

**IN-PRINCIPAL AGREEMENT FOR IMPLEMENTATION OF AN OFFSET PLAN FOR THE UPILANGA
SOLAR PARK, NORTHERN CAPE PROVINCE**

Emvelo Capital Projects (Pty) Ltd (**the proponent**), is proposing the development of the Upilanga Solar Park consisting of photovoltaic (PV) and concentrated solar power (CSP) projects near Karoshoek, located southeast of Upington in the Northern Cape Province. There are various built, approved and in-process projects present on the site which form part of the greater Upilanga Solar Park. Majority of the affected area does not fall within a CBA or protected area expansion strategy focus area. The number of projects at the site, which have a total footprint of more than 8000ha, raised the potential for significant cumulative impact at the site. It was determined that a large number of protected trees would be lost to the development as well as the potential for habitat fragmentation and loss of broad-scale ecological function. The proponent has therefore indicated that the entire property could potentially be set aside for conservation purposes as an offset to mitigate some of the impacts of the renewable energy developments on biodiversity.

The proponent has committed to the following in line with the Draft National Offset Policy (Government Notice 276 of 2017), should the projects associated with the Upilanga Solar Park be selected as preferred bidder projects and reach financial close:

- » The recommendations of the offset plan (Todd, 2020) will be discussed with the provincial and national authorities for discussion and input. It is understood that the authorities may indicate that alternative offset arrangements beyond those recommended in the offset plan and would need to be implemented as the current recommendations may not adequately align with their own views and priorities.
- » The offset area will be included in a formal conservation agreement with the competent authority that will commit the said properties to long-term conservation and limits the type of land use that can be practiced in this area.
- » The nature and extent of the offset will be negotiated with the provincial and national authorities prior to the establishment of the facilities.
- » Funds for the management of the area will be allocated for the operational period of the solar developments.
- » It is understood that the offset is only to be implemented once any of the proposed Upilanga Solar Park projects are selected as a preferred bidder and is thus certain to go ahead. The stipulations that would be provided by the DEFF, will come into effect at financial close of the project prior to commencement of construction.

The proponent understands that the offset, is not a form of mitigation in itself and the implementation of an offset does not release the requirement or need to implement the full array of mitigation and avoidance options at the impacted site.

DECLARATION OF THE PROPONENT

I, _____Pancho Ndebele_____, declare that –

- I am the proponent in this agreement.
- I have commissioned Simon Todd as the specialist to undertake the offset study (2020);
- I will provide the Competent Authority with access to all information at my disposal that is relevant to the offset study and relevant to the Upilanga Solar Park projects.
- I will be responsible for the costs incurred in complying with the Draft National Offset Policy (Government Notice 276 of 2017) and implementation of the offset plan as agreed upon with the competent authority.
- I am responsible for complying with the conditions of any environmental authorisation issued by the Competent Authority.
- I will perform all obligations as expected from a proponent in terms of the Draft National Offset Policy (Government Notice 276 of 2017) and offset plan as guided by the competent authority.
- All the particulars furnished by me in this form are true and correct.
- I, as the proponent, understand and will perform the actions as stated in the In-Principal Agreement



Signature of the proponent

Emvelo Capital Projects (Pty) Ltd
Name of company (if applicable)

Date:10/11/2020