

INVESTMENT OBJECTIVE AND POLICIES

1. Investment Objective

- 1.1. The investment objective of the Company is to provide investment returns that are characterised by
 - 1.1.1. predictable and regular cash flows generated from infrastructure assets;
 - 1.1.2. investment in the long term ownership and operation of assets; and
 - 1.1.3. capital growth from rendering disruptive solutions infrastructure-related market inefficiencies.
- 1.2. Infrastructure assets are physical structures, as well as digital and electronic networks that facilitate the delivery of public and economic services to society. These range from utility assets (e.g. power generation facilities, electricity transmission and distribution lines and reticulation facilities, gas transmission and distribution pipelines, potable water treatment and distribution facilities, waste water treatment facilities, communications networks and critical internet networks), to transportation and logistics assets (e.g. railway facilities, roads, bridges, tunnels, parking facilities, airports, seaports, lakeports, container terminals) as well as social assets (e.g. healthcare facilities, courts, schools, correctional facilities and social housing).

2. INVESTMENT POLICY

- 2.1. In order to accomplish its investment objective, the Company invests primarily in securities that are either equity or give the Company equity-exposure to infrastructure-related businesses, these being businesses that satisfy at least one of the following criteria:
 - 2.1.1. the majority of whose assets (excluding cash) consist of infrastructure assets (and related natural resources);
 - 2.1.2. the majority of whose gross income is derived from or attributable to development, construction, operation, ownership, management, use or financing of infrastructure assets.
- 2.2. The Company's investment decisions will be guided by the following policies (the "**Investment Policy**"):
 - 2.2.1. The Company will invest (both directly and indirectly) in infrastructure-related businesses that operate in markets on the African continent, with a preference for businesses headquartered in South Africa and in other select countries across Africa, where the Company has access to capabilities to be able to adequately manage the attendant risks.
 - 2.2.2. Whilst the Company is agnostic as to economic sector of exposure, the Company will emphasise investment in infrastructure-related businesses with activities predominantly in the following sectors: energy and power; transport and logistics; water and sanitation; digital media and communications.

- 2.2.3. The Company targets investments with initial commitment of not less than R50 000 000 (fifty million Rand), with the Company commanding at least joint-control of the target business whilst the Company's investment exposure is less than the R50 000 000 (fifty million Rand) threshold.
- 2.2.4. The target return on investments is an annualised real return of 6% (six percent), having regard to the investment risk, with the Company able to invest in debt and preference shares to complement its primary investment in equity shares.
- 2.2.5. Under normal market conditions, the Company's exposure to infrastructure assets that are in operation or not more than 6 (six) months from commercial operation date, will be no less than 75% (seventy five percent) of its net asset value.
- 2.2.6. The Company may make temporary investments in cash and other short dated securities (e.g. South African government bonds or other similar low risk instruments) for liquidity and cash management purposes, as appropriate.

3. SHAREHOLDER APPROVALS

- 3.1. All transactions concluded within the ambit of the Investment Policy will be regarded as being in the ordinary course of business, unless circumstances dictate otherwise.
- 3.2. Shareholder approval will not be required for transactions (including for the avoidance of doubt the enforcement of provisions in agreements relating to such transactions) of any size with non-related parties to the extent such transactions are concluded in the ordinary course of business of the Company.
- 3.3. Shareholder approval will be required for related-party transactions in accordance with the thresholds and requirements for such approvals contained in the JSE's Listings Requirements, irrespective of whether such transactions are in the ordinary course of business or not.
- 3.4. The JSE's Listings Requirements pertaining to shareholder approvals and communications will apply if any transaction is categorised as a reverse takeover in terms of the Listings Requirements.
- 3.5. All material changes to the Investment Policy, including the replacement of the current Investment policy by a new one, must be approved by shareholders in accordance with the JSE Listings Requirements.
- 3.6. In the event of the Company wishing to conclude a transaction outside the scope of the Investment Policy, the Investment Policy must be amended pursuant to paragraph 3.5 in order to allow the transaction.

4. COMMUNICATION OF TRANSACTIONS

- 4.1. Communications with shareholders will be made in accordance with the JSE Listings Requirements, as applicable, in respect of all related-party transactions (including small related-party transactions) irrespective of whether such transactions are in the ordinary course of business or not.

- 4.2. Communications with shareholders will be made in accordance with the JSE Listings Requirements, as applicable, in respect of all non-related-party transactions, except that no circulars will be required for any size transaction as long as the requirements of paragraph 3.2 above are met. For the avoidance of doubt it is recorded that in respect of transactions whose categorisation is less than 10%, the Company will consider the obligation of disclosure pursuant to paragraph 3.4(a) of the JSE Listings Requirements in the event that any transaction constitutes price sensitive information (applied individually or on a cumulative basis).
- 4.3. Notwithstanding the above provisions, the information required to be disclosed for a prelisting statement must be provided if required by the JSE Listings Requirements, and the JSE Listings Requirements will apply if any transaction is categorised as a reverse take-over in terms of the JSE Listings Requirements.
- 4.4. All transactions will be summarised for shareholders in the interim and final results announcements and in the Integrated Annual Report.