





CORPORATE INFORMATION

DIRECTORS

L de Wit (Executive Chairman)
KP Lebina (Lead Independent Director)*#
MM Nieuwoudt (Executive Director)
TD Soudien-Witten (Finance Director)
PB Schabort*
N Kimber*#
KE Mbalo*#
C Ferreira*
RB Makhubela*#

**Non-Executive #Independent*

COMPANY SECRETARY AND REGISTERED OFFICE

Exceed (Cape Town) Incorporated
Registration number 2000/011257/21

2nd Floor, Oakdale House
The Oval, 1 Oakdale Road
Claremont, 7700

PO Box 44721
Claremont, 7735

DATE OF INCORPORATION OF GAIA
16 April 2015

PLACE OF INCORPORATION OF GAIA
South Africa

AUDITORS AND INDEPENDENT REPORTING ACCOUNTANTS

KPMG Inc.
Registration number 1999/021543/21

MSC House, 1 Mediterranean Street
Foreshore
Cape Town, 8001

PO Box 4609
Cape Town, 8000

TRANSACTION ADVISOR, SPONSOR AND BOOKRUNNER

PSG Capital (Pty) Limited
Registration number 2006/015817/07

1st Floor, Ou Kollege
35 Kerk Street
Stellenbosch, 7600

PO Box 7403
Stellenbosch, 7599

1st Floor, Building 8
Inanda Greens Business Park
54 Wierda Road West
Wierda Valley
Sandton, 2196

PO Box 650957
Benmore, 2010

TRANSFER SECRETARIES

Computershare Investor Services (Pty) Limited
Registration number 2004/003647/07

Ground Floor, 70 Marshall Street
Johannesburg, 2001

PO Box 61051
Marshalltown, 2107

PRIMARY BANKERS

FirstRand Bank Limited
Registration number 1929/001225/06

25th Floor, Portside Building
5 Buitengracht Street
Cape Town, 8001

PO Box 695
Cape Town, 8000

ATTORNEYS

Edward Nathan Sonnenbergs Incorporated
Registration number 2006/018200/21

La Gratitude
97 Dorp Street
Stellenbosch, 7600

PO Box 940
Stellenbosch, 7599

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INTRODUCING GAIA INFRASTRUCTURE CAPITAL LIMITED'S FIRST INTEGRATED ANNUAL REPORT

GAIA Infrastructure Capital Limited ("GAIA" or "the Company") is pleased to present its first Integrated Annual Report to shareholders and stakeholders. It is primarily targeted at current shareholders, potential institutional and retail investors, as well as the asset management community. This Integrated Annual Report aims to present a balanced and understandable review of the business to date and describes GAIA's strategy and how the Company aims to create sustainable value going forward.

GAIA was incorporated on 16 April 2015. The report covers the three-month period from the date of listing as a special purpose acquisition company ("SPAC") on the Johannesburg Securities Exchange ("JSE") Main Board on 12 November 2015 up to the Company's year-end, 29 February 2016.

A SPAC is a special purpose vehicle established for the purpose to facilitate the primary capital raising process for the acquisition of viable assets in pursuit of a listing on the JSE. The purpose of listing was to offer investors access to an attractive alternative asset class that can usually only be accessed through illiquid private equity investments. GAIA is focused on the emerging South African infrastructure industry, specifically in the energy, transport and water sectors. The JSE Listings Requirements specify that a SPAC must acquire an asset within the first two years of listing. At year-end the Company had not acquired any assets but is expected to do so within twelve months of listing.

The management function of GAIA is outsourced to GAIA Infrastructure Partners (Pty) Limited ("the Manager").

CORPORATE INFORMATION

GAIA's Executive Directors are:

L de Wit – Executive Chairman

TD Soudien-Witten – Finance Director

MM Nieuwoudt – Chief Investment Officer

They can be contacted at:

2nd Floor, Oakdale House

The Oval, 1 Oakdale Road

Claremont, Cape Town

Tel: +27 21 671 7210

Email: info@gaia-ic.com

For additional contact details please see the inside back cover. GAIA welcomes feedback and any suggestions for the Company's future reports. Please forward any comments to:

Tel: +27 21 671 7210/+27 11 684 1230

Email: info@gaiaip.com

KEY DATA

GAIA Infrastructure Capital Limited

Share code: GAI

ISIN: ZAE000210555

Registration number 2015/115237/06

BASIS OF PREPARATION

This report has been prepared in terms of:

- International Financial Reporting Standards ("IFRS");
- Companies Act of South Africa, No 71 of 2008, as amended; ("Companies Act");
- JSE Listings Requirements;
- King Report on Corporate Governance for South Africa, 2009 ("King III"); and
- Consideration of certain principles contained in the International Integrated Reporting Council's Integrated Reporting Framework.

INTEGRATED REPORTING

GAIA aims to adopt the guidelines outlined in the International Integrated Reporting Council's Framework as appropriate in the future. In line with the Framework the report includes all such information about matters that materially affect the Company's ability to create and sustain value over the short, medium and long term.

ASSURANCE

The Company's external auditor, KPMG Inc, has expressed an unqualified audit opinion on the financial statements. The financial statements have been prepared under the supervision of TD Soudien-Witten CA(SA), the Finance Director of GAIA. The content of the Integrated Annual Report has been reviewed by the Board.

FORWARD-LOOKING STATEMENTS

This report includes forward-looking statements that involve inherent risks and uncertainties. If one or more of these risks materialise, or should the underlying assumptions prove incorrect, actual results may be different from those anticipated. Words such as believe, anticipate, intend, seek, will, plan, could, may, endeavour, project and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. Forward-looking statements apply only as of the date on which they are made. GAIA does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

STATEMENT OF RESPONSIBILITY

The Board acknowledge its responsibility to ensure the integrity of this Integrated Annual Report. The Directors confirm that they have collectively assessed the content of the Integrated Annual Report and believe that it addresses material issues and is a fair representation of the performance of the Company. The Board has therefore approved the Integrated Annual Report 2016.



Leon de Wit
Executive Chairman



Prudence Lebina
Audit and Risk Committee Chair



“Wind and other clean, renewable energy will help end our reliance on fossil fuels and combat the severe threat that climate change poses to humans and wildlife alike.”

Frances Beinecke

Former president of the Natural Resources Defense Council





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WHO WE ARE

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OUR PORTFOLIO

GAIA is a newly listed specialist investment fund focused on generating superior investor returns from emerging South African infrastructure investment opportunities.



Diversified portfolio

The Company listed on the JSE as a SPAC in November 2015 to raise capital to invest in its strong pipeline of infrastructure and renewable energy projects. GAIA intends building a portfolio of operational infrastructure assets that present low investment risk and are income generating. The first assets will be acquired within first twelve months of listing.

Initially focusing on utility scale renewable energy, GAIA's diversified portfolio will

over time span energy, transport and water related infrastructure. This will provide an investment vehicle for investors to access attractive South African and sub-Saharan African growth opportunities. GAIA offers a listed, long-term investment solution to the institutional savings industry, which has had, up to now, limited exposure to benefit from infrastructure opportunities.

GAIA at a glance



Highlights and key metrics

Nov 2015



Listed as a SPAC on the JSE on 12 November 2015

R10/share

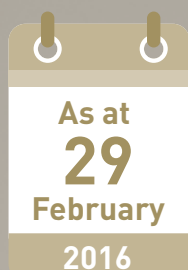


Capital raising of R551 million, issued 55 150 000 shares at R10/share

2016



Pursue acquisition of a viable asset within twelve months of listing



R493.6 million
Market capitalisation

R8.95
Share price

R4 million
Comprehensive
income for the period

R10 million
Interest earned on
capital raised

R550 million
NAV

R9.97
NAV per share



Competitive differentiators



First “Buy-side” team in South Africa

- GAIA is pioneering the development of a platform for long-term investment in infrastructure assets for institutional investors in the listed space
- Current investors of infrastructure assets are developers and lending institutions



Deal flow/origination

- Strong sustainable infrastructure deal flow origination
- Market development experience across a diverse network. Reach into sectors and opportunities
- In-house research and identification of opportunities



In-house multi-disciplined team

- Engineers with real market development experience
- Combination of skills in project finance, technical and legal due diligence

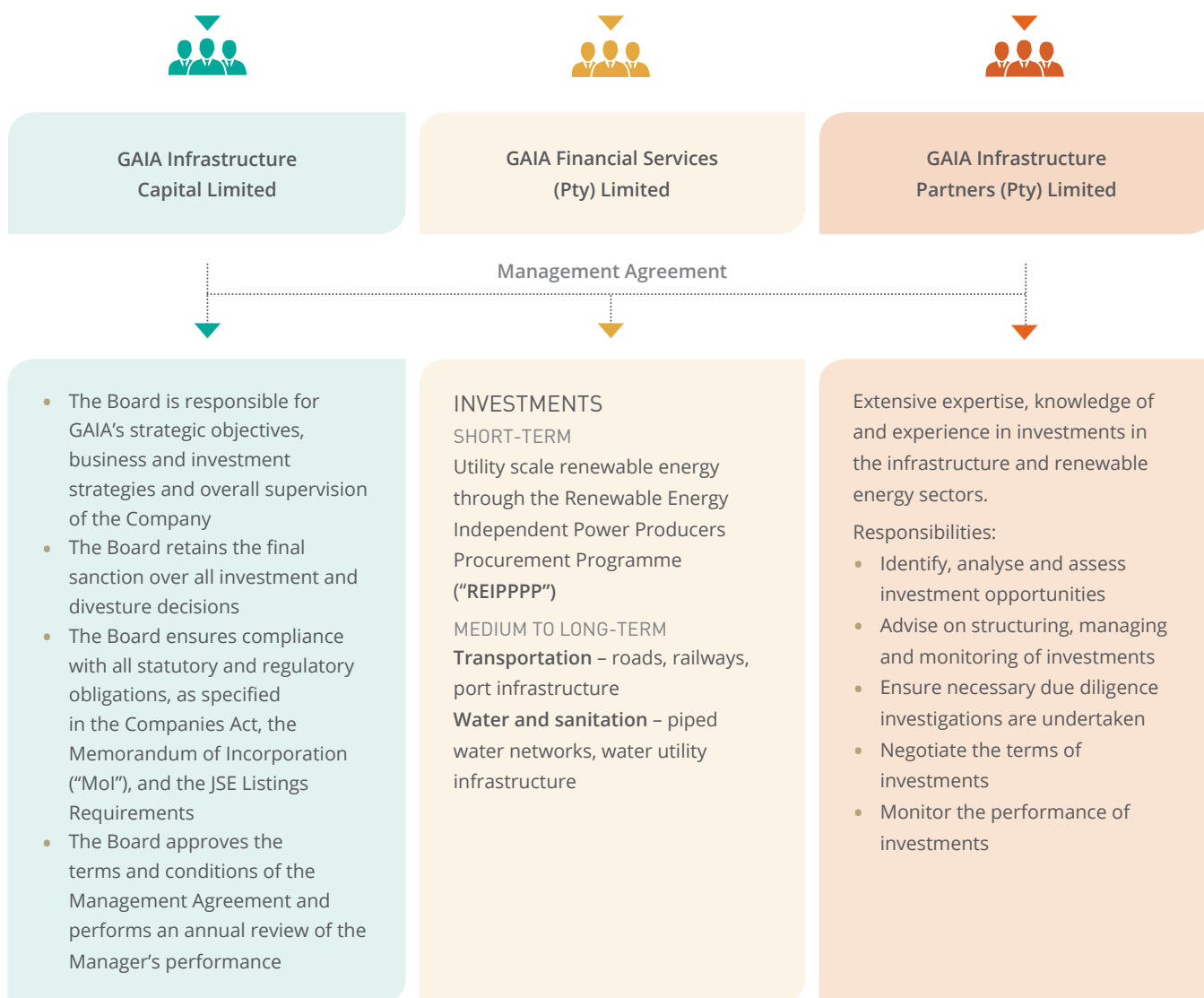


Focused investment regime

- Dynamic, effective implementation processes
- Prudent, transparent investment management systems
- Execution of elegant strategies for institutional investment models

HOW WE OPERATE

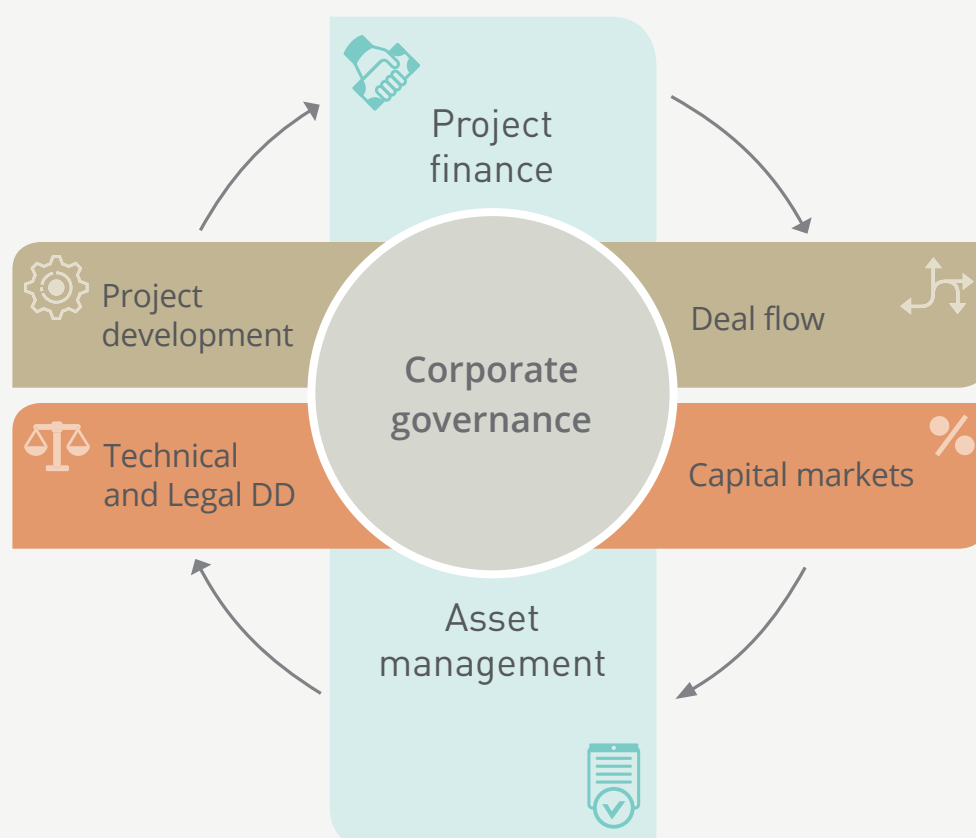
Management of the funds is outsourced to the Manager. The diagram below explains the structure and each company's responsibilities.



GAIA'S CAPABILITIES

GAIA was founded and is managed by leading investment, engineering and strategy experts.

The Manager comprises highly skilled actuarial, engineering, project development, and investment professionals. They facilitate exposure for long-term investors to infrastructure investment opportunities. Their expertise spans the following sectors:



The Manager employs an investment model that offers institutional and retail investors investment opportunities in underlying assets. At the same time, introducing a more liquid instrument in the medium term to ensure maximum investment flexibility.

During 2014 and 2015, the Manager originated, placed and closed transactions totalling approximately R1.35 billion in the secondary REIPPPP equity market. The transactions include significant stakes in three solar photovoltaic projects and one wind project, acquired in unlisted funds. The Manager will continue to manage several unlisted funds and the existing managed assets, which are unrelated to GAIA.



“In reality, studies show that investments to spur renewable energy and boost energy efficiency generate far more jobs than oil and coal.”

Jeff Goodell

American author and contributing editor



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OPERATING CONTEXT

GAIA aims to capitalise on South Africa's 15-year, R3 trillion infrastructure development drive. Government is investing heavily in supporting the sector and infrastructure investment as a whole. This is evident from the National Infrastructure Plan and the Presidential Infrastructure Coordinating Commission.

The scale of capital investment required is, however, unaffordable for the State. In order to successfully address the infrastructure gaps and to accelerate economic growth and job creation, a partnership between public and private sectors is imperative. This includes opening the space for private sector investment in infrastructure. The involvement of the private sector will increase access to capital for maintenance and expansion, improve management and promote increased efficiencies. This will create profitable opportunities for both private sector investors and management teams, while helping Government to fast track delivery in order to promote sustainable economic growth.


GAIA is pioneering the listed infrastructure investment space in South Africa. Globally, institutional investors have been mobilising more capital to invest in private infrastructure assets.

In South Africa the retirement industry, which has significant capital to invest, has not traditionally participated in long-term infrastructure investments. Amendments made in 2011 to Regulation 28 of the Pension Funds Act, No 24 of 1956, provide for greater allowance of investment in alternative investment asset classes such as infrastructure. This creates an enabling environment for what is a natural fit between investors and such opportunities.

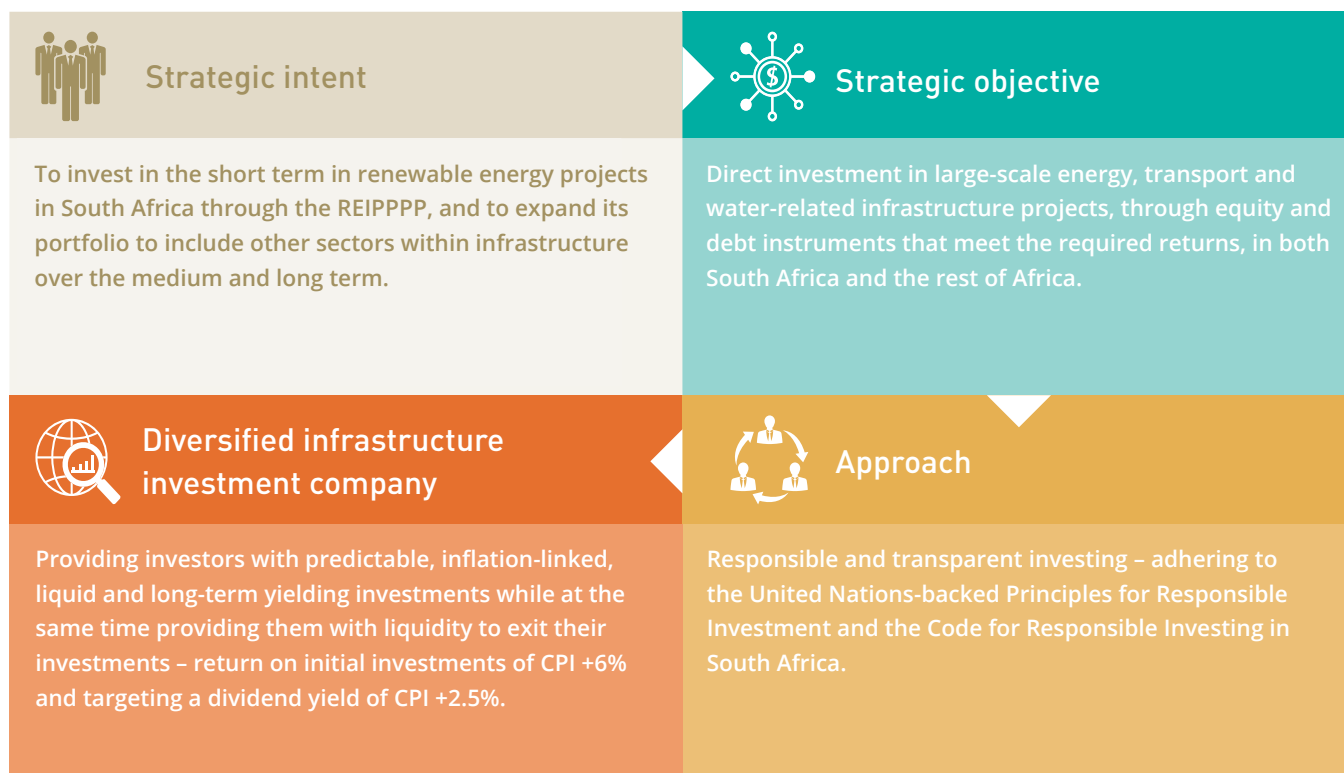
GAIA aims to fill the void to create access for investors to the infrastructure space.

KEY STAKEHOLDER REVIEW

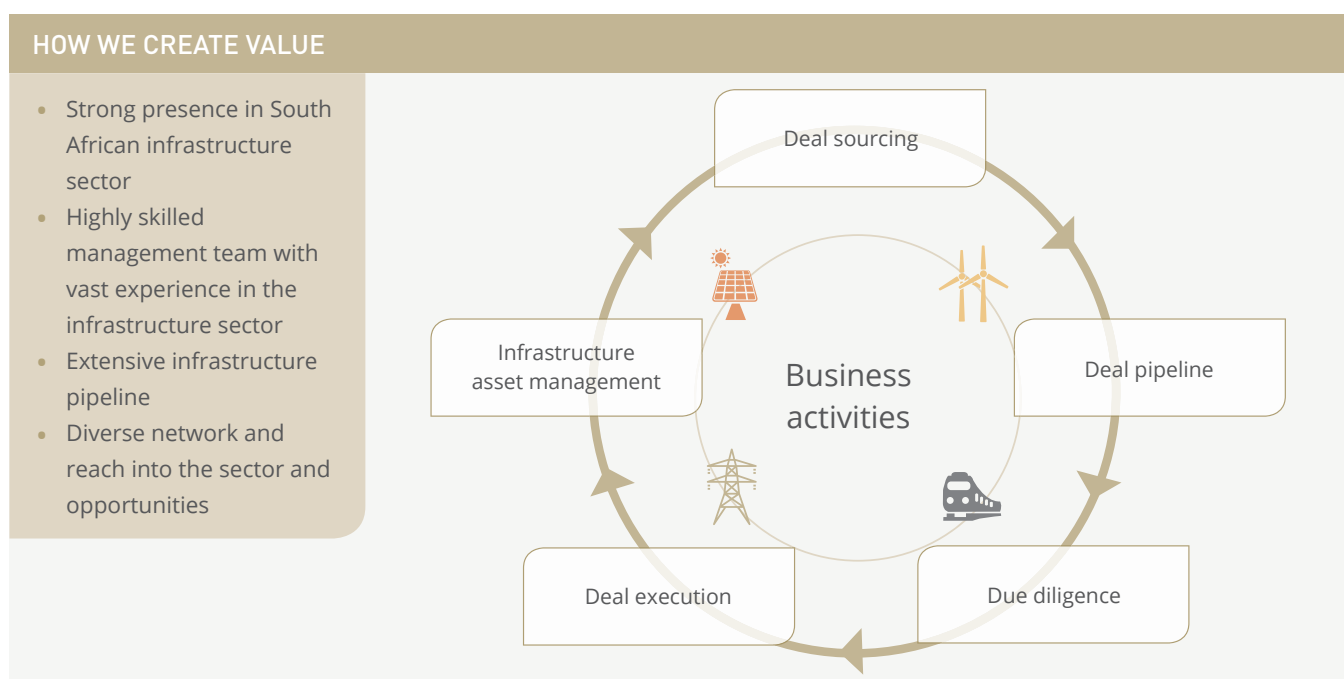
GAIA is committed to creating and maintaining inclusive, honest and mutually beneficial relationships and partnerships with all its stakeholders. The stakeholders of our investee companies, providers of capital and Government are equally fundamental to GAIA's success and the Company is committed to on-going engagement with all its stakeholders.

 <h3>Investors – present and future</h3> <p>It is GAIA's primary responsibility to shareholders to deliver acceptable return on investment. The Company is committed to timely and transparent communication through regular investor interaction.</p>	 <h3>Potential investee companies</h3> <p>GAIA's performance is directly linked to the quality and performance of the underlying investee companies. GAIA prioritises cultivating mutually beneficial relationships with these companies.</p>
 <h3>Government</h3> <p>Large-scale infrastructure projects require Government commitment and strong partnerships with the private sector. GAIA's commitment to regular engagement with Government in order to ensure a strong relationship is also essential in effectively mitigating risk.</p>	 <h3>Providers of capital</h3> <p>GAIA's relationships with providers of capital are essential in ensuring the continued viability of the projects and return on investment to investors.</p>

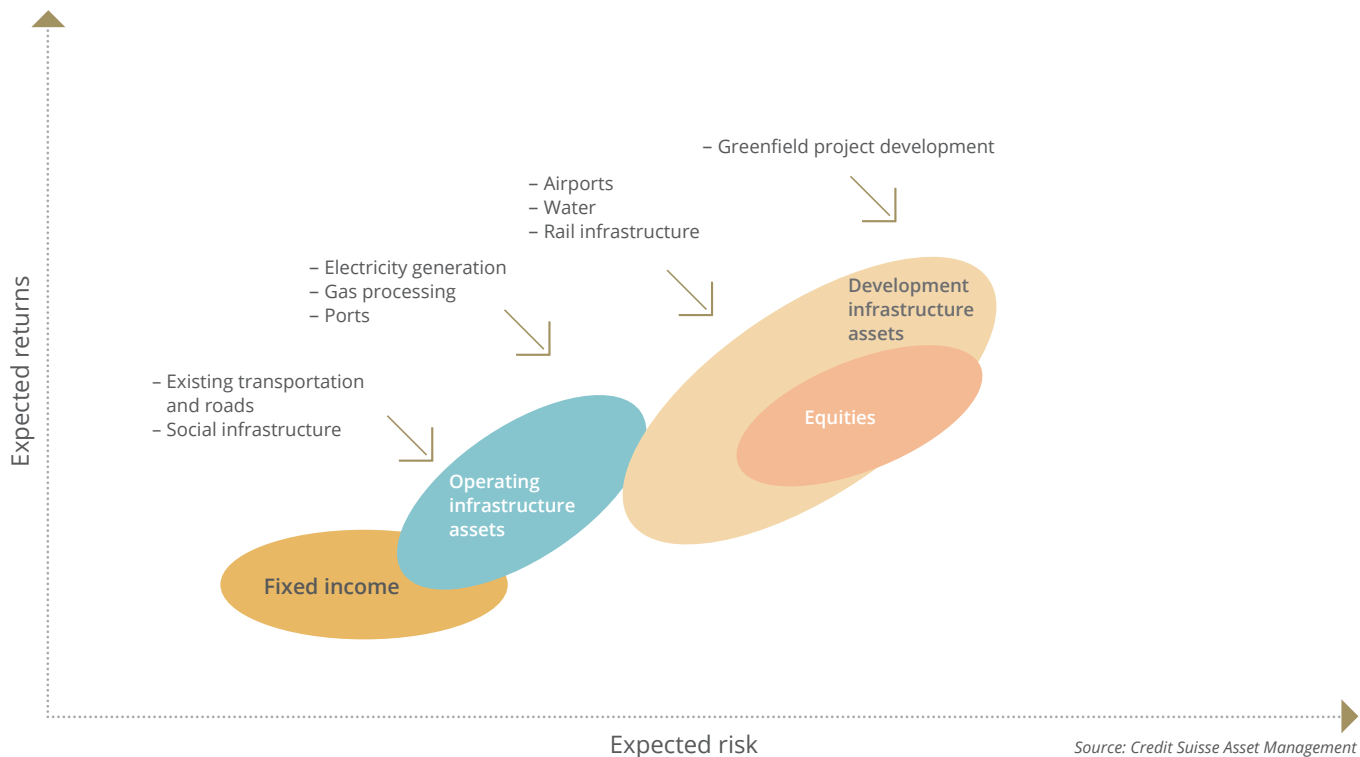
GAIA'S INVESTMENT STRATEGY



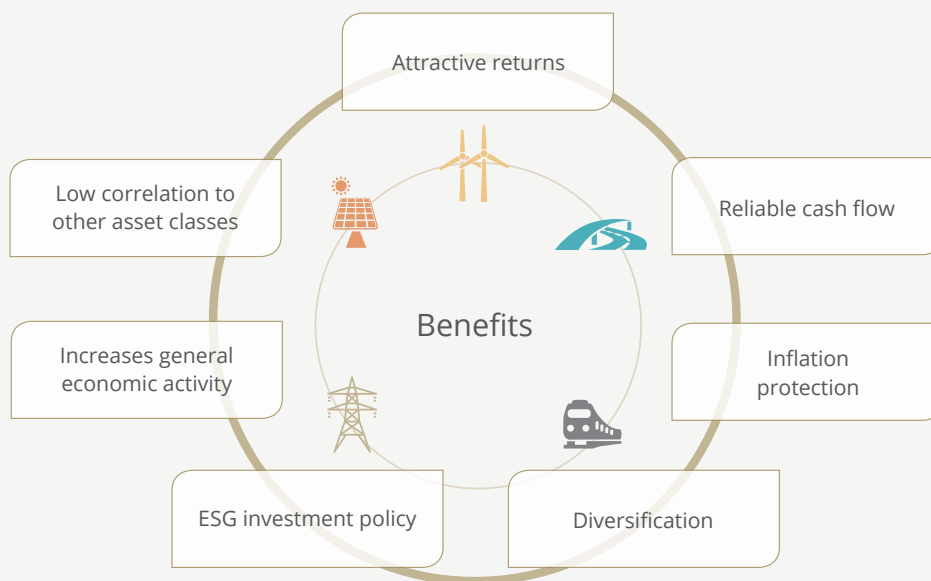
GAIA'S BUSINESS MODEL



RISK-RETURN PROFILE OF ASSET CLASS



INVESTING IN INFRASTRUCTURE



EXECUTIVE CHAIRMAN'S REPORT



Leon de Wit // Executive Chairman

We are proud to present to our stakeholders our first Integrated Annual Report for the period ended 29 February 2016. Although GAIA is still a SPAC, we believe in the importance of communication with our stakeholders, particularly during this phase of the Company's life cycle, where we are still to acquire a viable asset.

GAIA can best be described as a fund of equity stakes in developed and operating infrastructure assets in South Africa. Investors can expect a performance from the Company that is commensurate with the collective performance of its underlying assets. As stated elsewhere in this report, GAIA targets a gross real investment return of CPI +6% per annum, with a dividend yield of CPI +2.5% on its net asset value ("NAV") per annum. As GAIA's intended investments are by their very nature inflation-hedged, the Company is in a fortunate position to link its own targets to inflation. This is clearly a differentiating factor compared to other companies listed on the JSE.

GAIA listed on 12 November 2015, and was one of the first SPACs to successfully list on the JSE. The shareholding of GAIA clearly underlines its mission to provide investment opportunities for big and small investors. Our investors include both institutional investors such as the Public Investment Corporation as well as some 900 small retail investors. Before the introduction of GAIA, investors mostly accessed infrastructure investment opportunities through private equity structures, which are not readily accessible to retail investors. We expect the listed infrastructure sector

to grow over the coming years, eventually leading to listed infrastructure having its own positioning on the JSE.

At GAIA, we are proud to be at the forefront of bringing infrastructure funding to the market in ways that allow us to take advantage of our country's well-developed financial system.

The savings industry can and should play an active role in the funding of infrastructure on a sustainable basis and consistent with the return expectations. In total, the savings industry has approximately R6 trillion assets under management, consisting of R3.5 trillion in private retirement funds, R1.5 trillion in Government and parastatal retirement funds, as well as R1 trillion in unit trusts and other voluntary savings vehicles. To date, however, there have been minimal exposure to infrastructure investment opportunities in the savings industry, notwithstanding the fact that infrastructure investment should be particularly attractive to pension funds due to its long-term nature and inflation hedging characteristics. Pension fund portfolios continue to be underweight in the infrastructure asset class despite its attractive attributes. We believe that this trend is changing, as listings of various infrastructure funds continue.

As stated in the Finance Director's report, shareholders were advised on 24 February 2016 that the Manager was in discussions on behalf of GAIA and that this may have an impact on the share price. Thus, the Manager is actively looking for assets in line with the set benchmarks in which the Company can invest. The Board of GAIA is confident that the Manager will be in a position to present the acquisition of viable assets to shareholders within the prescribed SPAC time frame.

OUTLOOK

The REIPPPP remains one of the most successful private public partnerships involved in the establishment of an infrastructure programme. It is estimated that the REIPPPP investments in the past five years totalled more than R162 billion. Thus, through the REIPPPP, Government has been successful in mobilising private sector capital for investment in energy infrastructure. We believe that this success, as well as the need to stimulate economic growth and the constraints relating to Government's fiscal balances would act as motivation for Government to consider introducing similar programmes in other sectors of infrastructure.

Thus, we expect opportunities for investment in the short term to be mostly in energy, with other sectors of infrastructure presenting opportunities in the medium to long-term.

I wish to express my appreciation to my fellow Directors on the Board. A particular word of appreciation goes to the Independent Non-Executive Directors, Eddie Mbalo, Prudence Lebina, Nathiera Kimber and Romeo Makhubela for joining and actively participating in the activities of the Board.

In conclusion, the entire Board take this opportunity to thank John Oliphant for his contribution to GAIA and we wish him success in his future endeavours.



Leon de Wit
Chairman



FINANCE DIRECTOR'S REPORT



Tamee Soudien-Witten // Finance Director

FINANCIAL OVERVIEW

	As at 29 February 2016
Total assets	552 361 271
Share capital	545 851 762
Retained income	4 058 528
Total liabilities	2 450 981
Shares in issue	55 151 000
Net asset value per share	9.97
Investment revenue	9 992 043
Profit before interest and tax	5 580 899
Total comprehensive income for the period	4 058 528
Basic earnings per share (cents)	21.54
Headline earnings per share (cents)	21.54
Diluted earnings per share (cents)	21.54
Net cash from operating activities	4 167 765
Net cash from investing activities	(548 259 414)
Net cash from financing activities	546 438 828
Total cash at end of the period	2 347 179

BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The Company listed as a SPAC on 12 November 2015 at R10.00 per share and raised R551 million. The amount raised was invested in a Coronation Jibar Plus Unit Trust Fund as per the prelisting statement.

The financial statements have been prepared in accordance with IFRS, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and the requirements of the Companies Act, and incorporate the principal accounting policies adopted by GAIA.

The results for the period ended 29 February 2016 have been audited by GAIA's auditors, KPMG Inc. The Directors take full responsibility for the preparation of this period's report.

FINANCIAL PERFORMANCE

GAIA is progressing well in its first year of listing, with a healthy deal pipeline of about R3 billion. On 24 February 2016 GAIA issued a cautionary announcement notifying shareholders that the Company had entered into negotiations which, if successfully concluded, may have a material effect on the price of GAIA shares. These negotiations are still in progress. Additionally, the GAIA Board has transferred the funds raised on listing from the Coronation Jibar Plus Unit Trust Fund to the more liquid Coronation Money Market Fund. This ensures that funds are readily available as the Company prepares for the acquisition of viable assets.

No comparative figures have been presented as these are the first financial statements of the Company. The Company earned interest of R9.992 million over the period with operating expenses amounting to R5.236 million over the same period. Earnings before interest, tax, depreciation and amortisation ("EBITDA") was R5.581 million and the net comprehensive income for the period was R4.059 million.

GAIA has managed to limit its listing and related expenses to those contained in the prelisting statement. By year-end, GAIA had largely recouped these initial expenses by way of net interest income. This is reflected in GAIA's NAV whereby GAIA listed at R10.00 per share and at year-end the Company's tangible NAV reached R9.97 per share.

Earnings per share were 21.54 cents over the period. The basic earnings per share was based on earnings of R4.059 million and a weighted average number of ordinary shares of 18 841 820, calculated based on 1 000 shares issued on 16 April 2015 and 55 150 000 shares issued on 12 November 2015. Diluted earnings per share is equal to earnings per share as there are no dilutive potential ordinary shares in issue.

The current period's earnings per share should be viewed in context of the following:

- GAIA listed on the JSE on 12 November 2015;
- Profit for the period includes investment revenue and fair value adjustments earned for the period 12 November 2015 to 29 February 2016; and
- GAIA has not yet acquired a viable asset and therefore income earned is not indicative of the Company's future performance capability.

I wish to express my appreciation to my fellow Directors on the Board as well as management for their concerted efforts during the initial stages of the Company's life cycle.



Tamee Soudien-Witten

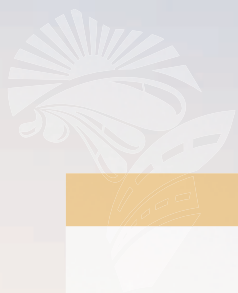
Finance Director



“The foundation is being laid for the emergence of both wind and solar cells as cornerstones of the new energy economy.”

Lester A. Brown, Michael Renner, Brian Halweil
Authors of “The environmental trends that are shaping our future”





INVESTMENT OVERVIEW

Investment Manager's report

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INVESTMENT MANAGER'S REPORT



Mich Nieuwoudt // Chief Investment Officer

GAIA's highly skilled actuarial, engineering, project development and investment professionals will ensure appropriate exposure for long-term investors to infrastructure investment opportunities. For this purpose an investment model is used that offers institutional and retail investors with investment opportunities in underlying assets while at the same time, ensuring maximum investment flexibility in the medium term.

INVESTMENT POLICY

GAIA will aim to meet the following investment criteria:

- invest in operational projects;
- target investments that will generate returns of CPI +6% over the term of the off take agreement;
- invest in assets with visible environmental, social and governance policy appreciation;
- target investments with low risk and attractive long-term inflation-linked predictable cash generation profile;
- invest a minimum of R200 million per investment in the case where the assets have not previously been evaluated and not less than R100 million per investment in the case where the assets have been evaluated previously;
- acquire a minimum of 15% equity interest, with minority protections;
- strive to ensure management value add and directorship roles to further optimise the underlying assets;
- target investments in underlying projects that have a strong and well-aligned management team with clear operational and corporate strategies; and
- make investments with acceptable third party credit risk exposure.

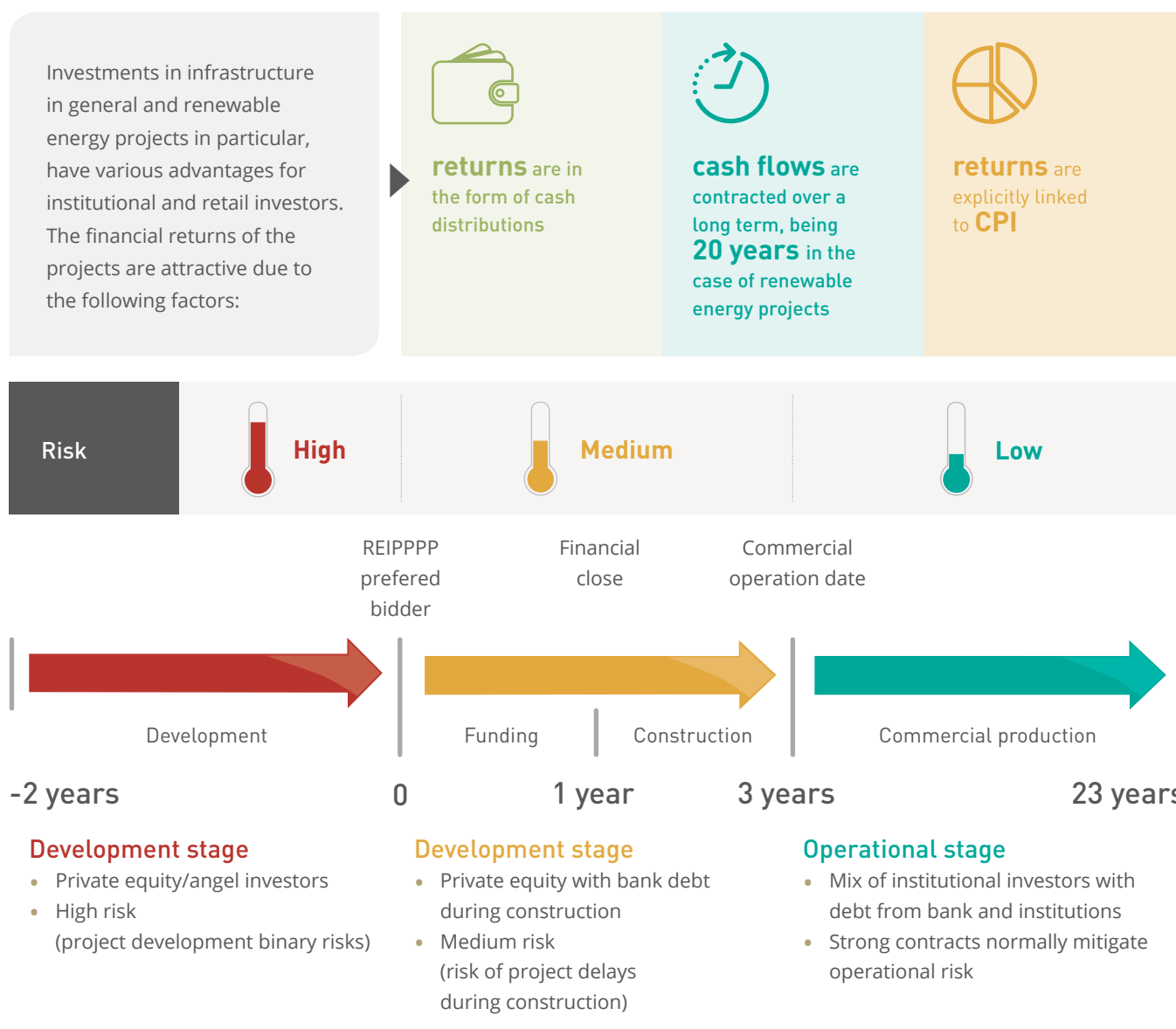
INVESTMENT RISKS

The risks of an investment in infrastructure may be divided into those specific to the infrastructure asset and those affecting the broader asset class. The asset specific risks encompass risks pertaining to the design, construction and operation of the infrastructure asset while the asset class risks include economic, regulatory and political risk.

Asset specific risks largely depend on the maturity of the particular asset. In the construction phase, there is considerable risk associated with the construction process, such as the construction period, budget overruns and the like. Importantly, a key feature of infrastructure assets is that as an asset matures, its risk profile declines and its valuation increases, all other things remaining equal. GAIA will invest in operational or near-operational assets to mitigate the construction risk on the asset.

Of the more generic risks affecting the infrastructure asset class, the most pertinent is interest rate risk. The prevailing level of interest rates can have an impact on the discount rates applied to the valuation of infrastructure investments, and on the debt portion of the investment structure. This means that, as interest rates rise, the valuation of an infrastructure investment will generally fall. This is generally a short-term phenomenon. Over the medium to longer term, this initial fall in value is mitigated as revenue from the underlying asset grows due to the revenue being linked to CPI.

INVESTMENT CASE



GAIA will adhere to strict investment criteria and process with the Investment Committee and the Board having final approval of all investments made by GAIA.



Mich Nieuwoudt
Chief Investment Officer



“The Government understands that an effective transport system is the heartbeat of our nation and serves as a catalyst for socio-economic development.”

Phumla Williams

Acting Chief Executive Officer of the Government Communication and Information System (“GCIS”)



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BOARD OF DIRECTORS



LEON DE WIT (LEON) (61)

Executive Chairman

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

Leon started at Sanlam Limited, and then spent most of his career offering consulting services to many of the largest retirement funds in South Africa. He joined PSG Group Limited in its early years and was responsible for Channel Life Limited. In 2002, he left formal employment and moved to a wine farm in Stellenbosch where he engages in special projects and community development programmes. Leon and Botha Schabort have worked on funding of renewable energy projects by South African institutions since 2011, culminating in the establishment of GAIA Infrastructure Partners (Pty) Limited in 2012.



KUBY PRUDENCE LEBINA (PRUDENCE) (35)

Lead Independent Non-Executive Director

CA(SA), BCom, HDip Accounting

Prudence is head of corporate development and investor relations at Atlatza Resources Corporation, where she is responsible for group communication and stakeholder relations. Prudence was previously investor relations manager and corporate finance principal analyst at Exxaro Resources Limited. She has also worked for Deutsche Bank SA (Pty) Limited in the Global Corporate Finance division. Prudence served her articles in the advisory department at PricewaterhouseCoopers. She is a member of the South African Institute of Chartered Accountants, African Women Chartered Accountants and Business Women Association. Prudence is also a Student Sponsorship Programme volunteer where she mentors previously disadvantaged students in high schools.



MATTHYS MICHIEL NIEUWOUDT (MICH) (44)

Chief Investment Officer and Executive Director

Pr Eng, B Eng (Electronic), MBA

Mich started his career in the petrochemical industry with Polifin and the defence industry with Thales, before joining PSG Investment Bank in 1999. In 2003, he joined Siemens Business Services, where he gained international experience across Europe. Mich joined Square One Group in 2005 where he was responsible for group operations. In 2008, Mich teamed up with Botha Schabort. He worked on the Eden Island Project and mining operations in West Africa before focusing on the expansion of SAGIT Energy Ventures, a renewable energy developer.



TAMEE SOUDIEN-WITTEN (TAMEE) (39)

Finance Director and Executive Director

CA(SA), BCom (Honours)

Tamee obtained her BCom degree through the University of the Western Cape. Whilst completing her articles with Grant Thornton Kessel Feinstein, she obtained her BCom Honours degree through the University of Natal. In 2002, she passed her board examinations and qualified as a Chartered Accountant. Tamee has accumulated 12 years' experience in the financial services industry. She spent 10 years at Old Mutual where she held a number of senior finance roles in the Employee Benefits Division. Tamee acquired a broad range of skills and experience in financial management, reporting as well as project management. Before joining GAIA, Tamee entered the renewable energy sector as Finance Director to a construction company responsible for the construction of a wind and solar farm.



PHILIP BOTHA SCHABORT (BOTHA) (58)

Non-Executive Director

Pr Eng, Hons B Eng, MBA

Botha started as a civil engineer specialising in project management and construction. After obtaining an MBA he joined JSE-listed stockbroker Senekal Mouton and Kitshoff where he later served as Director. Botha was a founding shareholder and Director of the JSE-listed PSG Group Limited and PSG Investment Bank Holdings Limited, where he was Managing Director until 2000. Botha has extensive investment experience in the areas of international property development, renewable energy projects, mining exploration, private equity and technology. Along with Leon de Wit, he founded GAIA Infrastructure Partners (Pty) Limited in 2012. He is a Director of various companies.



► **NATHIERA KIMBER (NATHIERA) (44)**

Independent Non-Executive Director

BA LLB, LLM (Tax)

Nathiera completed her articles and worked at Sonnenberg Hoffmann and Galombik. She then pursued an academic career at the UWC's law faculty as a lecturer in Commercial Law. She later re-joined the private sector as legal advisor at Mettle (Pty) Limited and group secretary of PSG Investment Bank Limited. In 2002, Nathiera returned to the UWC as a senior lecturer in the Mercantile Law department and served as external examiner in the departments of Commercial Law for a number of other universities.



► **KHALIPHA EDWARD MBALO (EDDIE) (53)**

Independent Non-Executive Director

Television Engineering Certificate – NHK Institute: Japan

Eddie is the executive consultant to the business rescue practitioner and the Chief Executive Officer of StarSat. He is also a Non-Executive Director of On Digital Media, the operator of Top TV, where he has served as Chairman and Chief Executive Officer in the past. Eddie was the Chief Executive Officer of the Ministry of Arts and Culture's National Film and Video Foundation, playing a role in the creation of financial instruments that support the development of the film industry. Eddie played a critical role in the drafting of the Broadcasting Act, as well as shaping the content development strategy. At the 64th Cannes Film Festival, Eddie was awarded the African Vision Award, for his dedication as a creative defender of African Cinema.



► **CLIVE FERREIRA (CLIVE) (64)**

Non-Executive Director

BSc (Civil Eng), BCom, MBA

Clive has more than 25 years' experience in corporate and project finance. He was a founding Director of Fieldstone Holdings SARL. Over the last 15 years he worked extensively in Africa on energy and infrastructure-related projects. These include Cahora Bassa hydro power station, Metrogas, a coal-fired Kelvin power station, various Ugandan generation and distribution assets, the Ibom power plant in Nigeria, a bio-ethanol grown energy project in Mozambique, Kariba North Bank Power extension project in Zambia and the development of a new IPP in Ghana.



► **ROMEO BOB MAKHUBELA (ROMEO) (49)**

Independent Non-Executive Director

BCom, Postgraduate Diploma in Business Management

Romeo has served as Chief Investment Officer and Chief Executive Officer at a number of highly regarded firms including Metropolitan Asset Managers and Metropolitan Holdings Limited, Momentum Asset Management (Pty) Limited and Vunani Fund Managers (Pty) Limited. In 2002 he was named Top Black Portfolio Manager in South Africa by the Association of Black Securities and Investment Professionals.

CORPORATE GOVERNANCE REPORT

STATEMENT OF COMMITMENT

The Board is the highest governing authority of GAIA and has ultimate responsibility for corporate governance. The Board leads GAIA in striving to achieve the highest standards of business integrity, ethics and corporate governance, in the pursuit of its strategic and business objectives. The Board is responsible to ensure that GAIA achieves sustainability in terms of the economy, environment and society taking into account its impact on internal and external stakeholders.

GAIA is committed to fostering a corporate culture that embraces diversity and, in particular, focuses on the composition of its Board. Diversity includes, but is not limited to gender, age, ethnicity and cultural background. In order

to foster a corporate environment where Board diversity is achievable and maintained, GAIA has adopted a diversity policy which aims to promote an environment that is conducive to the appointment, retention of well qualified Board members to maximise the corporate goals of GAIA.

The Board appreciates that strategy, risk, performance and sustainability are interdependent and the Board is responsible for approving a strategic direction for GAIA that addresses and integrates each of these elements. The Board is governed by a charter ("the Board Charter") that sets out its accountability, responsibility and duty to GAIA.

The Board has commenced its journey of achieving and exceeding the requirements of King III.

KEY RESPONSIBILITIES OF THE BOARD

- Providing ethical leadership and direction to GAIA;
- Approving and monitoring the implementation of the strategic plan developed by management;
- Responsible for governance and monitoring key risk areas;
- Monitoring compliance with all relevant laws, rules, codes and standards of business practice through a Compliance Framework;
- Monitoring performance through the various Board committees established to assist in the discharging of its duties while retaining full accountability and without abdicating its own responsibilities;
- Ensuring an effective and independent Audit and Risk Committee and Remuneration Committee;
- Ensuring that disputes are resolved effectively and efficiently;
- Appointing and evaluating the performance of the Chief Executive Officer;
- Acting as the focal point for, and custodian of corporate governance;
- Monitoring open and prompt engagement with all key stakeholders; and
- Ensuring shareholders are treated equitably and equally.

MEMBERS OF THE BOARD

EXECUTIVE DIRECTORS

L de Wit (Executive Chairman)

MM Nieuwoudt (Chief Investment Officer)

TD Soudien-Witten (Finance Director)

NON-EXECUTIVE DIRECTORS

PB Schabot

C Ferreira

INDEPENDENT NON-EXECUTIVE DIRECTORS

KP Lebina (Lead Independent Non-Executive Director)

RB Makhubela

N Kimber

KE Mbalo

Each member of the Board has a fiduciary duty to act in the best interests of the Company and, in discharging such duty,

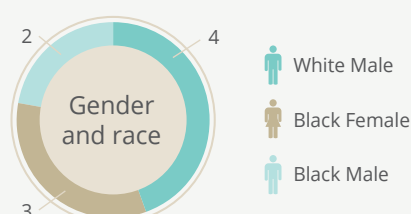
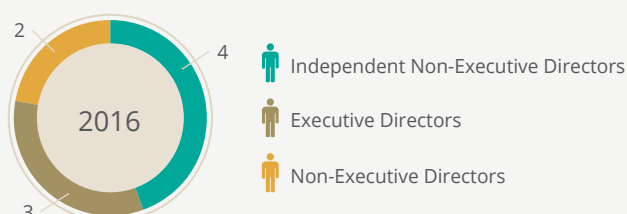
ensures that the Company acts in the best interests of its stakeholders.

BOARD COMPOSITION

Following the resignation of Mr John Oliphant, Mr L de Wit's role has subsequently been amended from Non-Executive Chairman to Executive Chairman until a suitable candidate is appointed for the Chief Executive Officer role.

The composition of the Board includes 4 Independent Non-Executive Directors, 2 Non-Executive Directors and 3 Executive Directors, reflecting an appropriate balance between the executive and Non-Executive Directors. The Chairman of the Board is not independent for purposes of the King Code. Accordingly, the Board appointed Prudence Lebina as lead Independent Director in compliance with the King Code and the JSE Listings Requirements.

BOARD REPRESENTATION (NUMBERS)



There is a policy evidencing a clear balance of power and authority at Board level, to ensure that no one Director has unfettered powers of decision making. The composition of the Board promotes a balance of authority and skills. Brief biographies of the Directors is detailed on page 26.

APPOINTMENT OF DIRECTORS

Appointment of Directors is considered to be a matter for the Board as a whole. All appointments are made in a formal and transparent manner.

SELECTION OF DIRECTORS

- All Directors are appointed at the Annual General Meeting by shareholders' resolution.
- One-third of all Directors are required to retire annually by rotation and if put forward for re-election, are considered for reappointment at the Annual General Meeting.
- The Board is permitted to remove a Director without shareholder approval for due cause.
- All recommended Director appointments are subject to background and reference checks.

- Newly appointed Non-Executive Directors undergo an induction process to familiarise them with GAIA.
- All Non-Executive Directors meet the criteria for independence, as they are not:
 - i) involved in the day-to-day management of GAIA's business or have been so involved at any time during the previous financial year;
 - ii) a prescribed officer of the Company or related or inter-related company, or have been such an officer at any time during the previous three financial years;
 - iii) a material supplier or customer of the Company, such that a reasonable and informed third party would conclude in the circumstances that the integrity, impartiality and objectivity of that Director is compromised by that relationship;
 - iv) related to any person contemplated above;
 - v) a representative of a shareholder that has the ability to control or significantly influence management; and
 - vi) a direct or indirect interest holder in the Company which exceeds 5% of GAIA'S total number of shares in issue.

CHANGES TO THE BOARD

GAIA was incorporated on 16 April 2015. Board appointments have been made as follows:

Members of the Board of Directors		Appointment date
L de Wit*	Executive Chairman	1 October 2015
KP Lebina	Lead Independent Non-Executive Director	1 October 2015
MM Nieuwoudt	Chief Investment Officer	16 April 2015
TD Soudien-Witten	Finance Director	1 October 2015
PB Schabort	Non-Executive Director	1 October 2015
N Kimber	Independent Non-Executive Director	1 October 2015
KE Mbalo	Independent Non-Executive Director	1 October 2015
C Ferreira	Non-Executive Director	1 October 2015
RB Makhubela	Independent Non-Executive Director	1 October 2015
JR Oliphant	Chief Executive Officer (resigned his position at GAIA on 19 April 2016)	16 April 2015

* L de Wit assumed his role as Executive Chairman on 19 April 2016.

CORPORATE GOVERNANCE REPORT (CONTINUED)

BOARD COMMITTEES

The Board has established and mandated a number of permanent standing committees to act on its behalf in terms of various key areas affecting the business of GAIA:

- Audit and Risk Committee; and
- Social and Ethics Committee.

Shareholders elect the members of the abovementioned Committees at each Annual General Meeting. The Committees still form part of the unitary Board notwithstanding its statutory duties over and above the responsibilities set out in its terms of reference. The Managers' Investment Committee is appointed in terms of the management agreement with GAIA.

Each committee operates according to Board-approved terms of reference, which will be reviewed annually and updated where necessary. The Chairs of the Committees are appointed by the Board.

EXECUTIVE COMMITTEE

The GAIA Executive Committee meets monthly and has the following members:

L de Wit (Executive Chairman)
 TD Soudien-Witten (Finance Director)
 MM Nieuwoudt (Chief Investment Officer)
 B Magoro (Investor Relations)

AUDIT AND RISK COMMITTEE

Prior to listing, the Board appointed the following members to the Audit and Risk Committee, who will stand for re-election by shareholders at GAIA's first Annual General Meeting to be held on Thursday, 11 August 2016.

COMMITTEE MEMBERS

KP Lebina (Chair)
 N Kimber
 KE Mbalo

The Audit Committee had its inaugural meeting in February 2016 and is scheduled to meet 3 times in the 2017 financial year.

ROLES AND RESPONSIBILITIES

The Audit and Risk Committee assists the Board by providing an objective and independent view on GAIA'S finance, accounting and control mechanisms and by reviewing and ensuring that consideration is given to the following:

- accounting policies of GAIA and any proposed revisions thereto;

- effectiveness of the Manager's information systems and internal controls;
- appointment and monitoring of the effectiveness of the external auditors;
- appropriateness, expertise and experience of the Finance Director;
- setting the principles for recommending the use of external auditors for non-audit services;
- Integrated Annual Report and specifically the annual financial statements included therein;
- reports of external auditors;
- GAIA's going concern status; and
- compliance with applicable legislation and requirements of regulatory authorities.

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

SOCIAL AND ETHICS COMMITTEE

On 10 May 2016, the Board of Directors appointed the following members to the Social and Ethics Committee:

KE Mbalo – Independent Non-Executive Director (Chair)
 N Kimber – Independent Non-Executive Director
 C Ferreira – Independent Non-Executive Director

The purpose of this committee is:

1. monitor the Company's activities with regard to:
 - a) social and economic standing and development;
 - b) good corporate citizenship;
 - c) the environment, health and public safety;
 - d) consumer relationships and compliance laws;
2. draw matters within its mandate to the attention of the Board; and
3. report to shareholders on matters within its mandate.

The Social and Ethics Committee had its inaugural meeting in February 2016 and is scheduled to meet 3 times in the 2017 financial year.

REMUNERATION COMMITTEE

GAIA only makes provision for Non-Executive Directors' remuneration as the Executive Directors' remuneration is the responsibility of the Manager. The Non-Executive Directors' remuneration has been agreed as set out in the Remuneration report on page 36 and will only be reviewed once viable assets have been acquired by GAIA. The Remuneration Committee will then be constituted and will make recommendations to the Board with regards to an appropriate remuneration policy.

COMPANY SECRETARY

Exceed (Cape Town) Incorporated is the Company Secretary, and is responsible for ensuring the proper administration of the Board as well as the adherence to sound corporate governance procedures are followed. All Directors have access to the advice and services of the Company Secretary and have full and timely access to information that may be relevant for the proper discharge of their duties.

The Board evaluates the competency and effectiveness of the Company Secretary, as required in terms of the JSE Listings Requirements. The evaluation process includes an assessment of the Company Secretary's eligibility, skills, knowledge and execution of duties. The Board is satisfied that the Company Secretary is competent and has the requisite qualifications and experience to effectively execute its duties.

The Board confirms that the Company Secretary maintains an arm's length relationship with the Board and the Directors, noting that the Company Secretary is not a Director of the Company and is not related to any of the Directors.

The Company Secretary is independent from management and does not have executive duties and responsibilities, aside from the core responsibilities of a Company Secretary. The Company Secretary is not a material shareholder of GAIA and is not party to any major contractual relationship with GAIA.

The certificate that the Company is required to issue in terms of Section 88(2)(e) of the Companies Act is on page 41 of this Integrated Annual Report.

DIRECTORS' ATTENDANCE AT BOARD AND SUB-COMMITTEE MEETINGS

There have been two Board meetings since listing. The Board is scheduled to formally meet 4 times a year.

Attended Board meetings	General Board	Audit and Risk Committee
L de Wit (Executive Chairman)	2/2	
KP Lebina	2/2	2/2
MM Nieuwoudt	2/2	
TD Soudien-Witten	2/2	
PB Schabort	2/2	
N Kimber	2/2	2/2
KE Mbalo	2/2	2/2
C Ferreira	2/2	
RB Makhubela	2/2	

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

It is the intention of the Board to keep the roles of Chairman and Chief Executive separate. They operate under distinct mandates issued and approved by the Board that clearly differentiate the division of responsibilities within GAIA and ensure a balance of power and authority.

The Chairman, a Non-Executive Director, presides over the Board, providing it with effective leadership and ensuring that all relevant information is placed before it for decision making.

The Chief Executive is responsible for the ongoing operations of GAIA, developing its long-term strategy, and recommending the business plan and budgets to the Board for consideration and approval.

Currently, L de Wit serves as an Executive Chairman, until such a time a Chief Executive Officer is appointed. The Board appoints the Chairman and the Chief Executive. The Board appraises the Chairman and the Chief Executive Officer annually.

CORPORATE GOVERNANCE REPORT (CONTINUED)

KEY REGULATIONS

The table below lists the key regulations that impact GAIA Infrastructure Capital Limited:

Protection of Personal Information Act ("POPI")	<p>POPI was passed in November 2013 with the commencement date still to be promulgated. Organisations will have one year to demonstrate compliance with the Act from the commencement date. This Act seeks to support the right to privacy of personal information of South African citizens and to bring South Africa in line with international data protection laws.</p> <p>The Act protects the personal information collected and processed by organisations and companies. The Act will impact how personal information held by GAIA in relation to employees, Directors, shareholders and suppliers is dealt with. The Finance Director of GAIA will be instrumental in the implementation of POPI.</p>
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RISK MANAGEMENT, SYSTEMS OF CONTROL AND INTERNAL AUDIT

Details of GAIA's risk management process, systems of control and internal audit are set out in the risk committee report on page 34.

CONFLICT OF INTEREST AND SHARE DEALINGS

Directors are aware that when a matter is considered by a Board in which they individually have a direct or indirect interest, this should be disclosed prior to the Board meeting. These disclosures are noted by the Board when necessary, and recorded in the minutes of a Board meeting.

OTHER REPORTING REQUIREMENTS

Insider trading	GAIA observes a closed period from just before the end of the accounting period to the announcement of the interim or annual results. During this time, no Director may be in possession of unpublished price-sensitive information, trade directly or indirectly in the shares of GAIA.
Going concern	The Board considers and assesses GAIA's going concern basis in the preparation of the annual and interim financial statements. In addition, the solvency and liquidity requirements per the Companies Act are considered. The Board is satisfied that GAIA will continue as a going concern into the foreseeable future.
Material litigation	During the financial year, GAIA was not involved in any material litigation or arbitration proceedings nor are the Directors aware of any pending or threatened legal issues, which may have a material impact on GAIA's financial position.
Political party contributions	Employees may not make any direct or indirect political contribution on behalf of GAIA unless authorised by the Board. This includes contributions to candidates, office holders and political parties. No political party contributions were made in the period under review.

LEGAL AND COMPLIANCE

The Board ensures that GAIA complies with all applicable laws and considers adherence to all relevant industry charters, codes and standards. The Audit and Risk Committee manages compliance in accordance with a framework that has been approved by the Board. During the reporting period, no judgements, damages, penalties or fines were recorded or levied against GAIA or its Directors.

IT GOVERNANCE

GAIA ensures that the Manager complies with all relevant IT laws, rules, codes and standards. The IT function at GAIA focuses on being an enabler to business, aligning with business initiatives, creating fluidity, and assisting in providing a competitive operational edge to business.

IT governance will be reviewed annually by an external provider to test the strength of the IT system security of the Manager.

KING III

GAIA is committed to the principles of transparency, integrity, fairness and accountability. Areas of the King III Code that has been partially applied by GAIA are listed below. All other areas have been applied. The full GAIA King III application report can be viewed on our website www.gaia-ic.com.

Principle	Comments
2. Board and Directors	
2.16 The Board should elect a Chairman of the Board who is an Independent Non-Executive Director. The Chief Executive Officer of the Company should not also fulfil the role of Chairman of the Board.	Partially applied. The Chairman has temporarily stepped in as Executive Chairman until such time that a Chief Executive Officer is appointed.
2.20 The induction of and ongoing training and development of Directors should be conducted through formal processes.	Partially applied. No formal induction programme developed. However, new Directors will have unlimited access to the Company's resources in order to familiarise themselves with all matters related to the Company.
2.22 The evaluation of the Board, its committees and the individual Directors should be performed every year.	Partially applied. The Board and its committees are newly appointed and constituted and will be evaluated annually as provided for in the committee charters.
2.24 A governance framework should be agreed between GAIA and its subsidiary boards.	Partially applied. The Board will agree a governance framework for the Company and its subsidiaries within the first financial year of the Company.
2.27 Shareholders should approve the Company's remuneration policy.	Partially applied. The remuneration policy will be complied by and approved by the Remuneration Committee for approval by the Board and shareholders at an Annual General Meeting.
5. The governance of information technology	
5.3 The Board should delegate to management the responsibility for the implementation of an IT governance framework.	Partially applied. A governance framework is being developed and will be considered for approval by the Board.
9. Integrated reporting and disclosure	
9.2 Sustainability reporting and disclosure should be integrated with the Company's financial reporting.	Partially applied. The Company will evaluate the need for sustainability reporting and, if included in its Integrated Annual Report, will have such disclosures independently assured (to the extent necessary).
9.3 Sustainability reporting and disclosure should be independently assured.	Partially applied. The Company will evaluate the need for sustainability reporting and, if included in its Integrated Annual Report, will have such disclosures independently assured (to the extent necessary).

RISK COMMITTEE REPORT

RISK MANAGEMENT REPORT

GAIA has an integrated Risk and Compliance Framework in place that aims to identify, assess, communicate and report GAIA's risks. This includes the process of independent audit assurance with regards to the implementation and adherence to GAIA's policies, plans, procedures and controls. The framework ensures that GAIA achieves the level of strategic and operational efficiency and compliance as required by the Board.

The implementation of the Risk and Compliance Framework focuses on integration of regulatory compliance (with risk management and internal audit) into business planning, execution and management.

KEY RISKS

Strategic	Mitigation
Selection of infrastructure assets and projects	<ul style="list-style-type: none"> GAIA has set defined investment criteria and investment hurdles that management is measured against. The creation and cultivation of a strong deal pipeline is what forms part of GAIA's core strategic actions. With experienced and highly regarded infrastructure senior management, GAIA aims to continuously present value accretive deals to investors.
Management of infrastructure assets	<ul style="list-style-type: none"> Through shareholder/investor engagement strategies, GAIA aims to educate and effectively communicate the investment case for investing in infrastructure assets. GAIA's philosophy is to deliver consistent CPI-linked returns that are fundamentally driven by the investment in high-quality infrastructure assets.
Change of regulation	<ul style="list-style-type: none"> Under the REIPPP Programme, the Department of Energy ("DoE") and the Competition Commission may from time to time review the regulatory framework of the programme. GAIA is subject to the changes that may be enforced by the regulators of the programme as a result GAIA regularly monitors regulatory updates.
Organisational keyman risk	<ul style="list-style-type: none"> The Board is represented by both founders as well as independent members. The Manager has embarked on a recruitment process to ensure that there is sufficient capacity for deal execution and succession planning within the organisation.

RISK AND COMPLIANCE ASSURANCE PROVIDERS

- **Management** provides the Audit and Risk Committee with assurance that the risk management plan is integrated and functioning as part of the daily operations.
- The **internal assurance providers** (Board committees) assess the effectiveness of the internal control and risk management processes.
- The **external assurance providers** (outsourced internal auditors and the external auditors) provide assurance on specific aspects of the Company's operations.

RISK MANAGEMENT

Management is structured to identify, assess, address, monitor, communicate and report risks. This includes governance structures, organisational leadership, strategic planning and effective management of the committee. Management ensures that the appropriate operational and functional capacities, controls as well as processes are managed.

INTERNAL AUDIT

The internal audit function has been established to assist the Board and executive management with the achievement of their objectives and has been outsourced to BDO Risk Advisory Services. Internal Audit is the primary independent assurance provider on the adequacy and effectiveness of the Company's governance, risk management and control structures, systems and processes.

The Audit and Risk Committee monitors, supervises and evaluates the effectiveness of the internal audit function.

Both the external and internal auditors have unrestricted access to the Audit and Risk Committee, which ensures that their independence is in no way impaired.

SCOPE OF WORK AND OVERALL OPINION

The internal auditors confirmed that in their professional judgement, the Company's approach to risk management is appropriate for the Company at the current stage of its life cycle. In the year ahead the internal auditors will implement their proposed internal audit plan. They are confident that this will provide sufficient and appropriate audit assurance with regard to management of risk and GAIA's achievement of the Company's objectives.

INTERNAL AUDIT ASSURANCE STATEMENT

Internal Audit provides reasonable, but not absolute assurance in respect of the scope of their duties and approved audit plan. This does not supersede the Board's and management's responsibility for the ownership, design, implementation, monitoring and reporting of governance, risk management and internal controls.



BDO Risk Advisory Services
Internal Auditor

REMUNERATION REPORT

PURPOSE

GAIA and its subsidiary (GAIA Financial Services (Pty) Limited) are committed to ensuring that its remuneration practices enable the Company to:

- Motivate Directors to perform in the best interests of the Company and its stakeholders;
- Appropriately compensate Directors for the services they provide to the Company;
- Provide an appropriate level of transparency; and
- Ensure a level of equity and consistency across GAIA.

POLICY

GAIA has only made provision for Non-Executive Directors' remuneration as the Executive Directors' remuneration is the responsibility of the Manager. The Non-Executive Directors' remuneration has been agreed for the 2016 and 2017 financial years and will only be reviewed once viable assets have been acquired by GAIA. Fees payable to Directors have been set out below.

DIRECTORS' FEES AS SET BY THE BOARD

PERIOD ENDED 29 FEBRUARY 2016

		Amount excluding VAT
Annual retainer (payable quarterly in arrears)	Chair	60 000
	Lead Independent	60 000
	Member	60 000
Board of Directors meeting (per meeting)	Chair	18 250
	Lead Independent	10 000
	Member	10 000
Committees (per meeting)	Chair	10 000
	Members	10 000

Policy statements on Non-Executive Director fees:

- The attendance fees for scheduled meetings shall be as agreed by shareholders on the Board's recommendation, at the Annual General Meeting;
- Attendance at meetings of any special purpose committee appointed by the Board, ad hoc, shall be remunerated on the basis applicable to an existing Committee whose purpose most closely relate to that of the special purpose Committee; and
- Fees for special assignment of one or more tasked members of the Board or of any Committee, which may also include travel on business locally or abroad, are to be agreed up-front with the Chairman of the Board. Travel and fares and reasonable subsistence shall be in line with GAIA's relevant policies as they apply.

DIRECTORS' FEES AS SET BY THE BOARD PERIOD ENDED 29 FEBRUARY 2017

		Amount excluding VAT
Annual retainer (payable quarterly in arrears)	Chair	63 600
	Lead Independent	63 600
	Member	63 600
Board of Directors meeting (per meeting)	Chair	19 345
	Lead Independent	14 575
	Member	10 600
Committees (per meeting)	Chair	14 130
	Members	10 600



“To truly transform our economy, protect our security, and save our planet from the ravages of climate change, we need to ultimately make clean, renewable energy the profitable kind of energy.”

Barack Obama
President of the United States of America



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ANNUAL FINANCIAL STATEMENTS

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AUDIT COMMITTEE REPORT

This report is provided by the Audit Committee appointed in respect of the 2016 financial period of GAIA Infrastructure Capital Limited.

MEMBERS OF THE AUDIT COMMITTEE

The members of the Audit Committee are all Independent Non-Executive Directors of the Company and include:

Name	Qualifications	Date of appointment
KP Lebina (Chairperson)	CA(SA), BCom, HDip Accounting	1 October 2015
N Kimber	BA LLB, LLM (Tax)	1 October 2015
KE Mbalo	Television Engineering Certificate – NHK Institute: Japan	1 October 2015

The committee is satisfied that the members thereof have the required knowledge and experience as set out in Section 94(5) of the Companies Act and Regulation 42 of the Companies Regulation, 2011.

MEETINGS HELD BY THE AUDIT AND RISK COMMITTEE

The Audit Committee had its inaugural meeting on 1 February 2016. All members were in attendance.

The following items were dealt with by the Audit Committee for the period under review:

EXTERNAL AUDITOR

The Committee satisfied itself through enquiry that the external auditors KPMG Inc. are independent as defined by the Companies Act, and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided by the Companies Act, that internal governance processes within the firm support and demonstrate the claim to independence.

The Audit Committee, in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

INTERNAL AUDIT

The Audit Committee ratified the appointment of BDO Risk Advisory Services as the internal auditor of GAIA Infrastructure Capital Limited and tasked BDO Risk Advisory Services to develop an internal audit Charter for approval.

FINANCE DIRECTOR

The Audit Committee evaluates the competency and effectiveness of the Finance Director as required in terms of the JSE Listings Requirements. The evaluation process includes an assessment of the Finance Director's eligibility, skills, knowledge and execution of duties. The Audit Committee is satisfied that the Finance Director is competent and has the requisite qualifications and experience to effectively execute her duties.

FINANCIAL STATEMENTS

Following the review of the financial statements, the Audit Committee recommends that the Board approves the said statements.

On behalf of the Audit Committee



Prudence Lebina
Chairperson Audit and Risk Committee

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The Directors are responsible for the preparation and fair presentation of the annual financial statements of GAIA Infrastructure Capital Limited, comprising the statement of financial position at 29 February 2016, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the period then ended and the accounting policies and the notes to the financial statements, in accordance with IFRS and the requirements of the Companies Act, and the Directors' report.

The Directors are also responsible 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, and for maintaining adequate accounting records and an effective system of risk management.

The Directors have made an assessment of the ability of the Company to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable financial reporting framework.

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements of GAIA Infrastructure Capital Limited, as identified in the first paragraph, were approved by the Board of Directors on 30 March 2016 and signed by:



Leon de Wit
Chairman

COMPANY SECRETARY'S CERTIFICATION

DECLARATION BY THE COMPANY SECRETARY IN RESPECT OF SECTION 88(2)(E) OF THE COMPANIES ACT

In terms of Section 88(2)(e) of the Companies Act, as amended, I certify that the Company has lodged with the Commissioner all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date.



Exceed (Cape Town) Incorporated
Company Secretary

DIRECTORS' REPORT

The Directors' report on the financial statements of GAIA Infrastructure Capital Limited is for the period ended 29 February 2016.

REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The financial statements set out below, have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 71 of 2008.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

SHARE CAPITAL

On 14 September 2015 and in terms of Section 36 of the Companies Act, GAIA Infrastructure Capital Limited's authorised share capital was increased from 1 000 ordinary shares with no par value to 6 000 000 000 no par value shares.

On 12 November 2015 GAIA Infrastructure Capital Limited listed on the Main Board of the JSE and issued 55 150 000 shares at R10 per share, thereby raising R551 500 000.

Shareholding spread as at 29 February 2016	Number of shareholders	Number of shares	%
General public: Individual shareholding less than 5%	932	9 632 456	17.5
Non-public – Anchor investors*	2	42 700 000	77.4
Directors of GAIA Infrastructure Capital Limited	3	2 818 544	5.1
		55 151 000	

* Anchor investors are: The Government Employees Pension Fund (41.2%) and TriAlpha Specialised Investments (36.3%).

Refer Note 5 of the financial statements for details of the movement in the authorised and issued share capital.

DIRECTORATE

The Directors in office at the date of this report are as follows:

Members of the Board of Directors		Appointment date
L de Wit*	Executive Chairman	1 October 2015
KP Lebina	Independent Non-Executive Director	1 October 2015
MM Nieuwoudt	Chief Investment Officer	16 April 2015
TD Soudien-Witten	Finance Director	1 October 2015
PB Schabert	Non-Executive Director	1 October 2015
N Kimber	Independent Non-Executive Director	1 October 2015
KE Mballo	Independent Non-Executive Director	1 October 2015
C Ferreira	Non-Executive Director	1 October 2015
RB Makhubela	Independent Non-Executive Director	1 October 2015

* L de Wit assumed the role of Executive Chairman on 19 April 2016.

DIRECTORS' INTERESTS IN SHARES

In terms of the JSE Listings Requirements for a SPAC, the Directors of GAIA Infrastructure Capital Limited are required to hold at least a 5% shareholding on a collective basis.

As at 29 February 2016, the Directors held beneficial interests in 5.08% of its issued ordinary shares, as set out on the next page.

	Beneficial		Total	%
	Direct	Indirect ¹	shareholding 2016	shareholding
L de Wit	–	1 179 222	1 179 222	2.14
PB Schabort	–	1 179 222	1 179 222	2.14
C Ferreira	460 100	–	460 100	0.83
Total shareholding	460 100	2 358 444	2 818 544	5.11

¹ Includes, shares held in trusts of which the directors are discretionary beneficiaries.

Movement in number of shares	12 November 2015	Purchases	Disposals	Closing balance
BL Projects (Pty) Limited	2 300 600	–	–	2 300 600
C Ferreira	460 100	–	–	460 100
Local and Overseas Leisure Corp Limited	–	21 268	(21 268)	–
Channel Life Limited	–	2 000	(2 000)	–
Familia Asset Managers (Pty) Limited	–	57 844	–	57 844
	2 760 700	81 112	(23 268)	2 818 544

BL Projects (Pty) Limited and Familia Asset Managers (Pty) Limited are owned collectively by Leon de Wit (Chairman) and PB Schabort (Non-Executive Director).
 Local and Overseas Leisure Corp Limited is owned by PB Schabort (Non-Executive Director).
 PB Schabort owns a policy in Channel Life Limited (Non-Executive Director).

The register of interests of Directors and others in shares of the Company is available on request.

There have been no changes in beneficial interests that occurred between the end of the reporting period and the date of this report.

DIRECTORS' FEES 2016

Non-executive Directors	Directors' fees	Total
L De Wit (Chairman)	70 110	70 110
KP Lebina	62 700	62 700
PB Schabort	51 300	51 300
N Kimber	62 700	62 700
KE Mbalo	62 700	62 700
C Ferreira	51 300	51 300
RB Makhubela	45 000	45 000
	405 810	405 810

In terms of the management agreement between GAIA Infrastructure Capital Limited and GAIA Infrastructure Partners (Pty) Ltd the Executive Directors salaries are paid by GAIA Infrastructure Partners (Pty) Ltd.

Executive Directors' salaries*	Salary	Total
MM Nieuwoudt	1 440 000	1 440 000
TD Soudien-Witten	641 666	641 666
JR Oliphant	1 800 000	1 800 000
	3 881 666	3 881 666

* Paid by GAIA Infrastructure Partners (Pty) Ltd.

DIRECTORS' REPORT (CONTINUED)

SPECIAL RESOLUTIONS

6 AUGUST 2015

SPECIAL RESOLUTION 1

Approval to change the Company's name from GAIA Capital (Pty) Limited to GAIA Infrastructure Capital Limited.

14 SEPTEMBER 2015

The following special resolutions were approved by the Board of Directors pursuant to the listing of GAIA Infrastructure Capital Limited onto the Main Board of the JSE:

SPECIAL RESOLUTION 1

Approval to increase the Company's authorised share capital from 1 000 ordinary shares with no par value to 6 000 000 000 ordinary shares with no par value and amendment of the Memorandum of Incorporation accordingly in terms of Section 36 of the Companies Act.

SPECIAL RESOLUTION 2

Approval to convert GAIA Infrastructure Capital Limited from a private company to a public company.

SPECIAL RESOLUTION 3

Approval to amend the Memorandum of Incorporation in its entirety by substituting the Company's Memorandum of Incorporation with a new Memorandum of Incorporation which complies with the requirements of the Companies Act and the JSE's Listings Requirements for a public company.

EVENTS AFTER THE REPORTING PERIOD

On 24 February 2016 GAIA Infrastructure Capital Limited issued a cautionary announcement on SENS notifying shareholders that the Company has entered into negotiations, which if successfully concluded may have a material effect on the price of GAIA Infrastructure Capital Limited shares. These negotiations are still in progress.

On 11 March 2016, GAIA Infrastructure Capital Limited's Board of Directors resolved to transfer the funds raised on listing and held in escrow, from the Coronation Jibar Plus Unit Trust Fund to the more liquid Coronation Money Market Fund, ensuring that the escrow funds are readily available should GAIA Infrastructure Capital Limited need to draw on the funds for the acquisition of viable assets.

GOING CONCERN

The Directors believe that GAIA Infrastructure Capital Limited has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The Directors have satisfied themselves that GAIA Infrastructure Capital Limited is in a sound financial position and that it has access to sufficient resources to meet its foreseeable cash requirements. The Directors are not aware of any new material changes that may adversely impact GAIA Infrastructure Capital Limited. The Directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect GAIA Infrastructure Capital Limited.

SECRETARY

GAIA Infrastructure Capital Limited's Board is satisfied that the Company Secretary has the required knowledge and experience and complies with the requirements as set out in Section 84(5) of the Companies Act and therefore consider the appointed Company Secretary to be suitable.

The Company Secretary is Exceed (Cape Town) Incorporated. Their postal and business addresses are as follows:
PO Box 223, Somerset Mall, 7137, Parc du Links Buildings, 7 Niblick Way, Somerset West, 7130

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF GAIA INFRASTRUCTURE CAPITAL LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of GAIA Infrastructure Capital Limited, which comprise the statement of financial position at 29 February 2016, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the period then ended, and the accounting policies and notes to the financial statements, as set out on pages 47 to 67.

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 IFRS and the requirements of the Companies Act, 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, these financial statements present fairly, in all material respects, the financial position of GAIA Infrastructure Capital Limited at 29 February 2016, and its financial performance and cash flows for the period then ended in accordance with IFRS and the requirements of the Companies Act.

OTHER REPORTS REQUIRED BY THE COMPANIES ACT

As part of our audit of the financial statements for the period ended 29 February 2016, we have read the Audit and Risk Committee report, Company Secretary's certification and Directors' report for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in *Government Gazette Number 39475* dated 4 December 2015, we report that KPMG Inc. has been the auditor of GAIA Infrastructure Capital Limited from 24 August 2015.

KPMG Inc.

Registered Auditor



Per LM September

Chartered Accountant (SA)

Registered Auditor and Director

30 March 2016

1 Mediterranean Street, Foreshore
Cape Town, 8001
South Africa

STATEMENT OF FINANCIAL POSITION

AS AT 29 FEBRUARY 2016

	Note(s)	2016 R
Assets		
Non-current assets		
Current assets		
Financial assets	3	549 042 504
Current tax receivable		971 588
Cash and cash equivalents	4	2 347 179
		3 318 767
Total assets		552 361 271
Equity and liabilities		
Equity		
Share capital	5	545 851 762
Retained income		4 058 528
		549 910 290
Liabilities		
Non-current liabilities		
Deferred tax	6	146 030
Current liabilities		
Trade and other payables	7	1 717 885
Loans from related party	8	587 066
		2 304 951
Total liabilities		2 450 981
Total equity and liabilities		552 361 271
Shares in issue		55 151 000
Net asset value per share		R9.97

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 29 FEBRUARY 2016

	Note(s)	2016 R
Operating expenses		(5 236 221)
Operating loss	9	(5 236 221)
Investment revenue	10	9 992 043
Fair value adjustments		825 077
Profit before interest and tax		5 580 899
Finance costs	11	(45 768)
Profit before taxation		5 535 131
Taxation	12	(1 476 603)
Profit for the period		4 058 528
Other comprehensive income		-
Total comprehensive income for the period		4 058 528
Earnings per share		
Per share information		
Basic earnings per share (cents)	13	21.54
Diluted earnings per share (cents)	13	21.54

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 29 FEBRUARY 2016

	Share capital R	Retained earnings R	Total equity R
Balance at 16 April 2015	-	-	-
Issue of shares	551 500 100	-	551 500 100
Transaction costs	(5 648 338)	-	(5 648 338)
Total comprehensive income	-	4 058 528	4 058 528
Balance at 29 February 2016	545 851 762	4 058 528	549 910 290

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 29 FEBRUARY 2016

	Note(s)	2016 R
Cash flows from operating activities		
Cash paid to suppliers		(3 476 350)
Cash used in operations	15	(3 476 350)
Interest income		9 992 043
Finance costs		(45 768)
Tax paid		(2 302 160)
Net cash from operating activities		4 167 765
Cash flows from investing activities		
Purchase of financial assets		(551 500 000)
Proceeds on disposal of financial assets		3 240 586
Net cash from investing activities		(548 259 414)
Cash flows from financing activities		
Proceeds on share issue	5	551 500 100
Capitalised listing costs		(5 648 338)
Proceeds from related-party loan		587 066
Net cash from financing activities		546 438 828
Total cash movement for the period		2 347 179
Total cash at end of the period	4	2 347 179

ACCOUNTING POLICIES

1. PRESENTATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with International Financial Reporting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and the requirements of the Companies Act of South Africa, and incorporate the principal accounting policies set out below.

GAIA Infrastructure Capital Limited was incorporated on 16 April 2015 and successfully listed as a SPAC on the Main Board of the JSE on 12 November 2015. GAIA Infrastructure Capital Limited is focused on acquiring equity stakes in emerging South African infrastructure investment assets, specifically in the energy, transport and water and sanitation sectors. GAIA Infrastructure Capital Limited aims to be a leading infrastructure investment holding company of infrastructure assets in South Africa. GAIA Infrastructure Capital Limited's investment philosophy is to invest in infrastructure assets that are operational, offer low risk with inflationary linked returns, thereby providing shareholders with predictable, inflation linked, long term yielding investments.

On 12 November 2015 GAIA Infrastructure Capital Limited listed as a SPAC on the Main Board of the JSE and issued 55 150 000 shares at R10 per share, thereby raising R551.5 million. A SPAC is 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 JSE.

The purpose of listing was to give institutional investors access to an attractive alternative asset class that is usually only accessed through illiquid private equity investments.

Key Requirements for Listing on the JSE:

Minimum capital raising was set at R500 million which is the minimum for a Main Board JSE listing.	<ul style="list-style-type: none"> • Directors must subscribe to a minimum of 5% of shares offered. • 20% must be subscribed by the public.
Cash raised on listing to be held in an escrow account until acquisition of a viable asset.	<ul style="list-style-type: none"> • GAIA Infrastructure Capital Limited invested funds in JSE approved Coronation Jibar Plus Unit Trust Fund. These funds are held in an escrow account. The escrow agent is Edward Nathan Sonnenbergs Incorporated.
A SPAC has 24 months from date of listing to acquire a viable asset.	<ul style="list-style-type: none"> • If GAIA Infrastructure Capital Limited is unable to acquire a viable asset within 24 months, as prescribed in the JSE's Listings Requirements shareholders would receive distributions pro rata to their holdings of accrued interest, less permitted expenses.

The financial statements have been prepared in accordance with IFRS, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and the requirements of the Companies Act, and incorporate the principal accounting policies adopted by GAIA Infrastructure Capital Limited.

The financial statements have been prepared on the fair value basis, except as noted below. Other assets, liabilities and equity are stated at historic cost. Fair value adjustments do not affect the calculation of distributable earnings but do affect the net asset value per share to the extent that adjustments are made to the carrying values of assets and liabilities. The functional and presentation currency is the South African rand. No level of rounding is used in presenting the financial statements.

1.1 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements.

1. PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

1.1 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

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

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

Significant judgements and estimation uncertainty include:

GOING CONCERN

In order to assess whether it is appropriate for GAIA Infrastructure Capital Limited to be reported as a going concern, the Directors have applied their judgement, having undertaken appropriate enquiries and assessments of GAIA Infrastructure Capital Limited's deal pipeline and business activities as well as associated potential risks and uncertainties.

The Directors have satisfied themselves that GAIA Infrastructure Capital Limited is in a sound financial position and that it has access to sufficient resources to meet its foreseeable cash requirements.

It is on this basis that the Directors believe GAIA Infrastructure Capital Limited has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis.

IMPAIRMENT TESTING

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

SUBSEQUENT MEASUREMENT

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

1.2 CONSOLIDATION

An investment entity which acquires an interest in a subsidiary, joint venture or associate shall be exempt from consolidation or equity accounting in terms of amendments to IFRS 10, IFRS 12 and IAS 28 and shall measure an investment in a subsidiary, joint venture or associate at fair value through profit or loss.

ACCOUNTING POLICIES (CONTINUED)

1. PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

1.2 CONSOLIDATION (CONTINUED)

An investment entity is defined as an entity that:

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

GAIA Infrastructure Capital Limited meets the definition of an investment entity and therefore does not consolidate its investment in subsidiary GAIA Financial Services (Pty) Limited.

1.3 FINANCIAL INSTRUMENTS

CLASSIFICATION

GAIA Infrastructure Capital Limited classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through profit or loss – designated;
- Loans and receivables at amortised cost; and
- Financial liabilities measured at amortised cost.

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

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition.

Financial assets classified as at fair value through profit or loss which are no longer held for the purposes of selling or repurchasing in the near term may be reclassified out of that category:

- in rare circumstances; and
- if the asset met the definition of loans and receivables and the entity has the intention and ability to hold the asset for the foreseeable future or until maturity.

INITIAL RECOGNITION AND MEASUREMENT

Financial instruments are recognised initially when GAIA Infrastructure Capital Limited becomes a party to the contractual provisions of the instruments.

GAIA Infrastructure Capital Limited classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Regular way purchases of financial assets are accounted for at trade date.

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Net gains or losses on the financial instruments at fair value through profit or loss exclude dividends and interest. Net realised gains from financial instruments at fair value through profit or loss are calculated using the cost at transaction date.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

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

FAIR VALUE DETERMINATION

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

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

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

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

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

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

IMPAIRMENT OF FINANCIAL ASSETS

A financial asset not classified at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired.

A financial asset or a group of financial assets is considered to be impaired if objective evidence indicates that one or more loss events have occurred and have had a negative effect on the estimated future cash flows of that asset that can be measured reliably. Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to GAIA Infrastructure Capital Limited in terms that would not be considered otherwise, indications that a debtor or issuer will enter bankruptcy or the disappearance of an active market for a security.

ACCOUNTING POLICIES (CONTINUED)

1. PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

1.3 FINANCIAL INSTRUMENTS (CONTINUED)

IMPAIRMENT OF FINANCIAL ASSETS (CONTINUED)

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

DERECOGNITION

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

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

GAIA Infrastructure Capital Limited will derecognise a financial liability when its contractual obligations are discharged, cancelled or expire.

1.4 OFFSETTING

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

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

1.5 LOANS FROM RELATED PARTIES

Loans from related parties are classified as financial liabilities measured at amortised cost.

1.6 TRADE AND OTHER PAYABLES

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

1.7 CASH AND CASH EQUIVALENTS

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

1.8 TAX

TAX EXPENSES

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income; or
- a business combination.

TAX EXPENSES

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

CURRENT TAX ASSETS AND LIABILITIES

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax is recognised for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, goodwill that arises on initial recognition in a business combination.

The amount of deferred tax recognised is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates expected to be applied to temporary differences when they reverse, based on tax laws enacted or substantively enacted at the reporting date.

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

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

ACCOUNTING POLICIES (CONTINUED)

1. PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

1.8 IMPAIRMENT OF ASSETS (CONTINUED)

GAIA Infrastructure Capital Limited will assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Company will also:

- test intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period; and
- test goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is determined to be the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

GAIA Infrastructure Capital Limited will assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets will be estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.9 SHARE CAPITAL AND EQUITY

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.10 INTEREST

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

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

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

1.11 DIVIDENDS

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

1.12 FEES AND COMMISSION EXPENSES

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

NOTES TO THE FINANCIAL STATEMENTS

AS AT 29 FEBRUARY 2016

1. NEW STANDARDS AND INTERPRETATIONS

1.1 STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE AND NOT EARLY ADOPTED

GAIA Infrastructure Capital Limited has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Company's accounting periods beginning on or after 1 March 2016 or later periods:

IFRS 9 FINANCIAL INSTRUMENTS (EFFECTIVE FOR FINANCIAL PERIODS COMMENCING ON OR AFTER 1 JANUARY 2018)

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

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

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

This standard will be adopted by GAIA Infrastructure Capital Limited for the first time for its financial reporting year ending 28 February 2018. The standard will be applied retrospectively, subject to transitional provisions.

The impact of this standard is currently being assessed.

IFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS (EFFECTIVE FOR FINANCIAL PERIODS COMMENCING ON OR AFTER 1 JANUARY 2017)

The standard, issued by the IASB in May 2014, introduces a general framework to establish whether, when and to what extent revenue will be recognised. The standard replaces the recognition criteria set forth in IAS 18 *Revenue*.

The effective date of the standard is for years beginning on or after 1 January 2017 and early adoption is permitted.

The impact of this standard is currently being assessed.

2. INTERESTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

An investment entity which acquires an interest in a subsidiary, joint venture or associate shall be exempt from consolidation or equity accounting in terms of amendments to IFRS 10, IFRS 12 and IAS 28 and shall measure an investment in a subsidiary, joint venture or associate at fair value through profit or loss.

GAIA Infrastructure Capital Limited meets the definition of an investment entity and therefore will not consolidate its investment in subsidiaries.

At 29 February 2016 GAIA Infrastructure Capital Limited has a 100% equity holding in GAIA Financial Services (Pty) Limited. At present GAIA Financial Services (Pty) Limited has not yet begun trading and as such the carrying value at period end is nil.

	2016 R
3. FINANCIAL ASSETS	
At fair value through profit or loss – designated	
Unit trust investment – Coronation Jibar Plus Unit Trust Fund	549 042 504
The fund invests in South African money market instruments. These include a wide range of instruments issued by banks, corporations and other institutions. The fund invests primarily in floating rate instruments, and has a maximum duration of two years	
Current assets	
Designated as at fair value through profit or loss	549 042 504
Fair value information	
As per note 1.3 of the accounting policies, the unit trusts are measured to fair value using quoted market prices.	
Fair value hierarchy of financial assets at fair value through profit or loss	
For financial assets recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements.	
Level 1: represents those assets which are measured using unadjusted quoted prices for identical assets.	
Level 2: applies inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).	
Level 3: applies inputs which are not based on observable market data.	
Level 1	
Unit trusts	549 042 504
The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.	
Credit quality of other financial assets	
The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates.	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT 29 FEBRUARY 2016

	2016 R
4. CASH AND CASH EQUIVALENTS	
Cash and cash equivalents consist of:	
Bank balances held by First National Bank	2 347 179
Credit quality of cash at bank and short-term deposits, excluding cash on hand	
The credit quality of cash at bank and short-term deposits, excluding cash on hand that are neither past due nor impaired, can be assessed by reference to external credit ratings. The credit rating of FirstRand Bank Limited, the holding company of First National Bank, as assigned by Moody's Investors Service on local currency deposit ratings, is as noted below:	
Credit rating	
P2	2 347 179
P2: Indicates that the capacity for timely payment on issues with this designation is strong, relative to other South African obligors.	
5. SHARE CAPITAL	
Authorised	
6 000 000 000 no par value shares	–
Reconciliation of number of shares issued:	
Shares issued on incorporation on 16 April 2015	1 000
Shares issued on date of listing on 13 November 2015	55 150 000
	55 151 000
Issued	
55 151 000 no par value shares, net of capitalised listing cost	545 851 762
6. DEFERRED TAX	
Deferred tax liability	
Fair value adjustment on financial assets	(153 860)
Deferred tax asset	
Capital loss on disposal of financial assets available for set off against future taxable capital gains	7 830
Deferred tax liability	(153 860)
Deferred tax asset	7 830
Total net deferred tax liability	(146 030)
Reconciliation of deferred tax (liability)	
At beginning of year	–
Increase in capital loss on disposal of financial assets available for set off against future taxable capital gains	7 830
Taxable temporary difference on fair value adjustment on financial assets	(153 860)
	(146 030)

	2016 R
7. TRADE AND OTHER PAYABLES	
Trade payables	1 490 585
Other payables	227 300
	1 717 885
8. LOANS FROM RELATED PARTY	
GAIA Infrastructure Partners (Pty) Limited	587 066
This loan is unsecured, has no fixed terms of repayment and bears interest at prime plus 2.5%.	
9. OPERATING LOSS	
Operating loss for the period is stated after accounting for the following:	
Loss on sale of financial assets	41 987
Non-Executive Directors' fees	405 810
Management fees	936 375
Listing costs	3 061 092
10. INVESTMENT REVENUE	
Interest revenue	
Unit trusts – Coronation Jibar Plus Unit Trust Fund	9 992 043
11. FINANCE COSTS	
Interest on related party loan	45 767
Bank	1
	45 768
12. TAXATION	
Major components of the tax expense	
Current	
Local income tax – current period	1 330 572
Deferred	
Originating and reversing temporary differences	146 031
	1 476 603
Reconciliation of the tax expense	
Reconciliation between applicable tax rate and average effective tax rate:	
Applicable tax rate	28.00%
Non-taxable portion of capital gains	(1.32%)
	26.68%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT 29 FEBRUARY 2016

	2016 R
13. EARNINGS PER SHARE	
Basic earnings per share	
Basic earnings per share is determined by dividing profit or loss attributable to the ordinary equity holders by the weighted average number of ordinary shares outstanding during the period. Profit or loss attributable to the ordinary equity holders is determined as profit or loss after adjusting for the after tax effect.	
Basic earnings per share	
From continuing operations (cents per share)	21.54
Basic earnings per share was based on earnings of R4 058 528 and weighted average number of ordinary shares of 18 845 357, calculated based on 1 000 shares issued on 16 April 2015 and 55 150 000 shares issued on 12 November 2015.	
Reconciliation of profit for the period to basic earnings	
Profit for the period attributable to equity holders of GAIA Infrastructure Capital Limited	4 058 528
The current period's earnings per share should be viewed in the context of the following:	
<ul style="list-style-type: none"> GAIA Infrastructure Capital Limited listed on the JSE on 12 November 2016. Profit for the period includes investment revenue and fair value adjustments earned for the period 12 November 2015 to 29 February 2016. GAIA Infrastructure Capital Limited has not yet acquired a viable asset and therefore income earned is not indicative of the Company's future performance capability. 	
Diluted earnings per share	
In the determination of diluted earnings per share, profit or loss attributable to the equity holders and the weighted average number of ordinary shares are adjusted for the effects of all dilutive potential ordinary shares.	
From continuing operations (cents per share)	21.54
Diluted earnings per share is equal to earnings per share because there are no dilutive potential ordinary shares in issue.	
Headline earnings and diluted headline earnings per share	
Headline earnings per share and diluted headline earnings per share are determined by dividing headline earnings and diluted headline earnings by the weighted average number of ordinary shares outstanding during a period.	
Headline earnings and diluted headline earnings are determined by adjusting basic earnings and diluted earnings by excluding separately identifiable remeasurement items. Headline earnings and diluted headline earnings are presented after tax and non-controlling interest.	
Headline earnings per share (cents)	21.54
Diluted headline earnings per share (cents)	21.54
Reconciliation between earnings and headline earnings	
Basic earnings and headline earnings	4 058 528

	2016 R
13. EARNINGS PER SHARE (CONTINUED)	
Reconciliation between diluted earnings and diluted headline earnings	
Diluted earnings and diluted headline earnings	4 058 528
14. CASH USED IN OPERATIONS	
Profit before taxation	5 535 131
Adjustments for:	
Net profit on disposal of financial assets	41 987
Interest received – investment	(9 992 043)
Finance costs	45 768
Fair value adjustments	
Changes in working capital:	(825 077)
Trade and other payables	1 717 884
	(3 476 350)
15. RELATED PARTIES	
Relationships	
GAIA Infrastructure Partners (Pty) Limited has been appointed as Manager of GAIA Infrastructure Capital Limited and therefore has significant influence.	
GAIA Infrastructure Partners (Pty) Limited holds 1 000 shares in GAIA Infrastructure Capital Limited.	
Related party balances	
Loan accounts – Owing to related parties	
GAIA Infrastructure Partners (Pty) Limited	(587 066)
Related party transactions	
Interest paid to related parties	
GAIA Infrastructure Partners (Pty) Limited	45 767
Management fees paid to related parties	
GAIA Infrastructure Partners (Pty) Limited	936 376

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT 29 FEBRUARY 2016

	Directors' fees	Total
16. DIRECTORS' EMOLUMENTS (NON-EXECUTIVE)		
L de Wit (Chairman)	70 110	70 110
N Kimber	62 700	62 700
KP Lebina	62 700	62 700
RB Makhubela	45 000	45 000
C Ferreira	51 300	51 300
PB Schabert	51 300	51 300
KE Mbalo	62 700	62 700
	405 810	405 810

In terms of the management agreement between GAIA Infrastructure Partners (Pty) Limited and GAIA Infrastructure Capital Limited the Executive Directors' salaries will be borne by GAIA Infrastructure Partners (Pty) Limited.

17. COMPARATIVE FIGURES

No comparative figures have been presented as these are the first financial statements of the Company.

18. CATEGORIES OF FINANCIAL INSTRUMENTS

Categories of financial instruments: Carrying value as at 29 February 2016

	Note(s)	Financial assets at fair value through profit and loss – designate	Debt instruments at amortised cost	Financial liabilities at amortised costs	Total
Current assets					
Financial assets	3	549 042 504	–	–	549 042 504
Cash and cash equivalents	4	–	2 347 179	–	2 347 179
Total assets		549 042 504	2 347 179	–	551 389 683
Liabilities					
Current liabilities					
Loans from related party	8	–	–	587 066	587 066
Trade and other payables	7	–	–	1 717 885	1 717 882
Total liabilities		–	–	2 304 951	2 450 981

19. RISK MANAGEMENT

FINANCIAL RISK MANAGEMENT

As at 29 February 2016, funds raised on listing on the JSE are held in an escrow account as per JSE listing rules and are invested in Coronation Jibar Plus Unit Trust Fund until viable assets are acquired. As per the prelisting statement, stated operational expenses incurred before and in pursuit of acquiring a viable asset, are funded from this account.

GAIA Infrastructure Capital Limited is exposed to interest rate risk and price risk through its investment in the Coronation Jibar Plus Unit Trust Fund, as its underlying assets are institutional bonds and interest-bearing funds. There is also a low level of liquidity risk as cash needed to pay operational expenses must be disinvested from its unit trust investment.

LIQUIDITY RISK

GAIA Infrastructure Capital Limited manages liquidity risk through an ongoing review of future commitments and expenses compared to available cash to meet those commitments. Cash flow forecasts are prepared and presented to the Board of Directors for approval of disinvestment from the escrow account.

The table below analyses the Company's financial liabilities and net settled financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 29 February 2016	Less than 1 year R
Trade and other payables	1 717 885
Loans from related party	587 066

FINANCIAL ASSET: INTEREST RATE AND CREDIT RISK

GAIA Infrastructure Capital Limited has an exposure to interest rate and credit risk through its investment in Coronation Jibar Plus Unit Trust Fund through its underlying investments in interest-bearing funds. Fund performance is monitored closely and the fund manager is engaged regularly with regards to performance and risk mitigation strategies employed.

Post year-end, the Board of Directors resolved to switch investments from the Coronation Jibar Plus Unit Trust Fund to the more liquid Coronation Money Market Fund, in order to ensure that the escrow funds are readily available should the Company need to draw on the funds for the acquisition of a viable asset. The Coronation Money Market Fund has lower exposure to interest rate and credit risk.

FINANCIAL LIABILITY: CASH FLOW INTEREST RATE RISK

At 29 February 2016, if interest rates on rand-denominated borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the period would have been R1 246 lower/higher, as a result of higher/lower interest expense on floating rate borrowings.

Financial instrument	Current interest rate	Due in less than a year R
Loan from related party	Prime +2.5%	587 066

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

AS AT 29 FEBRUARY 2016

19. RISK MANAGEMENT (CONTINUED)

CREDIT RISK: CASH AND CASH EQUIVALENTS

The Company only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

Financial assets exposed to credit risk at period end were as follows:

Financial instrument	2016 R
Cash and cash equivalents	2 347 179

PRICE RISK

To manage its price risk arising from investment in Coronation Jibar Plus Unit Trust Fund, the Board of Directors has resolved to switch investments from Coronation Jibar Plus Unit Trust Fund to the more liquid Coronation Money Market Fund, ensuring that the escrow funds are readily available should the Company need to draw on the funds for the acquisition of a viable asset.

The table below summarises the impact of increases of the indexes on the Company's post-tax profit for the period and on equity. The analysis is based on the assumption that the equity indexes have increased/decreased by 5% with all other variables held constant and all the Company's equity instruments moved according to the historical correlation with the index:

Financial instrument	Impact on post-tax profit in rand 2016	Impact on other components of equity in rand 2016
Financial assets designated at fair value through profit or loss	20 805 821	-

Post-tax profit for the period would increase as a result of gains or losses on equity securities classified as at fair value through profit or loss. Other components of equity would increase/decrease as a result of gains or losses on equity securities classified as available for sale.

20. SEGMENTAL INFORMATION

At 29 February 2016, GAIA Infrastructure Capital Limited has no reportable segments as the Company has not acquired viable assets.

21. CONTINGENCIES

If GAIA Infrastructure Capital Limited is unable to acquire a viable asset within 24 months, as prescribed in the JSE Listings Requirements' Section 4.37, shareholders would receive distribution *pro rata* to their holdings of accrued interest, less permitted expenses.

22. EVENTS AFTER THE REPORTING PERIOD

On 24 February 2016 GAIA Infrastructure Capital Limited issued a cautionary announcement on SENS notifying shareholders that the Company has entered into negotiations, which if successfully concluded may have a material effect on the price of the Company's shares. These negotiations are still in progress.

At 11 March 2016 GAIA Infrastructure Capital Limited's Board of Directors has resolved to transfer the escrow funds from the Coronation Jibar Plus Unit Trust Fund to the more liquid Coronation Money Market Fund, ensuring that the escrow funds are readily available should the Company need to draw on the funds for the acquisition of viable assets, as more fully described in the prelisting statement.



“We can create a more sustainable, cleaner and safer world by making wiser energy choices.”

Robert Alan Silverstein





6

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SHAREHOLDERS' DIARY

Integrated Annual Report published on website	Tuesday, 12 July 2016
Notice of Annual General Meeting to shareholders	Tuesday, 12 July 2016
Annual General Meeting	Thursday, 11 August 2016
Investor site visit	Wednesday, 27 October 2016
GAIA Infrastructure Capital Limited will be in closed period	Wednesday, 31 August 2016
GAIA Infrastructure Capital Limited interim results published	Monday, 31 October 2016
<i>Dates are subject to change.</i>	

NOTICE OF ANNUAL GENERAL MEETING

GAIA INFRASTRUCTURE CAPITAL LIMITED

(Incorporated in the Republic of South Africa)

Registration number: 2015/115237/06

JSE share code: GAI

ISIN: ZAE000084992

("GAIA" or "the Company")

Notice is hereby given of the Annual General Meeting of shareholders of GAIA Infrastructure Capital Limited to be held at ENS Africa, 1 North Wharf Square, Loop Street, Foreshore, Cape Town, 8000, on Thursday, 11 August 2016, at 11:00am ("the Annual General Meeting").

PURPOSE

The purpose of the Annual General Meeting is to transact the business set out in the agenda below.

AGENDA

- Presentation of the audited annual financial statements of the Company, including the reports of the Directors and the Audit and Risk Committee for the year ended 29 February 2016. The Integrated Annual Report, of which this notice forms part, contains the summarised Group financial statements and the aforementioned reports. The annual financial statements, including the unmodified audit opinion, are available on GAIA Infrastructure Capital Limited's website at www.gaia-ic.com, or may be requested and obtained in person, at no charge, at the registered office of GAIA Infrastructure Capital Limited during office hours.
- To consider and, if deemed fit, approve, with or without modification, the following ordinary resolutions:

Note:

For any of the ordinary resolutions numbers 1 to 13 to be adopted, more than 50% of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof.

1. RETIREMENT AND RE-ELECTION OF DIRECTORS

1.1 ORDINARY RESOLUTION NUMBER 1

"RESOLVED that Mr L de Wit, who retires by rotation in terms of the memorandum of incorporation of the Company and, being eligible, offers himself for re-election, be and is hereby re-elected as a Director."

1.2 ORDINARY RESOLUTION NUMBER 2

"RESOLVED that Mrs KP Lebina, who retires by rotation in terms of the memorandum of incorporation of the Company and, being eligible, offers herself for re-election, be and is hereby re-elected as a Director."

1.3 ORDINARY RESOLUTION NUMBER 3

"RESOLVED that Mr MM Nieuwoudt, who retires by rotation in terms of the memorandum of incorporation of the Company and, being eligible, offers himself for re-election, be and is hereby re-elected as a Director."

1.4 ORDINARY RESOLUTION NUMBER 4

"RESOLVED that Mrs TD Soudien-Witten, who retires by rotation in terms of the memorandum of incorporation of the Company and, being eligible, offers herself for re-election, be and is hereby re-elected as a Director."

1.5 ORDINARY RESOLUTION NUMBER 5

"RESOLVED that Mr PB Schabert, who retires by rotation in terms of the memorandum of incorporation of the Company and, being eligible, offers himself for re-election, be and is hereby re-elected as a Director."

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

1. RETIREMENT AND RE-ELECTION OF DIRECTORS (CONTINUED)

1.6 ORDINARY RESOLUTION NUMBER 6

"RESOLVED that Mrs N Kimber, who retires by rotation in terms of the memorandum of incorporation of the Company and, being eligible, offers herself for re-election, be and is hereby re-elected as a Director."

1.7 ORDINARY RESOLUTION NUMBER 7

"RESOLVED that Mr KE Mbalo, who retires by rotation in terms of the memorandum of incorporation of the Company and, being eligible, offers himself for re-election, be and is hereby re-elected as a Director."

1.8 ORDINARY RESOLUTION NUMBER 8

"RESOLVED that Mr C Ferreira, who retires by rotation in terms of the memorandum of incorporation of the Company and, being eligible, offers herself for re-election, be and is hereby re-elected as a Director."

The reason for ordinary resolutions numbers 1 to 8 (inclusive) is that the memorandum of incorporation of the Company, the Listings Requirements of the JSE Limited ("JSE") and, to the extent applicable, the South African Companies Act, 71 of 2008, as amended ("the Companies Act"), require that all Directors rotate at the first Annual General Meeting of the Company and, being eligible, may offer themselves for re-election as Directors. A brief curriculum vitae of each of the Directors up for re-election to the Board appears on page 26 of the Integrated Annual Report.

2. RE-APPOINTMENT OF THE MEMBERS OF THE AUDIT AND RISK COMMITTEE OF THE COMPANY

2.1 ORDINARY RESOLUTION NUMBER 9

"RESOLVED that Ms KP Lebina, being eligible, be and is hereby re-appointed as a member of the Audit and Risk Committee of the Company, as recommended by the Board of Directors of the Company, until the next Annual General Meeting of the Company."

2.2 ORDINARY RESOLUTION NUMBER 10

"RESOLVED that Mr KE Mbalo, being eligible, be and is hereby re-appointed as a member of the Audit and Risk Committee of the Company, as recommended by the Board of Directors of the Company, until the next Annual General Meeting of the Company."

2.3 ORDINARY RESOLUTION NUMBER 11

"RESOLVED that Ms N Kimber, being eligible, be and is hereby appointed as a member of the Audit and Risk Committee of the Company, as recommended by the Board of Directors of the Company, until the next Annual General Meeting of the Company."

The reason for ordinary resolutions numbers 9 to 11 (inclusive) is that the Company, being a public listed company, must appoint an Audit Committee and the Companies Act requires that the members of such an Audit Committee be appointed, or re-appointed, as the case may be, at each Annual General Meeting of a company. A brief curriculum vitae of each of the Directors up for re-election to as members of the Audit Committee appears on page 26 of the Integrated Annual Report.

3. RE-APPOINTMENT OF AUDITOR

ORDINARY RESOLUTION NUMBER 12

"RESOLVED that KPMG Incorporated be and is hereby re-appointed as auditor of the Company for the ensuing year on the recommendation of the Audit and Risk Committee of the Company."

The reason for ordinary resolution number 12 is that the Company, being a public listed company, must have its financial results audited and such auditor must be appointed or re-appointed each year at the Annual General Meeting of the Company as required by the Companies Act.

4. NON-BINDING ENDORSEMENT OF GAIA INFRASTRUCTURE CAPITAL LIMITED'S REMUNERATION POLICY

ORDINARY RESOLUTION NUMBER 13

"RESOLVED that the shareholders endorse, by way of a non-binding advisory vote, the Company's remuneration policy as set out on page 36 of the Integrated Annual Report."

The reason for ordinary resolution number 13 is that King III recommends that the remuneration policy of the Company be endorsed through a non-binding advisory vote by shareholders.

Note:

For the special resolutions to be adopted at least 75% of the voting rights exercised on each special resolution must be exercised in favour thereof.

5. REMUNERATION OF NON-EXECUTIVE DIRECTORS

SPECIAL RESOLUTION NUMBER 1

"RESOLVED in terms of Section 66(9) of the Companies Act that the Company be and is hereby authorised to remunerate its Non-Executive Directors for their services as Directors on the basis set out below, provided that this authority will be valid until the next Annual General Meeting of the Company."

Directors' fees as set by the Board for the period ended 28 February 2017		Amount excluding VAT
Annual retainer (payable quarterly in arrears)	Chair	63 600
	Lead Independent	63 600
	Member	63 600
Board of Directors meeting (per meeting)	Chair	19 345
	Lead Independent	14 575
	Member	10 600
Committees (per meeting)	Chair	14 130
	Members	10 600

Directors' fees	Number of meetings	Amount
Retainer		485 268
Board meetings	4	379 288
Audit Committee meetings	3	110 442
Social and Ethics Committee meetings	2	77 584
Total Directors' fees 2017		1 052 582

The reason for special resolution number 1 is for the Company to obtain the approval of shareholders, by way of a special resolution, for the payment of remuneration to its Non-Executive Directors in accordance with the requirements of the Companies Act.

The effect of special resolution number 1 is that the Company will be able to pay its Non-Executive Directors for the services they render to the Company as Directors without requiring further shareholder approval until the next Annual General Meeting of the Company.

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

6. INTER-COMPANY FINANCIAL ASSISTANCE

6.1 SPECIAL RESOLUTION NUMBER 2

"RESOLVED in terms of Section 45(3)(a)(ii) of the Companies Act, as a general approval, that the Board of the Company be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in Section 45(1) of the Companies Act) that the Board of the Company may deem fit to any company or corporation that is related or inter-related ("related" or "inter-related") will herein have the meaning attributed to it in Section 2 of the Companies Act) to the Company, on the terms and conditions and for amounts that the Board of the Company may determine, provided that the aforementioned approval shall be valid until the date of the next Annual General Meeting of the Company."

6. INTER-COMPANY FINANCIAL ASSISTANCE (CONTINUED)

6.1 SPECIAL RESOLUTION NUMBER 2 (CONTINUED)

The reason for and effect of special resolution number 2 is to grant the Directors of the Company the authority, until the next Annual General Meeting, to provide direct or indirect financial assistance to any company or corporation which is related or inter-related to the Company. This means that the Company is authorised to grant loans to its subsidiaries and to guarantee the debt of its subsidiaries.

6.2 SPECIAL RESOLUTION NUMBER 3

"RESOLVED, in terms of Section 44(3)(a)(ii) of the Companies Act, as a general approval, that the Board of the Company be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in Sections 44(1) and 44(2) of the Companies Act) that the Board of the Company may deem fit to any company or corporation that is related or inter-related to the Company ("related" or "inter-related" will herein have the meaning attributed to it in Section 2 of the Companies Act) and/or to any financier who provides funding by subscribing for preference shares or other securities in the Company or any company or corporation that is related or inter-related to the Company, on the terms and conditions and for amounts that the Board of the Company may determine for the purpose of, or in connection with the subscription of any option, or any shares or other securities, issued or to be issued by the Company or a related or inter-related company or corporation, or for the purchase of any shares or securities of the Company or a related or inter-related company or corporation, provided that the aforementioned approval shall be valid until the date of the next Annual General Meeting of the Company."

The reason for and effect of special resolution number 3 is to grant the Directors the authority, until the next Annual General Meeting of the Company, to provide financial assistance to any company or corporation which is related or inter-related to the Company and/or to any financier for the purpose of or in connection with the subscription or purchase of options, shares or other securities in the Company or any related or inter-related company or corporation. This means that the Company is authorised, inter alia, to grant loans to its subsidiaries and to guarantee and furnish security for the debt of its subsidiaries where any such financial assistance is directly or indirectly related to a party subscribing for options, shares or securities in the Company or its subsidiaries. A typical example of where the Company may rely on this authority is where a subsidiary raised funds by way of issuing preference shares and the third-party funder requires the Company to furnish security, by way of a guarantee or otherwise, for the obligations of its subsidiary to the third-party funder arising from the issue of the preference shares. The Company has no immediate plans to use this authority and is simply obtaining same in the interests of prudence and good corporate governance should the unforeseen need arise to use the authority.

In terms of and pursuant to the provisions of Sections 44 and 45 of the Companies Act, the Directors of the Company confirm that the Board will satisfy itself, after considering all reasonably foreseeable financial circumstances of the Company, that immediately after providing any financial assistance as contemplated in special resolution numbers 2 and 3 above:

- the assets of the Company (fairly valued) will equal or exceed the liabilities of the Company (fairly valued) (taking into consideration the reasonably foreseeable contingent assets and liabilities of the Company);
- the Company will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months;
- the terms under which any financial assistance is proposed to be provided, will be fair and reasonable to the Company; and
- all relevant conditions and restrictions (if any) relating to the granting of financial assistance by the Company as contained in the Company's memorandum of incorporation have been met.

7. OTHER BUSINESS

To transact such other business as may be transacted at an Annual General Meeting or raised by shareholders with or without advance notice to the Company.

VOTING

1. The date on which shareholders must be recorded as such in the Share Register maintained by the transfer secretaries of the Company ("the Share Register") for purposes of being entitled to receive this notice is Friday, 17 June 2016.
2. The date on which shareholders must be recorded in the Share Register for purposes of being entitled to attend and vote at this Annual General Meeting is Friday, 5 August 2016, with the last day to trade being Monday, 1 August 2016.
3. Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the Chairman of the Annual General Meeting and must accordingly bring a copy of their identity document, passport or driver's licence to the Annual General Meeting. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the transfer secretaries for guidance.
4. Shareholders entitled to attend and vote at the Annual General Meeting may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a shareholder of the Company. A form of proxy, which sets out the relevant instructions for its completion, is enclosed for use by a certificated shareholder or own-name registered dematerialised shareholder who wishes to be represented at the Annual General Meeting. Completion of a form of proxy will not preclude such shareholders from attending and voting (in preference to that shareholder's proxy) at the Annual General Meeting.
5. The instrument appointing a proxy and the authority (if any) under which it is signed must reach the transfer secretaries of the Company at the address given below by not later than 11:00am on Monday, 8 August 2016.
6. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who wish to attend the Annual General Meeting in person, will need to request their Central Securities Depository Participant ("CSDP") or broker to provide them with the necessary authority in terms of the custody agreement entered into between such shareholders and the CSDP or broker.
7. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who are unable to attend the Annual General Meeting and who wish to be represented thereat, must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between themselves and the CSDP or broker in the manner and time stipulated therein.
8. Shareholders present in person, by proxy or by authorised representative shall, on a show of hands, have one vote each and, on a poll, will have one vote in respect of each share held.

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

ELECTRONIC PARTICIPATION BY SHAREHOLDERS

Should any shareholder (or representative or proxy for a shareholder) wish to participate in the Annual General Meeting electronically, that shareholder should apply in writing (including details on how the shareholder or representative (including proxy) can be contacted) to the transfer secretaries, at the address above, to be received by the transfer secretaries at least seven business days prior to the Annual General Meeting (thus to be confirmed) for the transfer secretaries to arrange for the shareholder (or representative or proxy) to provide reasonably satisfactory identification to the transfer secretaries for the purposes of Section 63(1) of the Companies Act and for the transfer secretaries to provide the shareholder (or representative or proxy) with details on how to access the Annual General Meeting by means of electronic participation. The Company reserves the right not to provide for electronic participation at the Annual General Meeting if it determines that it is not practical to do so, or an insufficient number of shareholders (or their representatives or proxies) request to participate in this manner.

By order of the Board

Exceed (Cape Town) Inc

Exceed (Cape Town) Incorporated
Registration number 2000/011257/21
Company Secretary

29 June 2016

REGISTERED OFFICE

2nd Floor, Oakdale House,
The Oval, 1 Oakdale Road,
Claremont, 7700

PO Box 44721
Claremont, 7735

TRANSFER SECRETARIES

Computershare Investor Services (Pty) Limited
Registration number 2004/003647/07

Ground Floor, 70 Marshall Street
Johannesburg, 2001

PO Box 61051
Marshalltown, 2107

FORM OF PROXY

GAIA INFRASTRUCTURE CAPITAL LIMITED

(Incorporated in the Republic of South Africa)
 Registration number: 2015/115237/06
 JSE share code: GAI ISIN: ZAE000084992
 ("GAIA" or "the Company")

TO BE COMPLETED BY CERTIFICATED SHAREHOLDERS AND DEMATERIALISED SHAREHOLDERS WITH 'OWN-NAME' REGISTRATION ONLY

For completion by registered shareholders of GAIA Infrastructure Capital Limited unable to attend the Annual General Meeting of shareholders of the Company to be held at 11:00am on Thursday, 11 August 2016 at ENS Africa, 1 North Wharf Square, Loop Street, Foreshore, Cape Town, 8000 or at any adjournment or postponement of that meeting.

A shareholder is entitled to appoint one or more proxies (none of whom need to be a shareholder of the Company) to attend, participate in, speak and vote or abstain from voting in the place of that shareholder at the Annual General Meeting.

I/We (please print names in full)

of (address)

being the holder/s of _____ shares in

the Company, do hereby appoint:

1. _____ or, failing him/her

2. _____ or, failing him/her

3. the Chairman of the Annual General Meeting, as my/our proxy to attend, participate in, speak and, on a poll, vote on my/our behalf at the Annual General Meeting of shareholders to be held at 11:00am on Thursday, 11 August 2016 at ENS Africa, 1 North Wharf Square, Loop Street, Foreshore, Cape Town, 8000 or at any adjournment or postponement of that meeting, and to vote or abstain from voting as follows on the ordinary and special resolutions to be proposed at such meeting:

	Number of Shares		
	For	Against	Abstain
1. Retirement and re-election of Directors			
1.1 Ordinary resolution number 1: Retirement and re-election of Mr L de Wit as Director			
1.2 Ordinary resolution number 2: Retirement and re-election of Mrs KP Lebina as Director			
1.3 Ordinary resolution number 3: Retirement and re-election of Mr MM Nieuwoudt as Director			
1.4 Ordinary resolution number 4: Retirement and re-election of Mrs TD Soudien-Witten as Director			
1.5 Ordinary resolution number 5: Retirement and re-election of Mr PB Schabert as Director			
1.6 Ordinary resolution number 6: Retirement and re-election of Mrs N Kimber as Director			
1.7 Ordinary resolution number 7: Retirement and re-election of Mr KE Mbalo as Director			
1.8 Ordinary resolution number 8: Retirement and re-election of Mr C Ferreira as Director			
2. Re-appointment of the members of the Audit and Risk Committee of the Company			
2.1 Ordinary resolution number 9: To re-appoint Mrs KP Lebina as a member of the Audit and Risk Committee			
2.2 Ordinary resolution number 10: To re-appoint Mr KE Mbalo as a member of the Audit and Risk Committee			
2.3 Ordinary resolution number 11: To re-appoint Mrs N Kimber as a member of the Audit and Risk Committee			
3. Re-appointment of auditor			
Ordinary resolution number 12: To re-appoint KPMG Incorporated as the auditor			
4. Non-Binding endorsement of GAIA's remuneration policy			
Ordinary resolution number 13: Non-Binding endorsement of GAIA's remuneration policy			
5. Remuneration of Non-Executive Directors			
Special resolution number 1: Remuneration of Non-Executive Directors			
6. Inter-company financial assistance			
6.1 Special resolution number 2: Inter-company financial assistance			
6.2 Special resolution number 3: Financial assistance for the subscription/or acquisition of shares in the Company or a related or inter-related company			

Please indicate with an "X" in the appropriate spaces provided above how you wish your vote to be cast.

If no indication is given, the proxy may vote or abstain as he/she sees fit.

Signed at this _____ day of _____ 2016

Signature _____

Assisted by me, where applicable (name and signature) _____

Please read the notes overleaf.

NOTES TO THE FORM OF PROXY

(which include, inter alia, a summary of the rights established by Section 58 of the Companies Act, as amended (Companies Act)).

1. A GAIA Infrastructure Capital Limited shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space(s) provided, with or without deleting "the Chairman of the Annual General Meeting". The person whose name appears first on the form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A GAIA Infrastructure Capital Limited shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of shares to be voted on behalf of that shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the Chairman of the Annual General Meeting, if he/she is the authorised proxy, to vote in favour of the resolutions at the meeting, or any other proxy to vote or to abstain from voting at the meeting as he/she deems fit, in respect of all the shares concerned. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or his/her proxy, but the total of the votes cast and in respect whereof abstentions are recorded may not exceed the total of the votes exercisable by the shareholder or his/her proxy.
3. When there are joint registered holders of any shares, any one of such persons may vote at the meeting in respect of such shares as if he/she was solely entitled thereto, but, if more than one of such joint holders be present or represented at any meeting, that one of the said persons whose name stands first in the register in respect of such shares or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member, in whose name any shares stand, shall be deemed joint holders thereof.
4. Forms of proxy must be completed and returned to be received by the transfer secretaries of the Company, Computershare Investor Services (Pty) Limited (PO Box 61051, Marshalltown, 2107), by no later than 10:00am on Monday, 8 August 2016.
5. Any alteration or correction made to this form of proxy must be initialed by the signatory(ies).
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company's transfer secretaries or waived by the Chairman of the Annual General Meeting.
7. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.

DEFINITIONS AND INTERPRETATIONS

Unless the context indicates otherwise, a word or an expression which denotes any gender includes the other genders, a natural person includes a juristic person and vice versa, the singular includes the plural and vice versa and the following words and expressions bear the meanings assigned to them below:

"Auditors and Independent Reporting Accountants"	KPMG Inc., chartered accountants (SA) (Registration number 1999/021543/21), a company incorporated under the laws of South Africa being the auditors and independent reporting accountants of GAIA Infrastructure Capital Limited;
"Basel III"	the International Framework for Liquidity Risk Measurement, Standards and Monitoring published by the Basel Committee on Banking Supervision;
"Board" or "Directors"	the Board of Directors of GAIA Infrastructure Capital Limited;
"Code for Responsible Investing in South Africa"	the code issued by the Committee on Responsible Investing by Institutional Investors in South Africa in February 2012, a forum formed by stakeholder members of the Institute of Directors in Southern Africa, giving guidance on how institutional investors should execute investment analysis and investment activities and exercise rights so as to promote good corporate governance;
"Common Monetary Area"	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
"Companies Act"	Companies Act of South Africa, No 71 of 2008, as amended;
"CPI"	the Consumer Price Index for all urban areas published by Statistics South Africa from time to time;
"CSDP"	a central securities depository participant, accepted as a participant in terms of the Financial Markets Act, with whom a shareholder holds a dematerialised share account;
"Custody agreement"	a custody mandate agreement between a person and a CSDP or broker, regulating their relationship in respect of dematerialised shares held on GAIA Infrastructure Capital Limited's uncertificated securities register and administered by a CSDP or broker on behalf of that person;
"Dematerialised shareholders"	Shareholders who hold dematerialised shares;
"Dematerialised shares"	Shares which have been incorporated into the Strate system and which are no longer evidenced by certificates or other physical documents of title;
"ENS"	Edward Nathan Sonnenbergs Incorporated (Registration number 2006/018200/21), a personal liability company incorporated under the laws of South Africa;
"Escrow agent"	ENS, the attorneys of the Company;
"Escrow agreement"	the escrow agreement entered into between the escrow agent and the Company on or about October 2015, as amended from time to time, which governs, <i>inter alia</i> , the terms on which the capital raised by the Company in terms of the private placement is held in escrow and invested in either (i) investment grade bonds (being debt securities with a rating of "BBB" or above as rated by Standard and Poor's Corporation or an equivalent rating by any similar institution); or (ii) bank deposits with a recognised bank, by the escrow agent, and the terms of the release of such capital which is to be utilised to cover the Company's operating expenses, acquire viable assets and/or be distributed to shareholders, as envisaged in the JSE Listings Requirements;
"Eskom"	Eskom Holdings SOC Limited (Registration number 2002/015527/06), a public company incorporated under the laws of South Africa;

DEFINITIONS AND INTERPRETATIONS (CONTINUED)

"Exchange Control Regulations"	the Exchange Control Regulations, 1961, as amended from time to time, issued in terms of Section 9 of the Currency and Exchanges Act, No 9 of 1933, as amended from time to time;
"Financial Markets Act"	the Financial Markets Act, No 19 of 2012, as amended from time to time;
"Founders"	the founders of GAIA Infrastructure Partners (Pty) Limited, being PB Schabort and L de Wit;
"GAIA" or "the Company"	GAIA Infrastructure Capital Limited (Registration number 2015/115237/06), a public company incorporated under the laws of South Africa (previously GAIA Capital (Pty) Limited which was converted from a private company to a public company on 16 April 2015;
"GAIA Financial Services"	GAIA Financial Services (Pty) Limited (Registration number 2015/212709/07), a private company incorporated under the laws of South Africa on 22 July 2015, being a wholly owned subsidiary of GAIA Infrastructure Capital Limited with 1 000 ordinary no par value shares in issue and which was acquired as a shelf company by GAIA Infrastructure Capital Limited on 4 August 2015;
"GAIA Group"	GAIA Infrastructure Capital Limited and its wholly owned subsidiary, GAIA Financial Services;
"GAIA Infrastructure Partners (Pty) Limited"	GAIA Infrastructure Partners (Pty) Limited (Registration number 2012/093632/07), a private company incorporated under the laws of South Africa (previously GAIA Energy (Pty) Limited);
"GDP"	gross domestic product;
"Government"	the National Government of South Africa;
"IFRS"	International Financial Reporting Standards;
"Income Tax Act"	the Income Tax Act, No 58 of 1962, as amended from time to time;
"Issue price"	the price at which the private placement shares will be issued by GAIA Infrastructure Capital Limited pursuant to the private placement, being R10 per private placement share;
"JSE"	JSE Limited (Registration number 2005/022939/06), licensed as an exchange under the Financial Markets Act, and a public private placement company incorporated under the laws of South Africa;
"JSE Listings Requirements"	the JSE Listings Requirements, as amended from time to time;
"King III"	the King Report on Corporate Governance for South Africa, 2009, as amended or replaced from time to time;
"Listing"	the listing of the entire issued ordinary share capital of GAIA Infrastructure Capital Limited as a SPAC on the JSE Main Board, which listing is expected to occur with the commencement of trade on the listing date;
"Listing date"	the proposed date of the listing which is expected to be on or about Thursday, 12 November 2015;
"Management agreement"	the management agreement entered into between GAIA Infrastructure Capital Limited, GAIA Financial Services and the Manager on or about October 2015 in terms of which the Manager provides the services to GAIA Infrastructure Capital Limited and GAIA Financial Services;
"Manager"	GAIA Infrastructure Partners (Pty) Limited;

"MW"	megawatts;
"National Infrastructure Plan"	the programme adopted by the Government in 2012 that aims to facilitate fast tracked Government-led infrastructure investment in South Africa;
"National Transport Master Plan 2050"	a statutory national plan adopted by the Department of Transport that aims to develop a dynamic, long-term and sustainable land use/multi-modal transportation system framework for the development of infrastructure facilities in South Africa;
"NERSA"	the National Energy Regulator of South Africa, a regulatory authority established as a juristic person in terms of Section 3 of the National Energy Regulator Act, No 40 of 2004;
"Prelisting statement"	this prelisting statement dated Monday, 2 November 2015, including all annexures thereto;
"Principles for responsible investment"	the principles for responsible investment as adopted by a United Nations supported initiative comprising an international network of investors that aims to achieve sustainable global financial systems through fostering good governance, integrity and accountability;
"PSG Capital" or "Transaction advisor, sponsor and bookrunner"	PSG Capital (Pty) Limited (Registration number 2006/015817/07), a private company incorporated under the laws of South Africa;
"Rand" or "R"	South African rand, the official currency of South Africa;
"Register"	GAIA Infrastructure Capital Limited's securities register maintained by the transfer secretaries, including the relevant sub-registers of the CSDPs administering the sub-registers of GAIA Infrastructure Capital Limited, and the register of disclosures in relation to GAIA Infrastructure Capital Limited;
"REIPPPP"	the Renewable Energy Independent Power Producers Procurement Programme currently managed by the Department of Energy of the Republic of South Africa;
"SENS"	the Securities Exchange News Service of the JSE;
"Services"	means the services to be provided by the Manager in terms of the management agreement;
"Shareholders"	registered holders of shares;
"Shares"	ordinary no par value shares in the share capital of GAIA Infrastructure Capital Limited;
"South Africa"	the Republic of South Africa;
"SPAC"	a special purpose acquisition company as envisaged in the JSE Listings Requirements, being a special purpose vehicle established to facilitate the primary capital raising process to enable the acquisition of viable assets in pursuit of a listing on the Main Board of the JSE;
"Strate"	Strate (Pty) Limited (Registration number 1998/022242/07), a private company incorporated under the laws of South Africa, a central securities depository licensed in terms of the Financial Markets Act and responsible for the electronic clearing and settlement system provided to the JSE;
"Transfer secretaries" or "Computershare"	Computershare Investor Services (Pty) Limited (Registration number 2004/003647/07), a private company incorporated under the laws of South Africa;
"viable asset/s"	asset/s which meet the investment policy and acquisition criteria.

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GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE

South Africa

DIRECTORS

L de Wit (Chairman)

KP Lebina

MM Nieuwoudt

TD Soudien-Witten

PB Schabert

N Kimber

KE Mbalo

C Ferreira

RB Makhubela

REGISTERED OFFICE

2nd Floor, Oakdale House

The Oval, 1 Oakdale Road

Claremont, 7700

BUSINESS ADDRESS

2nd Floor, Oakdale House

The Oval, 1 Oakdale Road

Claremont, 7700

POSTAL ADDRESS

PO Box 44721

Claremont, 7735

BANKERS

FirstRand Bank Limited

AUDITORS

KPMG Inc.

Registered Auditors

SECRETARY

Exceed (Cape Town) Incorporated

COMPANY REGISTRATION NUMBER

2015/115237/06



Registered address

2nd Floor, Oakdale House
The Oval, 1 Oakdale Road
Claremont, Cape Town
South Africa, 7700

Tel: +27 21 671 7210

Email: info@gaia-ic.com

Website: www.gaia-ic.com