



**Africa Clean Energy Solutions Limited**

Incorporated in the Republic of Mauritius

Registration number: 152282 C1/GBL

Having its registered office address at

c/o Intercontinental Trust Ltd, Level 3, Alexander House 35 Cybercity,  
Ebene 72201, Mauritius

SEM share code: ACES.N0000

ISIN: MU0620N00008

(“ACES Renewables” or the “Company”)

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**EMPLOYEE SHARE OPTION SCHEME**

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To be considered for approval, by way of a special resolution of shareholders (75% majority of the votes present and voting) at the annual general meeting of shareholders to be held on 8 December 2023 2023 (“AGM”).

An application was made to the Stock Exchange of Mauritius Ltd (“SEM”) for the listing of up to 10 000 000 additional Shares on the Official Market of the SEM in terms of the Scheme, and permission was duly granted by the Listing Executive Committee of the SEM for the listing of the additional Shares on 9 November 2023, subject to receipt of the requisite shareholders’ approvals at the AGM.

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09 November 2023

## 1. DEFINITIONS

<b>“the Act”</b>	the Companies Act of Mauritius;
<b>“Board” or “Directors”</b>	the members of the Board of Directors of the Company from time to time;
<b>“ACES Renewables” or “the Company”</b>	Africa Clean Energy Solutions Limited, registration number 152282, a company incorporated in Mauritius;
<b>“ACES Group”</b>	ACES Renewables and its subsidiaries, and companies associated with ACES in South Africa;
<b>“Business Day”</b>	any day other than a Saturday, Sunday or an official public holiday in Mauritius;
<b>“Employee”</b>	any person who is a Director of the Company (whether an executive or non-executive director) or any company within the ACES Group and any person employed by any of the companies within the ACES Group;
<b>“Eligible Employee”</b>	As defined under section 4 hereunder;
<b>“Mauritius”</b>	the Republic of Mauritius;
<b>“Option”</b>	a right to subscribe for an ordinary share in the share capital of the Company on the terms and conditions set out in this Scheme;
<b>“Ordinary Share” or “Share”</b>	an ordinary share in the issued share capital of ACES Renewables;
<b>“Scheme”</b>	the Employee Share Option Scheme set out in this document for the benefit of the employees.

## **2. PURPOSE OF THE SCHEME**

**2.1.** The purpose of the Scheme is;

**2.1.1.** to provide all employees an opportunity to subscribe for Shares in the Company, thereby increasing their commitment and involvement in the ACES Group; and

**2.1.2.** to incentivise all employees of the ACES Group.

## **3. SHARES AVAILABLE UNDER THE SCHEME**

**3.1.** The Board may grant Options to Eligible Employees equal to 15% (fifteen percent) of the total issued Shares of the Company at the time the Scheme becoming effective, provided that the said number shall be increased or reduced in direct proportion to the increase or reduction of Ordinary Shares in the Company's issued share capital arising from any conversion, redemption, reduction, consolidation, subdivision, issue for cash, vendor placing, rights or capitalisation issue of Shares in the capital of the Company or such other number and/or percentage as may from time to time be approved by the shareholders of the Company and the SEM.

**3.2.** At the AGM, authority of Shareholders will be sought:

**3.2.1.** to issue an additional 4 000 000 Shares to various Directors, as detailed under section 4.1.2, and subject to the terms and conditions of this Scheme.; and

**3.2.2.** notwithstanding sections 3.1 and 3.2, to authorise the Board to issue a total of up to 10 000 000 Shares in terms of the Scheme.

## **4. ELIGIBLE EMPLOYEES**

**4.1.** For purposes of this Scheme, an Eligible Employee means:

**4.1.1.** Any Employee that:

**4.1.1.1.** Has been in the permanent employment of the Company for not less than 12 continuous months;  
or

**4.1.1.2.** A Director who has been acting as a Director for not less than 12 continuous months in any of the ACES Group companies and who has attended the majority of the Board Meetings; or

**4.1.1.3.** A Director, who is appointed as a Director and whose terms and conditions of employment stipulates that such Director is entitled participate in this Scheme.

**4.1.2.** The following persons:

**4.1.2.1. Andrew Cox**, who has assumed the role of Chief Executive Officer with effect from 1 September 2022; and who was granted a total of 2,000,000 Shares as a signing up fee – which will be issued as follows:

**4.1.2.1.1.** An Option to subscribe for 500 000 Shares issued at USD 1 cent per share with effect from 1 September 2022<sup>1</sup>;

**4.1.2.1.2.** An Option to subscribe for 500 000 Shares issued at USD 1 cent per share on the first anniversary date of his employment (1 September 2023) provided he meets the milestones set out in his employment contract and as approved by the non-executive members of the Board;

**4.1.2.1.3.** An Option to subscribe for 500 000 Shares issued at USD 1 cent per share on the second anniversary date of his employment (1 September 2024) provided he meets the milestones set out in his employment contract and as approved by the non-executive members of the Board; and

**4.1.2.1.4.** An Option to subscribe for 500 000 Shares issued at USD 1 cent per share on the third anniversary date of his employment (1 September 2025) provided he meets the milestones set out in his employment contract and as approved by the non-executive members of the Board;

**4.1.3.** **Johan David Kruger** and **Melvyn Joseph Antonie** or their respective Trusts in Mauritius who shall each be entitled to an Option to subscribe for 1 000 000 Shares each to be issued once the Scheme is approved by the shareholders of the Company and the SEM. The issue price per share shall be USD 1 cent each.

**4.1.4.** Each party referred to in 4.1.2. and 4.1.3. above may exercise their respective options by giving 7-days Option Notice to subscribe for the Shares in accordance with section 5.5.5 to 5.5.8.

## **5. TERMS AND CONDITIONS OF THE SCHEME**

### **5.1. Powers of the Board of Directors**

**5.1.1.** The Board of Directors shall agree on the number of Options to be granted to an Eligible Employee at a Board Meeting;

**5.1.2.** The name of any Eligible Employee must be submitted to the Secretary of the Company or the Chief Executive Officer no later than 21 days before the date of a Board Meeting by any Director or General Manager of the Company;

**5.1.3.** Any such names referred to in 5.1.2 above will be submitted to the Board of Directors within 7 (seven) days of the date of the Board Meeting;

**5.1.4.** The Board of Directors shall determine the number of Options to be allocated to any Eligible Employee, after considering the motivation provided by the Director or General Manager referred to in 5.1.2 above;

**5.1.5.** The granting of Options to any Eligible Employee may be done as often as the Board decides, subject to the limitation imposed in 5.2 below;

**5.1.6.** The minutes of the Board Meeting shall reflect the details of the granting of Options;

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<sup>1</sup> Shares will be issued upon receipt of all requisite approvals for the Scheme to be effective.

**5.2. Maximum Number of Options to be Issued to an Employee**

5.2.1. Notwithstanding clauses 5.1.4 and 5.1.5 above, and the number of times Options are granted to an Employee, the Board of Directors may not grant Options in excess of 10% (ten percent) of the total issued share capital of the Company to any one Employee in total.

**5.3. Cession and sale of Options**

5.3.1. The options issued to any Employee may not be ceded to any person either as security or to dispose of the Option;

5.3.2. The Options may not be sold to any person, other than the Company.

**5.4. Subscription Price per Share under an Option**

5.4.1. Other than the specific options to be exercised by the parties mentioned in clauses 4.1.2 and 4.1.3, Eligible Employees who will be exercising their options may do so by subscribing for Shares as follows:

5.4.1.1. If the Shares are listed on any Stock Exchange, at a price equal to 15% (fifteen percent) below the average closing price of the Shares over the last 30 trading days prior to the Option Notice (the closing price should be the trading price on the primary Stock Exchange of the Company's primary listing); or

5.4.1.2. if the Shares are not listed at a value equal to twice the annual turnover for the previous twelve months prior to the offer being made to an Eligible Employee divided by the total issued Shares at the time.

**5.5. Exercise Date of an Option**

5.5.1. Other than the specific options to be exercised by the parties mentioned in clauses 4.1.2 and 4.1.3, Eligible Employees who will be exercising their options may do so in writing on any of the following dates:

5.5.1.1. 25% (twenty five percent) of the Options issued on the second anniversary date of the granting of the Options;

5.5.1.2. 25% (twenty five percent) of the Options issued on the third anniversary date of the granting of the Options;

5.5.1.3. 25% (twenty five percent) of the Options issued on the fourth anniversary date of the granting of the Options;

5.5.1.4. 25% (twenty five percent) of the Options issued on the fifth anniversary date of the granting of the Options.

5.5.2. If an Employee does not exercise any or all of the Options on any of the anniversary dates referred to in 5.5.1 above then that number of Options that were not exercised may be exercised on the following anniversary dates either in full or in part.

**5.5.3.** If not all the Options are exercised by the fifth anniversary date then the Board of Directors may at their discretion grant the Employee an extended period during which to exercise the Option in writing.

**5.5.4.** If the Options are not exercised by the fifth anniversary date or any extended period thereafter, they will lapse and be of no force and effect.

**5.5.5.** An Employee may exercise an Option or series of Options by giving the Company 1 (one) month's written notice before the relevant anniversary date of his/her intention to do so, stipulating the exact number of Options that will be exercised.

**5.5.6.** The written notice to exercise the Options must be addressed to the Secretary of the Company.

**5.5.7.** The written notice may be handed to the Secretary of the Company or any Director or may be sent by registered mail to the Registered Office of the Company or by email.

**5.5.8.** An Employee must pay for the Shares subscribed for in 5.4.5 above by not later than 2 (two) days before the exercise date for the Options.

#### **5.6. Lapsing of Options**

**5.6.1.** The Options will lapse or be cancelled when any of the following events occur:

**5.6.1.1.** An Eligible Employee, who has been granted Options does not exercise those Options by the last date on which Options may be exercised in terms of 5.5.4 above; or

**5.6.1.2.** An Eligible Employee terminates employment with the Company prior to the date on which Options may be exercised; or

**5.6.1.3.** An Eligible Employee dies prior to the date of the exercise of Options; or

**5.6.1.4.** An Eligible Employee is sequestrated prior to the date of the exercise of Options.

#### **5.7. Shares received from Options**

**5.7.1.** The Shares issued on the exercise of the Options shall, upon delivery thereof, be issued as fully paid shares, rank *pari passu* with the existing issued Shares of ACES Renewables and be listed on the Official Market of the SEM, and /or any other exchanges on which the ordinary shares of the Company are listed.

**5.7.2.** The Shares will only be issued in dematerialised form. No certificated Shares will be issued.

**5.7.3.** Any Shares issued to an Eligible Employee on the exercise of the Options may only be sold in the following circumstances:

**5.7.3.1.** An Eligible Employee, still under employment by the Company may only sell Shares:

**5.7.3.1.1.** If the Company is listed, with the written permission of the Secretary of the Company and only during such periods as are permitted by the rules and regulations of the Stock Exchange(s) on which the Company is listed;

**5.7.3.1.2.** If the Company is not listed, the Eligible Employee must disclose to the secretary of the Company, the price at which he/she wishes to sell the Shares, confirm that the purchase price for the Shares is payable in cash and full details of the purchaser. Once those details are provided the Company must give permission to sell the Shares in writing.

**5.7.3.1.3.** The sales of the Shares must comply with the pre-emptive rights that may be applicable in terms of the company's statutes or any shareholders agreement in existence at the time that the Shares are sold.