

Capital Appreciation

CAPITAL APPRECIATION LIMITED

(formerly Firefly Investments 285 Proprietary Limited)

(Incorporated in South Africa)

(Registration number 2014/253277/06)

JSE share code: CTA ISIN: ZAE000208245

("the Company")

PRE-LISTING STATEMENT

The definitions and interpretations commencing on page 16 of this document apply to this entire document, including this cover page, except where the context indicates a contrary intention.

This Pre-Listing Statement relates to a private placement by way of an offer for subscription made by the Company, subject to certain conditions, to selected persons who fall within one of the specified categories listed in section 96(1) (a) of the Companies Act, to whom the offer will specifically be addressed, and by whom the offer will be capable of acceptance, of the Offer Shares at the offer price of R1.00 per Offer Share, to raise not less than R500 000 000, being the minimum amount required to be raised in order to list as a SPAC on the Main Board. Consequently, this Pre-Listing Statement is not an offer, or an invitation or solicitation of an offer, to the general public to subscribe for, or otherwise acquire, Offer Shares in any jurisdiction and is issued in compliance with the JSE Listings Requirements for the purpose of providing information to selected persons. The JSE has approved this Pre-Listing Statement.

The JSE has granted the Company a listing as a SPAC in respect of all of the Offer Shares that will be issued pursuant to the Private Placement together with the Founders' Initial Ordinary Shares that will be held by the Founders after the FIOS Repurchase Adjustment in the "Speciality Finance" sector of the Main Board, under the abbreviated name: "CAPPREC", JSE ordinary share code: "CTA" and ISIN: ZAE000208245, with effect from the commencement of trade on 16 October 2015, subject to the Company having satisfied the minimum free float requirement, as prescribed by the JSE Listings Requirements and acceptable to the JSE. The JSE Listings Requirements provide that a minimum of 20% of the Ordinary Shares must be held by the public (as defined by the JSE Listings Requirements) to ensure reasonable liquidity.

As at the Listing Date, assuming the Company raises only R500 000 000, being the minimum amount required for the Company to qualify for a Main Board listing as a SPAC, through the Private Placement:

- the authorised shares of the Company will comprise 10 000 000 000 Ordinary Shares and 4 000 Constituent Shares; and
- the issued shares of the Company will comprise 625 000 000 Ordinary Shares and 4 Constituent Shares.

This Pre-Listing Statement does not, nor does it intend to, constitute a "registered prospectus", as contemplated by the Companies Act. No prospectus has been filed with the South African Companies and Intellectual Property Commission in respect of the Private Placement.

Financial Advisor and Bookrunner



Attorneys to the Company

BG Bowman Gilfillan
AFRICA GROUP

Attorneys to the Bookrunner

WEBBER WENTZEL

in alliance with > **Linklaters**

Sponsor

Out of the Ordinary®

 **Investec**
Specialist Bank

Auditors and Reporting Accountants

 **EY** Building a better working world

The Underwriters have agreed to underwrite the amount of R500 000 000, which is the minimum amount that the Company is required to raise pursuant to the Private Placement in order to qualify for a listing as a SPAC on the Main Board, and the Board has made due and careful enquiry to confirm that the Underwriters can meet their commitments in respect of such underwriting. The Underwriters have waived any underwriting fee to which they would otherwise be entitled.

As part of and pursuant to the Private Placement:

- the Founders have committed to subscribe, collectively, for not less than 360 000 000 Offer Shares at the Offer Price;
- the Additional Committed Investors have committed to subscribe, collectively, for 56 700 000 Offer Shares at the Offer Price; and
- the Subscribing Director has committed to subscribe for 3 600 000 Offer Shares at the Offer Price.

In addition:

- the Underwriters have already subscribed for 4 Constituent Shares on the terms set out in this Pre-Listing Statement; and
- the Founders have already subscribed for the Founders' Initial Ordinary Shares on the terms set out in this Pre-Listing Statement.

The subscriptions by the Underwriters for the Constituent Shares and by the Founders for the Founders' Initial Ordinary Shares do not form part of the Private Placement.

None of the Constituent Shares or the Ordinary Shares will be held in treasury on the Listing Date.

On the Listing Date, all of the Offer Shares will rank, *pari passu*, in all respects with all existing issued shares of the Company (other than the Constituent Shares), including with respect to voting and distribution rights. The Offer Shares do not carry any conversion rights but they may be redeemed as described in paragraphs 2.8 and 4.4.1 of this Pre-Listing Statement.

Shareholders are advised that their Offer 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 Private Placement. 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 Private Placement is conditional upon the Ordinary Shares being listed on the Main Board, failing which the Private Placement and any acceptance thereof shall not be of any force or effect, and no person shall have any claim whatsoever against the Company or any other person as a result of the non-fulfilment of such condition, other than an investor's claim for repayment of the subscription price paid.

The Directors, whose names are given in paragraph 3.1 of this Pre-Listing Statement, collectively and individually accept full responsibility for the accuracy of the information provided in this Pre-Listing Statement 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 Pre-Listing Statement contains all information required by the JSE Listings Requirements.

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

An abridged version of this Pre-Listing Statement will be released on SENS on 28 September 2015 and published in the press on 29 September 2015.

Date of issue: 28 September 2015

This Pre-Listing Statement is only available in English. Copies of this Pre-Listing Statement may be obtained during normal business hours from the registered office of the Company and the offices of the Sponsor and the Transfer Secretaries at their respective addresses set out in the "Corporate Information and Advisors" section of this Pre-Listing Statement from the date of issue hereof until 9 October 2015.

CORPORATE INFORMATION AND ADVISORS

Share code: The JSE share code “**CTA**” has been assigned to the Company.

Registered Office

c/o Bowman Gilfillan Inc.
165 West Street
Sandton, 2196
(PO Box 785812, Sandton, 2146)

Company Secretary

Horwath Leveton Boner
(Independent Auditors Registration Number 93787)
3 Sandown Valley Crescent
Sandown, 2196

Legal Advisors to the Company and Escrow Agent

Bowman Gilfillan Inc.
(Registration number 1998/021409/21)
165 West Street
Sandton, 2196
(PO Box 785812, Sandton, 2146)

Financial Advisor and Bookrunner

Macquarie First South Capital Proprietary Limited
(Registration number 2003/014483/07)
The Place, South Building
1 Sandton Drive
Sandton, 2196
(PO Box 783745, Sandton, 2146)

Legal Advisors to the Bookrunner

Webber Wentzel
10 Fricker Road
Illovo Boulevard
Illovo, 2196
(PO Box 61771, Marshalltown, 2107)

Sponsor

Investec Bank Limited
(Registration number 1969/004763/06)
100 Grayston Drive
Sandown
Sandton, 2196
(PO Box 785700, Sandton, 2146)

Auditors and Independent Reporting Accountants

Ernst and Young Inc.
(Registration number 2005/002308/21)
102 Rivonia Road
Sandton, 2196
(Private Bag X14, Sandton, 2146)

Transfer Secretary

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

**Commercial Banker to the Company and Funder
to BEE entities – CAET and Capital Appreciation
67 Scheme**

Absa Bank Limited
(Registration number 1986/004794/06)
Barclays Towers West, 7th Floor
15 Troye Street
Johannesburg, 2001
(PO Box 7735, Johannesburg, 2023)

Underwriters

The Underwriting Group
c/o the Company

Public Relations Advisor

Vestor Media and Investor Relations
No 8 Janet Road
Bordeaux
Johannesburg, 2194

Website: www.CapitalAppreciation.co.za

Date and Place of Incorporation: 3 December 2014, South Africa

TABLE OF CONTENTS

	<i>Page</i>
CORPORATE INFORMATION AND ADVISORS	1
KEY INFORMATION	5
IMPORTANT INFORMATION	13
IMPORTANT DATES AND TIMES	15
DEFINITIONS AND INTERPRETATIONS	16
PRE-LISTING STATEMENT	21
1. INTRODUCTION	21
2. THE COMPANY, THE PRIVATE PLACEMENT AND THE ACQUISITION OF VIABLE ASSETS	21
2.1 The Company	21
2.2 Private Placements, Size and Underwriting	22
2.3 Firm Commitments for Subscription of Offer Shares as Part of the Private Placement	22
2.4 The Founders' Initial Ordinary Shares	22
2.5 The Constituent Shares	22
2.6 The Founders and their Experience	22
2.7 Experience of Independent Non-Executive Directors	24
2.8 Acquisition of Viable Assets	25
2.9 Acquisition Criteria	26
2.10 Escrow Agent	26
2.11 Subsidiaries	27
3. DIRECTORS, OTHER OFFICE HOLDERS AND MATERIAL THIRD PARTIES	27
3.1 Directors	27
3.2 Details of Directors	27
3.3 Appointment and Remuneration	29
3.4 Borrowing Powers of the Company Exercisable by the Directors	29
3.5 Appointment, Qualification and Remuneration of Directors	30
3.6 Directors' Declarations	30
3.7 Interests in Securities	30
3.8 Interests of Directors and Promoters	31
3.9 Directors' Interests in Transactions	31
4. SHARE CAPITAL OF THE COMPANY	32
4.1 Authorised and Issued Shares of the Company	32
4.2 Changes to the Authorised and Issued Shares of the Company	32
4.3 Authority to Issue Shares	33

	<i>Page</i>	
4.4	Rights Attaching to Shares	33
4.5	Distributions	34
4.6	Variation of Rights	34
4.7	Preferential Conversion and/or Exchange Rights	34
4.8	Other Listings	35
4.9	The Capital Appreciation Share Option Plan	35
5.	ARRANGEMENTS WITH THE FOUNDERS	35
6.	FIOS REPURCHASE ADJUSTMENT	37
7.	FINANCIAL INFORMATION	37
7.1	Financial Statements and Reporting Accountants' Report	37
7.2	Estimated Operating Expenses	37
7.3	Commission and Fees Paid and Payable to Underwriters and Bookrunner	38
7.4	Preliminary Expenses and Issue Expenses	39
7.5	Loans	39
7.6	Working Capital	40
8.	MATERIAL CONTRACTS	40
9.	THE CAPITAL APPRECIATION 67 SCHEME	40
10.	ADDITIONAL INFORMATION	41
10.1	Corporate Governance	41
10.2	Property Acquired or to be Acquired or Disposed	41
10.3	Management Contracts	42
10.4	Royalties	42
10.5	Material Changes	42
10.6	Prospects	42
10.7	Principal Immovable Properties	42
10.8	Litigation Statement	42
10.9	Details of Government Protection and Investment Encouragement Law	42
11.	PARTICULARS OF THE PRIVATE PLACEMENT	42
11.1	Purpose of the Private Placement and the Listing	42
11.2	The Private Placement	42
11.3	Time and Date of the Opening and Closing of the Private Placement	44
11.4	Offer Price	44
11.5	Shares of the Company on Listing Date	44
11.6	Participation in the Private Placement	44
11.7	Representation and Waiver	44
11.8	Allocation	45

11.9	Application, Payment and Delivery of Offer Shares	45
11.10	Exchange Control Regulations	46
11.11	Dematerialisation of Offer Shares	46
11.12	Applicable Law	46
11.13	Strate	46
11.14	The Listing	47
11.15	Conditions of the Listing	47
11.16	Minimum Subscription	47
11.17	Placement Agreement	47
11.18	Selling and transfer restrictions	48
12.	EXCHANGE CONTROL	49
12.1	Applicable Legislation; Delegation of Powers; Authorised Dealers	49
12.2	Exchange Control Limitations – General	49
12.3	Exchange Controls Applicable to the Private Placement – General	49
12.4	Exchange Controls Applicable to the Private Placement – Emigrants from the Common Monetary Area	49
12.5	Exchange Controls Applicable to the Private Placement – Applicants Resident Outside the Common Monetary Area	50
13.	DIRECTORS’ RESPONSIBILITY STATEMENT	50
14.	DOCUMENTS AVAILABLE FOR INSPECTION	50
Annexure A	The Capital Appreciation Empowerment Trust	52
Annexure B	Other Directorships	54
Annexure C	Directors’ Letters of Appointment and Service Contracts	57
Annexure D	Extracts of the Memorandum of Incorporation	59
Annexure E	Founders’ Shareholdings as at the Last Practicable Date and Post the Private Placement	63
Annexure F	Salient Features of the Capital Appreciation Share Option Plan	64
Annexure G	Audited Annual Financial Statements	69
Annexure H	Independent Reporting Accountants’ Report	75
Annexure I	Salient Terms of Material Contracts	77
Annexure J	Corporate Governance and the King Code	80

KEY INFORMATION

The following information is only a summary of the more detailed information contained in the main body of this Pre-Listing Statement. It is not complete and does not contain all the information that investors should consider before deciding to invest in the Offer Shares. Investors should read the entire Pre-Listing Statement carefully.

OVERVIEW OF THE COMPANY

Introduction

The Company was acquired by the Underwriters for the purposes of being listed on the Main Board as a SPAC to pursue acquisitions of, and investments in, commercial enterprises with good growth potential.

The Company intends to obtain a listing as a SPAC on the Main Board following subscriptions for the Offer Shares pursuant to the Private Placement. This Pre-Listing Statement sets out the details of the Private Placement.

If the Company does not Complete an acquisition of Viable Assets within the Initial Period, the Company will, by the redemption of the issued Ordinary Shares on the basis as more fully set out in paragraphs 2.8 and 4.4.1 of this Pre-Listing Statement, return the money then held by, or on behalf of, the Company less the aggregate of all amounts payable by, or on behalf of, the Company, including, without limitation, (i) Permissible Operating Expenses, (ii) the amounts payable by the Company in respect of Founders' Initial Ordinary Shares which will be repurchased on the basis set out in paragraph 6.4 of this Pre-Listing Statement, and (iii) any amounts payable by, or on behalf of, the Company to implement the Redemption.

The Company will have not less than R500 000 000 in an interest bearing escrow account, the minimum interest on which should exceed the monthly operating costs and fees payable to the non-executive Directors. So, if the Company implements the Redemption, the interest earned of the Offer Proceeds will likely exceed (i) Permissible Operating Expenses, (ii) the amounts payable by the Company in respect of the Founder's Initial Ordinary Shares which will be repurchased on the basis set out in paragraph 6.4 of this Pre-Listing Statement, and (iii) any amounts payable by, or on behalf of, the Company to implement the Redemption. Therefore, the Board anticipates that if the Redemption occurs, each holder of an Ordinary Share will receive from the Company an amount of not less than R1.00 per Ordinary Share.

The Founders and their experience

The Founders consist of the Underwriters and the Anchor Investors (being PIC and CAET).

In relation to the Underwriters (all of whom are Directors), their operational, commercial and financial experience is extensive and multifaceted. In addition to being chairmen, CEOs and senior executives of large organisations, the Underwriters are investors in both public and private entities and are well respected business and civic leaders with extensive networks and relationships in South Africa, Africa generally and internationally. Their collective experience will not only assist in sourcing, critically analysing and executing potential acquisitions of Viable Assets but, more importantly, in conducting the necessary due diligence investigations in relation to such transactions, attracting talented management and adding value to the strategy and operations of the Viable Assets. More information pertaining to the Underwriters is set out below:

Michael Pimstein (60), BComm Acc (Wits)

Michael has more than 30 years' experience as a senior executive in the steel, engineering and manufacturing sector having served most recently as CEO of Macsteel Service Centres SA, a position he held from 1999 through 2013. Michael has been and is a member of various government, labour and business committees that address industrial policy, growth and development plans, infrastructure requirements and investment, labour mediation and wage negotiations. Michael has served as President of the Steel and Engineering Industries Federation of Southern Africa, President of the Southern African Stainless Steel Development Association and President of the Association of Steel Service Centres. He served on the advisory committee of The Adopt-A-School Foundation.

Bradley Sacks (48), BEconSc (Wits), MBA/JD Hons (Duke University School of Business and School of Law)

Bradley has more than 20 years' experience in the financial services and investment business. Bradley is the Managing Partner of Centric. Previously Bradley was a Managing Director, Global Head of Technology, Media and Telecommunications Mergers & Acquisitions for Bank of America. Bradley was also an investment banker with Citigroup, having started his investment banking career at Salomon Brothers. Bradley started his professional career as an associate in the corporate department of Fried, Frank, Harris, Shriver & Jacobson, a law firm based in New York. Over the course of his career Bradley has been involved in evaluating, advising and investing in strategic and financing transactions with an aggregate value exceeding US\$100 billion. Among others, Bradley is a director of various private companies in which Centric has invested, giving him extensive experience in the operational management of these portfolio companies.

Michael (Motty) Sacks (72), CA(SA), AICPA (Isr)

Motty has more than 45 years' experience as a consultant, advisor and mentor to numerous local and foreign companies and executives. He has also held Executive and Non-Executive office in various business sectors, including healthcare, financial services, technology, education, property and manufacturing. Motty was a co-founder of Netcare Limited, having served as its Executive Chairman for 12 years and thereafter as Non-Executive Chairman and Non-Executive Director. Motty was also a co-founder and Chairman of Aplitec Limited (now Net 1) and co-founder of and mentor to BEE controlled Afrocentric Investment Corporation Limited. Motty has served as Chairman and/or Director on several Boards including, Fedsure Holdings, Federated Employers Mutual, The Automobile Association, Clinic Holdings, Advtech Limited, The International Association of Political Consultants and, more recently, was appointed an Independent Non-Executive Director of Adcock Ingram Limited.

Alan Salomon (66), BSc Hons (University of London), CA(SA)

Alan has more than 35 years' experience as a senior executive in an array of financial services and industrial sectors. Most recently Alan served as the CEO of Bidvest Bank, a subsidiary of The Bidvest Group Limited, a position he held for eight years. In addition to banking and financial services, Alan has also held executive management positions in waste management and waste recycling, stationery, packaging, catering equipment, services, property, import and export and distribution. He also has extensive experience in various manufacturing businesses. Other directorships held by Alan include Executive Director of The Bidvest Group Limited (from 1990 to 2012), CEO of AFCOM Group Limited, Non-Executive Director of Transpaco Limited, Non-Executive Director of Voltex Limited and Non-Executive Director of Enviroserv Holdings Limited.

In relation to PIC, it was established in 1911 and is one of the largest investment managers in Africa today, managing assets of over R1.6 trillion. PIC, a registered financial services provider, is wholly-owned by the South African Government, with the Minister of Finance as shareholder representative. PIC invests funds on behalf of public sector entities, based on investment mandates set by each of these clients and approved by the Financial Services Board. PIC has nominated Dr Daniel Matjila and Mr Roshan Morar as non-executive members of the Board. More information pertaining to Dr Matjila and Mr Morar is set out below:

Dr Daniel (Dan) Matjila (53), PhD (Wits), MSc (Rhodes), BSc Hons (Fort Hare)

Dan is a senior leader and respected figure in the investment management industry and has substantial expertise and experience as a finance and investment specialist, investment risk management specialist and investment strategist. Dan is the Chief Executive Officer of PIC where he is responsible for managing and investing funds for a diversified group of clients. He joined PIC in 2003 as a Risk Manager before being promoted to the position of the Chief Investment Officer and Executive Director in 2005. Dan is also currently a Non-Executive Director and board member at Afrisam Limited, Entabeni Holdings (Chairman) and Harith General Partners. Prior to joining PIC, he was the Senior Manager Quantitative Research Analysis for Stanlib, and before that he worked for Anglo American where he was the Senior Manager of Quantitative Research Analysis. Dan started his career as a Senior Mathematics lecturer at the University of the North and worked in academia for over nine years.

Roshan Morar (48), CA(SA), CFE

Roshan is a Chartered Accountant and the Managing director of Morar Incorporated, Public Accountants and Auditors. Roshan is the Non-Executive Deputy Chairman of PIC. He also serves as the Non-Executive Deputy Chairman of the Airports Company (SOC) Limited, is a Non-Executive Director of the South African National Road Agency (SOC) Limited and a Non-Executive Director of Adcock Ingram Holdings Limited.

In relation to CAET, this trust was specifically created by the Company for the recognition and benefit of black individuals and other historically disadvantaged South Africans. The first trustees of CAET are Michael (Motty) Sacks and Tseke Beny Nkadimeng. Absa will provide funding in an amount of R50 000 000 for the purpose of funding CAET's subscription for Ordinary Shares. CAET's subscription will be through a wholly-owned special purpose vehicle of CAET, established for the purpose of holding CAET's Ordinary Shares. As security for the funding, the Ordinary Shares indirectly held by CAET will be pledged in terms of the CAET Pledge. In addition, Michael Pimstein, Michael (Motty) Sacks and Alan Salomon have given guarantees in respect of the repayment obligations under the funding structure. Additional information on CAET is set out in Annexure A of this Pre-Listing Statement.

**Experience of Independent
Non-Executive Directors**

In addition to the Underwriters (who are members of the Board), Dr Matjila and Mr Morar, the Board comprises independent, non-executive Directors with substantial experience, reputations and expertise. More information pertaining to the independent, non-executive Directors is set out below:

Bukelwa Bulo (38), BBusSc (UCT), CA(SA)

Bukelwa is a founder and executive director of Jade Capital, a principal investment firm with a focus on the property sector, including direct property investments as well as investments in property services companies. She started her career in finance with Investec Limited as part of their TOPP programme. Bukelwa soon moved into the Investec Private Equity division where she was intimately involved in various investments made by the group in companies in the hospitality, quick service restaurant, industrial services, engineering, retail and wholesale sectors. Bukelwa is a director of Unispan Holdings Proprietary Limited and Franki Geotechnical Proprietary Limited having first been exposed to Franki as an Investec representative prior to Franki's joining with Esor. Bukelwa is also a Trustee of the Franki Africa Employee and Community Trust. Bukelwa completed the Program for Leadership Development at the Harvard Business School.

Jacob Meyer Kahn (76), BA (Law), MBA, DCom (hc)

Meyer is the former Chairman and Group Managing Director of SABMiller Plc having joined the company in 1966 and retired in 2012. During 1997 to 1999 he was seconded full-time to the South African Police Service as its Chief Executive and was awarded the South African Police Star for Outstanding Service in 2000. Meyer is a non-executive director of Netcare Limited and is currently its acting Chairman. He is a co-founder and non-executive director of Afrocentric Investment Holdings Limited. Meyer has served on the boards of numerous companies, has been active in various charitable and civic organisations and has been recognised with various business and leadership awards over his career.

Victor Sekese (49), BComm (Wits), BAcc (Wits), CA(SA)

Victor is the immediate past national Vice Chairman of the South African Institute of Chartered Accountants. He has also served as the Chairman of the audit committee and as a member of the strategy committee of the South African Institute of Chartered Accountants. Victor is active in the accounting profession having served on the board of the South African Institute of Chartered Accountants for the last ten years. He is also past National President of the Association for the Advancement of Black Accountants.

Victor is the Chief Executive of SizweNtsalubaGobodo, the largest national black owned accounting firm and fifth largest national audit and accounting firm in Southern Africa. He has extensive audit and consulting experience in various key industries such as transport, logistics, energy and the public sector.

He is a former member of the Assurance and Auditing Standards Committee, a committee of the Independent Regulatory Board for Auditors, which is tasked with setting Auditing Standards in South Africa.

Charles Valkin (81), BComm LLB (Wits), H Dip Tax (Wits)

Charles was the most senior partner in Bowman Gilfillan's Corporate, Commercial and Financial Services department. He has extensive experience in M&A and financing transactions. Chambers and Partners has regularly ranked him as one of South Africa's foremost corporate/M&A and banking and finance lawyers. Charles has been the lead lawyer in some of the largest transactions in which Bowman Gilfillan has acted as legal advisors. Charles is currently working on a full-time basis as a Special Counsel to Bowman Gilfillan.

Corporate Governance

Being listed on the JSE, the Company and the Directors will be subject to the corporate governance and financial reporting requirements contemplated by the JSE Listings Requirements and the King Code.

The Directors are committed to maintaining a high level of corporate governance throughout the Company. Effective corporate governance is central to ensuring that management and the Board lead the Company in a way that is efficient, accountable, transparent and ethical.

To further reinforce the importance of rigorous governance and provide investors with added comfort as to the sound stewardship of their investment funds, the Board has appointed Professor Mervyn E King SC (BA, LLB (Wits) (cum laude), PhD (hc) in Law (Wits), Hon LLD (Law) (Leeds University), Higher Diploma Income Tax (Wits)) as a special adviser to the Board in relation to commercial and corporate governance matters. Professor King is recognised internationally as an expert on corporate governance and sustainability.

Acquisition of Viable Assets

In terms of the JSE Listings Requirements, the Company must Complete an acquisition of Viable Assets within the Initial Period. The acquisition of Viable Assets must be approved by a majority of disinterested Directors and by an ordinary resolution of shareholders at a general meeting. Each Founder has undertaken to the Company, and to each of the other Founders, and the Subscribing Director has undertaken to the Company, that he or it will vote the Ordinary Shares that he or it holds in favour of any acquisition of Viable Assets recommended by the independent non-executive Directors.

While the Company's efforts in identifying prospective Viable Assets will not be limited to a particular industry or geographic region within South Africa and/or Africa, the Company expects to focus on acquiring a controlling interest in a company or business in the services sector (but not mining operations).

The Company will seek to acquire Viable Assets that will provide a platform for future growth and expansion, either directly in its commercial sector or in related sectors. In evaluating acquisition alternatives the Company will consider the scalability and growth potential of the target as well as the Company's ability to add value.

Specific factors the Company will also consider include the target's business model, market position, competitive position, regional expansion prospects, customer value proposition, brand position, financial condition and performance, cash generation potential, return on capital and equity metrics, prevailing and prospective gearing characteristics, capital requirements, regulatory environment and management experience and capability.

The acquisition criteria may not be changed unless a resolution is passed at a shareholders' meeting by achieving a 75% majority of the votes cast to that effect.

SUMMARY OF THE PRIVATE PLACEMENT

The Private Placement

The private placement comprises an offer for subscription made by the Company, subject to certain conditions, to selected persons who fall within one of the specified categories listed in section 96(1)(a) of the Companies Act, to whom the offer will specifically be addressed, and by whom the offer will be capable of acceptance, of the Offer Shares.

A minimum of R500 000 000 will be raised pursuant to the Private Placement, which amount has been underwritten by the Underwriters who have waived any underwriting fee to which they would otherwise be entitled.

The Offer Price for each Ordinary Share subscribed for in terms of the Private Placement is R1.00. There is no maximum number of Offer Shares which will be issued pursuant to the Private Placement. Allocations in terms of the Offer will be agreed between the Company and the Bookrunner.

Purpose of the Private Placement and the Listing

The main purposes of the Private Placement and the Listing are to:

- enable the Company to raise sufficient capital to list as a SPAC and for the acquisition of Viable Assets;
- establish the public profile and general public awareness of the Company; and
- enable the Company to access capital markets, if required, to fund the acquisition of Viable Assets.

Firm Commitments for Subscription of Offer Shares

As part of the Private Placement, the Founders have committed to subscribe, collectively, for not less than 360 000 000 Offer Shares at the Offer Price, the Subscribing Director has committed to subscribe for 3 600 000 Offer Shares at the Offer Price and the Additional Committed Investors have committed to subscribe, collectively, for 56 700 000 Offer Shares at the Offer Price. Irrevocable letters of subscription have been signed by the Founders, the Subscribing Director and the Additional Committed Investors and each of the Founders, the Subscribing Director and the Additional Committed Investors has consented to the disclosure of his or its commitments in this Pre-Listing Statement.

Indicative Timetable**2015**

Opening date of the Private Placement	09:00 on	28 September
Publication of the Pre-Listing Statement		28 September
Abridged Pre-Listing Statement published on SENS on		28 September
Expected last date and time for indications of interest for purposes of the bookbuild in terms of the Private Placement to be received	17:00 on	9 October
Expected Closing Date of the Private Placement	17:00 on	9 October
Successful applicants advised of allocations on		9 October
Finalisation Announcement released on SENS and in the South African press on		12 October
Expected Listing Date		16 October

**The above dates may change, and any such change will be published on SENS and in the South African press.*

Bookrunner

Macquarie First South Capital Proprietary Limited

Admission and Listing

The JSE has granted the Company a listing as a SPAC in respect of all of the Offer Shares that will be issued pursuant to the Private Placement together with the Founders' Initial Ordinary Shares that will be held by the Founders after the FIOS Repurchase Adjustment in the "Speciality Finance" sector of the Main Board of the JSE, under the abbreviated name: "CAPPREC", JSE ordinary share code: "CTA" and ISIN: ZAE000208245, with effect from the commencement of trade on 16 October 2015, subject to the Company having satisfied the minimum free float requirement, as prescribed by the JSE Listings Requirements and acceptable to the JSE. The JSE Listings Requirements provide that a minimum of 20% of the Ordinary Shares must be held by the public (as defined by the JSE Listings Requirements) to ensure reasonable liquidity.

Lock-up arrangements

The Company is subject to certain lock-up arrangements pursuant to the Placement Agreement under which the Company has agreed not to issue Ordinary Shares or any securities substantially similar to or convertible into Ordinary Shares (as the case may be) for a period terminating on the earlier of (i) 180 days after the Listing Date (ii) and the date on which an acquisition of Viable Assets is approved by shareholders, subject to certain exceptions, without the consent of the Bookrunner.

In addition, Ordinary Shares subscribed for by the Founders and the Subsribing Director are subject to certain restrictions, including resale restrictions, as more fully described in paragraph 5 of this Pre-Listing Statement.

JSE Sponsor

Investec Bank Limited

FOUNDERS' INITIAL ORDINARY SHARES AND CONSTITUENT SHARES

Founders' Initial Ordinary Shares

The Founders subscribed for the Founders' Initial Ordinary Shares on 21 September 2015. The subscription by the Founders for the Founders' Initial Ordinary Shares does not form part of the Private Placement. The Founders' Initial Ordinary Shares will represent 20% of all of the issued Ordinary Shares (including the Founders' Initial Ordinary Shares) following the Private Placement or 750 000 000 Ordinary Shares, whichever is the lesser. The Founders' Initial Ordinary Shares were acquired for nominal consideration, being the FIOS Subscription Price, and are subject to certain restrictions. These include restrictions prohibiting a Founder from disposing of these Founders' Initial Ordinary Shares prior to the later of (i) the first anniversary of the Completion of the acquisition of Viable Assets by the Company and (ii) the date upon which the Ordinary Shares have traded on the JSE at a volume weighted average price of at least R1.20 per Ordinary Share for 20 out of 30 consecutive trading days after the Completion of the acquisition of Viable Assets by the Company. Additional information on the restrictions on the Founders' Initial Ordinary Shares, as well as information on the restrictions on the other Ordinary Shares held by the Founders, is set out in paragraph 5 of this Pre-Listing Statement. The Founders' Initial Ordinary Shares are subject to the FIOS Repurchase Adjustment. See paragraph 6 of this Pre-Listing Statement in this regard.

Constituent Shares

The Underwriters subscribed for 4 Constituent Shares on 21 September 2015 at an aggregate subscription price of R4 000 000. The Company will use these subscription proceeds to cover a portion of the Constituent Costs. The balance of the Constituent Costs, i.e. the CC Differential, will be funded from (i) interest earned by the Company on the Offer Proceeds, and/or (ii) amounts advanced to the Company by the Underwriters, which advances will be treated as short-term trade or accounts payable upon the terms set out in paragraph 5.3.10 of this Pre-Listing Statement. The Company does not intend to issue any additional Constituent Shares and further Constituent Shares cannot be issued unless such issue is authorised at a general meeting of shareholders, in accordance with the Companies Act, the MOI and the JSE Listings Requirements, to the extent applicable. Subject to the requirements of the Companies Act and the JSE Listings Requirements, the Company intends to repurchase the issued Constituent Shares for R1.00 per Constituent Share if the Company Completes an acquisition of Viable Assets. On 21 September 2015, a special resolution was passed in terms of section 48 of the Companies Act approving the repurchase of the issued Constituent Shares after the Completion by the Company of an acquisition of Viable Assets. In addition, any and all rights which may arise in terms of sections 114 and 115 of the Companies Act as a result of any such repurchase were waived.

IMPORTANT INFORMATION

SPECIAL NOTE IN REGARD TO THE PRIVATE PLACEMENT

This Pre-Listing Statement does not constitute an offer to the public for the sale of or subscription for, or an advertisement or the solicitation of an offer to buy and/or subscribe for, securities as defined in the Companies Act or otherwise and will not be distributed to any person in South Africa in any manner which could be construed as an offer to the public in terms of the Companies Act. Furthermore, this Pre-Listing Statement does not constitute an advertisement or a prospectus registered and/or issued under the Companies Act.

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.

Prospective investors should not treat the contents of this Pre-Listing Statement as advice relating to legal, taxation, investment or any other matters and should consult their own professional advisers concerning the consequences of their acquiring, holding or disposing of Offer Shares. Prospective investors should inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer or disposal of Offer Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or disposal of Offer Shares which they might encounter; and
- the income and other tax consequences which may apply to them as a result of the purchase, holding, transfer or disposal of Offer Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, and not those of the Company, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

The information contained in this Pre-Listing Statement constitutes factual information as contemplated in section 1(3)(a) of the South African Financial Advisory and Intermediary Services Act, No. 37 of 2002 and should not be construed as an express or implied recommendation, guidance or proposal that any particular transaction in respect of the Offer Shares is appropriate to the particular investment objective, financial situation or need of a prospective investor.

None of the Bookrunner 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 Pre-Listing Statement (or whether any information has been omitted from the Pre-Listing Statement) or any other information relating to the Company or for any loss howsoever arising from any use of the Pre-Listing Statement or its contents or otherwise arising in connection therewith.

The Bookrunner is acting exclusively for the Company and no-one else in connection with the Private Placement and Listing. It will not regard any other person as its client in relation to the Private Placement 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 Private Placement and/or the Listing, the contents of this Pre-Listing Statement or any transaction, arrangement or other matter referred to herein.

In connection with the Private Placement and/or the Listing, the Bookrunner and any of its affiliates, acting as investors for their own accounts, may subscribe for or purchase shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such shares and other securities of

the Company or related investments in connection with the Private Placement and/or Listing or otherwise. Accordingly, references in the Pre-listing Statement to the shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by the Bookrunner and any of its affiliates acting as investors for their own accounts. In addition the Bookrunner may enter into financing arrangements and swaps in connection with which it or its affiliates may from time to time acquire, hold or dispose of shares. None of the Bookrunner and any of its affiliates intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

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. Neither the Company nor the Bookrunner has a duty to, and does not intend to, update, review or revise the forward-looking statements contained in this document after the date 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.

DATE OF INFORMATION PROVIDED

Unless the context clearly indicates otherwise, all information provided in this Pre-Listing Statement is provided as at the Last Practicable Date.

CURRENCIES

All references in this document to “Rand”, “R”, “ZAR” or “cents” are references to the lawful currency of South Africa.

TIMES

All references in this Pre-Listing Statement to times are to South African Standard Time.

IMPORTANT DATES AND TIMES

2015

Opening date of the Private Placement	09:00 on	28 September
Publication of the Pre-Listing Statement		28 September
Abridged Pre-Listing Statement published on SENS on		9 October
Expected last date and time for indications of interest for purposes of the bookbuild in terms of the Private Placement to be received	17:00 on	9 October
Expected Closing Date of the Private Placement	17:00 on	9 October
Successful applicants advised of allocations on		9 October
Finalisation Announcement released on SENS and in the South African press on		12 October
Expected Listing Date		16 October

**The above dates may change, and any such change will be published on SENS and in the South African press.*

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:

“Absa”	Absa Bank Limited (Registration number 1986/004794/06), a limited liability public company incorporated according to the laws of South Africa;
“Additional Committed Investors”	additional investors who have, prior to the issue of this Pre-Listing Statement, agreed in writing to subscribe for Offer Shares in terms of the Private Placement at the Offer Price being: (i) African Rainbow Capital Proprietary Limited, a wholly black-owned company, the directors of which are , <i>inter alia</i> , Mr Patrice Motsepe and Mr Johan van Zyl, which has agreed to subscribe for 50 000 000 Offers Shares in terms of the Private Placement at the Offer Price; and (ii) the Student Support Programme as part of the Capital Appreciation 67 Scheme (see paragraph 9 of this Pre-Listing Statement), which has, agreed to subscribe for an aggregate of 6 700 000 Offer Shares in terms of the Private Placement at the Offer Price, the funding for which has been provided as an interest free loan by Absa;
“Affected Jurisdiction”	a jurisdiction where the dissemination of the Pre-Listing Statement or the making of the Private Placement 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);
“Anchor Investors”	PIC and CAET;
“Base Underwritten Capital Amount”	the minimum amount that the Company is required to raise pursuant to the Private Placement in order to qualify for a listing as a SPAC on the Main Board, being R500 000 000, which amount has been underwritten by the Underwriters;
“Board”	the board of directors of the Company for the time being and from time to time, which, as at the Last Practicable Date, comprises the persons identified in paragraph 3.1 of this Pre-Listing Statement;
“Bookrunner”	Macquarie First South Capital Proprietary Limited (Registration number 2003/014483/07), a limited liability private company incorporated according to the laws of South Africa;
“Business Day”	any day other than a Saturday, Sunday or statutory holiday in South Africa;
“CAET”	The Capital Appreciation Empowerment Trust (Master’s Reference number IT2296/2015(G)), a trust established in accordance with the laws of South Africa;
“CAET Pledge”	the pledge of the Ordinary Shares held indirectly by CAET through a wholly-owned special purpose vehicle, as security for the repayment of the funding provided by Absa to fund CAET’s subscription for Ordinary Shares;
“CC Differential”	the difference between the aggregate amount of the Constituent Costs and the aggregate amount paid by the Underwriters to the Company as the subscription price for their Constituent Shares;
“Centric”	Centric Capital Ventures LLC, a private investment company based in New York, being a Related Person of Bradley Sacks;

“Closing Date”	the closing time and date of the Private Placement, expected to be 17:00 on 9 October 2015, but which may be amended by the Company by way of an announcement released on SENS and published in the South African press;
“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;
“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 and “Complete” and “Completion” shall be construed accordingly;
“Constituent Costs”	the costs incurred by the Company in connection with its formation, the preparation of this Pre-Listing Statement and the implementation of the Private Placement, as set out in paragraph 7.4 of this Pre-Listing Statement;
“Constituent Shares”	ordinary shares of no par value in the Company having the rights, preferences and limitations set out in paragraph 4.4.2 of this Pre-Listing Statement;
“CSDP”	a participant as defined in terms of the Financial Markets Act;
“Custodial Agreements”	custodial agreements entered into between each of the Underwriters, CAET and the Subscribing Director, on the one hand, and the Company’s attorneys, on the other hand;
“Custodial Period”	in relation to: <ul style="list-style-type: none"> (i) an Underwriter, the period during which that Underwriter is prohibited from disposing of his Founders’ Initial Ordinary Shares or other Ordinary Shares, as applicable, in terms of paragraph 5.3.3 of this Pre-Listing Statement; (ii) CAET, the period commencing on the date on which CAET Pledge is released and terminating on the expiry of the period during which it is prohibited from disposing of its Founders’ Initial Ordinary Shares or other Ordinary Shares, as applicable, in terms of paragraph 5.3.4 of this Pre-Listing Statement; (iii) the Subscribing Director, the period expiring on the first anniversary of the Completion of an acquisition of Viable Assets by the Company;
“Dematerialise”	the process whereby Ordinary Shares are recorded by electronic records of ownership under Strate in the sub-register of Ordinary Shareholders maintained by a CSDP or broker;
“Directors”	members of the Board;
“this document” or “this Pre-Listing Statement”	this pre-listing statement, including its annexures, dated 28 September 2015;
“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 JSE Listings Requirements in relation to the proceeds of the Private Placement;
“Escrow Agent”	the Company’s attorneys, Bowman Gilfillan Inc.;
“Escrow Agreement”	the escrow agreement referred to in paragraph 2.10 of this Pre-Listing Statement;
“Finalisation Announcement”	means the announcement to be made by the Company via SENS and in the South African press in respect of the results of the Private Placement, which announcement is expected to be made on 12 October 2015, or such other date as is jointly agreed by the Company and the Bookrunner;
“Financial Markets Act”	the Financial Markets Act, No. 19 of 2012, as amended;

“FIOS Repurchase Adjustment”	the acquisition or repurchase, if any, of such number of Founders’ Initial Ordinary Shares by the Company such that the total number of Founders’ Initial Ordinary Shares in issue after the Private Placement equals 20% of the total number of Ordinary Shares (including Founders’ Initial Ordinary Shares) then in issue or 750 000 000, whichever is the lesser, as set out in paragraph 6 of this Pre-Listing Statement;
“FIOS Subscription Price”	the subscription price per Founders’ Initial Ordinary Share, which is equal to the Total FIOS Consideration divided by the number of Founders’ Initial Ordinary Shares;
“Founders”	the Anchor Investors and the Underwriters;
“Founders Agreement”	the founders agreement entered into between the Founders and the Company, on 18 September 2015, in relation to, <i>inter alia</i> , the Listing and the Founders subscribing for Shares;
“Founders’ Initial Ordinary Shares” or “FIOS Shares”	the 750 000 000 Ordinary Shares subscribed for by the Founders prior to the date of this Pre-Listing Statement, as more fully set out in paragraphs 2.4 , 5.1 and 5.3 of this Pre-Listing Statement;
“Group”	the Company and its subsidiaries from time to time, it being recorded that the Company had no subsidiaries as at the Last Practicable Date;
“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 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 the securities exchange operated by that company;
“JSE Listings Requirements”	the listings requirements, including the rules, issued by the JSE, as amended;
“King Code”	the King Code of Governance Principles for South Africa (2009);
“Last Practicable Date”	21 September 2015, 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 of Ordinary Shares to listing and trading on the Main Board of the JSE in the “Speciality Finance” sector under the share code “CTA” and ISIN ZAE000208245 as envisaged in this Pre-Listing Statement, in accordance with the JSE Listings Requirements;
“Listing Date”	the proposed date of the Listing, which is expected to be on 16 October 2015;
“Main Board”	the Main Board of the List;
“MOI”	the Memorandum of Incorporation of the Company for the time being and as amended from time to time;
“Offer Price”	R1.00 per Offer Share;
“Offer Proceeds”	all the monies raised by the Company pursuant to the Private Placement (including all monies raised from the Additional Committed Investors the Subscribing Director and the Founders pursuant to subscriptions by them for Ordinary Shares);
“Offer Share”	an Ordinary Share which is offered as part of and pursuant to the Private Placement;
“Ordinary Shareholder”	the holder of one or more Ordinary Shares;

“Ordinary Shares”	redeemable ordinary shares of no par value in the Company having the rights, preferences and limitations set out in paragraph 4.4.1 of this Pre-Listing Statement;
“Permissible Operating Expenses”	fees and expenses incurred by the Company which may be paid by the Company from the Escrow Account, as disclosed in paragraph 7.2 of this Pre-Listing Statement;
“PIC”	Public Investment Corporation (SOC) Limited (Registration number 2005/009094/06), a limited liability state-owned company incorporated according to the laws of South Africa;
“Placement Agreement”	the placement agreement entered into between the Company and the Bookrunner on 28 September 2015 in relation to the Private Placement;
“Private Placement”	the private placement by way of an offer for subscription made by the Company, subject to certain conditions, to selected persons who fall within one of the specified categories listed in section 96(1)(a) of the Companies Act, to whom the offer will specifically be addressed, and by whom the offer will be capable of acceptance, of the Offer Shares at the Offer Price, and as discussed in detail in paragraph 11 of this Pre-Listing Statement;
“Redemption”	the redemption of Ordinary Shares, as more fully described in paragraphs 2.8 and 4.4.1 of this Pre-Listing Statement;
“Register”	the register of shareholders of the Company (including the relevant sub-registers of the CSDPs (as contemplated in the Financial Markets Act) administering the sub-registers of the Company);
“Related Person”	in relation to a natural person: <ul style="list-style-type: none"> (i) a trust of which such person and/or any of his children and/or his grandchildren is a beneficiary or discretionary subject; or (ii) a company or corporation, wheresoever incorporated, in whose equity securities such person and/or a trust referred to above has a direct or indirect beneficial interest of 50% or more or that is directly or indirectly controlled by such person and/or a trust referred to above, for which purpose “controlled” means the ability to exercise or control the exercise of 50% or more of the votes able to be cast at meetings of shareholders of such company or corporation on all, or substantially all, matters;
“Residual Capital”	the Offer Proceeds plus all interest accrued thereon, less: <ul style="list-style-type: none"> (i) the Permissible Operating Expenses; (ii) the purchase price of Viable Assets; (iii) the amount required to repay the monies which have been lent and advanced by the Underwriters to the Company, as more fully described in paragraph 5.3.10 of this Pre-listing Statement; (iv) a reasonable amount of working capital as determined by the Board; and (v) 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;
“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 Private Placement, being the date upon which the Offer Shares will be issued by the Company against receipt of the Offer Proceeds by the Company, which is expected to be on 16 October 2015;
“Shares”	means, collectively, the Constituent Shares and the Ordinary Shares (including the Founders’ Initial Ordinary Shares);
“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 on the Main Board, as envisaged in terms of the JSE Listings Requirements;
“Sponsor”	Investec Bank Limited (Registration number 1969/004763/06), a limited liability public company incorporated according to the laws of South Africa;
“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;
“Subscribing Director”	Jacob Meyer Kahn, who has undertaken to subscribe for Offer Shares as part of the Private Placement;
“Total FIOS Consideration”	the aggregate subscription price paid by the Founders for the Founders’ Initial Ordinary Shares, being R7 500;
“Transfer Secretaries”	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a limited liability private company incorporated according to the laws of South Africa;
“Underwriters” or “The Underwriting Group”	Michael Reuven Pimstein, Bradley Jonathan Sacks, Michael (Motty) Sacks and Alan Charles Salomon (whose details are set out in paragraph 3.2 of this Pre-Listing Statement);
“Underwriting Agreement”	means the underwriting agreement entered into on 8 September 2015 between the Underwriters and the Company, in relation to, <i>inter alia</i> , the underwriting of the Base Underwritten Capital Amount; and
“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 Main Board.

Capital Appreciation

CAPITAL APPRECIATION LIMITED

(formerly Firefly Investments 285 Proprietary Limited)

(Incorporated in South Africa)

(Registration number 2014/253277/06)

JSE share code: CTA ISIN: ZAE000208245

("the Company")

PRE-LISTING STATEMENT

1. INTRODUCTION

A SPAC is a public company, the shares of which are listed on the JSE. The purpose of a SPAC is to raise money which must be used for acquiring assets that 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. This cash must be held in escrow and invested conservatively in accordance with paragraph 4.36(b) of the JSE Listings Requirements. The interest on the cash 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 money initially invested to its shareholders, plus accrued interest, less certain permitted expenses.

2. THE COMPANY, THE PRIVATE PLACEMENT AND THE ACQUISITION OF VIABLE ASSETS

2.1 The Company

The Company was incorporated as a private company on 3 December 2014 under the name "Firefly Investments 285 Proprietary Limited". On 2 June 2015, the Company was converted into a public company and its name was changed to "Capital Appreciation Limited".

The Company was acquired by the Underwriters for the purposes of being listed on the Main Board as a SPAC to pursue acquisitions of, and investments in, commercial enterprises with good growth potential. As a result, the Company has not traded and has not conducted any business, other than in connection with the preparation of this Pre-Listing Statement and the Private Placement.

The Company intends to obtain a listing as a SPAC on the Main Board following subscriptions for the Offer Shares pursuant to the Private Placement. This Pre-Listing Statement sets out the details of the Private Placement.

If the Company does not Complete an acquisition of Viable Assets within the Initial Period, the Company will, by the redemption of the issued Ordinary Shares on the basis more fully set out in paragraphs 2.8 and 4.4.1 of this Pre-Listing Statement, return the money then held by, or on behalf of, the Company less the aggregate of all amounts payable by, or on behalf of, the Company, including, without limitation, (i) Permissible Operating Expenses, (ii) the amounts payable by the Company in respect of Founders' Initial Ordinary Shares which will be repurchased on the basis set out in paragraph 6.4 of this Pre-Listing Statement, and (iii) any amounts payable by, or on behalf of, the Company to implement the Redemption.

The Company will have not less than R500 000 000 in an interest bearing escrow account, the minimum interest on which should exceed the monthly operating costs and fees payable to the non-executive Directors. So, if the Company implements the Redemption, the interest earned of the Offer Proceeds will likely exceed (i) Permissible Operating Expenses, (ii) the amounts payable by the Company in respect of the Founder's Initial Ordinary Shares which will be repurchased on the basis set out in paragraph 6.4 of this Pre-Listing Statement, and (iii) any amounts payable by, or on behalf of, the Company to implement the Redemption. Therefore, the Board anticipates that if the Redemption occurs, each holder of an Ordinary Share will receive from the Company an amount of not less than R1.00 per Ordinary Share.

2.2 Private Placement, Size and Underwriting

A minimum of R500 000 000 will be raised pursuant to the Private Placement, which amount has been underwritten by the Underwriters who have waived any underwriting fee to which they would otherwise be entitled.

The Offer Price for each Ordinary Share subscribed for in terms of the Private Placement is R1.00. There is no maximum number of Offer Shares which will be issued pursuant to the Private Placement. Allocations in terms of the Private Placement will be agreed between the Company and the Bookrunner.

2.3 Firm Commitments for Subscription of Offer Shares as Part of the Private Placement

As part of the Private Placement, the Founders have committed to subscribe, collectively, for not less than 360 000 000 Offer Shares at the Offer Price, the Subscribing Director has committed to subscribe for 3 600 000 Offer Shares at the Offer Price and the Additional Committed Investors have committed to subscribe, collectively, for 56 700 000 Offer Shares at the Offer Price. Irrevocable letters of subscription have been signed by the Founders, the Subscribing Director and the Additional Committed Investors and each of the Founders, the Subscribing Director and the Additional Committed Investors has consented to the disclosure of his or its commitments in this Pre-Listing Statement.

2.4 The Founders' Initial Ordinary Shares

In addition, the Founders subscribed for the Founders' Initial Ordinary Shares on 21 September 2015. The subscription by the Founders for the Founders' Initial Ordinary Shares does not form part of the Private Placement. The Founders' Initial Ordinary Shares will represent 20% of all of the issued Ordinary Shares (including the Founders' Initial Ordinary Shares) following the Private Placement, or 750 000 000 Ordinary Shares, whichever is the lesser. The Founders' Initial Ordinary Shares were acquired for nominal consideration, being the FIOS Subscription Price, and are subject to certain restrictions. These include restrictions prohibiting a Founder from disposing of his or its Founders' Initial Ordinary Shares prior to the later of (i) the first anniversary of the Completion of the acquisition of Viable Assets by the Company and (ii) the date upon which the Ordinary Shares have traded on the JSE at a volume weighted average price of at least R1.20 per Ordinary Share for 20 out of 30 consecutive trading days after the Completion of the acquisition of Viable Assets. Additional information on the restrictions on the Founders' Initial Ordinary Shares, as well as information on the restrictions on the other Ordinary Shares held by the Founders, is set out in paragraph 5 of this Pre-Listing Statement. The Founders' Initial Ordinary Shares are subject to the FIOS Repurchase Adjustment. See paragraph 6 of this Pre-Listing Statement in this regard.

2.5 The Constituent Shares

The Underwriters subscribed for 4 Constituent Shares on 21 September 2015 at an aggregate subscription price of R4 000 000. The Company will use these subscription proceeds to cover a portion of the Constituent Costs. The balance of the Constituent Costs, i.e. the CC Differential, will be funded from (i) interest earned by the Company on the Offer Proceeds, and/or (ii) amounts advanced to the Company by the Underwriters, which advances will be treated as short term trade or accounts payable upon the terms set out in paragraph 5.3.10 of this Pre-Listing Statement. The Company does not intend to issue any additional Constituent Shares and further Constituent Shares cannot be issued unless such issue is authorised at a general meeting of shareholders, in accordance with the Companies Act, the MOI and the JSE Listings Requirements, to the extent applicable. Subject to the requirements of the Companies Act and the JSE Listings Requirements, the Company intends to repurchase the issued Constituent Shares for R1.00 per Constituent Share if the Company Completes an acquisition of Viable Assets. On 21 September 2015, a special resolution was passed in terms of section 48 of the Companies Act approving the repurchase of the issued Constituent Shares after the Completion by the Company of an acquisition of Viable Assets. In addition, any and all rights which may arise in terms of sections 114 and 115 of the Companies Act as a result of any such repurchase were waived.

2.6 The Founders and their Experience

The Founders consist of the Underwriters and the Anchor Investors (being PIC and CAET).

In relation to the Underwriters (all of whom are Directors), their operational, commercial and financial experience is extensive and multifaceted. In addition to being chairmen, CEOs and senior executives of large organisations, the Underwriters are investors in both public and private entities and are well respected business and civic leaders with extensive networks and relationships in South Africa, Africa generally and internationally. Their collective experience will not only assist in sourcing, critically analysing and executing potential acquisitions of Viable Assets but, more importantly, in conducting the necessary due diligence investigations in relation to such transactions, attracting talented management and adding value to the strategy and operations of the Viable Assets. More information pertaining to the Underwriters is set out below:

Michael Pimstein (60), BComm Acc (Wits)

Michael has more than 30 years' experience as a senior executive in the steel, engineering and manufacturing sector having served most recently as CEO of Macsteel Service Centres SA, a position he held from 1999 through 2013. Michael has been and is a member of various government, labour and business committees that address industrial policy, growth and development plans, infrastructure requirements and investment, labour mediation and wage negotiations. Michael has served as President of the Steel and Engineering Industries Federation of Southern Africa, President of the Southern African Stainless Steel Development Association and President of the Association of Steel Service Centres. He served on the advisory committee of The Adopt-A-School Foundation.

Bradley Sacks (48), BEconSc (Wits), MBA/JD Hons (Duke University School of Business and School of Law)

Bradley has more than 20 years' experience in the financial services and investment business. Bradley is the Managing Partner of Centric. Previously Bradley was a Managing Director, Global Head of Technology, Media and Telecommunications Mergers & Acquisitions for Bank of America. Bradley was also an investment banker with Citigroup, having started his investment banking career at Salomon Brothers. Bradley started his professional career as an associate in the corporate department of Fried, Frank, Harris, Shriver & Jacobson, a law firm based in New York. Over the course of his career Bradley has been involved in evaluating, advising and investing in strategic and financing transactions with an aggregate value exceeding US\$100 billion. Among others, Bradley is a director of various private companies in which Centric has invested, giving him extensive experience in the operational management of these portfolio companies.

Michael (Motty) Sacks (72), CA(SA), AICPA (Isr)

Motty has more than 45 years' experience as a consultant, advisor and mentor to numerous local and foreign companies and executives. He has also held Executive and Non-Executive office in various business sectors, including healthcare, financial services, technology, education, property and manufacturing. Motty was a co-founder of Netcare Limited, having served as its Executive Chairman for 12 years and thereafter as Non-Executive Chairman and Non-Executive Director. Motty was also a co-founder and Chairman of Aplitec Limited (now Net 1) and co-founder of and mentor to BEE controlled Afrocentric Investment Corporation Limited. Motty has served as Chairman and/or Director on several Boards including, Fedsure Holdings, Federated Employers Mutual, The Automobile Association, Clinic Holdings, Advtech Limited, The International Association of Political Consultants and, more recently, was appointed an Independent Non-Executive Director of Adcock Ingram Limited.

Alan Salomon (66), BSc Hons (University of London), CA(SA)

Alan has more than 35 years' experience as a senior executive in an array of financial services and industrial sectors. Most recently Alan served as the CEO of Bidvest Bank, a subsidiary of The Bidvest Group Limited, a position he held for eight years. In addition to banking and financial services, Alan has also held executive management positions in waste management and waste recycling, stationery, packaging, catering equipment, services, property, import and export and distribution. He also has extensive experience in various manufacturing businesses. Other directorships held by Alan include Executive Director of The Bidvest Group Limited (from 1990 to 2012), CEO of AFCOM Group Limited, Non-Executive Director of Transpaco Limited, Non-Executive Director of Voltex Limited and Non-Executive Director of Enviroserv Holdings Limited.

In relation to PIC, it was established in 1911 and is one of the largest investment managers in Africa today, managing assets of over R1.6 trillion. PIC, a registered financial services provider, is wholly-owned by the South African Government, with the Minister of Finance as shareholder representative. PIC invests funds on behalf of public sector entities, based on investment mandates set by each of these clients and approved by the Financial Services Board. PIC has nominated Dr Daniel Matjila and Mr Roshan Morar as non-executive members of the Board. More information pertaining to Dr Matjila and Mr Morar is set out below:

Dr Daniel (Dan) Matjila (53), PhD (Wits), MSc (Rhodes), BSc Hons (Fort Hare)

Dan is a senior leader and respected figure in the investment management industry and has substantial expertise and experience as a finance and investment specialist, investment risk management specialist and investment strategist. Dan is the Chief Executive Officer of PIC where he is responsible for managing and investing funds for a diversified group of clients. He joined PIC in 2003 as a Risk Manager before being promoted to the position of the Chief Investment Officer and Executive Director in 2005. Dan is also currently a Non-Executive Director and board member at Afrisam Limited, Entabeni Holdings (Chairman) and Harith General Partners. Prior to joining PIC, he was the Senior Manager Quantitative Research Analysis for Stanlib, and before that he worked for Anglo American where he was the Senior Manager of Quantitative Research Analysis. Dan started his career as a Senior Mathematics lecturer at the University of the North and worked in academia for over nine years.

Roshan Morar (48), CA(SA), CFE

Roshan is a Chartered Accountant and the Managing director of Morar Incorporated, Public Accountants and Auditors. Roshan is the Non-Executive Deputy Chairman of PIC. He also serves as the Non-Executive Deputy Chairman of the Airports Company (SOC) Limited, is a Non-Executive Director of the South African National Road Agency (SOC) Limited and a Non-Executive Director of Adcock Ingram Holdings Limited.

In relation to CAET, this trust was specifically created by the Company for the benefit of black individuals and other historically disadvantaged South Africans. The first trustees of CAET are Michael (Motty) Sacks and Tseke Beny Nkadameng. Absa will provide funding in an amount of R50 000 000 for the purpose of funding CAET's subscription for Ordinary Shares. CAET's subscription will be through a wholly-owned special purpose vehicle of CAET, established for the purpose of holding CAET's Ordinary Shares. As security for the funding, the Ordinary Shares indirectly held by CAET will be pledged in terms of the CAET Pledge. In addition, Michael Pimstein, Michael (Motty) Sacks and Alan Salomon have given guarantees in respect of the repayment obligations under the funding structure. Additional information on CAET is set out in Annexure A of this Pre-Listing Statement.

2.7 Experience of Independent Non-Executive Directors

In addition to the Underwriters (who are members of the Board), Dr Matjila and Mr Morar, the Board comprises independent, non-executive Directors with substantial experience, reputations and expertise. More information pertaining to the independent, non-executive Directors is set out below:

Bukelwa Bulo (38), BBusSc (UCT), CA(SA)

Bukelwa is a founder and executive director of Jade Capital, a principal investment firm with a focus on the property sector, including direct property investments as well as investments in property services companies. She started her career in finance with Investec Limited as part of their TOPP programme. Bukelwa soon moved into the Investec Private Equity division where she was intimately involved in various investments made by the group in companies in the hospitality, quick service restaurant, industrial services, engineering, retail and wholesale sectors. Bukelwa is a director of Unispan Holdings Proprietary Limited and Franki Geotechnical Proprietary Limited having first been exposed to Franki as an Investec representative prior to Franki's joining with Esor. Bukelwa is also a Trustee of the Franki Africa Employee and Community Trust. Bukelwa completed the Program for Leadership Development at the Harvard Business School.

Jacob Meyer Kahn (76), BA (Law), MBA, DCom (hc)

Meyer is the former Chairman and Group Managing Director of SABMiller Plc having joined the company in 1966 and retired in 2012. During 1997 to 1999 he was seconded full-time to the South African Police Service as its Chief Executive and was awarded the South African Police Star for

Outstanding Service in 2000. Meyer is a non-executive director of Netcare Limited and is currently its acting Chairman. He is a co-founder and non-executive director of Afrocentric Investment Holdings Limited. Meyer has served on the boards of numerous companies, has been active in various charitable and civic organisations and has been recognised with various business and leadership awards over his career.

Victor Sekese (49), BComm (Wits), BAcc (Wits), CA(SA)

Victor is the immediate past national vice chairman Vice Chairman of the South African Institute of Chartered Accountants. He has also served as the Chairman of the audit committee and as a member of the strategy committee of the South African Institute of Chartered Accountants. Victor is active in the accounting profession having served on the board of the South African Institute of Chartered Accountants for the last 10 years. He is also past National President of the Association for the Advancement of Black Accountants.

Victor is the Chief Executive of SizweNtsalubaGobodo, the largest national black owned accounting firm and fifth largest national audit and accounting firm in Southern Africa. He has extensive audit and consulting experience in various industries such as transport, logistics, energy and the public sector.

He is a former member of the Assurance and Auditing Standards Committee, a committee of the Independent Regulatory Board for Auditors, which is tasked with setting Auditing Standards in South Africa.

Charles Valkin (81), BComm LLB (Wits), H Dip Tax (Wits)

Charles was the most senior partner in Bowman Gilfillan's Corporate, Commercial and Financial Services department. He has extensive experience in M&A and financing transactions. Chambers and Partners has regularly ranked him as one of South Africa's foremost corporate/M&A and banking and finance lawyers. Charles has been the lead lawyer in some of the largest transactions in which Bowman Gilfillan firm has acted as legal advisors. Charles is currently working on a full time basis as a Special Counsel to Bowman Gilfillan.

2.8 Acquisition of Viable Assets

In terms of the JSE Listings Requirements, the Company must Complete an acquisition of Viable Assets within the Initial Period.

The acquisition of Viable Assets must be approved by a majority of disinterested Directors and by an ordinary resolution of shareholders at a general meeting. Each Founder, and the Subscribing Director has undertaken to the Company, that he or it will vote the Ordinary Shares that he or it holds in favour of any acquisition of Viable Assets recommended by the independent non-executive Directors.

At the general meeting referred to above, the shareholders will also be required to vote on the proposed use of the Residual Capital, if any. The Board may propose an ordinary resolution to shareholders allowing the Company to retain the Residual Capital in order to enhance the activities of the Viable Assets or to make further acquisitions. If shareholders do not approve such resolution, then the Residual Capital (less withholding taxes and costs or charges relating to the distribution of the Residual Capital) will be distributed to shareholders within 60 calendar days after the date of the general meeting. Each of the Founders has undertaken to the Company, and to each of the other Founders, and each of the Subscribing Director and the Additional Committed Investors have undertaken to the Company that he or it will vote in favour of any resolution proposed for the retention of the Residual Capital.

Once the Company has Completed an acquisition of Viable Assets, the Company must meet the Main Board listing criteria. Failure to meet these requirements once the acquisition of Viable Assets has been Completed will result in the delisting of the Company by the JSE.

If the Company has not Completed an acquisition of Viable Assets within the Initial Period, the Company will redeem all of the Ordinary Shares then in issue in accordance with the rights attaching to the Ordinary Shares set out in paragraph 4.4.1 of this Pre-Listing Statement and the provisions of the MOI. The Board anticipates that if such redemption is undertaken, each holder of an Ordinary Share will receive from the Company an amount of not less than the amount initially invested by such holder, i.e. R1.00 per Ordinary Share.

The Founders will not participate in the Redemption in respect of the Founders' Initial Ordinary Shares. See paragraph 6 of this Pre-Listing Statement in this regard. Each of the Founders' Initial Ordinary Shares in issue will be acquired or repurchased before the Redemption at the FIOS Subscription Price.

2.9 Acquisition Criteria

As previously mentioned, the operational, commercial and financial experience of the Founders and the Board is extensive and multifaceted and includes financial services, insurance, healthcare, metals and mining, telecommunications, media, technology, property, manufacturing and education. Therefore, while the Company's efforts in identifying prospective Viable Assets will not be limited to a particular industry or geographic region within South Africa and/or Africa, the Company expects to focus on acquiring a controlling interest in a company or business in the services sector (but not mining operations).

The Company will seek to acquire Viable Assets that will provide a platform for future growth and expansion, either directly in its commercial sector or in related sectors. In evaluating acquisition alternatives the Company will consider the scalability and growth potential of the target as well as the Company's ability to add value.

Specific factors the Company will also consider include the target's business model, market position, competitive position, regional expansion prospects, customer value proposition, brand position, financial condition and performance, cash generation potential, return on capital and equity metrics, prevailing and prospective gearing characteristics, capital requirements, regulatory environment and management experience and capability.

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.

The acquisition criteria may not be changed unless a resolution is passed at a shareholders' meeting by achieving a 75% majority of the votes cast to that effect.

2.10 Escrow Agent

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 entered into between the Company and the Escrow Agent on 21 September 2015 (which agreement was submitted to and approved by the JSE and is available for inspection as envisaged in paragraph 14). The salient terms of the Escrow Agreement and the relevant rules of the JSE Listings Requirements are as follows:

- 2.10.1 The Escrow Agent must invest the funds in escrow in (i) investment grade bonds (being debt securities with a rating of "BBB" or above as rated by Standard & Poor's Corporation or an equivalent rating by any similar institution); or (ii) bank deposits with one or more recognised banks, in each case as directed by the Board. The interest on the Offer Proceeds in escrow will accrue in favour of the Company and accumulate in escrow.
- 2.10.2 After receipt of a request on behalf of the Board, the Escrow Agent will release to the Company such amount of the interest which accrues on the Offer Proceeds in escrow to cover the Permissible Operating Expenses.
- 2.10.3 If the Company has received the necessary approvals for both the acquisition of Viable Assets and the retention of the Residual Capital, after receipt of a request on behalf of the Board, the Escrow Agent will release to the Company all of the monies (including interest) then managed by the Escrow Agent.
- 2.10.4 If the Company has received the necessary approvals for only the acquisition of Viable Assets, after receipt of a request on behalf of the Board, 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 request on behalf of the Board, 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.
- 2.10.5 If an acquisition of Viable Assets has not been Completed within the Initial Period, after receipt of a request on behalf of the Board, 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 redeem the Ordinary Shares then in issue, as contemplated in paragraphs 2.8 and 4.4.1 of this Pre-Listing Statement.

- 2.10.6 The Escrow Agreement will terminate, *inter alia*, after the Escrow Agent is no longer managing any monies for the Company.
- 2.10.7 The Escrow Agent is entitled to rely on any confirmation given under any relevant request on behalf of the Board referred to above that the monies are entitled to be released when acting and is not required to verify any information or confirmation.
- 2.10.8 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.
- 2.10.9 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.
- 2.10.10 The Escrow Agent can be replaced by the Company and is entitled to resign in accordance with the Escrow Agreement.

2.11 Subsidiaries

The Company does not, and as at the Listing Date will not, have any subsidiaries.

3. DIRECTORS, OTHER OFFICE HOLDERS AND MATERIAL THIRD PARTIES

3.1 Directors

The full names, ages and designations of the Directors are as follows:

Name	Age	Designation
Michael Reuven Pimstein	60	Joint Chief Executive Officer
Bradley Jonathan Sacks	48	Joint Chief Executive Officer
Alan Charles Salomon	66	Chief Financial Officer
Michael (Motty) Sacks	72	Non-Executive Director and Chairperson
Dr Daniel (Dan) Matjila	53	Non-Executive Director
Roshan Morar	48	Non-Executive Director
Bukelwa Bulo	38	Independent Non-Executive Director
Jacob Meyer Kahn	76	Independent Non-Executive Director
Victor Sekese	49	Independent Non-Executive Director
Charles Valkin	81	Independent Non-Executive Director

3.2 Details of Directors

The details of the Directors are as follows:

Michael Reuven Pimstein (60)

Nationality:	South Africa
Business address:	11th Floor, Sandton City Office Towers, 5th Street Sandton, 2196
Date appointed:	3 March 2015
Qualifications:	BComm Acc (Wits)
Occupation:	Director of companies
Position:	Joint Chief Executive Officer

Bradley Jonathan Sacks (48)

Nationality:	South Africa/United States of America
Business address:	590 Madison Avenue, New York, NY, 10022
Date appointed:	15 March 2015
Qualifications:	BEconSc (Wits), MBA/JD (Honors) (Duke University School of Business and School of Law)
Occupation:	Principal investor
Position:	Joint Chief Executive Officer

Alan Charles Salomon (66)

Nationality: South Africa
Business address: 11th Floor, Sandton City Office Towers, 5th Street Sandton, 2196
Date appointed: 3 March 2015
Qualifications: BSc Hons (University of London), CA(SA)
Occupation: Director of companies
Position: Chief Financial Officer

Michael (Motty) Sacks (72)

Nationality: South Africa
Business address: 11th Floor, Sandton City Office Towers, 5th Street Sandton, 2196
Date appointed: 3 March 2015
Qualifications: CA(SA), AICPA (Isr)
Occupation: Director of companies
Position: Non-Executive Director and Chairperson

Dr Daniel (Dan) Matjila (53)

Nationality: South Africa
Business address: Block C, Riverwalk Office Park, 41 Matroosberg Road, Ashlea Gardens Extension 6, Menlo Park Pretoria
Date appointed: 18 September 2015
Qualifications: PhD (Wits), MSc (Rhodes), BSc Hons (Fort Hare)
Occupation: Chief Executive, PIC
Position: Non-Executive Director

Roshan Morar (48)

Nationality: South Africa
Business address: Ground Floor, Nedbank House, 161 Pietermaritz Street, Pietermaritzburg, 3201
Date appointed: 14 September 2015
Qualifications: CA(SA), CFE
Occupation: Managing Director, Morar Incorporated
Position: Non-Executive Director

Bukelwa Bulo (38)

Nationality: South Africa
Business address: Unit 7 One on Cross, 1 Cross Street, Bryanston, 2196
Date appointed: 14 September 2015
Qualifications: BBusSc, CA(SA)
Occupation: Chartered Accountant
Position: Independent Non-Executive Director

Jacob Meyer Kahn (76)

Nationality: South Africa
Business address: 11th Floor, Sandton City Office Towers, 5th Street Sandton, 2196
Date appointed: 20 September 2015
Qualifications: BA (Law), MBA, DCom (hc)
Occupation: Director of companies
Position: Independent Non-Executive Director

Victor Sekese (49)

Nationality:	South Africa
Business address:	20 Morris Street East, Woodmead, 2191
Date appointed:	17 September 2015
Qualifications:	BComm (Wits), BAcc (Wits) CA(SA)
Occupation:	Chief Executive Officer, SizweNtsalubaGobodo
Position:	Independent Non-Executive Director

Charles Valkin (81)

Nationality:	South Africa
Business address:	165 West Street, Sandton, 2196
Date appointed:	18 September 2015
Qualifications:	BComm LLB (Wits), H Dip Tax (Wits)
Occupation:	Attorney
Position:	Independent Non-Executive Director

The names of all companies and partnerships of which each Director referred to above 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 in Annexure B of this Pre-Listing Statement.

3.3 Appointment and Remuneration

- 3.3.1 The Company has signed letters of appointment with each Director referred to in paragraph 3.1 of this Pre-Listing Statement, in terms of which, among other things, each such Director has agreed to serve as a Director of the Company. The salient terms of the letters of appointment are set out in Annexure C of this Pre-Listing Statement.
- 3.3.2 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 C of this Pre-Listing Statement.
- 3.3.3 Until such time as the Company Completes an acquisition of Viable Assets, no executive Director will receive any remuneration for services rendered to the Company.
- 3.3.4 Until such time as the Company has Completed an acquisition of Viable Assets, each non-executive Director will receive a fee of R20 000 per directors' meeting attended for services rendered to the Company, save for Michael (Motty) Sacks, who has waived such fees.
- 3.3.5 The fees referred to in paragraph 3.3.4 above were approved by a special resolution passed by the shareholders of the Company in terms of section 66(9) of the Companies Act on 8 September 2015. The approval granted in terms of that special resolution will remain in force until the second anniversary of the date of that special resolution.
- 3.3.6 Once the Company completes an acquisition of Viable Assets, the Directors' remuneration will be determined by the Board in accordance with its remuneration policy at that time, subject to any such shareholder approval as may be required.
- 3.3.7 Each Director specified in paragraph 3.1 of this Pre-Listing Statement will hold office until the first annual general meeting of the Company post implementation of the Listing, at which annual general meeting each Director specified in paragraph 3.1 of this Pre-Listing Statement will retire in accordance with the terms of the MOI and make himself available for re-election.

3.4 Borrowing Powers of the Company Exercisable by the Directors

- 3.4.1 Until such time as the Company Completes an acquisition of Viable Assets, its borrowing powers will be limited by the JSE Listings Requirements applicable to the borrowing powers of SPACs. In this regard, section 4.39 of the JSE 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. Notwithstanding the foregoing, the advances referred to in paragraph 5.3.10 of this Pre-Listing Statement will be treated as short term trade or accounts payable and will be subject to the terms set out in that paragraph.

3.4.2 Other than that, 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. The borrowing powers of the Company may not be varied unless a special resolution has been passed by shareholders of the Company.

3.4.3 The borrowing powers have not been exceeded since the incorporation of the Company.

3.5 **Appointment, Qualification and Remuneration of Directors**

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 D of this Pre-Listing Statement.

3.6 **Directors' Declarations**

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

- bankruptcies, insolvencies or individual voluntary compromise arrangement;
- 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;
- 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;
- 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;
- 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;
- offence involving dishonesty;
- removal from an office of trust, on the grounds of misconduct and involving dishonesty; or
- 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 219 of the Companies Act, No. 61 of 1973.

3.7 **Interests in Securities**

As at the Last Practicable Date, the Company has issued 4 Constituent Shares to the Underwriters and the Founders' Initial Ordinary Shares to the Founders, as set out in Annexure E of the Pre-Listing Statement.

The Underwriters (who are all Directors) have agreed to underwrite the Base Underwritten Capital Amount in terms of the Underwriting Agreement.

As part of the Private Placement, the Founders have undertaken to subscribe, collectively, for no less than 360 000 000 Ordinary Shares as set out in Annexure E of this Pre-Listing Statement. In addition, and if necessary, the Underwriters have undertaken to subscribe for any additional Ordinary Shares to ensure that, as at the Listing Date, the Directors (or, in the case of the Underwriters, Related Persons of them) will hold not less than 5% of the Ordinary Shares in issue after the Private Placement, on a collective basis, in accordance with paragraph 4.34(e) of the Listings Requirements.

The Founders' shareholding post the Private Placement (assuming that the Company raises only the Base Underwritten Capital Amount as part of the Private Placement and that the Underwriters do not need to fulfil their obligations under the Underwriting Agreement) is set out in Annexure E of this Pre-Listing Statement.

The Subscribing Director has undertaken to subscribe for 3 600 000 Ordinary Shares, which subscription will form part of the Private Placement. He has also agreed that he will not dispose of any of his Ordinary Shares until the first anniversary of the Completion of an acquisition of Viable Assets by the Company.

The Ordinary Shares subscribed for by the Founders (including the Founders' Initial Ordinary Shares, the 360 000 000 Ordinary Shares referred to above, any additional Ordinary Shares subscribed for to ensure that the 5% requirement referred to above is met, and any additional Ordinary Shares subscribed for pursuant to any underwriting undertaking or the Private Placement) will be subject to the restrictions referred to in paragraph 5 of this Pre-Listing Statement.

In addition, and without derogation from the restrictions referred to in paragraph 5 of this Pre-Listing Statement, the documents evidencing title to all of the Ordinary Shares subscribed for by the Founders (other than PIC) and by the Subscribing Director will be held in trust by the Company's attorneys in accordance with the JSE Listings Requirements. The holding of the documents evidencing title to all of the Ordinary Shares of the Founders (other than PIC) and the Subscribing Director in trust by the Company's attorneys is governed by the Custodial Agreements. The Custodial Agreements provide that, among other things:

- the Company's attorneys will hold the documents evidencing title to the Ordinary Shares of each Founder (other than PIC) and the Subscribing Director for the duration of the Custodial Period for that Founder or the Subscribing Director, as applicable;
- none of the Founders, the Subscribing Director nor the Company's attorneys will be entitled to dispose of the Ordinary Shares in trust during the Custodial Period; and
- the Company's attorneys will have no right, title or interest in respect of the Ordinary Shares, including voting rights and the right to dividends and distributions, which rights will remain with the relevant Founder or the Subscribing Director, as applicable.

Absa will provide funding in an amount of R50 000 000 for the purpose of funding CAET's subscription for Ordinary Shares. CAET's subscription will be through a wholly-owned special purpose vehicle of CAET, established for the purpose of holding CAET's Ordinary Shares. As security for the funding, the Ordinary Shares indirectly held by CAET will be pledged in terms of the CAET Pledge. Accordingly, the documents evidencing title to the Ordinary Shares indirectly held by CAET will only be held in trust by the Company's attorneys if the Ordinary Shares are released from that pledge before the period during which CAET is prohibited from disposing of its Founders' Initial Ordinary Shares or other Ordinary Shares, as applicable, in terms of paragraph 5.3.4 of this Pre-Listing Statement.

3.8 **Interests of Directors and Promoters**

Save as contemplated in paragraph 3.7 of this Pre-Listing Statement, no Director or promoter has a material beneficial interest, direct or indirect, in the promotion of the Company.

Save as contemplated in paragraph 3.3 of this Pre-Listing Statement, no sums have been paid, or agreed to be paid to any Director or to any company in which he is beneficially interested, directly or indirectly, or of which he is a director (**association company**) or to any partnership, syndicate or other association of which he is a member (**associate entity**), in cash, securities or otherwise, by any person, either to induce him to become, or to qualify him as a Director or otherwise for services rendered by him or by the associate company or the associate entity in connection with the promotion or formation of the Company.

3.9 **Directors' Interests in Transactions**

Save as otherwise disclosed in this Pre-Listing Statement, none of the Directors has had any beneficial interest, either directly or indirectly, in transactions that were effected by the Company during the current or immediately preceding financial year.

4. SHARE CAPITAL OF THE COMPANY

4.1 Authorised and Issued Shares of the Company

4.1.1 *Prior to the Private Placement*

The authorised and issued shares of the Company immediately prior to the Private Placement will be as set out in the table below. The issued Ordinary Shares comprise the Founders' Initial Ordinary Shares and are subject to the FIOS Repurchase Adjustment.

Authorised shares	No. of shares
Ordinary Shares	10 000 000 000
Constituent Shares	4 000
Issued shares	
Ordinary Shares	750 000 000
Constituent Shares	4

The total amount of the stated capital of the Company immediately prior to the Private Placement will be R4 007 500.

4.1.2 *After the Private Placement*

On the assumption that the Company raises only the Base Underwritten Capital Amount (and the Founders' Initial Ordinary Shares are thus reduced to 125 000 000 pursuant to the FIOS Repurchase Adjustment), the authorised and issued shares of the Company immediately after the Private Placement will be as set out in the table below:

Authorised shares	No. of shares
Ordinary Shares	10 000 000 000
Constituent Shares	4 000
Issued shares	
Ordinary Shares	625 000 000
Constituent Shares	4

On the assumption that the Company raises only the Base Underwritten Capital Amount (and the Founders' Initial Ordinary Shares are thus reduced to 125 000 000 pursuant to the FIOS Repurchase Adjustment), the total amount of the stated capital of the Company immediately after the Private Placement will be R504 001 250.

4.2 Changes to the Authorised and Issued Shares of the Company

On incorporation, the Company's authorised shares consisted of 4 000 ordinary shares with no par value. The Company was incorporated as a shelf company with one issued share. That share was transferred to Alan Salomon on 24 March 2015.

On 4 August 2015, all of the ordinary shares (including the ordinary share held by Alan Salomon) were converted into Constituent Shares and the Company's authorised shares were increased by the creation of 10 000 000 000 Ordinary Shares. The conversion of the ordinary shares and the increase of the Company's authorised shares was approved by a special resolution passed in terms of section 36(2)(a) of the Companies Act on 31 July 2015.

On 21 September 2015, the Company issued an aggregate of 4 Constituent Shares to the Underwriters at a subscription price of R1 000 000 per share with the result that, following the issue of those shares, the Company had five Constituent Shares in issue. On 21 September 2015, the Company issued the Founders' Initial Ordinary Shares to the Founders for the Total FIOS Consideration. The issue of the Constituent Shares and the Founders' Initial Ordinary Shares was approved by a special resolution passed in terms of section 41 of the Companies Act on 8 September 2015.

Following the issue of the 4 Constituent Shares and the Founders' Initial Ordinary Shares, the Company repurchased one Constituent Share from Alan Salomon for R1.00, with the result that, following the repurchase, the Company had four Constituent Shares in issue. The repurchase of the one Constituent Share was approved by a special resolution passed in terms of section 48(8) of the Companies Act on 8 September 2015.

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

4.3 Authority to Issue Shares

The issue of Ordinary Shares pursuant to the Private Placement in accordance with the provisions of this Pre-Listing Statement was approved by a special resolution passed in terms of section 41 of the Companies Act on 8 September 2015 and by a resolution of the Board passed on 8 September 2015.

The provisions of the MOI governing the issue of authorised but unissued securities of the Company are set out in Annexure D of this Pre-Listing Statement.

4.4 Rights Attaching to Shares

4.4.1 Ordinary Shares

4.4.1.1 For the purposes of this paragraph:

4.4.1.1.1 **Issue Price**, in relation to an Ordinary Share, means the price at which that Ordinary Share is issued by the Company;

4.4.1.1.2 **Redemption Date** means the 55th calendar day following the expiry of the Initial Period or the next immediate Business Day if the 55th day is not a Business Day;

4.4.1.1.3 **Redemption Price**, in relation to an Ordinary Share, means the quotient of:

(a) the Surplus Cash; divided by

(b) the number of Ordinary Shares in issue as at the Redemption Record Date (less any Founders' Initial Ordinary Shares which will be repurchased prior to the Redemption on the basis set out in paragraph 6.4 of this Pre-Listing Statement);

4.4.1.1.4 **Redemption Record Date** means the date on which, and the time at which, a person must be recorded in the Register in order to be eligible to receive the Redemption Price of an Ordinary Share, which date and time will be determined by the Board in accordance with the Companies Act and the JSE Listings Requirements; and

4.4.1.1.5 **Surplus Cash** means the difference between:

(a) the entire amount of cash held by, or on behalf of, the Company as at the 45th calendar day after the expiry of the Initial Period; minus

(b) the aggregate of all amounts payable by, or on behalf of, the Company, including (without limitation): (i) Permissible Operating Expenses; (ii) the amounts payable by the Company in respect of Founders' Initial Ordinary Shares which will be repurchased on the basis set out in paragraph 6.4 of this Pre-Listing Statement; and (iii) any amounts payable by, or on behalf of, the Company to implement the Redemption.

4.4.1.2 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:

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

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

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

- 4.4.1.2.4 to all of the preferences, rights or other terms set out in the Companies Act or the MOI;
 - 4.4.1.2.5 to any other rights at common law insofar as such rights are not inconsistent with the Companies Act or the MOI; and
 - 4.4.1.2.6 to redemption of the Ordinary Share in accordance with paragraphs 4.4.1.3 and 4.4.1.4 of this Pre-Listing Statement, read with the MOI.
- 4.4.1.3 If the Company has not Completed an acquisition of Viable Assets by the expiry of the Initial Period, then, on the Redemption Date, the Company will redeem each Ordinary Share by paying to each holder of an Ordinary Share as at the Redemption Record Date (“**Relevant Shareholder**”) the Redemption Price multiplied by the number of Ordinary Shares held by the Relevant Shareholder on the Redemption Record Date.
- 4.4.1.4 Any payment due by the Company to a Relevant Shareholder in terms of paragraph 4.4.1.3 of this Pre-Listing Statement will be paid in accordance with the applicable provisions of the MOI, which are attached as Annexure D of this Pre-Listing Statement.

4.4.2 **Constituent Shares**

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

- 4.4.2.1 to vote on any matter to be decided by shareholders in accordance with the Companies Act and the MOI, provided that if and while there is another class of shares in issue which does have voting rights, the holders of Constituent Shares will only be entitled to vote on resolutions proposed for an amendment to the MOI which relates to the variation of any preferences, rights, limitations or other terms attaching to the Constituent Shares;
- 4.4.2.2 to receive any distribution in accordance with the holder's voting power;
- 4.4.2.3 on a liquidation of the Company, to receive the net assets of the Company in accordance with the holder's voting power;
- 4.4.2.4 subject to paragraph 4.4.2.1 above, to all of the preferences, rights or other terms set out in the Companies Act or the MOI; and
- 4.4.2.5 to any other rights at common law insofar as such rights are not inconsistent with the Companies Act or the MOI.

4.5 **Distributions**

The Company will not make any distributions prior to the Completion of an acquisition of Viable Assets by the Company or prior to the Redemption.

Following the Completion of an acquisition of Viable Assets by the Company and for so long as is required by the JSE Listings Requirements, any unclaimed distributions must be held in trust, subject to prescription laws.

The record date for the purpose of determining which shareholders are entitled to receive any distribution will be determined by the Board in accordance with the Companies Act and the JSE Listings Requirements.

4.6 **Variation of Rights**

The provisions of the MOI relating to the variation of rights attaching to the Constituent Shares and the Ordinary Shares are set out in Annexure D of this Pre-Listing Statement.

4.7 **Preferential Conversion and/or Exchange Rights**

There are no preferential conversion and/or exchange rights in respect of any Constituent Shares or Ordinary Shares.

4.8 Other Listings

Other than the listing of the Ordinary Shares pursuant to the Listing, no securities of the Company are listed on any stock exchange.

4.9 The Capital Appreciation Share Option Plan

The Company has established the Capital Appreciation Share Option Plan to enable officers and employees of the Group to acquire Ordinary Shares in order to provide them with an incentive to advance the Group's interests, and to promote an identity of interests with shareholders of the Company. Options will only be granted in terms of the Capital Appreciation Share Option Plan after the Company has Completed an acquisition of Viable Assets.

The salient features of the Capital Appreciation Share Option Plan are set out in Annexure F of this Pre-Listing Statement.

The Capital Appreciation Share Option Plan was approved by an ordinary resolution (with a 75% majority of the votes cast in favour) passed by the shareholders on 8 September 2015, in accordance with Schedule 14 of the JSE Listings Requirements.

5. ARRANGEMENTS WITH THE FOUNDERS

5.1 The Founders and the Company entered into the Founders Agreement in order to regulate the relationship between the Founders and the Company, and among the Founders *inter se*. In terms of the Founders Agreement, the Underwriters have, collectively, subscribed for 4 Constituent Shares and the Founders have, collectively, subscribed for the Founders' Initial Ordinary Shares. The Founders have also committed to subscribe, collectively, for no less than 360 000 000 Ordinary Shares for an aggregate subscription price of R360 000 000 in terms of the Private Placement.

5.2 The Underwriters have also committed to underwrite the Base Underwritten Capital Amount in terms of the Underwriting Agreement. The Underwriters have waived any underwriting fee to which they would otherwise be entitled.

5.3 Additional salient terms of the Founders Agreement are as follows:

5.3.1 Each Founder (other than CAET and PIC) will place the documents evidencing title to all of his or its Ordinary Shares (including, for the avoidance of doubt, the documents evidencing title to all of his or its Founders' Initial Ordinary Shares) in trust with the Company's attorneys in accordance with paragraph 3.7 of this Pre-Listing Statement.

5.3.2 Absa will provide funding in an amount of R50 000 000 for the purpose of funding CAET's subscription for Ordinary Shares. CAET's subscription will be through a wholly-owned special purpose vehicle of CAET, established for the purpose of holding CAET's Ordinary Shares. As security for the funding, the Ordinary Shares indirectly held by CAET will be pledged in terms of the CAET Pledge. Accordingly, the documents evidencing title to the Ordinary Shares indirectly held by CAET will only be held in trust by the Company's attorneys if the Ordinary Shares are released from that pledge before the period during which CAET is prohibited from disposing of its Founders' Initial Ordinary Shares or other Ordinary Shares, as applicable, in terms of paragraph 5.3.4 of this Pre-Listing Statement.

5.3.3 Each Founder (other than CAET) has undertaken to the Company, and to each of the other Founders, that he or it will not dispose of any of his or its:

5.3.3.1 Founders' Initial Ordinary Shares until the later of (i) the first anniversary of the Completion of an acquisition of Viable Assets by the Company, and (ii) Ordinary Shares having traded on the JSE at a volume weighted average price of R1.20 for 20 out of 30 consecutive trading days after the Completion of an acquisition of Viable Assets by the Company; and

5.3.3.2 Ordinary Shares (other than his or its Founders' Initial Ordinary Shares) until the first anniversary of the Completion of an acquisition of Viable Assets by the Company,

subject to the Redemption and any repurchase of Founders' Initial Ordinary Shares contemplated in paragraph 6 of this Pre-Listing Statement.

- 5.3.4 CAET has undertaken to the Company and to each of the other Founders, that it will not dispose of any of its:
- 5.3.4.1 Founders' Initial Ordinary Shares until the later of (i) the second anniversary of the Completion of an acquisition of Viable Assets by the Company, and (ii) Ordinary Shares having traded on the JSE at a volume weighted average price of R1.20 for 20 out of 30 consecutive trading days after the Completion of an acquisition of Viable Assets by the Company; and
 - 5.3.4.2 Ordinary Shares (other than his or its Founders' Initial Ordinary Shares) until the second anniversary of the Completion of an acquisition of Viable Assets by the Company,
- subject to the Redemption and any repurchase of Founders' Initial Ordinary Shares contemplated in paragraph 6 of this Pre-Listing Statement.¹
- 5.3.5 Notwithstanding paragraph 5.3.3 of this Pre-Listing Statement, each Underwriter will be entitled to transfer all or a portion of his Ordinary Shares to any Related Person of that Underwriter at any time. If that happens, the Related Person will be bound by the Founders Agreement and by the same undertakings and restrictions by which the Underwriter is bound in terms of that Agreement.
- 5.3.6 Subject to paragraphs 5.3.3, 5.3.4 and 5.3.5 of this Pre-Listing Statement, each Founder has granted pre-emptive rights over the Ordinary Shares (including his or its Founders' Initial Ordinary Shares) which he or it may wish to sell, in favour of placees nominated by the other Founders.²
- 5.3.7 Each Founder has undertaken to the Company, and to each of the other Founders, that he or it will vote the Ordinary Shares that he or it holds in favour of any acquisition of Viable Assets recommended by the independent non-executive Directors and in favour of any resolution proposed for the retention of the Residual Capital.
- 5.3.8 Each Founder has undertaken to the Company, and to each of the other Founders, to vote for the appointment and re-appointment of the current members of the Board for a period of at least two years commencing on the Listing Date, and to refrain from voting for the appointment of additional Directors without the consent of the other Founders. Each Founder has also undertaken not to vote for the removal of, or to take any steps to remove or procure the removal of, any of the current members of the Board for at least that two-year period, except for just cause.
- 5.3.9 Each Founder will not participate in the Redemption in respect of his Founders' Initial Ordinary Shares. Each of the Founders' Initial Ordinary Shares will be acquired or repurchased before the Redemption at the FIOS Subscription Price.
- 5.3.10 As a contribution towards the Constituent Costs, the Underwriters have subscribed for the Constituent Shares at an aggregate subscription price of R4 000 000. The balance of the Constituent Costs, i.e. the CC Differential, will be funded from (i) interest on amounts earned by the Company on the Offer Proceeds, and/or (ii) amounts advanced to the Company by the Underwriters, which advances will be treated as short term trade or accounts payable. The amounts advanced by the Underwriters to fund the CC Differential will be on the following terms:
- 5.3.10.1 if and while the Company is a SPAC, the amounts advanced will be repaid each month from such interest as may be earned by the Company while the Offer Proceeds are held in escrow and as may be available after the Company has paid any of its other Permissible Operating Expenses;
 - 5.3.10.2 no interest will accrue on the amounts advanced;
 - 5.3.10.3 the amounts advanced will be unsecured;

1. These limitations will not apply in relation to the CAET Pledge.

2. These pre-emptive rights will not apply in relation to the CAET Pledge.

- 5.3.10.4 the balance outstanding on the amounts advanced will be payable upon demand given by the Underwriters, which demand may only be given after an acquisition of Viable Assets by the Company has been Completed;
 - 5.3.10.5 if a Redemption occurs, any balance on the amounts advanced will be forgiven; and
 - 5.3.10.6 to the extent to which the amounts advanced remain outstanding at the time an acquisition of Viable Assets is proposed to shareholders, the outstanding balance of the amounts advanced will become part of the transaction costs and, if the transaction is approved, will be settled from the Offer Proceeds.
- 5.4 The Founders Agreement is available for inspection in accordance with paragraph 14 of this Pre-Listing Statement.

6. FIOS REPURCHASE ADJUSTMENT

- 6.1 Based on the demand for Ordinary Shares, the Board and the Bookrunner will determine how many Ordinary Shares will be issued pursuant to the Private Placement. Based on this determination, the number of Founders' Initial Ordinary Shares held by the Founders prior to the Private Placement will be reduced prior to the Listing so as to result in the number of Founders' Initial Ordinary Shares in issue upon the Listing equalling 20% of the total number of Ordinary Shares (including the Founders' Initial Ordinary Shares) in issue immediately after the issue of Ordinary Shares pursuant to the Private Placement, or 750 000 000 Ordinary Shares, whichever is the lesser. This reduction will be implemented by way of a share repurchase immediately prior to the Listing, with each FIOS Share subject to the reduction being repurchased by the Company at the FIOS Subscription Price.
- 6.2 Accordingly, on the assumption that the Company raises only the Base Underwritten Capital Amount, the number of Founders' Initial Ordinary Shares will be reduced to 125 000 000 Ordinary Shares.
- 6.3 After giving effect to any FIOS Repurchase Adjustment, PIC will hold one third of the FIOS Shares, CAET will hold no less than 20 000 000 and not more than 25 000 000 FIOS Shares, with the remaining FIOS Shares being held by the Underwriters.
- 6.4 If the Company does not Complete an acquisition of Viable Assets within the Initial Period, the Company will repurchase, and the Founders will dispose of, such number of Founders' Initial Ordinary Shares as are then in issue at the FIOS Subscription Price. Such repurchase will take place before the Redemption.
- 6.5 On 8 September 2015, a special resolution was passed in terms of section 48 of the Companies Act approving the repurchase of the Founders' Initial Ordinary Shares as contemplated in this paragraph 6. In addition, any and all rights which may arise in terms of sections 114 and 115 of the Companies Act as a result of any repurchase of the Founders' Initial Ordinary Shares as contemplated in this paragraph 6 were waived.

7. FINANCIAL INFORMATION

7.1 Financial Statements and Reporting Accountants' Report

The Company's audited financial statements for the period ended 28 February 2015 are attached as Annexure G of this Pre-Listing Statement. The independent reporting accountants' report on the Company's audited financial statements for the period ended 28 February 2015 is attached as Annexure H of this Pre-Listing Statement.³

The independent reporting accountants have consented to the inclusion of their report in this Pre-Listing Statement and have not withdrawn that consent.

7.2 Estimated Operating Expenses

The Company expects its monthly operating costs during the period between the Listing Date and the Completion of an acquisition of Viable Assets by the Company to be modest.

3. The Company's financial year end has been changed to 31 March.

The executive Directors will not receive any remuneration until the Completion of an acquisition of Viable Assets by the Company. Michael (Motty) Sacks has waived any remuneration payable to him as a non-executive Director.

The proceeds from the issue of the Constituent Shares will be used by the Company to fund a portion of the Constituent Costs. The remaining Constituent Costs, i.e. the CC Differential, will be satisfied in the manner set out in paragraph 5.3.10 of this Pre-Listing Statement. The largest component of the Constituent Costs are the incentive fees/commissions payable to the Bookrunner, institutional investors and retail intermediaries and are directly correlated to the demand for the Company's Ordinary Shares and the number of Ordinary Shares issued in the Private Placement. As a result, the size of the CC Differential is not known as at the Last Practicable Date but will be disclosed in the Finalisation Announcement. That said, and as more fully described in paragraph 7.4 of this Pre-Listing Statement, it is expected that if the Company raises only the Base Underwritten Capital Amount, the Constituent Costs will amount to R13 400 000 and the CC Differential will amount to R9 400 000.

The Company is likely to incur additional costs and expenses in connection with investigating and pursuing an acquisition of Viable Assets. Wherever possible the Company will strive to make as much of these costs "success based" and thereby minimise the risk of paying large fees for transactions that may not materialise.

The Company will have not less than R500 000 000 in an interest bearing escrow account, the minimum interest on which should materially exceed the monthly operating costs and the fees payable to the non-executive Directors. This interest income will also contribute significantly towards defraying the costs and expenses in connection with investigating and pursuing an acquisition of Viable Assets, and the CC Differential.

During the period between the Listing Date and the Completion of an acquisition of Viable Assets by the Company, the Company's estimated expenses will consist of the following:

- the fees payable to the non-executive Directors (other than Michael (Motty) Sacks) of R20 000 per Director per meeting. It is expected that, during the period between the Listing Date and the Completion of an acquisition of Viable Assets by the Company, there will be six board meetings per year (although more may be necessary);
- general administrative costs, including general office and related costs (for example, rental) and salaries payable to employees of the Company, not to exceed R750 000 per month;
- costs and expenses in connection with investigating and pursuing an acquisition of Viable Assets not to exceed R20 000 000; and
- the CC Differential, the magnitude of which is dependent on the number of Ordinary Shares issued in terms of the Private Placement.

The Company may not exceed the aggregate of the estimated expenses referred to above unless a resolution is passed at a meeting of shareholders by a 75% majority of the votes cast to that effect.

To the extent to which the amounts advanced by the Underwriters to the Company to fund the CC Differential remain outstanding at the time an acquisition of Viable Assets is proposed to shareholders, the outstanding balance of the amounts advanced will become part of the transaction costs and, if the transaction is approved, will be settled from the Offer Proceeds. If the Company completes an acquisition of Viable Assets, then insofar as the costs and expenses in connection with investigating and pursuing an acquisition of Viable Assets exceed R20 000 000, the excess may be treated by the Company as part of the acquisition costs, and the requirement for a special resolution will not apply.

7.3 Commissions and Fees Paid and Payable to Underwriters and Bookrunner

No commissions will be paid to the Underwriters in respect of their obligations to underwrite the Base Underwritten Capital Amount.

In relation to the Bookrunner's fee in respect of the Private Placement, see paragraph 11.17 of this Pre-Listing Statement.

7.4 Preliminary Expenses and Issue Expenses

The following expenses and provisions are expected, or have been provided for in connection with the Listing. All the fees payable to the parties below are inclusive of VAT. The table has been prepared on the basis that the Company raises only the Base Underwritten Capital Amount.

Cost	R'000
Financial Advisor and Bookrunner (Macquarie)	5 187
Company's Attorneys (Bowman Gilfillan)	4 900
Bookrunner's Attorneys (Webber Wentzel)	513
Sponsor (Investec)	1 083
Auditors and Independent Reporting Accountants (EY)	198
Transfer Secretary, Strate and Exchange Control fees	115
JSE listing and documentation fees	282
Printing	109
Other	1 013
Total	13 400

As a contribution towards the Constituent Costs, the Underwriters have subscribed for the Constituent Shares at an aggregate subscription price of R4 000 000. The balance of the Constituent Costs, i.e. the CC Differential, will be funded from (i) interest earned by the Company on the Offer Proceeds, and (ii) amounts advanced to the Company by the Underwriters, which advances will be treated as short-term trade or accounts payable. The terms applicable by the Company to the amounts advanced by the Underwriters to fund the CC Differential are more fully set out in paragraph 5.3.10 of this Pre-Listing Statement.

If the Company elects to increase the number of Offer Shares to be issued beyond those necessary to satisfy the Base Underwritten Capital Amount, the Company will be liable to pay incremental fees to the Bookrunner, institutional investors and retail intermediaries, as described in paragraph 11.17 of this Pre-Listing Statement.

7.5 Loans

7.5.1 **Material Loans Made to the Company**

As a contribution towards the Constituent Costs, the Underwriters have subscribed for the Constituent Shares at an aggregate subscription price of R4 000 000. The balance of the Constituent Costs, i.e. the CC Differential, will be funded from (i) interest earned by the Company on the Offer Proceeds, and (ii) amounts advanced to the Company by the Underwriters, which advances will be treated as short term trade or accounts payable. The terms applicable by the Company to the amounts advanced by the Underwriters to fund the CC Differential are more fully set out in paragraph 5.3.10 of this Pre-Listing Statement.

Save as mentioned above, no loan capital is outstanding.

7.5.2 **Material Loans Made or Security Furnished by the Company**

No loans have been made, and no security has been furnished, by the Company (including to or for the benefit of any Director or manager or any associate of any Director or manager of the Company).

7.5.3 **Debentures**

No debentures have been created in terms of a trust deed.

No debentures or debenture stock have been issued by the Company.

7.5.4 **Material Commitments, Lease Payments and Contingent Liabilities**

The Company has no material commitments, lease payments or contingent liabilities.

7.5.5 **Inter-Company Financial and Other Transactions**

The Company has not entered into any inter-company financial and other transactions.

The Company does not, and on the Listing Date will not, have any subsidiaries. However, on 8 September 2015, a special resolution was passed in terms of section 45 of the Companies Act approving, as a general authority, the provision by the Company of direct or indirect financial assistance (as defined in section 45 of the Companies Act) to subsidiaries which the Company may have after the Listing Date. The approval granted by the shareholders in terms of the special resolution will remain in force until the second anniversary of the date on which the resolution was passed.

7.6 **Working Capital**

The Directors are of the opinion that, for a period of 12 months after the date of this Pre-Listing Statement:

- 7.6.1 the Company will be able to pay its debts in the ordinary course of business;
- 7.6.2 the assets of the Company will exceed the liabilities of the Company;
- 7.6.3 the share capital and reserves of the Company will be adequate for ordinary business purposes; and
- 7.6.4 the working capital of the Company will be adequate for ordinary business purposes.

8. **MATERIAL CONTRACTS**

The Company has entered into the following material contracts as at the Last Practicable Date:

- the Escrow Agreement;
- the Founders Agreement;
- the Placement Agreement;
- the Trust Deed in respect of CAET;
- the Underwriting Agreement; and
- the subscription undertakings signed by the Founders, Additional Committed Investors and the Subscribing Director.

The salient terms of the Escrow Agreement, the Founders Agreement, the Placement Agreement and the Trust Deed in respect of CAET are set out in paragraphs 2.10, 5, 11.17 and Annexure A of this Pre-Listing Statement, respectively. The salient terms of the other material contracts are set out in Annexure I of this Pre-Listing Statement.

9. **THE CAPITAL APPRECIATION 67 SCHEME**

- 9.1 As part of the Company's commitment to black economic empowerment, the Company and the Student Support Programme, a non-profit trust ("**SSP**"), have created the SSP Capital Appreciation 67 Entrepreneurial Scheme (the "**Capital Appreciation 67 Scheme**").
- 9.2 The motivation behind the Capital Appreciation 67 Scheme is to recognise the achievements of SSP's alumni for their academic excellence by creating an entrepreneurial fund which will be used to fund 67 business ventures to be started and/or operated by SSP alumni.
- 9.3 As part of the Capital Appreciation 67 Scheme, SSP will subscribe for 6 700 000 Offer Shares as part of the Private Placement. Absa has agreed to finance this subscription with an interest free, non-recourse loan, repayable in five years. During the loan period, the Offer Shares subscribed for by SSP will be pledged to Absa as security.
- 9.4 It is hoped that the net proceeds from the sale of the Offer Shares subscribed for by SSP at the end of the five year period will provide the Capital Appreciation 67 Scheme with capital, which will be used to fund 67 businesses started and/or operated by SSP alumni. SSP intends to announce full details of the Capital Appreciation 67 Scheme in due course.

- 9.5 Since 2000, SSP has provided educational opportunities to hundreds of talented South African students from low-income families to attend the best high schools in Gauteng, the Eastern Cape and the Western Cape. SSP gives five-year high school scholarships to academically distinguished students. The students are carefully selected following a competitive application process beginning in grade 6 based on academic excellence, financial need and leadership potential.
- 9.6 SSP provides additional support through a mentorship programme where each student is paired with a mentor. The mentor provides additional guidance throughout the mentee's high school career.
- 9.7 The final component of the SSP model in addition to financial assistance and mentorship is leadership development. SSP's vision is to develop "Leaders for South Africa" who are committed to the creation of a non-racist, non-sexist, democratic, united and prosperous South Africa. More information on SSP can be found at www.SSP.org.za.

10. ADDITIONAL INFORMATION

10.1 Corporate Governance

Being listed on the JSE, the Company and the Directors will be subject to the corporate governance and financial reporting requirements contemplated by the JSE Listings Requirements and the King Code.

The Directors are committed to maintaining a high level of corporate governance throughout the Company. Effective corporate governance is central to ensuring that management and the Board lead the Company in a way that is efficient, accountable, transparent and ethical.

To further reinforce the importance of rigorous governance and provide investors with added comfort as to the sound stewardship of their investment funds, the Board has appointed Professor Mervyn E King SC (BA, LLB (Wits) (*cum laude*), PhD (hc) in Law (Wits), Hon LLD (Law) (Leeds University), Higher Diploma Income Tax (Wits)) as a special adviser to the Board in relation to commercial and corporate governance matters.

Professor King is recognised internationally as an expert on corporate governance and sustainability. He practised as an advocate for many years, being appointed senior counsel in 1975. He is a former judge of the Supreme Court of South Africa and his experience in relation to corporate governance issues includes:

- Chairman of the Integrated Reporting Committee of South Africa
- Chairman of the International Integrated Reporting Council in London
- Chairman emeritus of the Global Reporting Initiative in Amsterdam
- Past Chairman and member of the United Nations Steering Committee of eminent persons who reviewed the governance and oversight within the United Nations, its funds, programmes and specialised agencies
- Chairman of the King Committee on Corporate Governance in South Africa, which has published the King I, King II and King III Reports on Corporate Governance in South Africa
- Member of the Private Sector Advisory Group of the World Bank on Corporate Governance
- Member of the Advisory Board of the Central European Corporate Governance Association
- Chairman of the Asian Centre for Corporate Governance
- Past President of the Commonwealth Association of Corporate Governance which published principles of governance for the 54 countries in the Commonwealth
- He is a regular speaker on radio and television talk shows, ran his own television series, "King on Governance" and has spoken at conferences and lectured on corporate issues in over 50 countries

10.2 Property Acquired or to be Acquired or Disposed

The Company has neither made any material acquisitions nor disposed of any material property since its incorporation.

10.3 **Management Contracts**

Save in respect of the appointment of the Company Secretary, neither the business of the Company nor any part thereof, is managed or is proposed to be managed by a third party under a contract.

10.4 **Royalties**

No royalties or other items of a similar nature are payable by the Company to any person.

10.5 **Material Changes**

There has not been any material change in the object, nature of the business or the financial or trading position of the Company since its incorporation. There has been no change to the trading objects of the Company since its incorporation.

10.6 **Prospects**

Given the nature of the Company, there are no business activities about which the Board can comment. The Board, however, believes that the prospects of the Company identifying a suitable target and completing an acquisition of Viable Assets within the Initial Period are favourable.

10.7 **Principal Immovable Properties**

The Company does not own or hire any immovable property.

10.8 **Litigation Statement**

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

10.9 **Details of Government Protection and Investment Encouragement Law**

There is no government protection or investment encouragement law affecting the current business of the Company.

11. **PARTICULARS OF THE PRIVATE PLACEMENT**

11.1 **Purpose of the Private Placement and the Listing**

The main purposes of the Private Placement and the Listing are to:

- 11.1.1 enable the Company to raise sufficient capital to list as a SPAC and for the acquisition of Viable Assets;
- 11.1.2 establish the public profile and general public awareness of the Company; and
- 11.1.3 enable the Company to access capital markets, if required, to fund the acquisition of Viable Assets.

11.2 **The Private Placement**

- 11.2.1 The Private Placement comprises an offer made by the Company for the subscription of the Offer Shares, at the Offer Price.
- 11.2.2 The Private Placement consists of an offering to selected persons who fall within one of the specified categories listed in section 96(1)(a) of the Companies Act, to whom the offer will be specifically addressed, and by whom the offer will be capable of acceptance.
- 11.2.3 The Private Placement, except insofar as it relates to subscriptions for the Base Underwritten Capital Amount contemplated in paragraph 11.2.4 below, is conditional on the Placement Agreement being concluded and becoming unconditional and the listing of the Company as a SPAC on the Main Board, failing which the Private Placement, except insofar as it relates to subscriptions for the Base Underwritten Capital Amount contemplated in paragraph 11.2.4 below, and any acceptance thereof shall not take effect and no person shall have any claim whatsoever against the Company, the Bookrunner or any other person as a result of the failure of such condition.

- 11.2.4 Notwithstanding paragraph 11.2.3, the Private Placement, insofar as it relates to the Base Underwritten Capital Amount and only to the extent that the Base Underwritten Capital Amount is raised pursuant to subscriptions for Offer Shares by the Underwriters, the Additional Committed Investors and friends and family of the Founders as envisaged in paragraph 11.17.2, is conditional on the listing of the Company as a SPAC on the Main Board, failing which the Private Placement, insofar as it relates to the Base Underwritten Capital Amount and only to the extent that the Base Underwritten Capital Amount is raised pursuant to subscriptions for Offer Shares by the Underwriters, the Additional Committed Investors and friends and family of the Founders as envisaged in paragraph 11.17.2, and any acceptance thereof shall not take effect and no person shall have any claim whatsoever against the Company, the Bookrunner or any other person as a result of the failure of such condition.
- 11.2.5 JSE approval of the Listing is conditional on meeting the minimum free float requirement, as prescribed by the JSE Listings Requirements and acceptable to the JSE. The JSE Listings Requirements require that a minimum of 20% of the Ordinary Shares are held by the public (as defined by the Listings Requirements) to ensure reasonable liquidity.
- 11.2.6 All Ordinary Shares that are in issue as at the date of this Pre-Listing Statement will rank *pari passu* in all respects.
- 11.2.7 No action has been or will be taken in any jurisdiction that would permit a public offering of the Offer Shares. This Pre-Listing Statement and the Private Placement do not constitute an offer in or from any Affected Jurisdiction. To the extent that this Pre-Listing Statement may be sent to any Affected Jurisdiction, it is provided for information purposes only. Persons in Affected Jurisdictions may not accept the Private Placement. No person accepting the Private Placement should use the mail of any such Affected Jurisdiction nor any other means, instrumentality or facility in such Affected Jurisdiction for any purpose, directly or indirectly, relating to the Private Placement. It shall be the responsibility of any persons resident in a jurisdiction outside of South Africa to inform themselves about, and observe, any applicable legal requirements in the relevant jurisdiction.
- 11.2.8 Notwithstanding that this document constitutes a Pre-Listing Statement, it is not an offer to the general public in any jurisdiction and only constitutes an offer for the subscription of the Offer Shares to selected persons who fall within one of the specified categories listed in section 96(1)(a) of the Companies Act and to whom the Private Placement will be specifically addressed, and is capable of acceptance only by such selected persons, and is only addressed to persons to whom it may lawfully be made. The distribution of this Pre-Listing Statement and the making of the Private Placement may be restricted by law. It is the responsibility of any person into whose possession this document comes to inform themselves about and observe any such restrictions. Any failure to comply with any of those restrictions may constitute a violation of the laws of any such jurisdiction. This document does not constitute an offer of, or an invitation to subscribe for or purchase, any of the Offer Shares in any Affected Jurisdiction.
- 11.2.9 In connection with the Private Placement, the Bookrunner and any of its respective affiliates, acting as an investor for its own account, may take up Ordinary Shares in the Private Placement and in that capacity may retain, purchase or sell for its own account such securities and any Ordinary Shares or related investments and may offer or sell such Ordinary Shares or other investments otherwise than in connection with the Private Placement. Accordingly, references in the Pre-Listing Statement to Offer Shares being offered or placed should be read as including any offering or placement of Offer Shares to the Bookrunner or any of its affiliates acting in such capacity. In addition the Bookrunner or its affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which the Bookrunner (or its affiliates) may from time to time acquire, hold or dispose of Ordinary Shares. The Bookrunner does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

11.3 Time and Date of the Opening and Closing of the Private Placement

The following table provides the expected dates of important steps related to the Private Placement and the Listing:

		2015
Opening date of the Private Placement	09:00 on	28 September
Publication of the Pre-Listing Statement		28 September
Abridged Pre-Listing Statement released on SENS on		28 September
Expected last date and time for indications of interest for purposes of the bookbuild in terms of the Private Placement to be received	17:00 on	9 October
Expected Closing Date of the Private Placement	17:00 on	9 October
Successful applicants advised of allocations on		9 October
Finalisation Announcement released on SENS and in the South African press on		12 October
Expected Listing Date		16 October

**The above dates may change, and any such change will be published on SENS and in the South African press.*

11.4 Offer Price

11.4.1 Each Offer Share is being issued at the Offer Price, being R1.00 per Offer Share. Securities transfer tax will not be levied on the allotment and issue of Offer Shares by the Company.

11.4.2 The Bookrunner is seeking indications of interest from selected persons as part of a “bookbuilding” process. Following this bookbuilding process, the number of Offer Shares will be determined jointly by the Company and the Bookrunner either prior to or on 9 October 2015 and will be announced on SENS and in the South African press on 12 October 2015. Any change to these dates and times will be announced on SENS and published in the South African press.

11.4.3 Among the factors that may be considered in determining the number of Offer Shares are the prevailing market conditions, the demand for the Offer Shares during the bookbuilding process and the desire to establish an orderly after-market in the Ordinary Shares.

11.5 Shares of the Company on Listing Date

On the assumption that the Company raises only the Base Underwritten Capital Amount (and the Founders’ Initial Ordinary Shares are reduced to 125 000 000 pursuant to the FIOS Repurchase Adjustment), the authorised and issued shares of the Company immediately after the Private Placement will be as set out in the table below:

Authorised shares	No. of shares
Ordinary Shares	10 000 000 000
Constituent Shares	4 000
Issued shares	
Ordinary Shares	625 000 000
Constituent Shares	4

11.6 Participation in the Private Placement

Selected persons in South Africa wishing to participate in the Private Placement should contact the Bookrunner prior to the cut-off time for providing indications of interest referred to above in “Particulars of the Private Placement – Time and Date of the Opening and Closing of the Private Placement”.

11.7 Representation and Waiver

11.7.1 Any person applying for or accepting an offer of Offer Shares shall be deemed to have represented to the Company and the Bookrunner 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 Private Placement in respect of such applicant in accordance with its terms.

11.7.2 Any person applying for or accepting an offer of Offer Shares shall be deemed to have represented to the Company and the Bookrunner that it has done so in accordance with the applicable law, including in respect of South Africa, where any person applying for or accepting an offer of Offer Shares shall be deemed to have represented that they are a person falling within one of the specified categories listed in section 96(1)(a) of the Companies Act.

11.7.3 Any person applying for or accepting an offer of Offer Shares shall be deemed to have waived any requirement on the Founders, together or separately, to make a mandatory offer in terms of section 123 of the Companies Act. The Takeover Regulation Panel has granted a dispensation from the requirement to include a fair and reasonable opinion in this Pre-Listing Statement in relation to such waiver in terms of Regulation 86 of the Companies Regulations, 2011.

11.8 Allocation

The basis of allocation of the Offer Shares will be determined by the Company and the Bookrunner. It is intended that notice of the allocations will be given on or before 9 October 2015. Applicants 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 at the risk of the applicant.

11.9 Application, Payment and Delivery of Offer Shares

11.9.1 Applications through CSDPs or brokers must be in accordance with the agreement governing the relationship between the applicant and its CSDP or broker, as the case may be, and must be in accordance with the terms and conditions of the Offer.

11.9.2 Each successful applicant must, as soon as possible after being notified of an allocation of Offer Shares, forward to:

11.9.2.1 its CSDP, all information required by the applicant's CSDP and instruct its CSDP to pay, against delivery of the applicant's allocation of Offer Shares, the aggregate price for such Offer Shares to the account designated by the Company. Such information and instructions must be confirmed to the applicant's CSDP no later than 12:00, two Business Days (expected to be 14 October 2015) prior to the Settlement Date; and

11.9.2.2 the Bookrunner, details of its CSDP, the name of the account holder and number of Offer Shares and such other information as is required by the Bookrunner, or its CSDP or transfer secretary, to the extent applicable, in order to effect delivery of the relevant Offer Shares. Such information must be confirmed to the Bookrunner no later than 12:00, two Business Days (expected to be 14 October 2015) prior to the Settlement Date.

11.9.3 By no later than 12:00 on 14 October 2015, each applicant must place its funds with its CSDP or make other necessary arrangements to enable its CSDP to make payment for the allocated Offer Shares on the Settlement Date, in accordance with each applicant's agreement with its CSDP.

11.9.4 The applicant's CSDP must commit in the Strate system to the receipt of the applicant's allocation of Offer Shares against payment by no later than 16:00 on 14 October 2015.

11.9.5 On the Settlement Date (which is expected to be 16 October 2015), the applicant's allocation of Offer Shares will be credited to the applicant's CSDP or broker against payment during the Strate system settlement runs which occur throughout the day.

11.9.6 The Additional Committed Investors and the Subscribing Director are deemed to be participants in the Private Placement and have already delivered executed irrevocable letters of subscription to the Company for an aggregate of 60 300 000 Ordinary Shares at the Offer Price, and will be subject to the process outlined above.

11.10 Exchange Control Regulations

Capital (including currency and shares) is not freely transferable to and from South Africa and must be dealt with in terms of the Exchange Control Regulations of the SARB as described more fully under paragraph 12 of this Pre-Listing Statement. The Exchange Control Regulations also regulate the acquisition by former residents and non-residents of South Africa of Offer Shares. Applicants who are resident outside the Common Monetary Area should seek advice as to whether any governmental and/or other legal consent is required and/or whether any other formality must be observed to enable an application for, or an acceptance of, the Private Placement.

11.11 Dematerialisation of Offer Shares

11.11.1 The Offer Shares will be issued by the Company to successful applicants in dematerialised form only (the “Dematerialised Ordinary Shares”). Accordingly, all successful applicants must appoint a CSDP in terms of the Financial Markets Act, directly or through a broker, to receive and hold the Dematerialised Ordinary Shares on their behalf. Dematerialised Ordinary Shares are shares that have been Dematerialised and are “uncertified securities” as defined in section 1 of the Financial Markets Act. Should a shareholder require a physical share certificate for its Offer Shares following the Listing he should contact his CSDP to obtain one. It is noted that there are risks associated with holding shares in certificated form, including the risk of loss or tainted script, which are no longer covered by the JSE Guarantee Fund. All shareholders who elect to convert their Dematerialised Ordinary Shares into shares that have not been Dematerialised will have to Dematerialise their Offer Shares should they wish to trade them under the terms of Strate.

11.11.2 Each applicant’s duly appointed CSDP or broker will receive the Dematerialised Ordinary Shares on his behalf against payment of the Offer Price by the applicant’s CSDP, which is expected to occur on 16 October 2015 during the Strate settlement runs.

11.12 Applicable Law

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

11.13 Strate

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

11.13.2 Strate is a system of “paperless” transfer of securities. If you have any doubt as to the mechanics of the Strate system you should please consult your broker, CSDP or other appropriate adviser. Please also refer to the Strate website at www.strate.co.za. Some of the principal features of Strate are as follows:

11.13.2.1 electronic records of ownership replace share certificates and the physical delivery of share certificates;

11.13.2.2 trades executed on the JSE must be settled within five Business Days;

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

11.13.2.4 unless investors owning Dematerialised Ordinary Shares specifically request their CSDP to register them as an “own name” shareholder (which entails a fee), their CSDP’s or broker’s nominee company, holding shares on their behalf, will be the shareholder 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 Ordinary Shares and/or to attend and vote at shareholders meetings.

11.14 The Listing

The JSE has granted the Company a listing as a SPAC in respect of all of the Offer Shares that will be issued pursuant to the Private Placement together with the Founders' Initial Ordinary Shares that will be held by the Founders after the FIOS Repurchase Adjustment in the "Speciality Finance" sector of the Main Board, under the abbreviated name: "CAPPREC", JSE ordinary share code: "CTA" and ISIN: ZAE000208245, with effect from the commencement of trade on 16 October 2015, subject to the Company having satisfied the conditions to the Listing set out in paragraph 11.15 of this Pre-Listing Statement.

11.15 Conditions to the Listing

11.15.1 The Listing is subject to the achievement of the minimum free float requirement, as prescribed by the JSE Listings Requirements and acceptable to the JSE, being public shareholders holding not less than 20% of the Ordinary Shares. The Company expects to meet this requirement after the Private Placement.

11.15.2 If the Company does not meet the requirement set out above, the Private Placement will not be of any force or effect, the Company will return any monies already received, free of interest, at the risk of the applicants, and otherwise in terms of the relevant provisions of the MOI, set out in Annexure D of this Pre-Listing Statement. No person will have any claim whatsoever against the Company or any other person as a result of the Company not meeting such requirement.

11.16 Minimum Subscription

11.16.1 The purpose of the Private Placement is to obtain a listing on the Main Board as a SPAC. Therefore, the minimum amount which must be raised pursuant to the Private Placement is R500 000 000. This amount is underwritten by the Underwriters in terms of the Underwriting Agreement who have waived any fees to which they may otherwise be entitled. The Founders have already committed to subscribe, collectively, for R360 000 000 worth of Ordinary Shares in terms of the Private Placement and the Additional Committed Investors have already committed to subscribe, collectively, for R56 700 000 worth of Ordinary Shares in terms of the Private Placement.

11.16.2 The Board recognises the possibility that the Company will be able to raise more than the minimum amount of R500 000 000 pursuant to the Private Placement (including the subscription amounts payable by the Subscribing Director, the Additional Committed Investors and the R360 000 000 payable by the Founders). The Board and the Bookrunner have the sole discretion to raise the number of Ordinary Shares to be issued pursuant to the Private Placement, subject only to the restriction that the Company may not issue more Ordinary Shares than the number of authorised Ordinary Shares in the Company.

11.17 Placement Agreement

11.17.1 The Company and the Bookrunner have entered into the Placement Agreement in connection with the Private Placement subject to certain conditions, including the execution and delivery of a placement memorandum setting forth, among other things, the number of Offer Shares which shall be issued by the Company pursuant to the Private Placement. Upon execution of the placement memorandum, the Company will, subject to the terms and conditions described in the Placement Agreement, agree to issue the Offer Shares and the Bookrunner will agree to procure subscribers to subscribe for the Offer Shares at the Offer Price in accordance with its commitments under the Placement Agreement. If the placement memorandum is concluded, the obligation of the Bookrunner to purchase and pay for the Offer Shares on the Listing Date will be subject to customary closing conditions.

- 11.17.2 Pursuant to the Placement Agreement, the Company has agreed to pay the Bookrunner (i) an institutional placement fee of 1.5% of any monies raised from institutional investors in terms of the Private Placement, except insofar as those investors have subscribed for Ordinary Shares by way of subscriptions made prior to the Private Placement and are disclosed in this Pre-Listing Statement; and (ii) a retail advisory fee of 0.75%⁴ of any subscription monies raised from intermediaries acting as agents on behalf of retail investors in terms of the Private Placement, but for the avoidance of doubt no such fee shall be due by way of subscriptions made prior to the Private Placement where those subscriptions are by the Founders of the Company or have been procured by the Founders or are subscriptions by friends and family of the Founders.
- 11.17.3 The Company is subject to certain lock-up arrangements pursuant to the Placement Agreement under which the Company has agreed not to issue Ordinary Shares or any securities substantially similar to the Ordinary Shares (as the case may be) for a period ending on the earlier of (i) 180 days after the Listing Date and (ii) the date on which an acquisition of Viable Assets is approved by shareholders, subject to certain exceptions, without the consent of the Bookrunner.
- 11.17.4 Prior to the Private Placement, there has been no public market for Offer Shares and no assurances can be given that an active trading market will develop or that the Offer Shares will trade above the Offer Price.
- 11.17.5 No promoter, Director or officer of the Company has any beneficial interest, direct or indirect, in the Bookrunner.
- 11.17.6 From time to time, in the ordinary course of their respective businesses, the Bookrunner or its affiliates have, and may in the future, engage in commercial or investment banking transactions with the Company.
- 11.17.7 The Company has also agreed to indemnify the Bookrunner and its affiliates against certain losses and liabilities arising out of or in connection with the Private Placement.

The Private Placement is, among other things, subject to a minimum subscription requirement. The minimum requirement in terms of the Private Placement is that which enables the Company to ensure that the Company has, once the Private Placement is completed, met the minimum free float requirement (i.e. at least 20% of the Ordinary Shares being held by the public), as prescribed by the Listings Requirements and acceptable to the JSE in order to ensure reasonable liquidity. Additionally, the minimum capital requirement to be realised by the Private Placement is to raise R500 000 000, being the minimum amount required to be raised in order to list as a SPAC on the Main Board. The Listing will not proceed if the minimum subscription and/or minimum capital requirements are not achieved, and any acceptance of the Private Placement shall not take effect and no person shall have any claim whatsoever against the Company, the Bookrunner or any other person as a result of the failure of any condition. The minimum capital requirement has been underwritten by the Underwriters.

11.18 **Selling and Transfer Restrictions**

In South Africa, the Private Placement will only be made by way of private placement to, and be capable of acceptance by, persons falling within the exemptions set out in section 96(1)(a) of the Companies Act and to whom the Private Placement will be specifically addressed (“Qualifying Investors”) and this Pre-Listing Statement is only being made available to and capable of acceptance by such Qualifying Investors. The Private Placement does not constitute an offer for the sale of or subscription for, or the solicitation of an offer to buy and/or to subscribe for, Ordinary Shares to the public as defined in the Companies Act and will not be distributed to any person in South Africa in any manner which could be construed as an offer to the public in terms of the Companies Act. Should any person who is not a Qualifying Investor receive this Pre-Listing Statement they should not and will not be entitled to acquire any Offer Shares or otherwise act thereon. This Pre-Listing Statement does not, nor is it intended to, constitute a prospectus prepared and registered under the Companies Act. Accordingly, this Pre-Listing Statement does not comply with the substance and form requirements for prospectuses set out in the Companies Act and the South African Companies Regulations of 2011 and has not been approved by, and/or registered with, the South African Companies and Intellectual Property Commission, or any other South African authority. The JSE has approved this Pre-Listing Statement.

4. In order to incentivise investors, the Company has agreed to a fee of 0.25%, in addition to this fee, to be paid by the Company to institutional investors and retail intermediaries.

12. EXCHANGE CONTROL

The following is a general summary of the South African exchange control implications relevant to the Private Placement. The summary is intended as a guide only 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 Private Placement, given their facts and circumstances. Please note that the Company is not responsible for obtaining any exchange control consents or approvals that any applicant might need in order to subscribe for Ordinary Shares pursuant to the Private Placement.

12.1 Applicable Legislation; Delegation of Powers; Authorised Dealers

Exchange controls are imposed on South African residents in terms of the Exchange Control Regulations, 1961, as amended, issued in terms of section 9 of the South African Currency and Exchanges Act, 1933 (the "Regulations"). The Financial Department (the "FSD") of the SARB is responsible for the day-to-day administration of the exchange control rules. The FSD has a wide discretion which discretion is, however, not exercised arbitrarily but is based upon a set of norms, and is subject to the policy guidelines laid down by the Minister of Finance, Director General Finance, and the SARB.

From time to time, the FSD issues rulings and circulars to provide further guidelines regarding the implementation of exchange controls. The Regulations, rulings and circulars are collectively referred to as "Excon Rules" for purpose of this document.

Certain South African banks have been appointed to act as authorised dealers (as defined by the Excon Rules) ("Authorised Dealers") in foreign exchange. Authorised Dealers may buy and sell foreign exchange, subject to conditions and within limits prescribed by the FSD.

The Authorised Dealers are also required to assist the FSD in administering the Excon Rules. All applications to the FSD are required to be made through an Authorised Dealer. The Exchange Control Rulings, issued by the FSD, set out the conditions, permissions and limits applicable to the transaction in foreign exchange which may be undertaken by Authorised Dealers, as well as details of related administrative responsibilities.

12.2 Exchange Control Limitations – General

The purpose of the Excon Rules is, *inter alia*, to regulate inflows and outflows of capital from South Africa. South African exchange control residents are not permitted to export capital from South Africa except as provided for in the Excon Rules. In this regard, currency and shares are not freely transferable from South Africa to any jurisdiction falling outside the geographical borders of South Africa, other than jurisdictions falling within the Common Monetary Area.

No South African resident is thus entitled to enter into any transaction in terms of which capital (whether in the form of funds or otherwise) or any right to capital is directly or indirectly exported from South Africa without the approval of either the FSD or, in certain cases, by an Authorised Dealer.

Exchange controls do not apply to non-residents, but they may be impacted indirectly as acquisitions of certain South African assets and transactions with South African residents may require SARB approval.

12.3 Exchange Controls Applicable to the Private Placement – General

The Regulations regulate the acquisition by former residents and non-residents of Offer Shares. Applicants who are resident outside the Common Monetary Area should seek advice as to whether any governmental and/or other legal consent is required and/or whether any other formality must be observed to enable an acceptance of Offer Shares.

All South African residents' shareholdings in securities listed on a South African exchange (like the JSE) are treated as the holdings of South African assets without any distinction between institutional and non-institutional investors. South African residents are therefore allowed to invest in the Offer Shares without any restriction under the Excon Rules.

12.4 Exchange Controls Applicable to the Private Placement – Emigrants from the Common Monetary Area

A former resident of the Common Monetary Area who has emigrated from South Africa may use emigrant blocked Rand accounts (in terms of the Excon Rules) to acquire Offer Shares. All payments

in respect of subscriptions for or purchases of Offer Shares by non-residents using emigrant blocked Rands must be made through an Authorised Dealer controlling the blocked assets.

Offer Shares acquired with emigrant blocked Rands will be credited to the emigrant's blocked share account at the CSDP controlling their blocked portfolios and will be annotated "non-resident".

Shares subsequently rematerialised and issued in certificated form will be endorsed "non-resident" in accordance with the Excon Rules. Share certificates will be placed under the control of the Authorised Dealer through whom the payment for the Offer Shares was made.

If applicable, refund monies payable in respect of unsuccessful applications for Offer Shares pursuant to this Pre-Listing Statement, emanating from emigrant blocked Rand accounts will be returned, under the Excon Rules, to the Authorised Dealer administering such emigrant blocked Rand accounts for the credit of such applicants' blocked Rand accounts.

12.5 Exchange Controls Applicable to the Private Placement – Applicants Resident Outside the Common Monetary Area

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

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 Excon Rules.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are given in paragraph 3.1 of this Pre-Listing Statement, collectively and individually accept full responsibility for the accuracy of the information provided in this Pre-Listing Statement 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 Pre-Listing Statement contains all information required by the JSE Listings Requirements.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Certified copies of the following documents will be available for inspection at the Company's registered office and the offices of the Sponsor and the Transfer Secretaries at their respective addresses set out in the "Corporate Information and Advisors" section of this Pre-Listing Statement from the date of this Pre-Listing Statement until the Listing Date:

- 14.1 the MOI;
- 14.2 the Underwriting Agreement;
- 14.3 the Founders Agreement;
- 14.4 the Escrow Agreement;
- 14.5 the Placement Agreement;
- 14.6 the Capital Appreciation Share Option Plan;
- 14.7 the trust deed in respect of CAET;
- 14.8 the audited annual financial statements for the period ended 28 February 2015;
- 14.9 the report by the independent reporting accountants;
- 14.10 the written consents of advisors;
- 14.11 the irrevocable undertakings to subscribe for Offer Shares; and
- 14.12 the letters of appointment of the Directors and the service contracts of the executive Directors.

SIGNATURE PAGE

By order of the Board

Alan Salomon
Chief Financial Officer

SIGNED AT SANDTON ON 28 SEPTEMBER 2015 ON BEHALF OF ALL THE DIRECTORS OF THE COMPANY

Registered office
c/o Bowman Gilfillan Inc.
165 West Street
Sandton, 2196

THE CAPITAL APPRECIATION EMPOWERMENT TRUST

This Annexure sets out additional information in relation to CAET.

The trust deed in respect of CAET was signed on 22 July 2015 and letters of authority were issued to the first trustees on 24 July 2015.

DESCRIPTION OF CAET

1. TRUST OBJECT

The Company has established CAET with the object of facilitating economic empowerment of and advancing the interests of, Black Persons (as defined in paragraph 6 below), by conferring vested interests on them in Ordinary Shares held by CAET (**Trust Shares**).

2. INITIAL ASSETS

2.1 CAET will initially subscribe for 50 000 000 Ordinary Shares and between 20 000 000 and 25 000 000 Founders' Initial Ordinary Shares (collectively, **Initial Trust Shares**).

2.2 The trustees are entitled to enter into agreements to fund CAET's activities and operations, and related security agreements, (collectively, **Financing Agreements**), subject to restrictions imposed in the trust deed or Financing Agreements.

3. FIRST TRUSTEES

Michael (Motty) Sacks and Tseke Beny Nkadimeng are the first trustees of CAET.

4. SUBSEQUENT TRUSTEES

4.1 Within 60 days after the Completion of an acquisition of Viable Assets (or such later date as is agreed to in writing by the Company), the first trustees will jointly nominate:

4.1.1 two persons for appointment as trustees in place of the first trustees; provided that one of the first trustees may remain as trustee if both of the first trustees so determine; and

4.1.2 one or two additional persons as trustees.

4.2 Thereafter, additional trustees may be nominated (subject to paragraph 4.4 below), and trustees may be removed, and replacement trustees nominated, by a majority of the trustees in office.

4.3 The trustees nominated pursuant to paragraph 4.1.2 or 4.2 must be acceptable to the Company, acting reasonably.

4.4 Once trustees have been nominated pursuant to paragraph 4.1, the trustees must meet the following criteria:

4.4.1 there must be at least three trustees in office. There may not be more than four trustees; and

4.4.2 a majority of the trustees must be black natural persons.

5. VOTING AT TRUSTEE MEETINGS

Decisions at meetings of the trustees are taken by majority vote of the trustees present at the meeting. Each trustee is entitled to exercise one vote.

6. BENEFICIARIES

6.1 Black natural persons and other entities meeting prescribed minimum black economic empowerment criteria are entitled to participate in CAET (**Black Persons**).

6.2 From time to time, the trustees may resolve to offer a vested interest in CAET's capital assets to selected Black Persons. Such a selected person will become a participant in CAET (**Participant**) by accepting the offer and paying the consideration, if any, payable for that vested interest.

7. **DISTRIBUTION OF INCOME**

7.1 Until the Discharge Date (as defined in paragraph 7.3 below), the Trustees may not, except in certain limited circumstances, distribute trust income to the Participants.

7.2 After the Discharge Date, the Trustees shall be entitled, subject to compliance with the criterion in paragraph 9.3 below, to distribute to the Participants up to 100% of the amount of the total cash distributions paid by the Company to CAET and still held by CAET, and other trust income.

7.3 The Discharge Date is defined, in relation to Financing Agreements which impose restrictions or prohibitions on the scope of activities in which CAET may engage, as the date on which amounts owing under, or secured by, the Financing Agreements are settled.

8. **ACQUISITION OF ASSETS**

Until the Discharge Date, except in certain limited circumstances, the Trustees may not acquire any capital assets other than the Initial Trust Shares, assets forming the subject matter of distributions in specie by the Company in respect of the Initial Trust Shares or other shares acquired by virtue of the holding of the Initial Trust Shares.

9. **DISTRIBUTION OF TRUST SHARES**

The trustees may not sell, encumber or distribute any of the Trust Shares:

9.1 until the later of the:

9.1.1 Discharge Date; and

9.1.2 second anniversary of the Completion of an acquisition of Viable Assets; and

9.2 except in certain limited circumstances; and

9.3 until all CAET's expenses and taxes have been discharged, or reasonably provided for to the satisfaction of the Company.

10. **DURATION OF THE TRUST**

CAET is intended as a long-term trust. CAET will only terminate if the trustees so resolve and the Company so agrees in writing, but subject to compliance, *inter alia*, with the following:

10.1 settlement of and provision for taxes;

10.2 settlement of amounts owing under Financing Agreements;

10.3 settlement of and provision for expenses;

10.4 distribution of the remaining Trust Shares to Participants, and/or sale of the remaining Trust Shares; and

10.5 a final distribution to the Participants of the trust income remaining after implementation of the foregoing.

OTHER DIRECTORSHIPS

The names of all companies and partnerships of which each Director referred to in paragraph 3.1 of this Pre-Listing Statement 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.

Michael Reuven Pimstein

Name of Company	Designation	Active/Not Active
Savanna Private Game Reserve Proprietary Limited	Non-Executive Director	Active
Steel and Engineering Industries Federation of Southern Africa Proprietary Limited	Non-Executive Director	Not Active
Macsteel Service Centres SA Proprietary Limited	CEO	Not Active
Macsteel Global BV	Non-Executive Director	Not Active
MSCSA Investments Proprietary Limited	Executive Director	Not Active

Bradley Jonathan Sacks

Name of Company	Designation	Active/Not Active
Centric	Managing Partner	Active
Gondwana International Networks (Pty) Ltd (South Africa)	Non-Executive Director	Active
Uluru Inc. (USA, public)	Non-Executive Director	Active
Care Fertility Group Limited (UK)	Chairman	Not Active
General Healthcare Group Limited (UK)	Non-Executive Director	Active

Michael (Motty) Sacks

Name of Company	Designation	Active/Not Active
Adcock Ingram Holdings Limited	Non-Executive Director	Active
ADVTECH Limited	Non-Executive Director	Not Active
Afrocentric Investment Corporation Limited	Non-Executive Director	Active
Altrazeal SA Proprietary Limited	Non-Executive Director	Active
Eagle Creek Investments 605 Proprietary Limited	Non-Executive Director	Active
Hartebeespoort Aerial Cableway Proprietary Limited	Non-Executive Director	Active
LBB Metals Proprietary Limited	Non-Executive Director	Active
Netcare Limited	Chairman and Non-Executive Director	Not Active
Osteoscan Proprietary Limited	Non-Executive Director	Active
Praggia Power Proprietary Limited	Non-Executive Director	Active
Rainbow Place Properties 0007 Proprietary Limited	Non-Executive Director	Active
Revenue House Proprietary Limited	Non-Executive Director	Active
Tiespro 0003 Proprietary Limited	Non-Executive Director	Active
Young Adults Learning and Earning Centre	Non-Executive Director	Active
Zargodox Proprietary Limited	Non-Executive Director	Active

Alan Charles Salomon

Name of Company	Designation	Active/Not Active
The Bidvest Group Limited	Executive Director	Not Active
Bidvest Bank Limited	CEO	Not Active
Master Currency Proprietary Limited	Non-Executive Director	Not Active

Dr Daniel (Dan) Matjila

Name of Company	Designation	Active/Not Active
PIC	CEO	Active
Afrisam Limited	Non-Executive Director	Active
Entabeni Holdings	Non-Executive Director	Active
Harith General Partners	Non-Executive Director	Active
Ecobank Transnational Inc	Non-Executive Director	Active
Community Property Holdings	Non-Executive Director	Active
Erin Energy Corporation	Non-Executive Director	Active

Roshan Morar

Name of Company	Designation	Active/Not Active
Morar Incorporated, Public Accountants and Auditors	Managing Director	Active
PIC	Non-Executive Deputy Chairman	Active
Airports Company (SOC) Limited	Non-Executive Deputy Chairman	Active
South African Roads Agency (SOC) Limited	Non-Executive Director	Active
Adcock Ingram Holdings Limited	Non-Executive Director	Active

Bukelwa Bulu

Name of Company	Designation	Active/Not Active
Franki Geotechnical Proprietary Limited	Non-Executive Director	Active
Unispan Holdings Proprietary Limited	Non-Executive Director	Active
Jade Capital Partners Proprietary Limited	Executive Director	Active
Protea Hospitality Holdings Proprietary Limited	Non-Executive Director	Not Active
V3 Crane Hire Proprietary Limited	Non-Executive Director	Not Active
Kumnandi Food Company Proprietary Limited	Non-Executive Director	Not Active
Elcon Crane and Construction Proprietary Limited	Non-Executive Director	Not Active
African Revival Investment Holdings	Non-Executive Director	Not Active

Jacob Meyer Kahn

Name of Company	Designation	Active/Not Active
SABMiller Plc	Chairman and Group Managing Director	Not Active
Comair Limited	Non-Executive Director	Active
Tsogo Sun Holdings Limited	Director	Not Active
PG Group Proprietary Limited	Director	Active
Netcare Limited	Non-Executive Director and Acting Chairman	Active
Afrocentric Investment Holdings Limited	Non-Executive Director	Active

Victor Sekese

Name of Company	Designation	Active/Not Active
SizweNtsalubaGobodo	CEO	Active
South African Institute of Chartered Accountants	Non-Executive Director	Not Active
Blue Chip Investments	Non-Executive Director	Active

Charles Valkin

Name of Company	Designation	Active/Not Active
Bowman Gilfillan Inc	Director	Not active

DIRECTORS' LETTERS OF APPOINTMENT AND SERVICE CONTRACTS

This annexure sets out the salient terms of the letters of appointment and service contracts with the Directors specified in paragraph 3.1 of this Pre-Listing Statement.

LETTERS OF APPOINTMENT WITH THE DIRECTORS

- **Term**

Each 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 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 Director agrees to make himself available for re-election as a Director following his retirement at the first annual general meeting of the Company post implementation of the Listing.

A Director may resign at any time after the first anniversary of the Listing, provided that the Director gives not less than three calendar months' written notice to that effect to the Company after the first anniversary of the Listing.

A Director will not be entitled to claim any damages or other compensation for loss of office or the termination of his appointment as a Director.

- **Duties**

Each Director will have all the duties usually attendant on that office. In performing his duties and exercising his powers as a 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**

Until such time as the Company Completes an acquisition of Viable Assets, the executive Directors will not receive any remuneration for services rendered to the Company in their capacities as Directors.

Each non-executive Director will receive R20 000 per meeting attended as remuneration for services rendered to the Company in his capacity as a Director, except for Michael (Motty) Sacks, who has waived such remuneration.

- **Indemnity**

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 the 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 or might result in a conflict of interest with his appointment.

SERVICE CONTRACTS WITH DIRECTORS

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

- Michael Reuven Pimstein and Bradley Jonathan Sacks were appointed as the Joint Chief Executive Officers of the Company; and
- Alan Charles Salomon was appointed as the Chief Financial Officer of the Company.

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 two months' written notice, which may not be given before a period of one month after the Completion by the Company of Viable Assets has expired.

Until such time as the Company Completes an acquisition of Viable Assets, the executive Directors will not receive any remuneration for services rendered to the Company.

The Company will, upon the Completion of an acquisition of Viable Assets, offer each executive Director a remuneration package approved by the Company's remuneration committee. If the Company and the executive Director do not reach agreement on the remuneration package, the employment of the executive Director by the Company will terminate.

Each executive Director's annual leave, sick leave and family responsibility leave will be governed by the provisions of the Basic Conditions of Employment Act.

An executive Director's employment may be terminated at any stage for misconduct, poor work performance, incapacity or the operational requirements of the Company, or for any other reason justified in law.

EXTRACTS OF MEMORANDUM OF INCORPORATION

Extracts from MOI are set out below. A copy of the complete MOI is available for inspection at the Company's registered office.

For the purpose of this Annexure D, "Act" refers to the Companies Act, No. 71 of 2008, as amended, consolidated or re-enacted from time to time and includes all schedules to such Act and the Companies Regulations, 2011. A reference to a section by number refers to the corresponding section of the Act, notwithstanding the renumbering of such section after the date on which the Company is incorporated. A reference to a clause by number refers to a corresponding provision of the MOI. The numbers in the furthest left hand column of the below table refer to the corresponding clause of the MOI.

3.3 MEMORANDUM OF INCORPORATION AND COMPANY RULES

- 3.3.1 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.
- 3.3.2 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 section 16(1)(a) of the Act.
- 3.3.3 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.
- 3.3.4 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.

4.1 AUTHORISATION FOR SHARES

- 4.1.1 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:
 - 4.1.1.1 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;
 - 4.1.1.2 unissued shares or options otherwise than as envisaged in 4.1.1 above, for cash, as the directors in their discretion think fit, if approved by shareholders in general meeting; and
 - 4.1.1.3 shares that are fully paid up.

4.3 AMENDMENT OF CLASS, PREFERENCES, RIGHTS, LIMITATIONS OR OTHER TERMS

- 4.3.1 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 Redeemable 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 in the same manner, *mutatis mutandis*, as a special resolution. The holders of such other class, e.g. Ordinary Shares (if the shares of that class have voting rights at the relevant time), may be allowed to vote at the meeting of Redeemable Ordinary Shareholders convened for the purposes of considering such proposal, subject to the Listings Requirements.
- 4.3.2 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).

4.3.3 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. Without derogation from the foregoing, any issue of Ordinary Shares shall not be deemed to vary any of the rights attached to the Redeemable Ordinary Shares, and any issue of Redeemable Ordinary Shares shall not be deemed to vary any of the rights attached to the Ordinary Shares.

4.3.4 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. The provisions of this 4.3.4 shall not apply to the Ordinary Shares and the Redeemable Ordinary Shares.

4.14 LIMITATION OF VOTING RIGHTS

As required by the Listings Requirements, while there are Redeemable Ordinary Shares in issue, the holders of any securities other than Redeemable 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.

6.10 SHAREHOLDERS' RESOLUTIONS

6.10.1 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.

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.

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.

6.10.4 No shareholders resolution in terms of section 20(2) 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.

7.1 COMPOSITION OF THE BOARD OF DIRECTORS

7.1.1 This Memorandum does not specify a higher number in substitution for the minimum number of directors required in terms of the Listings Requirements.⁵

7.1.2 Subject to 7.2, the shareholders shall elect the directors, and shall be entitled to elect one or more alternate directors, in accordance with the provisions of section 68(1) of the Act.

7.1.3 This Memorandum does not provide for:

7.1.3.1 the direct appointment or removal of any director or alternate director by any particular person; or

the appointment of any person as an *ex officio* director of the Company.

5. In terms of the JSE Listings Requirements, the minimum number of Directors is four.

- 7.1.4 This Memorandum does not stipulate any additional qualifications or eligibility requirements other than those set out in the Act for a person to become or remain a director or a prescribed officer of the Company.
- 7.1.5 At the first annual general meeting of the Company all of the directors of the Company shall retire, but all of them shall be eligible for re-election. At every subsequent annual general meeting, one third of the non-executive directors for the time being or, if their number is not a multiple of 3 (three), then the number nearest to but not less than one third, or if there are less than three non-executive directors, then all of the non-executive directors, shall retire from office, provided that the directors appointed in terms of 7.2 shall not be taken into account in determining which directors are to retire by rotation at the annual general meeting immediately following their appointment.
- 7.1.6 The non-executive directors so to retire at every subsequent annual general meeting shall be those who have been longest in office since their last election. In the case of persons who became non-executive directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. The length of time a non-executive director has been in office shall be computed from his last election, appointment or date upon which he was deemed re-elected.
- 7.1.7 A director retiring at a general meeting shall retain office until the election of directors at that general meeting has been completed.
- 7.1.8 A retiring director may be re-elected, provided that, for as long as the Listings Requirements require it, the board, through its nominations committee, has recommended his eligibility, taking into account past performance and contribution made.

7.2 VACANCIES

- 7.2.1 The board may appoint any person who satisfies the requirements for election as a director to fill any vacancy and serve as a director on a temporary basis until the vacancy is filled by election in accordance with section 68(1) of the Act.
- 7.2.2 Should the number of directors fall below 4 (four), the remaining directors must, as soon as possible, and, in any event, not later than 3 (three) months from the date that the number of directors falls below that number, fill the vacancies or call a shareholders meeting for the purpose of filling the vacancies. A failure by the Company to have 4 (four) directors during the 3 (three) month period does not limit or negate the authority of the board or invalidate anything done by the board or the Company. After the expiry of the 3 (three) month period, the remaining directors shall only be permitted to act for the purpose of filling vacancies or calling a shareholders meetings.
- 7.2.3 The appointment of a director to fill a vacancy or as an addition to the board must be confirmed by shareholders at the next annual general meeting.

7.3 AUTHORITY OF THE BOARD OF DIRECTORS

The authority of the board to manage and direct the business and affairs of the Company, as contemplated in section 66(1), is not limited, restricted or qualified by this Memorandum.

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.
- 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.

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.

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.

9. **SPECIAL PURPOSE ACQUISITION COMPANY**

9.1 As at the date of filing of this Memorandum with the Commission, the Company is a special purpose acquisition company. It will remain a special purpose acquisition company until it has Completed an acquisition of Viable Assets. The initial acquisition of Viable Assets must be approved by an ordinary resolution by shareholders of the Company.

9.2 If the Company does not Complete an acquisition of Viable Assets within the Initial Period, the Redeemable Ordinary Shares shall be redeemed by the Company in accordance with the terms of the Redeemable Ordinary Shares set out in paragraph 2 of Schedule 1.⁶

6. The rights attached to the Redeemable Ordinary Shares and the Ordinary Shares are set out in paragraph 4.4 of this Pre-Listing Statement.

FOUNDERS' SHAREHOLDINGS AS AT THE LAST PRACTICABLE DATE AND POST THE PRIVATE PLACEMENT

The table below reflects the Founders' ownership interest prior to the Private Placement and post the Private Placement assuming the Company raises only the Base Underwritten Capital Amount as part of the Private Placement and that the Underwriters do not need to fulfil their obligations under the Underwriting Agreement.

	As at the Last Practicable Date and Prior to the FIOS Repurchase Adjustment			Post the Private Placement of Base Underwritten Capital Amount Only				
	Con-stituent Shares	FIOS Shares	Ownership of Ordinary Shares ⁷	Con-stituent Shares	FIOS Shares	Ordinary Shares	Total Ordinary Shares	Ownership of Ordinary Shares ⁸
	('000)			('000)		('000)		
PIC	–	250 000	33%	–	41 667	250 000	291 667	47%
CAET ⁹	–	25 000	3%	–	20 000	50 000	70 000	11%
Michael Pimstein	1	118 750	16%	1	15 833	15 000	30 833	5%
Bradley Sacks ¹⁰	1	237 500	32%	1	31 667	–	31 667	5%
Michael (Motty) Sacks	1	–	–	1	–	30 000	30 000	5%
Alan Salomon	1	118 750	16%	1	15 833	15 000	30 833	5%
TOTAL	4	750 000	100%	4	125 000	360 000	485 000	78%

7. Rounded up or down to the nearest whole number.

8. Rounded up or down to the nearest whole number.

9. Ordinary Shares identified as owned by CAET are owned by a wholly-owned special purpose vehicle of CAET, established for the purpose of holding CAET's Ordinary Shares.

10. Ordinary Shares identified as owned by Bradley Sacks are owned by Centric. Centric is a Bradley Sacks Related Person.

SALIENT FEATURES OF THE CAPITAL APPRECIATION SHARE OPTION PLAN

The salient features of the Capital Appreciation Share Option Plan are set out in this Annexure. Options will only be granted in terms of the Capital Appreciation Share Option Plan after the Company has Completed an acquisition of Viable Assets.

1. INTRODUCTION

The Capital Appreciation Share Option Plan (the **Plan**) is a plan to enable officers and employees of the Group to acquire Ordinary Shares in order to provide them with an incentive to advance the Group's interests, and to promote an identity of interests with shareholders of the Company.

2. ELIGIBLE PARTICIPANTS AND THE MAXIMUM NUMBERS OF SHARES

- 2.1 Officers and other employees of any company forming part of the Group, including any present or future salaried director of any company forming part of the Group, as determined from time to time by the Board in its discretion, will be eligible for participation in the Plan (**Eligible Applicants**).
- 2.2 The maximum number of options granted to Eligible Applicants to acquire Ordinary Shares (**Share Options**) will be in respect of 75 000 000 Ordinary Shares; provided that the said number will be increased or reduced in direct proportion to the increase or reduction of issued Ordinary Shares arising from any conversion, consolidation, sub-division, rights or capitalisation issue of Ordinary Shares, as more fully set out in 7.
- 2.3 The maximum number of Ordinary Shares that may be acquired by any one Eligible Applicant who has accepted or is deemed to have accepted the grant of Share Options (**Participant**) in terms of the Plan will not exceed 10 000 000 Ordinary Shares; provided that the said number will be increased or reduced in direct proportion to the increase or reduction of issued Ordinary Shares arising from any conversion, consolidation, sub-division, rights or capitalisation issue of Ordinary Shares, as more fully set out in 7.

3. GRANT OF SHARE OPTIONS

- 3.1 The Board may from time to time, in its discretion, grant Share Options to Eligible Applicants. The Board will, in determining whether or not to grant Share Options, be guided by the remuneration and reward strategy designed and approved by it or the Company's remuneration committee from time to time.
- 3.2 A grant made may be accepted for the whole or such lesser number (being a multiple of 5 000) of the number of Share Options to which the grant relates, as the Eligible Applicant may elect. If the Eligible Applicant fails to notify the Board in writing that he declines such grant in whole or in part, he will be deemed to have accepted such grant.
- 3.3 No amount will be payable by an Eligible Applicant on acceptance by him of the grant of a Share Option.

4. RIGHTS ATTACHED TO SHARE OPTIONS

- 4.1 Each Share Option will confer the right on the holder thereof to acquire one Share at the price to be determined by the Board, which price may be not less than 90% of the middle market price at which Ordinary Shares are traded on the securities exchange operated by the JSE Limited (the **JSE**) on the trading day immediately preceding the date upon which the Board resolves to grant the relevant Share Option (the **Option Price**).
- 4.2 Share Options will not confer the right on any Participant to vote at any meeting of shareholders of the Company, to participate in any dividend or other distribution by the Company to any of its shareholders or to participate in any distribution by the Company on its liquidation or winding-up.

5. EXERCISE OF SHARE OPTIONS

- 5.1 Share Options may not be exercised until after a period, calculated from the actual or deemed date of acceptance of the grant of the Share Options (the **Acceptance Date**), of more than:
- 5.1.1 three years has elapsed, in which event not more than 20%;
 - 5.1.2 four years has elapsed, in which event not more than 50%, cumulatively; and
 - 5.1.3 five years shall have elapsed, in which event all or any lesser number,
- of the relevant Share Options may be exercised, provided that the Board may, subject to 5.2 below and the JSE Listings Requirements, resolve that all or any of the aforesaid exercise dates be accelerated or postponed to such earlier or later date/s as it may determine, in its discretion.
- 5.2 A Share Option will lapse upon the:
- 5.2.1 day following the expiry of the period from the Acceptance Date to the date of completion of 15 subsequent years continuous service in any one or more companies forming part of the Group (the **Option Period**); or
 - 5.2.2 participant making application for the voluntary surrender of his estate or his estate being otherwise sequestrated, whether provisionally or finally, or upon any attachment of any interest of a Participant under the Plan and the Board passing a resolution to that effect.
- 5.3 If the Company is placed in provisional or final liquidation, the secretary of the Company will notify the Participant thereof in writing and he will then be entitled to exercise all or any Share Options held by him within 21 days of such notification, failing which the Share Options concerned will lapse.
- 5.4 Every exercise of a Share Option must:
- 5.4.1 be so exercised by written notice given by the Participant and delivered to the secretary of the Company at the Company's registered office at least 14 days prior to the last business day of the calendar quarter in which such written notice is given;
 - 5.4.2 specify the number of Ordinary Shares, being a multiple of 5 000, in respect of which the Share Option is exercised; and
 - 5.4.3 be accompanied by payment of the full amount of the Option Price in respect of the Share Options exercised plus the amount (if any) referred to in 5.5.
- 5.5 The Participant must pay any amount which the Board may notify the Participant of, in respect of any tax which is required to be paid by the Participant on the exercise of a Share Option by him.
- 5.6 Ordinary Shares issued pursuant to the exercise of Share Options will rank *pari passu* with the then issued Ordinary Shares as from their respective dates of issue.

6. TERMINATION OF EMPLOYMENT

If the employment with any company forming part of the Group of any Participant terminates:

- 6.1 prior to the expiry of the Option Period for any reason other than those stated in 6.2, 6.3 and 6.4, the Participant will be entitled to exercise all or a multiple of 5 000 of the number of his Share Options which he was entitled to exercise immediately prior to the termination of his employment by not later than 14 days prior to the last business day of the calendar quarter during which the date of such termination of employment falls or within such longer period as the Board may determine, failing which the said Share Options will automatically lapse;
- 6.2 by reason of his summary dismissal or on the grounds of his misconduct or poor performance (whether such termination occurs as a result of notice given to or by him or otherwise), all of his Share Options will automatically lapse;
- 6.3 as a result of his death, the executors or administrators of his estate or his heir (as the case may be) may exercise all or any multiple of 5 000 of all of his Share Options by not later than 14 days prior to the last business day of the second calendar quarter following the calendar quarter during which his employment terminates or within such longer period as the Board may determine, failing which his Share Options shall automatically lapse;

6.4 as a result of his retirement or his retrenchment based on the Group's economic, technological, structural or similar needs or his retirement due to injury, ill-health or disability or for any other reason approved by the Board, he may, by not later than 14 days prior to the last business day of the second calendar quarter succeeding the calendar quarter during which the date of such termination falls or within such longer period as the Board may determine, exercise all or any multiple of 5 000 of all of his Share Options, failing which his Share Options will automatically lapse.

7. RIGHTS AND CAPITALISATION ISSUES, CONSOLIDATIONS, SUB-DIVISIONS, REORGANISATION AND TAKEOVER AND SCRIP DIVIDENDS

7.1 Subject to the JSE Listings Requirements, if the Company undertakes a rights offer, it must extend to a Participant the opportunity to subscribe on the same date and at the same price for the same number of Ordinary Shares or other securities to which he would have been entitled in terms of the rights offer had he been the holder of the same number of Ordinary Shares as the number of Share Options held by him. With regard to the opportunity thus provided:

7.1.1 the Participant will not be entitled to renounce, transfer, cede, pledge, alienate or encumber the opportunity thus provided;

7.1.2 the Participant will be entitled, by written notice to the secretary of the Company by no later than seven days before the closing date of the rights offer:

7.1.2.1 to take up all or such lesser number of the Ordinary Shares or other securities to which he would have been entitled had he been the registered holder of the Ordinary Shares which form the subject of the Share Options held by him out of his own resources (and payment of the appropriate amount must accompany the notice given by him); and/or

7.1.2.2 to request the Board (which may grant or decline such request in its discretion) to grant him options to subscribe for all or such lesser number of the Ordinary Shares or other securities offered to him in terms of 7.1.2.1 at an option price which is the same as the subscription price of those Ordinary Shares or other securities, on the basis that:

7.1.2.2.1 if the securities concerned are Ordinary Shares, the option price will be payable, *mutatis mutandis*, in accordance with the provisions of 5 and 6, and the Acceptance Date in relation to those new share options will be deemed to be the Acceptance Date relating to the Share Options from which the opportunity to subscribe for the underlying Ordinary Shares arose;

7.1.2.2.2 if the securities concerned are not Ordinary Shares, the option price will be payable on, and the Acceptance Date in relation to the new options will be, a date or dates determined by the Board.

In all other respects the provisions of the Plan relating to Share Options will apply to all options granted in terms of this 7.1.

7.2 In the event of any capitalisation issue or any sub-division or consolidation of Ordinary Shares (**Adjustment Event**), the number of Ordinary Shares and/or the Option Price will be adjusted by the Board in such manner as it may deem appropriate with the objective that such adjustment should give a Participant an option to the same proportion of the equity capital of the Company as that to which he was entitled prior to the Adjustment Event; provided that the auditors of the Company, acting as experts and not as arbitrators, must, at the time that any such adjustment is finalised, have confirmed to the JSE, in writing, that in their opinion such adjustments are fair and reasonable and in accordance with the provisions of the Plan.

7.3 If the Company at any time before the Option Price of any Share Option has been paid in full:

7.3.1 is placed in liquidation, whether provisionally or finally, for purposes of reorganisation; or

7.3.2 is party to a scheme of arrangement affecting the structuring of its shares,

such adjustments may be made to the Option Price of Ordinary Shares as a partner or director of the Company's auditors for the time being may confirm in writing to the Board as being fair and

reasonable in the circumstances; provided that the Board will have an overriding discretion to determine the rights of such Participants in the circumstances. Notwithstanding the foregoing, any decision by the Board under this 7.3 must be fair and equitable to the Participant concerned.

7.4 If the Company becomes a direct or indirect subsidiary of any company as a result of a takeover, reconstruction, merger or amalgamation which makes provision for a Participant to receive shares or be granted options to acquire shares in such other company in exchange for their Share Options on terms and conditions which a partner or director of the Company's auditors for the time being determines are not less favourable than those to which the Participant is entitled in terms of the Plan, the Participant will be obliged to accept such shares or options to acquire shares in that other company upon those terms and conditions.

7.5 If holders of securities in the Company who, between them, hold not less than 35% of the issued voting securities of the Company (the **Majority Shareholders**) agree:

7.5.1 to sell, exchange or otherwise dispose of their securities in the Company; or

7.5.2 to apply for an indirect listing through another company of their securities in the Company on any stock exchange,

and such transaction is an "affected transaction" as defined in S117(1)(c) of the Companies Act, then:

7.5.3 the Board must immediately notify each Participant that the provisions of this 7.5 have become applicable;

7.5.4 within five business days after the receipt of the notice referred to in 7.5.3, a Participant will be entitled to exercise any Share Option then granted to him in full or in part;

7.5.5 to the extent that any Participant does not exercise any Share Option in terms of 7.5.4, that Share Option will be deemed to have lapsed;

7.5.6 if any Participant exercises any Share Option in terms of 7.5.4, such Participant will be obliged to sell, exchange or otherwise dispose of his Ordinary Shares at the same price and upon the same terms and conditions and in the same proportion as the Majority Shareholders sell or otherwise dispose of their securities in the Company if the Majority Shareholders so require and the Board so resolves.

8. **ASSIGNMENT OF RIGHTS OR OBLIGATIONS**

8.1 Save as is provided in 8.3, no Participant may cede any of his rights or delegate any of his obligations pursuant to the acquisition of Share Options except, in the case of the Participant's death, to such Participant's estate.

8.2 Save as otherwise expressly provided in terms of the Plan, Share Options may not be exercised by any person other than the Participant.

8.3 Subject to a Participant first obtaining the prior written approval of the Board, a Participant may cede his rights (but not to delegate his obligations) in respect of, or otherwise vest beneficial ownership of, all or any of his Share Options, in favour of any trust created for the benefit of that Participant, his spouse or issue, or any company, all the issued shares of which is held by such Participant, his spouse, issue or any such trust; provided that the cessionary of such rights must bind itself in writing to abide by the terms of the Plan and perform any obligations under the Plan.

9. **ADMINISTRATION OF THE PLAN**

The Board is responsible for the operation and administration of the Plan and, subject to applicable laws, has discretion to decide whether and on what basis the Plan will be operated.

10. **AMENDMENT**

The Board may amend any of the provisions of the Plan subject to the prior approval (if required) of every stock exchange on which the Ordinary Shares are for the time being listed and of any other competent authority (if any); provided that:

10.1 no such amendment may affect the vested rights of any Participant; and

10.2 no such amendment affecting any of the following matters will be competent unless it is approved by shareholders of the Company passing an ordinary resolution requiring a 75% majority of the votes cast in favour of such resolution by all shareholders of the Company present or represented by proxy at the general meeting to approve such resolution:

10.2.1 the definition of "Eligible Applicant";

10.2.2 the number of Ordinary Shares which may be utilised for the purposes of the Plan;

10.2.3 the maximum number of Ordinary Shares which may be acquired by any one Participant;

10.2.4 the basis for determining the Option Price and the period after or during which payment of the Option Price must be made;

10.2.5 the voting, dividend, transfer and other rights (if any) attaching to Share Options;

10.2.6 the provisions of 6;

10.2.7 the provisions of 7.4 and 7.5; and

10.2.8 any amendment of this 10.2.

11. **ANNUAL FINANCIAL STATEMENTS**

The Board must ensure that a summary appears in the annual financial statements of the Company of the number of Share Options granted or exercised at the beginning of the financial year under review, any changes in such numbers during the financial year under review, any adjustment to the number of Share Options in terms of 7.1 or 7.2 during the financial year under review and the number of Ordinary Shares under the control of the Board available for utilisation for the purposes of the Plan at the end of the financial year under review.

12. **TERMINATION OF THE PLAN**

The Plan will terminate if the Board so resolves, but subject to the vested rights of Participants in respect of any existing Share Options.

AUDITED ANNUAL FINANCIAL STATEMENTS

For the period
3 December 2014 (date of incorporation) to 28 February 2015
Published on
27 July 2015

CONTENTS

	<i>Page</i>
Report of the independent auditors	70
Directors' report	71 – 72
Statement of financial position	73
Statement of changes in equity	73
Statement of cash flows	73
Notes to the financial statements	73 – 74

The annual financial statements set out on pages 71 to 74 have been prepared by the financial director Mr Alan Salomon, CA(SA).

INDEPENDENT AUDITOR'S REPORT



EY
102 Rivonia Road
Sandton
Private Bag X14
Sandton
2146

Ernst & Young Incorporated
Co. Reg. No. 2005/002308/21
Tel: +27 (0) 11 772 3000
Fax: +27 (0) 11 772 4000
Docex 123 Randburg
ey.com

To the Shareholder of Capital Appreciation Limited

We have audited the financial statements of Capital Appreciation Limited set out on pages 73 to 74, which comprise the statement of financial position as at 28 February 2015, and the statement of changes in equity and 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 Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are 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 financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Capital Appreciation Limited as at 28 February 2015, and its financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the financial statements for the period ended 28 February 2015, we have read the Directors' Report for the purpose of identifying whether there are material inconsistencies between the report and the audited financial statements. This report is the responsibility of the respective preparers. Based on reading this report, we have not identified material inconsistencies between this report and the audited financial statements. However, we have not audited this report and accordingly do not express an opinion on it.

Ernst & Young Inc.

Director – Lance Ian Neame Tomlinson
Registered Auditor
Chartered Accountant (SA)

Johannesburg
Date: 27 July 2015

DIRECTORS' REPORT

STATEMENT OF RESPONSIBILITY

It is the directors' responsibility to prepare annual financial statements that fairly present the state of affairs, the results and cash flows of the Company. The external auditors are responsible for independently reporting on these annual financial statements.

The annual financial statements set out in this report have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS). They are based on appropriate accounting policies and are supported by reasonable and prudent judgements and estimates where necessary. The annual financial statements have been prepared on a going concern basis and the directors have no reason to believe that the company will not be a going concern in the year ahead.

To fulfill its responsibilities, the director maintains adequate accounting records and has developed and continues to maintain systems of internal financial controls.

NATURE OF BUSINESS

The Company was incorporated as a private shelf company on 3 December 2014 by Morestat Corporate Services (Proprietary) Limited under the name of Firefly Investments 285 Proprietary Limited. During the period the Company conducted no business and had no operations.

SHARE CAPITAL

During the period share capital of R0.01 was issued, being the first share issued at the time of its incorporation.

EVENTS SUBSEQUENT TO THE PERIOD END

The only outstanding share was transferred to Alan Salomon, the existing shareholder on 24 March 2015.

The Company was acquired by the existing shareholder for the purpose of being listed on the Main Board of the Johannesburg Stock Exchange (JSE) as a Special Purpose Acquisition Company (SPAC) to pursue acquisitions of, and investments in, commercial enterprises with high growth potential.

The purpose of a SPAC is to raise money which will be used for acquiring assets that will enable the company to qualify for a listing, other than as a SPAC, pursuant to the listing criteria of the JSE. Unless and 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, and that cash is to be held in escrow and invested conservatively for the protection of the company's shareholders. If the 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 money initially invested to the shareholders, plus accrued interest, less certain permissible expenses and taxation.

On 2 June 2015 the Company was converted into a public company and changed its name to Capital Appreciation Limited.

The Company does not have any subsidiaries.

The Company is in the process of preparing a prelisting statement pursuant to which it will execute a private placement to raise no less than R500 million. The company also intends to obtain a listing as a SPAC on the Main Board of the Johannesburg Stock Exchange concurrent with the completion of the private placement.

DIVIDENDS

During the period, no dividend was declared or paid by the company.

DIRECTORS

At the time of its incorporation Dianne Elizabeth De Kock was appointed as the Company's first director. Ms De Kock subsequently resigned on 3 March 2015. The following persons were appointed as directors as of the dates set out alongside their names:

Name	Appointment date
Mr Alan Salomon	3 March 2015
Mr Michael Pimstein	3 March 2015
Mr Michael (Motty) Sacks	3 March 2015
Mr Bradley Sacks	15 March 2015

SECRETARY

The Company Secretary was appointed on the 29 July 2015, and whose business and postal address is as follows:

Horwath Leveton Boner
Business and Postal address
3 Sandown Valley Crescent
Sandown
2196

AUDITORS

Ernst & Young Inc. was appointed as auditors of the company for the period.

SPECIAL RESOLUTIONS

There were no special resolutions passed during the period.

INCORPORATION

The company is incorporated and domiciled in South Africa.

GOING CONCERN

The annual financial statements set out on pages 71 to 74 have been prepared on the going concern basis.

STATEMENT OF FINANCIAL POSITION AT 28 FEBRUARY 2015

	Note	2015 R
ASSETS		
Current assets		
Cash on hand		0.01
Total assets		0.01
EQUITY AND LIABILITIES		
Equity		
Share capital	4	0.01
Total equity and liabilities		0.01

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 28 FEBRUARY 2015

	Note	Share capital R	Total R
Share capital issued	4	0.01	0.01
Balance at 28 February 2015		0.01	0.01

STATEMENT OF CASH FLOWS FOR THE PERIOD TO 28 FEBRUARY 2015

	Note	2015 R
Net cash inflow from financing activities		
Issue of share capital	4	0.01
Cash and cash equivalents at end of the period		0.01

NOTES TO THE FINANCIAL STATEMENTS**1. BASIS OF PREPARATION**

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in the manner required by the Companies Act of South Africa. These financial statements have been prepared on the historical cost basis, except where indicated otherwise.

2. SIGNIFICANT JUDGMENTS AND KEY ACCOUNTING ESTIMATES

In the process of applying the Company's accounting policies, management has made no judgements and estimates.

3. CASH AND CASH EQUIVALENTS

Financial assets and financial liabilities are recognised on the statement of financial position when the company becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents are measured at amortised cost and comprise cash on hand.

4. SHARE CAPITAL

2015
R

Authorised
4 000 ordinary shares of no par value
Issued

1 ordinary share of no par value

0.01

The unissued shares are under the control of the directors until the next annual general meeting.

5. STATEMENT OF COMPREHENSIVE INCOME

No statement of comprehensive income has been prepared as there were no transactions in the current period.

6. COMMITMENTS AND CONTINGENCIES

There were no commitments or contingencies in the company for the current period.

7. COMPARATIVE FINANCIALS

No comparative financial data has been presented as the company was only incorporated on 3 December 2014.

DIRECTORS' APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements for the period ended 28 February 2015, set out on pages 71 to 74, were approved by the board of directors on 27 July 2015 and are signed on its behalf by:



Alan Salomon, Director



Michael Sacks, Director

INDEPENDENT REPORTING ACCOUNTANTS' REPORT

The Directors
Capital Appreciation Limited
c/o Bowman Gilfillan
165 West Street
Sandton
2196

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF CAPITAL APPRECIATION LIMITED

Introduction

At your request, we present our Reporting Accountants Report on the Historical Financial Information of Capital Appreciation Limited ("Capital Appreciation") for the year ended 28 February 2015 (the "Historical Financial Information") for inclusion in the pre-listing statement to be dated on or about 28 September 2015 ("Pre-listing statement"). This report is required for the purposes of complying with Section 8.48 of the Listings Requirements of the JSE Limited (the "Listings Requirements") and is given for the purpose of complying with those requirements and for no other purpose. We are the independent auditors of Capital Appreciation.

To the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with the Listings Requirements and consenting to its inclusion in the Pre-listing statement.

Responsibility of the Directors

The Directors of Capital Appreciation are responsible for the compilation, contents and preparation of the Pre-listing statement in accordance with the Listings Requirements. The Directors are also responsible for the fair presentation in accordance with International Financial Reporting Standards ("IFRS") of the Historical Financial Information contained therein to which this Independent Reporting Accountant's Report relates, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Historical Financial Information Subjected to Audit or Review

We have audited the historical financial information for the year ended 28 February 2015 attached as Annexure G to the Pre-listing statement, prepared in accordance with IFRS and in compliance with the JSE Listings Requirements.

Responsibility of the Independent Reporting Accountant's on the Historical Financial Information for the year ended 28 February 2015

Our responsibility is to express an audit opinion on the Historical Financial Information for the year ended 28 February 2015 included in Annexure G to the Pre-listing statement based on our audit.

We conducted our audit of the Historical Financial Information for the year ended 28 February 2015 in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Historical Financial Information for the year ended 28 February 2015. 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.

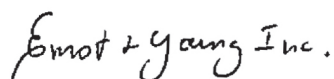
In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Historical Financial Information for the year ended 28 February 2015 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Historical Financial Information for the year ended 28 February 2015.

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

Opinion on Historical Financial Information for the year ended 28 February 2015

In our opinion, the Historical Financial Information for the year ended 28 February 2015 consisting of the financial position of Capital Appreciation and its financial performance and its cash flows for the year ended 28 February 2015 included in the Pre-listing statement has been prepared, in all material respects, in accordance with the Listings Requirements.



Ernst & Young Inc.

Director: Roger Hillen

Reporting Accountant Specialist and Auditor

Registered Auditor (RA)

Chartered Accountant (SA)

22 September 2015

SALIENT TERMS OF MATERIAL CONTRACTS ¹¹

Description	Salient Terms
Underwriting Agreement between the Company (on the one part) and the Underwriters (on the other part), dated 8 September 2015	<p>The Underwriters irrevocably undertake to subscribe or procure the subscription, in cash, for up to 500 000 000 Offer Shares in accordance with the provisions of this Pre-Listing Statement, which are not acquired and paid for by offerees pursuant to the Private Placement (the Underwritten Shares), at the Offer Price.</p> <p>The Company will notify the Underwriters of the number of Offer Shares subscribed and paid for pursuant to the Private Placement as soon as the number is determinable. If such number is less than 500 000 000, the Underwriters must subscribe or procure the subscription for and make or procure payment to the Company of the subscription price for the Underwritten Shares within two Business Days after receipt of such notice by the Underwriters.</p> <p>No underwriting fee or commission will be paid by the Company to the Underwriters.</p> <p>If at any time before 16:00 on the day before the opening date of the Private Placement:</p> <ul style="list-style-type: none"> • there is such a material change inside or outside South Africa in market, economic, financial or political conditions (including relations between the South Africa and any other country) or if any other circumstances arise inside or outside South Africa which, in the opinion of either party, will make it inadvisable or impracticable for the Private Placement to be implemented; or • any other circumstances arise which, in the opinion of either party, will materially impair or prejudice the success of the Private Placement, <p>then either party will be entitled to cancel the Underwriting Agreement by delivering written notice to the other party by not later than 17h00 on the day before the opening date of the Private Placement.</p> <p>The Company indemnifies the Underwriters against all claims of any nature whatsoever made against them or any of them and all damages and liabilities of any nature whatsoever for which they or any of them may become liable as a result of performing their obligations under the Underwriting Agreement (including, but not limited to, the Underwriters acting as underwriters) or which may arise out of or are based upon the omission to state in this Pre-Listing Statement a fact, the omission whereof may make any statement contained therein misleading.</p>

¹¹. This Annexure excludes a summary of the terms of other material contracts more fully described in the body of this Pre-Listing Statement (see paragraph 8 of this Pre-Listing Statement).

Description	Salient Terms
Undertaking by PIC to subscribe for Offer Shares at the Offer Price, dated 18 September 2015	<p>PIC:</p> <ul style="list-style-type: none"> • irrevocably undertake to subscribe for 250 000 000 Offer Shares as part of the Private Placement at the Offer Price in accordance with the terms and conditions set out in this Pre-Listing Statement; • irrevocably undertake to pay the aggregate subscription price for those Offer Shares, being R250 000 000, in full settlement of such aggregate subscription price, into the bank account of the Company provided for and at such time as are stipulated in this Pre-Listing Statement; and • agree to the disclosure of their commitment to purchase the Offer Shares referred to above in this Pre-Listing Statement and/or in any announcement released by the Company in relation to the Private Placement or the Listing and/or in terms of any marketing of the Private Placement or the Listing conducted by or on behalf of the Company and to the undertaking to subscribe lying open for inspection for the period described in this Pre-Listing Statement.
Undertaking by the Underwriters to subscribe for Offer Shares at the Offer Price, dated 7 August 2015	<p>The Underwriters:</p> <ul style="list-style-type: none"> • collectively irrevocably undertake to subscribe for 60 000 000 Offer Shares as part of the Private Placement at the Offer Price in accordance with the terms and conditions set out in this Pre-Listing Statement; • collectively irrevocably undertake to pay the aggregate subscription price for those Offer Shares, being R60 000 000, in full settlement of such aggregate subscription price, into the bank account of the Company provided for and at such time as are stipulated in this Pre-Listing Statement; and • each agree to the disclosure of their commitment to purchase the Offer Shares referred to above in this Pre-Listing Statement and/or in any announcement released by the Company in relation to the Private Placement or the Listing and/or in terms of any marketing of the Private Placement or the Listing conducted by or on behalf of the Company and to the undertaking to subscribe lying open for inspection for the period described in this Pre-Listing Statement.
Undertaking by CAET to subscribe for Offer Shares at the Offer Price, dated 8 September 2015	<p>CAET:</p> <ul style="list-style-type: none"> • irrevocably undertakes to subscribe for 50 000 000 Offer Shares as part of the Private Placement at the Offer Price in accordance with the terms and conditions set out in this Pre-Listing Statement; • irrevocably undertakes to pay the aggregate subscription price for those Offer Shares, being R50 000 000, in full settlement of such aggregate subscription price, into the bank account of the Company provided for and at such time as are stipulated in this Pre-Listing Statement; and • agrees to the disclosure of its commitment to purchase the Offer Shares referred to above in this Pre-Listing Statement and/or in any announcement released by the Company in relation to the Private Placement or the Listing and/or in terms of any marketing of the Private Placement or the Listing conducted by or on behalf of the Company and to the undertaking to subscribe lying open for inspection for the period described in this Pre-Listing Statement.

Description	Salient Terms
<p>Undertaking by the Additional Committed Investors to subscribe for Offer Shares at the Offer Price, signed by:</p> <p>(i) African Rainbow Capital Proprietary Limited on 24 September 2015;</p> <p>(ii) The Student Support Programme as part of the Capital Appreciation 67 Scheme in August 2015</p>	<p>Each Additional Committed Investor:</p> <ul style="list-style-type: none"> • irrevocably undertakes to subscribe for 50 000 000 Offer Shares (in the case of African Rainbow Capital Proprietary Limited) and 6 700 000 Offer Shares (in the case of The Student Support Programme) as part of the Private Placement at the Offer Price in accordance with the terms and conditions set out in this Pre-Listing Statement; • irrevocably undertakes to pay the aggregate subscription price for those Offer Shares, being R50 000 000 (in the case of African Rainbow Capital Proprietary Limited) and 6 700 000 (in the case of The Student Support Programme), in full settlement of such aggregate subscription price, into the bank account of the Company provided for and at such time as are stipulated in this Pre-Listing Statement; • understands that not all of the Offer Proceeds may be used for an acquisition of Viable Assets and irrevocably agrees that, if an acquisition of Viable Assets is Completed, it will vote in favour of the resolution of the Company's shareholders authorising the Company to retain any Residual Capital; and • agrees to the disclosure of its commitment to purchase the Offer Shares referred to above in this Pre-Listing Statement and/or in any announcement released by the Company in relation to the Private Placement or the Listing and/or in terms of any marketing of the Private Placement or the Listing conducted by or on behalf of the Company and to the undertaking to subscribe lying open for inspection for the period described in this Pre-Listing Statement.
<p>Undertaking by the Subscribing Director to subscribe for Offer Shares at the Offer Price, dated 20 September 2015</p>	<p>The Subscribing Director:</p> <ul style="list-style-type: none"> • irrevocably undertakes to subscribe for 3 600 000 Offer Shares as part of the Private Placement at the Offer Price in accordance with the terms and conditions set out in this Pre-Listing Statement; • irrevocably undertakes to pay the aggregate subscription price for those Offer Shares, being R3 600 000, in full settlement of such aggregate subscription price, into the bank account of the Company provided for and at such time as are stipulated in this Pre-Listing Statement; • irrevocably undertakes to vote his Ordinary Shares in favour of the resolution of the Company's shareholders to approve any acquisition of Viable Assets recommended by the independent non-executive Directors; • understands that not all of the Offer Proceeds may be used for an acquisition of Viable Assets and irrevocably agrees that, if an acquisition of Viable Assets is Completed, he will vote his Ordinary Shares in favour of the resolution of the Company's shareholders authorising the Company to retain any Residual Capital; and • agrees to the disclosure of his commitment to purchase the Offer Shares referred to above in this Pre-Listing Statement and/or in any announcement released by the Company in relation to the Private Placement or the Listing and/or in terms of any marketing of the Private Placement or the Listing conducted by or on behalf of the Company and to the undertaking to subscribe lying open for inspection for the period described in this Pre-Listing Statement.

CORPORATE GOVERNANCE AND THE KING CODE

1. THE BOARD

Considerable thought is given to Board balance and composition. Collectively, the Board believes the current mix of knowledge, skill and experience meets the requirements to lead the Company effectively. The Board has ten Directors, comprising seven non-executive Directors and three executive Directors. Of the seven non-executive Directors, four are independent. No individual Director has unfettered powers of decision-making.

The name and capacity of each Director are set out below:

Name	Capacity
Michael Pimstein	Joint Chief Executive Officer
Bradley Sacks	Joint Chief Executive Officer
Alan Salomon	Chief Financial Officer
Michael (Motty) Sacks	Non-Executive Director and Chairperson
Dr Daniel (Dan) Matjila	Non-Executive Director
Roshan Morar	Non-Executive Director
Bukelwa Bulo	Independent Non-Executive Director
Jacob Meyer Kahn	Independent Non-Executive Director
Victor Sekese	Independent Non-Executive Director
Charles Valkin	Independent Non-Executive Director

To ensure a rigorous and transparent procedure, any new appointment of a Director will be considered by the Board as a whole, on the recommendation of the nomination committee. As the Company was converted into a public only recently, it has not yet established a nomination committee. It is intended that a nomination committee will be established prior to the Completion of an acquisition of Viable Assets by the Company, or sooner should the need to nominate a new Director arise. The selection process will involve considering the existing balance of skills and experience, and a continual process of assessing the needs of the Company.

Responsibility for running the Board and executive responsibility for conducting the business of the Company are differentiated. Michael (Motty) Sacks, a non-executive Director, is the chairperson of the Board and Michael Pimstein and Bradley Sacks, each an executive Director, are the joint chief executive officers. The roles of the chairman and chief executive officer are thus separate and clearly defined. The chairman is responsible for leading the Board, ensuring its effectiveness and setting its agenda. The joint chief executive officers lead the executive team in running the business of the Company. The Company has also appointed Jacob Meyer Kahn as the lead independent Director.

Alan Salomon is the executive financial Director of the Company. Annually, the audit and risk committee will evaluate the expertise and experience of the executive financial Director.

2. BOARD COMMITTEES

The audit and risk committee consists of Victor Sekese (chairman of the audit and risk committee), Charles Valkin and Bukelwa Bula, all of whom are independent non-executive Directors. This committee will meet at least twice a year and shall be responsible for performing the functions required of it in terms of section 94(7) of the Companies Act and the other functions in terms of its mandate. These functions include: (i) nominating and appointing the Company's auditors and ensuring that such auditors are independent of the Company; (ii) determining the auditors' fees and term of engagement; (iii) ensuring that the appointment of the auditors complies with the provisions of the Companies Act and any other relevant legislation; (iv) determining, from time to time, the nature and extent of non-audit services to be provided by the Company's auditors and to pre-approve any agreement in respect of such services; (v) preparing a report to be included in the annual report of the Company, in compliance with the Companies Act; (vi) dealing with any complaints (whether from within or outside the Company) relating to accounting practices, internal audits of the Company or the content of the Company's financial statements and related

matters; (vii) making submissions to the Board on any matter concerning the Company's accounting policies and financial control; and (viii) overseeing the Company's integrated reporting process.

The audit and risk committee will normally invite the Joint Chief Executive Officers, the Chief Financial Officer and such other executive Directors or advisors of the Company to attend meetings and to make proposals as necessary and should invite the Chairperson of the Board to all audit and risk committee meetings.

The audit and risk committee has determined that it is satisfied with Alan Salomon's current expertise, experience and performance as the Company's executive financial Director.

As the Company was converted into a public company only recently, the following committees have not yet been established:

- nomination committee;
- social and ethics committee; and
- remuneration committee.

It is intended that nomination and remuneration committees will be established within 30 Business Days of the Listing Date, and that a social and ethics committee will be established within 60 Business Days of the Listing Date. Until such time as those committees are established, the activities normally conducted by those committees will be undertaken by the full Board (except where a Director should be recused).

The Company intends to adhere to the relevant principles contained in the King Code relating to the abovementioned committees once these committees have been established.

3. **COMPANY SECRETARY**

Horwath Leveton Boner is the company secretary, duly appointed by the Board in accordance with the Companies Act. The Board considered and is satisfied that the company secretary is properly qualified and experienced to competently carry out the duties and responsibilities of company secretary and that there is an arm's-length relationship between itself and the company secretary.

The company secretary will be subjected to an annual evaluation by the Board wherein the Board will satisfy itself as to the competence, qualifications and experience of the company secretary.

The company secretary provides the Board as a whole and Directors individually with guidance on discharging their responsibilities. It is also a central source of information and advises to the Board and the Company on matters of ethics and good corporate governance. The company secretary ensures that, in accordance with pertinent laws, the proceedings and affairs of the Board and its members, the Company itself and, where appropriate, the owners of securities in the Company are properly administered. It also assists and ensures that the Board, individual Directors and board committees are evaluated annually.

The company secretary ensures compliance with the JSE Listings Requirements and other statutory requirements applicable to the Company.

4. **APPLICATION OF THE KING CODE**

The Company's key point of reference for its governance structures is the King Code. This Annexure contains a full report which, to the best of the knowledge and belief of the Board, sets out the extent of the Company's current application of the principles of the King Code and explains the non-application of certain of its principles where principles are not fully applied.

Key – Level of Compliance

1 – Not applied/will not be applied

2 – In process/partially applied

3 – Applied

Principle	Level of Compliance	Comments
1. ETHICAL LEADERSHIP AND CORPORATE CITIZENSHIP		
1.1 The Board should provide effective leadership based on an ethical foundation.	3	Ethics form an integral part of the values of the Company 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.	3	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.	2	As the Company was converted into a public company only recently, it has not yet established a social and ethics committee. It is intended that a social and ethics committee will be established within 60 Business Days of the Listing Date. The social and ethics committee, once established, 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.	3	The Board ensures that the Company applies the governance principles contained in the King Code and continues to further entrench and strengthen recommended practices, governance structures, systems, processes and procedures.
2.2 The Board should appreciate that strategy, risk, performance and sustainability are inseparable.	3	The Board approves and monitors the implementation of the strategy and business plan of the Company, sets objectives, reviews key risks, evaluates performance against the background of economic, environmental and social issues relevant to the Company and international political and economic conditions.
2.3 The Board should provide effective leadership based on an ethical foundation.	3	Ethics form an integral part of the values of the Company and, as such, the Board provides effective leadership based on an ethical foundation.
2.4 The Board should ensure that the Company is and is seen to be a responsible corporate citizen.	3	The Board is responsible for ensuring that the Company protects, enhances and invests in the well-being of the economy, society and the environment.
2.5 The Board should ensure that the Company's ethics are managed effectively.	2	As the Company was converted into a public company only recently, it has not yet established a social and ethics committee. It is intended that a social and ethics committee will be established within 60 Business Days of the Listing Date. The social and ethics committee, once established, will be responsible for, <i>inter alia</i> , the management of the Company's ethics.

	Principle	Level of Compliance	Comments
2.6	The Board should ensure that the Company has an effective and independent audit committee.	3	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.	3	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.	3	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.	3	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.	2	<p>As the Company was recently converted into a public company, it has not yet appointed an internal auditor. It is intended that an internal auditor will be appointed within 30 Business Days of the Listing Date.</p> <p>Once an internal auditor has been appointed, the Board will ensure that an effective risk-based internal audit is performed.</p>
2.11	The Board should appreciate that stakeholders' perceptions affect the Company's reputation.	3	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.
2.12	The Board should ensure the integrity of the Company's integrated report.	2	As the Company was converted into a public only recently, 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.	2	<p>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>An internal auditor will be appointed in due course, whereafter the Board will report on the effectiveness of the company's system of internal controls based on the report of the audit and risk committee and the written assessment of the company's internal auditor.</p>
2.14	The Board and its directors should act in the best interests of the Company.	3	In its deliberations, decisions and actions, the Board is sensitive to the legitimate interests and expectations of the Company's stakeholders. The Board as a whole acts as a steward of the Company and each director acts with intellectual honesty and independence of mind in the best interests of the Company and its stakeholders.

Principle	Level of Compliance	Comments
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.	3	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.	3	The chairman is not the chief executive officer of the Company. The roles of the chairman and chief executive officer are separate and clearly defined. The Chairman of the Board is not an independent non-executive Director, accordingly a lead independent director has been appointed.
2.17 The Board should appoint the chief executive officer and establish a framework for the delegation of authority.	3	The Board has appointed joint chief executive officers and a delegation of authority is in place.
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.	3	Considerable thought is given to Board balance and composition. The Board has 10 directors, comprising seven non-executive directors and three executive directors. Of the seven non-executive directors, four are independent.
2.19 Directors should be appointed through a formal process.	2	<p>To ensure a rigorous and transparent procedure, any new appointment of a director will be considered by the Board as a whole, on the recommendation of the nomination committee.</p> <p>As the Company was converted into a public company only recently, it has not yet established a nomination committee. It is intended that a nomination committee will be established within 30 Business Days of the Listing Date.</p> <p>The selection process will involve considering the existing balance of skills and experience, and a continual process of assessing the needs of the Company.</p>
2.20 The induction of and ongoing training and development of directors should be conducted through formal processes.	3	Continuous training of directors is taking place.
2.21 The Board should be assisted by a competent, suitably qualified and experienced company secretary.	3	Horwath Leveton Boner is the company secretary, duly appointed by the Board in accordance with the Companies Act and the JSE Listings Requirements. The Board is satisfied that the company secretary is properly qualified and experienced to competently carry out the duties and responsibilities of company secretary.

Principle	Level of Compliance	Comments
2.22 The evaluation of the Board, its committees and the individual directors should be performed every year.	2	<p>As the Company was converted into a public company only recently, the directors comprising the Board have only recently been appointed and some of the board committees have not yet been established.</p> <p>It is intended that the performance of the board as a whole and the Board committees (once established) individually will be evaluated annually.</p>
2.23 The Board should delegate certain functions to well-structured committees but without abdicating its own responsibilities.	2	<p>As the Company was converted into a public company only recently, some of the board committees have not yet been established.</p> <p>It is intended that committees will be established to assist the Board in discharging its duties and responsibilities. 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.	2	<p>As the Company was converted into a public company only recently, a governance framework has not yet been finalised. It is intended that once the governance framework has been finalised, such framework will be implemented by the Company and its subsidiaries, if applicable.</p>
2.25 Companies should remunerate directors and executives fairly and responsibly.	2	<p>As the Company was converted into a public company only recently, the remuneration policy has not yet been finalised and a remuneration committee has not yet been established. It is intended that a remuneration committee will be established within 30 Business Days of the Listing Date.</p> <p>It is also intended that the Board will determine the remuneration of directors and executives based on recommendations made by the remuneration committee (once established), 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.	2	<p>The Company will disclose directors' remuneration in the integrated report. As the Company was converted into a public company only recently, it has not yet published an integrated report.</p>
2.27 Shareholders should approve the Company's remuneration policy.	2	<p>As the Company was converted into a public company only recently, the remuneration policy has not yet been finalised and the Company has not yet had an annual general meeting.</p> <p>Notwithstanding the above, the remuneration policy of the executive directors will not be subject to approval at the Company's AGM. Remuneration for executives will remain the responsibility of the Board Remuneration Committee and the Board. The remuneration of non-executive directors and independent directors will however be subject to shareholder approval at the Company's annual general meeting.</p>

Principle	Level of Compliance	Comments
3. AUDIT COMMITTEES		
3.1 The Board should ensure that the Company has an effective and independent audit committee.	3	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.	3	The audit and risk committee comprises three independent non-executive Directors, who are suitably skilled and experienced. 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.	3	The audit and risk committee is chaired by an independent non-executive Director.
3.4 The audit committee should oversee integrated reporting.	3	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.	3	The audit and risk committee is mandated to ensure that a combined assurance model is applied.
3.6 The audit committee should satisfy itself of the expertise, resources and experience of the Company's finance function.	2	The audit and risk committee has satisfied itself of the effectiveness of the Chief Financial Officer and will satisfy itself of the expertise, resource and experience of the Company's finance function. This will be reevaluated formally on an annual basis.
3.7 The audit committee should be responsible for overseeing of internal audit.	2	The audit and risk committee will formulate and monitor the Company's risk management policies, monitor the Company's governance compliance and overseas the scope and performance of internal audit.
3.8 The audit committee should be an integral component of the risk management process.	2	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.	3	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.	3	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.

	Principle	Level of Compliance	Comments
4.	THE GOVERNANCE OF RISK		
4.1	The Board should be responsible for the governance of risk.	3	The Board bears ultimate responsibility for risk governance.
4.2	The Board should determine the levels of risk tolerance.	2	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.	3	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.
4.4	The Board should delegate to management the responsibility to design, implement and monitor the risk management plan.	3	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.	3	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.	2	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.	3	The implementation of controls, existing and new, is monitored on an ongoing basis.
4.8	The Board should ensure continual risk monitoring by management.	3	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.	2	As the Company was converted into a public company only recently, it has not yet appointed an internal auditor. It is intended that an internal auditor will be appointed within 30 Business Days of the Listing Date. The internal auditor (once appointed) will provide assurance to the Board in respect of the risk management processes.
4.10	The Board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders.	3	The Board will disclose the top risks facing the Company.

Principle	Level of Compliance	Comments
5. THE GOVERNANCE OF INFORMATION TECHNOLOGY		
5.1 The Board should be responsible for IT governance.	3	The Board bears ultimate responsibility for IT governance.
5.2 IT should be aligned with the performance and sustainability objectives of the Company.	3	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.	2	As the Company was converted into a public company only recently, the IT governance framework has not yet been finalised. Management will be responsible for the implementation of the IT governance framework, once this framework has been finalised by the Board.
5.4 The Board should monitor and evaluate significant IT investments and expenditure.	3	IT investments and expenditure forms part of the normal budgeting process, and therefore has to be approved by the Board.
5.5 IT should form an integral part of the Company's risk management.	3	IT is considered an integral part of risk management.
5.6 The Board should ensure that information assets are managed effectively.	3	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 A risk committee and audit committee should assist the board in carrying out its IT responsibilities.	2	IT will be represented at the audit and risk committee and this 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.	3	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.	3	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.	3	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.	2	As the Company was converted into a public company only recently, the compliance framework and processes have not yet been finalised. Management will be responsible for the implementation of the compliance framework and processes, once the framework and processes have been finalised by the Board.

Principle	Level of Compliance	Comments
7. INTERNAL AUDIT		
7.1 – Please see comments column. 7.5	2	As the Company was converted into a public company only recently, it has not yet appointed an internal auditor. It is intended that an internal auditor will be appointed within 30 Business Days of the Listing Date. The Company intends to adhere to the relevant principles contained in the King Code relating to internal audits once an internal auditor has been appointed.
8. GOVERNING STAKEHOLDER RELATIONSHIPS		
8.1 The Board should appreciate that stakeholders' perceptions affect a company's reputation.	3	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.
8.2 The Board should delegate to management to proactively deal with stakeholder relationships.	3	Stakeholder relationships are critical for the Company and management is responsible for dealing proactively with stakeholder relationships.
8.3 The Board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the Company.	3	Stakeholders are identified through a wide range of channels. Where concerns are legitimate, the company addresses these, listens to suggestions and engages honestly.
8.4 Companies should ensure the equitable treatment of shareholders.	3	The Company is a strong proponent of transparency, best practice disclosure, consistent communication and equal and timely dissemination of information to all shareholders and the legitimate interests of minority shareholders are protected in accordance with the Companies Act and JSE Listings Requirements.
8.5 Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence.	3	Communication to stakeholders is the responsibility of the executive team and the company secretary, and is monitored by the Board.
8.6 The Board should ensure disputes are resolved as effectively, efficiently and expeditiously as possible.	3	The Board ensures that alternative dispute resolution provisions are incorporated in agreements. Each dispute is handled in accordance with the provisions of the governing agreement, the primary objective being to ensure that disputes are resolved as effectively, efficiently and expeditiously as possible.
9. INTEGRATED REPORTING AND DISCLOSURE		
9.1 Please see comments column.	2	As the Company was converted into a public company only recently, it has not yet issued an integrated report. The Company intends to adhere to the relevant principles contained in the King Code relating to integrated reporting and disclosure.

