing Date, with funds returned to Applicants within 3 (three) business days thereafter.

SECTION 3 – STATEMENTS AND REPORTS RELATING TO THE OFFER

1. STATEMENT OF ADEQUACY OF CAPITAL (Reg 74)

The Directors are of the opinion that the issued share capital and working capital of the Company is adequate for the purpose of the business of the Company, for a period of at least 12 months from the date of issue of this Prospectus.

2. REPORT BY DIRECTORS AS TO MATERIAL CHANGES (Reg 75)

There have been no material changes in the financial and trading position of the Company since incorporation on 24 January 2017 and the date of issue of this Prospectus.

3. STATEMENT AS TO LISTING ON STOCK EXCHANGE (Reg 76)

Subject to the Company achieving the Minimum Capital Amount and a spread of public shareholders acceptable to the JSE at the time of Listing, being public shareholders holding 10% in aggregate of the issued Share capital of the Company, the JSE has granted approval of the Listing of approximately 40 000 200 shares on the AltX of the JSE, in terms of the FTSE classification, under the abbreviated name: "AFENERGY", JSE share code: AEY and ISIN: ZAE000241741. It is anticipated that the Listing will be effective from the commencement of trade of the JSE on or about, Thursday, 1 June 2017. Save for the foregoing, no other application has been made for the listing of the Company's Shares on any other securities exchange.

4. REPORT BY THE AUDITOR OF THE COMPANY (Reg 79)

In terms of Regulation 79 of the Companies Act, the auditor is required to prepare a report on the profits and losses, dividends and assets and liabilities of the Company. In this regard Annexure 8 of this Prospectus sets out the financial information and the auditor's report in respect of the financial information required.

5. DIVIDENDS

- 5.1 No shares of the Company are currently in issue with a fixed date on which entitlement to dividends arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.
- 5.2 Dividends declared and not claimed after a period of five years will be forfeited for the benefit of the Company, as set out in paragraph 8.5.6 of the MOI, a summary of which is set out in Annexure 3.
- 5.3 All shares will rank equally with regards to dividends from date of Listing.

SECTION 4 – ADDITIONAL INFORMATION

1. GOVERNMENT PROTECTION AND INVESTMENT ENCOURAGEMENT LAW

The Company does not benefit from any government protection or any investment encouragement law pertaining to its business.

2. EXCHANGE CONTROL REGULATIONS

The following summary of the South African exchange controls relevant to the Offer is intended as a guide and is, therefore, not comprehensive. Investors should at all relevant times consult their professional advisors to determine the exchange control implications for them in relation to the Offer, given their individual circumstances.

a. Emigrants from the Common Monetary Area

- i. 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 Offer.
- ii. All payments in respect of subscriptions for Shares by emigrants using blocked Rand must be made through an authorised dealer in foreign exchange.
- iii. Shares acquired with emigrant blocked Rand will be credited to the emigrant's blocked Share account at the CSDP controlling their blocked portfolio's and will be annotated "Non-Resident".
- iv. Shares subsequently rematerialised and issued in certificated form will be endorsed "non-resident" in accordance with the relevant exchange control rules. Share certificates will be placed under the control of the authorised dealer through whom the payment for the Offer Shares was made.
- v. 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.

b. Applicants resident outside the Common Monetary Area

In respect of persons resident outside the Common Monetary Area (including an emigrant not using emigrant blocked Rand) who are applying for Offer Shares pursuant to this Prospectus; there are no restrictions similar to those placed on emigrants using emigrant blocked Rand.

All non-resident holders of Dematerialised Ordinary Shares will have their Ordinary Shares credited to an electronic share account at their CSDP or broker and will have the account annotated "non-resident" and their statements issued by the CSDP or broker endorsed "non-resident".

The appointed CSDP or broker is responsible for ensuring compliance with the relevant exchange control rules.

3. CORPORATE GOVERNANCE

As a company listed on the JSE, the Company and the Directors will be subject to the corporate governance and financial reporting requirements contemplated by the Listings Requirements and the King Code. The Board has issued the corporate governance statement as set out in Annexure 4.

4. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are given in paragraph 2.2 of section 1 of this Prospectus, collectively and individually, accept full responsibility for the accuracy of the information given herein and certify that, to the best of their knowledge and belief, no facts 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 Prospectus contains all information required by law and the Listings Requirements.

5. **CONFLICTS OF INTEREST**

Questco is acting in the capacities of corporate advisor, bookrunner and Designated Advisor. Questco has confirmed their view that this does not affect their independence. However, as required in terms of the JSE Listings Requirements, it has confirmed that in order to manage any potential or perceived conflicts of interest that might arise as a result of Questco acting in these roles, Questco has in place appropriate checks and balances to manage any potential or perceived conflicts of interests, including procedures to assess the independence of Questco in respect of a transaction (and, should it be determined that Questco is not independent, the appointment of an independent transaction sponsor) and the divisions of responsibility between Directors of Questco involved in fulfilling the various functions undertaken by Questco in respect of the Listing and the Offer.

6. **LITIGATION STATEMENT**

There are no legal or arbitration proceedings, including any proceedings that are pending or threatened of which the AEP is aware, that may have or have had in the recent past, being the previous 12 months, a material effect on AEP's financial position.

7. **CONSENTS**

Each of the Company Secretary, Corporate Advisor, Designated Advisor, Independent Reporting Accountants and Auditors, Legal Advisors, Bankers and the Transfer Secretaries have consented in writing to act in the capacities stated and to their names appearing in this Prospectus and have not withdrawn their consent prior to the publication of this Prospectus.

The Independent Reporting Accountant and Auditor has consented to the inclusion of its reports in the form and context in which they are included in the Prospectus, which consents have not been withdrawn prior to the publication of this Prospectus.

8. **REPRESENTATION**

Any person applying for or accepting an offer for Offer Shares shall be deemed to have represented to the Company that a copy of this document was specifically addressed and delivered to, and was in the possession of, such person, and that such person will make payment of the Offer Price and implement the Offer in respect of such applicant in accordance with its terms.

9. **DOCUMENTS AVAILABLE FOR INSPECTION (Reg 53)**

Copies of the following documents will be available for inspection at the Company's registered office and from the Company's Corporate Advisor, Bookrunner and Designated Advisor during business hours from Tuesday, 9 May 2017, up to and including the Listing Date:

- 9.1 the MOI;
- 9.2 the signed Prospectus;
- 9.3 the Management Agreement;
- 9.4 the Escrow Agreement;
- 9.5 the letters of appointment of the non-executive Directors and service contracts of the executive Directors as set out in Annexure 2;
- 9.6 the Report of Historical Financial Information of AEP as reproduced in Annexure 6 to this Prospectus;
- 9.7 the Independent Reporting Accountants' Report on the historical financial information of AEP, as reproduced in Annexure 7 to this Prospectus;
- 9.8 the Report by the Auditor in terms of Regulation 79 of the Companies Act, as set out in Annexure 8 to this Prospectus; and
- 9.9 the letters of consent referred to in paragraph 7 above.

SECTION 5 – INAPPLICABLE OR IMMATERIAL MATTERS

The following paragraphs of the Companies Regulations dealing with the requirements for a Prospectus are not applicable to this Prospectus:

- Regulation 54(2);
- Regulation 55;
- Regulation 57(2);
- Regulation 57(3);
- Regulation 59(2)(a);
- Regulation 59(3)(b);
- Regulation 59(3)(e);
- Regulation 59(3)(f);
- Regulation 59(3)(g);
- Regulation 59(4);
- Regulation 60(b);
- Regulation 60(c);
- Regulation 61;
- Regulation 62;
- Regulation 64(2)(a);
- Regulation 64(2)(b);
- Regulation 65;
- Regulation 66;
- Regulation 67;
- Regulation 72(3);
- Regulation 73(4);
- Regulation 74(2)(b);
- Regulation 77;
- Regulation 78; and
- Regulation 80.

By order of the Board

Edwin Charles Mukasa Balagadde Kikonyogo (Reg 52(1))

Chief Executive Officer

SIGNED AT SANDTON ON THIS THE 20th DAY OF APRIL 2017.

Registered office

28 Fricker Road, Illovo
Sandton, Johannesburg
Gauteng, 2196

CURRENT AND PAST DIRECTORSHIPS

The names of all companies and partnerships of which each Director (referred to on page 13 of this Prospectus) has been a Director or partner at any time in the five years prior to the Last Practicable Date (indicating whether or not the Director is still a Director or partner and excluding subsidiaries of any such company of which he is also a Director) are set out below.

Name of Director	Name of Company	Active/ not active
Edwin Charles Mukasa Balagadde Kikonyogo	African Infrastructure and Energy Proprietary Limited	Active
	Business Venture Investments No 1112 Proprietary Limited	Active
	Cannistraro Investments 232 Proprietary Limited	Not active
	Destiny Co-Gen Holdings Proprietary Limited	Active
	Destiny Corporation Elite Automotive Group Proprietary Limited	Active
	Destiny Corporation Energy Proprietary Limited	Active
	Destiny Corporation Financial Services Proprietary Limited	Not active
	Destiny Corporation Group Proprietary Limited	Active
	Destiny Corporation Holdings Proprietary Limited	Active
	Destiny Corporation Industrial Holdings Proprietary Limited	Active
	Destiny Corporation Management Services Proprietary Limited	Active
	Destiny Corporation Media and Telecoms Holdings Proprietary Limited	Not active
	Destiny Corporation Natural Resources Holdings Proprietary Limited	Not active
	Destiny Corporation Procurement Services Proprietary Limited	Not active
	Destiny Corporation Real Estate Proprietary Limited	Active
	Fairy Wing Trading 121 Proprietary Limited	Not active
	Kaemelon Proprietary Limited	Active
	Money Box Investments 76 Proprietary Limited	Not active
	Mooinooi Ferro Cogen Proprietary Limited	Active
	Nunoguard Proprietary Limited	Active
	Prometheus Energy Proprietary Limited	Active
	Red Coral Investments 154 Proprietary Limited	Not active
	Searchline Props 101 Proprietary Limited	Not active
	Small Axe Capital Partners Proprietary Limited	Active
	Tiespro 240 Proprietary Limited	Not active
	Trodera Proprietary Limited	Active
Varlorex Proprietary Limited	Active	

Name of Director	Name of Company	Active/ not active
Nkosi-Yawo Gugushe	African Infrastructure and Energy Proprietary Limited	Active
	Ascension Properties Limited	Active
	Black Dragon Fighting Society Proprietary Limited	Active
	Bosang Proprietary Limited	Active
	Business Venture Investments No 1112 Proprietary Limited	Active
	Cannistraro Investments 232 Proprietary Limited	Active
	Changing Tides 340 Proprietary Limited	Not active
	Claude Neon Limited	Not active
	Destiny Co-Gen Holdings Proprietary Limited	Active
	Destiny Corporation Energy Proprietary Limited	Active
	Destiny Corporation Holdings Proprietary Limited	Active
	Destiny Corporation Industrial Holdings Proprietary Limited	Active
	Destiny Corporation Investments Proprietary Limited	Active
	Destiny Corporation Management Services Proprietary Limited	Active
	Destiny Corporation Management Services Proprietary Limited	Active
	Destiny Corporation Trading Proprietary Limited	Active
	Dream World Investments 114 Proprietary Limited	Not active
	Dusty Gold Trading 56 Proprietary Limited	Active
	Fairy Wing Trading 121 Proprietary Limited	Active
	Kismet Investments 5 Proprietary Limited	Not active
	Lexshell 638 Investments Proprietary Limited	Not active
	Lithemba Investments Proprietary Limited	Not active
	Mbiz'Emnyama Investment Corporation	Not active
	Mirror Ball Investments 83 Proprietary Limited	Active
	Mooinooi Ferro Cogen Proprietary Limited	Active
	Ndizani International Courier Services Proprietary Limited	Not active
	Nunoguard Proprietary Limited	Active
	Origin Clinical Research Proprietary Limited	Not active
	Searchline Props 101 Proprietary Limited	Active
	Small Axe Capital Partners Proprietary Limited	Active
	Specpharm Holdings Proprietary Limited	Not active
	Tiespro 240 Proprietary Limited	Active
	Varlorex Proprietary Limited	Active
	Viewpoint Portfolio Properties Proprietary Limited	Not active
	Vunani Capital Proprietary Limited	Not active
	Vunani Group Proprietary Limited	Not active
	Vunani Limited	Not active
	Vunani Staffing Solutions Proprietary Limited	Active
	Weldamax Proprietary Limited	Not active

Name of Director	Name of Company	Active/ not active
	Year of the Tiger Investments Close Corporation	Active
	Year of the Tiger Investments Proprietary Limited	Active
	Yiyo Holdings Proprietary Limited	Active
Kevin Graham Simons	BKKMN Construction Proprietary Limited	Active
	Duara Holdings Proprietary Limited	Active
	Emerald Sky Trading 38 Proprietary Limited	Not active
	Enabliq Proprietary Limited	Active
	Enabliq Trading Proprietary Limited	Active
	ETA Auditing	Not active
	Hestivista Proprietary Limited	Not active
	Ibhubesi Property Development Proprietary Limited	Active
	IP Group Holdings Proprietary Limited	Not active
	Kumo Media Works Primary Co-operative Limited	Active
	Laphumi Kwezi Projects Limited	Active
	Shabaq Financial Solutions Proprietary Limited	Active
	Sikilela Food Proprietary Limited	Not active
	Sikilela Pap Proprietary Limited	Active
	Tigerreef Construction 15 Proprietary Limited	Active
	The Brew and Jazz Proprietary Limited	Active
David William Wright	Engen Petroleum Limited	Not active
	South African National Energy Association (SANEA) (Non-profit company)	Active
	South African Oil Refinery (SAFOR) Proprietary Limited	Not active
Silvanus Moses David	Association of Project Management South Africa (APMSA)	Active
	Haggai International South Africa – Midrand Chapter	Active
Erica Lizette Johnson	Escap SOC	Not active
	Eskom Enterprises (State-owned entity)	Not active
	Pebble Bed Modular Reactor (State-owned entity)	Not active
Carla Julia Cloete	Aztoline Proprietary Limited	Active
Sifiso Siyabonga Sibiya	Concretio Engineering Solutions Proprietary Limited	Active
	Ebotos Capital Proprietary Limited	Active
	Ebo-Thienti Engineering Proprietary Limited	Active
	Ebotos Resources Proprietary Limited	Active
	Ebosure Insurance Brokers Proprietary Limited	Active
	Factes Africa Proprietary Limited	Active
	Keep the Dream 95 (Non-profit company)	Active
	K2014160423 (South Africa) Proprietary Limited	Not active
	K2016268955 (South Africa) Proprietary Limited	Active
	Metalogalva South Africa Proprietary Limited	Active
	MSFin Financial Solutions Proprietary Limited	Active
	Nansicoal Proprietary Limited	Active

Name of Director	Name of Company	Active/ not active
	Nanthithuba Invest Proprietary Limited	Active
	Nationtel Proprietary Limited	Active
	Ntuthukoyezwe Developments Proprietary Limited	Active
	Protoscan Proprietary Limited	Active
	S and S Agriculture Solutions Proprietary Limited	Active
	Sanpetro Consulting Proprietary Limited	Active
	Sotobe Chartered Accountants Proprietary Limited	Active
	South African Agriculture Infrastructure Fund Proprietary Limited	Active
	Turnkey Development Properties Proprietary Limited	Active
	Umthente Wesizwe Proprietary Limited	Active
Meriam Maishibe Kekana	Amai Group Proprietary Limited	Active
	Makhosazana Management and Logistics Close Corporation	Not active
	Merihill Construction and Management Services Close Corporation	Not active
	Mzimai Chemicals and Cleaning Services Close Corporation	Not active
	Northern Investment Holdings Proprietary Limited	Active
	Vida Brands Proprietary Limited	Active

DIRECTORS' LETTERS OF APPOINTMENT AND SERVICE CONTRACTS

This annexure sets out the salient terms of the letters of appointment of the non-executive Directors and service contracts with the executive Directors specified on page 13 of this Prospectus.

LETTERS OF APPOINTMENT WITH THE NON-EXECUTIVE DIRECTORS

- **Term**

Each non-executive Director's appointment will continue until such time as it is terminated as a result of, among other things, the occurrence of any event specified in the MOI for the vacation of office as a non-executive Director, including, without limitation, retirement by rotation (which includes any requirement to resign at the first annual general meeting of the Company post implementation of the Listing) in accordance with the MOI. Each non-executive Director agrees to make himself available for re-election as a non-executive Director following his retirement at the first annual general meeting of the Company post implementation of the Listing. Each non-executive Director who wishes to resign shall give three months' written notice.

- **Duties**

Each non-executive Director will have all the duties usually attendant on that office. In performing his duties and exercising his powers as a non-executive Director, he is obliged to comply with all statutory and common law duties of a director in general, and with the provisions of the MOI.

- **Directors' fees and other payments**

Non-executive Directors will be paid fees per meeting attended in accordance with the table below. The amounts below shall be reviewed by the remuneration committee and any changes thereto will be proposed at the Company's first annual general meeting:

Service as Director/Chair/Board Committee	Gross fee payable per meeting
Director	R15 000.00
Additional fee for Chairperson	R15 000.00
Additional fee for Deputy chairperson	R3 000.00
Audit and risk committee	R9 000.00
Audit and risk committee (Chair)	R11 000.00
Remuneration and nomination committee	R7 500.00
Remuneration and nomination committee (Chair)	R9 000.00
Social and ethics committee	R7 500.00
Social and ethics committee (Chair)	R9 000.00
Investment committee	R9 000.00
Investment committee (Chair)	R11 000.00

- **Indemnities**

The Company indemnifies each Director, to the fullest extent permitted in law, against all claims, awards, damages, costs, losses and expenses which may be made against the Director, or which the Director may incur or become liable to pay, at any time, by reason of any contract entered into, or any act or omission done or omitted to be done by the Director, in discharge of his duties as a Director or in his capacity as a Director or as a member of any committee of the Board.

- **Conflicts of interest**

During each Director's period of office, he will not accept, save as may be agreed with the Company in writing, any engagements or instructions from any other person, firm or company which would result in a conflict of interest with his appointment.

SERVICE CONTRACTS WITH EXECUTIVE DIRECTORS

The Company has entered into service contracts with each executive Director. In terms of those contracts:

- Edwin Kikonyogo was appointed as the Chief Executive Officer of the Company;
- Nkosi Gugushe was appointed as the Chief Operations Officer of the Company; and
- Kevin Simons was appointed as the Chief Financial Officer of the Company.

- **Term**

Save as contemplated below, the employment of each of the Executive Directors will continue indefinitely, subject to termination by either the Company or the Executive Director on not less than three months' written notice.

- **Duties**

Amongst other matters, the Executive Directors shall during their tenure:

- be responsible for all duties associated with his employment in the position he has been appointed to as well as any other duties that might be assigned to him from time-to-time or that are related to his duties;
- comply with all lawful and reasonable directions and/or instructions given to him from time-to-time by the Board and with any relevant legislation, regulations and/or statutory or other guidelines, as amended from time-to-time;
- submit to the Board such information as may reasonably be required from the executive from time-to-time in connection with the business of the Company and to prepare or have prepared such report(s) in such form as may be required from the Company with regard to such business;
- use their best endeavours to promote, develop and protect the interests, reputation and goodwill of the Company; and
- devote the whole of their working time, attention and abilities to the discharge of his duties in terms of their employment agreements.

- **Expenses**

The Company shall reimburse the executive Directors in respect of reasonable business expenses (including business travel, telephone and accommodation expenses) incurred in the course of performing their duties and obligations in terms of their service contracts with the Company.

- **Other salient terms**

Other salient terms of the executive Directors' service contracts are contained in the comprehensive document which forms part of the documentation available for inspection in compliance with paragraph 7.G.1 of the Listings Requirements.

- **Remuneration**

In accordance with their respective service contracts: (i) Edwin Kikonyogo and Nkosi Gugushe shall each be entitled to an annual remuneration package of R1 560 000; and (ii) Kevin Simon shall be entitled to an annual remuneration package of R1 440 000.

The Company may award the executives a discretionary bonus as determined by the remuneration and nomination committee of the Board.

EXTRACTS OF THE MEMORANDUM OF INCORPORATION

“3.3 Powers of the Company

This Memorandum does not restrict, limit or qualify the legal powers or capacity of the Company provided in section 19(1)(b) of the Act. **[Section 19(1)(b) of the Companies Act]**

3.4 Memorandum of Incorporation and Company Rules

- 3.4.1 This Memorandum does not provide any different requirements than those set out in section 16(1)(c)(i) of the Act regarding proposals for amendments to this Memorandum. **[Section 16(2) of the Companies Act]**
- 3.4.2 Unless otherwise permitted by the JSE and the Act, any amendment to this Memorandum is required to be approved by a special resolution, save for an amendment which is ordered by a court in terms of sections 16(1)(a) and 16(4) of the Act. [Paragraph 10.5(d) of Schedule 10 to the Listings Requirements]
- 3.4.3 Unless otherwise permitted by the JSE, the Board shall not have the power to make, amend or repeal any necessary or incidental rules relating to the governance of the Company in respect of matters that are not addressed in the Act or this Memorandum, in accordance with the provisions of sections 15(3) to 15(5) of the Act. **[Sections 15(3), 15(4), 15(5) and 15(5A) of the Companies Act]** and **[Paragraph 10.4 of Schedule 10 to the Listings Requirements]**
- 3.4.4 If the Board, or any individual authorised by the Board, alters this Memorandum or any rules made by it in any manner necessary to correct a patent error in spelling, punctuation, reference, grammar or similar defect on the face of the document, it must publish a notice of such alteration by publishing it on the Company's website, and must file a notice of alteration in the manner prescribed by the Act. **[Section 17(1)]**

4. SECURITIES OF THE COMPANY

4.1 *Pari Passu*

- 4.1.1 All the securities in each class shall rank *pari passu* in all respects. **[Section 37(1) of the Companies Act]** **[Paragraph 10.5(a) of Schedule 10 to the Listings Requirements]**

4.2 Authorisation for, and Issue of, Shares

- 4.2.1 In accordance with the Act and the Listings Requirements, the Company is authorised to issue the shares specified in Schedule 1, provided that, if required by the Act or the Listings Requirements, the Company may only issue:
 - 4.2.1.1 unissued shares to shareholders of a particular class of shares, *pro rata* to the shareholders' existing shareholding, unless any such shares are to be issued for an acquisition of assets;
 - 4.2.1.2 unissued shares or grant options otherwise than as envisaged in Article 4.2.1.1 above, for cash, as the directors in their discretion think fit, if approved by shareholders in general meeting; and
 - 4.2.1.3 shares that are fully paid up. **[Section 36(1)(a) of the Companies Act]** and **[Paragraphs 10.1, 10.2(a) and 10.9(a) of Schedule 10 of Listings Requirements]**

4.3 Alteration of shares

- 4.3.1 For so long as is required by the Listings Requirements, any amendment to this Memorandum, including but not limited to any amendment to:
 - 4.3.1.1 create any class of shares;

- 4.3.1.2 determine the preferences, rights, limitations or other terms of any class of authorised shares or amend any preferences, rights, limitations or other terms so determined;
- 4.3.1.3 convert one class of shares into one or more other classes;
- 4.3.1.4 increase or decrease the number of authorised shares of any class of shares;
- 4.3.1.5 consolidate or sub-divide shares;
- 4.3.1.6 reclassify any shares that have been authorised but not issued;
- 4.3.1.7 classify any unclassified shares that have been authorised but not issued; and
- 4.3.1.8 change the name of the Company,

must be approved by a special resolution, save where such an amendment is ordered by a court in terms of sections 16(1)(a) and 16(4) of the Act. **[Paragraphs 10.5(d) and 10.9(c) of Schedule 10 to the Listings Requirements]**

- 4.3.2 Should a fraction of a share come into being as a result of any corporate action, the treatment of such fraction, together with any consequential cash payment, will be subject to compliance with the treatment of fractions as set out in the Listings Requirements.

4.4 Amendment of class, preferences, rights, limitations or other terms

- 4.4.1 To the extent applicable, if any proposed amendment to this Memorandum relates to the variation of any preferences, rights, limitations or other terms attaching to any class of shares already in issue other than the Ordinary Shares, such amendment shall be subject to the prior approval of the holders of that other class passed at a separate class meeting of the holders of that class by way of a special resolution of the holders of that class of shares. The holders of such other class (if the shares of that class have voting rights at the relevant time), may be allowed to vote at the meeting of Ordinary Shareholders convened for the purposes of considering such proposal, subject to the Listings Requirements. **[Paragraph 10.5(e) of Schedule 10 to the Listings Requirements]**
- 4.4.2 The provisions of this Memorandum and the Act relating to shareholders meetings of the Company shall, *mutatis mutandis*, apply to any such separate class meeting except that, subject to the Act, the necessary quorum shall be 2 (two) persons (unless all the shares of that class are held by 1 (one) person) holding or representing by proxy not less than one-third of the issued shares of the class (provided that if at any adjourned meeting of such holders a quorum is not present, those shareholders who are present in person or by proxy shall be a quorum).
- 4.4.3 The special rights attached to the shares of any class shall not, unless otherwise expressly provided by the conditions of issue of such shares, be deemed to be varied by the creation or issue of further shares, ranking *pari passu* with, or enjoying lesser rights, and which do not have preference over the first-mentioned shares.
- 4.4.4 For so long as is required by the Listings Requirements, the preferences, rights, limitations or other terms of any class of shares may not be varied, and no resolution may be proposed to shareholders for rights to include any variation, in response to any objectively ascertainable external fact or facts as provided for in sections 37(6) and (7) of the Act. **[Paragraph 10.5(g) of Schedule 10 to the Listings Requirements]**

4.15 Limitation of voting rights

As required by the Listings Requirements, while there are Ordinary Shares in issue, the holders of any securities other than Ordinary Shares and any special shares created for the purposes of black economic empowerment in terms of The Broad-Based Black Economic Empowerment Act of 2003, as amended, and The Broad-Based Black Economic Empowerment Codes of Good Practice gazetted from time-to-time under the aforesaid Act, shall be prohibited from voting on any resolution taken by the Company save as expressly provided for in this Memorandum. In instances that such shareholders are permitted to vote at shareholders meetings, their votes may not carry any special rights or privileges and they shall be entitled to one vote for each share that they hold, provided

their total voting rights at a general or annual general meeting may not exceed the percentage prescribed by the Listings Requirements (such prescribed percentage being, as at the date of adoption of this Memorandum, 24.99% (twenty four comma ninety nine percent) of the total voting rights of all shareholders at a general or annual general meeting). **[Paragraph 10.5(c) of Schedule 10 to the Listings Requirements]**

5. SHAREHOLDERS RIGHTS AND PROXY FORMS

5.1 Information rights of persons holding a beneficial interest in shares

This Memorandum does not establish any information rights of any person in addition to the information rights provided in sections 26(1) and (2) of the Act. **[Section 26(3) of the Companies Act]**

5.2 Representation by concurrent proxies

This Memorandum does not limit or restrict the right of a shareholder to appoint 2 (two) or more persons concurrently as proxies (concurrent proxies), or to appoint more than one proxy to exercise voting rights attached to different securities held by that shareholder; provided that the instrument appointing the concurrent proxies clearly states the order in which the concurrent proxies votes are to take precedence in the event that both or all of the concurrent proxies are present, and vote, at the relevant meeting. **[Section 58(3)(a) of the Companies Act]**

5.3 Authority of proxy to delegate

This Memorandum prohibits the right of a proxy to delegate the proxy's authority to act on behalf of the shareholder appointing him to another person. **[Section 58(3)(b) of the Companies Act]**

5.4 Requirement to deliver proxy instrument to the Company

A copy of the instrument appointing a proxy must be delivered to the office of the Company, or to any other person specified by the Company as acting on its behalf, not less than 48 (forty eight) hours (excluding Saturdays, Sundays and public holidays) or such lesser period as the directors may determine in relation to a particular meeting) before the time appointed for the holding of the meeting (including an adjourned meeting) at which the person(s) named in the proxy form proposes to vote; and if the instrument of proxy is not so delivered, the form of proxy shall not be treated as valid unless the chairperson of the meeting decides otherwise. **[Section 58(3)(c) of the Companies Act]**

5.5 Proxy without direction

This Memorandum does not limit or restrict the right of a proxy to exercise, or abstain from exercising, any voting right of the shareholder appointing him without direction, except to the extent that the instrument of proxy provides otherwise. **[Section 58(7) of the Companies Act]**

5.6 Revocation of proxy

Subject to the Act, a vote by virtue of a power of attorney or an instrument appointing a proxy shall be valid notwithstanding the previous incapacity of the principal or revocation of the power of attorney or instrument appointing a proxy or the transfer of the share in respect of which the vote is cast, unless notification in writing of such legal incapacity, revocation or transfer is received by the Company at the registered office or transfer office of the Company at which such power or instrument is registered not less than 24 (twenty four) hours before the commencement of the shareholders meeting or the taking of the poll at which the instrument of proxy is to be used.

5.7 Record date for exercise of shareholder rights

A record date for any action or event shall be determined in accordance with the Act and the Listings Requirements. **[Section 59(1) of the Companies Act and Paragraph 10.15 of Schedule 10 to the Listings Requirements]**

6.9 Voting at shareholders' meetings

6.9.1 Subject to any special terms as to voting upon which any share may be issued or which may from time-to-time attach to a share, on a show of hands, every shareholder present in person or by proxy and entitled to vote on a resolution shall have one vote, and on a poll,

every shareholder present in person or by proxy and entitled to vote on a resolution shall have one vote for each share held by it.

- 6.9.2 The parent or guardian of a minor, the *curator bonis* of a lunatic shareholder and any person entitled to the transfer of any shares pursuant to Article 8.2, may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of those shares, provided that at least 48 (forty eight) hours before the time of holding the shareholders meeting at which he proposes to vote, he satisfies the directors that he is such parent, guardian or curator or that he is entitled to transfer shares pursuant to Article 8.2, or that the directors have previously admitted his right to vote in respect of those shares.
- 6.9.3 Where 2 (two) or more persons are registered as joint holders of a share, any one of them, whether in person or by proxy, may vote as if he is the sole holder thereof, provided that if more than one of such joint holders are present at a shareholders meeting in person or by proxy, only that holder who is present and whose name appears first in the securities register in respect of the share, shall be entitled to vote.
- 6.9.4 At a general meeting, a resolution put to the vote of the general meeting shall be decided by a show of hands, unless a poll is demanded:
- 6.9.4.1 by the chairperson of the general meeting;
- 6.9.4.2 by at least 5 (five) persons having the right to vote on that resolution, either as a shareholder or a proxy representing a shareholder; or
- 6.9.4.3 a person who is, or persons who together are, entitled to exercise at least 10% (ten per cent) of the voting rights entitled to be exercised on that resolution.
- 6.9.5 A demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairperson of the general meeting. A demand so withdrawn shall not be taken to have invalidated the result on a show of hands declared before the demand was made.
- 6.9.6 A poll shall be taken in such manner and at such time as the chairperson of the general meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting in which the poll was demanded.
- 6.9.7 The chairperson of the general meeting may:
- 6.9.7.1 appoint any firm or persons to act as scrutineers for the purpose of checking the powers of attorney/proxies received and for counting the votes at the general meeting;
- 6.9.7.2 act on a certificate given by any such scrutineers without requiring production at the general meeting of the forms of proxy or himself counting the votes.
- 6.9.8 Any objection to the admissibility of any vote (whether on a show of hands or on a poll) shall be raised:
- 6.9.8.1 at the general meeting or adjourned general meeting at which the vote objected to was recorded; or
- 6.9.8.2 at the general meeting or adjourned general meeting at which the result of the poll was announced,
- and every vote not then disallowed shall be valid for all purposes. Any objection made timeously shall be referred to the chairperson of the general meeting for adjudication, whose decision shall be final and conclusive.
- 6.9.9 Even if he is not a shareholder, any director or the Company's attorney or auditor (or where the Company's attorneys or auditors are a firm or a company, any partner or director thereof), may attend and speak at any general meeting, but may not vote, unless he is also a shareholder or the proxy of a shareholder.

6.10 Shareholders' resolutions

- 6.10.1 Subject to the Listings Requirements, this Memorandum does not require a higher percentage of voting rights to approve an ordinary resolution than the percentage voting rights specified in the Act. **[Sections 65(7) and 65(8) of the Companies Act]**
- 6.10.2 This Memorandum does not require a different percentage of voting rights to approve a special resolution than the percentage voting rights specified in the Act. **[Section 65(9) and 65(10) of the Companies Act]**
- 6.10.3 Subject to the Listings Requirements, this Memorandum does not require a special resolution for any other matter not contemplated in section 65(11) of the Act. **[Section 65(12) of the Companies Act]**
- 6.10.4 No shareholders' resolution in terms of sections 20(2) and 20(6) of the Act may be proposed if such resolution would result in the ratification of any act that is contrary to the Listings Requirements, unless otherwise permitted by the JSE. **[Paragraph 10.3 of Schedule 10 to the Listings Requirements]**

7.7 Directors compensation and financial assistance to directors and related persons

- 7.7.1 This Memorandum does not limit, restrict or qualify the power of the Company to pay remuneration to its directors for their service as directors in accordance with section 66(9) of the Act. **[Section 66(8) of the Companies Act]**
- 7.7.2 Subject to the provisions of the Act, any director who is required to:
 - 7.7.2.1 perform extra services;
 - 7.7.2.2 be specifically occupied about the Company's business;
 - 7.7.2.3 resides outside the Republic for the purpose of the Company; or
 - 7.7.2.4 otherwise performs or binds himself to perform services which, in the opinion of the directors, 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 for any other remuneration to which he may be entitled as a director, as a disinterested quorum of directors may from time-to-time determine. **[Paragraph 10.16(f) of Schedule 10 to the Listings Requirements]**
- 7.7.3 The directors shall also be paid all their travelling and other expenses properly and necessarily expended by them:
 - 7.7.3.1 in and about the business of the Company; and
 - 7.7.3.2 in attending general meetings of the directors or of committees of the directors of the Company. **[Paragraph 10.16(f) of Schedule 10 to the Listings Requirements]**
- 7.7.4 This Memorandum does not limit, restrict or qualify the authority of the board to authorise the Company to provide direct or indirect financial assistance to directors or persons related to directors contemplated in section 45 of the Act. **[Section 45(2) of the Companies Act]**

8.5 Distributions

- 8.5.1 The board, alone, shall have the authority to make distributions, in accordance with the Act and the Listings Requirements. **[Paragraph 10.17(a) of Schedule 10 to the Listings Requirements]**
- 8.5.2 Distributions are payable to shareholders registered as at the date subsequent to the date of declaration or the date of confirmation of the dividend, whichever is later and for so long as required by the Listings Requirements, no repayment of capital to shareholders shall be made on the basis that it may be called up again. **[Paragraphs 10.8, 10.9(b) and 10.17(a) and (b) of Schedule 10 to the Listings Requirements]**
- 8.5.3 Manner of payment
 - 8.5.3.1 Any distribution, interest or other sum payable in cash to the holder of a share may be paid by:

- 8.5.3.1.1 cheque sent through the post addressed to:
 - 8.5.3.1.1.1 the holder at his registered address;
 - 8.5.3.1.1.2 in the case of joint holders, the holder whose name stands first in the securities register in respect of the share, at his registered address; or
 - 8.5.3.1.1.3 such person and at such address as the holder or joint holders may in writing direct,
- 8.5.3.1.2 by electronic bank transfer to:
 - 8.5.3.1.2.1 the holder into such bank account as the holder may direct in writing; or
 - 8.5.3.1.2.2 in the case of joint holders, the holder whose name stands first in the securities register in respect of the share, into such bank account as he may direct in writing.
- 8.5.3.2 Every such payment shall be at the risk of the person or persons entitled to the money represented thereby.
- 8.5.3.3 A payment by electronic bank transfer in accordance with the bank account details given by the holder shall be a good discharge by the Company.
- 8.5.3.4 A payment of a cheque by the banker upon whom it is drawn, and any transfer or payment in terms of this Article 8.5.3.4 shall be a good discharge by the Company.
- 8.5.3.5 Every such cheque shall be made payable to the order of the person to whom it is addressed, and be sent at the risk of the holder or joint holders.
- 8.5.3.6 The Company shall not be responsible for the loss in transmission of any cheque or of any document (whether similar to a cheque or not) sent by post as aforesaid.
- 8.5.3.7 A holder or any 1 (one) of 2 (two) or more joint holders, or his or their agent duly appointed in writing, may give valid receipts for any monies paid in respect of a share held by such holder or joint holders.
- 8.5.3.8 A distribution may also be paid in any other way determined by the directors, and if the directives of the directors are complied with, the Company shall not be liable for any loss or damage which a shareholder may suffer as a result thereof.
- 8.5.3.9 Subject to the provisions of this Memorandum and to the rights attaching to any shares, any distribution payable on or in respect of a share may be paid in such currency as the directors may determine, using such exchange rate for currency conversions as the directors may select.
- 8.5.3.10 The Company may cease to send any cheque by post for any distribution on any shares which is normally paid in that manner if in respect of at least 2 (two) consecutive distributions payable on those shares the cheque has been returned undelivered or remains uncashed but, subject to the provisions of this Memorandum, shall commence sending cheques in respect of the distributions payable on those shares if the holder or person entitled by transmission claims the arrears of dividend and does not instruct the Company to pay future distributions in some other way.
- 8.5.3.11 Without derogation from any other provision of this Article 8.5, the directors may from time-to-time make such regulations as they think fit regarding the payment of distributions to shareholders having registered addresses outside the Republic. Such regulations may provide for the payment of such distributions in any foreign currency and the rate of exchange at which such payment shall be made.
- 8.5.3.12 Where any difficulty arises in regard to any distribution involving a specific asset or assets, the directors may settle that difficulty as they think expedient and in particular may fix the value which shall be placed on such specific assets or asset on distribution.

8.5.4 **No interest**

No distribution shall bear interest against the Company, except as otherwise provided under the conditions of issue of the shares in respect of which such distribution is payable.

8.5.5 **Unclaimed distributions**

8.5.5.1 For so long as is required by the Listings Requirements, any unclaimed distributions must be held in trust subject to prescription laws. **[Paragraph 10.17(c) of Schedule 10 to the Listings Requirements]**

8.5.6 Notwithstanding Article 8.5.5.1 above, any distribution, other than a dividend, made on or in respect of a security prior to the adoption of this Memorandum, must be held by the Company for the benefit of the holder of that security, provided that distributions unclaimed for a period of not less than 5 (five) years from the date on which such distributions were made may be declared to be forfeited by the directors for the benefit of the Company. **[Paragraph 10.17(c) of Schedule 10 to the Listings Requirements]**

CORPORATE GOVERNANCE AND THE KING CODE (REG 54(1))

CORPORATE GOVERNANCE REVIEW

The Board considers sound corporate governance practices to be a critical element in delivering sustainable growth for the benefit of all stakeholders. In conducting the affairs of the Company, the Board endorses the principles of fairness, responsibility, transparency and accountability advocated by the principles of the Code of Corporate Practices and Conduct set out in the King Report on Corporate Governance (“**King III**”).

In regularly reviewing the Company’s governance structures, the Board exercises and ensures effective and ethical leadership, always acting in the best interests of the Company, at the same time concerning itself with the sustainability of its business operations.

A register of all King III principles and the extent of AEP’s compliance therewith is available on the Company’s website at www.aep.co.za.

1. BOARD OF DIRECTORS

The balance and composition of the Board has been thoroughly considered taking into account the needs of the Company. The Board as a whole believes that the current balance of knowledge, skill and experience meets the requirements to leads the Company effectively.

The Board is responsible for the strategic direction and control of the Company. It exercises control through a governance framework that includes the review and implementation of detailed reporting presented to it and its sub-committees and the implementation of a continuously updated risk management programme.

The Board comprises nine Directors, of whom six are independent non-executive Directors. The executive Directors are Edwin Kikonyogo (CEO), Nkosi Gugushe (COO), and Kevin Simons (CFO).

The independent chairperson, David William Wright, is a non-executive Director whose role is separate from that of the CEO, Edwin Kikonyogo.

The CEO is fully responsible and accountable for the operations of the Company. The chairperson leads the Board and facilitates constructive relations between the executive and the Board. The chairperson holds no other listed Company chairperson positions as at the date of this Prospectus.

The Board has adopted a charter that sets out the practices and processes it follows to discharge its responsibilities. The charter specifically sets a description of roles, functions, responsibilities and powers of the Board, the Shareholders, the chairperson, individual Directors, Company Secretary, and other prescribed officers and executives of the Company.

The terms of reference of the Board and its committees deal with such matters as corporate governance, Directors’ dealings in securities, declarations of conflicts of interest, Board meeting documentation and procedures for the nomination, appointment, induction, training and evaluation of the Directors.

There is an appropriate balance of power and authority on the Board so that no individual has unfettered powers of decision-making and no individual dominates the Board’s deliberations and decisions. The Board will regularly review the decision-making authority given to management as well as those matters reserved for decision-making by the Board.

Any Director appointed during the year is required to have the appointment confirmed by shareholders at the next annual general meeting.

At the first annual general meeting all Directors shall retire from office and stand for re-election. At each subsequent annual general meeting one third of the non-executive Directors for the time being, or if the number is not three or a multiple of three, the number nearest to one third, but not less than one third, shall retire from office.

The Board has delegated certain specific responsibilities to the following committees:

- remuneration and nomination committee;
- audit and risk committee;

- social and ethics committee; and
- investment committee.

The committees assist the Board in discharging its responsibilities and duties under King III, whilst overall responsibility remains with the Board. Full transparency and disclosure of committee deliberations is encouraged and the minutes of all committee meetings are available to all Directors.

Directors are encouraged to take independent advice at the cost of the Company for the proper execution of their duties and responsibilities. The Board has unrestricted access to the external auditors, professional advisors, the services of the Company Secretary, the executives and the staff of the Company at any given time. An induction programme is provided for new Directors by the Company's sponsor, Questco.

A detailed assessment of all Board members, including the chairperson, will be undertaken annually. Directors and committee members are supplied with comprehensive information that allows them to properly discharge their responsibilities. The members of the Board bring a mix of skills, experience and technical expertise. The Board shall meet at least four times a year.

2. **GENDER DIVERSITY POLICY**

The Company supports the principles and aims of appropriate gender diversity at board level and currently has three female Board members, constituting one third female representation on the Board. The Board, through the nomination function of its remuneration and nomination committee, is aware of the need to promote gender representation, and the Directors believe that the composition of a board that provides effective leadership is driven by a wide variety of factors. Accordingly, each individual Board member is selected based on skills, experience, industry knowledge, independence and integrity.

Although no voluntary target has been set and the Company does not currently have a formal policy regarding the representation of women on its Board, the Board, through the nomination function of its remuneration and nomination committee, will be mindful of the advantages of gender diversity in setting its nomination policies going forward.

The Company will continue to monitor its gender diversity and disclose the results to Shareholders on an annual basis.

3. **THE REMUNERATION AND NOMINATION COMMITTEE**

Remuneration function: Silvanus David chairs the remuneration function of the remuneration and nomination committee and David Wright and Carla Cloete are also members. All members of the remuneration function of the remuneration and nomination committee are independent non-executive Directors. The remuneration function of the remuneration and nomination committee, which will meet at least two times a year, has responsibility for the determination of specific remuneration packages for each of the executive Directors and the Chairperson. The remuneration function of the remuneration and nomination committee also considers the bonuses, which are discretionary and based upon general economic variables, the performance of the Company and the individual's performance and certain other employee benefits and schemes. No remuneration of any nature shall be paid, increased or varied to any Director without the prior approval of the remuneration function of the remuneration and nomination committee.

Nomination function: The nomination function of the remuneration and nomination committee comprises only independent non-executive Directors. Silvanus David, the deputy chairperson of the Board, David Wright, the chairperson of the Board, and Carla Cloete, and David Wright is the chairperson of the nomination function of the remuneration and nomination committee. All members of the nomination function of the remuneration and nomination committee are independent non-executive Directors. The nomination function of the remuneration and nomination committee, which will meet at least two times a year, leads the process of Board appointments, considers succession planning and makes recommendations to the Board, amongst other things, on Board composition and balance and on all new appointments and re-appointments of non-executive Directors.

4. **THE AUDIT AND RISK COMMITTEE**

The audit and risk committee comprises three independent non-executive Directors. As at the date of this document, Erica Johnson chairs the Company's audit committee, of which Silvanus David and Meriam Kekana are also members. The members of the committee are appointed by the Board from amongst the independent non-executive Directors of the Company.

Audit function: A representative of Deloitte & Touche, the Company's independent external auditors, attends committee meetings by invitation. The committee will meet at least three times a year. The audit committee provides the Board with additional assurance regarding the quality and reliability of financial information used by the Board and the financial statements of the Company. In addition, the audit committee review the internal control systems, the financial control systems, the accounting systems and reporting, the internal audit functions and ensures that a combined assurance model is applied to provide a co-ordinated approach to all assurance activities. It also liaises with the Company's external auditors, monitors compliance with legal requirements, ensures management addresses any identified internal control weakness, assesses the performance of financial management, assesses the Company's going concern status, approves external audit fees, budgets, plans and performance, conducts an annual review and assessment of the financial reporting risks the Company faces and has established a policy regarding non-audit services provided by the external auditors. In terms of risk management, the committee ensures that Senior Management's processes and procedures are adequate to identify, assess, manage and monitor Company-wide risks.

Risk function: Independent risk experts are invited to committee meetings as, and when, necessary. In addition to the non-executive Directors referred to above, additional members of the audit and risk committee to deal with the risk function are appointed by the Board and will include executive and non-executive Directors, and comprise people with adequate risk management skills and experience to equip the committee to perform its functions. Members of senior management responsible for the various areas of risk management will be invited to attend the risk portion of the meetings. The audit and risk committee oversees the development and implementation of a policy and plan for risk management; makes recommendations to the Board concerning the levels of risk tolerance and appetite and monitors that risks are managed within the approved levels; oversees that the risk management plan is widely disseminated throughout the Company; ensures that risks are assessed and monitored on a continuous basis and that management implements appropriate risk responses; assists the Board in the formulation of its opinion on the effectiveness of the system and process of risk management; and reviews the reporting concerning risk management that is to be included in the integrated report.

The number of audit and risk committee meetings held will be disclosed in each of the Company's integrated annual reports. As required by the JSE, the audit and risk committee will consider, on an annual basis, and satisfy itself of the appropriateness and expertise of the Financial Director. In this regard, the audit and risk committee are satisfied that the Financial Director, Kevin Simons, has the necessary skills and qualifications to fulfil his responsibilities.

5. THE SOCIAL AND ETHICS COMMITTEE

Carla Cloete and Sifiso Sibiya are the members of the Company's social and ethics committee, which is chaired by Meriam Kekana. The committee will meet at least three times a year. The committee considers matters pertaining to the Company's activities, having regard to any relevant legislation, other legal requirements and prevailing codes of best practice, in respect of social and economic development, good corporate citizenship (including the promotion of equality, prevention of unfair discrimination; the environment, health and public safety, including the impact of the Company's activities and of its products or services), consumer relationships and labour and employment issues. The responsibility of this committee is further to advise the Board on all relevant aspects that may have a significant impact on the long-term sustainability of the Company and which influence the Company's integrated reporting. The CEO and the other executive Directors may attend meetings by invitation.

6. THE INVESTMENT COMMITTEE

David Wright and Erica Johnson are the members of the Company's investment committee, which is chaired by Sifiso Sibiya. The committee will meet at least four times a year. The committee will assist the Board in maintaining an appropriate, robust and consistent framework for the analysis of proposed investments, divestments and refurbishments beyond normal operational maintenance and will also review the performance of individual assets on an ongoing basis.

7. THE COMPANY SECRETARY

The Board is assisted by an outsourced Company Secretary, IKB. The Board is satisfied that the Company Secretary maintains an arms'-length relationship with the Board and is sufficiently qualified and

experienced to execute the required duties. The Company Secretary advises the Board on appropriate procedures for management of meetings and ensures the corporate governance framework is maintained.

The Directors have unlimited access to advice and services of the Company Secretary. Nothing has come to the attention of the Board of Directors that indicate non-compliance by the Company with applicable laws and regulations.

The Board will satisfy itself on an annual basis on the competence, qualifications and experience of the Company Secretary.

8. APPLICATION OF THE KING CODE

The Company's key point of reference for its governance structures is King III. The table below, the best knowledge and belief of the Board, sets forth the extent of the Company's current application of the principles of King III and explains the non-application of certain principles where principles are not fully applied.

	Principle	Status	Comments
1.	ETHICAL LEADERSHIP AND CORPORATE CITIZENSHIP		
1.1	The Board should provide effective leadership based on an ethical foundation.	Applied	Ethics form an integral part of the values of the Company and the Board. In conducting the affairs of the Company, the Board endorses the principles of fairness, responsibility, transparency and accountability advocated by the King Code, and as such 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 is responsible for ensuring that the Company protects, enhances and invests in the well-being of the economy, society and the environment.
1.3	The Board should ensure that the Company's ethics are managed effectively.	Applied	A social and ethics committee has been established which will be responsible for, <i>inter alia</i> , the management of the Company's ethics.
2.	BOARD AND DIRECTORS		
2.1	The Board should act as the focal point for, and custodian of, corporate governance.	Applied	The Directors are aware of their fiduciary duties. The Board considers sound corporate governance practices to be critical and recognises that it is the ultimate custodian of corporate governance.
2.2	The Board should appreciate that strategy, risk, performance and sustainability are inseparable.	Applied	The Directors of the Company subscribe to the principle that they have accountability to shareholders and an obligation to all stakeholders (including shareholders), to ensure that the Company's resources are utilised to ensure its continuing viability. The Board appreciates that strategy, risk, performance and sustainability are inseparable.
2.3	The Board should provide effective leadership based on an ethical foundation.	Applied	Please refer to principle 1.1 above.
2.4	The Board should ensure that the Company is and is seen to be a responsible corporate citizen.	Applied	Please refer to principle 1.2 above.

	Principle	Status	Comments
2.5	The Board should ensure that the Company's ethics are managed effectively.	Applied	Please refer to principle 1.3 above.
2.6	The Board should ensure that the Company has an effective and independent audit committee.	Applied	The audit and risk committee has been established, and consists of three independent non-executive Directors. The members of the audit and risk committee have the necessary experience and skills.
2.7	The Board should be responsible for the governance of risk.	Applied	The Board is responsible for the governance of risk and ensures that the Company has an effective risk management system.
2.8	The Board should be responsible to information technology (IT) governance.	Applied	The Board bears ultimate responsibility for 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	The Board is responsible for ensuring that the Company complies with applicable laws and considers adhering to non-binding rules, codes and standards.
2.10	The Board should ensure that there is an effective risk-based internal audit.	Explain	<p>As the Company was recently incorporated as a public company, it has not yet appointed an internal auditor and the Company has not performed an internal audit.</p> <p>Once an internal auditor has been appointed, the Board will ensure that an effective risk-based internal audit is performed.</p> <p>Once a Viable Asset has been acquired, the appropriate internal audit function will be appointed.</p>
2.11	The Board should appreciate that stakeholders' perceptions affect the Company's reputation.	Applied	The Board appreciates the importance of stakeholders and ensures that the Company operates on the basis of transparency, best practice disclosure, consistent communication and equal and timely dissemination of information to all stakeholders, to this end the Board will ensure transparent and effective communication with stakeholders and treat shareholders equitably.
2.12	The Board should ensure the integrity of the Company's integrated report.	Explain	As the Company was recently incorporated as a public company, it has not yet issued an integrated report but the Board will consider and approve the Company's integrated reports when issued, on the recommendation of the audit and risk committee.
2.13	The Board should report on the effectiveness of the Company's system of internal controls.	Explain	<p>Once operations have commenced, the Board will report on the effectiveness of the Company's system of internal control. The Company's audit and risk committee will provide the Board with assurance on the effectiveness of the internal control framework.</p> <p>Once a Viable Asset has been acquired, the appropriate internal controls will be established.</p>

	Principle	Status	Comments
2.14	The Board and its Directors should act in the best interests of the Company.	Applied	Please refer to principle 2.1 above. The Board of Directors individually and collectively understand their fiduciary responsibility to act in the best interests of the Company and disclosures of interest and Director's dealings are reported on in accordance with a policy adopted by the Board in this regard.
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 Companies Act.	Applied	The Board is aware of the requirements of the Companies Act regarding business rescue.
2.16	The Board should elect a Chairman of the Board who is an independent non-executive Director. The CEO of the Company should also not fulfil the role of Chairman of the Board.	Applied	The Company is exempted from compliance with this principle in accordance with LR 4.39(a) but has nevertheless chosen to comply.
2.17	The Board should appoint the Chief Executive Officer and establish a framework for the delegation of authority.	Applied	The Company is exempted from compliance with this principle in accordance with LR 4.39(a) but has nevertheless chosen to comply.
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	The Company is exempted from compliance with this principle in accordance with LR 4.39(a) but has nevertheless chosen to comply.
2.19	Directors should be appointed through a formal process.	Applied	The Company is exempted from compliance with this principle in accordance with LR 4.39(a) but has nevertheless chosen to comply.
2.20	The induction of and on-going training and development of Directors should be conducted through formal processes.	Applied	Continuous training of directors is taking place.
2.21	The Board should be assisted by a competent, suitably qualified and experienced Company Secretary.	Applied	The Board is assisted by a suitably qualified Company Secretary, who has adequate experience, who is not a Director of the Company and who has been empowered to fulfil its duties. The Company Secretary is duly appointed by the Board in accordance with the Companies Act and the Listings Requirements. The Board is satisfied that the Company Secretary maintains an arms-length relationship with the Board and is sufficiently qualified and experienced to execute the required duties.
2.22	The evaluation of the Board, its committees and the individual Directors should be performed every year	Explain	As the Company is recently incorporated as a public company, the evaluation of the Board, its committees and Directors is yet to be performed. The Board will ensure that such evaluations are performed on an annual basis.

	Principle	Status	Comments
2.23	The Board should delegate certain functions to well-structured committees but without abdicating its own responsibilities.	Applied	<p>The Board has delegated certain specific responsibilities to the audit and risk committee, the social and ethics committee and remuneration committee without abdicating its own responsibilities.</p> <p>These committees will operate in accordance with written terms of reference approved by the Board and reviewed annually.</p>
2.24	A governance framework should be agreed between the Group and its subsidiary boards.	Explain	The Company does not currently have any subsidiary companies.
2.25	Companies should remunerate Directors and executives fairly and responsibly.	Applied	<p>The remuneration committee has been established, and consists of three non-executive Directors, the majority of whom are independent. The members of the remuneration committee have the necessary experience and skills.</p> <p>It is also intended that the Board will review and determine the remuneration of Directors and executives based on recommendations made by the remuneration committee, taking into account market conditions, expert advice from remuneration specialists and in accordance with the remuneration policy (once finalised and approved by the Board).</p>
2.26	Companies should disclose the remuneration of each individual Director and certain senior executives.	Explain	The Company will disclose Directors' remuneration in the integrated report. As the Company is recently incorporated as a public company, it has not yet published an integrated report.
2.27	Shareholders should approve the Company's remuneration policy.	Explain	<p>The remuneration policy will be disclosed in the integrated annual report and will be put to shareholders to approve by way of a non-binding advisory vote.</p> <p>The remuneration of directors will remain the responsibility of the remuneration committee and the Board. The remuneration of Directors will be subject to shareholder approval by way of special resolution at the Company's annual general meeting.</p>

3. AUDIT COMMITTEE

3.1	The Board should ensure that the Company has an effective and Independent Audit Committee.	Applied	An audit and risk committee has been established. The terms of reference of the Audit and Risk Committee have been approved by the Board.
3.2	Audit Committee members should be suitably skilled and experienced independent non-executive Directors.	Applied	The audit and risk committee comprises three independent non-executive Directors, who are suitably skilled and experienced as well. The chairperson of the Board is not a member of the audit and risk committee.
3.3	The audit committee should be chaired by an independent non-executive Director.	Applied	The Audit and risk committee is chaired by an independent non-executive Director.

	Principle	Status	Comments
3.4	The audit committee should oversee integrated reporting.	Applied	In accordance with its terms of reference, the audit and risk committee is responsible for overseeing the Company's integrated reporting process.
3.5	The audit committee should ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities.	Applied	The audit and risk committee obtains combined assurance from the external auditors, Deloitte & Touche, and management, and ensures that the combined assurance received is appropriate to address all significant risks facing the Company.
3.6	The audit committee should satisfy itself of the expertise, resources and experience of the Company's finance function.	Explain	The audit and risk committee has satisfied itself of the effectiveness of the Financial Director and will satisfy itself of the expertise, resource and experience of the Company's finance function. This will be revaluated formally on an annual basis.
3.7	The audit committee should be responsible for overseeing of internal audit.	Explain	The audit and risk committee formulates and monitors the Company's risk management policies, monitor the Company's governance compliance and oversees the scope and performance of internal audit.
3.8	The audit committee should be an integral component of the risk management process.	Explain	The audit and risk committee will form an integral component of the risk management process. The committee's terms of reference set out its responsibilities in terms of risk management.
3.9	The audit committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process.	Applied	The audit and risk committee is responsible for overseeing the external audit process, fees and terms of engagement of the external auditors and to recommend the same for approval to the Board. The committee is responsible for determining the nature and extent of non-audit services provided by the auditors to the Company.
3.10	The audit committee should report to the Board and shareholders on how it has discharged its duties.	Applied	The chairperson of the audit and risk committee will report to the Board after each meeting of the committee. The audit and risk committee compiles a written report on how it has discharged its duties annually. This report will be included in the integrated report of the Company.

4. THE GOVERNANCE OF RISK

4.1	The Board should be responsible for the governance of risk.	Applied	The Board takes overall responsibility for risk management with a formal process implemented for managing risk while delegating authority to the audit and risk committee.
4.2	The Board should determine the levels of risk tolerance.	Explain	It is also intended that specific limits be set annually at the risk committee meeting which limits will be approved by the Board. These limits will take account of both external and internal risk factors.
4.3	The risk committee or audit committee should assist the Board in carrying out its risk responsibilities.	Applied	The audit and risk committee has been established to assist the Board in carrying out its risk responsibilities, oversees internal financial controls, fraud risks as they relate to financial reporting and IT risks as they relate to financial reporting.

Principle	Status	Comments	
4.4	The Board should delegate to management the responsibility to design, implement and monitor the risk management plan.	Applied	Management will be accountable to the Board, through the audit and risk committee, for embedding the risk management process in the business. Day-to-day responsibility for the management of the risk management plan will rest with the head of risk management.
4.5	The Board should ensure that risk assessments are performed on a continual basis.	Applied	The risk assessment process identifies risks and opportunities and the process is formalised and regular.
4.6	The Board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks.	Explain	The audit and risk committee will be responsible for the implementation of these frameworks and methodologies.
4.7	The Board should ensure that management considers and implements appropriate risk responses.	Applied	The implementation of controls, existing and new, is monitored on an ongoing basis.
4.8	The Board should ensure continual risk monitoring by management.	Applied	There is continual risk monitoring and the process is monitored by management.
4.9	The Board should receive assurance regarding the effectiveness of the risk management process.	Explain	Once operations have commenced, the Board will report on the effectiveness of the risk management process. The Company's audit and risk committee will provide the Board with assurance on the effectiveness of risk management process.
4.10	The Board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders.	Applied	The Board will disclose the top risks facing the Company.

5. THE GOVERNANCE OF INFORMATION TECHNOLOGY

5.1	The Board should be responsible for IT governance.	Applied	The Board takes overall responsibility for IT governance.
5.2	IT should be aligned with the performance and sustainability objectives of the Company.	Applied	IT is fully integrated into the strategic planning process ensuring strategic, tactical and operational alignment in the achievement of business objectives.
5.3	The Board should delegate to management the responsibility for the implementation of an IT governance framework.	Explain	<p>As the Company was recently incorporated as a public company, the IT governance framework has not yet been finalised.</p> <p>Management will be responsible for the implementation of the IT governance framework, once this framework has been finalised by the Board.</p> <p>Once a Viable Asset has been acquired, the appropriate IT governance function will be appointed.</p>
5.4	The Board should monitor and evaluate significant IT investments and expenditure.	Applied	IT investments and expenditure forms part of the normal budgeting process, and therefore has to be approved by the Board.

	Principle	Status	Comments
5.5	IT should form an integral part of the Company's risk management.	Applied	IT is considered an integral part of risk management.
5.6	The Board should ensure that information assets are managed effectively.	Applied	The audit and risk committee is responsible for ensuring that systems are in place for the management of information which includes security, information management and privacy.
5.7	An audit and risk committee should assist the Board in carrying out its IT responsibilities.	Explain	The audit and risk committee will review key elements of IT practice including IT internal controls and risk management.

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 non-binding rules, codes and standards.	Applied	The Board is responsible for ensuring that the Company complies with applicable laws and considers adhering to non-binding rules, codes and standards.
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	Training will be provided to the Board and each individual Director from time-to-time as required.
6.3	Compliance risk should form an integral part of the Company's risk management process.	Applied	Compliance is an integral part of the Company's risk management process.
6.4	The Board should delegate to management the implementation of an effective compliance framework and processes.	Explain	<p>As the Company was recently incorporated as a public company, the compliance framework and processes have not yet been finalised.</p> <p>Management will be responsible for the implementation of the compliance framework and processes, once the framework and processes have been finalised by the Board.</p> <p>Once a Viable Asset has been acquired, the appropriate compliance framework will be implemented.</p>

7. INTERNAL AUDIT

7.1	The Board should ensure that there is an effective risk based internal audit.	Explain	Please refer to Principle 2.10 above.
7.2	Internal audit should follow a risk based approach to its plan.	Explain	Please refer to Principle 2.10 above.
7.3	Internal audit should provide a written assessment of the effectiveness of the Company's system of internal controls and risk management.	Explain	Please refer to Principle 2.10 above.
7.4	The audit committee should be responsible for overseeing internal audit.	Explain	Please refer to Principle 2.10 above.

	Principle	Status	Comments
7.5	Internal audit should be strategically positioned to achieve its objectives.	Explain	Please refer to Principle 2.10 above.
8.	GOVERNING STAKEHOLDER RELATIONSHIPS		
8.1	The Board should appreciate that stakeholders' perceptions affect a Company's reputation.	Applied	Please refer to Principle 2.11 above.
8.2	The Board should delegate to management to proactively deal with stakeholder relationships stakeholders and the outcomes of these dealings.	Applied	Stakeholder relationships are critical for the Company and management is responsible for dealing proactively with stakeholder relationships. Financial results, trading updates and announcements will be published in accordance with the JSE Listings Requirements and results announcements, the integrated report will also published on the Company's website.
8.3	The Board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the Company.	Applied	Communication to stakeholders is the responsibility of the executive team and the Company Secretary, and is monitored by the Board. The Board strives to maintain a balance between the various stakeholders while acting in the best interests of the Company.
8.4	Companies should ensure the equitable treatment of shareholders.	Applied	The Company provides timely and equitable disclosure of information to the market and all shareholders are treated equally in this regard. Information is posted on the Company's website as well as in the integrated annual report.
8.5	Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence.	Applied	Please refer to Principle 8.4 above.
8.6	The Board should ensure that disputes are resolved as effectively, efficiently and expeditiously as possible.	Applied	Open and transparent dialogue is encouraged and maintained on an ongoing basis in an effort to prevent disputes and if needs be to resolve disputes effectively and efficiently.

	Principle	Status	Comments
9.	INTEGRATED REPORTING AND DISCLOSURE		
9.1	The Board should ensure the integrity of the Company's integrated report.	Explain	Please refer to Principle 2.12 above. The Company intends to adhere to the relevant principles contained in the King Code relating to integrated reporting and disclosure.
9.2	Sustainability reporting and disclosure should be integrated with the Company's financial reporting.	Explain	Please refer to Principle 2.12 above. The Company intends to adhere to the relevant principles contained in the King Code relating to integrated reporting and disclosure.
9.3	Sustainability reporting and disclosure should be independently assured.	Explain	Please refer to Principle 2.12 above. The Company intends to adhere to the relevant principles contained in the King Code relating to integrated reporting and disclosure.

MATERIAL CONTRACTS

1. ESCROW AGREEMENT

The salient terms of the Escrow Agreement are as follows:

- 1.1 The Offer Proceeds will be deposited by the Company, by electronic transfer, directly into the Escrow Account/s and the Escrow Agent shall hold same on behalf of the Company for disbursement in accordance with the terms of the Escrow Agreement. The interest on the Offer Proceeds in Escrow will accrue in favour of the Company and accumulate in Escrow.
- 1.2 The Escrow Amount shall be held by the Escrow Agent on the basis that the Escrow Amount or part thereof may only be released by the Escrow Agent into the Company's bank account during the Initial Period upon receipt by the Escrow Agent of a release instruction as provided for in the Escrow Agreement.
- 1.3 If the Company has received the necessary approvals for both the acquisition of Viable Assets and the retention of the Residual Capital, then after receipt of a duly signed and delivered release instruction, the Escrow Agent will release to the Company all of the monies (including interest) then managed by the Escrow Agent.
- 1.4 If the Company has only received the necessary approvals for the acquisition of Viable Assets, then after receipt of a duly signed and delivered release instruction, the Escrow Agent will release to the Company the funds necessary to Complete the acquisition of Viable Assets and retain the Residual Capital until the Escrow Agent receives a duly signed and delivered release instruction in relation to the Residual Capital, whereafter the Residual Capital (less any withholding taxes and costs or charges relating to the distribution of the Residual Capital) will be distributed to holders of Ordinary Shares.
- 1.5 If an acquisition of Viable Assets has not been Completed within the Initial Period, then after receipt of a duly signed and delivered release instruction, the Escrow Agent will release to the Company all of the monies (including interest) then managed by the Escrow Agent, so that the Company is in a position to complete the distribution contemplated in paragraph 3.4.5.5 of section 1 of the Prospectus.
- 1.6 The Escrow Agreement will terminate, *inter alia*, after the Escrow Agent is no longer managing any monies for the Company.
- 1.7 The Escrow Agent is entitled to rely on any confirmation given under any relevant request referred to above that the monies are entitled to be released when acting and is not required to verify any information or confirmation.
- 1.8 The Escrow Agent acts as an agent for the Company only, and does not act as a principal. It owes no obligations or duties to any person other than the Company.
- 1.9 The Escrow Agent's liability is limited in a number of respects under the Escrow Agreement. In addition, the Company has agreed to indemnify the Escrow Agent against certain losses and liabilities arising out of or in connection with the Escrow Agreement.
- 1.10 The Escrow Agent can be replaced by the Company and is entitled to resign in accordance with the Escrow Agreement. The Escrow Agent may resign from its position and be discharged from its duties under the Escrow Agreement by delivering written notice to the Company. In such event, the Company will then take all necessary steps to novate the Escrow Agreement to the replacement of the Escrow Agent or enter into a new escrow agreement with a replacement agent, and, the Escrow Agent will transfer to the Company the Escrow Amount together with any interest accrued thereon, by way of electronic transfer, directly into the Company's bank account for reinvestment into the bank account of the firm of attorneys, bank and/or financial institution acting as the replacement Escrow Agent.

2. MANAGEMENT AGREEMENT

2.1 Business address of the Manager:

The business address of the Manager is 28 Fricker Road, Illovo, Sandton, Johannesburg, Gauteng, 2196.

2.2 Directors of the Manager:

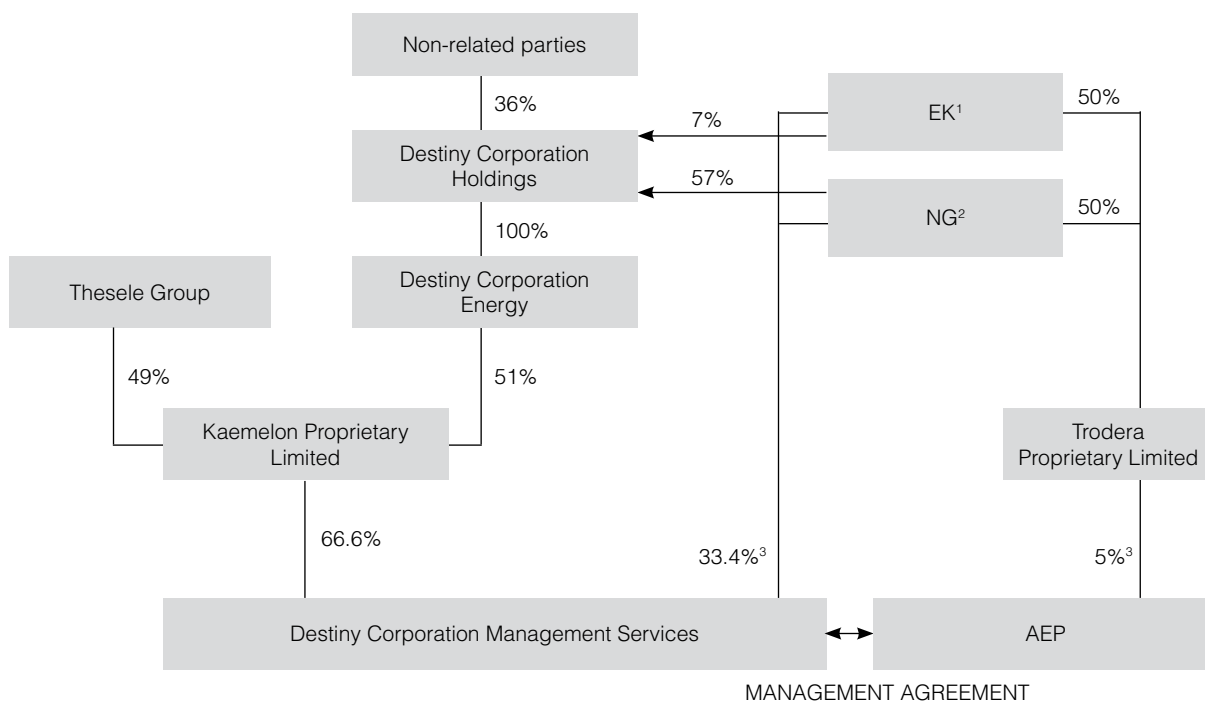
The directors of the Manager are Edwin Kikonyogo and Nkosi Gugushe. For further details on Edwin Kikonyogo and Nkosi Gugushe, please refer to paragraph 2 in section 1 of the Prospectus.

2.3 Shareholders of the Manager:

The shareholders of the Manager, as at the Last Practicable Date, are set out in the table below:

Shareholder	Number of shares	Percentage shareholding (%)
Employee Share Ownership Plan	0	0
Nkosi Gugushe	25	16.7
Edwin Kikonyogo	25	16.7
Kaemelon	100	66.6
Total	150	100

The beneficial ownership of the Manager and relationships with AEP are shown in the diagram below:



1. EK = Edwin Kikonyogo

2. NG = Nkosi Yawo-Gugushe

3. Split equally between EK and NG

2.4 **Salient terms of Management Agreement:**

The following is a general summary of the salient terms of the Management Agreement and is intended as a guide only and is therefore not comprehensive.

2.5 **Management Services:**

2.5.1 For the duration of the Management Agreement, the Manager shall provide services to AEP which broadly fall into the following two categories: (i) Investment Advisory Services (as described below); and (ii) Operational and Administrative Services as described below) (and collectively, such services, the “**Management Services**”):

2.5.2 *Investment Advisory Services*, include the Manager:

- (i) sourcing and identifying Viable Assets in accordance with the applicable investment and acquisition criteria;
- (ii) rendering investment research on the energy sector and potential investments in it;
- (iii) conducting due diligence in relation to the potential investments to identify financial and regulatory risks (and advising the Board and/or the investment committee of AEP on measures to mitigate any such risks);
- (iv) making recommendations to the Board and/or the investment committee of AEP regarding structuring and negotiating any acquisitions of identified Viable Assets;
- (v) advising the Board of AEP on appropriate protections in shareholders and other relationship agreements to protect the position of AEP in portfolio assets; and
- (vi) advising on treasury functions of AEP and portfolio assets, including capital and debt management in accordance with investment/acquisition criteria.

2.5.3 *Operational and Administrative Services*, include the Manager:

- (i) overseeing the daily operations and preventative maintenance work conducted by both the Company’s employees and/or sub-contracted service providers, at the Company’s Assets, so that each Asset delivers its outputs to agreed performance specifications, safety standards and expected cost and time parameters;
- (ii) preparing accounts for AEP and delivering same to the board of AEP and other financial and systems control functions, including management of AEP’s cash flows;
- (iii) opening and maintaining the AEP bank accounts;
- (iv) procuring valuations of the Assets by an independent valuer as directed by the Company;
- (v) providing all equipment and personnel necessary to enable it to carry out its functions efficiently;
- (vi) managing the appointment of auditors, corporate advisors and legal advisors, in each case as approved by AEP;
- (vii) appointing suppliers and service providers and managing AEP’s relationship with such suppliers and service providers;
- (viii) attending to the requirements of the JSE, including, without limitation, the preparation and distribution of shareholder circulars; and
- (ix) ensuring that AEP and the portfolio group comply with all applicable laws and regulation, and monitoring and reporting on changes to applicable regulatory requirements.

2.6 **Management Fees:**

2.6.1 In consideration for the Management Services to be provided by the Manager to the Company under the Management Agreement, the Manager shall be entitled to receive the managements fees calculated and payable as described in this paragraph 2.4.

2.6.1.1 Pre-Acquisition Management Fee and payment

For so long as the Company has not acquired any income-generating assets, the Company shall pay the Manager a management fee amount equal to ZAR150 000

(one hundred and fifty thousand Rand) per month, which amount will escalate annually at CPI on the anniversary of the Agreement of each year (the “**Pre-Acquisition Management Fee**”).

2.6.2 Post-Acquisition Management Fee and payment

2.6.2.1 After the Company has acquired an income-generating asset, and consequently requires the provision of all the Management Services contemplated by the Management Agreement, the Company shall pay the Manager a management fee, which fee shall be computed as follows (the “**Post-Acquisition Management Fee**”):

2.6.2.1.1 for so long as the Enterprise Value of the Company is less than R10 000 000 000 (ten billion Rand), an amount equal to the sum of: (i) 0.9% (zero comma nine percent) of the Enterprise Value; and (ii) 1% (one percent) of the net proceeds of any disposals of assets by the Company in the relevant month; or

2.6.2.1.2 for so long as the Enterprise Value is equal to or more than R10 000 000 000 (ten billion Rand) but less than R17 500 000 000 (seventeen billion, five hundred million Rand), an amount equal to the sum of:

2.6.2.1.2.1 the fee amount resulting from the formula in clause 2.6.2.1.1 (i) *plus* 0.78% (zero comma seventy eight percent) of the amount by which the Enterprise Value exceeds R10 000 000 000 (ten billion Rand); **and**

2.6.2.1.2.2 1% (one percent) of the net proceeds of any disposals of assets by the Company in the relevant month; or

2.6.2.1.3 for so long as the Enterprise Value is equal to or more than R17 500 000 000 (seventeen billion five hundred million Rand) but less than R30 500 000 000 (thirty billion, five hundred million Rand), an amount equal to the sum of:

2.6.2.1.3.1 the fee amount resulting from the formula in 2.6.2.1.2.1 **plus 0.66%** (zero comma sixty six percent) of the amount by which the Enterprise Value exceeds R17 500 000 000 (seventeen billion, five hundred million Rand); **and**

2.6.2.1.3.2 1% (one percent) of the net proceeds of any disposals of assets by the Company in the relevant month;

2.6.2.1.4 for so long as the Enterprise Value is equal to or more than R30 500 000 000 (thirty billion, five hundred million Rand), but less than R53 000 000 000 (fifty three billion Rand), an amount equal to the sum of:

2.6.2.1.4.1 the fee amount resulting from the formula in 2.6.2.1.3.1 **plus 0.56 %** (zero comma fifty six percent) of the amount by which the Enterprise Value exceeds R30 500 000 000 (thirty billion, five hundred million Rand); **and**

2.6.2.1.4.2 1% (one percent) of the net proceeds of any disposals of assets by the Company in the relevant month;

2.6.2.1.5 for so long as the Enterprise Value is equal to or more than R53 000 000 000 (fifty three billion Rand), but less than R93 000 000 000 (ninety three billion Rand), an amount equal to the sum of:

2.6.2.1.5.1 the fee amount resulting from the formula in 2.6.2.1.4.1 **plus 0.45 %** (zero comma forty five percent) of the amount by which the Enterprise Value exceeds R53 000 000 000 (fifty three billion Rand); **and**

- 2.6.2.1.5.2 1% (one percent) of the net proceeds of any disposals of assets by the Company in the relevant month.
- 2.6.2.1.6 for so long as the Enterprise Value is equal to or more than R93 000 000 000 (ninety three billion Rand), but less than R160 000 000 000 (one hundred and sixty billion Rand), an amount equal to the sum of:
- 2.6.2.1.6.1 the fee amount resulting from the formula in 2.6.2.1.5.1 **plus 0.40 %** (zero comma forty percent) of the amount by which the Enterprise Value exceeds than R93 000 000 000 (ninety three billion Rand); **and**
- 2.6.2.1.6.2 1% (one percent) of the net proceeds of any disposals of assets by the Company in the relevant month;
- 2.6.2.1.7 for so long as the Enterprise Value is equal to or more than R160 000 000 000 (one hundred and sixty billion Rand), an amount equal to the sum of:
- 2.6.2.1.7.1 the fee amount resulting from the formula in 2.6.2.1.6.1 **plus 0.35 %** (zero comma thirty five percent) of the amount by which the Enterprise Value exceeds than R160 000 000 000 (one hundred and sixty billion Rand); **and**
- 2.6.2.1.7.2 1% (one percent) of the net proceeds of any disposals of assets by the Company in the relevant month.
- 2.6.2.2 For purposes of this paragraph 2.4.2, “**Enterprise Value**” means the aggregate of the market capitalisation of the Company and the borrowings of the Company at the relevant time; and for purposes of this definition:
- 2.6.2.2.1 “**market capitalisation**” means the market capitalisation of the Company on the JSE at the close of business on the last trading day of the month in question, calculated as the volume weighted average traded price of a Company share on the JSE for the 30 (thirty) trading days prior to the last trading day in question multiplied by the number of shares in issue at the relevant time excluding treasury shares (but including any preference shares). For purposes of calculating the number of shares in issue, the Manager shall be entitled to take into account any shares still to be issued pursuant to an unconditional acquisition, the effective date of which occurs prior to the date on which such shares are to be issued; and
- 2.6.2.2.2 “**borrowings**” mean the aggregate of the Group’s interest bearing borrowings on the last business day of the month in question. In determining the borrowings, the Manager shall be entitled to take into account any borrowings to be incurred in respect of an unconditional acquisition, the effective date of which occurs prior to the date on which the funding is to be advanced.

2.7 Expenses:

Approved expenses incurred by the Manager in providing the Management Services are to be reimbursed by the Company to the Manager.

2.8 Duration:

The Manager will manage the Company for a non-renewable term of 10 years (“the **Term**”) and on the expiry of the Term, the Company will (at the election of the Manager) acquire either: (i) all of the issued shares of the Manager from the Manager’s then existing shareholders; or (ii) the Manager’s business as a going concern. The consideration payable by the Company for the shares in the Manager or its business (as the case may be) (the “**Internalisation Consideration**”) shall be determined in accordance with the formula in 2.9 below and may be settled in cash or, with the approval of the requisite majority of disinterested Shareholders in general meeting, using the Company’s Shares.

2.9 Termination:

The Management Agreement may be terminated by:

- 2.9.1 the Company, if the shareholders of the Company in general meeting pass an ordinary resolution in terms of which they resolve that the Company should cancel the Management Agreement;
- 2.9.2 the Company, upon the expiration of the Initial Period, if the Company has not completed an acquisition of income-generating assets in accordance with paragraph 4.35 of the Listings Requirements;
- 2.9.3 the Manager, upon the occurrence of an affected transaction (as defined in the Companies Act) in respect of the Company;
- 2.9.4 the Manager, upon: (i) any person acting alone, (ii) two or more related or inter-related persons; or (iii) two or more persons acting in concert, acquiring a beneficial interest in 35% (thirty five percent) or more of the total issued share capital of the Company or 35% (thirty five percent) of the voting rights attaching to issued securities of the Company; or
- 2.9.5 either the party, upon the other party committing a material breach of the Management Agreement which goes to the root of the Management Agreement and cannot be remedied by the payment of monetary compensation.

In the event that: (i) the Manager terminates the Agreement by reason of a breach by the Company; or (ii) the Company terminates the Agreement for reasons other than a breach by the Manager, the Company shall be required to pay a termination fee calculated in accordance with the following formula:

$$\text{Termination Fee} = ((F \times 12) - C) \times (1 \times \text{tax rate}) \times (P/E)$$

Whereas, for purposes of the formula above:

F = the total fee payable to the Manager in the month immediately prior to effective date of the termination of the Management Agreement;

C = the Manager's aggregate costs for the 12 (twelve) month period immediately prior to the effective date of the termination of the Management Agreement as set out in the Manager's audited financial statements;

tax rate = the tax rate applicable to the Manager as at the effective date of the termination of the Management Agreement;

P = the volume weighted average traded price of a Share on the JSE for the 30 (thirty) trading days immediately prior to the effective date of the termination of the Management Agreement; and

E = the Company's earnings as set out in the Company's latest audited financial statements.

2.10 Exclusivity:

The Manager shall not, without the prior written consent of the Company's Board, provide any of the services contemplated in the Management Agreement to any person other than the Company or any other member of the Company's Group. Any opportunity (which meets the investment criteria of the Company) to acquire, dispose of or acquire any securities or interest of whatsoever nature in a company or entity which is involved in business conduct which could be interpreted as being in competition with the Company's business which may become available or offered, directly or indirectly, to the Manager from time-to-time shall first be offered to the Company.

REPORT OF HISTORICAL FINANCIAL INFORMATION

The definitions and interpretations commencing on page 8 of the Prospectus have been used throughout this **Annexure 6**.

Basis of preparation

The historical financial information of AEP, comprising of the statement of financial position as at 24 January 2017 and notes thereto has been extracted, without adjustment, from the audited statutory financial statements of the AEP for the one-day period ended 24 January 2017 in accordance with IFRS (“**AEP Limited Historical Financial Information**”).

Deloitte & Touche is the reporting accountant to AEP. Deloitte & Touche conducted the audit of the AEP Limited Historical Financial Information for the one-day period ended 24 January 2017 in accordance with International Standards on Auditing and reported without qualification on the AEP Limited Historical Financial Information.

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

Directors commentary

AEP was incorporated on 24 January 2017 and will serve as a holding company for the Group.

STATEMENT OF FINANCIAL POSITION AS AT 24 JANUARY 2017

	Notes	as at 24 Jan 2017 R
Assets		
Current assets		200
Cash and cash equivalents	2	200
Total assets		200
Equity and liabilities		
Equity		200
Share capital	3	200
Total equity and liabilities		200

STATEMENT OF MOVEMENT IN SHAREHOLDER FUNDS FOR THE ONE-DAY PERIOD ENDED 24 JANUARY 2017

	Share capital	Retained earnings	Total equity
As at 24 January 2017	–	–	–
Issue of shares	200	–	200
Total changes	200	–	200
As at 24 January 2017	200	–	200

NOTES TO THE FINANCIAL STATEMENTS

For the one-day period ended 24 January 2017

1. ACCOUNTING POLICIES

The following are the principal accounting policies used in preparation of the financial statements:

General information

African Energy Partners is a Clean Energy Products, Services and Infrastructure company. African Energy Partners Limited was incorporated on 24 January 2017.

Statement of compliance

The Financial Statements of African Energy Partners Limited have 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, the requirements of the JSE Listings Requirements and the Companies Act.

Basis of preparation

The Financial Statements of African Energy Partners Limited have 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 Financial Statements of African Energy Partners Limited have 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 Financial Statements Information is South African Rand.

The financial statements were prepared by Tanchi Consulting.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of cash on hand and balances with banks.

Cash and cash equivalents comprise of the following statement of financial position amounts:

Cash on hand	200
Total cash and cash equivalents	200

3. SHARE CAPITAL

Unissued ordinary shares are under the control of the Directors in terms of a resolution passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

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

Authorised share capital as at 24 January 2017 consist of 10 000 000 000 (ten billion) ordinary shares of no par value.

Issued share capital	200
Ordinary	
<i>200 Ordinary shares of no par value at R1.00 per share</i>	
	200

4. TAXATION

No provision has been made for taxation as African Energy Partners Limited has no taxable income during the one-day period ended.

5. **EMPLOYEES**

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

6. **COMPARATIVE FINANCIAL INFORMATION**

The Company was incorporated in January 2017 and therefore no comparative financial information is presented.

7. **SUBSEQUENT EVENTS**

African Energy Partners Limited is a Special Purpose Acquisition Company ("**SPAC**") which has been formed with the intention to list on the Johannesburg Stock Exchange ("**JSE**"). There has been no adjusting change in the financial or trading position of African Energy Partners Limited between date of incorporation and the date of issue of these financial statements.

INDEPENDENT REPORTING ACCOUNTANTS' REPORTS ON THE HISTORICAL FINANCIAL INFORMATION OF AEP

The Board of Directors
African Energy Partners Limited
28 Fricker Road, Illovo
Sandton, Johannesburg
Gauteng, 2196

20 April 2017

Introduction

We have audited the historical financial information of African Energy Partners Limited in respect of the period ended 24 January 2017 set out in Annexure 6 of the Prospectus, to be issued on or about Tuesday, 9 May 2017. The historical financial information comprises the statement of financial position as at the year-end date, the statement of cash flows for the period then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Historical Financial Information

The directors are responsible for the preparation and fair presentation of the historical financial information in accordance with the requirements of the JSE Listings Requirements ("**Listings Requirements**"), and for such internal control as the Directors determine is necessary to enable the preparation of historical financial information that is free from material misstatement, whether due to fraud or error.

The Listings Requirements require the historical financial information in respect of the annual period to be prepared in accordance with the conceptual framework, the measurement and recognition requirements of IFRS, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and also, as a minimum, to be presented and contain the disclosures required by the Listings Requirements.

Auditor's Responsibility

Our responsibility is to express an opinion on the historical financial information based on our audit.

We conducted our audit of the historical financial information in accordance with International Standards on Auditing (ISAs). These standards require that we comply with ethical requirements.

We plan and perform the audit to obtain reasonable assurance about whether the historical financial information is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the historical financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to entity's preparation of the historical financial information 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 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 historical financial information.

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

Opinion

In our opinion, the historical financial information in respect of the period ended 24 January 2017 is prepared, in all material respects, in accordance with the requirements of the Listings Requirements and IFRS, as set out in the notes to the historical financial information.

Other information in the Prospectus

As required by paragraph 8.53 of the Listings Requirements, we have read the Prospectus in which the historical financial information is contained, for the purpose of identifying whether there are material inconsistencies between the Prospectus and the historical financial information which has been subject to audit. The Prospectus is the responsibility of the Directors. Based on reading the Prospectus we have not identified material inconsistencies between this report and the historical financial information which has been subject to audit. However, we have not audited the Prospectus and accordingly do not express an opinion on it.

Consent

We consent to the inclusion of this report, which will form part of the Prospectus, in the form and context in which it appears.

Deloitte & Touche

Registered Auditor
Per: Mandisi Mantyi
Partner

20 April 2017

Deloitte & Touche
Deloitte Place
The Woodlands
20 Woodlands Drive
Woodmead
Sandton
2196

**REPORT BY THE AUDITOR IN TERMS OF REGULATION 79 OF THE COMPANIES ACT
IN RESPECT OF AFRICAN ENERGY PARTNERS LIMITED**

The Directors
The Board of Directors
African Energy Partners Limited
28 Fricker Road, Illovo
Sandton, Johannesburg
Gauteng, 2196

20 April 2017

Dear Sirs

Report of the factual findings by the auditor in terms of Regulation 79 of the Companies Act to the directors of African Energy Partners Limited (“AEP”).

We have performed the procedures agreed with you and enumerated below in relation to AEP fulfilling the requirements of Regulation 79 of the Companies Act in terms of AEP issuing a prospectus as contemplated in Regulation 56 of the regulations promulgated from time-to-time under the Companies Act 71 of 2008, of South Africa.

Our engagement was undertaken in accordance with the International Standard on Related Services 4400, Engagements to Perform Agreed-upon Procedures Regarding Financial Information. The responsibility for determining the adequacy or otherwise of the procedures agreed to be performed is that of the directors of AEP.

Procedures performed and findings

1. Enquire of the directors of the Company (“**Directors**”) whether any annual financial statements were prepared for the Company in respect of any part of the three years ending on a date three months before the issue of the prospectus.

The Directors advised us that no annual financial statements were prepared for the Company in respect of any part of the three years ending on a date three months before the issue of the prospectus.

2. Obtain and read the minutes of meetings of the Board of Directors since the date of incorporation of the Company as at 24 January 2017 and up to the date of this report, and report any matters regarding changes in assets or liabilities.

Based on our reading of the minutes of meetings of the Board of Directors since the date of incorporation of the Company as at 24 January 2017 and up to the date of this report, the Directors having advised us that the minutes of all such meetings through that date were set forth therein, there was no change in the assets or liabilities of the Company between the date of incorporation of the Company as at 24 January 2017 and the date of this report.

3. Obtain a management representation letter which confirms that:
 - No annual financial statements were prepared for the Company in respect of any part of the three years ending on a date three months before the issue of the prospectus.
 - There have been no changes in the assets and liabilities of the Company and its subsidiaries since the date of incorporation of the Company being 24 January 2017 and the date of this report. If there have been changes in the assets and liabilities of the Company, these should be specified in the aforementioned letter.
 - AEP did not control any subsidiaries and had not traded at the date of this report.

The Directors provided us with a management representation letter confirming that:

- No annual financial statements were prepared for the Company in respect of any part of the three years ending on a date three months before the issue of the prospectus.
- There have been no changes in the assets and liabilities of the Company and its subsidiaries since the date of incorporation of the Company being 24 January 2017 and the date of this report.
- AEP did not control any subsidiaries and had not traded at the date of this report.

Because the above procedures do not constitute either an audit, review or other assurance engagement made in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements, we do not express any assurance on the financial information of AEP required in terms of Regulation 79.

Had we performed additional procedures or had we performed an audit or review of, or other assurance engagement on the financial information of AEP required in terms of Regulation 79 in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the items specified above and does not extend to any financial statements of AEP taken as a whole.

Consent

We consent to the inclusion of this report, which will form part of the Prospectus, in the form and context in which it appears.

Deloitte & Touche

Registered Auditor
Per: Mandisi Mantyi
Partner

20 April 2017

Deloitte & Touche
Deloitte Place
The Woodlands
20 Woodlands Drive
Woodmead
Sandton
2196

AEP RISK FACTORS

This annexure describes the risk factors which are considered by the Directors to be material in relation to the Company.

Risk	Level	Mitigating factors
Maintenance Risk	Low	The Company will implement maintenance agreements with suitably qualified third parties, typically original equipment manufacturers.
Operational Risk	Moderate	AEP will use reputable Operators, dedicated service providers, and engineering and environmental consulting houses. Selection of EPC partners will also take into account their Operator offering. AEP personnel will be adequately trained, so that over time, operations and preventative maintenance are in-house.
Availability of Feed-Stock Gases	High	Long-term supply agreements will be in place, including secondary source. The Company intends to secure its own feed-stock reserves.
Off Take Risk	High	AEP will sign long-term take-or-pay agreements with minimum conditions for customers, as well as performance penalties. AEP will seek primary and secondary customers for each facility.
Regulatory and Environmental Risk	Moderate	Requisite consents and licenses will be obtained upfront. Full SHEQ and other compliance during operation.
Financial Risk	High	Customer due diligence will be performed. The Company will have appropriate gearing levels. Non-recourse project finance where appropriate.

SHAREHOLDER RESOLUTIONS

On 21 February 2017, the shareholders of the Company, *inter alia*, passed the following resolutions:

- a special resolution approving the conversion of the Company from a private company to a public company;
- a special resolution adopting a new MOI for the Company which complies with schedule 10 of the Listings Requirements; and
- a special resolution approving the change of the Company's name from "**African Energy Partners Proprietary Limited**" to "**African Energy Partners Limited**".

On 5 April 2017, the shareholders of the Company, *inter alia*, passed the following resolutions:

- a special resolution in terms of section 41 of the Companies Act to authorise the Company to issue the Offer Shares for purposes of implementing the Offer; and
- a special resolution authorising the Board of the Company to provide financial assistance to persons approved by the Board and/or other companies in the AEP Group as contemplated in sections 44 and 45 of the South African Companies Act.



African Energy Partners Limited

(Incorporated in the Republic of South Africa)

(Registration number: 2017/024904/06)

JSE share code: AEY ISIN: ZAE000241741

("AEP" or "the Company")

APPLICATION FORM (*blue*)

To be completed by those Qualifying Investors selected to participate in the Offer

The definitions and interpretations commencing on page 8 of the Prospectus apply, *mutatis mutandis*, to this Application Form.

This Application Form, once completed and submitted constitutes an irrevocable offer to subscribe for Shares in AEP at an Offer Price of R10.00 per Offer Share to those Qualifying Investors selected to participate in the Offer in terms of the Prospectus which was registered by the CIPC on **Friday, 28 April 2017**.

Successful Applicants will be advised of allocations and the results of the Offer on or about **Tuesday, 30 May 2017**.

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

Dematerialised Shares

The allocated Offer Shares will be transferred to successful Applicants in Dematerialised form only. Accordingly, all successful Applicants must appoint a CSDP or Broker directly, to receive and hold the Dematerialised Shares on their behalf. Should a Shareholder require certificated Shares, he will be required, at his own cost, to rematerialise his Shares following the Listing and should contact his CSDP or Broker to do so.

As allocated Offer 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.

Those Qualifying Investors selected to participate in the Offer should complete this Application Form in respect of the Offer and hand deliver, courier or email it to:

Your Broker or CSDP

and

Questco Proprietary Limited to the following addresses:

If delivered by hand or by courier	If emailed
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AEP Offer

aep@questco.co.za

Attention: Danielle Christodoulou

Questco Corporate Advisory

First floor, Yellowwood House

Ballywoods Office Park

33 Ballyclare Drive

Bryanston

Johannesburg, 2198

The CSDP or Broker must stamp this Application Form, where indicated.

This Application Form must be received by your CSDP or Broker in sufficient time to ensure it is received and stamped by your CSDP or Broker, by Questco from your CSDP or Broker by no later than 12:00 on **Friday, 26 May 2017**. As such, it should be returned to your CSDP or Broker by the cut-off times indicated by them (usually 48 hours before the Offer cut-off time) to ensure that your Application Form is considered for allocations.

Qualifying Investors selected to participate in the Offer must contact their CSDP or Broker and advise them that they have submitted the Application Form as instructed above. Pursuant to the application, **Qualifying 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 Shares allocated to them in terms of the Offer, by the Settlement Date, expected to be on or about Thursday, 1 June 2017.

Conditions precedent

The Listing is conditional on achieving a spread of shareholders, acceptable to the JSE, being a minimum of 10% of the issued Share capital of the Company being held by the public, by not later than 48 hours prior to the Listing, as well as raising the Minimum Capital Amount.

Reservation of rights

The Board shall, in its sole discretion, determine an appropriate allocation mechanism, such that the Offer Shares will be allocated on an equitable basis, as far as reasonably possible, taking into account the spread requirements of the JSE, the liquidity of the Offer Shares, taking into consideration the potential Shareholder base that the Board wishes to achieve and whether or not the Board considers it appropriate to grant preferential allocation to any applicant or group of applicants.

The Board in its sole and absolute discretion reserves the right to allocate such additional number of Offer Shares exceeding the Minimum Capital Amount.

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) (and to allocate Offer Shares) in such manner as they may, in their sole and absolute discretion, determine, including if the terms contained in the Prospectus, of which this Application Form forms part, and the instructions herein, may not be properly complied with.

Applications in respect of the Offer must be for a minimum of 1 000 Offer Shares (and an aggregate value of R10 000).

Declaration

To the Directors:

African Energy Partners Limited

I/We, the undersigned, confirm and represent that:

- I/we have full legal capacity to contract; and
- I/we have received a printed or electronic copy of the Prospectus, to which this Application Form was attached; and
- I/we have read the Prospectus in full; and
- I/we hereby irrevocably apply for and request you to accept my/our application for the Rand value indicated in **Block A** below (or such lesser number in your discretion) to subscribe for or purchase Offer Shares under the Offer set out in the Prospectus to which this Application Form is attached and in terms of the terms and conditions set out therein and which Shares may, in your absolute discretion, be allotted to me/us, subject to the Memorandum of Incorporation of AEP; and
- I/we acknowledge that my/our application for Offer Shares herein may not be withdrawn once submitted;
- I/we agree to being issued, subject to the discretion of the Board, the number of Offer Shares applied for as indicated in **Block A** (or such lesser amount in your discretion);
- I/we agree to receive my/our allocated Offer Shares in Dematerialised Form and will deliver this Application Form to **Questco Proprietary Limited**, at one of the addresses indicated above, 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**;
- If I/we am/are a natural person(s) that I/we am/are over the age of 18 years and do not suffer from any legal disability preventing me/us from applying for Shares;
- I/we understand that the subscription for or purchase of Offer Shares in terms of the Prospectus is conditional on the granting of a Listing of the Offer Shares of AEP, by Thursday, 1 June 2017 or such later

date as the Directors may determine, on the JSE;

- I/we confirm that the information and statements in this Application Form are accurate and complete; and
- I/we hereby authorise the Directors of AEP and Questco Proprietary Limited to do anything necessary on my/our behalf necessary to have the allocated Shares issued to me/us; and
- by providing an email address below, I/we hereby notify the Company of my/our email address in accordance with clause 8.6.2 of the MOI, confirm that this shall be my/our email address for purposes of receiving notices by way of Electronic Communication and consent to the receipt of all relevant Company communication by way of Electronic Communication, in accordance with the provisions of the MOI, for purposes of the Memorandum of Incorporation and the Prospectus.

Please complete all relevant information below. Failure to complete any section may result in your application being rejected.

Dated: _____ Telephone/cell number: () _____

Full names: _____

Assisted by (where applicable): _____

Email address: _____

Mobile phone number: _____

Block A

Surname of individual or name of corporate or legal body	Mr
	Mrs
	Miss
	Other title
Full names (if individual)	
Postal address (preferably PO Box address)	Postal code
Telephone number ()	
Mobile phone number ()	
Email address	
Number of Shares applied for	
Total value subscribed for (number of shares applied for multiplied by the Offer Price of R10.00 per Share)	

Required information must be completed by CSDP or Broker with their stamp and signature affixed thereto. **CSDP and Broker to stamp only once they have confirmed availability of funds in Applicant's securities account.**

CSDP or Broker name	
CSDP or Broker contact person	
CSDP contact telephone number	
CSDP or Broker email address	
SCA or bank CSD account number	
Client scrip account number held at CSDP or Broker	
Client settlement bank account number	
CSDP's/Broker's stamp	

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

Instructions:

1. Applications may be made on this Application Form in respect of the Offer only for a minimum of 1 000 Offer Shares for a single addressee acting as applicant. Copies or reproductions of the Application Form will be accepted at the discretion of the Directors of AEP.
2. Applications are irrevocable and may not be withdrawn once submitted.
3. CSDP's and Brokers will be required to retain this Application Form for presentation to the Directors if required.
4. Please refer to the terms and conditions of the Offer set out section 2, paragraph 3 in the Prospectus. Applicants should consult their Broker or other professional advisor in case of doubt as to the correct completion of this Application Form.
5. 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.
6. No payment should be submitted with this Application Form to AEP or Questco.
7. If payment is dishonoured, or not made for any reason, AEP may, in its sole discretion, regard the relevant application as invalid or take such other steps in regard thereto as it may deem fit.
8. No receipts will be issued for Application Forms, application monies or any supporting documentation.
9. All alterations on this Application Form must be authenticated by full signature.
10. Blocked Rand may be used by emigrants and non-residents of the Common Monetary Area for payment in terms of this and reference should be made to section 4, paragraph 2 of the Prospectus, which deals with the Exchange Control Regulations. If you are in any doubt in regard thereto, please consult your professional advisor.
11. As allocated Offer Shares are being transferred to successful Applicants on a delivery-versus-payment basis, no payment will be required to be made if the Offer or the Listing is not successful.

