

## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations set out on page 3 of this Circular apply to the paragraphs below.

**The Botswana Stock Exchange has not verified the accuracy and truth of the contents of this Circular and the Botswana Stock Exchange accepts no liability of whatever nature for any loss, liability, damage or expense resulting directly or indirectly from any decision taken based on the contents of the Circular.**

If you are in any doubt as to what action you should take in relation to this Circular, please consult your accountant, broker, banker, CSDP, legal advisor or other professional advisor immediately. This document is issued, in compliance with the provisions of the Listings Requirements, to the Shareholders of Minergy, for the purposes of providing Shareholders with the background to and reasons for the Company's proposed admission to AIM and associated capital raising, Share Consolidation, and adoption of the New Constitution, and to seek Shareholder approval in connection therewith.

### Action required:

1. If you have disposed all of your Ordinary Shares in Minergy, this Circular should be sent to the agent through whom you have disposed of such Ordinary Shares, for onward delivery to the purchaser of those Ordinary Shares.
2. Attached to this Circular is the Notice convening the Extraordinary General Meeting of Shareholders of Minergy, to be held at the Minergy Boardroom, Unit B3 & B4, Plot 43175, Phakalane, Gaborone, Botswana on **Thursday, 7 November 2019**, and the relevant Form of Proxy. Shareholders who are unable to attend the EGM should complete the attached Form of Proxy and return it to the Transfer Secretary, Corpserve Botswana, if by hand to Unit 206, Second Floor, Plot 64516, Showgrounds Close, Fairgrounds, Gaborone, or if by post to PO Box 1583, AAD, Gaborone, or if by email to [contactus@corpservebotswana.com](mailto:contactus@corpservebotswana.com), so as to be received by no later than 17:00 on **Friday, 1 November 2019**. Submission of a proxy will not preclude Shareholders from attending and voting in person at the EGM, should they so desire.



### MINERGY LIMITED

(Incorporated in the Republic of Botswana on 1 September 2016)

(Company number: 2016/18528)

BSE Ordinary Share code: MIN

("Minergy" or "the Company")

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## CIRCULAR TO SHAREHOLDERS OF MINERGY LIMITED

Relating to:

- › The proposed admission of the entire issued, and to be issued share capital of the Company to trading on AIM;
  - › An associated Placing of new Ordinary Shares for cash to Selected and Qualifying Institutional Investors, to raise additional equity funding;
  - › The proposed adoption of a New Constitution, conditional on Admission; and
  - › A proposed 10:1 Ordinary Share Consolidation, conditional on Admission, including a Notice for an Extraordinary General Meeting and a Form of Proxy.
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#### SPONSORING BROKER



#### TRANSFER SECRETARY



#### REPORTING ACCOUNTANTS



#### LEGAL ADVISOR



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# CORPORATE INFORMATION

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## Directors

**Mokwena Morulane** (Independent Non-executive Chairman)

**Claude de Bruin** (Non-executive Director)

**Leutlwetse Tumelo** (Non-executive Director)

**André Bojé** (Non-executive Director and Strategic Consultant)

**Morné du Plessis** (Chief Executive Officer)

**Jean-Pierre van Staden** (Chief Financial Officer)\*

*\* effective 2 January 2020*

## Company Secretary

**Desert Secretarial Services Proprietary Limited**

Deloitte House, Plot 64518

Fairgrounds Office Park

PO Box 211008

Bontleng, Gaborone

Botswana

## Transfer Secretaries

**Corpserve Botswana**

Unit 206, Second Floor

Plot 64516, Showgrounds Close

Fairgrounds, Gaborone

Botswana

## Legal Advisor

**Armstrongs Attorneys**

2nd Floor, Acacia House, Plot 74538

Cnr Khama Crescent Ext & PG Matante Road

New CBD

Gaborone, Botswana

(PO Box 1368, Gaborone, Botswana)

## Website

[www.minergycoal.com](http://www.minergycoal.com)

## Registered office

1st Floor

Unit B3 and unit B4

Plot 43175

Phakalane, Gaborone

Botswana

## Sponsoring Broker

**Imara Capital Securities**

2nd Floor, Morojwa Mews

Unit 6, Plot 74770, Western Commercial Road

CBD, Gaborone

Botswana

## Reporting Accountants

**Grant Thornton Botswana**

Acumen Park, Plot 50370

Fairgrounds, Gaborone

Botswana

(PO Box 1157, Gaborone, Botswana)

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# INTENDED DATES AND TIMES FOR THE PROPOSED SPECIFIC ISSUE OF SHARES FOR CASH

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<b>DESCRIPTION</b>	<b>DATE</b>
Circular dispatched to Shareholders	Thursday, 3 October 2019
Last date for lodgement of Forms of Proxy	17:00 on Friday, 1 November 2019.
Extraordinary General Meeting	9:30 on Thursday, 7 November 2019
Publication of Extraordinary General Meeting announcement	Friday, 8 November 2019
Allot and upload shares on CSDB	Q1, 2020 <sup>3</sup>
Listing of new shares	Q1, 2020 <sup>3</sup>

**Notes:**

- 1. All times indicated above are local times in Botswana.*
- 2. The dates and times indicated in the table above are subject to change. Any such changes will be published in the press and X News.*
- 3. Provisional, timing is dependent on Admission to AIM, which is subject to change.*

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# DEFINITIONS AND INTERPRETATIONS

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In this Circular and the annexures hereto, unless the context specifically indicates a contrary intention, the words in the first column shall have the meanings assigned to them in the second column; the singular includes the plural and vice versa; an expression which denotes one gender includes the other gender; a natural person includes a juristic person and vice versa and cognate expressions shall bear correspondent meanings.

“Act”	means the Botswana Companies Act 2003 (CAP. 42:01) as amended, or any law which may replace it in part or wholly;
“Admission”	means the admission of the entire issued share capital and to be issued share capital of the Company to trading on AIM;
“AIM”	the market of that name operated by the London Stock Exchange plc;
“BDC”	means Botswana Development Corporation Limited;
“the Board” or “Directors”	means the board of directors of Minergy, as set out in paragraph 6.1 of this Circular;
“Botswana”	means the Republic of Botswana;
“BSE”	means the Botswana Stock Exchange established in terms of the Botswana Stock Exchange Act;
“BSE Rules”	BSE Equity Listing Requirements, as amended from time to time;
“Business Day”	means any day other than a Saturday, Sunday, or official public holiday in Botswana;
“Circular”	means this circular including the annexures hereto;
“Consolidated Share(s)”	means the Ordinary Share(s) in the capital of the Company immediately after the Share Consolidation becomes effective;
“Constitution”	means the current constitution of Minergy adopted by special resolution on 10 February 2017;
“CSDB”	means the Central Securities Depository of Botswana (Proprietary) Limited, which company operates the central securities depository for Botswana, under the auspices of the BSE;
“CSDP”	means a Central Securities Depository Participant accepted as a participant in terms of the rules of the Botswana Stock Exchange and the CSDB;
“EGM”	means the extraordinary general meeting of Shareholders, which will be held at the Minergy Boardroom, Unit B3 & B4, Plot 43175, Phakalane, Gaborone, Botswana on <b>Thursday, 7 November 2019 at 09:30</b> ;
“Existing Issued Shares”	means the number of Ordinary Shares in issue at the Last Practicable Date, being 431 086 245 Ordinary Shares (prior to the Share Consolidation);
“Funding Facilities”	Funding facilities from BDC and MDCB which total P90million;
“Form of Proxy”	means the Shareholder form of proxy in respect of the EGM, incorporated into this Circular as <b>Annexure 2</b> ;
“Last Practicable Date”	means Thursday, 18 September 2019, being the last practicable date prior to the finalisation of this Circular;
“Legal Advisors”	means Armstrongs Attorneys, a firm of attorneys, notaries, and conveyancers, practising in Botswana;
“Listings Requirements”	means the Equity Listing Requirements of the BSE as amended from time to time;
“LOM”	means life of mine;
“Masama Coal Project”	means the coal mine situated on the southern edge of the Mmamabula Coalfield in Botswana;
“MDCB”	Minerals Development Company Botswana (Proprietary) Limited;
“Minergy” or “the Company”	means Minergy Limited, a public limited liability company listed on the BSE which is duly incorporated in Botswana in terms of the Act, and registered under company number CO.2016/18528;
“Minergy Coal”	means Minergy Coal (Pty) Limited, a limited liability company duly incorporated in Botswana in terms of the Act, and registered under company number CO.2012/9728, and which is a wholly owned subsidiary of Minergy;
“Minergy Group”	means Minergy and its two subsidiaries, Minergy Coal and MinSales;
“MinSales”	means MinSales (Pty) Ltd, a limited liability company duly incorporated in South Africa in terms of the South African Companies Act 2008, and registered under company number 2016/399165/07, and which is a wholly owned subsidiary of Minergy Limited;
“Mt”	means million tons;
“New Constitution”	means the new constitution of Minergy attached in <b>Annexure 6</b> of this Circular, to be adopted upon Admission subject to Shareholder approval being obtained at the EGM;
“Notice”	means the notice convening the EGM, incorporated into this Circular as <b>Annexure 1</b> ;
“NPV”	means Net Present Value;
“Ordinary Shares”	means the ordinary shares of no par value in the Stated Capital of the Company, being the only class of shares of the Company in issue as at the Last Practicable Date;

<b>“Placing”</b>	means, subject to paragraph 5.4 of this Circular, the proposed placing of the Placing Shares to Selected and Qualifying Institutional Investors;
<b>“Placing Shares”</b>	means up to 12 000 000 Consolidated Shares to be issued pursuant to the Placing (or up to 120 000 000 new Ordinary Shares should the Share Consolidation not be approved by Shareholders);
<b>“Pricing Date”</b>	means the date upon which the Placing Price is determined by the Board of the Company after the completion of the Road Show;
<b>“Placing Price”</b>	means the price at which Placing Shares shall be issued to Selected and Qualifying Institutional Investors;
<b>“Proposals”</b>	means the proposed Admission, Placing, New Constitution and Share Consolidation, the subject of the Resolutions, details of which are set out in this Circular;
<b>“Pula” or “P” or “Thebe”</b>	means the lawful currency of Botswana;
<b>“Record Date”</b>	means 17:00 on the date the Board approves Admission of the Company (or such other time and date as the Board may determine);
<b>“Reporting Accountants”</b>	means Grant Thornton Botswana, who are the Reporting Accountants for the proposed Placing, whose report appears in <b>Annexure 4</b> to this Circular;
<b>“Road Show”</b>	means a roadshow and book building process to be undertaken by the Company with the assistance of its AIM brokers for the purpose of assessing demand for the Placing Shares and determining the price therefore;
<b>“Resolutions”</b>	means the resolutions set out in the Notice;
<b>“Ruling Price”</b>	means the definition of Ruling Price set out in the Listing Requirements;
<b>“Selected and Qualifying Institutional Investors”</b>	means investors qualifying in terms of section 297 of the Act;
<b>“Share Consolidation”</b>	means the proposed share consolidation of every 10 Existing Issued Shares into 1 Consolidated Share;
<b>“Shareholders”</b>	means the holders of Ordinary Shares;
<b>“Sponsoring Broker”</b>	means Imara Capital Securities, a member of the BSE which is the Sponsoring Broker in respect of the Proposals;
<b>“Stated Capital”</b>	has the meaning ascribed to it in Section 5 of the Act and, in relation to the Company, is P135 571 068 as at the Last Practicable Date;* <p style="margin-left: 40px;"><i>* It should be noted that the stated capital of the Company as disclosed in its Financial Statements of the Company generally published and annexed to this Circular show total stated capital which is P5 008 042 lower than the Stated Capital in this Circular. The difference relates to share issuance costs of prior share issuances which in accordance with IFRS 2 reduces the stated capital recorded in the Company’s Financial Statements.</i></p>
<b>“Transfer Secretary”</b>	means Transaction Management Services (Pty) Limited T/A Corpserve Botswana; and
<b>“VAT”</b>	means value added tax.



## **MINERGY LIMITED**

(Incorporated in the Republic of Botswana on 1 September 2016)

(Company number: 2016/18528)

BSE Ordinary Share code: MIN

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# **PART A: THE PROPOSALS**

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## **1. INTRODUCTION**

Minergy, which listed on the main board of the BSE on 27 April 2017, is a coal mining and trading company committed to becoming the supplier of choice to industrial customers and power utilities across southern Africa. Minergy is the holding company of the Minergy Group, which was granted a mining licence for its Masama Coal Project located on the southern edge of the Mmamabula Coal Field in Botswana.

It has to date raised approximately P189 million via private and public placement of Ordinary Shares and Funding Facilities. The cash proceeds from these raisings and facilities were utilised for establishment of the mine at the Masama Coal Project, and its mining infrastructure.

Following successful start-up of mining operations, the Company has exposed the first 340 000 tons of coal, which represents approximately 3 months' nameplate production. In doing so, the Company has removed over 2.5 million cubic metres of overburden. The Company is extremely pleased with both the timing and the progress made at the Masama Coal Project, which is transitioning from mine development into a mining operation at full production.

During September 2019 the Company recorded its first commercial sales, and the ramp-up of its operations is on-track. At present, the Company is mining 110 000 tons per month, resulting in 70 000 – 80 000 tons of saleable coal. The saleable coal target is expected to increase to 100 000 tons per month in early 2020. Several opportunities to significantly increase production will be assessed going forward.

The Company is completing the process to sign its first long-term contract, to deliver 120 000 tons of coal per annum to one regional industrial customer, which represents approximately 10% of estimated annual saleable coal. Discussions are underway with a number of other interested regional industrial customers, many of whom have already tested samples of the Company's coal over the past few months and the Company is confident of signing additional customer contracts.

During the past 18 months, thermal coal prices increased by 33%, making it one of the world's top five highest-performing commodities, and in southern Africa coal is projected to remain in short supply. The Company on 2 September 2019 announced indicative financial metrics for a portion of the open castable component of its mine, which at a LOM of ~22 years presented an NPV<sub>10</sub> range of US\$100 – US\$130 million (P1 100 – 1 400 million), with a targeted Internal Rate of Return (IRR) greater than 100% and a payback period of less than 2 years. The project is sustainable with a Coal Resource of 386 Mt expected to be confirmed, comprising Opencastable and Underground Mineable Resources in the Measured, Indicated and Inferred Resource categories. Opencastable Coal Reserves are currently in the process of being calculated and ROM Coal Reserves are likely to range between 55 and 65 Mt, with resultant Saleable Coal Reserves likely in the range of 30 to 40 Mt.

Approximately 82 Mt of the Resource is considered opencastable, giving a LOM of 22 years. The remaining approximately 304 Mt is considered mineable by underground mining methods and could significantly extend the LOM. Prior to the Opencastable Resource being exhausted, a detailed assessment of underground mining is planned. In addition, there are also plans to conduct further exploration on the remainder of the prospecting licence, which is substantial and currently totals at 352 km<sup>2</sup>.

Depending on the economics at the time, opportunities to significantly increase production include increased supply to industrial customers, export opportunities, or power generation. Increased production would require additional capex primarily to increase the capacity of the washing plant and plant infrastructure, and completion of an additional box cut.

The Company is entering a period of significant growth which it believes will benefit Botswana and its Shareholders.

This Circular explains the background to, and the reasons for the Proposals, why the Board considers the Proposals to be in the best interests of the Company and its Shareholders, and why the Directors unanimously recommend that you vote in favour of the Resolutions to be proposed at the EGM, as they intend to do in respect of the 68 969 738 Existing Issued Shares they hold directly or indirectly, representing approximately 16 per cent of the total voting rights of the Company.

## 2. RATIONALE FOR THE PROPOSALS

The Directors have determined that the Company should apply for admission of its entire issued, and to be issued, share capital to trading on AIM. Admission is expected to:

- › assist to extinguish the current high-cost debt relating to the Funding Facilities;
- › provide an opportunity to gain access to exploration capex which will also assist with working capital requirements;
- › provide greater liquidity for Shareholders; and
- › the Company will have access to an international pool of funds for expansion.

Being publicly listed in both Botswana and the UK provides the Company with access to a wider investor base from which to raise further funds in the future, and will enhance the Company's visibility, reputation and brand internationally and in Africa. Accordingly, and as part of the Admission process, the Company intends to raise further capital by way of the Placing to Selected and Qualifying Institutional Investors primarily for the following reasons:

- › retirement of Funding Facilities; and
- › other working capital.

In connection with the proposed Admission, the Company has appointed a team of professional advisors in the UK to implement the process, including the Company's nominated advisor and broker, legal advisors, reporting accountants, financial advisors, and public relations firms. The Company is currently proceeding with the early stages of the process, with the intention for Admission to take place during the first quarter of 2020, subject to market conditions.

The Board has also reviewed the Constitution and is asking Shareholders to approve the adoption of the New Constitution which is more appropriate for a company whose shares will be admitted to AIM. **Annexure 6** sets out the principal proposed changes to the current Constitution, and also encloses the full New Constitution.

In addition, the Company is proposing a Share Consolidation, the principal effect of which will be to increase the price of an Ordinary Share so that the Placing is more attractive to participating Selected and Qualifying Institutional Investors.

All of the Proposals are subject to, *inter alia*, Admission.

## 3. DETAILS AND FINANCIAL EFFECTS OF PROPOSALS, INCLUDING THE PLACING AND ADMISSION

- 3.1 At the Last Practicable Date, the Company had a Stated Capital of P135 571 068 and 431 086 245 Ordinary Shares in issue. The financial information has been prepared in line with the BSE Listings Requirements.
- 3.2 If Shareholder approval is obtained for the relevant Resolutions proposed to be passed at the EGM and the Placing Shares are issued on Admission, the Stated Capital of the Company will increase by an amount equal to the price in Pula at which the Placing Shares are purchased, multiplied by the total number of Placing Shares, and the number of Ordinary Shares in issue will increase up to a maximum of 551 086 245, or if the Share Consolidation has become effective, the maximum number of Consolidated Shares in issue will be approximately 55 108 624.
- 3.3 On the basis that the Placing is made in accordance with the provisions of Rule 3.4 (c) (iii) of the Listings Requirements, it is recorded that:
  - 3.3.1 the Placing Shares are Ordinary Shares, and therefore of a class of securities already in issue by Minergy;
  - 3.3.2 the Placing Shares are to be issued to Selected and Qualifying Institutional Investors;
  - 3.3.3 the Placing Shares will not be issued to persons or entities deemed to be non-public shareholders under the Listing Requirements;
  - 3.3.4 the maximum number of Placing Shares to be issued is 120 000 000 Ordinary Shares or 12 000 000 Consolidated Shares (subject to the Share Consolidation becoming effective), representing up to a maximum of approximately 21% of the fully diluted share capital of the Company after the Placing;
  - 3.3.5 The Placing Price will be set following the Roadshow which will determine the demand for the Placing Shares and the price at which they can be issued to Selected and Qualifying Investors. The Roadshow will however only be held after the EGM and consequently the Placing Price will not be known to the Company at the Last Practical Date or the time of the EGM. Furthermore, on the Last Practical Date and prior to the EGM the Company will not know at what discount (if any) to the Ruling Price the Placing Shares will be issued at. The discount at which the Placing Shares may be issued is accordingly hereby stated to be unlimited as required by the BSE Rules;
  - 3.3.6 the Placing is conditional upon, *inter alia*, Shareholder approval by way of a special resolution (75% majority of votes cast), which will be sought at the EGM of the Company to be held on **Thursday, 7 November 2019**, notice of which is set out at Annexure 1. All Shareholders are entitled to vote including any related party that does not participate in the Placing (i.e. including the Directors and those shareholders listed in paragraph 6.7); and
  - 3.3.7 the issue of Placing Shares is also subject to a waiver by Shareholders of their pre-emptive rights as set out in clause 5.1 of the Constitution and section 52 of the Companies Act, by way of a special resolution in respect of the issue of the Placing Shares.
- 3.4 The Placing is also subject to the approval of the BSE for a listing of the Placing Shares.
- 3.5 The grant of the Shareholder approvals will ensure compliance by the Company with its obligations under Rule 3.4 (c) of the Listing Requirements, clause 5.1 of the Constitution and section 52 of the Act.
- 3.6 The Placing Shares will, on Admission, rank *pari passu* in all respects with the Existing Issued Shares, and will rank in full for dividends and other distributions declared, made or paid on Ordinary Shares after Admission.
- 3.7 Shareholders are also being asked to approve the proposed Admission and to authorise the Directors to take any other relevant steps to implement it.



## Financial Effects

- 3.8 Subject to the Share Consolidation the Placing will result in an increase in the number of Ordinary Shares of the Company in issue as well as cash balances.
- 3.9 Shareholders are advised that the Placing will impact, in relation to the Ordinary Shares, on the earning per share, net asset value per share and tangible net assets per share of the Company. The financial effects of the Placing will depend on, inter alia, the number of Placing Shares and the Company's application of the net proceeds.
- 3.10 The pro forma financial information showing the effects of the Placing, and the assumptions in connection therewith are set out in **Annexure 5** to this Circular.
- 3.11 Subject to the Share Consolidation described below, Shareholders that do not participate in the Placing will continue to own the same number of Ordinary Shares which they owned prior to the Placing, but their percentage Shareholding in the Company will be diluted to a lower percentage.

## 4. ADOPTION OF NEW CONSTITUTION

- 4.1 The adoption of the New Constitution is being proposed to bring the Company into line with UK investor expectation of corporate governance for an AIM quoted company.
- 4.2 The New Constitution which is proposed for adoption at the EGM is incorporated at **Annexure 6** and a table setting out the material changes to the Constitution is also included to indicate changes being proposed.

## 5. SHARE CONSOLIDATION

- 5.1 The Board proposes to implement the Share Consolidation on the basis that every 10 (ten) Existing Issued Shares will be consolidated into 1 (one) Consolidated Share.
- 5.2 As at the Last Practicable Date, 431 086 245 Existing Issued Shares have been allotted and issued. Assuming Existing Issued Shares of 431 086 245 immediately prior to the Last Practicable Date, following completion of the Share Consolidation, the Company will have 43 108 624 Consolidated Shares in issue (excluding the Placing Shares).
- 5.3 The implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the shareholdings, proportionate interests or rights of the Shareholders, save with respect to any fractional Consolidated Shares as set out in paragraph 5.4 below.
- 5.4 No Shareholder will be entitled to a fraction of a Consolidated Share. Instead, their entitlement will be rounded down to the nearest whole number of Consolidated Shares. Remaining fractional entitlements to Consolidated Shares will be aggregated and sold on behalf, and for the benefit, of the Company. At the Last Practicable Date there were no Shareholder holding fewer than 10 Existing Issued Shares, however, any Shareholder who at the Record Date holds fewer than 10 Existing Issued Shares, such that the rounding down process results in a Shareholder being entitled to zero Consolidated Shares, then as a result of the Share Consolidation they will cease to hold any Ordinary Shares (of any description) in the share capital of the Company.

## 6. INFORMATION ON DIRECTORS

### 6.1 Details of Directors

The names, residential address, occupation and nationalities of the Directors are set out below:

NAME	NATIONALITY	ADDRESS	OTHER DIRECTORSHIPS	NATURE OF BUSINESS
<b>Mokwena Morulane</b>	Motswana	P.O. Box 47499 Gaborone	Adoraim (Pty) Ltd (BW)	Investment Company
			Makgabana Construction (Pty) Ltd (BW)	(Family business — Construction & Property Co.)
			Minergy Limited (BW)	Group holding company
			Old Mutual Life Botswana (Pty) Ltd (BW)	Life insurance
			Catchoka (Pty) Ltd	Investment Company
Cresta Marakanelo Limited (BW)	Hospitality services			
<b>Morné du Plessis</b>	South African	11 Cambridge Gardens, Chaucer Street, Farrarmere, Benoni, 1501, South Africa	Minergy Limited (BW)	Group holding company
			Minergy Coal (Proprietary) Limited (BW)	Holds the Licence
			Minsales (Pty) Limited, (SA)	Coal trading company, wholly-owned subsidiary of Minergy

<b>NAME</b>	<b>NATIONALITY</b>	<b>ADDRESS</b>	<b>OTHER DIRECTORSHIPS</b>	<b>NATURE OF BUSINESS</b>
<b>Claude de Bruin</b>	New Zealander	PO Box 317, Varsity Lakes, Australia	Minergy Limited (BW)	Group holding company
			Minergy Botswana (Pty) Ltd (BW)	Minerals, not trading
			Barkarama (Pty) Ltd (BW)	Administrative company, not trading
			Coalfields Botswana (Pty) Ltd (BW)	Minerals, not trading
			Minergy Coal (Proprietary) Limited (BW)	Holds the Prospecting Licence
			Minergy Limited (BVI)	Investment holding company, not trading
			Zebra Investments Seven (Pty) Limited (NM)	Mineral, not trading
			Minergy Aust (Pty) Ltd (AUS)	Administrative company
			South-Co Limited (BVI)	Administrative company, not trading
			Energy Mineral Resources and Mining Limited (BVI)	Administrative company, not trading
			MEM SA (MU)	Minerals, not trading
MME SARL (MU)	Mineral, not trading			
<b>Leutlwetse Tumelo</b>	Motswana	Plot 39233, Mapoka Crescent, Block 6, Gaborone, Botswana	Minergy Limited (BW)	Group holding company
			Minergy Coal (Proprietary) Limited (BW)	Holds the Prospecting Licence
			Minergy Botswana (Pty) Ltd (BW)	Minerals, not trading
			Barkarama (Pty) Ltd (BW)	Administrative company, not trading
			Coalfields Botswana (Pty) Ltd (BW)	Minerals, not trading
			Afinitas Limited (BW)	Investment holding company
			Capital Conferences (Pty) Ltd (BW)	Event management company
			Mod Resources Botswana (Pty) Ltd (BW)	Mineral exploration company focused on copper
			Tshukudu Metals (Pty) Ltd (BW)	Mineral exploration company focused on copper
			Horizon Capital (Pty) Ltd (BW)	Investment company

## 6.2 CVs of Directors

### 6.2.1 MOKWENA MORULANE (BA Accounting (Hons), (47) — Independent Non-executive Chairman

Mokwena Morulane is a Motswana, who holds a BA Accounting Honours degree from the University of Bedfordshire, England. Mokwena did his articles with Deloitte & Touche in Gaborone. He is a fellow member of the Association of Chartered Certified Accountants (ACCA) and a member of Botswana Institute of Chartered Accountants (BICA). He is also a member of the Chartered Secretaries of Southern Africa (CIS).

Mokwena has extensive experience in the resources sector. Until recently, he was Country Manager for Discovery Metals Ltd. (DML) an Australia Stock Exchange (ASX) listed entity involved in base metals and a director of DML subsidiaries in Botswana. Prior to joining DML he was Financial Manager of Gem Diamonds Botswana, a junior diamond mining company which recently started diamond production in Central Botswana.

He started his career at BCL Ltd., a base metals company where he rose through the ranks to Group Financial Accountant. He also worked for the Botswana International Financial Services Centre (IFSC) as Corporate Affairs Executive.

Mokwena was appointed as the independent Non-executive Chairman of Minergy in January 2017.

On 9 October 2017, Mokwena was appointed Managing Director of Cresta Marakanelo Limited. He is responsible for implementing the growth and strategy of Cresta Marakanelo Limited which is a leading provider of hospitality services in Botswana and Southern Africa.

### 6.2.2 MORNÉ DU PLESSIS (CA — South Africa, MBA) (50) — Chief Executive Officer

Morné is a South African citizen, and chartered accountant with an MBA from Heriott Watt University Edinburgh, Scotland. He has extensive experience in the mining industry including having been Chief Financial Officer (CFO) of several mining groups, such as domestic coal trader MacPhail, contract mining and beneficiation service provider Genet SA, junior coal miner Urncebo Mining Group, and JSE-listed junior coal miner Wescoal Holdings limited. He was appointed to the Board of Directors of Minergy in January 2017 and as its CFO in February 2017. On 1 August 2019 he took over the reigns as Chief Executive Officer (CEO) of the group.

### 6.2.3 CLAUDE DE BRUIN (LLB; BMS. (Fin) (42) — Non-executive Director

Claude de Bruin is a New Zealand citizen, who is a lawyer and entrepreneur with more than a decade and a half of experience in the international mining industry focusing on Africa. He is a Barrister of the High Court of New Zealand and member of the Auckland District Law Society and New Zealand Law Society. He has held senior management positions with several private and public companies including Platmin (now Sedibelo Platinum – previously listed on the TSX and the AIM Market of the London Stock Exchange), with leading roles in significant equity raisings through private and public placements and stock exchange listings in several jurisdictions.

Claude is a co-founding member of the Minergy Group of companies, alongside of John Astrup who is a geologist and a Director on the board of several companies in the Minergy group. Claude was appointed to the Board of Minergy in September 2016.

**6.2.4 LEUTLWETSE TUMELO (B.Acc) (37) — Non-executive Director**

Leutlwetse is the Executive Director of Afinitas Limited a pan African investment holding company. Afinitas is focused on developing a portfolio of world class Africa focused companies. As the Executive Director, Leutlwetse has overall responsibility for monitoring regulatory compliance of all the investee companies in the jurisdictions that they operate as well as ongoing compliance with the BSE Equity Listings Requirements. He is also responsible for providing support to the Board of Directors to effectively discharge its duties.

Leutlwetse is also the Chairman of Tshukudu Metals Botswana, the operating subsidiary of ASX listed MOD Resources. Tshukudu is a copper exploration that is developing the T3 copper project about 75km north of Ghanzi.

Leutlwetse is a Non-executive Director on Minergy Limited and its subsidiary, Minergy Coal. He is also the chairman of the Social and Ethics Committee in Minergy Limited. Minergy Limited is listed on the Botswana Stock Exchange and is currently commissioning the Masama Coal Project that is located next to the village of Medie about 70km north of Gaborone. Masama Coal Project is the first privately owned coal mine in Botswana and the second operating coal mine.

**6.2.5 Jean-Pierre Van Staden (CA — South Africa) (47) — Chief Financial Officer (effective 2 January 2020)**

Jean-Pierre is a CA(SA) who has been an Audit Partner at PricewaterhouseCoopers in South Africa since 2004. He has extensive auditing experience, having worked with listed multinational companies operating across a variety of industries in Africa and internationally. Importantly he has extensive experience working with and providing services to junior and major mining and construction companies, industrial products companies, and private equity investment entities. He is a Johannesburg Stock Exchange ("JSE") and Toronto Stock Exchange ("TSX") accredited auditor and has extensive regulatory and stock exchange experience across several well recognised 'mining' stock exchanges, including the JSE, the TSX, the Alternative Investment Market ("AIM") of the London Stock Exchange, and the main board of the London Stock Exchange ("LSE").

**6.2.6 ANDRÉ BOJÉ (CTA) (62) — Non-executive Director and strategic consultant**

Andre has more than two decades of experience in the South African coal industry and founded focused coal trading company Chandler Coal (Pty) Ltd in 1997 following a successful executive management career in various industries. In 2005, the company was listed on the Johannesburg Stock Exchange (JSE) as Wescoal Holdings Limited, enabling a transition from purely coal trading activities to a fully-fledged coal miner and trader. Wescoal, with three fully operational mines, is now one of the leading junior coal mining and trading companies in southern Africa. Andre was appointed to Minergy in 2016 and led the group as the CEO until August 2019. He remains on the Board as a Non-executive Director, and is involved with Minergy for a year to assist with the AIM listing as well as with marketing and sales of coal.

### **6.3 CVs of Executive Management**

**6.3.1 MARTIN BARTLE (66) — Managing Director, Minergy Coal**

Martin has more than 40 years of experience, 30 years of which were in the South African coal mining industry having worked in management positions for Rand Mines, Eyesizwe Exxaro, Anglo Coal, Homeland Energy, and most recently as Managing Director of Wescoal Mining, a group company of JSE listed Wescoal. Martin is the Managing Director of Minergy Coal (Pty) Limited where he is also a member of the Board. He has extensive experience with coal mining Safety, Health, Environment and Quality regulatory compliance and management, Risk Management, Human Resource and Personal Management and Optimisation, with significant experience in coal mine operations management.

**6.3.2 JOHN ASTRUP (47) (BSc. (Hons) Geology; MSc. — Exploration Geology, Director and General Manager, Minergy Coal**

John Astrup is a geologist (registered with SACNASP and a member of the GSSA) with more than two decades of experience in the mining industry, having held senior management positions in both public and private companies. He previously held positions with Falconbridge, Harmony, Council for Geoscience and Platmin (now Sedibelo Platinum). John is a Co-founder of the Minergy Group alongside Claude de Bruin. John was appointed as a director of Minergy Coal (Pty) Limited on 7 November 2012.

**6.3.3 LYNETTE KRUGER (48) — Marketing Manager**

Lynette has 20 years of coal marketing experience in the southern African region at companies including Glencore and Shanduka Coal. She honed her experience in South Africa as well as having worked in a number of African countries and has a good grasp on the commodity itself, market dynamics as well as the critical logistics and quality components of the product.

**6.3.4 GABOTSHWAREGE TSHEKISO (62) — Project Manager, Minergy Coal**

A mechanical engineer having over three decades of experience in the mining industry under his belt, Gabotshwarege previously worked as a director at the Department of Mines responsible for Gabarone and Francistown offices. He was a member of the Technical Committee of the BCL Limited Board. He holds a Master's degree in Mechanical Engineering.

**6.3.5 SIYANI MAKWAKWAGO (52) — General Manager Mining**

Siyani holds professional qualifications which include a B.Bc Part 1 from the University of Botswana, a Bachelor of Engineering in Mining Engineering Degree from the Camborne School of Mine associated with the University of Exeter and a Diploma in Business Management from the Cambridge Tutorial College in the UK. As General Manager Mining Siyani oversees all mining activities at the Masama Coal Project. He has extensive mining experience having previously held executive posts at Debswana, BCL and Morupule Coal Mine.

**6.3.6 JULIUS AYO (38) — Financial Manager**

Julius is an ACCA (Association of Certified Chartered Accountants) of Botswana and also holds a Bachelor of Accounting (BACC) from the University of Botswana. Within Minergy he is responsible for the full financial function within the subsidiary. He has over 15 years of experience, including six years in the mining sector, specifically at Gem Diamonds.

There will be no change in the remuneration receivable by any of the Directors as a result of the Proposals.

#### 6.4 Directors' interests in the Company

As at the date of this Circular the following Directors have a direct or indirect interest in the Company:

NAME	SHARES IN MINERGY	DIRECT INTEREST %	INDIRECT INTEREST %
Morné du Plessis	10 000 000	2.32	nil
Claude de Bruin	42 634 421	9.89	nil
Leutlwetse Tumelo	1 335 317	0.31	nil
André Bojé	15 000 000	3.48	nil

The percentage shareholding held in the Company will be diluted to the extent of Placing Shares issued in terms of the Placing, the subject of this Circular.

There has not been any sum paid or agreed to be paid within the three years preceding the date of this Circular to any of any of the Directors or to any company in which any one of them are beneficially interested, directly or indirectly or of which any Director is a director, or to any partnership, syndicate or other association of which a Director is a member, in cash or securities or otherwise, by any person either to induce any Director to become or to qualify such Director as a director, or otherwise for services rendered by such Director or the company, partnership, syndicate or other association in connection with the promotion or formation of the Company.

None of the Directors or consultant had any beneficial interest, whether direct or indirect, in any transactions which are or were unusual in their nature or conditions or material to the business of the Company, and which were affected by the Company during the current or immediately preceding financial year, or during an earlier financial year, or at the Last Practicable Date.

The Directors who hold Ordinary Shares in Minergy intend to vote in favour of the Proposals.

#### 6.5 Prospects

The prospects of the Company are described in the Introduction of this Circular under paragraph 1.

#### 6.6 Trading prices of Ordinary Shares

Annexure 3 reflects the aggregate volumes traded and the highest and lowest prices traded in respect of Ordinary Shares for various periods.

#### 6.7 Major Shareholders

In so far as it is known to the Board, the following Shareholders held more than 5% of the issued Shares of Minergy as at the Last Practicable Date.

NAME	SHAREHOLDING	PERCENTAGE
African Alliance <sup>1</sup>	98 530 000	22.86
Allan Gray <sup>1</sup>	67 348 468	15.62

<sup>1</sup> For Botswana Public Officers Pension Fund.

\* The Directors noted in the table in paragraph 6.4 and its footnotes, and Mr. John Astrup (40 278 938 Ordinary Shares constituting 9.34%) also hold greater than 5% of the Existing Issued Shares of Minergy at the Last Practicable Date.

#### 6.8 Ordinary Share issues over the last three years\*

The following Ordinary Shares have been issued over the last three years:

- › On 19 January 2017, the Company increased its stated capital to P150 120 and issued 30 000 000 shares;
- › On 19 January 2017, the Company increased its stated capital to P15 413 287 and issued 227 500 000 shares;
- › On 31 January 2017, the Company increased its stated capital to P85 413 287 and issued 116 666 667 shares;
- › On 31 January 2017, the Company increased its stated capital to P87 271 487 and issued 1 858 200 shares;
- › On 26 January 2018, the Company increased its stated capital to P114 224 865 and issued 29 948 198 shares; and
- › On 24 December 2018, the Company increased its stated capital to P135 571 068 and issued 25 113 180 shares.

\* It should be noted that the stated capital of the Company as disclosed in its Financial Statements of the Company generally published and annexed to this Circular show total stated capital which is P5 008 042 lower than the Stated Capital in this Circular. The difference relates to share issuance costs of prior share issuances which in accordance with IFRS 2 reduces the stated capital recorded in the Company's Financial Statements.

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# PART B: OTHER INFORMATION

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## 7. FINANCIAL INFORMATION

The Pro forma Consolidated Financial Information is included in **Annexure 5** to this Circular.

## 8. LITIGATION

Minergy has not been involved in any legal proceedings during the 12 months preceding the date of this Circular which may have or have had a material effect on the financial position of the Company nor, so far as the Directors are aware, are any such proceedings pending or threatened against the Company.

## 9. EXPERTS' CONSENTS

The transfer secretaries, legal advisor, independent accountants and the sponsoring broker have consented in writing to act in their capacities and to their names being stated in this Circular and have not withdrawn their consent prior to the publication of this Circular.

## 10. NO TAKEOVER

As at the Last Practicable Date, to the best knowledge and belief of the Directors, the Company is not the subject of an unexpected or unannounced takeover bid.

## 11. NO MATERIAL ADVERSE CHANGE

The Directors advise that there has been no material adverse change to the Company's trading or financial position since the date of publication of its last audited financial results.

## 12. DOCUMENTS AVAILABLE FOR INSPECTION

12.1 Circular to shareholders;

12.2 the Constitution of the Company;

12.3 the New Constitution;

12.4 Advisors' and experts' consents;

12.5 Annual Consolidated Financial Statements for the year ended 30 June 2019; and

12.6 Directors' employment contracts.

## 13. COSTS

The following costs, expenses and provisions are expected or have been provided for in connection with the Proposals and will be settled out of the proceeds of the Placing.

<b>ONE-OFF COSTS</b>	<b>PULA</b>
UK and Botswana Legal Advisors	2 736 000
Corporate advisors	3 375 000
BSE listing and sustaining fees	352 800
Reporting Accountants' fees (UK and Botswana)	2 086 000
Transfer Secretaries	16 800
Printing, publication, distribution and advertising expenses	50 400
Other	1 012 500
<b>Total</b>	<b>9 629 500</b>

## 14. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are given in paragraph 6.1 of this Circular collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no other material facts the omission of which would make any statement false or misleading, that they have made all reasonable enquiries to ascertain such facts, and that the Circular contains all information required by law.

The Directors confirm that the Circular includes all such information within their knowledge (or which it would be reasonable for them to obtain by making enquiries) as investors and their professional advisors would reasonably require and reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Company and of the rights attaching to the Ordinary Shares to which the Circular relates.

## 15. EGM

The Notice convening the EGM, which is to be held at **9:30 on Thursday, 7 November 2019**, at the Minergy Boardroom, Unit B3 & B4, Plot 43175, Phakalane, Gaborone, Botswana, is set out at Annexure 1 of this Circular. The purpose of the EGM is to consider and, if thought fit, pass the Resolutions, in each case as set out in full in the Notice. Resolutions 2 to 5 (inclusive) will be conditional upon Resolution 1 having been validly passed:

Resolution 1, which will be proposed as an ordinary resolution, is to approve the application for Admission;

Resolution 2: which will be proposed as an ordinary resolution, is to approve the Share Consolidation;

Resolution 3: which will be proposed as a special resolution, is to authorise the Directors to issue and allot the Placing Shares in connection with the Placing;

Resolution 4: which will be proposed as a special resolution, is to authorise the Directors to allot the Placing Shares on a non-pre-emptive basis (waiving the pre-emptive rights set out in clause 5.1 of the Constitution and section 5.2 of the Companies Act);

Resolution 5: which will be proposed as a special resolution, is to approve the Constitution being replaced in its entirety with the New Constitution, annexed to this Circular as **Annexure 6**.

Resolution 6: which will be proposed as an ordinary resolution, is to approve the Directors taking such steps and signing all such documents as are necessary to give effect to Resolutions 1 to 5 (inclusive) being passed at the EGM.

## 16. ACTION TO BE TAKEN

A Form of Proxy for use at the EGM accompanies this Circular. The Form of Proxy should be completed and signed in accordance with the instructions thereon and returned to the Transfer Secretary, Corpserve Botswana, if by hand to Unit 206, Second Floor, Plot 64516, Showgrounds Close, Fairgrounds, Gaborone, if by post to PO Box 1583, AAD, Gaborone, or if by email to [contactus@corpservebotswana.com](mailto:contactus@corpservebotswana.com), as to be received by no later than **17:00 on Friday, 1 November 2019**. Submission of a proxy will not preclude Shareholders from attending and voting in person at the EGM, should they so desire.

## 17. RECOMMENDATION

**The Directors consider the Proposals to be in the best interests of the Company and its Shareholders as a whole and accordingly recommend unanimously that Shareholders vote in favour of the Resolutions to be proposed at the EGM, as they intend to do in respect of their beneficial holdings amounting, in aggregate, to 68 969 738 Existing Issued Shares, representing approximately 16 per cent of the total voting rights of the Company.**

Signed by or on behalf of each of the Directors of Minergy, in terms of a resolution to that effect passed by such Directors.

Dated this Thursday, 3 October 2019.



**Morné du Plessis**  
Chief Executive Officer



## MINERGY LIMITED

(Incorporated in the Republic of Botswana on 1 September 2016)

(Company number: 2016/18528)

BSE Ordinary Share code: MIN

("Minergy" or "the Company")

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# NOTICE OF EXTRAORDINARY GENERAL MEETING

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Notice is hereby given of an extraordinary general meeting of Shareholders of Minergy Limited to be held at **09:30, on Thursday, 7 November 2019** at the Minergy Boardroom, Unit B3 & B4, Plot 43175, Phakalane, Gaborone, for the following business:

To consider and if thought fit approve with or without amendment the following resolutions (it being recorded that the defined terms used herein shall have the same meaning as in the Circular to which this notice is attached) be passed:

### as ordinary resolutions:

1. that, the Company may apply for its entire issued and to be issued share capital to be admitted for trading on AIM ("**Admission**");
2. that, subject to Resolution 1 validly passing and conditional on Admission, every 10 existing Ordinary Shares of no par value each in the share capital of the Company (the "**Existing Issued Shares**") be consolidated into one new consolidated ordinary share of no par value (the "**Consolidated Shares**") having the same rights and ranking *pari passu* in all respects with the Existing Issued Shares, provided that where such consolidation results in any member being entitled to a fraction of a new Consolidated Share, such fraction shall be aggregated and the Directors of the Company be and are hereby authorised to sell (or appoint another person to sell) such fraction on behalf of the relevant Shareholder where the net proceeds of such sale will be retained for the benefit of the Company;

### as special resolutions:

3. that, subject to Resolution 1 validly passing and conditional on Admission, the specific issue for cash of the Placing Shares consisting of up to 12 000 000 Consolidated Shares subject to the passing of Resolution 2, or alternatively up to 120 000 000 Ordinary Shares if Resolution 2 is not passed, for the purpose of the Placing, be approved;
4. that, subject to Resolutions 1 and 3 validly passing and conditional on Admission, the Shareholders waive their pre-emptive rights as set out in clause 5.1 of the Constitution and section 5.2 of the Companies Act in respect of the issue of the Placing Shares, consisting of up to 12 000 000 Consolidated Shares if Resolution 2 is passed, or alternatively up to 120 000 000 Ordinary Shares if Resolution 2 is not passed, in respect of the Placing;
5. that, subject to Resolution 1 validly passing and conditional on Admission, the New Constitution presented to the EGM and signed by the chairman of the EGM for the purposes of identification be and hereby is adopted by the Company in substitution for its existing Constitution; and

### as an ordinary resolution:

6. that the directors of the Company be authorised to take such steps and sign all such other documents as are necessary to give effect to Resolutions 1 to 5 (inclusive) being passed at this meeting.

A Shareholder entitled to attend and vote may complete the Form of Proxy enclosed as **Annexure 2** to the Circular or such other proxy as may be accepted in terms of paragraph 3 of the notes to the Form of Proxy, to appoint a proxy and/or representative to attend and vote for him/her on his/her behalf, and such proxy or representative need not also be a Shareholder of the Company. The instrument appointing such a proxy must be deposited with the Transfer Secretary, Corpserve Botswana, if by hand to Unit 206, Second Floor, Plot 64516, Showgrounds Close, Fairgrounds, Gaborone, if by post to PO Box 1583, AAD, Gaborone, or if by email to [contactus@corpservebotswana.com](mailto:contactus@corpservebotswana.com), not later than **17:00 on Friday, 1 November 2019**.

By order of the Board

**Minergy Limited**

Unit B3 & B4, Plot 43175, Phakalane, Gaborone





**MINERGY LIMITED**

(Incorporated in the Republic of Botswana on 1 September 2016)

(Company number: 2016/18528)

BSE Ordinary Share code: MIN

("Minergy" or "the Company")

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## FORM OF PROXY

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**FOR USE BY SHAREHOLDERS AT THE EXTRAORDINARY GENERAL MEETING OF MINERGY TO BE HELD AT THE MINERGY BOARDROOM, UNIT B3 & B4, PLOT 43175, PHAKALANE, GABORONE, AT 09:30 AM ON THURSDAY, 7 NOVEMBER 2019.**

A Shareholder entitled to attend and vote at the extraordinary general meeting is entitled to appoint one or more proxies and/or representatives to attend, speak and vote in his/her stead. A proxy or representative need not be a holder of Ordinary Shares of the Company.

I/We (Full name in BLOCK LETTERS) \_\_\_\_\_

of (address) \_\_\_\_\_

Being the holder/s of \_\_\_\_\_ Ordinary Shares, hereby appoint:

1. \_\_\_\_\_ or failing him/her,
2. \_\_\_\_\_ or failing him/her,
3. \_\_\_\_\_

As my/our proxy and/or representative to attend, speak on my/our behalf at the EGM and at any adjournment thereof, and to vote or to abstain from voting on my/our behalf on the ordinary resolutions and special resolutions to be proposed at the EGM, as follows:

	FOR	AGAINST	ABSTAIN
<b>Resolution number 1:</b> Ordinary Resolution			
<b>Resolution number 2:</b> Ordinary Resolution			
<b>Resolution number 3:</b> Special Resolution			
<b>Resolution number 4:</b> Special Resolution			
<b>Resolution number 5:</b> Special Resolution			
<b>Resolution number 6:</b> Ordinary Resolution			

Please indicate with an "X" how you wish your votes to be cast. Unless otherwise directed, the proxy will vote or abstain as he thinks fit in respect of your entire holding.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Signature of Shareholder \_\_\_\_\_

In the case of a minor: assisted by: \_\_\_\_\_

*[Insert name and signature]*

In the case of a representative: \_\_\_\_\_

*[Insert full name, capacity and signature]*

*Please read the notes on the reverse hereof.*

## NOTES:

1. All voting shall be by poll, so that every holder of an Ordinary Share in the Company present in person or by representative or by proxy and voting has one vote in respect of every Ordinary Share held.
2. Shareholders present in person, or by representative or by proxy and voting, shall cast their votes by signifying individually their assent or dissent, or as applicable their abstention, as directed by the chairman by a show of hands, or by ballot, and for those present by Audio-visual means by voice.
3. The Chairman of the Meeting may reject or, provided that the Chairman is satisfied as to the manner in which a shareholder wishes to vote, accept any form of proxy or evidence of authority to act as representative, in his absolute discretion, which is completed other than in accordance specified herein or the Notes to the Form of Proxy. Any Form of Proxy which is duly completed in accordance herewith and the Notes to the Proxy Form shall be accepted.
4. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space/s provided in the overleaf. Should this space be left blank, the proxy will not be exercised. The person whose name appears first in the list of names which has not been deleted on the Form of Proxy and who is present at the EGM will be entitled to act as proxy to the exclusion of those whose names follow.
5. A Shareholder's voting instructions to the proxy must be indicated by the insertion of an "X", or the number of votes exercisable by that Shareholder, in the appropriate spaces provided overleaf. Failure to do so will be deemed to authorise the proxy to vote or to abstain from voting at the EGM, as he/she thinks fit in respect of all the Shareholder's exercisable votes. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by him/her or by his/her proxy, but the total number of votes cast, or those in respect of which abstention is recorded, may not exceed the total number of votes exercisable by the Shareholder or by his/her proxy.
6. The proxy and/or representative shall have the power to attend at any adjournment of the meeting and to vote on any amendment to any of the resolutions which may be proposed at the meeting.
7. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/ her legal capacity are produced or have been registered by the transfer secretaries.
8. To be valid, the completed forms of proxy must be lodged with the Transfer Secretary of Minergy, Corpserve Botswana, if by hand to Unit 206, Second Floor, Plot 64516, Showgrounds Close, Fairgrounds, Gaborone, if by post to PO Box 1583, AAD, Gaborone, or if by email to [contactus@corpservebotswana.com](mailto:contactus@corpservebotswana.com), to be received by them by not later than 17:00 on Friday, 1 November 2019.
9. A copy of the power of attorney or other authority 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 Transfer Secretary or waived by the Chairman of the EGM.
10. The completion and lodging of this Form of Proxy will not preclude the relevant Shareholder from attending the EGM and speaking and voting in person there to the exclusion of any proxy appointed in terms hereof, should such Shareholder wish to do so.
11. The completion of any blank spaces overleaf need not be initialled. Any alterations or corrections to this Form of Proxy must be initialled by the signatory/ies.
12. A vote given in accordance this Form of Proxy shall be valid notwithstanding the previous legal incapacity of the principal or revocation of the Form of Proxy or the transfer of the Share in respect of which the vote is given, unless an intimation in writing of such legal incapacity or transfer shall have been lodged with the Transfer Secretary of Minergy, Corpserve Botswana, if by hand to Unit 206, Second Floor, Plot 64516, Showgrounds Close, Fairgrounds, Gaborone, if by post to PO Box 1583, AAD, Gaborone, or if by email to [contactus@corpservebotswana.com](mailto:contactus@corpservebotswana.com), to be received by them by not later than 17:00 on Friday, 1 November 2019.

# TRADING HISTORY OF THE ORDINARY SHARES

## MINERGY LIMITED — SUMMARY OF TRADING DATE OF LISTING (27 APRIL 2017) TO LAST PRACTICABLE DATE

Month	Total number of trades	Aggregate volume traded for the month	Lowest price (BWP)	Highest price (BWP)
April 2017	2	10 000	1.00	1.05
May 2017	5	19 642	1.05	1.05
June 2017	3	9 410	1.05	1.05
July 2017	—	—	1.05	1.05
August 2017	—	—	1.05	1.05
September 2017	5	93 183	1.05	1.05
October 2017	3	10 254	1.05	1.05
November 2017	8	35 852	1.05	1.05
December 2017	1	449	1.05	1.05
January 2018	10	48 499	0.90	0.90
February 2018	2	2 652	0.90	0.90
March 2018	2	82 577	0.90	0.90
April 2018	7	1 524 219	0.85	0.85
May 2018	2	5 806	0.85	0.85
June 2018	—	—	—	—
July 2018	—	—	—	—
August 2018	2	21 747	0.85	0.85
September 2018	11	61 912	0.85	0.85
October 2018	23	53 896	1.06	1.06
November 2018	11	94 399	1.06	1.06
December 2018	4	57 614	1.06	1.06
January 2019	9	22 852	1.06	1.06
February 2019	4	24 443	1.06	1.06
March 2019	2	10 000	1.06	1.06
April 2019	12	133 520	1.06	1.06
May 2019	9	86 899	1.06	1.06
June 2019	2	2 456	1.05	1.06
July 2019	4	53 004	1.05	1.05
August 2019	11	163 171	1.05	1.10

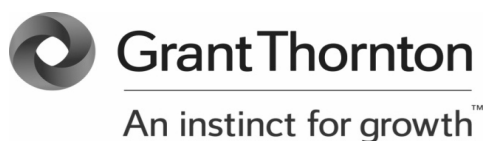
## MINERGY LIMITED — SUMMARY OF TRADING QUARTERLY OVER THE LAST TWO YEARS

Month	Aggregate volume traded for the month	Value (BWP)
September 2017	93 183	97 842
December 2017	11 569	14 988
March 2018	134 023	121 446
June 2018	1 530 025	1 300 549
September 2018	83 659	78 697
December 2018	205 909	218 264
March 2019	57 295	60 733
June 2019	222 875	236 237

**MINERGY LIMITED — SUMMARY OF TRADING  
DAILY FOR 30 DAYS ENDED 30 AUGUST 2019**

Date	Total number of trades	Total volume traded	Lowest price (BWP)	Highest price (BWP)
22 July 2019	—	—	—	—
23 July 2019	—	—	—	—
24 July 2019	—	—	—	—
25 July 2019	—	—	—	—
26 July 2019	—	—	—	—
29 July 2019	2	10 166	1.05	1.05
30 July 2019	—	—	—	—
31 July 2019	—	—	—	—
01 August 2019	—	—	—	—
02 August 2019	—	—	—	—
05 August 2019	—	—	—	—
06 August 2019	—	—	—	—
07 August 2019	—	—	—	—
08 August 2019	1	5 317	1.05	1.05
09 August 2019	—	—	—	—
12 August 2019	—	—	—	—
13 August 2019	—	—	—	—
14 August 2019	—	—	—	—
15 August 2019	1	5 500	1.05	1.05
16 August 2019	—	—	—	—
19 August 2019	2	28 522	1.05	1.05
20 August 2019	—	—	—	—
21 August 2019	—	—	—	—
22 August 2019	—	—	—	—
23 August 2019	—	—	—	—
26 August 2019	—	—	—	—
27 August 2019	5	115 834	1.05	1.10
28 August 2019	—	—	—	—
29 August 2019	—	—	—	—
30 August 2019	2	7 998	1.10	1.10

# REPORTING ACCOUNTANT'S REPORT



The Board of Directors  
Minergy Limited  
Units B3 & B4, 1st Floor, Plot 43175  
PO Box AD 10 ABC  
Phakalane, Botswana

13 September 2019

Dear Sirs.

## **Independent Reporting Accountant's Assurance Report on the Compilation of Pro Forma Financial Information Included in a Circular**

We have completed our assurance engagement to report on the compilation of pro forma financial information of Minergy Limited (*"the company"*). The pro forma financial information as set out in Annexure 5 consists of statement of financial position and related notes and assumptions.

The pro forma financial information has been compiled on the basis of applicable criteria specified in the Botswana Stock Exchange (BSE) Listing Requirements.

The pro forma financial information has been compiled by the directors to illustrate the impact of the event or transaction described in Para 1, 2 and Para 3, on the company's financial position as at 30 June 2019 as if the corporate event had taken place that date. As part of this process, information about the company's financial position has been extracted by the directors from the company's financial statements for the period ended 30 June 2019 which has been published.

### **Director's Responsibility for the Pro Forma Financial Information**

The directors are responsible for compiling the pro forma financial information on the basis of the applicable criteria specified in BSE Listings Requirements and described in paragraph of the circular.

### **Reporting Accountant's Responsibilities**

Our responsibility is to express an opinion about whether the pro forma financial information has been compiled, in all material respects, by the directors on the basis of the specified in BSE Listings Requirements based on our procedures performed.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus which is applicable to this engagement*, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner comply with ethical requirements and plan and

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perform procedures to obtain reasonable assurance about whether the directors have compiled, in all material respects, the pro forma financial information on the basis of the BSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2019 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

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

**Opinion**

In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the BSE Listing Requirements and described in Paragraph 1,2 and 3 of the Circular.

*GRANT THORNTON*

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Chartered Accountants  
Certified Auditor: Aswin Vaidyanathan  
Membership Number: 19980110  
Gaborone

# PRO FORMA FINANCIAL INFORMATION

The *pro forma* consolidated Statement of Financial Position and *pro forma* Statement of Comprehensive Income have been prepared using accounting policies that comply with International Financial Reporting Standards and that are consistent with those applied in the audited financial statements of Minergy Limited for the year ended 30 June 2019.

The *pro forma* consolidated Statement of Financial Position and *pro forma* Statement of Comprehensive Income have been prepared for illustrative purposes only and because of its nature may not fairly represent the consolidated Financial Position and results after the Issue in terms of the Placing. The Directors are responsible for the *pro forma* financial information.

## PRO FORMA STATEMENT OF FINANCIAL POSITION

The *pro forma* consolidated Statement of Financial Position has been prepared to illustrate the impact of the Placing on the audited Statement of Financial Position of the Group as at 30 June 2019 as if the Placing occurred on that date.

In Pula	30 Jun 19 Audited	Cash raised through specific issue (Note 1)	Preliminary expenses (Note 2)	30 Jun 19 <i>Pro forma</i> after Issue
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	168 615 430			<b>168 615 430</b>
Exploration and evaluation assets	—			—
Deferred tax assets	13 346 576			<b>13 346 576</b>
	181 962 006	—	—	<b>181 962 006</b>
<b>Current Assets</b>				
Inventory	47 246 445			<b>47 246 445</b>
Trade and other receivables	23 190 740			<b>23 190 740</b>
Cash and cash equivalents	294 085	126 000 000	(9 629 500)	<b>116 664 585</b>
	70 731 270	126 000 000	(9 629 500)	<b>187 101 770</b>
Total assets	252 693 276	126 000 000	(9 629 500)	<b>369 063 776</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>				
Ordinary shares	130 563 026	126 000 000	(9 629 500)	<b>246 933 526</b>
Share Based Payment Reserve	2 063 988			<b>2 063 988</b>
Accumulated loss	(48 675 336)			<b>(48 675 336)</b>
Equity attributable to ordinary shareholders	83 951 678	126 000 000	(9 629 500)	<b>200 322 178</b>
Total equity	83 951 678	126 000 000	(9 629 500)	<b>200 322 178</b>
<b>Non-current liabilities</b>				
Financial liabilities	—			—
Rehabilitation liabilities	22 665 812			<b>22 665 812</b>
	22 665 812			<b>22 665 812</b>
<b>Current liabilities</b>				
Financial liabilities	45 526 612			<b>45 526 612</b>
Trade and other payables	100 549 174			<b>100 549 174</b>
	146 075 786	—	—	<b>146 075 786</b>
Total liabilities	168 741 598	—	—	<b>168 741 598</b>
Total equity and liabilities	252 693 276	126 000 000	(9 629 500)	<b>369 063 776</b>
Number of shares in issue	431 086 245	120 000 000		<b>551 086 245</b>
Net asset value per share (thebe)	19.47			<b>36.35</b>
Tangible net asset value per share (thebe)	19.47			<b>36.35</b>

### Note 1

Assumes that all 120 000 000 shares for the Specific Issue for Cash (being all of the Placing Shares) were issued on 30 June 2019 at P1.05 each (being the recently traded approximate 30 day VWAP of the Company's shares leading into the Last Practicable Date). The effect of this transaction at the assumed price of P1.05, is that it increases the Group's Cash and Stated Capital by an indicative BWP126 000 000. The cash ultimately raised as a result of the transaction, may be higher, or lower, depending on the actual number of shares issued, and the price at which these shares are issued. As set out in section 3.3.5 of the Circular, the Placing Price will be set following the Roadshow which will determine the demand for the Placing Shares and the price at which they can be issued to Selected and Qualifying Investors. The Roadshow will however only be held after the EGM and consequently the Placing Price will not be known to the Company at the Last Practical Date or the time of the EGM. Furthermore, on the Last Practical Date and prior to the EGM the Company will not know at what discount (if any) to the Ruling Price the Placing Shares will be issued at. The discount at which the Placing Shares may be issued is accordingly hereby stated to be unlimited as required by the BSE Rules.

**Note 2**

Assumes that all the Preliminary expenses as listed in paragraph 1.3 of this Circular are costs directly related to the Placing and that it occurred on 30 June 2019. These costs reduce the Group's Cash and are capitalised against Stated Capital. It is assumed that VAT will not be claimed on these expenses and as such the full cost is accounted for.

There are no other post balance sheet events which require adjustment to the pro forma financial information.

Once-off costs (In Pula)	Total (Pula)
UK and Botswana Legal Advisors	2 736 000
Corporate advisors	3 375 000
BSE listing and sustaining fees	352 800
Reporting Accountants' fees (UK and Botswana)	2 086 000
Transfer Secretaries	16 800
Printing, publication, distribution and advertising expenses	50 400
Other	1 012 500
<b>Total</b>	<b>9 629 500</b>

**PRO FORMA STATEMENT OF COMPREHENSIVE INCOME**

None of the transactions presented affect the Statement of Comprehensive Income other than the calculation of loss and diluted loss per share as presented below.

In Pula	30 Jun 19 Audited	Cash raised through specific issue (Note 1)	Preliminary expenses (Note 2)	<b>30 Jun 19 Pro forma after Issue</b>
Revenue	—	—	—	—
Cost of sales	—	—	—	—
<b>Gross profit</b>	—	—	—	—
Other income	—	—	—	—
Operating expenses	(35 139 496)	—	—	<b>(35 139 496)</b>
<b>Operating loss</b>	(35 139 496)	—	—	<b>(35 139 496)</b>
Finance income	241 066	—	—	<b>241 066</b>
Finance costs	(1 135 285)	—	—	<b>(1 135 285)</b>
Finance costs - net	(894 219)	—	—	<b>(894 219)</b>
<b>Loss before income tax</b>	(36 033 715)	—	—	<b>(36 033 715)</b>
Income tax recovery	6 686 122	—	—	<b>6 686 122</b>
<b>Total loss for the year</b>	(29 347 593)	—	—	<b>(29 347 593)</b>
Other comprehensive income for the year	—	—	—	—
<b>Total comprehensive loss for the year</b>	(29 347 593)	—	—	<b>(29 347 593)</b>
Weighted number of shares in issue	418 908 073	120 000 000	—	<b>538 908 073</b>
Loss per share (thebe)	(7.01)	—	—	<b>(5.45)</b>
Diluted loss per share (thebe)	(7.01)	—	—	<b>(5.45)</b>

**Note 1**

Assumes that all of the 120 000 000 shares for the Specific Issue for Cash (being all of the Placing Shares) were issued on 1 July 2018.

**Note 2**

Preliminary expenses have been capitalised against Stated Capital.



## AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

Figures in Botswana Pula

2019

2018

	2019	2018
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	168 615 430	1 918 090
Exploration and Evaluation Assets	—	27 272 920
Investment in subsidiary	—	—
Deferred income tax	13 346 576	6 660 454
	<b>181 962 006</b>	<b>35 851 464</b>
<b>Current assets</b>		
Inventory	47 246 445	—
Trade and other receivables	23 190 740	404 011
Cash and cash equivalents	294 085	55 891 338
	<b>70 731 270</b>	<b>56 295 349</b>
<b>Total assets</b>	<b>252 693 276</b>	<b>92 146 813</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Stated capital	130 563 026	109 779 735
Share based payment reserve	2 063 988	—
Accumulated loss	(48 675 336)	(19 327 743)
<b>Equity attributable to ordinary shareholders</b>	<b>83 951 678</b>	<b>90 451 992</b>
<b>Total equity</b>	<b>83 951 678</b>	<b>90 451 992</b>
<b>Non-current liabilities</b>		
Financial liabilities	—	—
Rehabilitation liabilities	22 665 812	—
	<b>64 134 456</b>	<b>—</b>
<b>Current liabilities</b>		
Financial liabilities	45 526 612	—
Trade and other payables	100 549 163	1 694 821
Current income tax liabilities	—	—
	<b>146 075 786</b>	<b>1 694 821</b>
<b>Total liabilities</b>	<b>168 741 598</b>	<b>1 694 821</b>
<b>Total equity and liabilities</b>	<b>252 693 276</b>	<b>92 146 813</b>

## AUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2019

Figures in Botswana Pula

2019 2018

Revenue	—	—
Cost of sales	—	—
<b>Gross Profit</b>	—	—
Other income	—	—
Operating expenses	<b>(35 139 496)</b>	(18 077 019)
<b>Operating loss</b>	<b>(35 139 496)</b>	(18 077 019)
Finance income	<b>241 066</b>	1 598 248
Finance costs	<b>(1 135 285)</b>	(48)
Finance costs - net	<b>(894 219)</b>	1 598 200
<b>Loss before income tax</b>	<b>(36 033 715)</b>	(16 478 819)
Income tax expense	<b>6 686 122</b>	6 660 454
<b>Total loss for the year</b>	<b>(29 347 593)</b>	(9 818 365)
Other comprehensive income for the year	—	—
<b>Total comprehensive loss for the year</b>	<b>(29 347 593)</b>	(9 818 365)
<b>Total comprehensive loss attributable to:</b>		
Owners of the parent	<b>(29 347 593)</b>	(9 818 365)
Non controlling interest	—	—
	<b>(29 347 593)</b>	(9 818 365)
Loss per share (thebe)	<b>(7.01)</b>	(2.53)
Diluted loss per share (thebe)	<b>(7.01)</b>	(2.53)
Headline loss per share (thebe)	<b>(7.01)</b>	(2.53)
Diluted headline loss per share (thebe)	<b>(7.01)</b>	(2.53)

# THE NEW CONSTITUTION AND A SUMMARY OF PROPOSED MATERIAL CHANGES TO THE CURRENT CONSTITUTION

The New Constitution of the Company is enclosed in full in this Annexure.

Additionally, the material changes to the current Constitution which are proposed to be made, conditional on Admission, are set out in the table below.

## TABLE OF MATERIAL CHANGES TO THE CURRENT CONSTITUTION

CURRENT CLAUSE	DETAILS	NEW CLAUSE	DETAILS	EXPLANATION
4.3	The Company can issue securities which affect the rights of existing securities by way of an Ordinary Resolution.	5.3	The Company can issue securities which affect the rights of existing securities by way of a Special Resolution.	This implements a higher threshold than an Ordinary Resolution to alter the rights of existing securities.
5.1	In the event the Company issues any new securities in excess of 15% of the securities in issue pre-emption rights can be disapplied by an Ordinary Resolution.	6.1 (ii)	In the event the Company issues any new securities in excess of 15% of the securities in issue pre-emption rights can be disapplied by a Special Resolution.	This implements a higher threshold than an Ordinary Resolution to disapply pre-emption rights (when the Company issues securities in excess of 15 per cent. of the securities in issue).
5.1	The Company can issue securities with different rights to ordinary securities by way of an Ordinary Resolution.	6.1 (iii)	The Company can issue securities with different rights to ordinary securities by way of a Special Resolution.	This implements a higher threshold than an Ordinary Resolution to issue securities with different rights to ordinary shares.
n/a	n/a	6.1 (iv)	For so long as the Company is listed on the BSE, all securities shall be issued in an electronic form.	This brings this provision in line with the BSE requirements.
5.3	The Company can consolidate or subdivide any securities by way of a Board resolution.	6.3	The Company can consolidate or subdivide any securities by way of an Ordinary Resolution.	This implements a higher threshold than a Board resolution to consolidate or subdivide any securities. Rather than this decision being taken at Board level an Ordinary Resolution is now required.
5.4	The Company can issue a scrip dividend (an issue of additional shares as means of a distribution) by way of a Board resolution.	6.4	The Company can issue a scrip dividend (an issue of additional shares as means of a distribution) by way of an Ordinary Resolution.	This implements a higher threshold than a Board resolution to issue a scrip dividend (an issue of additional shares as means of a distribution). Rather than this decision being taken at Board level an Ordinary Resolution is now required.
7	The Company may pay a commission to any person in consideration of his subscribing or agreeing to subscribe for any securities but the commission cannot exceed 5 per cent. of the price at which the securities are issued.	8	The Company may pay a commission to any person in consideration of his subscribing or agreeing to subscribe for any securities.	The removes the limit of 5 per cent. which will provide the Company with greater flexibility when appointing corporate advisors in the future.
11.2	Save for where varied or disapplied by a Special Resolution, holders of securities of all classes of securities are entitled to attend general meetings and to receive copies of all notices, reports and financial statements issued generally to holders of securities carrying votes.	15.2	Save for where varied or disapplied by a Special Resolution, holders of all classes of voting securities shall be entitled to attend general meetings and to receive copies of all notices, reports and financial statements issued generally to holders of securities carrying votes.	This has been amended to clarify that all classes of shareholders are entitled to attend one AGM for all classes (save for where varied or disapplied by a Special Resolution).
11.3 (b)	A notice of general meeting must include the text of any Special Resolution.	15.3 (b)	A notice of general meeting must include the text of any Resolution.	This has been amended so that a notice of general meeting must include the text of any Resolution rather than only in the case of Special Resolutions.

<b>CURRENT CLAUSE</b>	<b>DETAILS</b>	<b>NEW CLAUSE</b>	<b>DETAILS</b>	<b>EXPLANATION</b>
13.2	A general meeting will be quorate if two shareholders who hold at least 50 per cent. of the aggregate total of such securities in issue are present or represented by their proxies.	17.2	A general meeting will be quorate if two shareholders are present or by proxy who between them hold no less than one fifth of all voting Securities in issue.	This amendment has changed the threshold required for a general meeting to be quorate to two shareholders who between them hold no less than one fifth of all voting Securities in issue.
14.1	Voting at a meeting of holders of securities shall be by poll.	18.1	Unless otherwise directed by the Board, voting at a General Meeting shall be by way of a poll demanded by the chairperson.  If no poll is demanded or should be demanded by the chairperson (if based upon the votes he holds as proxy for other holders of Securities the result would be different) the chairperson can choose to vote by voice or by a show or hands.	The Chairman will call a poll unless directed otherwise by the Board. This provides the Board the flexibility to choose whether the vote is conducted by voice/by a show of hands as long as a poll has not been demanded pursuant to Schedule 2 of the Act. Pursuant to Schedule 2 a poll can be demanded by the chairperson, any 5 shareholders, any shareholder holding 10% if the voting equity present at the meeting, any shareholder having 10% of the total equity. This right to demand a poll can be exercised during the meeting either before or after a vote is taken and this right cannot be overridden.  If voting is by hand or by voice each security holder present in person or by proxy shall have one vote.
14.4	On a poll the scrutineers will be the auditors of the Company.	18.3	The scrutineers will be appointed by the chairperson.	This provides the Company with flexibility in respect of who can be appropriately appointed as scrutineer. This should reduce costs as the auditors of the Company will not necessarily be required to attend all general meetings.
14.6	The chairperson of a meeting of holders of securities does not have a casting vote.	18.5	The chairperson of a meeting of holders of securities does have a casting vote.	This allows the chairperson to have the casting vote if in the unlikely situation that the votes at a general meeting are tied.
14.8	In the case of any dispute as to the admission or rejection of a vote(s) where such votes constitute 5 per cent. or less of the total securities represented the chairperson has the right to determine the validity of such votes.  If such votes represent more than five per cent. of the total securities represented an independent attorney must be appointed to determine the validity of such votes.	18.7	In the case of any dispute as to the admission or rejection of a vote(s) the chairperson has the right to determine the validity of such votes.	This allows the chairperson to determine the validity of such votes in question. This only applies to votes that are in dispute as to the admission or rejection of such vote(s).
n/a	n/a	19.2	A holder of a Security may appoint more than one proxy in relation to a General Meeting.	This allows holders of securities to split their proxy votes and appoint more than one proxy in relation to a general meeting.
15.2	The validity of a proxy form is not limited by any time period.	19.3	The validity of a proxy form is limited by 12 months.	This introduces a 12 month time limit in respect of the validity of a proxy form.
15.3	To be effective a proxy form must be received 48 hours before the start of the meeting.	19.4 (a)	To be effective a proxy form must be received 48 hours before the start of the meeting (excluding weekend and public holidays in Botswana).	This amendment avoids proxy forms arriving during a weekend or on a public holiday when the registrar is not working and subsequently there is not sufficient time for the registrar to count the proxy votes towards the relevant meeting.
17	A shareholder can give written notice to the Board of a matter to be discussed at a general meeting.	n/a	n/a	This provision has been removed as it is not in line with the constitution of a public company traded on AIM.

<b>CURRENT CLAUSE</b>	<b>DETAILS</b>	<b>NEW CLAUSE</b>	<b>DETAILS</b>	<b>EXPLANATION</b>
18.4	If a meeting is dissolved by the chairperson then the unfinished business can be dealt with, in limited circumstances, by the Board.	n/a	n/a	This provision has been removed as such Board powers are not in line with the constitution of a public company traded on AIM.
19.1	The number of Directors must be not less than 5.	22.1	The number of Directors must be not less than 3 and not more than 7.	This reduces the minimum number of directors to 3. This provides the Company with some flexibility should a number of directors resign. This provision now also limits the maximum number of directors that can be appointed to the Board.
19.3	Two holders of securities or one holder of securities that holds 5 per cent or more of the voting securities may nominate a person to become a director of the Company.	22.3	n/a	This provision has been removed as it is not in line with the constitution of a public company traded on AIM. The Board will now be able to recommend the appointment of new directors.
19.7	n/a	22.7 (h) – (i)	A director shall cease to hold office if: <ul style="list-style-type: none"> <li>› The director is requested by all the other directors to resign</li> <li>› The director is physically or mentally incapable of acting as a director.</li> </ul>	These provisions have been added to provide the Company with more flexibility in relation to a director's vacation of office, including, if a director is mentally or physically incapable of acting as a director.
20.1	Every director may appoint an alternate director.	23.1	Every director may appoint an alternate director (including another director).	This amendment clarifies that an existing director can act as an alternate director.
n/a	n/a	23.3 (d)	Each alternate director has a separate vote at a meeting in addition to any vote they have if they are also an existing director.	This clarifies that if an existing director is acting as an alternate director they have two separate votes.
n/a	n/a	23.3 (e)	Each alternate director will sign as an alternate director and such signature shall be effective as signature for his appointer.	This clarifies that an alternate director can sign on behalf of their appointer.
n/a	n/a	23.5(d)	An alternate director will cease to be an alternate director if the alternate director resign in writing.	This clarifies the cessation of an alternate director upon written notice from the alternate director to the company.
n/a	n/a	23.6	An alternate director will be responsible for his own acts and defaults and will not be deemed an agent of his appointer.	The proposed amendment clarifies the liabilities of an alternate director.
22.2	Directors must be given seven days notice of a Board meeting save for certain circumstances.	25.2	Directors can waive the seven day notice period in respect of a Board meeting.	This has introduced the ability for directors to waive the seven day notice period in relation to calling a board meeting (as long as the waiver is unanimously agreed by all directors).
22.2	In certain circumstances Board meetings can be convened with less than seven days' notice as long as at least 48 hours' notice is given and provided attendance by means of visual/audio communication has been arranged and is available to such director.	25.2	In certain circumstances Board meetings can be convened with less than seven days notice provided attendance by means of visual/audio communication has been arranged and is available to such director.	The 48 hour time limit has been dispensed with to enable the Board to call emergency meetings in certain circumstances.
22.6	A quorum for a board meeting is at least four directors.	25.6	A quorum for a board meeting is at least one executive director and one non-executive director.	This amendment has changed the threshold required for a board meeting to be quorate to two directors of whom one is an executive director and one is a non-executive director. This is to ensure the objectivity of at least one non-executive director is included in the quorum and at the same time it ensures that the depth of understanding that can only be possessed by an executive director is also present.

<b>CURRENT CLAUSE</b>	<b>DETAILS</b>	<b>NEW CLAUSE</b>	<b>DETAILS</b>	<b>EXPLANATION</b>
22.7	A lack of quorum for a Board meeting results in an adjournment, and if at the adjourned meeting a quorum is still not present then those directors present will constitute a quorum.	25.7	If a quorum is still not present at the adjourned meeting, the meeting is dissolved.	This amendment supports the mechanics of the new clause 25.6 described above.
24.1	The Company can increase the borrowing limit by way of an Ordinary Resolution.	27.1	The Company can increase the borrowing limit by way of a Special Resolution.	This implements a higher threshold than an Ordinary Resolution to increase the borrowing limit imposed on the directors.
n/a	n/a	30.2 & 30.3	The Company shall by Ordinary Resolution declare annual dividends to be paid and the Board may from time to time declare and pay interim dividends.	This amendment distinguishes between an annual dividend (which is approved by an Ordinary Resolution) and an interim dividend (which is approved at Board level).
26.6	Dividends, interest and other distributions will be payable to holders of securities who are registered as holders at least 14 days subsequent to the date of the declaration or date of the confirmation of the dividend and/or interest or distribution or payment, whichever is the later.	30.7	The record date shall be determined by the Board.	This provides the Board with the ability to set a record date. This is especially important for AIM quoted companies as the AIM team will have to agree with any proposed dividend timetable.
26.6	The register of securities shall be closed for a period of 5 days from the record date.	n/a	n/a	This provision has been removed to ensure that securities are freely tradeable.
n/a	n/a	35	Disclosures of Holding of Securities.	This clause incorporates Chapter 5 of the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority ("DTR5"). DTR5 requirements relate to the control over exercising voting rights attached to shares. The disclosure of changes in major shareholdings is designed to enhance market transparency. DTR 5 requires holders of shares and certain financial instruments to inform the issuer and the FCA simultaneously when their holdings reach or fall below certain thresholds.

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# FULL TEXT OF THE NEW CONSTITUTION OF MINERGY LIMITED

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**AS ADOPTED BY A SPECIAL RESOLUTION PASSED ON 7 NOVEMBER OF 2019**

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## **MINERGY LIMITED**

(Incorporated in the Republic of Botswana on 1 September 2016)

(Company number: 2016/18528)

BSE Ordinary Share code: MIN

("Minergy" or "the Company")

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## 1. Interpretation

### 1.1 Definitions

In this Constitution, unless the context otherwise requires:

“**Act**” means the Companies Act 2003 (No 32 of 2004) as may be amended from time to time;

“**Alternate Director**” has the meaning set out in clause 23.1;

“**Annual General Meeting**” means a General Meeting held annually pursuant to Section 105 of the Act;

“**Board**” means Directors, who number not less than the required quorum, acting together as the board of directors of the Company;

“**BSE**” or “**Exchange**” means the Botswana Stock Exchange its successor or assigns;

“**BSE Rules**” has the meaning set out in the Listing Requirements;

“**Class**” means a class of Securities having identical rights, privileges, limitations and conditions and includes or excludes securities which the Exchange in its discretion deems to be of or not of that Class;

“**Company**” means Minergy Limited; with company number CO.2016/18528;

“**Constitution**” means this constitution, as altered from time to time;

“**CSDB**” means the Central Securities Depository of Botswana operated by the Central Securities Depository Botswana (Pty) Ltd under the auspices of the BSE;

“**CSDB Rules**” means the rules of the Central Securities Depository of Botswana as issued and/or amended from time to time;

“**Director**” means a person appointed as a director of the Company;

“**General Meeting**” means a general meeting of the holders of Securities;

“**Listed**” means the Securities listed on, or being listed on the BSE;

“**Listings Requirements**” means the Equity Listings Requirements of the Exchange in force from time to time;

“**Managing Director**” means any Director appointed as such in terms of clause 24;

“**Ordinary Resolution**” has the meaning set out in the Listing Requirements for so long as the Company is Listed, and where not so Listed shall have the meaning set out in the Act;

**“Relevant System”** means a computer-based system which allows units of securities (including applicable Securities of the Company) without written instruments to be transferred and endorsed pursuant to the applicable rules and/or regulations of the jurisdiction in which the relevant system is situated;

**“Representative”** means (i) a person appointed as a proxy of a Security holder or (ii) a person appointed as representative of a Security holder under Clause 11;

**“Secretary”** has the meaning set out in Section 161 of the Act;

**“Security”** means any security issued by the Company, including shares, votes, bonds, debt instruments or debentures;

**“Special Resolution”** has the meaning set out in the Listing Requirements for so long as the Company is Listed, and where not so Listed shall have the meaning set out in the Act;

**“Subsidiary”** means a subsidiary within the meaning of section 6 of the Act.

## 1.2 Construction

- a) In this Constitution, unless the context otherwise requires the headings appear as a matter of convenience and shall not affect the construction of this Constitution;
- b) in the absence of an express indication to the contrary, references to sections, clauses or paragraphs are to sections, clauses and paragraphs of this Constitution;
- c) a reference to any statute, statutory regulations or other statutory instrument includes the statute, statutory regulations or instrument as from time to time amended or re-enacted or substituted;
- d) a reference to Listings Requirements includes the Botswana Stock Exchange Listings Requirements as from time to time amended or substituted;
- e) the singular includes the plural and vice versa and one gender includes the other genders;
- f) the words "written" and "writing" include facsimile communications, emails, and any other means of communication resulting in permanent visible reproduction;
- g) the word "person" includes any association of persons whether corporate or unincorporated, and any state or government or department or agency thereof, whether or not having separate legal personality; and

- h) words or expressions defined in the Act or the Listings Requirements have the same meaning in this Constitution except as otherwise expressly provided in this Constitution.

## 2. **The Companies Act and Listings Requirements**

### 2.1 Companies Act

The Company, the Board, each Director and each holder of Securities, of the Company shall have the rights, powers, duties and obligations set out in the Act except to the extent that, as permitted by the Act, they are negated or modified by this Constitution without contravening the Act.

### 2.2 Incorporation of Listings Requirements

Those provisions of the Listings Requirements which are required to be contained or incorporated by reference in this Constitution, as they may be modified by any ruling of the Committee of the BSE, which are relevant to the Company, are deemed to be incorporated in this Constitution and have the same effect as though they were herein set out in full, without any necessary modification.

### 2.3 Listings Requirements prevail

While the Company is Listed, if there is any provision in this Constitution that is inconsistent with the Listings Requirements relevant to the Company, the Listings Requirements will prevail.

### 2.4 Compliance with the Listings Requirements will be subject to: -

- (a) the terms of any ruling from time to time given by BSE Committee;
- (b) the requirements of the Act and any other applicable legislative or regulatory requirement.

### 2.5 Notwithstanding anything to the contrary in this Constitution, the Company shall, for so long as it is Listed, comply with the Listings Requirements.

## 3. **Change of Name**

The Company may change its name by resolution of the Board.

## 4. **Securities**

Securities may be issued at such value, and issued at such a discount or at such a premium upon such terms as to;

- (a) conversion, surrender, redemption, and drawings;
- (b) dividends and the payment thereof;
- (c) rates of interest and the payment thereof;

- (d) attending and voting at General Meetings and appointment of directors;
  - (e) allotment;
- as the Board may in its discretion deem fit.

## 5. **Rights attaching to shares**

### 5.1 Ordinary shares

Each ordinary share in the Company at the date of adoption of this Constitution confers on the holder the following rights (in addition to the rights set out elsewhere in this Constitution):

- (a) subject to the rights of holders of any other Securities which confer special rights as to dividends, the right to an equal share in dividends, authorised by the Board; and
- (b) subject to the rights of holders of any other Securities which confer special rights as to surplus assets, the right to an equal share in the distribution of surplus assets of the Company.

### 5.2 New shares

Subject to clause 6, further shares in the Company (including different Classes of shares) may be issued which have any one or more of the following features:

- (i) rank equally with, or in priority to, existing shares in the Company; or
- (ii) have deferred, preferred or other special rights or restrictions, whether as to voting rights or distributions or otherwise; or
- (iii) confer preferential rights to distributions of capital or income; or
- (iv) confer special, limited or conditional voting rights; or
- (v) do not confer voting rights; or
- (vi) are redeemable in accordance with section 72 of the Act; or
- (vii) are convertible.

### 5.3 Alteration of rights

The issue by the Company of any Securities which rank equally with, or in priority to, any existing Securities, whether as to voting rights or distributions, shall, subject to the provisions of the Act:

- (a) be permitted; and
- (b) not be deemed to be action affecting the rights attached to those existing Securities.

## 6. Issue of new Securities

### 6.1 Issue of new Securities

- (i) Subject to the Listing Requirements, the Board is entitled to issue out new Securities which do not exceed 15% of the Securities in issue after such new issue, without offering such Securities to existing shareholders, provided that such issue is a specific issue for cash with which to make an investment or acquire shares in an investee company or to establish a subsidiary, or to retire debt, or to advance or develop or further the development or complete the development of a project or projects of the Company, or for the acquisition of a business.
- (ii) In the event of an issue of new Securities otherwise than as provided for under Clause 6.1 (i) above, such issue shall be undertaken in accordance with the Act and Listing Requirements and new Securities are to be offered to existing shareholders pro rata, unless the shareholders by Special Resolution otherwise determine.
- (iii) In the event that the Board determines to issue Securities with different rights to ordinary shares as provided for in the Act, the Board is obliged to obtain shareholder approval by way of a Special Resolution.
- (iv) For so long as the Company is Listed, all Securities shall be issued in an electronic form.

### 6.2 Fully Paid Up Securities

All Securities issued by the Company shall be issued against consideration in cash or in kind and be fully paid up.

### 6.3 Consolidation and subdivision of Securities

Subject to any applicable provisions of this Constitution, the Company may by Ordinary Resolution:

- a) consolidate and divide the Securities of any Class in proportion to those Securities in that Class; or
- b) subdivide the Securities of any Class in proportion to those Securities in that Class.

#### 6.4 Bonus issues

Subject to any applicable provisions of this Constitution, the Company may by Ordinary Resolution, resolve to apply any amount which is available for distribution to holders of Securities either:

- (a) in issuing other Securities of the Company to be issued credited as fully paid to:
  - (i) the shareholders who would be entitled to that amount if it were distributed by way of dividend or interest, and in the same proportions; and
  - (ii) if applicable, the holders of any other Securities of the Company who are entitled by the terms of issue of those Securities to participate in bonus issues by the Company, whether at the time the bonus issue is made to the holders of other Securities, or at some time later, in accordance with their respective entitlements;

or partly in one way and partly in the other.

#### 6.5 Lien upon Securities

The Company may not claim a lien on Securities issued and outstanding as these are fully paid up.

### 7. **Buybacks and redemptions of Securities and financial assistance**

#### 7.1 Powers

The Company may:

- (a) purchase or otherwise acquire Securities issued by it from one or more of the holders thereof;
- (b) redeem any redeemable Securities held by one or more holders,
- (c) hold any Securities so purchased or acquired or redeemed; and
- (d) sell any Securities so purchased or acquired or redeemed;

in accordance with the provisions, and subject to the restrictions, of the Act, this Constitution and the Listings Requirements.

#### 7.2 Financial assistance

The Company shall not give financial assistance for the purpose of, or in connection with, the acquisition of any Securities issued, or to be issued, by the Company unless the giving of that assistance is in accordance with the provisions of the Act and the Listings Requirements.



## 8. **Commission**

The Company may pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any Securities in the Company, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any Securities in the Company. Such commission may be satisfied by payment in cash or by the allotment of Securities, or partly in one way and partly in the other as shall be authorised or sanctioned by the Board. The Company may also on any issue of Securities pay such brokerage as may be lawful.

## 9. **Transfer of Securities**

### 9.1 Transferor to remain holder until registration

The transferor of a Security shall remain the holder of the Security until the name of the transferee is entered in the applicable Securities register.

### 9.2 Right to transfer

Subject to any statutory restrictions or any applicable BSE Rules, the Securities shall be freely transferrable and registration of the transfer thereof shall not be subject to any restriction.

### 9.3 Method of transfer

Securities shall be transferred in the manner prescribed by Section 13 of the CSDB Rules and/or the rules of any Relevant System provided however that where the Securities are no longer Listed, they shall be transferred in accordance with Section 81 of the Act (save for those Securities that are listed on an exchange other than the BSE, in which event such Securities shall be transferred in the manner prescribed by the rules of such other exchange).

All authorities to sign transfer deeds granted by members for the purpose of transferring Securities which may be lodged, produced or exhibited with or to the Company at any of its proper offices shall as between the Company and the grantor of such authorities, be taken and deemed to continue and remain in full force and effect and the Company may allow the same to be acted upon until such time as express notice, in writing, of the revocation of the same shall have been given and lodged at the Company's transfer offices at which the authority was lodged, produced or exhibited.

Even after the giving and lodging of such notices, the Company shall be entitled to give effect to any instruments signed under the authority to sign and certified by any officer of the Company as being in order before the giving and lodging of such notice.

### 9.4 Forms of transfers

An instrument of transfer to which the provisions of clause 9.3 are not applicable shall comply with the following provisions:

- a) the form of the instrument of transfer shall be any usual or common form or any other form which the Board may approve;
- b) the instrument of transfer must be signed or executed by or on behalf of the transferor.

#### 9.5 Power to refuse to register

The Board may decline to register any transfer of Securities where:

- a) the transfer form is not accompanied by evidence as the Board may reasonably require to show the right of the transferor to make the transfer; or
- b) registration, together with the registration of any further transfer then held by the Company and awaiting registration, would result in the proposed transferee holding Securities in contravention of the Act, the Constitution or any other law or regulation

provided that the Board resolves to exercise its powers under this clause 9.5 within 30 working days after receipt of the relevant transfer and notice of the resolution is sent to the transferor and to the transferee within five working days of the resolution being passed by the Board.

#### 9.6 Trusts not to be entered on registers

The Company shall not enter any notice of a trust on the Securities register, or any other register of equity securities, whether that trust is express, implied or constructive. Securities held by a trust may be registered in the name of the Trustees.

#### 9.7 Registration of transfers

Every instrument of transfer shall be delivered to the Company's Securities registrar being either the transfer secretary or participant in Central Securities Depository in Botswana or any other Relevant System, together with such evidence as the Board may reasonably require to show the right of the transferor to make the transfer.

### 10. **Transmission of Securities**

- 10.1 The executor of the estate of a deceased sole holder of a Security shall be the only person recognised by the Company as having any title to such Security. In the case of a Security registered in the names of 2 (two) or more holders, the survivor or survivors, or the executor of the estate of any deceased holder of a Security, as determined by the Board, shall be the only person recognised by the Company as having any title to the Security. Any person who submits proof of his appointment as the executor, administrator, trustee, curator, or guardian in respect of the estate of a deceased holder of Securities of the Company, or of a Security Holder whose estate has been sequestrated or of a Security Holder who is otherwise under a disability or as the liquidator of any body corporate which is a Security Holder of the Company, shall be entered in the Securities register

nomine officii, and shall thereafter, for all purposes, be deemed to be the holder of such Securities.

10.2 Subject to the provisions of clause 10.1, any person becoming entitled to any Security by virtue of the death of a Security holder shall, upon producing such evidence that he has such title or rights as the Directors think sufficient, have the right either to have such Security transferred to himself or to make such other transfer of the Security as such Security holder could have made, provided that in respect of a transfer other than to himself –

10.2.1 the Directors shall have the same right to refuse or suspend registration as they would have had in the case of a proposed transfer of such Security by such Security holder before his death; and

10.2.2 a person becoming entitled to any Security shall not, unless and until he is himself registered as a Security holder in respect of such Security, be entitled to exercise any voting or other right attaching to such Security or any other right relating to meetings of the Company.

## 11. **Representatives**

A Representative shall be a person authorised by the holder of a Security, if an individual by power of attorney, or if a corporate entity by resolution of the executive authority of that entity.

### 11.1 Rights of Representatives

A Representative of a holder of a Security:

- a) is entitled to exercise all rights (including without limitation the rights to receive distributions, to attend meetings and to vote in person or by representative), and is subject to all limitations, attached to the Securities held by that holder; and
- b) is entitled to be registered as holder of those Securities, but such registration shall not operate as a release of any rights (including any lien) to which the Company was entitled prior to registration of the Representative pursuant to this clause 11.1 (b).

### 11.2 Joint Representatives

Where a Security is subject to the control of two or more persons as Representatives, they shall, for the purposes of this Constitution, be deemed to be joint holders of the Security.

## 12. **Destruction of Documents**

12.1 The Company may destroy any:

12.1.1 instrument of transfer, after seven years from the date on which it is registered;

- 12.1.2 dividend mandate or any variation or cancellation of a dividend mandate or any notification of change of name or address, after two years from the date on which it is recorded;
- 12.1.3 share certificate, after one year from the date on which it is cancelled;
- 12.1.4 instrument of proxy which has been used for the purpose of a poll at any time after one year has elapsed from the date of use;
- 12.1.5 instrument of proxy which has not been used for the purpose of a poll at any time after a period of one month has elapsed from the end of the meeting to which the instrument of proxy relates; or
- 12.1.6 other document for which any entry in the register of Securities is made, after seven years from the date on which an entry was first made in the register of Securities in respect of it,

provided that the Company may destroy any such type of document at a date earlier than that authorised by this clause 12 if a copy of such document is made and retained (whether electronically, by microfilm, by digital imaging or by other similar means) until the expiration of the period applicable to the destruction of the original of such document.

12.2 It shall be conclusively presumed in favour of the Company that every:

- 12.2.1 entry in the register of Securities purporting to have been made on the basis of a document so destroyed was duly and properly made;
- 12.2.2 instrument of transfer so destroyed was duly registered;
- 12.2.3 share certificate or ownership evidence of the Security so destroyed was duly cancelled; and
- 12.2.4 other document so destroyed had been properly dealt with under its terms and was valid and effective according to the particulars in the records of the Company.

12.3 This clause 12 shall only apply to the destruction of a document in good faith and without notice of any claim (regardless of the parties to it) to which the document might be relevant. Nothing in this clause 12 shall be construed as imposing any liability on the Company in respect of the destruction of any such document other than as provided for in this clause 12 which would not attach to the Company in the absence of this clause 12. References in this clause 12 to the destruction of any document include references to the disposal of it in any manner.

### 13. **Fractions**

If any Securities are consolidated or consolidated and then divided, the Board has power to deal with any fractions of Securities which result. If the Board

decides to sell any Securities representing fractions, it can do so for the best price reasonably obtainable and distribute the net proceeds of sale among holders of Securities in proportion to their fractional entitlements. The Board can sell those Securities to anyone, including the Company if the Act allows it, and may authorise any person to transfer or deliver the Securities to the buyer or in accordance with the buyer's instructions. The Buyer shall not be bound to see to the application of the purchase money, nor shall the buyer's title to the Securities be affected by any irregularity or invalidity in the proceedings in reference to the sale.

#### 14. Meetings of holders of Securities

##### 14.1 Methods of holding meetings

A meeting of holders of Securities may be held either:

- (a) by a number of holders of those Securities who constitute a quorum, being physically assembled together at the place, date and time appointed for the meeting, or
- (b) by a number of holders of those Securities who constitute a quorum, by electronic means or other audio, or audio and visual means, at the date and time appointed for the meeting, and provided that all participating holders of Securities, can simultaneously hear each other throughout the meeting and are able to cast their votes; or
- (c) by a number of holders of those Securities, who constitute a quorum, through a combination of attendance by paragraphs (a) or (b) above at the date and time appointed for the meeting and at one or more venues at which all participating holders can simultaneously hear each other throughout the meeting and are able to cast their votes.

##### 14.2 Business of Annual General Meetings

The business of an Annual General Meeting shall, unless previously dealt with by the Company, include:

- 14.2.1 the power to sanction or declare dividends or distributions of interest on Securities;
- 14.2.2 the consideration and approval of financial statements;
- 14.2.3 the receiving of any auditor's report;
- 14.2.4 the consideration of the annual report;
- 14.2.5 the appointment of any directors;
- 14.2.6 the appointment of an auditor;
- 14.2.7 the approval of auditors remuneration; and
- 14.2.8 an opportunity for shareholders to question, discuss or comment on the management of the Company in accordance with section 97 (1) of the Act.

##### 14.3 Annual Financial Statements

Unless otherwise determined by the terms of issue of a Security the annual financial statements of the Company shall be sent to all holders of Securities at least 21 days before the date of the general meeting at which these will be considered.

## 15. Notice of meetings

### 15.1 Written notice

Written notice of the time, date and place of a meeting of holders of Securities must be sent to every such holder entitled to receive notice of the meeting and to every Director, to the auditor of the Company, and to the BSE, not less than 21 business days before the meeting. A proxy form must be sent with each notice of meeting.

### 15.2 Rights of holders of Securities and Directors

Unless otherwise determined by the terms of a Special Resolution, holders of all Classes of voting Securities shall be entitled to attend General Meetings and to receive copies of all notices, reports and financial statements issued generally to holders of Securities carrying votes. Each Director who is not also a holder of any Security issued by a Company shall have the same rights.

### 15.3 Contents of notice

The notice must state:

- (a) the nature of the business to be transacted at the meeting in sufficient detail to enable a holder of Securities to form a reasoned judgment in relation to it;
- (b) the text of all resolutions to be submitted to the meeting and be accompanied by sufficient explanation to enable a reasonable person to understand the effect of the resolutions proposed by the notice;
- (c) the form of proxy prescribed by clause 19 below; and
- (d) the method by which the meeting shall be held.

### 15.4 Irregularity in notice

An irregularity in a notice of a meeting is waived if all the holders of Securities entitled to attend and vote at the meeting attend the meeting without protest as to the irregularity, or if all such shareholders agree to the waiver. The accidental omission to give a notice of a meeting to, or the non-receipt of a notice of a meeting by, any person will not invalidate the proceedings at the meeting, provided that such person is not the holder of 5% or more of the Company's Securities.

### 15.5 Adjourned meetings

If a meeting of Security holders is adjourned, notice of the time, date and place of the adjourned meeting shall be given to all Security holders save that such notice need only be published on the Company Website and Xnews.

## 16. Chairperson of meetings of holders of Securities

### 16.1 Chairperson of the Board to act

Subject to clause 16.2, if the Directors have elected a chairperson of the Board, and the chairperson of the Board is present at a meeting of holders of Securities, that chairperson must chair the meeting.

### 16.2 Other chairperson

If no chairperson of the Board has been elected or if at any meeting of holders of Securities the chairperson of the Board is not present within 15 minutes of the time appointed for the commencement of the meeting or the chairperson is unwilling or unable to act for all or part of the meeting, the Directors present, if any, may elect one of their number to be chairperson of the meeting or such part of the meeting. If no Director is willing or able to act as chairperson or if no Director is present within 15 minutes of the time appointed for the commencement of the meeting, the holders of Securities present may choose one of their number to be chairperson.

### 16.3 Regulation of procedure

Subject to the provisions of the Act, and except as otherwise provided in this Constitution, the chairperson may regulate the proceedings at meetings of holders of Securities.

## 17. Quorum for meetings of holders of Securities

### 17.1 Quorum required

No business may be transacted at a meeting of holders of Securities if a quorum is not present.

### 17.2 Size of quorum

Unless otherwise specified in the terms of issue of any Security, a quorum for a meeting of holders of Securities is present if at least two such holders are present in person or by Representative, who between them hold no less than one fifth of all voting Securities in issue.

### 17.3 Lack of quorum

If a quorum is not present within 30 minutes after the time appointed for the meeting:

- (a) in the case of a meeting called by the Board on the request of holders of Securities, the meeting is dissolved;
- (b) in the case of any other meeting, the meeting is adjourned to the same day in the following week at the same time and place, or to such other date, time, and place as the Board may appoint and if, at the adjourned meeting, a quorum is not

present within 30 minutes after the time appointed for the commencement of the meeting, the meeting is dissolved.

## 18. Voting at meetings of holders of Securities

### 18.1 Voting by poll

- (a) Unless otherwise directed by the Board, voting at a General Meeting shall be by way of a poll demanded by the chairperson in accordance with the provisions of the Second Schedule to the Act.
- (b) On a vote by poll, every holder of a Security being an ordinary share in the Company, and being present in person or by Representative and voting, has one vote in respect of each such Security held, and with respect to classes of Securities other than ordinary shares, votes shall be counted according to the votes attached to such Securities of each holder present in person or by Representative and voting.
- (c) Where otherwise directed by the Board, and provided that no poll has been demanded or should be demanded by the chairperson if based upon the votes he holds as proxy for other holders of Securities the result would be different, voting at a General Meeting shall be by whichever of the following methods is determined by the chairperson of the meeting to be appropriate:
  - (i) voting by voice and/or
  - (ii) voting by a show of hand.

### 18.2 Counting of votes

- (a) If a poll is taken, votes shall be counted according to the votes attached to the shares or voting Securities of each holder present in person or by Representative and voting. The Secretary shall reconcile the votes recorded as being attached to each holder of Securities as are recorded in the register of Securities to determine the number of votes cast by a holder.
- (b) If voting is by hand or by voice each Security holder present in person or by Representative shall have one vote;

### 18.3 Scrutineers

The scrutineers shall be appointed by the chairperson.

### 18.4 Declaration of result

The chairperson shall be entitled to declare the result of a resolution upon the receipt of a certificate from the Secretary setting out the maximum number of votes which could be cast at the meeting and upon receipt of notice from the scrutineers that, in the light of the Secretary's certificate, sufficient holders of Securities were present to



constitute a quorum, and sufficient votes to determine the result of the resolution have been counted. The Secretary's certificate may set out the maximum number of votes which could be cast at the meeting if all persons entitled to attend and vote at the meeting did so, or it may set out the maximum number of votes which could be cast at the meeting if all persons at the meeting who are entitled to vote did vote.

18.5 Chairperson's casting vote

The chairperson of a meeting of holders of Securities shall have a casting vote.

18.6 Votes of joint holders

Where two or more persons are registered as the holder of a Security, the vote of the person named first in the Securities register and voting on a matter must be accepted to the exclusion of the votes of the other joint holders.

18.7 Validity of votes

In the case of any dispute as to the admission or rejection of a vote(s), the chairperson shall determine the same and such determination made in good faith shall be conclusive.

**19. Proxies and corporate representatives**

19.1 Proxies permitted

A holder of a Security may exercise the right to vote either by being present in person or by Representative or by delivery of a duly completed proxy form. A Representative for a holder of a Security is entitled to attend and be heard at a meeting and to cast votes as if the Representative were the holder of the Security, and if a proxy form has been completed and delivered to the Company, the Secretary shall record votes so cast in accordance with clause 18 of this constitution. A Representative or proxy need not be a holder of a Security issued by the Company.

19.2 More than one proxy

A holder of a Security may appoint more than one proxy in relation to a General Meeting, provided that each proxy is appointed to exercise the rights attached to different Securities held by the holder. When two or more valid but differing appointments of proxy are delivered or received for the same Security for use at the same meeting, the one which is last validly delivered or received (regardless of its date or the date of its execution) shall be treated as replacing and revoking the other or others as regards that Security. If the Company is unable to determine which appointment was last validly delivered or received, none of them shall be treated as valid in respect of that Security.

19.3 Form of proxy, and appointment of a Representative

A Representative must be appointed by notice in writing in the form directed by the Board, signed by the holder of the Security(ies), and the notice must state whether the appointment is for a particular meeting or a specified term (which such term shall not exceed 12 months). Proxy forms must, as far as is reasonably practicable, at a minimum provide for two-way voting on all resolutions enabling the holder of the Security(ies) to instruct the holder of Securities or Representative proxy as to casting of the vote, and must not be sent with any name of office (e.g., "chairman of directors") filled in as a proxy holder. Proxy forms may also provide for abstentions.

19.4 Lodging proxy forms

(a) No proxy is effective in relation to a meeting unless the proxy form is received by or on behalf of the Company at any place specified for the purpose in the notice of meeting or delivered in writing by email or such other accepted means of electronic communication to the Company not later than 48 hours before the start of the meeting (excluding weekends and public holidays in Botswana). If the written notice appointing a Representative or proxy is signed under a power of attorney, a copy of the power of attorney (unless already deposited with the Company) and a signed certificate of non-revocation of the power of attorney must accompany the notice, however delivered to the Company.

(b) Delivery or receipt of an appointment of proxy does not prevent a holder of a Security attending and voting in person at a General Meeting or any adjournment thereof.

19.5 Validity of proxy vote

A vote given in accordance with the terms of an instrument of proxy whether by the holder of Securities duly delivered to the Company or by a Representative, shall be valid notwithstanding the previous death or mental disorder of the principal or revocation of the same or of the authority under which the proxy was executed, or the transfer of the Security in respect of which the proxy is given, if no written notice of such death, mental disorder, revocation, or transfer has been received by the Company at its registered office before the commencement of the meeting or adjourned meeting at which the proxy is used.

19.6 Corporate Representatives

A body corporate which is a holder of a Security(ies) may appoint a Representative to attend a meeting on its behalf in the same manner as that in which it could appoint a proxy, and may cast its votes by delivery of a proxy form to the Company or through its Representative in accordance with clause 18 of this Constitution. A Representative shall have the same rights and powers as if the Representative were a proxy.

**20. Minutes of meetings of holders of Securities**

The Board must ensure that minutes are kept of all proceedings at meetings of holders of Securities. Minutes that have been signed correct by the chairperson are prima facie evidence of the proceedings unless they are shown to be inaccurate.

**21. Adjourned meetings and disorderly meetings**

**21.1 Chairperson's discretion to adjourn meetings**

The chairperson at any time during a meeting at which a quorum is present:

- (a) may adjourn the meeting with the consent of the holders of Securities present who are entitled to attend and vote at that meeting; or
- (b) must adjourn the meeting if directed by the meeting to do so.

**21.2 Direction to adjourn**

If directed by a majority of the holders of Securities present or represented at the meeting, the chairperson must adjourn the meeting.

**21.3 Provisions relating to adjourned meetings**

No business can be transacted at any adjourned meeting other than the unfinished business at the original meeting. When a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given in the same manner as the original meeting. Otherwise, notice of an adjournment and of the business to be transacted at an adjourned meeting shall be given to all Security holders save that such notice need only be published on the Company Website and Xnews.

**22. Appointment and removal of Directors**

**22.1 Number**

The number of Directors (other than Alternate Directors) must not at any time be less than three and no more than seven and subject to this limitation, the number of Directors to hold office shall be fixed from time to time by Ordinary Resolution. At least two Directors must be ordinarily resident in Botswana. If the number of directors falls below three, the remaining directors are only permitted to act for the purpose of filling vacancies or calling General Meetings of holders of Securities.

**22.2 Existing Directors to continue in office**

The Directors in office at the date of adoption of this Constitution shall continue in office subject to the provisions of this Constitution.

22.3 Appointment and removal by Ordinary Resolution

Subject to the Listings Requirements and clause 22.4, a Director may be appointed by Ordinary Resolution. All Directors shall be subject to removal from office as director, by Ordinary Resolution.

22.4 Appointment by Board

Subject to the Listings Requirements, the Board may at any time appoint additional Directors to fill a casual vacancy or as an addition to existing directors, which appointment shall be confirmed at the next annual general meeting.

22.5 Appointment of Directors to be voted on individually

No resolution to appoint or elect a Director shall be put to the holders of Securities unless:

- (a) the resolution is for the appointment of one Director; or
- (b) the resolution is a single resolution for the appointment of two or more Directors, and a separate resolution that it be so voted on has first been approved without a vote being cast against it.

Nothing in this clause prevents the election of two or more Directors by ballot or poll.

22.6 No qualification for Directors

There is no qualification in respect of the holding of Securities issued by the Company, for Directors.

22.7 Vacation of office

A Director shall cease to hold office as a Director if the Director:

- (a) dies;
- (b) becomes bankrupt or makes an arrangement or compromise with the Director's creditors generally;
- (c) becomes disqualified from being a Director pursuant to Section 146 of the Act;
- (d) is removed from office pursuant to this Constitution or the Act;
- (e) has for more than six consecutive months been absent without permission of the Board from meetings of the Board held during that period;
- (f) the Director resigns by notice in writing delivered to the Secretary at the Office or at an address specified by the Company for the purposes of communication by electronic means or tendered at a Board meeting;

- (g) the Director offers to resign by notice in writing delivered to the Secretary at the Office or at an address specified by the Company for the purposes of communication by electronic means or tendered at a Board meeting and the Board resolves to accept such offer;
- (h) the Director is requested to resign by all of the other Directors by notice in writing addressed to him or her at his or her address as shown in the register of Directors (without prejudice to any claim for damages which the Director may have for breach of any contract between him or her and the Company); or
- (i) a registered medical practitioner who is treating the Director gives a written opinion to the Company stating he or she has become physically or mentally incapable of acting as a director and may remain so for more than three months, or is or has been suffering from mental or physical ill health as confirmed by a medical practitioner and the Board resolves that his or her office be vacated.

#### 22.8 Timing of retirement and appointment

- (a) If a Director retires at a meeting at which he/she is required to retire and is not re-elected, the Director shall remain in office until, and his or her retirement shall take effect at, the conclusion of the meeting;
- (b) If a Director is removed from office by Ordinary Resolution, the Director shall remain in office until, and his or her removal shall take effect at, the conclusion of the meeting at which the Ordinary Resolution is passed; or
- (c) If a person who is not already a Director is appointed or elected as a Director by an Ordinary Resolution, that person shall take office as a Director immediately after passing of that Ordinary Resolution.

#### 22.9 Rotation of directors

- 22.9.1 Subject to clauses 22.9.4 and 22.9.5, at every Annual General Meeting at least one third of the Directors for the time being shall retire from office. The Directors so to retire in each year shall be those who have been longest in office.
- 22.9.2 As between persons who were last elected as Directors on the same day, those to retire, unless they otherwise agree amongst themselves, shall be determined by lot. Notwithstanding anything contained herein, if, at the date of any ordinary meeting any Director shall have held office for a period of three years since his last election or appointment, he shall retire at such meeting, either as one of the Directors to retire in pursuance of the foregoing provisions, or additionally thereto. A retiring Director shall

hold office until the conclusion of the meeting at which he retires.

22.9.3 Retiring Directors shall be eligible for re-election, but no person not being a retiring Director shall be eligible for election to the office of the Director at any Annual General Meeting unless the member intending to propose him has, at least five days before the meeting, left at the registered office of the Company a notice in writing, or delivered to the Company in electronic format either by fax or email, duly signed signifying the intention of such members to propose the candidate and the consent of the candidate to assume the office of the Director.

22.9.4 The Company may by Ordinary Resolution in an Annual General Meeting increase or reduce the number of Directors and alter their qualifications and may also determine in what rotation such increased or reduced number is to go out of office. Whenever such increase is made the Directors at the said meeting, or failing them, the shareholders may fill up the new seats so created.

Notwithstanding anything to the contrary contained in clause 22.9.1, any person employed under a contract, or who has any other contract with the Company, which contract has as a condition thereof that the person shall be a director of the Board, that person shall not be subject to retirement by rotation as envisaged in clause 22.9.1, but the period for which that person shall be a Director and hold office as such shall be determined by the terms and conditions of his contract with the Company.

## 23. Alternate Directors

### 23.1 Appointment

Each Director may from time to time appoint an alternate director, being any person (including another Director) who is approved by a majority of the other Directors to be the Director's alternate director ("**Alternate Director**"). No Director may appoint a deputy or agent otherwise than by way of appointment of an Alternate Director.

### 23.2 Form of appointment and removal

Any appointment or removal of an Alternate Director must be by notice in writing to the Company signed by the Director who made the appointment.

### 23.3 Rights of Alternate Director

Each Alternate Director will be entitled to:

- (a) receive notices of all meetings of the Board if the Director who appointed the Alternate Director is known to be either outside of Botswana or otherwise unavailable to attend meetings;

- (b) attend and vote at any such meeting at which the Director who appointed the Alternate Director is not personally present;
- (c) in the absence of the Director who appointed the Alternate Director, perform all the functions, and exercise all the powers, of that Director;
- (d) a separate vote at Board meetings for each Director for whom that person acts as Alternate Director in addition to his or her own vote if the Alternate Director is also a Director, but shall count as only one for the purpose of determining whether a quorum is present;
- (e) sign as an alternate Director any resolution in writing of the Board or a committee of the Board and unless the notice of appointment provides otherwise, such signature shall be as effective as signature by his or her appointor.

23.4 Remuneration and expenses

Each Alternate Director's:

- (a) remuneration (if any) must be paid by the Director who appointed the Alternate Director; and
- (c) reasonable expenses incurred in attending meetings of the Directors and otherwise in relation to the discharge of duties will be paid by the Company.

23.5 Cessation of appointment

An Alternate Director will cease to be an Alternate Director:

- (a) if the Director who appointed the Alternate Director ceases to be a Director or revokes the appointment;
- (b) on the occurrence of any event relating to the Alternate Director which, if the Alternate Director were a Director, would disqualify the Alternate Director from being a Director;
- (c) if a majority of the other Directors resolve to revoke the Alternate Director's appointment; or
- (d) If the Alternate Director resigns his or her office by notice in writing to the Company.

23.6 Liability of Alternate Director

Each Alternate Director will be an officer of the Company, and will alone be responsible to the Company for his or her own acts and defaults and will not be deemed to be the agent of the Director appointing them.

## 24. **Managing Director**

### 24.1 Appointment and removal

The Board may from time to time appoint one of the Directors to be the Managing Director either for a fixed term and on such other terms (including remuneration) as the Board determines. A Managing Director may be re-appointed for a further period. The Board may from time to time remove any such Managing Director as such in which event such person shall continue as director without the rights and duties of Managing Director and be subject to retirement by rotation set out in this Constitution and appoint another or others in his or her place. Any Managing Director who is removed by resolution of the Board shall have no right or claim to continue in office and his or her only remedy against the Company (if any) shall be in damages. Any Director holding the office of Managing Director at the date of adoption of this Constitution shall continue in office.

### 24.2 Resignation

A Managing Director shall, subject to the provisions of any contract between him or her and the Company, be subject to the same provisions concerning resignation, removal and disqualification as the other Directors. If a Managing Director ceases to hold the office of Director from any cause he or she immediately ceases to be Managing Director.

### 24.3 No alternate Managing Director

The power to appoint alternate Directors conferred on Directors by this Constitution does not confer on any Managing Director the power to appoint an alternate Managing Director.

## 25. **Proceedings of the Board**

### 25.1 Methods of holding meetings

A meeting of the Board may be held either:

- (a) by a number of the Directors who constitute a quorum, being assembled together at the place, date and time appointed for the meeting; or
- (b) by means of audio, or audio and visual, communication by which all the Directors participating and constituting a quorum can simultaneously hear each other throughout the meeting.

### 25.2 Notice of meeting

A Director or any other person, if requested by a Director to do so, may convene a meeting of the Board by giving notice in accordance with this clause 25.2 and clause 25.3.

Each Director must be given not less than seven days notice of a meeting of the Board, unless waived by each Director or where in the



opinion of the chairperson or of Directors who would together constitute a quorum at the meeting, the meeting is necessary as a matter of urgency, in which event shorter notice of the meeting may be given so long attendance by means of audio or audio and visual communication is arranged and such being available to each Director. Notice may be given to a Director in any of the following ways:

- (a) by delivery of the notice to the Director, in which case the notice will be deemed to be given when delivered; or
- (c) by sending the notice by facsimile or email transmission to the facsimile number or email address(s) given by the Director to the Company for the purpose of receiving notices, in which case the notice will be deemed to be given when sent; or
- (d) by posting the notice to the address given by the Director for the purpose of receiving notices, in which case the notice will be deemed to be given three days after it is posted, provided that in the case of any Director who does not reside in Botswana the notice is also delivered in accordance with clause 25.2 (c) above; or
- (e) by sending by electronic means in accordance with any request made by the Director from time to time for such purpose.

### 25.3 Absent Directors

If a Director, who is for the time being absent from Botswana, or who does not ordinarily reside in Botswana, supplies the Company with a facsimile number or address or email address or another form of electronic mail address to which notices are to be sent during his or her absence, then notice must be so given to that Director. If a Director who is absent from Botswana has an alternate Director who is in Botswana, then notice must be given to that person.

### 25.4 Contents of notice

A notice of a meeting must specify the date, time and place of the meeting and, if the meeting is to be by means of audio or audio and visual communication, the manner in which the Director will be contacted to participate at the time of the meeting, and details of how the Director can attend or participate in the meeting.

### 25.5 Waiver of irregularity

An irregularity in a notice of meeting is waived, if all the Directors entitled to receive notice of the meeting attend or participate in the meeting without protest as to the irregularity, or if all Directors entitled to receive notice of the meeting agree to the waiver.

### 25.6 Quorum

Unless otherwise determined by the Board, a quorum for a meeting of the Board is at least two Directors, provided that such number is

comprised of one executive Director and one non-executive Director and provided that all Directors have received proper notice of the meeting. The number of Directors required for a quorum may be amended by Ordinary Resolution. No business may be transacted at a meeting of the Board unless a quorum is present.

25.7 Lack of quorum

If a quorum is not present within 30 minutes after the time appointed for a meeting of the Board, provided that notice of the meeting was validly given, the meeting will be adjourned automatically until the following day at the same time and place. If at the adjourned meeting a quorum is not present within 30 minutes from the time appointed for the meeting the meeting is dissolved.

25.8 Chairperson

The Directors may elect one of their number as chairperson and another of their number to be deputy chairperson of the Board and determine the period for which the chairperson and deputy chairperson is to hold office. If at any meeting the chairperson is not present within ten minutes after the time appointed for the commencement of the meeting, the deputy chairperson shall chair the meeting. If the deputy chairperson is not so present the Directors present may choose one of their number to be chairperson of the meeting.

25.9 Votes

Every Director has one vote. A resolution of the Board is passed if it is agreed to by all Directors present without dissent or a majority of the votes cast on it are in favour of it. A Director present at a meeting of the Board is presumed to have agreed to, and to have voted in favour of, a resolution of the Board unless that Director expressly dissents or expressly abstains from voting on, or votes against, the resolution.

25.10 Resolutions in writing

A resolution in writing, signed or assented to by a majority of Directors entitled to receive notice of a meeting of the Board representing a quorum of directors, is as valid and effective as if it had been passed at a meeting of the Board duly convened and held. Each Director must be given notice of the form of the proposed resolution. Any such resolution may consist of several documents (including email or facsimile or other similar means of communication) in like form, each signed or assented to by one or more Directors. A copy of any such resolution must be entered in the minute book or kept with the records of Board proceedings.

25.11 Minutes

The Board must ensure that minutes are kept of all proceedings at meetings of the Board.

25.12 Validity of acts

All acts done by any meeting of the Board or of a committee of Directors or by any person acting as a Director are valid notwithstanding:

- (a) any defect in the appointment of any Director or person acting as a Director; or
- (c) that they or any of them were disqualified; or
- (d) any irregularity in a notice of meeting.

25.13 Other procedures

Except as set out in this clause 25, the Board may regulate its own procedure.

**26. Directors' remuneration**

26.1 Authorisation

The Board may, exercise the power conferred by the Act to authorise remuneration and other benefits to and for Directors.

26.2 Expenses

Each Director is entitled to be paid for all reasonable travelling, accommodation and other expenses incurred by the Director in connection with the Director's attendance at meetings or otherwise in connection with the Company's business. If any Director shall be required to perform extra services, he shall be entitled to receive a remuneration to be fixed by a disinterested quorum of Directors.

26.3 Special remuneration

Without limiting clause 26.1, but subject to any applicable Listings Requirements relating to transactions with related parties (or the rules relating to the same, of any other exchange upon which the Securities are listed), the Board may authorise special remuneration to any Director who is or has been engaged by the Company or a Subsidiary to carry out any work or perform any services which is not in the capacity of a director of the Company or a Subsidiary.

26.4 Payments to Directors upon cessation of office

The Company may make a payment to a Director or former Director, or his or her dependents, by way of a lump sum or pension, upon or in connection with retirement from office of that Director, only if:

- (a) the total payment (or the base for the pension) does not exceed ten percent of the total remuneration of the Director in his or her normal capacity as a Director of the Company; and

- (b) the payment is authorised by an Ordinary Resolution of shareholders of the Company.

Nothing in this clause affects any amount paid to an executive Director upon or in connection with the termination of his or her employment with the Company, or the payment of any amount attributable to the contribution (or any related normal subsidy) made by a Director to the Company's superannuation scheme.

## **27. Borrowing powers of Directors**

### **27.1 Power to borrow**

The Directors may raise or borrow for the purposes of the business of the Company and/or its subsidiaries, such sum or sums of money as in aggregate at any time do not exceed half of the fair market value of the assets of the Company, or such higher limit as the Security holders may, by Special Resolution, in a General Meeting determine. The Directors may secure the repayment of or raise any such sum or sums as aforesaid by mortgage or charge upon the whole or any part of the property and assets of the Company, present and future, or by the issue, at such price as they may think fit, of Securities in the Company, or as permitted by law securities in its subsidiaries, either charged upon the whole or any part of the property and assets of the Company or not so charged, or in such other way as the Directors may think expedient.

### **27.2 Register of borrowings**

The Directors shall cause a proper register to be kept in accordance with the provisions of the Act of all mortgages and charges specifically affecting the property of the Company, and they shall cause to be entered in such register in respect of each mortgage or charge a short description of the property mortgaged or charged, the amount of charge created, the name of mortgagee or person entitled to such charge and such further particulars as the provisions of the Act requires.

### **27.3 Indemnity**

If any Director or other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

## **28. Committees of the Board**

### **28.1 The Board may –**

- 28.1.1 appoint committees of Directors and delegate to any such committee any of the authority of the Board as contemplated in section 161 of the Act; and/or

28.1.2 include in any such committee persons who are not Directors, and the power of the Board in this regard is not limited or restricted by this Constitution.

28.2 The authority of a committee appointed by the Board as contemplated in clause 28.1.1 above shall not limited or restricted by this Constitution.

## 29. **Indemnity and Insurance for Directors and Employees**

Every Director shall be indemnified by the Company for any costs referred to in section 159 of the Act. The Board may determine the amounts and terms and conditions of such an indemnity.

## 30. **Dividends**

30.1 The Board shall determine the dividend policy of the Company from time to time. In the event that a dividend is declared prior to the publication of annual accounts, the dividend notice given to Shareholders of Securities will contain a statement of the ascertained or estimated combined net trading profits of the Company and also the particulars of any amounts appropriated from reserves, capital profits, accumulated profits of past years, or other special source to provide wholly or partly for dividend.

30.2 Subject to clause 30.3 below, the Company shall by Ordinary Resolution declare annual dividends to be paid to holders of Securities according to their respective rights and interests in the profits of the Company.

30.3 Subject to the Act, the Board may from time to time declare and pay such interim dividends to holders of Securities as is determined by the Board to be justified by the profits of the Company available for distribution.

30.4 Method of payment

Any dividend, interest or other money payable to a holder of Securities may be paid by electronic funds transfer to the designated bank account of or cheque sent through the post to the registered address of the holder or in any other manner determined by the Board and directed by the person entitled to the payment. In the case of joint holders, cheques may be sent to the registered address of the person first named on the register.

30.5 Currency of payment

The Board may, in its discretion, differentiate between holders of Securities as to the currency in which dividends interest are to be paid. In exercising that discretion, the Board may have regard to the registered address of such holder, the register on which a holder's Securities are registered or any other matter the Board considers appropriate. In any case where a dividend or interest is to be paid in a currency other than Botswana currency, the amount payable will be determined by the Board using the market related exchange rate at

the time set for payment of the dividend, for converting Botswana currency into the currency that the dividend is being paid in.

30.6 Deductions

The Board may deduct from dividends or interest payable to any holder of the Securities in respect of such Securities any:

- (a) amounts the Company may be called upon to pay under any legislation in respect of the specific Securities; and
- (b) any amount due by the holder of the Securities, to the Company.

30.7 Entitlement date

Dividends, interest and other distributions or payments to holders of Securities of the Company will be payable to the persons who are registered as holders of those Securities as at a record date determined by the Board.

30.8 Unclaimed dividends

Dividends, interests or other distribution unclaimed for one year after due date for payment, may become the property of the Company and used for the benefit of the Company. Other monies due to holders of Securities shall be held in trust by the Company, until lawfully claimed by the holder, or in the absence of the claim, until any claim by a holder in respect thereof shall by operation of law, be deemed to have prescribed.

**31. Notices**

31.1 In addition to the notices to be sent to all registered holders of Securities, all notices shall be published in accordance with the requirements of the Act and the Listing Requirements, and if the Company is listed in a stock exchange outside of Botswana all notices shall also be published in accordance with the requirements of such other stock exchange.

31.2 Method of service

All notices, reports, accounts or documents required to be sent to a holder of Securities shall be sent by ordinary mail, and shall also be sent by electronic transmission that shall include email, where such request has been made and such information has been provided.

31.3 Service of notices outside Botswana

If a holder of a Security has no registered address within Botswana and has not supplied to the Company an address within Botswana for the giving of notices, but has supplied an address outside Botswana, or has supplied an email address or a fax number, then notices shall be posted to the holder at that address and also emailed or faxed at

the same time, and shall be deemed to have been received by the holder two days after the time of the posting.

31.4 Joint holders

A notice may be given by the Company to the joint holders of a Security by giving the notice to the joint holder named first in the register in respect of the Security.

**32. Inspection of records**

Except as provided in the Act or unless the Board determines otherwise in any particular case, no holder of Securities shall be entitled to:

- (a) inspect any records, books, papers, correspondence or documents of the Company; or
- (b) require or receive any information concerning the Company's business, trading or customers, or any trade secret or secret process of or used by the Company.

**33. Liquidation**

33.1 Distribution of surplus

Subject to the rights of the holders of any Securities in the Company and to clause 30.5, upon the liquidation of the Company the surplus assets of the Company (if any) must be distributed among the holders of Securities in accordance with terms thereof and in proportion to their shareholding.

33.2 Distribution in kind

With the approval of the holders of Securities entitled to a distribution by Ordinary Resolution, the liquidator of the Company may divide amongst such holders in kind the whole or any part of the surplus assets of the Company (whether or not they are of the same kind) and for that purpose the liquidator may:

- (a) attribute values to assets as the liquidator considers appropriate; and
- (b) determine how the division will be carried out as between the holders or different Classes of holders of Securities.

33.3 Trusts

With the approval of the holders of the Securities entitled to a distribution by Ordinary Resolution, the liquidator may vest the whole or any part of any surplus assets of the Company in trustees upon trust for the benefit of such holders. The liquidator may determine the terms of the trust.

## 34. Execution of deeds

### 34.1 Manner of Execution

A contract or other enforceable obligation may be entered into by the Company an obligation on behalf of the Company in writing signed under the name of the Company by:

- (i) two or more Directors; or
- (ii) a Director, or any other person authorized by the Board whose signature must be witnessed.

### 34.2 Company may appoint attorneys

The Company may, by an instrument in writing executed in accordance with clause 34.1, appoint one or more persons as its attorney or attorneys either generally or in relation to a specified matter or matters. An act of an attorney in accordance with the instrument binds the Company.

## 35. Disclosure of Holding of Securities

### 35.1 Definitions

For the purposes of this clause 35 the following definitions shall apply:

- (a) "**Act**" means the Botswana Companies Act, CAP 42:01 as amended from time to time;
- (b) "**AIM**" means the AIM market of that name operated by the London Stock Exchange;
- (c) "**FCA**" means the Financial Conduct Authority of the United Kingdom;
- (d) "**FSMA**" means the Financial Services and Markets Act 2000 of England and Wales (as amended from time to time);
- (e) "**Handbook**" means the UK Financial Conduct Authority Handbook;
- (f) "**Information Notice**" a notice given by the Company under section 329(6) of the Act;
- (g) "**Member**" means a holder of Shares in the Company;
- (h) "**Official List**" means the Official List of the FCA;
- (i) "**Regulatory Information Service**" means a service approved by the London Stock Exchange plc for the distribution to the public of announcements;
- (j) "**DTR5**" means Chapter 5 of the Disclosure Guidance and Transparency Rules of the FCA (as amended from time to time);



- (k) **"Regulations"** means any rules, policies, procedures or regulations of the FCA and/or a Relevant Exchange;
- (l) **"Relevant Exchange"** means any stock exchange or market on which shares may be listed and/or traded and which, for the avoidance of doubt, includes AIM;
- (m) **"Relevant System"** means a computer based system which allows units of securities without written instruments to be transferred and endorsed pursuant to the applicable rules and/or regulations of the jurisdiction in which the system is situated;
- (n) **"Shares"** means the Securities held in Central Securities Depositories in Botswana or any other Relevant System in the form of depositary interests;
- (o) **"Working Day"** means a day which is not a Saturday, a Sunday, Christmas Day, Good Friday or a bank holiday in the United Kingdom or Botswana;
- (p) a transfer of shares is an **"approved transfer"** if:
  - i. it is a transfer of Shares pursuant to an acceptance of a takeover offer;
  - ii. the Board is satisfied that the transfer is made pursuant to a sale of the whole of the beneficial ownership of the Shares the subject of the transfer to a party unconnected with the Member and with any other person appearing to be interested in the Shares; or
  - iii. the transfer results from a sale made through a recognised investment exchange as defined in FSMA or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded.

For the purposes of clause 35 only, defined terms in DTR5 shall bear the meaning set out in DTR5, and if the meaning of a defined term is not set out in DTR5, the defined term shall bear the meaning set out in the Glossary to the Handbook (in such case, read as the definition applicable to DTR5).

#### 35.2 Notification of interests in shares and suspension of rights

- (a) *Disclosures pursuant to DTR5*
  - i. This clause shall only have effect during such times as any Shares in the Company are admitted to trading on AIM or admitted to listing on the Official List and to trading on the London Stock Exchange's main market for listed securities.
  - ii. If at any time the Company shall have a class of Shares admitted to trading on AIM or admitted to listing on the Official List and to trading on the London Stock Exchange's main market for listed securities, the provisions of DTR5 shall be deemed to be incorporated by reference into this Constitution and accordingly the vote holder and issuer

notification rules set out in DTR5 shall apply to the Company and each Member. Notwithstanding the time limits for disclosure set out in DTR5, the Company is required by the Regulations to announce via a Regulatory Information Service all the information contained in any vote holder notification without delay.

- iii. For the purposes of incorporation by reference of DTR5 into this Constitution and the application of DTR5 to the Company and each Member, the Company shall (for the purposes of this clause only) be deemed to be an "issuer", as such term is defined in DTR5 (and not, for the avoidance of doubt, a "non-UK issuer", as such term is defined in DTR5).

(b) Disenfranchisement Notice

The Board may at any time serve an Information Notice upon a Member. If a Member has been issued with an Information Notice and has failed in relation to any Shares the subject of the Information Notice ("**notice shares**") to furnish any information required by such notice within the time period specified therein, then the Board may at any time following fourteen days from service of the Information Notice, serve on the relevant holder a notice (in this clause called a "**disenfranchisement notice**") whereupon the following sanctions shall apply:

i. Voting

in respect of the notice Shares (which expression includes any Shares issued after the date of the Information Notice in respect of those shares) the Member shall not with effect from the service of the disenfranchisement notice be entitled in respect of the notice Shares to attend or to vote (either in person or by representative or proxy) at any General Meeting of the Company or at any separate meeting of the holders of any class of Shares of the Company or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and

ii. Dividends and transfers

where the notice Shares represent at least 0.25 per cent. of the class of Shares concerned (calculated exclusive of any shares of that class held as treasury Shares), the disenfranchisement notice may additionally direct that in respect of the notice Shares:

[A] any dividend or other money payable in respect of the notice Shares shall be withheld by the Company, which shall not have any obligation to pay interest on it and the Member shall not be entitled to elect to receive shares for any scrip dividend instead of that dividend; and

[B] subject to the Act, CSDB Rules and/or Listing Requirements no transfer, other than an approved

transfer (as defined in clause 35.1 (q) above), of any notice Shares held by the Member shall be registered unless the Member is not himself in default as regards supplying the information required pursuant to the relevant Information Notice and the Member proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the Shares the subject of the transfer.

The Company shall send the disenfranchisement notice to each other person appearing to be interested in the notice Shares, but the failure or omission by the Company to do so shall not invalidate such notice.

(c) Withdrawal notice

The Company may at any time withdraw a disenfranchisement notice by serving on the Member to which the same relates a notice in writing to that effect (a "**withdrawal notice**").

(d) Cessation of sanctions

Where the sanctions under clause 35.2 (b) (Disenfranchisement notice) apply in relation to any Shares they shall cease to have effect:

- i. if the Shares are transferred by means of an approved transfer;
- ii. at the end of the period of one week (or such shorter period as the Board may determine) following receipt by the Company of the information required by the notice mentioned in clause 35.2 and the Board being fully satisfied that such information is full and complete; or
- iii. on the date on which a withdrawal notice is served by the Company.

35.3 The Company shall not by virtue of anything done for the purposes of clause 35 be deemed to be affected with notice of, or put upon enquiry as to, the rights of any person in relation to any Shares.

