

# Annexure A: Investment Policy

## INVESTMENT POLICY

### 1. Background

GAIA Infrastructure Capital Limited ("GAIA") is listed on the Main Board of the exchange operated by the JSE, JSE code GAI and ISIN ZAE000210555, as an investment entity in terms of section 15 of the JSE Listings Requirements. GAIA was formed for the purpose of facilitating the investment of long-term capital in large-scale infrastructure projects in southern Africa. The Board has approved this revised Investment Policy, set out herein, in order to make investments by GAIA more efficient to allow it to deliver on its strategy more effectively and Investment Policy to the benefit of shareholders. This revised Investment Policy is subject to the approval of GAIA shareholders in terms of section 15 of the JSE Listings Requirements.

### 2. Definitions

- 2.1 Capitalised words and expressions used in this Investment Policy shall bear the meanings as ascribed to them set out below:
- 2.2 **Associate:** as defined in the JSE Listings Requirements;
- 2.3 **Board:** the Board of Directors of GAIA;
- 2.4 **Category 1 transaction:** as defined in the JSE Listings Requirements;
- 2.5 **Category 2 transaction:** as defined in the JSE Listings Requirements;
- 2.6 **Financial Markets Act:** the South African Financial Markets Act, 19 of 2012, as amended;
- 2.7 **GAIA Financial Services:** GAIA Financial Services (Pty) Limited, a private company incorporated under the laws of South Africa, registration number 2015/212709/07, and is a wholly owned subsidiary of GAIA;
- 2.8 **GAIA Funds:** any funds, whether or not incorporated in a juristic entity in which GAIA invests from time to time, whether directly or indirectly and where the context requires, and to the extent applicable, GAIA Financial Services;
- 2.9 **GAIA Group:** GAIA and its subsidiaries (wherever incorporated) from time to time;
- 2.10 **Investments:** investments made by GAIA, whether directly or indirectly, in accordance with this Investment Policy;
- 2.11 **Investment Policy:** the Investment Policy set out herein issued in accordance with paragraph 15.7 of the JSE Listings Requirements;
- 2.12 **JSE:** JSE Limited, a company incorporated under the laws of South Africa with registration number 2005/022939/06, licensed as an exchange under the Financial Markets Act;
- 2.13 **JSE Listings Requirements:** the JSE Listings Requirements issued by the JSE under the Financial Markets Act to be observed by issuers of equity securities listed on the exchange operated by the JSE, as amended;
- 2.14 **Shareholders:** the holders of ordinary no par value shares in the capital of GAIA from time to time; and
- 2.15 **Transaction:** as defined in section 9 of the JSE Listings Requirements.

### 3. Investment Policy

- 3.1 GAIA's Investment Policy is to invest in large-scale infrastructure assets specifically in the energy, transport and water and sanitation sectors in southern Africa that meet the following investment criteria:
  - 3.1.1 investments in operational or near operational projects, being projects not more than six months from commercial operation;
  - 3.1.2 investments with a targeted return of CPI plus 6% (six percent) before costs over the term of the offtake agreement or concession as the case may be;
  - 3.1.3 investments with visible environmental, social and governance policy appreciation;
  - 3.1.4 investments with low investment risk and attractive long-term inflation-linked predictable cash generation profiles;
  - 3.1.5 investments of not less than R50 000 000 (fifty million rand) per investment;
  - 3.1.6 ensuring management value-add and directorship roles to further optimise the underlying assets;
  - 3.1.7 investments into ordinary equity or any other financial instruments (including for the avoidance of doubt options), whether directly or indirectly, giving economic benefits and returns that are expected to meet the target investment returns, and the realisation thereof; and
  - 3.1.8 investments with acceptable third-party credit risk exposure.

#### **4. Shareholder approvals**

- 4.1 All transactions concluded in accordance with the Investment Policy will be regarded as being in the ordinary course of business, unless circumstances dictate otherwise.
- 4.2 Shareholder approval will consequently not be required for non-related party transactions (including for the avoidance of doubt the enforcement of provisions in agreements relating to such transactions) of any size to the extent such transactions are entered into in the ordinary course of business of GAIA, as envisaged in paragraph 3.1.
- 4.3 Shareholder approval will be required for related-party transactions in accordance with the thresholds and requirements for such approvals contained in section 10 of the JSE Listings Requirements, irrespective of whether such transactions are in the ordinary course of business or not.
- 4.4 Notwithstanding anything in this paragraph 4 to the contrary, the JSE 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.

#### **5. Communication of transactions**

- 5.1 All transactions concluded in accordance with the Investment Policy will be regarded as being in the ordinary course of business, unless circumstances dictate otherwise.
- 5.2 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.
- 5.3 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 4.2 are met. For the avoidance of doubt it is recorded that in respect of transactions less than 10%, GAIA 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).
- 5.4 Notwithstanding the provisions of paragraphs 5.2 and 5.3, 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.
- 5.5 All transactions will be summarised for shareholders in the interim and final results announcements and in the integrated annual report.

#### **6. Approval of Investment Policy**

The Investment Policy was approved by the Board and the JSE but is subject to the approval of shareholders as envisaged in section 15 of the JSE Listings Requirements. Any future material changes to the Investment Policy must be approved by shareholders by way of ordinary resolution.