



COASTAL EQUITIES LIMITED

(incorporated and registered in the Republic of South Africa)
(registration number 2016/476883/06)
(the "Company")

MANDATE AND APPLICATION FORM

To be completed by those Investors wishing to participate in the Offer. The definitions and interpretations commencing on page 10 of this Prospectus apply, *mutatis mutandis*, to this Application Form.

WHEREBY IT IS AGREED:

1 AUTHORISATION

- 1.1 The Company is the holder of a FAIS Category I license, under license number 48979, and is authorised to make investments of a non-discretionary nature in respect of investments governed by section 12J of the Income Tax Act under reference number 0123.
- 1.2 The Investor hereby irrevocably authorises the Company to act on its behalf.
- 1.3 The Company will, in terms of this mandate, have full discretion to manage the affairs of the Company and the Investor's investment, as more fully disclosed in the Prospectus.
- 1.4 The Company is authorised to invest in, and switch from any of the following financial products in terms of the FAIS Category I FSP, -
 - 1.4.1 Shares in Qualifying Companies; and
 - 1.4.2 Securities and Instruments: Shares.
- 1.5 The Company may make use of the services of its staff, or that of a management company, to execute certain administrative functions.

2 INVESTMENT OBJECTIVES

- 2.1 The investment objective of the Company is to invest in Qualifying Companies, as defined in section 12J of the Income Tax Act, and generate sufficient returns from the Investment Portfolio to provide attractive long-term risk-adjusted returns within a tax-efficient vehicle.

- 2.2 Venture Capital Companies are restricted to investment in South African resident companies only in terms of the Income Tax Act.

3 INVESTMENT POLICY

- 3.1 Initially, whilst suitable Qualifying Investments are being identified, the funds will be invested in a portfolio of non-Qualifying Investments, including cash deposits and money market funds.
- 3.2 The Board and the Manager will review the Investment Portfolio on a regular basis to assess asset allocation and the need to realise investments to meet the Company's objectives or maintain its section 12J status.

4 REPORTS

Audited annual financial statements, as well as all legally prescribed documents, will be provided to the Investor electronically or by registered post, at the Investor's discretion.

5 RISK DISCLOSURE

- 5.1 The Company will use its discretion to invest on the Investor's behalf with care and diligence. There is, however, a high risk associated with investing in Venture Capital Companies. The value of the investments may rise as well as fall, and there is a risk that the Investor may suffer financial losses. The Investor accepts and agrees that he does not have a claim against the Company or the Manager in the event of the realisation of this risk, unless he can prove that the losses were due to dishonesty, fraud, misconduct or gross negligence by the Company or the Manager or their respective staff.
- 5.2 The Investor is aware that the investment is of a long-term nature and adverse tax consequences might arise if the Investor disposes of his Investor Shares in the Company prior to the fifth anniversary of the date on which he acquired those shares.

6 REGISTRATION OF INVESTMENTS

- 6.1 The Company will register the investments that it holds, in the name of the Company, from time to time, or in the name of an FSCA approved nominee company that the Company may nominate.
- 6.2 The Investor must deposit his investment into the Company's bank account, as detailed below (no cash deposits will be accepted) -

Account name:	Coastal Equities Limited
Bank:	FirstRand Bank Limited
Branch:	Florida Road
Branch Number:	220526

Account Number: 62715858447

7 **ACCRUALS**

All cash received in respect of Investments, including dividends and interest, will be reinvested, unless at the Company's discretion it resolves to declare dividends or repay capital to Shareholders.

8 **FEES AND EXPENSES**

8.1 **Annual Management Fee**

8.1.1 The Manager is entitled to receive an annual management fee equal to ManCo is entitled to receive as a fee an amount equal to 2% of the net asset value of each Qualifying Company in each financial year, as reflected in the unaudited management accounts of that Qualifying Company for the financial year in question.

8.1.2 In addition, -

8.1.2.1 prior to the time at which an investor into the Company has received (before the payment of any taxes) an amount equal to his Risk Capital, the Manager is entitled to receive a fee equal to an amount of 20% of any distribution (as this term is defined in the Companies Act) payable by the Company to that investor that exceeds a return of 10% in the year in question; and

8.1.2.2 once an investor into the Company has received (before the payment of any taxes) an amount equal to his Risk Capital, the Manager is entitled to receive a fee equal to an amount of 20% of any amount payable by the Company to that investor in respect of his shares in the Company (whether as a distribution (as this term is defined in the Companies Act) from the Company or as proceeds on the disposal of his shares in the Company).

8.2 **Performance-Related Incentive Fee**

There is no performance-related incentive fee payable to the Manager from the Company.

8.3 Capital Raising Costs

The Manager does not charge the Company a fee for capital raising activities. The Company is responsible for all the related costs, including the drafting of the Prospectus, marketing expenses and other setup costs, including reporting accountant's fees, secretarial and CIPC fees.

9 VOTING ON BEHALF OF THE COMPANY'S INVESTORS

The Directors of the Company will vote on behalf of the Investors in respect of the Company's investment in Qualifying Companies.

10 TERMINATION OF MANDATE

10.1 The Investor understands that the term of the investment is for a minimum of five years if he is to enjoy the full benefit of the tax incentives granted by section 12J of the Income Tax Act.

10.2 Any amendment of any provision of this mandate must be in writing and by means of a supplementary or new agreement between the Company and the Investor.

11 DECLARATION REGARDING FUNDS AND INVESTMENTS

11.1 The Investor declares that all funds and investments placed under the Company's management in terms of this mandate are from a legitimate source and are not the "proceeds of unlawful activities", as defined in the Prevention of Organised Crime Act No 121 of 1998, as amended.

11.2 The Investor further warrants that, where required, all funds placed under the Company's management in terms of this mandate are declared in terms of the Income Tax Act.

11.3 The Investor confirms and declares, having been duly and properly advised and informed of the full implications of his actions and having considered same, that -

11.3.1 he is aware of the fact that a full analysis could not be undertaken and that there may thus be limitations on the appropriateness of the advice or information;

11.3.2 he has carefully considered whether the advice or information on its own is appropriate considering his financial situation, needs and objectives; and

11.3.3 to prevent the risk of concluding a transaction that is not appropriate to his financial situation, objectives and needs, he has declined the offer of a

needs analysis and has decided to continue with the Application in this Application Form.

12 **EFFECTIVE DATE**

This mandate takes effect on receipt of a signed Application Form from the Investor, together with the investment funds.

*****SIGNATURE PAGE TO FOLLOW*****

Signed at _____ on _____ 2019
for **COASTAL EQUITIES LIMITED**

who warrants that he is duly
authorised hereto

Signed at _____ on _____ 2019

Witness:

Witness:

Signed at _____ on _____ 2019
for **Investor**

Name

Signed at _____ on _____ 2019

Witness:

Witness:

Application Procedure

Below are a basic set of instructions for completing the Application Form. Please contact the Manager or your professional advisor if you are unsure about how to complete or submit this Application Form.

Please note that, for legal reasons, the Manager is not able to provide advice on the merits of the Offer or give any personal financial, investment or tax advice.

SECTION 1

Please insert your full name/name of entity, permanent residential and postal address, mobile and work telephone numbers, and date of birth, e-mail address and identity/registration number in Section 1 of the Application Form. Your tax number is required to ensure you obtain your income tax relief.

Joint Applications are not permitted, but couples may apply separately.

SECTION 2

Please note that the minimum Application amount is R100,000 and the maximum Application amount is the amount payable for 19.9% of the Investor Shares issued pursuant to the Offer.

Specify the amount to be invested in Investor Shares under the number of Investor Shares.

Payment by electronic transfer should be made to the following account, using your initials and surname as the reference:

Account name:	Coastal Equities Limited
Bank:	FirstRand Bank Limited
Branch:	Florida Road
Branch Number:	220526
Account Number:	62715858447
Reference:	Initials, Surname of Investor

SECTION 3

Please complete this part of the Application Form if you wish to have Distributions paid directly into your bank account.

SECTION 4

Read the declaration below and sign and date the Application Form.

If this Application Form is completed and signed by the Investor named in Section 1:

By signing this Application Form, I HEREBY DECLARE THAT -

- I. I have received the Prospectus and have read the terms and conditions of the Offer contained in the Prospectus and agree to be bound by them;
- II. I will become the beneficial owner of the Investor Shares of the Company issued to me under the Offer;
- III. I have read and understood the risk factors set forth in the Prospectus; and
- IV. to the best of my knowledge and belief, the personal details I have given are correct.

If this Application Form is completed and signed by an authorised financial intermediary or any other person apart from the Investor:

By signing the Application Form on behalf of the individual whose details are shown above, I make a declaration on behalf of that individual on the terms of sub-paragraphs (I) to (IV) above, and attach the power of attorney under which I have authority to sign on behalf of that Investor.

Offer for Subscription for Investor Shares in Coastal Equities Limited

Before completing this Application Form, you acknowledge that you have read the Prospectus, have accepted and signed the mandate and agree to the terms of the Offer. The Offer opens at **09h00** on **25 January 2019** and the Closing Date in respect of the Offer is **17h00** on **28 February 2019** (or such later date and time as the Directors may notify on the Company's website).

I/We accordingly hereby irrevocably offer to subscribe for the following number of Investor Shares in accordance with the terms and conditions of the Offer contained in the Prospectus -

SECTION 1			
TITLE (MR/MRS/MISS/OTHER)		SURNAME	
FORENAMES IN FULL/ENTITY NAME			
DATE OF BIRTH	IDENTITY/REGISTRATION NUMBER		
TAX NUMBER	E-MAIL		

RESIDENTIAL ADDRESS	POSTAL ADDRESS
TELEPHONE (WORK)	TELEPHONE (MOBILE)

SECTION 2		
I wish to subscribe for the following number of Investor Shares on the terms and conditions contained in this Application Form, read together with the Prospectus and the MOI of the Company:		
Number and Class of Investor Shares	Price Per Investor Share	Total Value
	R1,000	
<p>The minimum Application amount is R100,000 and the maximum Application amount is the amount payable for 19.9% of the Investor Shares issued pursuant to the Offer (subject to the limitations of the maximum amount specified in the Prospectus and this Application Form).</p> <p>Payment by electronic transfer must be made into the following bank account, with the initials and surname of the Investor as the reference (no cash deposits will be accepted) -</p> <p>Account name: Coastal Equities Limited Bank: FirstRand Bank Limited Branch: Florida Road Branch Number: 220526 Account Number: 62715858447 Reference: Initials, Surname of Investor</p>		

SECTION 3
Distributions to be paid into your bank account
<p>All distributions on Investor Shares in the Company may be paid directly into bank accounts. If you wish all future Distributions on Investor Shares in the Company to be paid into your bank account, please complete the mandate instruction form below.</p> <p>Distributions paid directly to your account will be paid in cleared funds on the Distribution payment dates. Your bank statement will identify details of the Distributions, as well as the dates and amounts paid.</p> <p>Please forward, until further notice, all Distributions that may from time to time become due on any Investor Shares now standing, or which may hereafter stand, in my name, in the securities register of the Company to the bank account listed below. I understand that,</p>

if my Application is not accepted in full, the balance of Application monies may also be repaid (without interest) to the bank account listed below.

Bank: _____

Branch: _____

Branch code: _____

Account name: _____

Account number: _____

SIGNATURE: _____

DATE: _____

The Company and/or the Manager do not accept responsibility if any details given by you are incorrect.

SECTION 4

Applications are irrevocable and may not be withdrawn once submitted. Please refer to the terms and conditions of the Offer contained in the Prospectus. Investors should consult their banker, broker or other professional advisor regarding this Offer.

The completed Application Form may be scanned and emailed to pevcc@prescient.co.za; Attention: Heinrich Loubser, to be received by no later than 17h00 on 28 February 2019 (or such later date as the Directors may determine).

SIGNATURE: _____

DATE: _____