



MANDATE AND APPLICATION FORM

entered into between

Metta Capital Managers Proprietary Limited

(Incorporated in the Republic of South Africa)

(Registration Number: 2017/250417/07)

(Hereinafter referred to as "MCM")

and

(Hereinafter referred to as the "Investor")

FOR THE RENDERING OF SERVICES AND THE MANAGEMENT OF INVESTMENTS IN THE SELECTED VCC'S PER THE TERMS AND CONDITIONS AS SET OUT IN THE INVESTMENT MEMORANDUM TO WHICH THIS MANDATE AND APPLICATION FORM IS ATTACHED.

TO BE COMPLETED BY INVESTORS WHO ELECT TO PARTICIPATE IN MCP1.

THE DEFINITIONS AND INTERPRETATIONS COMMENCING ON PAGE 6 OF THE INVESTMENT MEMORANDUM TO WHICH THIS MANDATE AND APPLICATION FORM IS ATTACHED SHALL APPLY, *MUTATIS MUTANDIS*, TO THIS MANDATE AND APPLICATION FORM.

MANDATE

WHEREBY IT IS AGREED

1. AUTHORISATION

- 1.1. MCM is the holder of a FAIS category I license, under FSP license number 48601.
- 1.2. The Investor hereby authorises MCM to act as agent for the Investor in order to:
 - sign all such documents and do all such other things as may be necessary or desirable to enable and give effect to the issuing of the Venture Capital Shares, in the name of the Investor;
 - make payments, on the Investor's behalf, to each of the Selected VCC's, for the subscription of the Venture Capital Shares;
 - obtain and collate, on the Investor's behalf, the share certificates issued by each of the Selected VCC's to the Investor, which share certificates reflect the Investor as the holder of the Venture Capital Shares in the stated share capital of each of the Selected VCC's (the "**Share Certificates**");
 - to the extent that the Investor is not resident in South Africa, attend to the endorsement of the Share Certificates issued by each of the Selected VCC's to the Investor as "non-resident";
 - obtain, on the Investor's behalf, Section 12J Tax Certificates from the VCC Managers, including completing and signing on behalf of the Investor any terms attached to a prospectus for the Venture Capital Shares;
 - receive payments, on the Investor's behalf, from each of the Selected VCC's;
 - attend shareholders meetings of the Selected VCC's on the Investor's behalf, and act as its proxy, with full discretion, at any such shareholders meeting;
 - vote on any written resolutions of any of the Selected VCC's; and
 - liaise with the VCC Managers on a regular basis, on the Investor's behalf, in order to evaluate the performance of each of the Selected VCC's.
- 1.3. MCM will, in terms of this mandate, have full discretion to manage the affairs of the Investor's Investment as more fully disclosed in the Investment Memorandum.
- 1.4. MCM may make use of the services of its staff, or that of a nominated administration management company, to execute certain administrative functions.

2. INVESTMENT OBJECTIVES

The investment objectives of MCM is to invest, on behalf of Investors, in a portfolio of VCC's operating in a particular sector and which VCC's are recommended by the Investment Committee and ratified by the Board.

3. MCP1

3.1. Subject to paragraph 3.2 below, MCP1 comprises of:

MCP1 – Selected VCC’s	Percentage Allocation of MCP1
CCP 12J Fund Limited	17.5%
Franchise Junction Section 12J VCC Limited	12.5%
Grovest Energy Limited	12.5%
Mdluli Safari Lodge Limited	10.0%
Rencell Limited	7.5%
Sunstone Capital Limited	15.0%
Westbrooke Alternative Rental Income Assets 2018 Limited	15.0%
Westbrooke STAC Limited	10.0%
Total	100%

3.2. In order for a Selected VCC to form part of MCP1, it will be required to prepare a prospectus in accordance with the relevant provisions of the Companies Act and on terms acceptable to MCM, failing which such Selected VCC shall not longer form part of MCP1 (“**Portfolio Change**”).

3.3. In the event of a Portfolio Change:

- the initial percentage allocation as set out above shall be spread among the remaining Selected VCC’s in accordance with such proportions as MCM shall determine; and
- MCM shall make an announcement to this effect on MCM’s website within 2 (two) Business Days of such Portfolio Change occurring, which announcement shall set out the amended percentage allocation applicable to each Selected VCC.

4. REPORTS

Annual Audited Financial statements as well as all legally prescribed documents received by MCM from the Selected VCC’s will be provided to the Investor electronically.

5. RISK DISCLOSURE

5.1. MCM will invest on the Investor’s behalf with care and diligence. There is, however, a high risk associated with investing in MCP1. The value of the investments may rise as well as fall, and there is a risk that the Investor may suffer financial losses. The Investor does not have a claim against MCM or its Directors in the event of the realisation of this risk unless it can be proved that the losses were due to negligence, fraud, misconduct or dishonesty by MCM or its staff.

5.2. The Investor is aware that the Investment in the Selected VCC’s are of a long-term nature.

5.3. The Investor acknowledges and understands the risks and disclosures set out in this Mandate and Application Form and the Investment Memorandum.

6. REGISTRATION OF INVESTMENTS

- 6.1. Investments made into each Selected VCC's by MCM on behalf of the Investor will be registered in the name of the Investor.
- 6.2. The Investor must deposit their investment, being the subscription consideration for the Venture Capital Shares, into MCM's bank account by no later than the Closing Date.
- 6.3. MCM's nominated bank account details are as follows ("**MCM Nominated Account**"):

Bank:	Standard Bank
Branch:	Sandton
Branch code:	051 001
Account name:	Metta Capital Managers
Account number:	301995702
Reference	"Initials, Surname of Investor"

7. INVESTMENT OPPORTUNITY SUSPENSIVE CONDITION

- 7.1. The Investment Opportunity contemplated in the Investment Memorandum is subject to MCM procuring from the Investors a Gross Investment of not less than R20 000 000 (twenty million Rand) by no later than the Closing Date, failing which the Investment Memorandum will become null and void ("**Minimum Gross Investment**").
- 7.2. If MCM procures the Minimum Gross Investment as contemplated in paragraph 7.1 above, MCM shall:
 - withdraw such amounts from the MCM Nominated Account and pay to each of the Selected VCC's an amount equal to the Gross Investment received from the Investors in the percentage allocation as set out in paragraph 1.9 of the Investment Memorandum (the "Proportionate Gross Investment"); and
 - be entitled to set-off the Formation Cost against any interest accrued on the Gross Investment from the date on which MCM receives the Gross Investment up until the date on which MCM pays the Proportionate Gross Investment to each of the Selected VCC's.
- 7.3. If MCM does not procure the Minimum Gross Investment contemplated in paragraph 7.1 above, this mandate and application shall be null and void and MCM shall return to the Investor its Investment (together with all interest accrued thereon), as more fully detailed in paragraph 6 on page 20 of the Investment Memorandum.

8. ACCRUALS

All cash received in respect of realisation of Investments in MCP1, including dividends declared and paid by each of the Selected VCC's, will be paid into the MCM Nominated Account, whereafter MCM will on pay such cash to the Investor less any fees payable (as more fully detailed herein and the Investment Memorandum) that may be owing.

9. INVESTOR'S FEES

- 9.1. Fees to MCM

Each of the VCC Managers will be required to pay MCM the fees as more fully set out in paragraph 1 of [Annexure 5] of the Investment Memorandum, which fees may comprise of:

 - a once-off capital rising fee based on the Gross Investment;
 - an annual management fee based on the Gross Investment; and
 - performance fee calculated with reference to the amount of money received by a VCC Manager by virtue of Performance Shares issued to each VCC Manager pursuant to the Venture Capital Shares subscribed for by MCM in Selected VCC's on behalf of Investors

9.2. Fees to the VCC Managers

The Investor has agreed that the Selected VCC's will pay each of the VCC Managers the fees as more fully described in Annexure 5 of the Investment Memorandum).

9.3. Platform Fee to MCM

- The Investor has agreed to pay MCM an annual platform fee of 0,5% per annum (excluding VAT) calculated on the Gross Investment (the "Platform Fee"), annually in advance.
- MCM shall further be entitled to set off the Platform Fee against any interest, dividends or repayments of capital due to the Investor from time to time.
- The outstanding Platform Fee will accrue interest from the date of payment of the Gross Investment to MCM at the Prime Rate.

10. FLOW OF FUNDS

10.1. Amount to be paid by MCM to each of the Selected VCC's

MCM shall be obliged to pay to each of the Selected VCC's the Proportionate Gross Investment.

10.2. Amount to be paid by each of the Selected VCC's to the VCC Managers

Each of the Selected VCC's shall pay to its respective VCC Manager an amount equal to the fees as more fully set out in paragraph 2 of [Annexure 5] of the Investment Memorandum as consideration for the issuance of the Venture Capital Shares to the Investor.

10.3. Amount to be paid by the VCC Managers to MCM

Each Selected VCC shall pay to MCM an amount equal to all dividends and capital distributions declared and paid by each of the Selected VCC's (in relation to the Venture Capital Shares subscribed for by MCM on behalf of Investors) (the "Investment Return").

10.4. Amount to be paid by MCM to the Investor

Upon receipt of an Investment Return, MCM shall pay to the Investor an amount equal to the Investment Return (together with interest accrued thereon) less the Platform Fee (if it is still outstanding at such time), on a bi-annual basis. There is no guarantee of there being an Investment Return and that an Investor will only receive the payment in this paragraph if there is an Investment Return.

11. TERMINATION OF MANDATE

11.1. It is not intended that MCP1 should have a limited life.

11.2. The Investor understands that the term of the Investment will be a minimum of a 5-year investment period.

11.3. Any amendment of any provision of this mandate shall be in writing and shall be by means of a supplementary or new agreement between MCM and the Investor.

12. DECLARATION REGARDING FUNDS AND INVESTMENTS

12.1. The Investor declares that the Gross Investment placed under MCM's management in terms of this mandate are from a legitimate source and are not the "proceeds of unlawful activities", as defined in the Prevention of Organised Crime Act, No. 121 of 1998.

12.2. The Investor further warrants that, where required, the Gross Investment placed under MCM's management in terms of this mandate are declared in terms of the Income Tax Act of 1962.

12.3. The Investor confirms having been duly and properly informed/advised of the full implications of its actions and, having considered same, hereby declares that it is aware of the fact that a full analysis could not be undertaken and that there may thus be limitations on the appropriateness of the information/advice contained herein or in the Investment Memorandum; and that it must carefully consider whether the information/ advice on its own is appropriate considering its objectives, financial situation and needs; to prevent the risk of concluding a transaction that is not appropriate to its needs, objectives and circumstances. The Investor confirms that it has declined the offer of a needs analysis and have decided to continue with this application.

12.4. The Investor acknowledges, confirms and agrees that the contents of this mandate and the Investment Memorandum do not constitute and should not be construed as investment, tax, legal, accounting and/or other advice. For advice on these matters, the Investor further acknowledges that MCM has recommended that the Investor consults their preferred investment, tax, legal, accounting and/or other advisers about any information contained in this mandate and the Investment Memorandum.

13. EFFECTIVE DATE

This mandate will become of force and effect on receipt of a signed application form from the Investor, together with the payment of the Gross Investment.

SIGNED AT _____ **ON THIS** _____ **DAY OF** _____

For and on behalf of Metta Capital Managers Proprietary Limited, the signatory warranting that he is duly authorised:

(1) _____ (2) _____

As witnesses to the signature of Metta Capital Managers Proprietary Limited

SIGNED AT _____ **ON THIS** _____ **DAY OF** _____

For and on behalf of the Investor:

(1) _____ (2) _____

As witnesses to the Investor

ANNEXURE A: APPLICATION PROCEDURE

Please send the completed Mandate and Application Form together with your proof of payment and relevant FICA documents via email to cindyh@vcms.co.za or hand delivered to: 164 Katherine Street, Pinmill Office Park, Building 2, First Floor, Strathavon, 2196, South Africa, Attention Cindy Hale to be received by no later than 17h00 on 23 February 2018.

SECTION 1

Please insert your full name, name of entity, permanent address daytime and home telephone numbers, and date of birth, email address and identity/registration numbers in Section 1 of the Application Form. Your tax number is required to ensure you obtain your income tax relief.

SECTION 2

Please note that the minimum investment is R500,000.00.

Payments by electronic transfer should be made to:

Bank:	Standard Bank
Branch:	Sandton
Branch code:	051 001
Account name:	Metta Capital Managers
Account number:	301995702
Reference:	"Initials, Surname of Investor"

SECTION 3

Please complete the mandate instructions for MCM to pay amounts directly into your bank account.

SECTION 4

Read the declaration below and sign and date the application form.

If this form is being completed and signed by the Investor named in Section 1.

By signing this application form I hereby declare that:

- (i) I have received the Investment Memorandum and have read the terms and conditions of the application therein and agree to be bound by them;
- (ii) I will be the beneficial owner of the Venture Capital Shares issued to me;
- (iii) I have read and understood the risk factors set out in this Mandate and Application Form and the Investment Memorandum;
- (iv) To the best of my knowledge and belief, the personal details I have given are correct; and
- (v) I agree to be bound by the contents of this Mandate and Application Form and the Investment Memorandum in all respects.
- (vi)

If this form is completed and signed by an authorised financial intermediary and other person apart from the Investor

By signing this Mandate and Application Form on behalf of the individual whose details are set out in Section 1, I make declaration on behalf of such individual on terms of sub-paragraph (i) to (v) and attach the power of attorney under which I have authority to sign on behalf of such person.

APPLICATION FORM: INVESTMENT IN MCP1

Before completing this Mandate and Application Form, the Investor acknowledges that it has read the Investment Memorandum, has accepted and signed the mandate and agrees to the terms of the Investment in MCP1.

MCP1 opens on 25 January 2018 and closes at 17h00 on 23 February 2018.

I accordingly hereby irrevocably offer to invest in MCP1 and thereby subscribed for the Venture Capital Shares in accordance with the terms and conditions set out in this Mandate and Application Form and the Investment Memorandum:

Please complete in BLOCK Capitals

SECTION 1

Title (Mr/ Mrs/ Miss/ Ms/ Other.)		Surname	
Forename(s) in full/ Entity Name			
Date of Birth	Tax Number	Identity / Registration Number	
Residential address	Postal address		
Postcode	E-mail		
Telephone (work)	Telephone (mobile)		

SECTION 2

Investment in MCP1	To be invested into MCP1 in the required percentages as stipulated in the Mandate	R
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The minimum application amount is R500 000 and thereafter increased in increments of R100 000.

Payment by electronic transfer or cheque must be made into the following bank account, with the initials and surname of the Investor as the reference:

Bank: Standard Bank
Branch: Sandton
Branch code: 051 001
Account name: Metta Capital Managers
Account number: 301995702
Reference: "Initials, Surname of Investor"

SECTION 3

Account details where proceeds of investment are paid:

Bank

Branch Code

Account Name

Account number

Please initial each page and sign below to complete the application

SIGNATURE

DATE

NOTE:

By signing here, you are agreeing to be bound by the terms contained in this Mandate and Application Form and the Investment Memorandum.

Applications are irrevocable and may not be withdrawn once submitted. Please refer to the terms and conditions of the Investment Opportunity as set out in the Investment Memorandum. Investors should consult their broker, banker, or other professional regarding this Investment Opportunity.

The completed Mandate and Application form may be scanned and emailed to cindyh@vcms.co.za or hand delivered to: 164 Katherine Street, Pinmill Office Park, Building 2, First Floor, Strathavon, 2196, South Africa, Attention Cindy Hale to be received by no later than 17h00 on 23 February 2018. No late applications will be accepted.