

**EXECUTION**

**PROGRAMME MEMORANDUM DATED 4 JUNE 2021**

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**Multi-Issuer Note Programme**

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*Arranger and Debt Sponsor*



*Attorneys to the Arranger*

**WEBBER WENTZEL**

in alliance with > **Linklaters**

## PROGRAMME MEMORANDUM

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### Multi-Issuer Note Programme

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On 11 December 2019, AB Finco 1 (RF) Limited (the "**Initial Issuer**"), executed a programme memorandum relating to this multi-issuer note programme (the "**Previous Programme Memorandum**"). The Initial Issuer wishes to amend the provisions of the Previous Programme Memorandum. With effect from the date of signature of this revised Programme Memorandum, this revised Programme Memorandum shall supersede the Previous Programme Memorandum. Under this multi-issuer note programme, an Issuer may from time to time issue secured or unsecured registered notes denominated in South African Rand, on the terms and conditions contained in the section of the Programme Memorandum headed "*Terms and Conditions of the Notes*". Capitalised terms used below are defined in the section of the Programme Memorandum headed "*Glossary of Definitions*".

Each Issuer will be a special purpose legal entity and each Issuer will be described in the relevant Applicable Issuer Supplement signed by such Issuer. Each Issuer will accede to the Programme by signing an Applicable Issuer Supplement. The Applicable Issuer Supplement will bind such Issuer to the terms and conditions of the Programme Memorandum in the manner set out in the section headed "*Accession to the Programme*" and the Issuer may from time to time issue secured or unsecured Notes under the Issuer Programme. Each Issuer will, to the extent necessary, obtain separate approvals from all relevant regulatory authorities to issue Notes pursuant to the Issuer Programme established by that Issuer.

In relation to each Issuer Programme, the Issuer may establish one or more Transactions by signing an Applicable Transaction Supplement in respect of each relevant Transaction. Each Transaction comprises collectively the distinct series of contracts and arrangements entered into by the Issuer in connection with the issue of one or more Tranches of Notes and the acquisition of and/or investment in one or more Participating Assets, as described in an Applicable Transaction Supplement, where such Participating Assets and Notes constitute a segregated subset of assets and liabilities of the Issuer and are identified as such in the accounting records of the Issuer, in any agreement for the acquisition of and/or investment in such Participating Assets and, if applicable, in the Applicable Pricing Supplement. The holders of Notes issued in respect of a Transaction will have recourse only to the Participating Assets of the Issuer in relation to that Transaction and will not have recourse to any other assets of the Issuer.

Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. One or more Series of Notes may form a Class of Notes. Before the Issuer issues any Tranche of Notes, the Issuer shall complete and sign an Applicable Pricing Supplement based on the pro forma Applicable Pricing Supplement included in the Programme Memorandum, setting out details of such

Notes. The Applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions (including additional definitions) which shall, to the extent so specified or to the extent inconsistent with the Terms and Conditions, replace or modify the Terms and Conditions for the purpose of such Tranche of Notes.

The Programme has been registered with the JSE. A Tranche of Notes may be listed on the Interest Rate Market of the JSE or on such other or further exchange(s) as may be determined by the Issuer and the Dealer(s) and subject to any Applicable Laws. With respect to a Tranche of Notes listed on the Interest Rate Market of the JSE, the Applicable Pricing Supplement(s) relating to that Tranche will be delivered to the JSE and the Central Securities Depository before the Issue Date, and the Notes in that Tranche may be traded by or through members of the JSE from the date specified in the Applicable Pricing Supplement. The trading of Notes listed on the Interest Rate Market of the JSE will take place in accordance with the rules and operating procedures for the time being of the JSE. The settlement of trades on the JSE will take place in accordance with the electronic settlement procedures of the JSE and the Central Securities Depository. The settlement and redemption procedures for a Tranche of Notes listed on another exchange, irrespective of whether that Tranche is listed on the Interest Rate Market of the JSE as well, will be specified in the Applicable Pricing Supplement.

Unlisted Notes may also be issued under the Programme. Unlisted Notes are not regulated by the JSE. With respect to Notes not listed on the Interest Rate Market of the JSE, the placement of such unlisted Notes may be reported through the Central Securities Depository in order for the settlement of trades to take place in accordance with the electronic settlement procedures of the Central Securities Depository. In such event, the Applicable Pricing Supplement will be delivered to the Central Securities Depository. With respect to Notes not listed on the Interest Rate Market of the JSE, and not to be settled through the electronic settlement procedures of the JSE and the Central Securities Depository, no Applicable Pricing Supplement will be delivered to the JSE.

The holders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the JSE Debt Guarantee Fund Trust. Claims against the JSE Debt Guarantee Fund Trust may only be made in respect of the trading of Notes listed on the Interest Rate Market of the JSE and in accordance with the rules of the JSE Debt Guarantee Fund Trust. Unlisted notes are not regulated by the JSE.

Notes may be issued on a continuing basis and be placed by one or more Dealers appointed by the Issuer from time to time, which appointment may be for a specific issue or on an ongoing basis.

Tranches of Notes issued under the Programme may be rated and, if so, this rating will be available on the Issuer's Website and contained in the Applicable Pricing Supplement. Any changes to such rating will be announced on SENS.

All payments to be made to the holders of the Notes in, and the other Secured Creditors of, a Transaction, whether made by the Issuer or by the Security SPV (if any) established in respect of that Transaction, will be made to the extent permitted by and strictly in accordance with the Priority of Payments applicable to that Transaction.

Prospective purchasers of Notes issued under the Programme should pay particular attention to the section of the Programme Memorandum headed "*Risk Factors*".

**Capitalised terms used in the Programme Memorandum are defined in the section of the Programme Memorandum headed "*Glossary of Definitions*" unless separately defined in the Programme Memorandum and/or the Applicable Issuer Supplements and/or the Applicable Transaction Supplements and/or Applicable Pricing Supplements. Expressions defined in the Programme Memorandum will bear the same meanings in supplements to the Programme Memorandum which do not themselves contain their own definitions.**

In relation to each Issuer Programme, the Programme Memorandum, read together with the Applicable Issuer Supplement and the Applicable Transaction Supplements are together referred to as the "**Placing Document**".

*In relation to the Issuer Programme, the Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from the Placing Document which would make any statement false or misleading and that all reasonable enquires to ascertain such facts have been made and that the Placing Document contains all information required by Applicable Law and, in relation to any Tranche of Notes listed on the Interest Rate Market of the JSE, the JSE Debt Listings Requirements. The Issuer accepts full responsibility for the accuracy of the information contained in the Placing Document, the Applicable Pricing Supplements and the annual financial statements and any amendments to the aforementioned documents, except as otherwise stated therein.*

*The JSE takes no responsibility for the contents of the Placing Document and the annual financial statements and/or any Applicable Pricing Supplements and/or the annual report of the Issuer and any amendments or supplements to the aforementioned documents. The JSE makes no representation as to the accuracy or completeness of the Placing Document, the annual financial statements and/or any Applicable Pricing Supplements and/or the annual report of the Issuer and any amendments or supplements to the aforementioned documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the aforementioned documents. The JSE's approval of the registration of the Placing Document and listing of the debt securities is not to be taken in any way as an indication of the merits of the Issuer or of the debt securities and that, to the extent permitted by law, the JSE will not be liable for any claim whatsoever.*

*The Placing Document is to be read in conjunction with all documents which are deemed to be incorporated therein by reference. The Placing Document shall be read and construed on the basis that such documents are incorporated into and form part of the Placing Document. Any reference in this section to the Placing Document shall be read and construed as including such documents incorporated by reference.*

*Information contained in the Placing Document with respect to the Originator, the JSE, the Arranger, the Debt Sponsor, the Dealers, the other parties to the Transaction Documents and the Security SPV (if any) has been obtained from each of them for information purposes only. The delivery of the Placing Document shall not create any implication that there has been no change in the affairs of the Originator, the JSE, the Arranger, the Debt Sponsor, the Dealers, the other parties to the Transaction Documents or the Security SPV since the date hereof or that the information contained or referred to herein is correct as at any time subsequent to its date.*

*No person is authorised to give any information or to make any representation concerning the issue of the Notes other than those contained in the Placing Document. Nevertheless, if any such information is given or representation made, it must not be relied upon as having been authorised by the Originator, the Issuer, the JSE, the Arranger, the Debt Sponsor, the Dealers, the other parties to the Transaction Documents or the Security SPV, or any of their respective Affiliates or advisers. Neither the delivery of the Placing Document nor any offer, sale, allotment or solicitation made in connection with the offering of the Notes shall, in any circumstances, create any implication or constitute a representation that there has been no change in the affairs of the Issuer since the date hereof or that the information contained in the Placing Document is correct at any time subsequent to the date of the Placing Document. The Originator, the JSE, the Arranger, the Debt Sponsor, the Dealers and other advisers have not separately verified the information contained in the Placing Document. Accordingly, none of the Originator, the JSE, the Arranger, the Debt Sponsor, the Dealers, the Security SPV nor any of their respective Affiliates or advisers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in the Placing Document or any other information supplied in connection with the Issuer Programme. Each person receiving the Placing Document acknowledges that such person has not relied on the Originator, the JSE, the Arranger, the Debt Sponsor, the Dealers, or any other person affiliated with the JSE, the Arranger, the Debt Sponsor, the Originator, or the Dealers in connection with its investigation of the accuracy of such information or its investment decision.*

*Neither the Placing Document nor any other information supplied in connection with the Notes is intended to provide the basis of any credit or other evaluation, or should be considered as a recommendation by the Originator, the Issuer, the JSE, the Arranger, the Debt Sponsor or the Dealers that any recipient of the Placing Document or any other information supplied in connection with the Issuer Programme should subscribe for or purchase any Notes. Each person contemplating making an investment in the Notes must*

*make its own investigation and analysis of the financial condition and affairs, and its own appraisal of the credit worthiness, of the Issuer and the terms of the offering and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience, and any other factors which may be relevant to it in connection with such investment. The Originator, the JSE, the Arranger, the Debt Sponsor and the Dealers do not undertake to review the financial condition or affairs of the Issuer nor to advise any investor or potential investor in the Notes of any information coming to the attention of, the Originator the JSE, the Arranger, the Debt Sponsor or the Dealers.*

*None of the Issuer, the JSE, the Arranger, the Debt Sponsor, or the Dealers makes any representation or warranties as to the settlement procedures of the Central Securities Depository or any relevant stock exchange.*

***The Placing Document does not constitute an offer or an invitation by or on behalf of the Originator, the Issuer, the JSE, the Arranger, the Debt Sponsor, the Dealers or the Security SPV to any person to subscribe for or purchase any of the Notes.*** *The distribution of the Placing Document and the offering of the Notes in certain jurisdictions may be restricted by law. No representation is made by the Originator, the Issuer, the JSE, the Arranger, the Debt Sponsor, the Dealers or the Security SPV that the Placing Document may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder and none of them assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Originator, the Issuer, the JSE, the Arranger, the Debt Sponsor, the Dealers or the Security SPV which would permit a public offering of the Notes or distribution of the Placing Document in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither the Placing Document nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession the Placing Document comes are required by the Originator, the Issuer, the JSE, the Arranger, the Debt Sponsor and the Dealers to inform themselves about and to observe any such restrictions.*

*The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”). Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to any U.S. persons. In addition, there are restrictions on the distribution of the Placing Document in South Africa, the European Economic Union and the United Kingdom. For a more complete description of certain restrictions on the offering, sale and delivery of Notes and distribution of the Placing Document see the section of the Placing Document headed “Subscription and Sale” below.*

*The terms of the Placing Document, if sent to persons resident in jurisdictions outside South Africa, may be affected by the laws of the relevant jurisdiction. Such persons should inform themselves about and*

*observe any applicable legal requirements in any such jurisdiction. It is the responsibility of any such person wishing to subscribe for or purchase the Notes to satisfy itself as to the full observance of the laws of the relevant jurisdiction therewith. If and to the extent that the Placing Document is illegal in any jurisdiction, it is not made in such jurisdiction and this document is sent to persons in such jurisdiction for information purposes only.*

*References in the Placing Document to "Rands" or "R" or "ZAR" are to the lawful currency for the time being of South Africa.*

***In connection with the issue and distribution of any Tranche of Notes, the Issuer or a Dealer disclosed as the approved stabilisation manager, if any, (the "Stabilisation Manager") in the Applicable Pricing Supplement may, to the extent permitted by the JSE and applicable laws and regulations over-allot or effect transactions for a limited period after the Issue Date with a view to supporting the market price of the Notes of which such Tranche forms a part at a level higher than that which might otherwise prevail for a limited period after the Issue Date. However, there may be no obligation on the Stabilisation Manager to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period and the price/yield and amount of Notes to be issued under the Issuer Programme will be determined by the Issuer and each Dealer and/or Lead Manager(s) at the time of issue in accordance with the prevailing market conditions.***

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**DOCUMENTS INCORPORATED BY REFERENCE**

In respect of each Transaction, all the documents referred to below shall be deemed to be incorporated in, and to form part of, the Programme Memorandum in respect of that Transaction and will, together with the Programme Memorandum, be made available for inspection by investors at the registered office of the Issuer, at no charge:

1. the audited annual financial statements of the Issuer for each financial year ended after the date of its incorporation/establishment, as and when such are approved and become available, together with such statements, reports and notes attached to or intended to be read with such financial statements, and the unaudited interim financial results, if any, of the Issuer for each financial half-year commencing with the financial half-year ended after the date of the Issuer Programme, as more fully set out in the Applicable Issuer Supplement under the section headed "The Issuer";
2. the Applicable Issuer Supplement;
3. the Applicable Transaction Supplement;
4. each Applicable Pricing Supplement;
5. the other Transaction Documents;
6. any supplements to the Programme Memorandum, the Applicable Issuer Supplement, the Applicable Transaction Supplement and the Applicable Pricing Supplements circulated by the Issuer from time to time;
7. a disclosure schedule setting out details required by paragraph 4.10(b) of the JSE Debt Listings Requirements in respect of the Issuer's directors;
8. the constitutional documents of the Issuer, as amended from time to time;
9. the Noteholder Report; and
10. all information pertaining to the Issuer which is relevant to the Issuer Programme which is electronically disseminated by SENS to SENS subscribers, from time to time.

Any statement contained in the Programme Memorandum or in any document which is incorporated by reference into the Programme Memorandum will be deemed to be modified or superseded for the purposes of the Programme Memorandum to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference into the Programme Memorandum modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

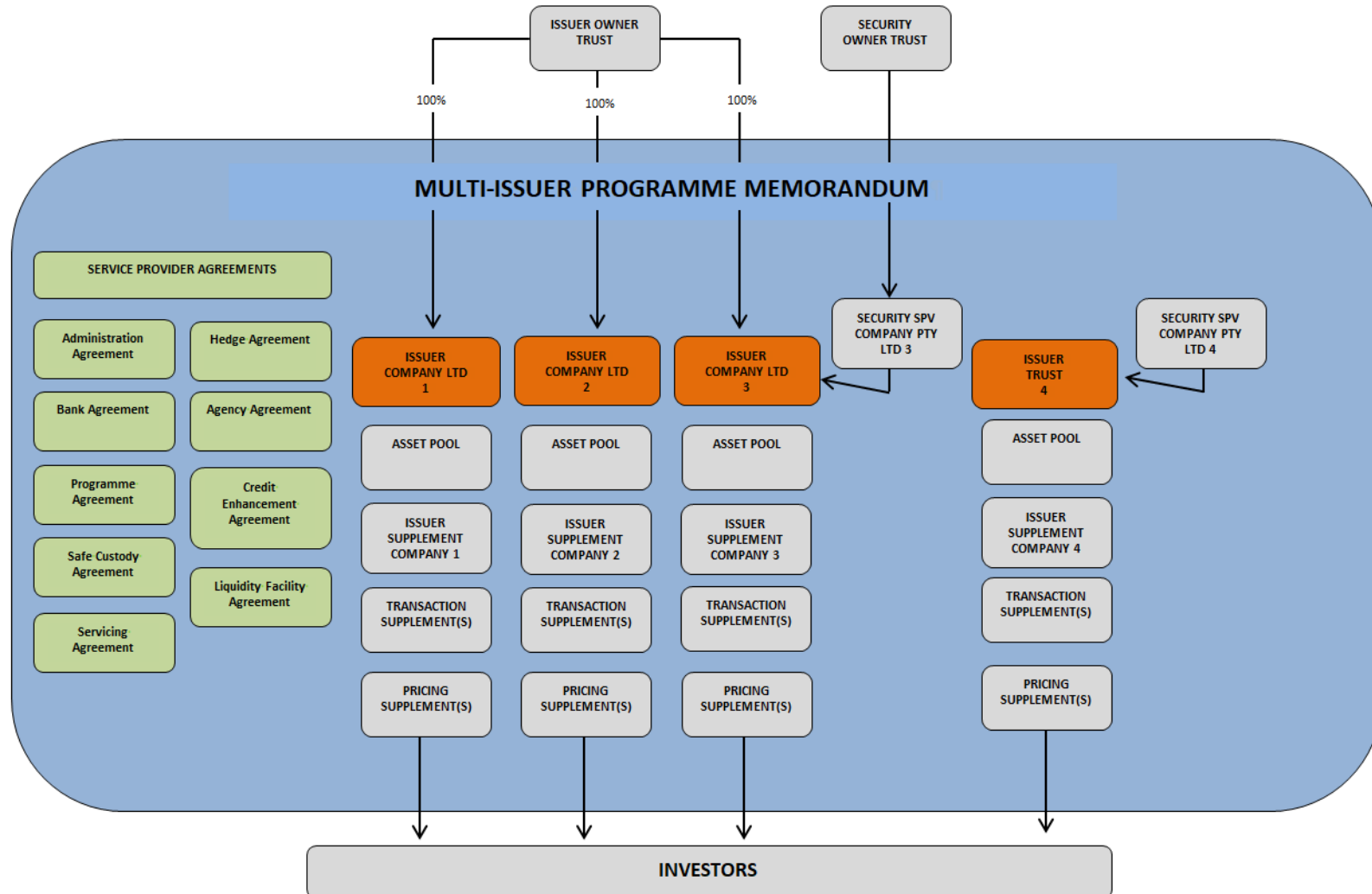
In respect of each Transaction, the Programme Memorandum and any amendments or supplements thereto (including the Applicable Issuer Supplement, the Applicable Transaction Supplement and the Applicable Pricing Supplements) will be made available on the website of the JSE ([www.jse.co.za](http://www.jse.co.za)), for so long as the Programme Memorandum remains registered with JSE.

All documents referred to in 1 to 10 above will also be available on the Issuer's Website, which, in respect of each Transaction is maintained by or on behalf of the Issuer, and will be reflected in the Programme Memorandum and/or the Issuer Supplement and/or the Transaction Supplement. In respect of the Initial Issuer, AB Finco 1 (RF) Limited, the Issuer's website is at <https://cib.absa.africa/home/legal-and-compliance/ab-finco-1/>, for so long as the Programme Memorandum remains registered with JSE .

The most recently obtained monthly beneficial disclosure report made available by the relevant Participants to the Central Securities Depository will be made available for inspection by investors at the Specified Office of the Issuer.

**PROGRAMME STRUCTURE**

The information set out below is a summary of the principal features of the Programme. This section should be read in conjunction with the detailed information contained elsewhere in the Programme Memorandum, the Applicable Issuer Supplement, the Applicable Transaction Supplements and the Applicable Pricing Supplements. Unless specified otherwise or unless the context indicates otherwise, references to “Programme Memorandum” shall include, in respect of each Transaction, the Applicable Issuer Supplement, the Applicable Transaction Supplement and each Applicable Pricing Supplement.



**The Programme:**

- The Programme provides a framework and certain common terms for the issue of secured or unsecured Notes by the Issuers.
- Issuers may accede to the Programme by signing an Applicable Issuer Supplement. In relation to an Issuer, the Applicable Issuer Supplement signed by the Issuer sets out relevant information in relation to such Issuer.
- The Applicable Transaction Supplement will set out relevant information in relation to the relevant Transaction.
- The structural features and provisions of the Transaction Documents of a specific Transaction may be different to those described in the Programme Memorandum, in which event those features and provisions will be described in the Applicable Transaction Supplement.
- Each Issuer will be a separate, special purpose legal entity formed to enter into one or more Transaction as specified in the relevant Applicable Transaction Supplement.
- To the extent necessary, each Issuer will obtain separate approvals from all relevant regulatory authorities prior to acceding to the Programme and issuing Notes pursuant to the Transaction in respect of that Issuer.
- The Assets and Liabilities relating to each Transaction will be identified in the accounting records of the Issuer, as being attributable solely to that Transaction, and will be contractually segregated from the Assets and Liabilities relating to each other Transaction.
- The Secured Creditors in respect of a Transaction will have recourse only to the Participating Assets of the Issuer in relation to that Transaction and will not have recourse to any other assets of the Issuer.
- In respect of each Transaction, the Notes may be secured or unsecured. In respect of each Transaction where security is to be provided, such security may be provided directly to or for the benefit of Noteholders. Alternatively, a Security SPV may be established as a special purpose legal entity, which will hold and, where applicable, realise Security for the benefit of Secured Creditors in respect of that Transaction. A separate Security SPV may be utilised for each Transaction or one Security SPV may be utilised for one or more Transactions in respect of an Issuer Programme.
- In respect of each Transaction, the Security SPV (if any) established in respect of that Transaction will, in relation to that Transaction only, furnish a limited recourse Guarantee to the Noteholders and other Secured Creditors of the applicable Issuer in relation to that Transaction.

The Issuer in respect of that Transaction will indemnify the applicable Security SPV in respect of claims made by the Secured Creditors under that Guarantee. The obligations of the Issuer to each Security SPV arising from the applicable Indemnity shall be secured by a Security Cession to the Security SPV of the Issuer's rights to the Assets applicable to that Transaction, or as otherwise specified in the Applicable Transaction Supplement.

- Separate Tranches of Notes may be issued in respect of each Transaction.
- The Issuer may be a company or a trust. If the Issuer is a company then the ordinary shares of that Issuer will be owned by the Issuer Owner Trust.
- The Security SPV may be a company or a trust. If the Security SPV is a company, then the ordinary shares of that Security SPV will be owned by the Security SPV Owner Trust.
- In respect of each Issuer Programme or Transaction, the Issuer will enter into a separate Programme Agreement, Agency Agreement, Common Terms Agreement, Participating Asset Acquisition Agreement, Servicing Agreement, Administration Agreement, Subordinated Loan Agreement, Preference Share Subscription Agreement (if the Issuer is a company), Liquidity Facility Agreement, Bank Agreement, one or more Derivative Contracts, Safe Custody Agreement and/or such other agreements as may be specified in the Applicable Issuer Supplement and/or the Applicable Transaction Supplement, to cater for the specific requirements of the Issuer Programme and/or the Transaction. In respect of each Transaction established by the Issuer under the Issuer Programme, parties to the Issuer Programme documents may accede to the Common Terms Agreement of that Transaction.

## SUMMARY OF THE PROGRAMME

*The information set out below is a summary of the principal features of the Programme. This summary should be read in conjunction with the detailed information contained elsewhere in the Programme Memorandum, and the Applicable Issuer Supplement, the Applicable Transaction Supplement and the Applicable Pricing Supplement.*

### **Transaction Parties**

- Issuer:** In respect of each Issuer Programme, each special purpose legal entity which has acceded to the Programme by signing an Applicable Issuer Supplement binding itself to the terms and conditions of the Programme.
- Debt Sponsor:** In respect of each Issuer Programme, Absa Corporate and Investment Bank or such other person as may be appointed by the Issuer from time to time.
- Arranger:** In respect of each Issuer Programme, Absa Corporate and Investment Bank or such other person as may be appointed by the Issuer from time to time.
- Dealer:** In respect of each Issuer Programme, any person appointed under the Programme Agreement from time to time, which appointment may be for a specific issue of Notes or on an ongoing basis subject to the Issuer's right to terminate the appointment of any Dealer.
- Administrator:** In respect of each Issuer Programme or Transaction, such person as may be appointed as administrator in accordance with the provisions of the Administration Agreement, in terms of which the Administrator is appointed as the agent of the Issuer to perform certain administrative functions on behalf of the Issuer.
- Originator and Seller:** In respect of each Transaction, the person (if any) identified as such in the Applicable Transaction Supplement.
- Servicer:** In respect of each Issuer Programme or Transaction, the Originator or such other person as may be appointed as servicer in accordance with the provisions of the Servicing Agreement (if any), in terms of which the Servicer is appointed as the agent of the Issuer in relation to the administration, servicing and management

of the Participating Assets on behalf of the Issuer.

- Subordinated Lender:** In respect of each Issuer Programme or Transaction, the Originator or such other person as may be appointed as lender in accordance with the provisions of the Subordinated Loan Agreement (if any).
- Liquidity Facility Provider:** In respect of each Issuer Programme or Transaction, such person as may be appointed as liquidity facility provider in accordance with the provisions of the Liquidity Facility Agreement (if any).
- Preference Shareholder:** In respect of each Issuer Programme or Transaction, the holders of the Preference Shares (if any).
- Settlement Agent:** In respect of each Issuer Programme or Transaction, such person as specified in the Applicable Pricing Supplement.
- Calculation Agent** In respect of each Issuer Programme, such other person as may be appointed in terms of the Agency Agreement to provide calculation agency services to the Issuer.
- Paying Agent:** In respect of each Issuer Programme, such person as may be appointed in terms of the Agency Agreement to provide paying agency services to the Issuer.
- Transfer Agent:** In respect of each Issuer Programme, such person as may be appointed in terms of the Agency Agreement to provide registry services to the Issuer.
- Account Bank** In respect of each Transaction, such bank as may be appointed in terms of the Bank Agreement, at which the Issuer maintains its Bank Accounts.
- Security SPV:** The special purpose legal entity which is established, if applicable, to hold and realise Security for the benefit of Secured Creditors in respect of each Transaction or one or more Transactions in respect of an Issuer Programme.
- Security SPV Owner Trust:** The ordinary shares of all the Security SPVs which are companies will be owned by the Security SPV Owner Trust.
- Issuer Owner Trust:** The Issuer Owner Trust owns or will own all of the ordinary shares

in the capital of each Issuer, if the Issuer is a company.

**Derivative Counterparty(ies):** In respect of each Transaction, such counterparty appointed by the Issuer under any Derivative Contract.

**Rating Agency(ies):** In respect of each Transaction, Moody's, S&P, Fitch, GCR and/or any other Rating Agency appointed by the Issuer from time to time (if applicable).

**Auditors:** In respect of each Issuer, the auditor specified in the Applicable Issuer Supplement.

**Secured Creditors:** In respect of each Transaction, the holders of Notes and such other creditors or categories of creditors of the Issuer as set out in the Applicable Transaction Supplement.

### **Programme Description**

**Issuer Programme Type:** A secured or unsecured Note programme.

**Issuer Programme Amount:** In respect of each Issuer Programme, the Outstanding Principal Amount of the Notes that may be in issue by the Issuer under the Issuer Programme (excluding any Notes issued pursuant to a Refinancing), as specified in the Applicable Pricing Supplement. The Issuer may, without the consent of Noteholders, increase the size of the Issuer Programme in accordance with Applicable Laws and subject to any required regulatory approvals.

### **Transactions**

**Participating Assets:** In respect of each Transaction, Participating Assets that may be acquired and/or invested in by the Issuer will be specified in the Applicable Transaction Supplement.

**Segregation of each Transaction:** The Assets and Liabilities relating to each Transaction will comprise a separate sub-set of the assets and liabilities of the Issuer in respect of that Transaction, identified in the accounting records as being attributable solely to that Transaction. The Assets and Liabilities relating to each Transaction will be contractually segregated from the Assets and Liabilities relating to each other Transaction.



**Limited Recourse:** In respect of a Transaction, if the Notes are specified in the Applicable Pricing Supplement as limited recourse Notes, once the Assets are exhausted (whether pursuant to maturity, liquidation or enforcement of security) any remaining outstanding amounts owed to the Secured Creditors (including the Noteholders) will be extinguished and no debt will remain owing by the Issuer.

**Priority of Payments:** In respect of each Transaction, the Priority of Payments is the sequence in which the Issuer or the Security SPV, as the case may be, will make payments to the Secured Creditors.

The Issuer and the Security SPV (if any) shall contract with the Secured Creditors on the basis that payments due to them shall be made strictly in the sequence set out in the Priority of Payments so that a Secured Creditor which ranks subsequent to any other Secured Creditor in the Priority of Payments will not be paid unless and until all the Secured Creditors which rank prior to it in the Priority of Payments have been paid all the amounts then due and payable to them by the Issuer.

The Pre-Enforcement Priority of Payments, applicable prior to the delivery of an Enforcement Notice, and the Post-Enforcement Priority of Payments, applicable after the delivery of an Enforcement Notice, are set out in the Applicable Transaction Supplement.

**Terms and Conditions:** In respect of each Transaction, separate Tranches of Notes will be issued by the Issuer. The terms and conditions of the Notes are set out in the Programme Memorandum under the section headed "*Terms and Conditions*". The Applicable Transaction Supplement may specify other terms and conditions (including additional definitions) which shall, to the extent so specified or to the extent inconsistent with the Terms and Conditions, replace or modify the Terms and Conditions for the purpose of such Transaction. The Applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions (including additional definitions) which shall, to the extent so specified or to the extent inconsistent with the Terms and Conditions, replace or modify the Terms and Conditions for the purpose of such Tranche of Notes.

**Notes issued under any  
Transaction**

**Type of Notes**

The description of, and terms and conditions applicable to, Notes other than those specifically described in the Programme Memorandum will be set out in the Applicable Issuer Supplement, Applicable Transaction Supplement and/or Applicable Pricing Supplement.

Notes may be:

- (a) interest-bearing or non-interest bearing;
- (b) senior or subordinated or ranking in accordance with a particular Class of Notes;
- (c) secured or unsecured;
- (d) limited recourse or not;
- (e) guaranteed or not;
- (f) issued at par, a premium or a discount; and/or
- (g) issued with such other characteristics as may be specified in the Applicable Pricing Supplement

**Class of the Notes:**

In respect of each Transaction, a Class of Notes refers to all of the Notes having the same ranking in the Priority of Payments. The Class of Notes will be specified in the Applicable Pricing Supplement.

**Status of the Notes:**

The Applicable Pricing Supplement will specify whether Notes constitute (i) senior, subordinated or a particular Class of Notes, (ii) secured or unsecured Notes and (iii) limited recourse obligations of the Issuer or not.

**Form of Notes:**

Notes will be issued in registered form as described below under the heading "*Form of the Notes*". Notes will not be issued in bearer form. The section of the Programme Memorandum "*Settlement, Clearing and Transfers of Notes*" describes how Beneficial Interests are created and what the rights of Beneficial Interest holders are.

<b>Listing:</b>	Listed and/or unlisted Notes may be issued under each Issuer Programme.
<b>Maturities:</b>	The Notes will have such maturity as may be specified in the Applicable Pricing Supplement.
<b>Amortisation:</b>	The Notes will be subject to such mandatory early redemption provisions as may be specified in the Applicable Transaction Supplement or the Applicable Pricing Supplement.
<b>Acceleration:</b>	In respect of each Transaction, upon delivery of an Enforcement Notice the Notes in all Tranches will be immediately due and payable.
<b>Optional Redemption:</b>	<p>The Notes will be subject to such call provisions, allowing early redemption by the Issuer, as may be specified in the Applicable Transaction Supplement or the Applicable Pricing Supplement.</p> <p>The Notes will be subject to such put provisions, allowing early redemption by the Noteholders, as may be specified in the Applicable Transaction Supplement or the Applicable Pricing Supplement.</p>
<b>Issue Price:</b>	Notes may be issued at a price which is their nominal amount or a discount to, or premium over, their nominal amount, as specified in the Applicable Pricing Supplement.
<b>Interest Period(s) or Interest Payment Date(s):</b>	Such period(s) or date(s) as may be specified in the Applicable Pricing Supplement.
<b>Interest Rate:</b>	As specified in the Applicable Pricing Supplement.
<b>Note Ratings:</b>	Notes may be rated or unrated.
<b>Currency:</b>	Notes may only be issued in Rand, the lawful currency of South Africa.
<b>Principal Amount:</b>	The nominal amount of each Note.
<b>Denomination of Notes:</b>	The Notes will be issued with a minimum denomination of ZAR1 000 000 each, or such other denomination specified in the Applicable Pricing Supplement.

- Securities Transfer Tax:** In terms of current South African legislation as at the date of the Programme Memorandum, no securities transfer tax is payable by the Issuer on the original issue of, or on the registration of transfer of, Notes on the basis that the Notes will not comprise a "security" as defined in section 1 of the Securities Transfer Tax Act, 2007. Any future stamp duties or other duties or taxes that may be introduced or may be applicable on the transfer of the Notes will be for the account of Noteholders.
- Withholding Tax:** Payments in respect of interest and principal will be made without withholding or deduction for Taxes unless such withholding or deduction is required by law. In the event that such withholding or deduction is required by law, the Issuer will not be obliged to pay additional amounts in relation thereto.
- Taxation:** A summary of applicable current South African Tax legislation appears in the section of the Programme Memorandum headed "*South African Taxation*". The section does not constitute tax advice and investors should consult their own professional advisers.
- Method of Transfer:** The method of transfer is by registration for transfer of Notes to occur through the Register and by electronic book entry in the securities accounts of Participants or the Central Securities Depository, as the case may be, for transfers of Beneficial Interests in the Notes, in all cases subject to the restrictions described in the Programme Memorandum. The Notes will be fully paid up on the Issue Date and freely transferable.
- Register:** The Register will be maintained by the Transfer Agent in terms of the Terms and Conditions.
- Register Closed:** The Register will, in respect of each Tranche of Notes, be closed prior to each Interest Payment Date and Redemption Date, for the periods described in the Applicable Pricing Supplement, in order to determine those Noteholders entitled to receive payments.
- Distribution:** Notes may be offered by way of public auction, private placement or any other means permitted by Applicable Law, as determined by the Issuer and reflected in the Applicable Pricing Supplement.

**Governing Law:** The Notes will be governed by, and construed in accordance with, the laws of South Africa.

## **RISK FACTORS**

*Prospective investors should carefully consider the following Risk Factors, in addition to the matters described elsewhere in the Placing Document, prior to investing in the Notes. The matters set out in this section are not necessarily exhaustive and prospective investors must form their own judgement in regard to the suitability of the investment they are making.*

### **Rating of the Notes**

The Note Ratings (if applicable) are not a recommendation to subscribe for, purchase, hold or sell Notes, inasmuch as such Note Ratings do not comment on the market price or suitability of the Notes for a particular investor.

There can be no assurance that any rating agency not requested to rate the Notes will issue a rating and, if so, what such rating would be. A rating assigned to the Notes by a rating agency that has not been requested by the Issuer to do so, may be lower than the equivalent rating assigned by the Rating Agency. In addition, there can be no assurance that a rating will remain for any given period of time or that the rating will not be lowered or withdrawn entirely by an assigning Rating Agency if in its judgment circumstances in the future so warrant. To the extent that the Issuer may be required to give the Rating Agency prior notice of an action it intends or proposes to take, the Rating Agency may or may not respond to such notice from the Issuer, whether timeously or at all and the fact that the Rating Agency did not respond within a time period specified by the Issuer does not necessarily imply that there may not be an impact on the rating of the Notes after the lapse of any such time period.

### **Warranties**

Neither the Issuer nor the Security SPV (if any) has undertaken or will undertake any investigations, searches or other actions in respect of the Participating Assets, and each will rely instead on the warranties given by the Seller in the Participating Asset Acquisition Agreement, if applicable. There can be no assurance that the Seller will have the financial resources to honour its obligations under the Participating Asset Acquisition Agreement. Such obligations are not guaranteed by, nor will they be the responsibility of, any person other than the Seller and neither the Issuer nor the Security SPV (if any) shall have any contractual recourse to any other person in the event that the Seller for whatever reason fails to meet such obligations.

### **Limited Recourse Obligations (if applicable)**

If so specified in the Applicable Pricing Supplement, Notes will be limited recourse obligations solely of the Issuer. In particular, without limitation, such Notes will not be obligations of, and will not be guaranteed by any other Issuer under the Programme, the JSE, the Arranger, the Debt Sponsor, the Dealer(s), the Originator, the Seller, the Servicer, the Administrator, the Liquidity Facility Provider, any

Derivative Counterparty, any other Secured Creditor or, save to the extent of the net amount recovered from the Issuer in terms of the Indemnity, the Security SPV. In respect of any such Tranche of Notes, the Issuer will rely solely on those payments contemplated in the Applicable Transaction Supplement to enable it to make payments due under such Notes in accordance with the Priority of Payments.

Upon enforcement of the Security Agreements in respect of a Transaction and enforcement of a claim under the Indemnity, the Security SPV (if any) will have recourse only to the Security applicable to that Transaction. The Issuer and the Security SPV (if any) will have no recourse to any Security in respect of any other Transaction or any other Issuer under the Programme.

In respect of a Transaction, once the Assets are exhausted (whether pursuant to maturity, liquidation or enforcement of security) any remaining outstanding amounts owed to the Secured Creditors (including the Noteholders) will be extinguished and no debt will remain owing by the Issuer.

It is possible that a default (which may include payment defaults, Participating Assets becoming redeemable prior to their stated maturities, insolvency events in relation to an institution holding a deposit or other events, depending upon the nature of the Security) may occur in relation to some or all of the Assets. As the nature of the Assets may vary from Transaction to Transaction, the risk of such default may vary from Transaction to Transaction, and potential investors will need to make their own assessment of such risk depending upon the nature of the Assets.

#### **Limited Enforcement of the Notes (if applicable)**

In respect of Notes with a Security SPV structure, the rights of the Noteholders to enforce their claims directly against the Issuer will be limited on the basis set out in the Terms and Conditions.

#### **Non-Petition**

Secured Creditors contract with the Issuer on the basis that they will have no claim against the Issuer to the extent that there are no funds available to pay them in accordance with the Priority of Payments and will not bring an application for the liquidation or the sequestration of the Issuer, as the case may be, until 2 years after the payment of all amounts outstanding and owing by the Issuer under all of the Notes and any other Transaction Documents entered into in respect of all Transactions in relation to an Issuer Programme.

#### **Priority of Payments**

In respect of each Transaction, the Transaction Documents will prescribe a "Pre-Enforcement Priority of Payments" in accordance with which the Secured Creditors will be paid prior to delivery of an Enforcement Notice and a "Post-Enforcement Priority of Payments" in accordance with which the Secured Creditors will be paid after delivery of an Enforcement Notice.

The claims of all Secured Creditors are subordinated in accordance with the Priority of Payments, and the Secured Creditors will be entitled, notwithstanding the any amounts owing to them under the Transaction Documents, to receive payment from the Issuer or the Security SPV, as the case may be, only to the extent permitted by and in accordance with the Priority of Payments.

The subordinations envisaged by the Priority of Payments, the Terms and Conditions and the other Transaction Documents are contractual in nature and their enforcement against the parties to the Transaction Documents and against third parties is limited accordingly. In particular, creditors of the Issuer who are not parties to the Transaction Documents may not be bound by the Priority of Payments and may, accordingly, be entitled under Applicable Law to assert a payment priority inconsistent with the ranking otherwise accorded to them in the Priority of Payments.

As described below in the paragraph "Liquidation of the Issuer", the Issuer is structured as an insolvency remote, ring-fenced special purpose entity which limits the risk of external creditors who are not bound by the Priority of Payments

#### **Limited Liquidity and Restrictions on Transfer**

There can be no assurance that any secondary market for any of the Notes will develop, or, if a secondary market does develop, that it will provide the Noteholders with liquidity of investment or that it will continue for the life of such Notes. Consequently, a Noteholder must be prepared to hold such Notes until maturity.

Noteholders that trade in the Notes during the period that the Register is closed, will need to reconcile any amounts payable on the following Payment Date pursuant to any partial redemption of the Notes. As a result, secondary market liquidity of the Notes may reduce during this period.

#### **Downgrade Risk**

If a party to a Transaction Document is required to hold a Credit Rating and ceases to hold such Credit Rating, then such party's obligations may be guaranteed by another party which has the Credit Rating or a replacement party with the Credit Rating will be appointed, if such other party is available and willing to act. No assurance can be given that a guarantor or replacement party with the Credit Rating will be appointed. In certain circumstances, cash collateral may be taken to protect the Issuer's interest in the relevant Transaction Document.



**Security (if applicable)**

In respect of Notes with a Security SPV structure, the security structure in respect of each Transaction, in the form of a Guarantee from the Security SPV, and an Indemnity from the Issuer secured by a Security Cession (or as otherwise set out in the Applicable Transaction Supplement), provides Secured Creditors, through the Security SPV, with contractual recourse to the Issuer and the Assets held by the Issuer in respect of that Transaction alone and does not provide any direct security over the Assets.

**Guarantee and Indemnity (if applicable)**

In respect of Notes with a Security SPV structure, in respect of each Transaction, the Security SPV will grant a Guarantee to Secured Creditors and will enter into an Indemnity with the Issuer. If the guarantee and indemnity structure is not enforceable, then Secured Creditors shall be entitled but not obliged to take action on their own account to enforce claims directly against the Issuer should an Event of Default occur. If a Secured Creditor elects to do so, then the Security held by the Security SPV will be bypassed and thus no longer be effective as a means of achieving distribution of the Assets in accordance with the applicable Priority of Payments.

**Security SPV (if applicable)**

In respect of Notes with a Security SPV structure, in respect of each Transaction, the interests of the Secured Creditors will be represented by the Security SPV. In terms of the Transaction Documents and the Terms and Conditions, the Security SPV is required to enforce the Security on behalf of such Secured Creditors in certain circumstances. Secured Creditors will not be able to enforce the Security themselves nor to take action against the Issuer in respect of the Security or otherwise, nor to enforce claims against the Issuer except through the Security SPV unless the guarantee and indemnity structure is not enforceable or the Security SPV is wound-up, liquidated, placed under business rescue or sequestrated, as the case may be, or fails to act within a reasonable time of being called upon to do so.

**Insolvency of each Security SPV (if applicable)**

It is possible for the Security SPV itself to be wound-up, liquidated, placed under business rescue or sequestrated, as the case may be, which would adversely affect the rights of all the Secured Creditors and the enforcement of the Security granted to the Security SPV in relation to that Transaction.

The liabilities of the Security SPV consist of a Guarantee given to the Secured Creditors in respect of each Transaction, which cannot in the aggregate exceed the amount recovered pursuant to the Indemnity given in respect of each Transaction. Accordingly, it is improbable that the Security SPV itself will be insolvent (and therefore be wound-up, liquidated, placed under business rescue or sequestrated, as the case may be) unless there was, for example, dishonesty or negligent or fraudulent conduct or a breach of

contract on the part of the Security SPV, for instance by entering into unauthorised transactions on behalf of the Security SPV.

### **Liquidation of the Issuer**

Each Issuer will be structured as an insolvency remote, ring-fenced special purpose legal entity, which limits the risk of the applicable Priority of Payments being disturbed by claims of external creditors who are not bound by the applicable Transaction Documents and hence the applicable Priority of Payments. Third party creditors of the Issuer that are not contractually bound by the Priority of Payments rank high in the Priority of Payments, including the tax authorities and administrative creditors. Secured Creditors contract with the Issuer on the basis that their claims against the Issuer will be subordinated in accordance with the Priority of Payments, will not bring an application for the liquidation or the sequestration of the Issuer, as the case may be, until 2 years after the payment of all amounts outstanding and owing by the Issuer under all of the Notes and any other Transaction Documents entered into in respect of all Transactions in relation to an Issuer Programme and, in respect of Notes with a Security SPV structure, agree not to sue the Issuer except through the Security SPV. The proceeds in the hands of the Security SPV in respect of each Transaction will be distributed in accordance with the applicable Priority of Payments.

If, notwithstanding the ring-fenced structure, there is an external creditor not bound into an applicable Priority of Payments, and there are any assets of the Issuer that are not secured by any Security Cessions and/or any other security set out in the Applicable Transaction Supplement, then on the liquidation or the sequestration of the Issuer, as the case may be, such external creditor would rank *pari passu* with or ahead of the Security SPV, depending on the statutory preference of claims in terms of the Insolvency Act, No. 24 of 1936, in regard to such assets of the Issuer that are not secured by any Security Cessions and/or any other security set out in the Applicable Transaction Supplement.

### **Yield and Prepayment Considerations**

The yield to maturity of the Notes will depend on, among other things, the amount and timing of payment of principal on the Participating Assets and the price paid by the Noteholders. The risk of re-investing distributions resulting from repayments on the Notes will be borne by Noteholders.

### **No support from the Seller**

The Notes do not represent deposits in a bank. The instruments are subject to investment risk, including possible delays in repayment and loss of income and principal amounts invested. The Seller, acting in a primary role, is not obliged to support any losses suffered by the Issuer in respect of the purchase of Participating Assets or by the Noteholders in respect of the investment in the Notes.

**No support from the Servicer**

The Servicer is not under any obligation to fund payments owed in respect of the Notes, absorb losses in respect of the Assets or otherwise recompense investors for losses incurred in respect of the Notes.

**The Servicer**

In terms of the Servicing Agreement, the Servicer will be required to manage the Participating Assets as the agent of the Issuer, under and in accordance with the terms of the Servicing Agreement.

There are risks on insolvency of the Servicer in respect of details of the Assets that are kept electronically on the Servicer's systems. The provisions of the Servicing Agreement mitigate this risk by providing for the maintenance of back-up data and the storage of such data off-site by a disaster recovery agent.

**Co-mingling risk**

In terms of the Servicing Agreement, the Servicer may, amongst its various duties, collect payments in respect of the Participating Assets. In relation to these amounts, there is a co-mingling risk.

**Change of law**

Participating Assets are subject to legislation which may change at any time. No prediction can be made as to whether such legislation will change and if it does, what the effect of such changes will be on the Participating Assets or the Issuer. No assurance can be given as to the impact of any possible judicial decision or change to South African law or administrative practice after the Date of the Programme Memorandum.

**Counterparty Risk**

There is a risk that counterparties to agreements with the Issuer, such as Derivative Counterparties, may not perform their obligations under those agreements and this may affect the ability of the Issuer to pay interest and/or principal on the Notes. In terms of the Transaction Documents, this risk may be mitigated by requiring certain parties to have a Credit Rating.

**Documentation Risk**

The arrangements between the Issuer and others are governed by a complex set of legal documents. There is risk of dispute over the interpretation or enforceability of this documentation.

**Derivatives**

In order to hedge against, amongst others, interest rate mismatches and basis risk, the Issuer may enter into one or more Derivative Contracts from time to time with a Derivative Counterparty to ensure that such risks are appropriately hedged.

Pursuant to the Derivative Contract, the Derivative Counterparty agrees to make payments to the Issuer under certain circumstances as described in such agreements. The Issuer will be exposed to the credit risk of the Derivative Counterparty with respect to such payments. The Transaction Documents may require the Derivative Counterparty to have a Credit Rating from the Rating Agency to mitigate this risk.

**Taxation**

Each Noteholder will assume and be solely responsible for any and all Taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any Taxes or other like assessment or charges that may be applicable to any payment to it in respect of the Notes. Unless otherwise specified in the Applicable Transaction Supplement, the Issuer will not pay any additional amounts to Noteholders to reimburse them for any Tax, assessment or charge required to be withheld or deducted from payments in respect of the Notes by the Issuer.

**Investment Advice**

The Placing Document identifies some of the information that a prospective investor should consider prior to making an investment in the Notes. The Placing Document does not, however, purport to identify or provide all of the information or the comprehensive analysis necessary to evaluate the economic and other consequences of investing in the Notes. Therefore, a prospective investor should conduct its own thorough analysis, including its own accounting, legal and tax analysis, prior to deciding whether to invest in the Notes. A prospective investor should make an investment in the Notes only after it has determined that such investment is suitable for its financial investment objectives.

The Placing Document does not nor does it purport to be or contain investment advice.

**Investor Suitability**

Prospective investors should determine whether an investment in the Issuer is appropriate in their particular circumstances and should consult with their legal, business and tax advisers to determine the consequences of an investment in any Notes and to arrive at their own evaluation of the investment.

Investment in the Notes is only suitable for investors who:

1. have the requisite knowledge and experience in financial and business matters, and access to, and knowledge of, appropriate analytical resources, to evaluate the information contained in the Placing

Document and the merits and risks of an investment in the Issuer in the context of such investors' financial position and circumstances;

2. are capable of bearing the economic risk of an investment in the Issuer for the duration of the investment;
3. recognise that it may not be possible to make any transfer of the Notes for a substantial period of time, if at all; and
4. are active on a regular and professional basis in the financial markets for their own account.

### **Potential Conflicts of Interest**

The Dealer may engage in trading activities (including hedging activities and/or other activities) related to or which may be related to the Notes and/or other instruments related to the Notes for its proprietary accounts or for other accounts under its management. Various potential and actual conflicts of interest may arise between the interests of the holders of Notes, on the one hand, and the Dealer, on the other hand, as a result of the various businesses and activities of such persons, and none of such persons is required to resolve such conflicts of interest in favour of the holders of such Notes.

## **ACCESSION TO THE PROGRAMME**

Certain special purpose entities (each an “**Issuer**”), may, by signing a separate supplement to the Programme Memorandum called an Applicable Issuer Supplement, based on the *Pro Forma Applicable Issuer Supplement* included in the Programme Memorandum, accede to the Programme, binding such Issuer to the terms and conditions of the Programme. Once an Issuer has acceded to the Programme, it may from time to time issue Notes under the Issuer Programme.

Details in relation to the Issuer will be set out in the Applicable Issuer Supplement which will supplement the Programme Memorandum in relation to the relevant Issuer.

Details in relation to the Transactions to be entered into by the Issuer will be set out in the Applicable Transaction Supplements, which will supplement and may amend and/or replace portions of the Programme Memorandum in relation to the relevant Transaction.

The liability of each Issuer under the Notes and each of the other Transaction Documents is separate in respect of each Transaction. No Issuer shall be responsible for the obligations of any other Issuer under any Notes issued by such other Issuer or under any of the Transaction Documents in respect of such Issuer.

## **FORM OF NOTES**

Each Tranche of Notes will be issued in the form of registered Notes in accordance with the Terms and Conditions and represented by (i) Certificates, or (ii) no Certificate, if issued in uncertificated form in terms of section 33 of the Financial Markets Act.

### **Notes issued in uncertificated form**

If the Notes are to be listed on the Interest Rate Market of the JSE, the Issuer will, subject to Applicable Laws, issue such Notes in uncertificated form. Unlisted Notes may also be issued in uncertificated form

Notes issued in uncertificated form will not be represented by any certificate or written instrument.

All transactions in uncertificated securities as contemplated in the Financial Markets Act will be cleared and settled in accordance with the Applicable Procedures. All the provisions relating to Beneficial Interests in the Notes held in the Central Securities Depository will apply to Notes issued in uncertificated form.

In terms of section 50 of the Companies Act, read with the Financial Markets Act and the rules of the Central Securities Depository, the Issuer will (i) record in the Register, the total number, and where applicable, the nominal value of the Notes issued by it in uncertificated form, and (ii) the Central Securities Depository and Central Securities Depository Participants will administer and maintain the company's uncertificated securities register, which will form part of the Register.

### **Beneficial Interests**

The Central Securities Depository will hold each Tranche of Notes issued in uncertificated form, subject to the Financial Markets Act and the Applicable Procedures.

All amounts to be paid in respect of Notes held in the Central Securities Depository will be paid to the relevant Participants on behalf of the relevant Noteholders in accordance with the Applicable Procedures. All rights to be exercised in respect of the Notes issued in uncertificated form will be exercised by the relevant Noteholders in accordance with the Applicable Procedures.

The Central Securities Depository maintains central securities accounts, which accounts may be in the name of such Participants or such Participants' clients. As at the date of the Programme Memorandum, the Participants are Citibank N.A., South African Branch, FirstRand Bank Limited (RMB Custody and Trustee Services), Nedbank Limited, The Standard Bank of South Africa Limited, Standard Chartered Bank, Johannesburg Branch, Absa Bank Limited and the South African Reserve Bank.

The Participants are in turn required to maintain securities accounts for their clients. The clients of Participants may include the holders of Beneficial Interests in the Notes or their custodians. The clients of

Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Notes held by them in the Central Securities Depository only through their Participants.

In relation to each person shown in the records of the Central Securities Depository or the relevant Participant, as the case may be, as the holder of a Beneficial Interest in a particular Principal Amount of Notes, a certificate or other document issued by the Central Securities Depository or the relevant Participant, as the case may be, as to the Principal Amount of such Notes standing to the account of such person shall be prima facie proof of such Beneficial Interest.

Transfers of Beneficial Interests in the Central Securities Depository to and from clients of the Participants occur by electronic book entry in the central securities accounts of the clients of the Participants. Transfers among Participants of Notes held in the Central Securities Depository system occur through electronic book entry in the Participants' central security accounts with the Central Securities Depository. Beneficial Interests may be transferred only in accordance with the Terms and Conditions and the Applicable Procedures.

The Issuer shall regard the Register as the conclusive record of title to the Notes.

### **Certificates**

The Notes represented by Certificates will be registered in the name of the individual Noteholders in the Register. Notes represented by Certificates may be transferred only in accordance with the Terms and Conditions.

Payments of interest and principal in respect of Notes represented by Certificates will be made in accordance with Condition 8 to the person reflected as the registered holder of such Certificates in the Register at 17h00 (Johannesburg time) on the Last Day to Register, and the Issuer will be discharged by proper payment to or to the order of the registered holder of the Certificate in respect of each amount so paid.



**PRO FORMA APPLICABLE ISSUER SUPPLEMENT**

Set out below is the form of the Applicable Issuer Supplement.

**APPLICABLE ISSUER SUPPLEMENT**

**[insert name of Issuer]**

(*[Incorporated/Established]* on [•] in South Africa under *[Registration/Masters' Reference]* Number [•])

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**

**Under its ZAR [•] Note Programme**

This document constitutes the Applicable Issuer Supplement relating to the Issuer described in this Applicable Issuer Supplement.

By executing this Applicable Issuer Supplement, the Issuer binds itself to the terms and conditions of the Programme and, accordingly, this Applicable Issuer Supplement must be read in conjunction with the Programme Memorandum dated [•] and approved by the JSE on [•]. To the extent that there is any conflict or inconsistency between the contents of this Applicable Issuer Supplement and the Programme Memorandum, the provisions of this Applicable Issuer Supplement shall prevail.

Capitalised terms used in this Applicable Issuer Supplement shall have the meanings ascribed to them in the section of this Applicable Issuer Supplement headed "*Issuer Programme Specific Definitions*". Any capitalised terms not defined in this Applicable Issuer Supplement shall have the meanings ascribed to them in the section of the Programme Memorandum headed "*Glossary of Definitions*", as supplemented, amended and/or replaced.

References in this Applicable Issuer Supplement to the Terms and Conditions are to the section of the Programme Memorandum headed "*Terms and Conditions of the Notes*", read together with the Applicable Issuer Supplement and, in respect of each Transaction, with the Applicable Transaction Supplement and, in relation to each Tranche of Notes, with the Applicable Pricing Supplement, as amended, novated and/or replaced from time to time in accordance with their terms. A reference to any Condition in this Applicable Issuer Supplement is to that Condition of the Terms and Conditions.

In relation to the Issuer Programme, the Programme Memorandum, read together with the Applicable Issuer Supplement and the Applicable Transaction Supplements are together referred to as the "**Placing Document**".

In relation to the Issuer Programme, the Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from the Placing Document which would make any statement false or

misleading and that all reasonable enquires to ascertain such facts have been made and that the Placing Document contains all information required by Applicable Law and, in relation to any Tranche of Notes listed on the Interest Rate Market of the JSE, the JSE Debt Listings Requirements. The Issuer accepts full responsibility for the accuracy of the information contained in the Placing Document, the Applicable Pricing Supplements and the annual financial statements and any amendments to the aforementioned documents, except as otherwise stated therein.

The JSE takes no responsibility for the contents of the Placing Document and the annual financial statements and/or any Applicable Pricing Supplements and/or the annual report of the Issuer and any amendments or supplements to the aforementioned documents. The JSE makes no representation as to the accuracy or completeness of the Placing Document, the annual financial statements and/or any Applicable Pricing Supplements and/or the annual report of the Issuer and any amendments or supplements to the aforementioned documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the aforementioned documents. The JSE's approval of the registration of the Placing Document and listing of the debt securities is not to be taken in any way as an indication of the merits of the Issuer or of the debt securities and that, to the extent permitted by law, the JSE will not be liable for any claim whatsoever.

## THE ISSUER

### Introduction

1. Full name:
2. [Registration Number/Masters' Reference Number]:
3. Date and place of [incorporation/establishment]:
4. Beneficial ownership:  *[Complete if the Issuer is a company/delete if the Issuer is a trust]*
5. Purpose:

### DIRECTORS/TRUSTEES

6. Directors/Trustees for the time being:

### SPECIFIED OFFICE

7. Specified Office:

**COMPANY SECRETARY**

8. Company secretary: (if the Issuer is a  company) or responsible person (if the Issuer is not a company):

**AUDITOR**

9. Auditor:

**FINANCIAL YEAR END**

10. The financial year end of the Issuer is:

**KING IV**

11. Compliance with King IV:

**ACTIVITIES**

12. Activities:

**CAPITALISATION OF THE ISSUER**

13. Capitalisation of the Issuer:

**FINANCIAL INFORMATION**

14. Financial information:

**[insert name of Issuer]**

By: \_\_\_\_\_ By: \_\_\_\_\_

Name: \_\_\_\_\_ Name: \_\_\_\_\_

Director, duly authorised

Director, duly authorised

Date: \_\_\_\_\_ Date: \_\_\_\_\_

**PRO FORMA APPLICABLE TRANSACTION SUPPLEMENT**

Set out below is the form of the Applicable Transaction Supplement:

**APPLICABLE TRANSACTION SUPPLEMENT**

**[insert name of Issuer]**

**[insert name of Transaction]**

(*[Incorporated/Established]* on [•] in South Africa under *[Registration/Masters' Reference]* Number [•])

**ZAR[•] Note Programme**

This document constitutes the Applicable Transaction Supplement of the Issuer relating to the Transaction described in this Applicable Transaction Supplement.

By executing the Applicable Transaction Supplement, the Issuer confirms that it has executed an Applicable Issuer Supplement dated [•] (the "Applicable Issuer Supplement"), binding itself to the Programme Memorandum dated [•], as amended or supplemented (the "Programme Memorandum"), and approved by the JSE on [•]. This Applicable Transaction Supplement must be read in conjunction with the Programme Memorandum dated [•] and approved by the JSE on [•], and the Applicable Issuer Supplement. To the extent that there is any conflict or inconsistency between the contents of this Applicable Transaction Supplement and the Programme Memorandum and/or, if applicable, the Applicable Issuer Supplement, the provisions of this Applicable Transaction Supplement shall prevail.

In addition to disclosing information about the Transaction, this Applicable Transaction Supplement may specify other terms and conditions of the Notes (which replace, modify or supplement the Terms and Conditions), in which event such other terms and conditions shall, to the extent so specified in this Applicable Transaction Supplement or to the extent inconsistent with the Terms and Conditions, replace, modify or supplement the Terms and Conditions.

Capitalised terms used in this Applicable Transaction Supplement shall have the meanings ascribed to them in the section of this Applicable Transaction Supplement headed "*Transaction Specific Definitions*". Capitalised terms not defined in this Applicable Transaction Supplement, shall have the meanings ascribed to them in the section of the Programme Memorandum headed "*Glossary of Definitions*", as supplemented, amended and/or replaced (including in the Applicable Issuer Supplement).

References in this Applicable Transaction Supplement to the Terms and Conditions are to the section of the Programme Memorandum headed "*Terms and Conditions of the Notes*", read together with the Applicable Issuer Supplement and, in respect of each Transaction, with the Applicable Transaction Supplement and, in relation to each Tranche of Notes, with the Applicable Pricing Supplement, as

supplemented, amended and/or replaced. A reference to any Condition in this Applicable Transaction Supplement is to that Condition of the Terms and Conditions.

In relation to the Issuer Programme, the Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from the Placing Document which would make any statement false or misleading and that all reasonable enquires to ascertain such facts have been made and that the Placing Document contains all information required by Applicable Law and, in relation to any Tranche of Notes listed on the Interest Rate Market of the JSE, the JSE Debt Listings Requirements. The Issuer accepts full responsibility for the accuracy of the information contained in the Placing Document, the Applicable Pricing Supplements and the annual financial statements and any amendments to the aforementioned documents, except as otherwise stated therein.

The JSE takes no responsibility for the contents of the Placing Document and the annual financial statements and/or any Applicable Pricing Supplements and/or the annual report of the Issuer and any amendments or supplements to the aforementioned documents. The JSE makes no representation as to the accuracy or completeness of the Placing Document, the annual financial statements and/or any Applicable Pricing Supplements and/or the annual report of the Issuer and any amendments or supplements to the aforementioned documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the aforementioned documents. The JSE's approval of the registration of the Placing Document and listing of the debt securities is not to be taken in any way as an indication of the merits of the Issuer or of the debt securities and that, to the extent permitted by law, the JSE will not be liable for any claim whatsoever.

## **TRANSACTION OVERVIEW**

## **TRANSACTION PARTIES**

## **TRANSACTION DOCUMENTS**

## **REPLACEMENT/ADDITIONAL/AMENDED TERMS AND CONDITIONS**

## **PRIORITY OF PAYMENTS**

## **THE SECURITY SPV, IF APPLICABLE**

## **TRANSACTION SPECIFIC DEFINITIONS**

## **GENERAL INFORMATION**

## **CORPORATE INFORMATION**

**[insert name of Issuer]**

By: \_\_\_\_\_ By: \_\_\_\_\_

Name: \_\_\_\_\_ Name: \_\_\_\_\_

Director, duly authorised

Director, duly authorised

Date: \_\_\_\_\_ Date: \_\_\_\_\_

**PRO FORMA APPLICABLE PRICING SUPPLEMENT**

Set out below is the form of the Applicable Pricing Supplement which will be completed for each Tranche of Notes issued by an Issuer under the Transaction.

**APPLICABLE PRICING SUPPLEMENT**

**[insert name of Issuer]**

**[insert name] Transaction**

(*[Incorporated/Established]* on [•] in South Africa under *[Registration/Masters Reference]* Number [•])

**Issue of [*Aggregate Nominal Amount of Tranche*] [*Title of Notes*]**

**Under its ZAR [•] Note Programme**

This document constitutes the Pricing Supplement relating to the issue of Notes described in this Pricing Supplement.

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum dated [•] and approved by the JSE on [•], and if applicable, the Applicable Issuer Supplement dated [•] and the Applicable Transaction Supplement dated [•]. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum and/or, if applicable, the Applicable Issuer Supplement and the Applicable Transaction Supplement, the provisions of this Applicable Pricing Supplement shall prevail.

Any capitalised terms not defined in this Pricing Supplement shall have the meanings ascribed to them in the section of the Programme Memorandum headed "*Glossary of Definitions*", as supplemented, amended and/or replaced. References in this Pricing Supplement to the Terms and Conditions are to the section of the Programme Memorandum headed "*Terms and Conditions of the Notes*" as supplemented, amended and/or replaced. References to any Condition in this Pricing Supplement are to that Condition of the Terms and Conditions.

In relation to the Issuer Programme, the Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from the Placing Document which would make any statement false or misleading and that all reasonable enquires to ascertain such facts have been made and that the Placing Document contains all information required by Applicable Law and, in relation to any Tranche of Notes listed on the Interest Rate Market of the JSE, the JSE Debt Listings Requirements. The Issuer accepts full responsibility for the accuracy of the information contained in the Placing Document, the Applicable Pricing Supplements and the annual financial statements and any amendments to the aforementioned documents, except as otherwise stated therein.

The JSE takes no responsibility for the contents of the Placing Document and the annual financial statements and/or any Applicable Pricing Supplements and/or the annual report of the Issuer and any amendments or supplements to the aforementioned documents. The JSE makes no representation as to the accuracy or completeness of the Placing Document, the annual financial statements and/or any Applicable Pricing Supplements and/or the annual report of the Issuer and any amendments or supplements to the aforementioned documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the aforementioned documents. The JSE's approval of the registration of the Programme Memorandum and listing of the debt securities is not to be taken in any way as an indication of the merits of the Issuer or of the debt securities and that, to the extent permitted by law, the JSE will not be liable for any claim whatsoever.

### DESCRIPTION OF THE NOTES

- |     |  |   |
|-----|--|---|
| 1.  | Issuer                                       | [insert name of Issuer]   |
| 2.  | Security SPV                                 | [Yes/No][If yes, insert name of Security SPV]   |
| 3.  | Status/Class of the Notes                    | [Senior/Subordinated/Class [ ] Notes]   |
| 4.  | Series                                       | [ ]   |
| 5.  | Tranche number                               | [ ]   |
| 6.  | Security                                     | [Yes/No]  |
|     |  | Direct security - [Yes/No]  |
|     |  | Security structure - [Yes/No] [If yes, see section of the Programme Memorandum headed "Security Structure"] |
| 7.  | Limited Recourse                             | [Yes, Condition 5.1 applies]/[No, Condition 5.1 does not apply]   |
| 8.  | Listed/Unlisted                              | [ ]   |
| 9.  | Aggregate Principal Amount of this Tranche   | [ ]   |
| 10. | Issue Date(s) and first settlement date      | [ ]   |
| 11. | Minimum Denomination per Note                | R1 000 000  |
| 12. | Specified Denomination (Principal Amount per | [ ]   |



Note)

- |     |  |  |
|-----|--|--|
| 13. | Issue Price(s)   | [ ]  |
| 14. | Applicable Business Day Convention   | [Following Business Day/Modified Business Day/Preceding Business Day/other convention – insert details]  |
| 15. | Interest Commencement Date(s)  | [ ]  |
| 16. | Scheduled Maturity Date, if applicable   | [ ]  |
| 17. | Step-Up Date, if applicable  | [ ]  |
| 18. | Final Redemption Date/Maturity Date  | [ ]  |
| 19. | Final Redemption Amount/Maturity Amount  | [As per Condition 7]   |
| 20. | Use of Proceeds  | The net proceeds of the issue of this Tranche, together with the net proceeds from the issue of all other Tranches of Notes issued on the same Issue Date [and the borrowing of the Subordinated Loan referred to in this Pricing Supplement], will be used by the Issuer to [purchase Participating Assets, redeem Notes in issue, repay existing Subordinated Loans and/or fund applicable Reserves] |
| 21. | Specified Currency   | Rand   |
| 22. | Set out the relevant description of any additional Terms and Conditions relating to the Notes (including additional covenants, if any) | [ ]  |

#### **FIXED RATE NOTES**

- |     |                          |   |
|-----|--------------------------|---|
| 23. | Fixed Interest Rate      | [ ]% per annum nacq/nacm/nacs/naca  |
| 24. | Interest Payment Date(s) | • , • , • and • of each year until the Final Redemption Date, with the first Interest Payment Date being • (or, if any such day is not a Business |

Day, the Business Day on which the interest will be paid, as determined in accordance with the applicable Business Day Convention (as specified in this Applicable Pricing Supplement)

25. Interest Period(s) Each period commencing on and including an Interest Payment Date and ending on but excluding the following Interest Payment Date, provided that the first Interest Period will commence on (and include) the Interest Commencement Date and end on (but exclude ) [insert date] (each Interest Payment Date as adjusted in accordance with the applicable Business Day Convention)
26. Initial Broken Amount [ ]
27. Final Broken Amount [ ]
28. Any other items relating to the particular method of calculating interest [ ]

#### **FLOATING RATE NOTES**

29. Interest Payment Date(s) ● , ● , ● and ● of each year until the Final Redemption Date, with the first Interest Payment Date being ● (or, if any such day is not a Business Day, the Business Day on which the interest will be paid, as determined in accordance with the applicable Business Day Convention (as specified in this Applicable Pricing Supplement)
30. Interest Period(s) Each period commencing on and including an Interest Payment Date and ending on but excluding the following Interest Payment Date, provided that the first Interest Period will commence on (and include) the Interest Commencement Date and end on (but exclude ) [insert date] (each Interest Payment Date as adjusted in accordance with the

applicable Business Day Convention)

- 31. Manner in which the Interest Rate is to be determined [Screen Rate Determination/other (insert details)]
- 32. Margin/Spread for the Interest Rate [(+/-) ( )% per annum to be added to/subtracted from the relevant (Reference Rate)] (up to the Scheduled Maturity Date)
- 33. Margin/Spread for the Step-Up Rate [●]% to be added to the relevant Reference Rate
- 34. If Screen Rate Determination
  - (a) Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated) [e.g. ZAR-JIBAR-SAFEX]
  - (b) Rate Determination Date(s) [The first day of each Interest Period, save that the first Rate Determination Date is ●]
  - (c) Relevant Screen page and Reference Code [ ]
- 35. If Interest Rate to be calculated otherwise than by reference to the previous 2 sub-clauses above, insert basis for determining Interest Rate/Margin/Fall back provisions [ ]
- 36. Any other terms relating to the particular method of calculating interest [ ]

**ZERO COUPON NOTES**

- 37. Implied Yield [ ] NACA, NACS, NACQ, NACM
- 38. Reference Price [ ]
- 39. Equivalent Discount Rate [ ]
- 40. Spread to Reference Rate [ ]

41. Final Redemption Date/Maturity Date [ ]
42. Day Count [ ]
43. Any other formula or basis for determining amount payable [ ]

#### **OTHER NOTES**

44. If the Notes are not Fixed Rate Notes or Floating Rate Notes, or if the Notes are a combination of the above and some other Note, set out the relevant description and any additional Terms and Conditions relating to such Notes [ ]

#### **REDEMPTION IN INSTALMENTS**

45. Repayment Dates [ ]
46. Repayment Amounts [ ]

#### **PROVISIONS REGARDING REDEMPTION/ MATURITY**

47. Redemption at the option of the Issuer: if yes: [Yes/No]
- (a) Optional Redemption Date(s) [ ]
- (b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s) [ ]
- (c) Minimum period of notice [ ]
- (d) If redeemable in part:
- Minimum Redemption Amount(s) [ ]
- Higher Redemption Amount(s) [ ]
- (e) Other terms applicable on Redemption [ ]
48. Redemption at the option of the holders of the Senior Notes (Put Option): if yes [Yes/No]

- (a) Optional Redemption Date(s) (Put) [ ]
- (b) Optional Redemption Amount(s) (Put) and method, if any, of calculation of such amount(s) [ ]
- (c) Minimum period of notice [ ]
- (d) If redeemable in part:
- Minimum Redemption Amount(s) [ ]
- Higher Redemption Amount(s) [ ]
- (e) Other terms applicable on redemption [ ]

### GENERAL

49. Additional selling restrictions [ ]
50. International Securities Identification Number (ISIN) [ ]
51. Stock Code [ ]
52. Financial Exchange [ ]
53. Dealer(s) [ ]
54. Method of distribution [ ]
55. Governing Law South Africa
56. Rating assigned to the Issuer/the Issuer Programme/this Tranche of Notes (if any) [ ]
57. Rating Agency (if any) [ ]
58. Last Day to Register By 17h00 on the Business Day immediately preceding the first day of a Books Closed Period
59. Books Closed Period [The Register will be closed from [...] to [...] and from [...] to [...] and from [...] to [...] and from [...] to [...] (all dates inclusive) in each year until the Final

	Redemption Date].
60. Calculation Agent	[ ]
61. Specified Office of the Calculation Agent	[ ]
62. Transfer Agent	[ ]
63. Specified Office of the Transfer Agent	[ ]
64. Paying Agent	[ ]
65. Specified Office of the Paying Agent	[ ]
66. Issuer's Settlement Agent	[ ]
67. Specified Office of the Issuer's Settlement Agent	[ ]
68. Debt Sponsor	[ ]
69. Stabilisation Manager, if any	[ ]
70. Issuer Programme Amount	R[ ]. The authorised amount of the Issuer Programme has not been exceeded.
71. Aggregate Outstanding Principal Amount of Notes in issue in respect of the Transaction on the Issue Date of this Tranche	R, excluding this Tranche of Notes and any other Tranche(s) of Notes to be issued on the Issue Date.
72. Amount of Subordinated Loan to be borrowed simultaneously with this Tranche	R[ ]
73. Aggregate Principal Amount of all other Tranches of Notes to be issued simultaneously with this Tranche, excluding this Tranche	R[ ]
74. Additional Events of Default, if any	[ ]
75. Description of the underlying assets	[See the section of the Applicable Transaction Supplement headed Participating Assets].

76. Number and value of assets in the pool [See Appendix 2 - Historical Pool Data]
77. Seasoning of the assets [See Appendix 2 - Historical Pool Data]
78. Level of over-collateralisation, if any [See Appendix 2 - Historical Pool Data]
79. How often payments are collected in respect of underlying assets [ ]
80. Percentage of Notes held by the Originator on the Issue Date [..]
81. Level of concentration of the obligors in the asset pool, identifying obligors that account for 10% or more [See Appendix 2 - Historical Pool Data]
82. Where this is no concentration of obligors above 10%, the general characteristics and description of the obligors [See the section of the Applicable Transaction Supplement headed Participating Assets]
83. Other provisions, if any [ ]

Application [is hereby/will not be] made to list this Tranche of the Notes. The Programme was registered with the JSE on [....].

As at the date of this Pricing Supplement, following due and careful enquiry, there has been no material change in the financial or trading position of the Issuer since the end of the last financial period for which either audited annual consolidated financial statements or unaudited interim consolidated financial results have been published. No auditors have been involved in making such statement.

As at the date of the Pricing Supplement, neither the Issuer nor the Security SPV is engaged in any legal or arbitration proceedings, including any proceedings that are pending or threatened, of which the Issuer or Security SPV is aware, that may have or have had in the recent past, being the previous 12 months, a material effect on the Issuer's or the Security SPV's financial position.

[DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3(5) OF THE COMMERCIAL PAPER REGULATIONS – SEE APPENDIX "A"]

**[insert name of Issuer]**

By: \_\_\_\_\_ By: \_\_\_\_\_

Name: \_\_\_\_\_ Name: \_\_\_\_\_

Director, duly authorised

Director, duly authorised

Date: \_\_\_\_\_ Date: \_\_\_\_\_



**APPENDIX "A" TO THE APPLICABLE PRICING SUPPLEMENT, IF APPLICABLE****Disclosure Requirements in terms of paragraph 3(5) of the Commercial Paper Regulations**

At the date of this Applicable Pricing Supplement:

Paragraph 3(5)(a)

The ultimate borrower is the Issuer.

Paragraph 3(5)(b)

The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments under the Notes.

Paragraph 3(5)(c)

The auditor of the Issuer is [        ].

Paragraph 3(5)(d)

As at the date of this issue:

(a) [the Issuer has not issued any Notes/the Outstanding Principal Amount of all Notes issued by the Issuer is R[        ]; and

(b) [it is not anticipated that the Issuer will issue additional Notes during the remainder of its current financial year/it is anticipated that the Issuer will issue additional Notes with an estimated nominal value of R[        ] during the remainder of its current financial year ended [        ], in addition to the Notes forming part of this issue of Notes].

Paragraph 3(5)(e)

Prospective investors in the Notes are to consider this Applicable Pricing Supplement, the Programme Memorandum, the Applicable Issuer Supplement, the Applicable Transaction Supplement and the documentation incorporated therein by reference in order to ascertain the nature of the financial and commercial risks of an investment in the Notes. In addition, prospective investors in the Notes are to consider the latest audited financial statements of the Issuer which are incorporated into the Programme Memorandum by reference and which may be requested from the Issuer.

Paragraph 3(5)(f)

There has been no material adverse change in the Issuer's financial position since the date of its last audited financial statements.

Paragraph 3(5)(g)

The Notes issued will be [listed/unlisted], as stated in the Applicable Pricing Supplement.

Paragraph 3(5)(h)

The funds to be raised through the issue of the Notes are to be used by the Issuer for [        ].

Paragraph 3(5)(i)

The Notes are secured in the manner described in the Transaction Supplement.

Paragraph 3(5)(j)

[ ], the auditors of the Issuer, have confirmed that nothing has come to their attention to indicate that this issue of Notes issued under the Issuer Programme will not comply in all respects with the relevant provisions of the Commercial Paper Regulations (Government Notice 2172 in Government Gazette No, 16167 of 14 December 1994) published under Paragraph (cc) of the definition of the “business of a bank” in terms of Section 1 of the Banks Act, 1990).

## **TERMS AND CONDITIONS OF THE NOTES**

*The following are the Terms and Conditions of the Notes to be issued by each Issuer, subject to amendments and/or additions set out in the Applicable Issuer Supplement, the Applicable Transaction Supplement and/or each Applicable Pricing Supplement.*

*Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. One or more Series of Notes may form a Class of Notes.*

*Before the Issuer issues any Tranche of Notes, the Issuer shall complete and sign an Applicable Pricing Supplement, based on the Pro Forma Applicable Pricing Supplement included in the Programme Memorandum, setting out details of such Notes.*

*Unless otherwise specified, reference to "Notes", "Tranche of Notes", "Series of Notes", "Class of Notes", "Notes", "Noteholders", "Transaction" and all other defined terms", shall be construed as references to such terms in respect of the relevant Transaction identified in the Applicable Pricing Supplement. Thus, for example, a reference to giving a notice to Noteholders, shall require such notice to be given to the Noteholders of the relevant Transaction identified in the Applicable Pricing Supplement, and not to the Noteholders of any other Transaction.*

### **1. Interpretation**

- 1.1 The section of the Programme Memorandum headed "Glossary of Definitions" is incorporated by reference into the Terms and Conditions. In the Terms and Conditions, unless inconsistent with the context, capitalised terms will bear the meanings ascribed to such terms in the section of the Programme Memorandum headed "Glossary of Definitions", except to the extent that they are separately defined in the Terms and Conditions or this is clearly inappropriate from the context.
- 1.2 In respect of the Transaction, the Applicable Issuer Supplement, the Applicable Transaction Supplement and each Applicable Pricing Supplement, is incorporated in the Terms and Conditions for the purposes of the Notes of the Transaction and supplements the Terms and Conditions. The Applicable Issuer Supplement, the Applicable Transaction Supplement and each Applicable Pricing Supplement may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Terms and Conditions, replace, modify or supplement the Terms and Conditions for the purposes of those Notes of the Transaction.
- 1.3 References in the Terms and Conditions to "Notes" are to the Notes of one Transaction only, and not to all Notes that may be issued under the Programme.
- 1.4 All capitalised terms used in the Terms and Conditions refer to such term in respect of the relevant Transaction under which the relevant Notes are issued.

### **2. Issue**

- 2.1 Notes may be issued by the Issuer in Tranches pursuant to Issuer Programme, without requiring the consent of Noteholders.
- 2.2 A Tranche of Notes may, together with a further Tranche or Tranches, form a Series of Notes issued under the Issuer Programme. One or more Series of Notes may form a Class of Notes issued under the Issuer Programme.

- 2.3 The Noteholders are, by virtue of their subscription for or purchase of, the Notes, deemed to have notice of, and are entitled to the benefit of, and are subject to, all the provisions of the Transaction Documents.
- 2.4 Notwithstanding the Priority of Payments, the proceeds of the issue of any Tranche of Notes will, except as otherwise expressly permitted in the Applicable Issuer Supplement, the Applicable Transaction Supplements or Applicable Pricing Supplement, only be used to:
- 2.4.1 purchase or invest in Eligible Participating Assets; and/or
- 2.4.2 to redeem the Notes; and/or
- 2.4.3 refinance Subordinated Loans,
- as the case may be, and no other creditor of the Issuer will have any claim to such proceeds.
- 2.5 The proceeds of the issue of any Tranche of Notes may, pending application for its permitted purpose, only be invested in Permitted Investments, being Permitted Investments having maturity date(s) on or prior to the Redemption Date of the Notes and/or repayment date of the Subordinated Loans or the date for payment of the purchase consideration for the Eligible Participating Assets.

### 3. **Form and Denomination**

- 3.1 Notes will be issued in registered form with a minimum denomination of R1 000 000 each and otherwise in such denominations as may be determined by the Issuer and as specified in the Applicable Pricing Supplement.
- 3.2 The Notes in a Tranche of Notes will be issued in the form of registered Notes, represented by (i) individual Certificates registered in the name, and for the account of, the relevant Noteholder or (ii) no Certificate and held in uncertificated form in the Central Securities Depository in terms of section 33 of the Financial Markets Act. The Central Securities Depository will hold the Notes subject to the Financial Markets Act and the Applicable Procedures.

### 4. **Title**

- 4.1 Title to the Notes will pass upon registration of transfer in the Register in accordance with Condition 15. The Issuer and the Transfer Agent shall recognise a Noteholder as the sole and absolute owner of the Notes registered in that Noteholder's name in the Register (notwithstanding any notice of ownership or notice of any previous loss or theft thereof) and shall not be bound to enter any trust in the Register or to take notice of or to accede to the execution of any trust, express, implied or constructive, to which any Note may be subject.
- 4.2 Beneficial Interests in Notes held in uncertificated form may, in terms of existing law and practice, be transferred through the Central Securities Depository by way of book entry in the securities accounts of the Participants.
- 4.3 Any reference in the Programme Memorandum to the relevant Participant shall, in respect of Beneficial Interests, be a reference to the Participant appointed to act as such by a holder of such Beneficial Interest.

## 5. Status of Notes

### 5.1 Status of the limited recourse Notes

5.1.1 If so specified in the Applicable Pricing Supplement, the Notes constitute direct, limited recourse obligations of the Issuer only, falling within the Class of Notes specified in the Applicable Pricing Supplement.

5.1.2 The claims of the Noteholders (whether in respect of principal, interest or otherwise) shall be subordinated to the claims of higher ranking creditors in accordance with the Priority of Payments.

5.1.3 Notwithstanding the subordinations envisaged in this Condition, the Noteholders shall be entitled to be paid any amounts due and payable to them in accordance with the Priority of Payments, on any Interest Payment Date, provided that all amounts required to be paid or provided for in terms of the Priority of Payments in priority thereto, have been paid, provided for or discharged in full.

5.1.4 On enforcement, the Notes of each Class rank *pari passu* among themselves.

### 5.2 Status of the Senior Notes

The Senior Notes constitute direct, unconditional and unsubordinated obligations of the Issuer and will rank equally among themselves and (save for certain debts required to be preferred by Applicable Law) at least equally with all other present and future unsecured, unsubordinated obligations of the Issuer from time to time outstanding.

### 5.3 Status of the Subordinated Notes

5.3.1 Subordinated Notes constitute direct, unconditional and subordinated obligations of the Issuer (on the basis set out in Condition 5.3.2) and will rank equally among themselves and (save for certain debts required to be preferred by Applicable Law) at least equally with all other present and future unsecured, subordinated obligations of the Issuer from time to time outstanding.

5.3.2 Subject to Applicable Law, in the event of the dissolution of the Issuer or if the Issuer is placed into liquidation or wound-up, the claims of the persons entitled to be paid amounts due in respect of Subordinated Notes shall be subordinated to all other claims in respect of any other indebtedness of the Issuer except for other Subordinated Indebtedness. Accordingly, in any such event, and provided as aforesaid, no holder of a Subordinated Note shall be entitled to prove or tender to prove a claim in respect of the Subordinated Notes, and no amount shall be eligible for set-off or shall be payable to any or all the persons entitled to be paid amounts due in respect of Subordinated Notes in respect of the obligations of the Issuer thereunder, until all other indebtedness of the Issuer which is admissible in any such dissolution, insolvency or winding-up (other than Subordinated Indebtedness) has been paid or discharged in full.

5.3.3 "**Subordinated Indebtedness**" means for the purposes of this Condition 5.3 any indebtedness of the Issuer, including any guarantee given by the Issuer, under which the right of payment of the person(s) entitled thereto is, or is expressed to be, or is required by any present or future agreement of the Issuer to be, subordinated to the rights of all unsubordinated creditors of the Issuer in the event of the dissolution, winding-up or placing into liquidation of the Issuer.

## 6. Interest

### 6.1 Interest on Fixed Rate Notes

#### 6.1.1 Fixed Interest Rate

Each Fixed Rate Note will bear interest on its Outstanding Principal Amount, at the rates per annum equal to the Interest Rate, from and including the Interest Commencement Date to but excluding the earlier of the Final Redemption Date (or the Actual Redemption Date, if the Actual Redemption Date falls before or after the Final Redemption Date) and the Step-Up Date, if any. If the Step-Up Date occurs, each Fixed Rate Note will bear interest on its Outstanding Principal Amount, at the rates per annum equal to the Step-Up Rate, from and including the Step-Up Date to but excluding the Final Redemption Date (or the Actual Redemption Date, if the Actual Redemption Date falls before or after the Final Redemption Date).

#### 6.1.2 Interest Payment Dates

The interest due in respect of each Interest Period will be payable in arrear on the Interest Payment Date in respect of such Interest Period. If any Interest Payment Date falls upon a day which is not a Business Day, the provisions of Condition 8.3 shall determine the date of payment of interest due upon such Interest Payment Date. Interest in respect of any Interest Period shall accrue to and be paid on the relevant Interest Payment Date.

#### 6.1.3 Calculation of Interest Amount

The Calculation Agent will, on each Rate Determination Date, determine the Interest Rate applicable to a Tranche of Fixed Rate Notes for the Interest Period commencing on that Rate Determination Date and calculate the Interest Amount payable in respect of each Fixed Rate Note in that Tranche for that Interest Period. Unless stated otherwise in the Applicable Pricing Supplement, the Interest Amount will be determined by multiplying the Interest Rate by the Outstanding Principal Amount of such Fixed Rate Note and then multiplying such product by the actual number of days elapsed in such Interest Period, divided by 365. The resultant sum will be rounded to the nearest cent, half a cent being rounded upwards.

### 6.2 Interest on Floating Rate Notes

#### 6.2.1 Interest Rate

Each Floating Rate Note will bear interest on its Outstanding Principal Amount, at the rates per annum equal to the Interest Rate, from and including the Interest Commencement Date to but excluding the earlier of the Final Redemption Date (or the Actual Redemption Date, if the Actual Redemption Date falls before or after the Final Redemption Date) and the Step-Up Date, if any. If the Step-Up Date occurs, each Floating Rate Note will bear interest on its Outstanding Principal Amount, at the rates per annum equal to the Step-Up Rate, from and including the Step-Up Date to but excluding the Final Redemption Date (or the Actual Redemption Date, if the Actual Redemption Date falls before or after the Final Redemption Date).

#### 6.2.2 Interest Payment Dates

The interest due in respect of each Interest Period will be payable in arrear on the Interest Payment Date in respect of such Interest Period. The first payment of

interest will be made on the Interest Payment Date following the Interest Commencement Date. If any Interest Payment Date falls upon a day which is not a Business Day, the provisions of Condition 8.3 shall determine the date of payment of interest due upon such Interest Payment Date. Interest in respect of any Interest Period shall accrue to and be paid on the relevant Interest Payment Date.

### 6.2.3 **Determination of Interest Rate and calculation of Interest Amount**

The Calculation Agent will, on each Rate Determination Date, determine the Interest Rate applicable to a Tranche of Floating Rate Notes for the Interest Period commencing on that Rate Determination Date and calculate the Interest Amount payable in respect of each Floating Rate Note in that Tranche for that Interest Period. Unless stated otherwise in the Applicable Pricing Supplement, the Interest Amount will be determined by multiplying the Interest Rate by the Outstanding Principal Amount of such Floating Rate Note and then multiplying such product by the actual number of days elapsed in such Interest Period, divided by 365. The resultant sum will be rounded to the nearest cent, half a cent being rounded upwards.

### 6.2.4 **Basis of Interest Rate**

6.2.4.1 The Interest Rate will be determined:

6.2.4.1.1 on the basis of ISDA Determination (as described below); or

6.2.4.1.2 on the basis of Screen Rate Determination (as described below); or

6.2.4.1.3 on such other basis as may be determined by the Issuer,

all as indicated in the Applicable Pricing Supplement.

### 6.2.4.2 **ISDA Determination**

Where ISDA Determination is specified in the Applicable Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period will be the relevant ISDA Rate (as defined below) plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any).

For the purposes of this Condition 6.2.4.2:

"**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by such agent as is specified in the Applicable Pricing Supplement under a notional interest rate swap transaction if that agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

6.2.4.2.1 the Floating Rate Option is as specified in the Applicable Pricing Supplement;

6.2.4.2.2 the Designated Maturity is the period specified in the Applicable Pricing Supplement; and

6.2.4.2.3 the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the JIBAR rate on the first day of that Interest

Period; or (ii) in any other case, as specified in the Applicable Pricing Supplement.

"**Floating Rate**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those expressions in the ISDA Definitions. Other expressions used in this Condition 6.2.4.2 or in the Applicable Pricing Supplement (where ISDA determination is specified) not expressly defined shall bear the meaning given to those expressions in the ISDA Definitions.

When this Condition 6.2.4.2 applies, in respect of each Interest Period such Calculation Agent as is specified in the Applicable Pricing Supplement will be deemed to have discharged its obligations under Condition 6.2.3 in respect of the determination of the Interest Rate if it has determined the Interest Rate in respect of such Interest Period in the manner provided in this Condition 6.2.4.2.

#### 6.2.4.3 **Screen Rate Determination**

Where Screen Rate Determination is specified in the Applicable Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period will, subject as provided below, be either:

6.2.4.3.1 the offered quotation (if there is only one quotation on the Relevant Screen Page); or

6.2.4.3.2 the arithmetic mean (rounded if necessary to the fifth decimal place, with 0,000005 being rounded upwards) of the offered quotations, (if there is more than one quotation on the Relevant Screen Page) and subject to adjustment in terms of the JSE's approved methodology,

6.2.4.3.3 for the Reference Rate(s) which appears or appear, as the case may be, on the Relevant Screen Page as at 12h00 (Johannesburg time) on the Rate Determination Date in question, as determined and published by the JSE, plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent.

6.2.4.4 If the Relevant Screen Page is not available or if, in the case of (a) above in this Condition 6.2.4.3, no such offered quotation appears or, in the case of paragraph (b) above in this Condition 6.2.4.3, fewer than three such offered quotations appear, in each case at the time specified in the preceding paragraph, the Calculation Agent shall request the principal Johannesburg office of each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 12h00 (Johannesburg time) on the Rate Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Interest Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0,000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.



- 6.2.4.5 If the Interest Rate cannot be determined by applying the provisions of the preceding paragraphs of this Condition 6.2.4.3, the Interest Rate for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0,00005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks offered, at approximately 12h00 (Johannesburg time) on the relevant Rate Determination Date, in respect of deposits in an amount approximately equal to the Principal Amount of the Notes, for a period equal to that which would have been used for the Reference Rate, to Reference Banks in the Johannesburg inter-bank market plus or minus (as appropriate) the Margin (if any). If fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the Interest Rate for the relevant Interest Period will be determined by the Calculation Agent as the arithmetic mean (rounded as provided above) of the rates for deposits in an amount approximately equal to the Principal Amount of the Notes, for a period equal to that which would have been used for the Reference Rate, quoted at approximately 12h00 South African time on the relevant Rate Determination Date, by four leading banks in Johannesburg (selected by the Calculation Agent and approved by the Issuer) plus or minus (as appropriate) the Margin (if any). If the Interest Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the Interest Rate shall be determined as at the last preceding Rate Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that preceding Interest Period).
- 6.2.4.6 If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the Applicable Pricing Supplement as being other than the JIBAR rate, the Interest Rate in respect of such Notes will be determined, in the manner provided above, or as may be provided in the Applicable Pricing Supplement.
- 6.2.4.7 "**Reference Banks**" means for the purposes of this Condition 6.2.4.3 four leading banks in the South African inter-bank market selected by the Calculation Agent and approved by the Issuer (where the Issuer does not act as the Calculation Agent).

### 6.3 Interest on Mixed Rate Notes

- 6.3.1 Each Mixed Rate Note will bear interest at the Interest Rate or Step-Up Rate, if any, applicable to the relevant form of interest-bearing Note (be it a Fixed Rate Note, Floating Rate Note) for such Interest Period(s), as is/are specified for this purpose in the Applicable Pricing Supplement, from and including the Issue Date to but excluding the Final Redemption Date (or the Actual Redemption Date, if the Actual Redemption Date falls before or after the Final Redemption Date).
- 6.3.2 Unless otherwise specified in the Applicable Pricing Supplement, a Tranche of Mixed Rate Notes shall (i) for the Interest Period(s) during which such Tranche bears interest at the Interest Rate applicable to Fixed Rate Notes, be construed for all purposes as a Tranche of Fixed Rate Notes and (ii) for the Interest Period(s) during which such Tranche bears interest at the Interest Rate applicable to Floating Rate Notes, be construed for all purposes as a Tranche of Floating Rate Notes.

#### 6.4 **Publication of Interest Rate and Interest Amount by the Calculation Agent**

6.4.1 The Calculation Agent will cause the Interest Rate for each Tranche of Notes (other than Fixed Rate Notes) determined upon each Rate Determination Date to be notified to the Noteholders in the manner set out in Condition 17, and the Issuer and the Central Securities Depository and, in relation to any Tranche of Notes listed on the Interest Rate Market of the JSE, to the JSE, and, if the Administrator is not the Calculation Agent, then also to the Administrator, as soon as practicable after such determination but in any event not later than 3 Business Days after such determination.

6.4.2 The Issuer (via its Debt Sponsor) will, in relation to each Tranche of Notes listed on the Interest Rate Market of the JSE, at least 3 Business Days before each Interest Payment Date, cause the aggregate Interest Amount payable for the relevant Interest Period in respect of such Tranche of Notes to be notified through SENS to the Noteholders, the JSE and the Issuer and, if the Administrator is not the Calculation Agent, then also to the Administrator.

#### 6.5 **Calculation and publication of Interest Amount by the Administrator**

Where, in relation to a Tranche of Notes, the Interest Amount payable in respect of each Note in that Tranche is not required to be calculated by the Calculation Agent pursuant to the Terms and Conditions or by some other agent specified in the Applicable Pricing Supplement, as the case may be, the Administrator will calculate such Interest Amount, and the Administrator will, at least 3 Business Days before each Interest Payment Date, cause the aggregate Interest Amount payable for the relevant Interest Period in respect of such Tranche of Notes to be notified to the Noteholders (in the manner set out in Condition 17), the Central Securities Depository, the Issuer and, in relation to any Tranche of Notes listed on the Interest Rate Market of the JSE, to the JSE.

#### 6.6 **Calculations final and limitation of liability**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained by the Calculation Agent pursuant to the exercise or non-exercise by it of its powers, duties and discretions under the Terms and Conditions and the Transaction Documents and all certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained by the Administrator pursuant to the exercise or non-exercise by it of its powers, duties and discretions under the Terms and Conditions and the Transaction Documents, will, in the absence of wilful deceit, bad faith, or manifest error, be binding on the Issuer, the Security SPV and all Secured Creditors (including Noteholders), and the Calculation Agent and/or the Administrator, as the case may be, will not have any liability to the Issuer, the Security SPV or the Secured Creditors (including Noteholders) in connection therewith.

### 7. **Redemption and purchases**

#### 7.1 **Redemption of Zero Coupon Notes at maturity**

Unless previously redeemed or purchased and cancelled as specified below, a Zero Coupon Note will be redeemed by the Issuer at its Maturity Amount specified in, or determined in the manner specified in, the Applicable Pricing Supplement on its Final Redemption Date.

## 7.2 Final Redemption of the Notes

Unless previously redeemed or purchased and cancelled as specified below, each Note in a Tranche of Notes shall, subject to the Conditions, be redeemed by the Issuer at its Outstanding Principal Amount (together with accrued unpaid interest thereon) on the Final Redemption Date.

## 7.3 Redemption for tax reasons

7.3.1 Notes in a Tranche of Notes may be redeemed at the option of the Issuer, at any time on or before the next payment due under the Notes (in the case of Notes other than Floating Rate Notes or Mixed Rate Notes having an Interest Rate then determined on a floating) or on any Interest Payment Date in relation to the next payment due under the Notes (in the case of Floating Rate Notes or Mixed Rate Notes), on giving not less than 30 days' notice nor more than 60 days' notice to the Noteholders prior to such redemption, in accordance with Condition 17 (which notice shall be irrevocable), if the Issuer is of the reasonable opinion that:

7.3.1.1 on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to deduct or withhold from any payment of principal or interest on the Notes any amounts as provided for or referred to in Condition 9 as a result of any change in, or amendment to, the laws or regulations of South Africa or any other Applicable Law or any political subdivision of, or any authority in, or of, South Africa having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date; and

7.3.1.2 such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

7.3.2 From the date of publication of any notice of redemption pursuant to this Condition 7.3, the Issuer shall make available at its Specified Office, for inspection by any holder of Notes so redeemed, a certificate signed by 2 authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers to the effect that the Issuer has or will become obliged to make such deduction or withholding as a result of such change or amendment.

7.3.3 Notes may be redeemed by the Issuer in accordance with this Condition 7.3 in whole or in part. Redemption in part may be effected by the Issuer notwithstanding that such partial redemption may not entirely avoid such obligation to make such deduction or withholding as provided for or referred to in Condition 9. The failure to exercise such option in relation to any payment due under the Notes, will not preclude the Issuer from exercising the option in relation to any subsequent payment due under the Notes.

7.3.4 Notes redeemed for tax reasons pursuant to this Condition 7.3 will be redeemed at:

7.3.4.1 their Early Redemption Amount referred to in Condition 7.7, together with accrued unpaid interest (if any) from (and including) the immediately preceding Interest Payment Date to (but excluding) the date of redemption; or

7.3.4.2 as specified in the Applicable Pricing Supplement.

#### 7.4 **Redemption at the option of the Issuer**

If the Issuer is specified in the Applicable Pricing Supplement as having an option to redeem the Notes in a Tranche of Notes, the Issuer shall be entitled, having given not less than 20 days' notice nor more than 60 days' notice to the Noteholders in accordance with Condition 16 (which notice shall be irrevocable) to redeem all or some of the Notes in that Tranche of Notes then outstanding, in whole or in part, on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the Applicable Pricing Supplement together, if applicable, with accrued unpaid interest (if any) from (and including) the immediately preceding Interest Payment Date to (but excluding) the Optional Redemption Date(s).

#### 7.5 **Redemption at the option of holders of Senior Notes**

This Condition 7.5 shall apply only to Senior Notes. If the holders of the Senior Notes are specified in the Applicable Pricing Supplement as having an option to redeem Notes in a Tranche of Senior Notes, the Issuer shall, at the option of the holder of any Senior Note redeem such Senior Note on the Optional Redemption Date (Put) specified in the relevant Put Notice at the relevant Optional Redemption Amount (Put) specified in, or determined in the manner specified in, the Applicable Pricing Supplement, together with accrued unpaid interest (if any) to such date. In order to exercise the option contained in this Condition 7.5, the holder of a Senior Note must, not less than 30 days nor more than 60 days before the relevant Optional Redemption Date (Put), deposit the Certificate, if any, representing such Senior Note with the Transfer Agent, together with a duly completed Put Notice in the form obtainable from the Transfer Agent. No Certificate, once deposited with a duly completed Put Notice in accordance with this Condition 7.5, may be withdrawn; provided, however, that if, prior to the relevant Optional Redemption Date (Put), the Senior Notes represented by any Certificate so deposited become immediately due and payable or, upon due presentation of any Certificate on the relevant Optional Redemption Date (Put), payment of the redemption monies is improperly withheld or refused, such Certificate shall, without prejudice to the exercise of the Put Option, be returned to the holder by registered mail at the address specified by such holder in the relevant Put Notice.

#### 7.6 **Redemption by instalments**

If any Tranche of Notes is redeemable in two or more instalments, the Applicable Pricing Supplement issued in respect of such Tranche of Notes will set out the dates on which, and the amounts in which, such Notes will be redeemed. The aggregate of the redemption instalments will be the Principal Amount of the Notes.

#### 7.7 **Early Redemption Amounts**

7.7.1 For the purpose of Condition 7.3 (unless otherwise as stated in the Applicable Pricing Supplement), the Notes will be redeemed at the Early Redemption Amount calculated as follows:

7.7.1.1 in the case of Notes with a Maturity Amount equal to the Principal Amount, at the Maturity Amount thereof; or

7.7.1.2 in the case of Notes (other than Zero Coupon Notes) with a Maturity Amount which is or may be less than or greater than the Issue Price, to be determined in the manner specified in the Applicable Pricing Supplement, at

that Maturity Amount or, if no such amount or manner is so specified in the Applicable Pricing Supplement, at their Outstanding Principal Amount; or

7.7.1.3 in the case of Zero Coupon Notes, at an amount equal to the sum of (i) the Reference Price and (ii) the product of the Implied Yield being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or, as the case may be, the date upon which such Notes becomes due and payable, or such other amount as is provided in the Applicable Pricing Supplement.

7.7.2 Where such calculation is to be made for a period which is not a whole number of years, it will be calculated on the basis of actual days elapsed divided by 365, or such other calculation basis as may be specified in the Applicable Pricing Supplement

## 7.8 **Mandatory early redemption**

The Applicable Issuer Supplement, the Applicable Transaction Supplement or the Applicable Pricing Supplement may set out terms relating to the mandatory early redemption of the Notes.

## 7.9 **Cancellation**

All Notes which are redeemed in full will forthwith be cancelled. Each Certificate representing any Tranche of Notes so redeemed shall be forwarded to the Transfer Agent for cancellation. All Notes so cancelled, shall be held by the Issuer and cannot be re-issued or resold by the Issuer. The Transfer Agent shall notify the Central Securities Depository and, in relation to any Tranche of Notes listed on the Interest Rate Market of the JSE, to the JSE, of any cancellation or partial redemption of Notes so that such entities can record the reduction in the aggregate Principal Amount of the Notes in issue. Where only a portion of Notes represented by a Certificate are cancelled, pursuant to a redemption in part, the Transfer Agent shall, subject to Condition 8.2, deliver a Certificate to such Noteholder in respect of the balance of the Notes remaining after such cancellation.

## 7.10 **Partial Redemption**

In the case of redemption of some and not all of the Notes, the principal amount redeemable in respect of the Notes held by each Noteholder on the relevant redemption date, shall be the redemption amount allocated to the Notes on such redemption date, allocated pro-rata to each Noteholder in the proportion which the Outstanding Principal Amount of the Notes held by such Noteholder bears to the Outstanding Principal Amount of all the Notes to be redeemed on such redemption date, rounded to the nearest Rand, provided always that no such amount may exceed the Outstanding Principal Amount of such Note.

## 8. **Payment**

### 8.1 **Method of payment**

8.1.1 Payments of interest and principal in respect of Notes held in uncertificated form in the Central Securities Depository will be made to the holders of Beneficial Interests, in accordance with the Applicable Procedures. Each of the persons reflected in the records of the Central Securities Depository or the relevant Participants, as the case may be, as the holders of Beneficial Interests shall look

solely to the Central Securities Depository or the relevant Participant, as the case may be, for such persons share of each payment so made by (or on behalf of) the Issuer to, or for the order of, the registered holder of the Note held in uncertificated form. The Issuer will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of, Beneficial Interests, or for maintaining, supervising or reviewing any records relating to such Beneficial Interests. Payments of interest and principal in respect of Notes held in the Central Securities Depository in uncertificated form shall be recorded by the Central Securities Depository, in accordance with the Applicable Procedures, distinguishing between interest and principal, and such record of payments by the registered holder of the Notes shall be *prima facie* proof of such payments. Payments of interest and principal in respect of Notes represented by Certificates shall be made to the person reflected as the registered holder of the Certificate in the Register on the Last Day to Register.

- 8.1.2 The Issuer shall pay the interest and principal payable in respect of each Note, in immediately available and freely transferable funds, in Rands by electronic funds transfer, to the bank account of the Noteholder as set forth in the Register at 17h00 (Johannesburg time) on the Last Day To Register preceding the relevant Interest Payment Date or Redemption Date, as the case may be, or, in the case of joint Noteholders, the account of that one of them who is first named in the Register in respect of that Note. If two or more persons are entered into the Register as joint Noteholders, then without affecting the previous provisions of this condition, payment to any one of them of any monies payable on or in respect of the Note shall be an effective and complete discharge by the Issuer of the amount so paid, notwithstanding any notice (express or otherwise) which the Issuer may have of the right, title, interest or claim of any other person to or in any Note or interest therein.
- 8.1.3 Only Noteholders, or, in the case of joint Noteholders, the one of them who is first named in the Register in respect of that Note, reflected in the Register at 17h00 (Johannesburg time) on the relevant Last Day to Register will be entitled to payments of interest and/or principal in respect of Notes.
- 8.1.4 Payments will be subject in all cases to the Priority of Payments and any Taxation or other laws, directives and regulations applicable to such payment in the place of payment.

## 8.2 Surrender of Certificates

- 8.2.1 On or before the Last Day to Register prior to any Redemption Date (including a Redemption Date relating to mandatory redemption in part), the holder of a Certificate, in respect of a Note to be redeemed (in part or in whole, as the case may be) shall deliver to the Transfer Agent the Certificates to be redeemed. This will enable the Transfer Agent to endorse the partial redemption thereon or, in the case of final redemption, to cancel the relevant Certificates.
- 8.2.2 In the case of Notes held in uncertificated form in the Central Securities Depository, redemptions in part will be handled in accordance with the Applicable Procedures.
- 8.2.3 Should the holder of a Certificate refuse or fail to surrender the Certificate for endorsement or cancellation on or before a Redemption Date, the amount payable to him in respect of such redemption, including any accrued unpaid interest, shall be retained by the Issuer for such Noteholder, at the latter's risk, until the Noteholder surrenders the necessary Certificate, and interest shall cease to accrue to such Noteholder from the Redemption Date in respect of the amount redeemed.

8.2.4 Documents required to be presented and/or surrendered to the Transfer Agent in accordance with the Terms and Conditions will be so presented and/or surrendered at the Specified Office of the Transfer Agent.

### 8.3 **Payment date**

Notwithstanding anything to the contrary contained in the Terms and Conditions, if the date for payment of any amount payable in respect of any Note is not a Business Day, then:

8.3.1 if a Business Day Convention is not specified in the Applicable Pricing Supplement, such date for payment shall be the following Business Day;

8.3.2 if a Business Day Convention is specified in the Applicable Pricing Supplement, such date for payment shall be adjusted according to such Business Day Convention.

### 8.4 **Calculation and notice of principal payments**

The Calculation Agent will calculate the aggregate amount of principal due and payable by the Issuer for each Note on each date that payment of principal is due and payable in accordance with the Priority of Payments. The Calculation Agent will, at least 3 Business Days before each such date, cause such aggregate amount of principal to be notified to the Noteholders (in the manner set out in Condition 17), the Issuer, the Central Securities Depository, if applicable, and, in relation to any Tranche of Notes listed on the Interest Rate Market of the JSE, to the JSE.

## 9. **Taxation**

9.1 All payments (whether in respect of principal, interest or otherwise) in respect of the Notes will be made without withholding or deduction for or on account of any Taxes, unless such withholding or deduction is required by Applicable Law.

9.2 The payment of any Taxes by the Issuer as an agent or representative taxpayer for a Noteholder shall not constitute a withholding or deduction for the purposes of this Condition 9.

9.3 If any such withholding or deduction is required by Applicable Law in respect of Taxes imposed or levied on any payments (whether in respect of principal, interest or otherwise) in respect of any Notes, the Issuer will, subject to the Issuer's rights to redeem such Notes in terms of Condition 7.3, make such payments after such withholding or deduction has been made and will account to the relevant authorities for the amount so required to be withheld or deducted. The Issuer will not be obliged to make any additional payments to Noteholders in respect of such withholding or deduction.

## 10. **Undertakings of the Issuer**

### 10.1 **Comply with obligations**

The Issuer undertakes that it will comply with the obligations imposed on it in terms of the Transaction Documents to which it is a party.

### 10.2 **Positive undertakings**

The Issuer undertakes that it will:

- 10.2.1 **(Accounting Records)** prepare proper and adequate accounting records and lodge returns in accordance with GAAP or IFRS or such other accounting standard as may be approved by the Security SPV (if any) and the Companies Act and, if any Notes are listed on the Interest Rate Market of the JSE, the JSE Debt Listings Requirements;
- 10.2.2 **(Accounts)** provide to the Noteholders or the Security SPV (if , the JSE (if the Notes are listed on the JSE), and the Rating Agency (if any) its audited financial statements for each financial year within 120 days of the end of that year;
- 10.2.3 **(other information)** promptly give to the Controlling Class Noteholders or the Security SPV (if any), such information relating to the financial condition or operations of the Issuer as the Controlling Class Noteholders (by Extraordinary Resolution) or the Security SPV (if any) may from time to time reasonably request, except for such information the disclosure of which would contravene Applicable Law or render the Issuer in breach of any confidentiality obligation;
- 10.2.4 **(Taxes)** pay all Taxes (other than Taxes disputed by the Issuer in good faith) when due;
- 10.2.5 **(Event of Default)** notify the Controlling Class Noteholders or the Security SPV (if any) and the Rating Agency (if any) of the occurrence of any Event of Default, as soon as it becomes aware of it;
- 10.2.6 **(separate entity)** always hold itself out as an entity which is separate from any other entity or group of entities, and correct any misunderstanding known to the Issuer regarding its separate identity; and
- 10.2.7 **(attribute to Transaction)** ensure that when transacting with any person, unless that transaction is not a transaction in respect of a particular Transaction, all documents relating to such transaction identify the Transaction to which such transaction relates;
- 10.2.8 **(notification to Rating Agency)** notify the Rating Agency (if any) of the occurrence of any of the following:
- 10.2.8.1 should the Security SPV be requested to give its consent to anything in relation to the Transaction Documents and the response of the Security SPV to such request;
- 10.2.8.2 an Event of Default;
- 10.2.8.3 should a new Programme Memorandum or a supplement to the Programme Memorandum be executed by the Issuer;
- 10.2.8.4 any proposed amendments to the Transaction Documents;
- 10.2.9 **(maintain records)** maintain records in such a manner that it is possible, at any point in time, to determine from such records the Assets (separately identifiable from the assets it holds for any other person);
- 10.2.10 **(separate bank accounts)** open and operate a separate Transaction Account and other Bank Accounts, if any;



10.2.11 **(pay monies)** subject to the Transaction Documents, pay all monies received by it into the relevant Bank Accounts.

### 10.3 **Negative undertakings**

The Issuer undertakes that it will not, except as permitted under any Transaction Document or otherwise with the approval of the Controlling Class Noteholders (by Extraordinary Resolution) or prior written consent of the Security SPV (if any):

10.3.1 **(negative pledge)** create or permit to subsist any Encumbrance (unless arising by operation of law) upon the whole or any part of its Assets, present or future, save for any Encumbrance upon the Assets pursuant to the Security Agreements;

10.3.2 **(disposal of assets)** transfer, sell, exchange, realise, alienate, lend, part with or otherwise dispose of, or deal with, or grant any right of first refusal, option or present or future right to acquire any of its Assets or any interest, right, title or benefit therein, save as in accordance with any Transaction Document;

10.3.3 **(winding-up)** cause itself to be voluntarily wound-up or placed under business rescue;

10.3.4 **(restrictions on activities)** engage in any activity which is not in terms of or necessarily incidental to any of the activities which the Transaction Documents provide or envisage that the Issuer will engage in;

10.3.5 **(shares)** issue any further shares or repurchase shares, except those Preference Shares created pursuant to the Transaction Documents which:

10.3.5.1 Preference Shares have no rights which conflict with the rights of Noteholders; and

10.3.5.2 Preference Shares are subordinated in all respects to the rights of Noteholders;

10.3.6 **(dividends)** authorise the payment of, or pay, any dividend or other distribution to its shareholders, except any preference dividend, and any Tax thereon, payable only from the Assets in accordance with the Priority of Payments and pursuant to the Transaction Documents;

10.3.7 **(bank accounts)** open or operate any bank accounts, other than the Bank Accounts opened in terms of the Transaction Documents;

10.3.8 **(no payment)** make or attempt or purport to make any payment in respect of a Note or other amount owing prior to the date on which the payment is due for payment in terms of the Priority of Payments;

10.3.9 **(borrowings)** raise or incur any obligation, whether as principal or surety, for the payment or repayment of money, whether present or future, actual or contingent, other than as envisaged in the Transaction Documents;

10.3.10 **(other financial accommodation)** grant any guarantee or other assurance whatsoever against financial loss or allow any such guarantee or assurance to be outstanding in connection with any money borrowed or raised by any person other than as part of the Issuer's Business;

10.3.11 **(general acts)** do any of the following things:

- 10.3.11.1 register any transfer of shares in its issued share capital;
- 10.3.11.2 amend its memorandum of incorporation;
- 10.3.11.3 engage any employees;
- 10.3.11.4 have or acquire any subsidiaries;
- 10.3.11.5 occupy any premises;
- 10.3.12 **(other transactions)** enter into any document, agreement or arrangement other than in terms of the Transaction Documents; or
- 10.3.13 **(new Transaction)** establish a new Transaction, unless the Rating Agency (if any) in respect of every other Transaction (if any) confirms in writing that its respective current Ratings of the Notes in issue in respect of that Transaction will not be downgraded or withdrawn as a result of the establishment of such new Transaction

#### 10.4 **Restricted dealings**

The Issuer undertakes that it will not, except as permitted under any Transaction Document or otherwise with the approval of the Controlling Class Noteholders (by Extraordinary Resolution):

- 10.4.1 subject to Condition 10.5, cancel or amend any Transaction Documents (including, without limiting the generality of the foregoing, any Eligibility Criteria) (other than amendments of a technical nature or made to correct a manifest error or to comply with mandatory provisions of any Applicable Laws);
- 10.4.2 grant a waiver in respect of any Transaction Document;
- 10.4.3 discharge or release any person from their obligations under any Transaction Document if that person has not performed its obligations in full;
- 10.4.4 novate or assign any Transaction Document;
- 10.4.5 cede any of its rights or delegate any of its obligations under any Transaction Document.

#### 10.5 **Amendments**

For so long as the relevant Notes are listed on the JSE, the Issuer undertakes that it will not, except with the prior authorisation of an Extraordinary Resolution of the Noteholders, amend the agreements in relation to the security structure, the guarantee, security or credit enhancement agreements (other than amendments of a technical nature or made to correct a manifest error or to comply with mandatory provisions of any Applicable Laws). Any such amendments shall be implemented in accordance with the applicable requirements of JSE Debt Listings Requirements.

#### 10.6 **Security SPV consents**

In giving any consent to the foregoing, the Security SPV (if any) may require the Issuer to make such modifications or additions to the Terms and Conditions and/or to the provisions of any of the Transaction Documents (subject to Condition 18) or may impose such other conditions or requirements as the Security SPV (if any) may deem expedient (in its absolute discretion) in the interests of the Secured Creditors, including the

Noteholders (and subject to Condition 19); provided that the Rating Agency (if any) is furnished with at least 10 Business Days prior written notice of the proposed action.

## 11. Events of Default

- 11.1 An Event of Default will occur in respect of the Notes of the Transaction, should any of the following events occur in respect of the Transaction:
- 11.1.1 the Issuer fails to pay any interest or principal due and payable in respect of the Controlling Class Notes of the Transaction, within 3 Business Days of the relevant due date for the payment in question, in each case irrespective of whether or not there are available funds for that purpose in terms of the Priority of Payments; or
  - 11.1.2 the Issuer fails to pay any other amount due and payable in respect of the Controlling Class Notes of the Transaction, within 3 Business Days of the due date for the payment in question, to the extent permitted by available funds for that purpose in terms of the Priority of Payments; or
  - 11.1.3 the Issuer fails to pay any amount, whether in respect of interest, principal or otherwise, due and payable in respect of any other Class of Notes of the Transaction, within 3 Business Days of the due date for the payment in question, to the extent permitted by available funds for that purpose in terms of the Priority of Payments; or
  - 11.1.4 the Issuer fails duly to perform or observe any other obligation binding on it under the Terms and Conditions or any of the other Transaction Documents of the Transaction, which breach is not remedied within the cure period permitted therefor in the relevant Transaction Document or, if no such cure period is provided (and an immediate default is not triggered under such Transaction Document), within 30 days (or such other period as the Security SPV in its reasonable discretion may specify) after receiving written notice from either the Security SPV or a party to the relevant Transaction Document requiring such breach to be remedied, unless the Security SPV has notified the Issuer in writing that such breach is not, in the opinion of the Security SPV, materially prejudicial to the Noteholders; or
  - 11.1.5 the ordinary shares in the Issuer ceases to be wholly owned by the Issuer Owner Trust without the prior written consent of the Security SPV; or
  - 11.1.6 the Guarantee in favour of Secured Creditors, or any security interests in favour of the Security SPV pursuant to any of the Security Agreements, is or becomes, or is reasonably claimed by the Security SPV to be or have become, wholly or partly void, voidable, illegal or unenforceable for any reason whatsoever or should any security pursuant to any of the Security Agreements be reasonably claimed by the Security SPV not to grant or cease to grant the Security SPV a first priority security interest over all the Assets; or
  - 11.1.7 it is or becomes unlawful for the Issuer to perform any of its obligations under the Transaction Documents and the Security SPV has certified to the Issuer that such event has, in its opinion, a Material Adverse Effect on the Issuer; or
  - 11.1.8 the Issuer alienates or Encumbers Assets (other than as provided for in terms of the Transaction Documents) without the prior written consent of the Security SPV; or
  - 11.1.9 an Issuer Insolvency Event occurs; or

- 11.1.10 any consent, licence, permit or authorisation required by the Issuer for the conduct of the Issuer's business is revoked, withdrawn, materially altered or not renewed and such situation is not remedied within 14 days after the Issuer and/or the Administrator have been given written notice requiring the applicable consent, licence, permit or authorisation to be obtained;
- 11.1.11 the Issuer ceases to carry on its business in a normal and regular manner or materially change the nature of its business, or through an official act of the Issuer's directors, threaten to cease to carry on business; or
- 11.1.12 any additional Event of Default specified in the Applicable Pricing Supplements.
- 11.2 If an Event of Default occurs:
- 11.2.1 the Administrator will forthwith inform the Security SPV (if any), the Rating Agency (if any), the JSE (in relation to any Tranche of Notes listed on the Interest Rate Market of the JSE), the Noteholders and the Central Securities Depository thereof;
- 11.2.2 the Security SPV (if any) will, as soon as such Event of Default comes to its notice (whether as a result of having been informed by the Administrator thereof pursuant to Condition 11.2.1 or otherwise), or if there is no Security SPV, the Administrator will, forthwith notify the Issuer and the Secured Creditors and forthwith call a meeting of the Controlling Class Noteholders;
- 11.2.3 all the Notes will become immediately due and payable:
- 11.2.3.1 if, at such meeting, the Controlling Class Noteholders so decide, by Extraordinary Resolution; or
- 11.2.3.2 if the Security SPV (if any) in its discretion so decides.
- 11.3 If the Controlling Class Noteholders decide that the Notes will become immediately due and payable as contemplated in Condition 11.2.3.1, the Controlling Class Noteholders will notify the Issuer and the Security SPV (if any) accordingly.
- 11.4 If the Controlling Class Noteholders decide that the Notes will become immediately due and payable as contemplated in Condition 11.2.3.1 or if the Security SPV (if any) decides that the Notes will become immediately due and payable as contemplated in Condition 11.2.3.2, as the case may be, the Security SPV (if any) will, or if there is no Security SPV, the Administrator will, by written notice to the Issuer (an "Enforcement Notice"), declare the Notes and any amounts owing under any other Transaction Document, to be immediately due and payable, and require the Outstanding Principal Amount of the Notes, together with any accrued unpaid interest thereon, and the amounts owing under any other Transaction Document, to be forthwith paid or repaid, to the extent permitted by and in accordance with the Post-Enforcement Priority of Payments. The Issuer shall forthwith do this, failing which the Security SPV (if any), or if there is no Security SPV, the Administrator, may take all necessary steps, including legal proceedings, to enforce the rights of the Noteholders and other Secured Creditors set out in, and the security (if any) given therefor in terms of, the Terms and Conditions and the other Transaction Documents, subject always to the provisions of the Post-Enforcement Priority of Payments. Should the Security SPV (if any), or if there is no Security SPV, the Administrator, fail to deliver the Enforcement Notice within 10 Business Days of being called upon to do so by the Controlling Class Noteholders, the notification by the Controlling Class Noteholders to the Issuer in accordance with Condition 11.3 shall constitute delivery of the Enforcement Notice.

- 11.5 The Security SPV (if any), or if there is no Security SPV, the Administrator, will not be required to take any steps to ascertain whether any Event of Default has occurred or to monitor or supervise the observance and performance by the Issuer of its obligations under the Terms and Conditions and the other Transaction Documents and until the Security SPV (if any), or if there is no Security SPV, the Administrator, has actual knowledge or has been served with express notice thereof it will be entitled to assume that no such Event of Default has taken place.
- 11.6 If the Notes become immediately due and payable following delivery of an Enforcement Notice, they will be redeemed and paid strictly in accordance with the Post-Enforcement Priority of Payments. If the Issuer has insufficient available funds to redeem all the Notes in full, the Notes will be redeemed, in reducing order of rank in the Post-Enforcement Priority of Payments, in each case pro rata to their Outstanding Principal Amount.

## 12. **Subordination, limited recourse, enforcement and non-petition**

### **Subordination in accordance with the Priority of Payments**

- 12.1 Each Noteholder agrees that its claims against the Issuer and the Security SPV (if any) are subordinated for the benefit of other Secured Creditors in accordance with the Priority of Payments. The Issuer and the Security SPV (if any) will not be obliged to make payment of, and Noteholders will not be entitled to receive payment of, any amount due and payable under the Notes, except in accordance with the Priority of Payments, unless and until all amounts required to be paid or provided for in terms of the Priority of Payments in priority thereto have been paid, provided for or discharged in full, and then only to the extent that there are available funds in the Priority of Payments for that purpose.

### **Limited Recourse (This provision will apply to the Notes if the Notes are specified as being limited recourse Notes in the Applicable Pricing Supplement)**

- 12.2 This provision will apply to the Notes if so specified in the Applicable Pricing Supplement. Notwithstanding any other provision of any Transaction Document, the obligation of the Issuer to make payment to the Noteholders is limited to the lesser of:
- 12.2.1 the amounts owing to the Noteholders; and
- 12.2.2 the aggregate of the actual amount recovered and available for distribution from the Assets to such Noteholders,

and the payment of such amount that is available for distribution to the Noteholders in accordance with the Priority of Payments will constitute fulfilment of the Issuer's obligations to make payment to the Noteholders. Once all the Assets have been extinguished, each Noteholder abandons all claims it may have against the Issuer in respect of amounts still owing to it but unpaid, and the Issuer's liability to the Noteholders shall be completely discharged. The Assets in respect of any Transaction will not be available to meet any obligations of the Issuer in respect of any other the Transaction.

### **Limitations on Enforcement through Security SPV (These provisions will apply to the Notes if a Security SPV structure applies, as specified in the Applicable Pricing Supplement)**

- 12.3 It is recorded that as security for the due, proper and timeous fulfilment by the Issuer of all its obligations under the Notes, the Security SPV shall furnish the Guarantee in favour of the Secured Creditors (including the Noteholders). Each Noteholder expressly accepts

the benefits of the Guarantee and acknowledges the limitations on its rights of recourse in terms of such Guarantee.

12.4 Subject to the provisions of Condition 12.5, each Noteholder agrees that only the Security SPV may enforce the security created in favour of the Security SPV by the Security Agreements in accordance with the provisions of the Security Agreements and the Transaction Documents.

12.5 The rights of Noteholders against the Issuer will be limited to the extent that the Noteholders will not be entitled to take any action or proceedings against the Issuer to recover any amounts payable by the Issuer to them under or in connection with the Notes (including not levying or enforcing any attachment or execution upon the assets of the Issuer), and all rights of enforcement will be exercised in accordance with the provisions of the Guarantee, provided that:

12.5.1 if the Security SPV is entitled and obliged to enforce its claim against the Issuer pursuant to the Indemnity but fails to do so within 60 Business Days of being called upon to do so by any Secured Creditor (other than a Noteholder) or by an Extraordinary Resolution of the Controlling Class Noteholders; or

12.5.2 if the Security SPV is wound-up, liquidated, deregistered, sequestered, terminated or placed under business rescue (in each case whether voluntarily or compulsorily, provisionally or finally) or if the Guarantee and/or Indemnity are not enforceable (as finally determined by a judgment of a court of competent jurisdiction after all rights of appeal and review have been exhausted or as agreed by the Security SPV, the Noteholders (by way of Extraordinary Resolution of the Controlling Class Noteholders) and other Secured Creditors),

then Noteholders will be entitled to take action themselves to enforce their claims directly against the Issuer if an Event of Default occurs, but only in respect of the Assets of the relevant Transaction.

12.6 The Security SPV has acknowledged in the Common Terms Agreement that it holds the security created pursuant to the Security Agreements to be distributed, on enforcement of the Security Agreements, in accordance with the provisions of the Priority of Payments.

12.7 In order to ensure the fulfilment of the provisions of the Priority of Payments in the event of a liquidation or a winding-up of the Issuer or the Issuer being placed under business rescue, each Noteholder agrees that in the event of a liquidation or winding-up of the Issuer or of the Issuer being placed under business rescue, it will recover all amounts due and payable by the Issuer to such Noteholder in accordance with the provisions of the Guarantee. The Security SPV will, in turn, make a claim in the winding-up, liquidation, business rescue proceedings of the Issuer against the Assets pursuant to the Indemnity and, out of any amount recovered in such proceedings, pay the Secured Creditors in accordance with the Post-Enforcement Priority of Payments.

12.8 In the event that the Security SPV fails, for whatever reason, to make a claim in the liquidation, winding-up, business rescue proceedings of the Issuer pursuant to the Indemnity or should the liquidator, business rescue practitioner not accept a claim tendered for proof by the Security SPV pursuant to the Indemnity, then each Noteholder will be entitled to lodge such claims itself but each Noteholder agrees that:

12.8.1 any claim made or proved by a Noteholder in the liquidation, winding-up, business rescue proceedings in respect of amounts owing to it by the Issuer will be subject to the condition that no amount will be paid in respect thereof to the extent that the

effect of such payment would be that the amount payable to the Secured Creditors that rank prior to it in terms of the Post-Enforcement Priority of Payments would be reduced; and

- 12.8.2 if the liquidator, business rescue practitioner does not accept claims proved subject to the condition contained in Condition 12.8.1 then each Noteholder will be entitled to prove its claims against the Issuer in full, on the basis that any liquidation or business rescue dividend payable to it is paid to the Security SPV for distribution in accordance with the Post-Enforcement Priority of Payments to the extent that the payment relates to the Assets, and, to the extent that the payment relates to the assets of any other Transaction, then for distribution to the Security SPV of that other Transaction.

### **Non-petition**

- 12.9 The Noteholders will not, until 2 years after the payment of any sums outstanding and owing by the Issuer under the Notes and the other Transaction Documents (and the Transaction Documents of every other Transaction), institute, or join with any person in instituting or vote in favour of, any steps or legal proceedings for the winding-up, liquidation, de-registration, business rescue of, or any compromise or scheme of arrangement or related relief in respect of:
- 12.9.1 the Issuer or for the appointment of a liquidator, business rescue practitioner or similar officer of the Issuer, provided that if a Security SPV structure applies, as specified in the Applicable Pricing Supplement, nothing in this clause will limit the Security SPV (if any) from taking such action, in the event that the Security SPV (if any) is unable (whether due to practical or legal impediments which in the reasonable opinion of the Security SPV (if any) are not of a temporary nature) to enforce the Security Agreements; or
- 12.9.2 the Security SPV (if any) or for the appointment of a liquidator, business rescue practitioner or similar officer of the Security SPV (if a Security SPV structure applies, as specified in the Applicable Pricing Supplement).
- 12.10 Without prejudice to the foregoing provisions of this Condition, each Noteholder undertakes to the Issuer and the Security SPV (if any) that if any payment is received by it other than in accordance with the Priority of Payments in respect of amounts due to it by the Issuer and/or the Security SPV, the amount so paid will be received and held by such Noteholder as agent for the Issuer and/or the Security SPV, as the case may be, and will be paid to the Issuer and/or the Security SPV, as the case may be, immediately on demand. Each Secured Creditor further undertakes that if any payment is received by it from the assets of any other Transaction, then the amount so paid shall be refunded to the Issuer or the Security SPV of that other Transaction on demand.
- 12.11 Each Noteholder undertakes that it will not set off or claim to set off any amounts owed by it to the Issuer or the Security SPV (if any) against any amount owed to it by the Issuer or the Security SPV.
- 12.12 Notwithstanding the provisions of the preceding sub-Conditions, in the event of a liquidation or a winding-up of the Issuer or the Security SPV (if any) or of the Issuer or the Security SPV (if any) being placed under business rescue, Secured Creditors ranking prior to others in the Priority of Payments will be entitled to receive payment in full from the Assets of amounts due and payable to them, before other Secured Creditors that rank after them in the Priority of Payments receive any payment of amounts owing to them.

**General**

- 12.13 Nothing in the Terms and Conditions limits:
- 12.13.1 the exercise of any right or power by the Security SPV (if any) under the Security Agreements and/or the Indemnity;
  - 12.13.2 the entitlement of the Security SPV (if any) to levy or enforce any attachment or execution upon the Assets;
  - 12.13.3 any Secured Creditor from obtaining or taking any proceedings to obtain an interdict, mandamus or other order to restrain any breach of any Transaction Document by any party;
  - 12.13.4 any Secured Creditor from obtaining or taking any proceedings to obtain declaratory relief in relation to any provision of any Transaction Document in relation to any party; or
  - 12.13.5 the exercise by any Derivative Counterparty under a Derivative Contract of rights of netting or set-off, where such rights are explicitly provided for in accordance with the terms of the relevant Transaction Document.

**13. Benefits**

- 13.1 The Terms and Conditions, insofar as they confer benefits on any Secured Creditors (or on the Secured Creditors of any other Transaction), comprise a stipulation for the benefit of such Secured Creditors and will be deemed to be accepted by each of them as follows:
- 13.1.1 by each of the Secured Creditors (other than the Noteholders), upon the execution of the Common Terms Agreement by each such Secured Creditor;
  - 13.1.2 by the Noteholders upon the issue or transfer of the Notes to such Noteholders, as the case may be; and
  - 13.1.3 by each of the Secured Creditors of every other Transaction, upon the execution of the Common Terms Agreement of that other Transaction, to which such Secured Creditor is a party or upon the issue or transfer of the Notes of that other Transaction to such Noteholders, as the case may be.
- 13.2 Each Noteholder, upon its subscription for Notes and the issue of Notes to it, or upon the transfer of Notes to it, as the case may be, accepts the benefits of those provisions of (i) the Common Terms Agreement which confer benefits on the Noteholders and (ii) the Transaction Documents of any other Transaction, which confer benefits on any Secured Creditor.
- 13.3 It is recorded that the Security SPV (if any), upon signing the Guarantee, is deemed to have notice of the Terms and Conditions, and the Security SPV shall be bound by those provisions of the Terms and Conditions which confer rights and/or impose obligations on the Security SPV.

**14. Replacement of Notes****14.1 Costs**



Certificates shall be provided (whether by way of issue or delivery) by the Issuer without charge, save as otherwise provided in the Terms and Conditions. The costs and expenses of delivery of Certificates by a method other than ordinary post (if any) and, if the Issuer shall so require, taxes or governmental charges or insurance charges that may be imposed in relation to such mode of delivery, shall be borne by the Noteholder.

#### 14.2 **Replacement**

If any Certificate is mutilated, defaced, stolen, destroyed or lost it may be replaced at the office of the Transfer Agent on payment by the claimant of such costs and expenses as may be incurred in connection therewith and against the furnishing of such indemnity as the Transfer Agent may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

#### 14.3 **Death and sequestration or liquidation of Noteholder**

Any person becoming entitled to Notes in consequence of the death, sequestration or liquidation of the relevant Noteholder may, upon producing evidence to the satisfaction of the Issuer that he holds the position in respect of which he proposes to act under this paragraph or of his title, require the Transfer Agent to register such person as the holder of such Notes or, subject to the requirements of this Condition, to transfer such Notes to such person.

#### 14.4 **Exchange of Beneficial Interests**

14.4.1 The holder of a Beneficial Interest in Notes may, in terms of the Applicable Procedures and subject to section 35 of the Financial Markets Act, by written notice to the holder's nominated Participant (or, if such holder is a Participant, the Central Securities Depository), request that such Beneficial Interest be exchanged for Notes in definitive form represented by a Certificate (the "Exchange Notice"). The Exchange Notice shall specify (i) the name, address and bank account details of the holder of the Beneficial Interest and (ii) the day on which such Beneficial Interest is to be exchanged for a Certificate; provided that such day shall be a Business Day and shall fall not less than 30 (thirty) days after the day on which such Exchange Notice is given ("Exchange Date").

14.4.2 The holder's nominated Participant will, following receipt of the Exchange Notice, through the Central Securities Depository, notify the Transfer Agent that it is required to exchange such Beneficial Interest for Notes represented by a Certificate. The Transfer Agent will, as soon as is practicable but within 14 days after receiving such notice, in accordance with the Applicable Procedures, procure that a Certificate is prepared, authenticated and made available for delivery, on a Business Day falling within the aforementioned 14 day period, to the holder of the Beneficial Interest at the Specified Office of the Transfer Agent; provided that joint holders of a Beneficial Interest shall be entitled to receive only one Certificate in respect of that joint holding, and delivery to one of those joint holders shall be delivery to all of them.

14.4.3 In the case of the exchange of a Beneficial Interest in Notes issued in uncertificated form:

14.4.3.1 the Central Securities Depository shall, prior to the Exchange Date, will surrender (through the Central Securities Depository system) such uncertificated Notes to the Transfer Agent at its Specified Office;

14.4.3.2 the Transfer Agent will; obtain the release of such uncertificated Notes from the Central Securities Depository; in accordance with the Applicable Procedures.

14.4.4 A Certificate shall, in relation to a Beneficial Interest in any number of Notes issued in uncertificated form of a particular aggregate Principal Amount standing to the account of the holder thereof, represent that number of Notes of that aggregate Principal Amount, and shall otherwise be in such form as may be agreed between the Issuer and the Transfer Agent; provided that if such aggregate Principal Amount is equivalent to a fraction of R1 000 000 (or the equivalent thereof in the Specified Currency if the Specified Currency is not Rand) or a fraction of any multiple thereof, such Certificate shall be issued in accordance with, and be governed by, the Applicable Procedures.

## 15. **Transfer of Notes**

15.1 Beneficial Interests in the Notes may be transferred in terms of the Applicable Procedures through the Central Securities Depository.

15.2 The Central Securities Depository maintains accounts for its Participants. Participants are in turn required to maintain securities accounts for their clients.

15.3 Transfers of Beneficial Interests to and from clients of Participants occur, in terms of existing law and practice, by way of electronic book entry in the securities accounts maintained by the Participants for their clients. Transfers of Beneficial Interests among Participants occur through electronic book entry in the central securities accounts maintained by the Central Securities Depository for the Participants. Beneficial Interests may be transferred only in accordance with the Terms and Conditions, and the Applicable Procedures.

15.4 In order for any transfer of Notes represented by a Certificate to be recorded in the Register, and for such transfer to be recognised by the Issuer:

15.4.1 the transfer of such Notes must be embodied in the Transfer Form;

15.4.2 the Transfer Form must be signed by the registered Noteholder and the transferee, or any authorised representative of that registered Noteholder and/or transferee; and

15.4.3 the Transfer Form must be delivered to the Transfer Agent at its Specified Office together with the relevant Certificate, if any, for cancellation.

15.5 Transfers of Notes represented by a Certificate will only be in a denomination of the Specified Denomination. Notes represented by a Certificate may be transferred in whole or in part (in multiples of the Specified Denomination).

15.6 Subject to the preceding provisions of this Condition 15, the Transfer Agent will, within 3 Business Days of receipt by it of a valid Transfer Form (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), record the transfer of Notes represented by a Certificate in the Register, and authenticate and deliver to the transferee at the Transfer Agent's Specified Office or, at the risk of the transferee, send by mail to such address as the transferee may request, a new Certificate in respect of such Notes reflecting the same Outstanding Principal Amount as the Notes transferred. Where a Noteholder has transferred part only of his holding of Notes represented by a Certificate, the Transfer Agent will authenticate and deliver to such

Noteholder at the Transfer Agent's Specified Office or, at the risk of such Noteholder, send by mail to such address as such Noteholder may request, a new Certificate, if any, in respect of the balance of the Notes held by such Noteholder.

- 15.7 The transferor of any Notes will be deemed to remain the owner thereof until the transferee is registered in the Register as the holder thereof.
- 15.8 Before any transfer of any Notes is registered, all relevant transfer taxes (if any) must have been paid by the transferor and/or the transferee and such evidence must be furnished as the Transfer Agent reasonably requires as to the identity and title of the transferor and the transferee.
- 15.9 No transfer of any Notes will be registered while the Register is closed as contemplated in Condition 16.
- 15.10 If a transfer of any Notes is registered, the Transfer Form and cancelled Certificate, if any, will be retained by the Transfer Agent.

## 16. Register

- 16.1 The Register will be kept at the Specified Office of the Transfer Agent. The Register will contain the name, address and bank account details of the registered Noteholders. The Register will set out the Principal Amount of the Notes issued to any Noteholder and will show the date of such issue and the date upon which the Noteholder became registered as such. The Register will show the serial numbers of the Certificates issued. The Register will be open for inspection during the normal business hours of the Transfer Agent to any Noteholder or any person of proven identity authorised in writing by any Noteholder. The Issuer and the Transfer Agent will not be bound to enter any trust into the Register or to take any notice of or to accede to the execution of any trust (express, implied or constructive) to which any Note may be subject.
- 16.2 The Register will, in respect of a Tranche of Notes, be closed during the 5 days preceding each Interest Payment Date and Redemption Date, as the case may be, from 17h00 (South Africa time) on the Last Day to Register or such other Books Closed Period as is specified in the Applicable Pricing Supplement. All periods referred to for the closure of the Register may be shortened by the Issuer from time to time, upon notice thereof to the Noteholders in accordance with Condition 17.
- 16.3 The Transfer Agent will alter the Register in respect of any change of name, address or bank account number of any of the Noteholders of which it is notified in accordance with Condition 17.

## 17. Notices

- 17.1 Subject to Condition 17.2, all notices (including all demands or requests under the Terms and Conditions) to the Noteholders will be valid if mailed by electronic mail to their e-mail addresses appearing in the Register or delivered by hand to their addresses appearing in the Register and/or published in a leading English language daily newspaper of general circulation in South Africa. Each such notice will be deemed to have been given, if sent by electronic mail, on the day of its sending, except that any such sending after 16h30 shall be deemed to have been received on the following day, if delivered in person or by courier, at the time of delivery or if published on the following day, if delivered in person or by courier, at the time of delivery or if published on the day of first publication, as the case may be.

- 17.2 For so long as the Notes are held in their entirety by the Central Securities Depository, notice as contemplated in Condition 16.1 shall be given by way of delivery by the Issuer of the relevant notice to the Central Securities Depository for communication to the holders of Beneficial Interests.
- 17.3 Where any provision of the Terms and Conditions requires notice to be given to the Noteholders of any matter other than a meeting of Noteholders, such notice will be given mutatis mutandis as set out in Condition 17.1 and Condition 17.2, respectively, subject to compliance with any other time periods prescribed in the provision concerned.
- 17.4 All notices (including all communications, demands and/or requests under the Terms and Conditions) to be given by or on behalf of any Noteholder to the Issuer, the Security SPV (if any) or the Transfer Agent, as the case may be, will be in writing and given by delivering the notice, by hand or by registered post, together with a certified copy of the relevant Certificate, if any, to the Specified Office of the Issuer, the Specified Office of the Security SPV (if any) or the Specified Office of the Transfer Agent, as the case may be, and marked for the attention of the directors, with a copy sent by hand or by registered post to the Specified Office of the Administrator and marked for the attention of the Head Risk-Out Structuring. Any notice to the Issuer, the Security SPV (if any) or the Transfer Agent, as the case may be, will be deemed to have been received by the Issuer, the Security SPV (if any) or the Transfer Agent, as the case may be, if sent by electronic mail, on the day of its sending, except that any such sending after 16h30 shall be deemed to have been received on the following day, if delivered in person or by courier, at the time of delivery or if published on the following day, if delivered in person or by courier, at the time of delivery or if published on the day of first publication, as the case may be.
- 17.5 Whilst any of the Notes are held in uncertificated form, notices to be given by any holder of a Beneficial Interest to the Issuer shall be given by such holder through such holder's relevant Participant in accordance with the Applicable Procedures.
- 17.6 If any Notes are listed on the Interest Market of the JSE, copies of any notices to Noteholders delivered to Noteholders as set out above, including of meetings and any amendments to the Terms and Conditions, shall be published on SENS.

## 18. **Amendment of the Terms and Conditions**

- 18.1 The Issuer and the Security SPV (if any) or the Administrator may effect, without the consent of any Noteholder, any amendment to the Terms and Conditions which is of a technical nature or is made to correct a manifest error or to comply with mandatory provisions of any Applicable Laws. Any such amendment will be binding on Noteholders and such amendment will be notified to the JSE, in relation to any Series of Notes listed on the Interest Rate Market of the JSE, and to the Noteholders in accordance with Condition as soon as practicable thereafter.
- 18.2 Subject to Condition 18.1, any amendment to the Terms and Conditions of (i) all of the Notes or (ii) a particular Series of Notes or Class of Notes, as the case may be, may be made only with the prior authorisation of an Extraordinary Resolution of the Noteholders of all the Notes or an Extraordinary Resolution of the Noteholders of that Series of Notes or Class of Notes, as the case may be.
- 18.3 Accordingly, subject to Condition 18.1, if there is any proposed amendment to the Terms and Conditions of (i) all of the Notes or (ii) a particular Series of Notes or Class of Notes, as the case may be, the Security SPV (if any) or the Administrator will call a meeting of or distribute a notice of written resolution to the Noteholders of all the Notes or call a meeting of or distribute a notice of written resolution to the Noteholders of that Series of

Notes or Class of Notes, as the case may be. Any meeting or meetings will be regulated by the provisions set out in Condition 22. No proposed amendment will be made to the Terms and Conditions until such amendment has been approved by Extraordinary Resolution at such meeting or meetings (or in terms of a written resolution in accordance with Condition 22.13). In relation to any Series of Notes listed on the Interest Rate Market of the JSE, the Issuer shall first obtain conditional formal approval from the JSE on the notice to Noteholders incorporating such proposed amendments in compliance with the JSE Debt Listings Requirements prior to delivery of such notice to Noteholders.

18.4 No amendment to the Terms and Conditions which confer benefits on a Secured Creditor (other than a Noteholder) may be made without the prior written consent of such Secured Creditor.

**19. Consent of the Security SPV**

19.1 Where in any Transaction Document provision is made for the consent to be given by the Security SPV (if any), unless expressly stated otherwise, such consent:

19.1.1 may be given (conditionally or unconditionally) or withheld in the discretion of the Security SPV; provided that, in exercising such discretion, the Security SPV shall act in what it reasonably believes to be in the best interests of Secured Creditors and, if (in giving or withholding the consent) the interests of any one category of Secured Creditors conflict with those of another category of Secured Creditors, the Security SPV shall act in what it reasonably believes to be in the interests of the Controlling Class Noteholders (or failing any Noteholders, in the best interests of the category of Secured Creditors ranking highest in the Priority of Payments); and

19.1.2 shall be given or withheld within a reasonable period of time and, if not given or withheld within such reasonable period of time, shall be deemed to have been withheld.

19.2 Where in any Transaction Document it is provided that the Issuer and/or the Security SPV (if any) is required to act, form an opinion, give consent, or exercise a right or discretion "reasonably" or to not act "unreasonably" (collectively "acted"), or is constrained by words to similar effect, and any other party disputes that the Issuer or the Security SPV, as the case may be, has acted reasonably or asserts that it has acted unreasonably, then, pending a final resolution of such dispute, all parties (including the party which raised the dispute) shall nevertheless in all respects continue to perform their obligations under the relevant Transaction Document, and/or to give effect to its provisions, including provisions relating to the termination thereof, as if the Issuer or the Security SPV, as the case may be, had acted reasonably or had not acted unreasonably, as the case may be.

19.3 Without derogating from any express provision in any Transaction Document and without limiting any of the rights, powers and/or discretions of the Security SPV (if any), the Security SPV will not be required to exercise any right, power or discretion in terms of the Transaction Documents without the specific written instructions of an Extraordinary Resolution of the Controlling Class Noteholders or, if there are no Noteholders, then without the specific written instructions of the Secured Creditors ranking highest in the Priority of Payments at that time.

**20. No voting rights on Notes held by Issuer**

The Issuer will not have any voting rights on any Notes held by it.

**21. Prescription**

Any claim for payment of principal and/or interest in respect of the Notes will prescribe 3 years after the date on which such payment first becomes due and payable in accordance with the Priority of Payments.

## 22. Meetings of Noteholders

### 22.1 Directions of Noteholders

22.1.1 The provisions with regard to meetings of Noteholders are set out in this Condition 22. The provisions of this Condition 22 will apply, mutatis mutandis, to each separate meeting of Noteholders of each Series of Notes or Class of Notes.

22.1.2 Every director, the secretary of and the attorney to the Issuer, the Security SPV (if any) and every other person authorised in writing by the Issuer or the Security SPV (if any), may attend and speak at a meeting of Noteholders, but will not be entitled to vote, other than as a Noteholder or proxy or duly authorised representative of a Noteholder.

22.1.3 Subject to Condition 22.1.5, a meeting of Noteholders will have power, in addition to all powers specifically conferred elsewhere in the Terms and Conditions:

22.1.3.1 by Ordinary Resolution of the Controlling Class Noteholders to give instructions to the Security SPV (if any) or the Issuer in respect of any matter not covered by the Terms and Conditions or the other Transaction Documents (but without derogating from the powers or discretions expressly conferred upon the Issuer or the Security SPV (if any) by the Terms and Conditions or the other Transaction Documents or imposing obligations on the Issuer or the Security SPV (if any) not imposed or contemplated by the Terms and Conditions or the other Transaction Documents or otherwise conflicting with or inconsistent with the provisions of the Terms and Conditions and the other Transaction Documents);

22.1.3.2 by Extraordinary Resolution:

22.1.3.2.1 of the Controlling Class Noteholders to bind all of the Noteholders to any compromise or arrangement; and

22.1.3.2.2 of the Noteholders of a particular Series of Notes to agree to any variation or modification of any rights of the Noteholders of that Series which will then bind all of the Noteholders of such Series to such variation or modification of the rights of the Noteholders of that Series; or

22.1.3.2.3 of the Noteholders of a particular Class of Notes to agree to any variation or modification of any rights of the Noteholders of that Class which will then bind all of the Noteholders of such Class to such variation or modification of the rights of the Noteholders of that Class.

22.1.4 Unless otherwise specified, resolutions of Noteholders or Noteholders of any Series of Notes or Class of Notes will require an Ordinary Resolution to be passed. Subject to Condition 18, if there is any conflict between the resolutions passed by Noteholders of any Class of Notes, the resolutions passed by the Controlling Class Noteholders will prevail.

22.1.5 The Security SPV (if any) will be entitled, before carrying out the directions of Noteholders in terms of this Condition, to require that it be indemnified against all expenses and liability which may be incurred and that it be provided from time to time, so far as the Security SPV (if any) may reasonably require, with sufficient monies to enable it to meet the expense of giving effect to such directions.

## 22.2 **Convening of meetings**

22.2.1 The Security SPV (if any) or the Issuer, as the case may be, may at any time convene a meeting of Noteholders or separate meetings of Noteholders of any Series of Notes or Class of Notes (a “**meeting**” or the “**meeting**”).

22.2.2 The Issuer will convene (i) a meeting of Noteholders upon the requisition in writing of Noteholders holding not less than 10% of the aggregate Outstanding Principal Amount of all of the Notes or (ii) a separate meeting of Noteholders of any Series of Notes or Class of Notes upon the requisition in writing of the Noteholders in that Series of Notes or Class of Notes holding not less than 10% of the aggregate Outstanding Principal Amount of the Notes of that Series of Notes or Class of Notes, as the case may be (a “requisition notice”).

22.2.3 Whenever the Issuer wishes to convene a meeting, it will forthwith give notice in writing to the Noteholders and the Security SPV (if any) in the manner prescribed in Condition 17 of the place, day and hour of the meeting, the nature of the business to be transacted at the meeting and the resolutions to be proposed and considered at the meeting.

22.2.4 Whenever the Security SPV (if any) wishes or is obliged to convene a meeting it will forthwith give notice in writing to the Noteholders and the Issuer in the manner prescribed in Condition 17, of the place, day and hour of the meeting, the nature of the business to be transacted at the meeting and the resolutions to be proposed and considered at the meeting.

22.2.5 All meetings of Noteholders will be held in Johannesburg or such other city as the Issuer may specify in the notice.

22.2.6 The Issuer or the Security SPV may conduct a meeting of Noteholders entirely by electronic communication (as defined in the Companies Act) or provide for participation in a meeting by electronic communication. Accordingly, one or more Noteholders, or proxies for Noteholders, may participate by electronic communication in all or part of any Noteholder meeting that is being held in person, so long as the electronic communication employed ordinarily enables all persons participating in that meeting to communicate concurrently with each other and without an intermediary, and to participate reasonably effectively in the meeting. Any notice of any meeting of Noteholders at which it will be possible for Noteholders to participate by way of electronic communication shall inform Noteholders of the ability to so participate and shall provide any necessary information to enable Noteholders or their proxies to access the available medium or means of electronic communication, provided that such access shall be at the expense of the Noteholder or proxy concerned.

## 22.3 **Requisition**

22.3.1 A requisition notice will state the nature of the business for which the meeting is to be held and the resolutions to be proposed and considered at the meeting and will be deposited at the Specified Office of the Issuer.

22.3.2 A requisition notice may consist of several documents in like form, each signed by one or more requisitionists.

22.4 **Convening of meetings demanded by requisitionists**

22.4.1 Upon receipt of a requisition notice, the Issuer will:

22.4.1.1 immediately inform the JSE in writing of the demand for a meeting and the nature of the business for which the meeting is to be held;

22.4.1.2 immediately release an announcement through SENS that a requisition notice has been received and specifying the place, day and time of the meeting to be held;

22.4.1.3 within 5 Business Days of receipt of the requisition notice, deliver written notice to each Noteholder (in accordance with Condition 17), specifying the place, day and time of the meeting, the nature of the business for which the meeting is to be held and the resolutions to be proposed and considered at the meeting; and

22.4.1.4 within 2 Business Days of the meeting, release an announcement through SENS as to the outcome of the meeting.

22.4.2 The date of the meeting shall not exceed 7 Business Days from the date of delivery of the written notice convening the meeting.

22.4.3 The written notice of meeting shall allow for a pre-meeting of the Noteholders (without the presence of the Issuer) at the same place and on the same day as the meeting of Noteholders, at least 2 hours before the scheduled meeting of Noteholders.

22.4.4 In accordance with Condition 22.10, voting shall only take place on a poll and not on a show of hands.

22.4.5 The Noteholders will, by Ordinary Resolution, elect a chair to preside over the meeting.

22.4.6 The requisitionists who demanded the meeting may, prior to the meeting, withdraw the requisition notice by notice in writing to the Issuer, copied to the JSE. The Issuer may cancel the meeting if as a result of one or more of the demands being withdrawn, the voting rights of the remaining requisitionists fail to meet the required percentage referred to in Condition 22.2.2 to call a meeting.

22.4.7 In the event of the liquidation, business rescue or curatorship of the Issuer, the inability of the Issuer to pay its debts as they fall due or the Issuer becoming "financially distressed" as contemplated in the Companies Act, the reference to 5 Business Days in Condition 22.4.1.3 is reduced to 2 Business Days and the reference to 7 Business Days in Condition 22.4.2 is reduced to 5 Business Days.

22.4.8 If the Issuer does not deliver written notice to convene a meeting within the timelines referred to above, then without prejudice to any other remedy, the requisitionists who together hold not less than 10% (ten percent) of the aggregate Nominal Amount Outstanding of the Notes for the time being, may themselves convene the meeting, and shall be convened as nearly as possible in the same



manner as that in which meetings may be convened by the Issuer. Notice of the meeting shall be required to be given to the Issuer.

22.4.9 The provisions of this Condition in respect of meetings demanded by requisitionists will prevail in the event of any conflict with any other provision in the Terms and Conditions.

## 22.5 **Notice of meeting**

Unless every Noteholder or Noteholder of a Series of Notes or Class of Notes, as the case may be, who is entitled to exercise voting rights in respect of any item on the meeting agenda is present at the meeting and votes for a shorter minimum notice period, at least 15 Business Days written notice, specifying the place, day and time of the meeting, the nature of the business for which the meeting is to be held and the resolutions to be proposed and considered at the meeting, will be given to each Noteholder and to the Issuer or the Security SPV, as the case may be.

## 22.6 **Quorum**

22.6.1 A quorum at a meeting shall:

22.6.1.1 for the purposes of considering an Ordinary Resolution, consist of Noteholders present in person or by proxy and holding in the aggregate not less than one-third of the aggregate Outstanding Principal Amount of the Notes or Series of Notes or Class of Notes, as the case may be;

22.6.1.2 for the purposes of considering an Extraordinary Resolution, consist of Noteholders present in person or by proxy and holding in the aggregate not less than a majority of the aggregate Outstanding Principal Amount of the Notes or Series of Notes or Class of Notes, as the case may be.

22.6.2 No business will be transacted at a meeting of the Noteholders unless a quorum is present at the time when the meeting proceeds to business.

22.6.3 If, within one hour from the time appointed for the meeting, a quorum is not present, the meeting will, if it was convened on the requisition of Noteholders, be dissolved. In every other case the meeting will stand adjourned to the same day in the third week thereafter, at the same time and place, or if that day is not a Business Day, the next succeeding Business Day. If at such adjourned meeting a quorum is not present the Noteholders present in person or by proxy will constitute a quorum for the purpose of considering any resolution, including an Extraordinary Resolution.

## 22.7 **Chairman**

The Issuer or the Security SPV (if any) or its representative will preside as chairman at a meeting. If the Security SPV (if any) or its representative is not present within 10 minutes of the time appointed for the holding of the meeting, the Noteholders then present will choose one of their own to preside as chairman.

## 22.8 **Adjournment**

22.8.1 Subject to the provisions of this Condition 22, the chairman may, with the consent of, and will on the direction of, the meeting adjourn the meeting from time to time and from place to place.

22.8.2 No business will be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

22.8.3 At least 14 days' written notice of the place, day and time of an adjourned meeting will be given by the Issuer or the Security SPV (if any) to each Noteholder and the Issuer. In the case of a meeting adjourned in terms of Condition 22.6.3, the notice will state that the Noteholders present in person or by proxy at the adjourned meeting will constitute a quorum.

## 22.9 **How questions are decided**

22.9.1 At a meeting, a resolution put to the vote will be decided on a poll.

22.9.2 In the case of an equality of votes, the chairman will not be entitled to a casting vote in addition to the vote, if any, to which he is entitled.

## 22.10 **Votes**

Voting shall only take place on a poll and not on a show of hands. On a poll every Noteholder, present in person or by proxy, will be entitled to one vote in respect of each ZAR1.00 in Notes held by such Noteholder. In relation to joint Noteholders, the vote may be exercised only by that Noteholder whose name appears first on the Register in the event that more than one of such Noteholders is present, in person or by proxy, at the meeting. The Noteholder in respect of Notes held in the Central Securities Depository in uncertificated form shall vote at any such meeting on behalf of the holders of Beneficial Interests in such Notes in accordance with the instructions to the Central Securities Depository from the holders of Beneficial Interests conveyed through the Participants in accordance with the Applicable Procedures.

## 22.11 **Proxies and representatives**

22.11.1 Noteholders present either in person or by proxy may vote on a poll. A Noteholder may by an instrument in writing (a "proxy form") signed by the Noteholder (or his duly authorised agent) or, in the case of a juristic person, signed on its behalf by a duly authorised officer of the juristic person, appoint any person (a "proxy" or "proxies") to act on his or its behalf in connection with any meeting or proposed meeting.

22.11.2 A person appointed to act as proxy need not be a Noteholder.

22.11.3 The proxy form will be deposited at the Specified Office of the Issuer or at the Specified Office of the Transfer Agent, as the case may be, and a copy sent to the Debt Sponsor (if any), at any time before the proxy exercises the rights of the Noteholder at the meeting or adjourned meeting at which the person named in such proxy proposes to vote.

22.11.4 No proxy form will be valid after the expiration of 6 months from the date named in it as the date of its execution.

22.11.5 Notwithstanding Condition 22.11.4, a proxy form will be valid for any adjourned meeting, unless the contrary is stated thereon.

22.11.6 A vote given in accordance with the terms of a proxy form will be valid notwithstanding the previous death or incapacity of the principal or revocation or amendment of the proxy form or of any of the Noteholder's instructions pursuant to

which the proxy form was executed or of the authority under which the proxy form was executed or the transfer of Notes in respect of which the proxy was given, provided that no intimation in writing of such death, incapacity, revocation or amendment shall have been received by the Issuer at its Specified Office or the Transfer Agent at its Specified Office, as the case may be, more than, and that the transfer has been given effect to less than, 12 hours before the commencement of the meeting or adjourned meeting at which the proxy is to be used.

22.11.7 Any Noteholder which is a juristic person may authorise any person to act as its representative in connection with any meeting or proposed meeting of Noteholders by resolution of the directors or other governing body of the juristic person. Any reference in the Terms and Conditions to a Noteholder present in person includes the duly authorised representative of a Noteholder which is a juristic person.

## 22.12 **Minutes**

22.12.1 The Issuer or the Security SPV (if any) will cause minutes of all resolutions and proceedings of meetings to be duly entered in books to be provided by the Issuer for that purpose.

22.12.2 Any such minutes as aforesaid, if purporting to be signed by the chairman of the meeting at which such resolutions were passed or proceedings held or by the chairman of the next succeeding meeting, will be receivable in evidence without any further proof, and until the contrary is proved, a meeting of Noteholders or Noteholders of a Series of Notes or Class of Notes, as the case may be, in respect of the proceedings of which minutes have been so made will be deemed to have been duly held and convened and all resolutions passed thereat, or proceedings held, to have been duly passed and held.

## 22.13 **Written Resolutions**

A resolution in writing submitted to the Noteholders or Noteholders of a Series of Notes or Class of Notes, as the case may be, entitled to exercise voting rights in relation to the resolution, and signed by Noteholders holding more than 50% in the case of a matter to be adopted by Ordinary Resolution or at least 66.67% in the case of a matter to be adopted by Extraordinary Resolution, of the Outstanding Principal Amount of the Notes or Series of Notes or Class of Notes, as the case may be, within 20 Business Days after the written resolution was submitted to such Noteholders, shall be as valid and effective as if it had been passed at a meeting duly convened and constituted and shall be deemed (unless a statement to the contrary is made in that resolution) to have been passed on the day on which that resolution is signed by the last of the Noteholders or Noteholders of a Series of Notes or Class of Notes, as the case may be, to sign it. That resolution may consist of two or more documents in the same form each of which is signed by one or more of the Noteholders or Noteholders of a Series of Notes or Class of Notes, as the case may be. Each Noteholder shall, promptly after signature of the resolution by it, submit a copy of the resolution as signed by it to the Issuer. Within 10 Business Days after adoption of the resolution, the Issuer shall notify all the Noteholders or Series of Notes or Class of Notes of Noteholders, as the case may be, of the results of the resolution put to the vote in writing as contemplated in this Condition (and in relation to any Series of Notes listed on the Interest Rate Market of the JSE, announced on SENS within 48 hours of the adoption of such resolution).

## 23. **Calculation Agent and Transfer Agent**

23.1 There will at all times be a Calculation Agent and a Transfer Agent with a Specified Office. The Transfer Agent and the Calculation Agent act solely as the agents of the Issuer and do not assume any obligation towards or relationship of agency or trust for or with any Noteholders.

23.2 The Issuer is entitled to vary or terminate the appointment of the Calculation Agent and/or the Transfer Agent and/or to appoint additional or other agents. The Issuer shall notify Noteholders (in the manner set out in Condition 16), the Central Securities Depository and, in relation to any Tranche of Notes listed on the Interest Rate Market of the JSE, to the JSE in the event of a change in the identity of the Calculation Agent and/or Transfer Agent.

#### 24. **Governing law**

The Notes and the Terms and Conditions are governed by, and will be construed in accordance with, the laws of South Africa.

#### 25. **Multiple roles**

The Noteholders acknowledge and agree that Absa Corporate and Investment Bank acts in a number of different capacities in relation to the transactions envisaged in the Transaction Documents. Notwithstanding such different roles:

25.1 Absa Corporate and Investment Bank and any of its officers, directors and employees may become the owner of, or acquire any interest in, any Notes with the same rights that it or he would have had if it or he had not been a party to a Transaction Document, and may engage or be interested in any financial or other transaction with the Issuer, provided it is a transaction disclosed in any Transaction Document, and may act on, or as depository, trustee or agent for, any committee or body of Noteholders in connection with any other obligation of the Issuer as freely as if it or he had not so been a party to any Transaction Document;

25.2 information, knowledge or notification obtained by Absa Corporate and Investment Bank in any one such capacity shall not be attributed to it, whether constructively or otherwise, in any other capacity; and

25.3 any payments made by the Issuer in accordance with the Transaction Documents to Absa Corporate and Investment Bank in one capacity shall be construed as a payment to Absa Corporate and Investment Bank only in such capacity and not in any other capacity.

#### 26. **Rating Agency (if any)**

26.1 This Condition applies if the Notes are rated by a Rating Agency, as specified in the Applicable Pricing Supplement. It is agreed and acknowledged that a credit rating is an assessment of credit and does not address other matters that may be of relevance to the Noteholders, including, without limitation, in the case of a rating confirmation, whether an event or amendment (i) is permitted by the terms of the relevant Transaction Document or (ii) is in the best interests of, or prejudicial to, some or all of the Noteholders. In being entitled to have regard to the fact that the Rating Agency has confirmed that the respective current Ratings of the Notes in issue would not be adversely affected, it is expressly agreed and acknowledged by each of the Security SPV (if any), the Noteholders and the other Secured Creditors that the above does not impose or extend any actual or contingent liability for the Rating Agency to the Security SPV (if any), the Noteholders, the other Secured Creditors or any other person or create any legal

relations between the Rating Agency and the Security SPV (if any), the Noteholders, the other Secured Creditors or any other person whether by way of contract or otherwise.

- 26.2 Such confirmation may or may not be given at the sole discretion of the Rating Agency. Depending on the timing of delivery of the request and any information needed to be provided as part of any such request, it may be the case that the Rating Agency cannot provide rating confirmation in the time available or at all, and would not be responsible for the consequences thereof. Confirmation, if given, will be given on the basis of the facts disclosed to the Rating Agency at the relevant time, and in the context of cumulative changes to the transaction of which the securities form part since the issuance closing date. A rating confirmation represents only a restatement of the opinions given, and cannot be construed as advice for the benefit of any parties to the transaction.

**USE OF PROCEEDS**

The Issuer shall use the net proceeds from the issue of the Notes in a Transaction as operating capital primarily:

- to acquire or invest in Participating Assets; and/or
- to redeem outstanding Notes in that Transaction; and/or
- for such other purpose in connection with that Transaction as may be specified in the Applicable Pricing Supplement.

## PRIORITY OF PAYMENTS

Unless otherwise specified in the Applicable Issuer Supplement or the Applicable Transaction Supplement for any Transaction, the Priority of Payments for each Transaction will be as set out below.

### 1. PRE-ENFORCEMENT PRIORITY OF PAYMENTS

Prior to the delivery of an Enforcement Notice, the Administrator shall apply the funds in the Transaction Account on any Payment Date in the following order of priority, so that a Secured Creditor who ranks subsequent to any other creditor in the Pre-Enforcement Priority of Payments will not be paid until all the creditors ranking prior to such Secured Creditor have been paid all amounts then due and payable to them by the Issuer:

- 1.1 first, to pay or provide for the Issuer's liability or potential liability for Taxes and any statutory fees, costs and expenses due and payable by the Issuer in order to preserve the corporate existence of the Issuer, to maintain it in good standing and to comply with all Applicable Laws;
- 1.2 second, to pay or provide for, *pari passu* and *pro rata*:
  - 1.2.1 the fee payable to the Administrator under the Administration Agreement (inclusive of VAT, if any);
  - 1.2.2 fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Issuer, which are due and payable by the Issuer under the Transaction Documents and are not provided for elsewhere or to be paid by the Issuer to the Administrator (if applicable) in the reimbursement of costs and expenses paid by the Administrator on behalf of the Issuer under the Administration Agreement (if applicable) (including payment of the Servicer, the Rating Agency, the Dealer, the Issuer's Settlement Agent, the Calculation Agent, the Paying Agent, the Transfer Agent, the JSE, the Debt Sponsor, the Account Bank fees, audit fees, legal fees, commitment fees payable under the Liquidity Facility Agreement, the directors of the Issuer and company secretarial expenses);
- 1.3 third, to pay or provide for *pari passu* and *pro rata* all amounts due and payable by the Issuer to any Derivative Counterparty (i) (if applicable) pursuant to Derivative Contracts (other than in respect of termination payments following an event of default in respect of a Hedging Transaction where the Derivative Counterparty is the defaulting party under the relevant Hedging Transaction, in which event, see 1.6 below) and (ii) the Liquidity Facility Provider in respect of interest, principal and all other amounts due and payable under the Liquidity Facility Agreement;
- 1.4 fourth, to pay or provide for *pari passu* and *pro rata*, interest due and payable in respect of the Notes, starting with the Class A Notes, and then each succeeding Class of Notes in reducing order of rank;
- 1.5 fifth, to pay or provide for *pari passu* and *pro rata*, principal due and payable in respect of the Notes;
- 1.6 sixth, to pay *pari passu* and *pro rata*, to the extent that this is provided for in the relevant Hedging Transaction (if applicable), any termination payment due and payable by the Issuer to a Derivative Counterparty pursuant to a Hedging Transaction following an event of default in respect of a Hedging Transaction where the Derivative Counterparty is the defaulting party under the relevant Hedging Transaction;

- 1.7 seventh, to pay or provide for amounts due to acquire or invest in Participating Assets;
- 1.8 tenth, to pay preference dividends, if any, to the Preference Shareholder; and
- 1.9 eleventh, while any amounts (whether actual or contingent) are outstanding to Secured Creditors, the surplus, if any, to be invested in Permitted Investments and, only once all the obligations (whether contingent or otherwise) to Secured Creditors have been discharged in full, to pay the surplus, if any, to the ordinary shareholders of the Issue.

## 2. POST-ENFORCEMENT PRIORITY OF PAYMENTS

After the delivery of an Enforcement Notice to the Issuer, the Administrator or the Security SPV (if any) shall realise the relevant Assets and use the funds therefrom and otherwise in the Transaction Account, to make payments in the following order of priority so that a Secured Creditor which ranks subsequent to any other creditors in the Post-Enforcement Priority of Payments will not be paid unless and until all creditors which rank prior to it in the Post-Enforcement Priority of Payments have been paid all the amounts then due and payable to them by the Issuer:

- 2.1 first, to pay or provide for the Issuer's liability or possible liability for all Taxes and any statutory fees, costs and expenses due and payable by the Issuer in order to preserve the corporate existence of the Issuer, to maintain it in good standing and to comply with all Applicable Laws; provided that this item shall fall away from the Post-Enforcement Priority of Payments in the event of the Issuer being liquidated, whether provisionally or finally, voluntarily or compulsorily, in which event such Tax liability shall be paid in accordance with the provisions and the order of priority as set out in the Insolvency Act, 1936;
- 2.2 second, to pay or provide for, the fee payable to the Administrator under the Administration Agreement (inclusive of VAT, if any);
- 2.3 third, to pay or provide for the fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Issuer, which are due and payable by the Issuer under the Transaction Documents and are not provided for elsewhere or to be paid to the Administrator (if applicable) in the reimbursement of costs and expenses paid by the Administrator on behalf of the Issuer under the Administration Agreement (if applicable) (including payment of the Rating Agency, the Dealer, the Issuer's Settlement Agent, the Calculation Agent, the Paying Agent, the Transfer Agent, the JSE, the Debt Sponsor, the Account Bank fees, audit fees, legal fees, any accrued but unpaid commitment fee payable under the Liquidity Facility Agreement, the directors of the Issuer and company secretarial expenses);
- 2.4 fourth, to pay or provide for *pari passu* and *pro rata*:
  - 2.4.1 interest, principal and all other amounts due and payable in respect of the Notes, starting with the Class A Notes, and then each succeeding Class of Notes in reducing order of rank;
  - 2.4.2 all amounts due and payable by the Issuer to any Derivative Counterparty (if applicable) pursuant to Derivative Contracts (other than in respect of termination payments following an event of default in respect of a Hedging Transaction where the Derivative Counterparty is the defaulting party under the relevant Hedging Transaction); and
  - 2.4.3 all amounts due and payable by the Issuer to the Liquidity Facility Provider in respect of interest, principal and all other amounts due and payable under the Liquidity Facility Agreement;



- 2.5 fifth, to pay *pari passu* and *pro rata*, to the extent that this is provided for in the relevant Hedging Transaction, any termination payment due and payable by the Issuer to a Derivative Counterparty (if applicable) pursuant to a Hedging Transaction following an event of default in respect of a Hedging Transaction where the Derivative Counterparty is the defaulting party under the relevant Hedging Transaction;
- 2.6 seventh, to pay preference dividends, if any, to the Preference Shareholder; and
- 2.7 eighth, while any amounts (whether actual or contingent) are outstanding to Secured Creditors, the surplus, if any, to be invested in Permitted Investments and, only once all the obligations (whether contingent or otherwise) to Secured Creditors have been discharged in full, to pay the surplus, if any, to the ordinary shareholders of the Issuer.
3. In relation to payments which are not Transaction specific (including but not limited to those relating to Taxes and the fees of the Administrator (if applicable)), payment shall be made from the Transaction Account of the Issuer *pro rata* to the aggregate Outstanding Principal Amount of the Notes in respect of each Transaction at the end of each calendar quarter, with such amounts being provided for at the end of each calendar month.
4. Any reference in the Priority of Payments to a *pro rata* allocation of funds in respect of principal payments shall be determined with reference to the then Outstanding Principal Amount of the relevant Notes.
5. Any reference in the Priority of Payments to the term “**provide for**” shall be understood, for the purpose of the Priority of Payments, as meaning to set aside amount(s) for the purpose of making payment of payment obligations of the Issuer accrued but not yet due and payable as at the relevant date in terms of the Priority of Payments and if the Issuer has set aside such amounts in terms of the Priority of Payments, the Issuer shall be entitled to make payment of such amounts without having to re-calculate the Priority of Payments in respect of such amounts.

**PARTICIPATING ASSETS**

1. Full details of the Participating Assets that may be acquired and/or invested in by the Issuer in respect of each Transaction will be set out in the Applicable Transaction Supplement.
2. Participating Assets may comprise of any financial asset, receivable or contract (together with any related security, if any) provided that:
  - 2.1 where applicable, the Participating Assets comply with any Eligibility Criteria applicable on the relevant date of transfer or investment as set out in the Applicable Transaction Supplement;
  - 2.2 the governing law of the Participating Assets shall be South African law or the laws of such other jurisdiction as may be specified in the Applicable Transaction Supplement; and
  - 2.3 in respect of each Transaction, all right, title and interest in and to the Participating Assets acquired and/or invested in by the Issuer shall vest in the Issuer upon the date of transfer to (whether in terms of the relevant Participating Asset Acquisition Agreement or otherwise) and/or investment by, the Issuer, including the right to enforce all available remedies under the relevant Participating Asset (including related security, if any) against the relevant Obligor in the event of a breach of the Obligor's obligations thereunder, including a breach of any representations or warranties. Accordingly, unless specified otherwise in the Applicable Transaction Supplement, the Issuer will have a direct, unsubordinated claim against the relevant Obligor.

## **SECURITY STRUCTURE**

The Applicable Pricing Supplement will specify whether a Security SPV structure applies or not. This section is applicable if a Security SPV structure applies.

### **1. SECURITY SPV STRUCTURE**

The Notes may be secured (in the manner described below) by the assets of the Issuer falling within the contractually segregated group of Assets to which such Notes relate, as specified in the Applicable Transaction Supplement. Such Notes are not directly secured by any such assets but each Security SPV established in respect of a Transaction will, in relation to that Transaction, guarantee the Issuer's obligations to the holders of the Notes in, and the other Secured Creditors of, that Transaction, on a limited recourse basis, in terms of a Guarantee. The Issuer will, in terms of an Indemnity, indemnify each Security SPV in respect of claims made against that Security SPV under the Guarantee given by that Security SPV. The Issuer's obligations to each Security SPV under the Indemnity given in favour of that Security SPV will be secured in terms of the Security Agreements. For more detail on this security structure, see the section headed "*Security Structure*".

### **2. GUARANTEE**

In respect of each Transaction, a separate Security SPV will bind itself under an irrevocable Guarantee to Secured Creditors, subject to the terms and conditions stated in such Guarantee. Pursuant to such Guarantee, the Security SPV will undertake in favour of each Secured Creditor to pay it the full amount then owing to it by the Issuer, if an Enforcement Notice is delivered following an Event of Default under the Notes. The liability of the Security SPV pursuant to the Guarantee will, however, be limited in the aggregate to the net amount recovered by the Security SPV from the Issuer arising out of the Indemnity and, if necessary, the Security Agreements referred to below. Payment of amounts due by the Security SPV pursuant to the Guarantee will be made strictly in accordance with the Pre-Enforcement Priority of Payments prior to delivery of an Enforcement Notice and the Post-Series Enforcement Priority of Payments after delivery of an Enforcement Notice, as the case may be.

### **3. INDEMNITY**

In respect of each Transaction, the Issuer will give an Indemnity to the Security SPV in respect of claims that may be made against the Security SPV arising out of the Guarantee. The Issuer's obligation to make payment under the Indemnity is limited to the lesser of the amounts owing to the Secured Creditors and the aggregate of the actual amount recovered and available for distribution from the Assets. The Issuer shall not be entitled to refuse to make payment under the Indemnity to the Security SPV by reason of the fact that the Security SPV has not paid the claims of the Secured Creditors under the Guarantee nor shall the Issuer be entitled to refuse to make payment by reason of the fact that the liability of the Security SPV in respect of any such Guarantee is limited in the manner set out in the Guarantee.

### **4. SECURITY AGREEMENTS**

In accordance with the Security Agreements the Issuer agrees to cede and pledge its right, title and interest in and to the Assets described therein to the Security SPV as security for the obligations of the Issuer to the Security SPV under the Indemnity.

The effective date of the Guarantee, Indemnity and Security Agreements is the date of such agreements.

**5. ENFORCEMENT**

If an Enforcement Notice is delivered, all monies in the Transaction Account will be applied in accordance with the Series Post-Enforcement Priority of Payments.

## **SETTLEMENT, CLEARING AND TRANSFERS OF NOTES**

### **Notes held in the Central Securities Depository**

#### *Clearing systems*

Each Series of Notes which is listed on the Interest Rate Market of the JSE and issued in uncertificated form will be cleared through the Central Securities Depository which, as the operator of an electronic clearing system, has been appointed by the JSE to match, clear and facilitate the settlement of transactions concluded on the JSE. Each such Series of Notes will be issued, cleared and transferred in accordance with the Applicable Procedures and the Conditions. Each such Series of Notes will be settled through Participants who will comply with the electronic settlement procedures prescribed by the JSE and the Central Securities Depository. The Notes may be accepted for clearance through any additional clearing system as may be agreed between the JSE, the Issuer and the Dealer.

A Series of unlisted Notes may also be held in the Central Securities Depository. With respect to Notes not listed on the Interest Rate Market of the JSE, the placement of such unlisted Notes may be reported through the Central Securities Depository in order for the settlement of trades in such Series of Notes to take place in accordance with the electronic settlement procedures of the JSE and the Central Securities Depository.

#### *Participants*

As at the Date of the Programme Memorandum, the Participants are Citibank N.A., South African Branch, FirstRand Bank Limited (RMB Custody and Trustee Services), Nedbank Limited, The Standard Bank of South Africa Limited, Standard Chartered Bank, Johannesburg Branch, Absa Bank Limited and the South African Reserve Bank. Euroclear Bank S.A./N.V., as operator of the Euroclear System and Clearstream Banking société anonyme will settle offshore transfers through their South African Participant.

#### *Settlement and clearing*

### **Notes issued in uncertificated form**

Notes issued in uncertificated form will not be represented by any certificate or written instrument.

All transactions in uncertificated securities as contemplated in the Financial Markets Act will be cleared and settled in accordance with the Applicable Procedures. All the provisions relating to Beneficial Interests in the Notes held in the Central Securities Depository will apply to Notes issued in uncertificated form.

### **Beneficial Interests**

The Central Securities Depository will hold each Tranche of Notes issued in uncertificated form, subject to the Financial Markets Act and the Applicable Procedures.

All amounts to be paid in respect of Notes held in the Central Securities Depository will be paid to the relevant Participants on behalf of the relevant Noteholders in accordance with the Applicable Procedures. All rights to be exercised in respect of the Notes issued in uncertificated form will be exercised by the relevant Noteholders in accordance with the Applicable Procedures.

The Central Securities Depository maintains central securities accounts in the name of such Participants or such Participants' clients.

The Participants are in turn required to maintain securities accounts for their clients. The clients of Participants may include the holders of Beneficial Interests in the Notes or their custodians. The clients of Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Notes held by them in the Central Securities Depository only through their Participants.

In relation to each person shown in the records of the Central Securities Depository or the relevant Participant, as the case may be, as the holder of a Beneficial Interest in a particular Principal Amount of Notes, a certificate or other document issued by the Central Securities Depository or the relevant Participant, as the case may be, as to the Principal Amount of such Notes standing to the account of such person shall be prima facie proof of such Beneficial Interest. However, the registered holder of such Notes named in the Register will be treated by the Issuer, the Paying Agent, the Transfer Agent, the Central Securities Depository as the holder of the Outstanding Principal Amount of such Notes for all purposes.

Payments of interest and principal in respect of Notes held in uncertificated form will be made in accordance with Condition 8 to the holders of Beneficial Interests in accordance with Applicable Procedures, and the Issuer will be discharged by proper payment to or to the order of the registered holder of the uncertificated Note in respect of each amount so paid.

Each of the persons shown in the records of the Central Securities Depository and the relevant Participant, as the case may be, as the holders of Beneficial Interests will look solely to the Central Securities Depository or the relevant Participant, as the case may be, for such person's share of such payment so made by the Issuer to, or to the order of, the registered holder of such Notes.

The Issuer will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of, Beneficial Interests, or for maintaining, supervising or reviewing any records relating to such Beneficial Interests.

#### *Transfers and exchanges*

Transfers of Beneficial Interests in the Central Securities Depository to and from clients of the Participants occur by electronic book entry in the central securities accounts of the clients of the Participants. Transfers among Participants of Notes held in the Central Securities Depository system occur through electronic book entry in the Participants' central security accounts with the Central Securities Depository. Beneficial Interests may be transferred only in accordance with the Conditions and the rules and operating procedures for the time being of the Central Securities Depository, Participants and the JSE.

The Issuer shall regard the Register as the conclusive record of title to the Notes.

Beneficial Interests may be exchanged for Notes represented by the Certificates in accordance with Condition 14.4.

#### **Certificates**

The Notes represented by a Certificate will be registered in the name of the individual Noteholders in the Register of Noteholders.

Notes represented by Certificates may be transferred only in accordance with the Terms and Conditions.

Payments of interest and principal in respect of Notes represented by the Certificates will be made in accordance with Condition 8 to the person reflected as the registered holder of such Certificates in the Register at 17h00 (Johannesburg time) on the Last Day to Register, and the Issuer will be discharged

by proper payment to or to the order of the registered holder of the Certificate in respect of each amount so paid.

**The JSE Debt Guarantee Fund Trust**

The holders of Notes that are not listed on the Interest Market of the JSE will have no recourse against the JSE Debt Guarantee Fund Trust. Claims against the JSE Debt Guarantee Fund Trust may only be made in respect of the trading of Notes listed on the Interest Rate Market of the JSE and in accordance with the rules of the JSE Debt Guarantee Fund Trust. Unlisted notes are not regulated by the JSE.

**Notes listed on any exchange other than (or in addition to) the JSE**

Each Series of Notes which is listed on any exchange other than (or in addition to) the JSE will be issued, cleared and settled in accordance with the rules and settlement procedures of that exchange. The settlement, clearing and redemption procedures for trades of a Series of Notes issued on an exchange other than (or in addition to) the JSE will be specified in the Applicable Pricing Supplement.

## **SOUTH AFRICAN TAXATION**

*The comments below are intended as a general guide to the current position under the laws of South Africa. The contents of this section headed "South African Taxation" do not constitute tax advice and persons should consult their professional advisers.*

### **1. Securities Transfer Tax**

No securities transfer tax will be payable, in terms of the South African Securities Transfer Tax Act, 2007, in respect of either the issue of the Notes or on the subsequent transfer of the Notes on the basis that the Notes will not comprise a "security" as defined in section one of the Securities Transfer Tax Act, 2007.

### **2. Withholding Tax**

Section 50B of the Income Tax Act, 1962 (the "Income Tax Act") imposes a withholding tax on interest payments to persons who are not regarded as resident in South Africa for tax purposes, where the interest is sourced in South Africa. The withholding tax is levied at a rate of 15%, but could be reduced by relevant double taxation treaties.

Withholding tax on interest in respect of certain debt instruments (which include any Notes issued under the Programme) may thus be applicable to persons who are regarded as non-residents for tax purposes in South Africa. There are exemptions, which include interest paid in respect of debt listed on a recognised exchange. The JSE Limited would qualify as such an exchange. Should this exemption be repealed, non-resident Noteholders may rely on the relief afforded in terms of relevant double taxation agreements. In the event that such withholding or deduction is required by law, the Issuer will not be obliged to pay additional amounts in relation thereto.

### **3. Income Tax**

#### **3.1 Nature of any original issue discount or premium**

Any original issue discount to the face value of the Notes will be treated as interest for tax purposes and will be deemed to accrue to the Noteholder on a day-to-day basis until maturity or until such time as such Noteholder disposes of its beneficial interest in the Note. The amount to be included in the Noteholder's taxable income is normally calculated on a yield to maturity basis.

Any original issue premium will be added to the face value of the Notes to determine the initial amount which will be used to determine the interest which is deemed, under Section 24J of the Income Tax Act, 1962, to have been incurred or to have accrued in respect of the Notes.

#### **3.2 Position in respect of the current tax year**

Under current taxation law in South Africa:

- (a) a person ordinarily resident in South Africa will, subject to any available exemptions, be taxed on their worldwide income; and
- (b) a person not ordinarily resident in South Africa will be exempt from tax in South Africa on any interest received or accrued on the Notes, unless that person:



- (i) is a natural person who was physically present in South Africa for a period exceeding 183 days in aggregate in the tax year; or
- (ii) at any time during this tax year carried on business through a permanent establishment in South Africa.

#### 4. **Capital gains**

Any subsequent disposal of the Notes by a Noteholder who is resident in South Africa prior to their redemption may be subject to Capital Gains Tax, where applicable.

Capital gains are taxable at normal tax rates, but in the case of a natural person only 40% of the gain is taxable, and in the case of companies and trusts, 80% of the capital gain is taxable.

Noteholders who are not tax resident in South Africa will generally not be subject to capital gains tax (if any) on the disposal of Notes unless the Notes are assets of a trading permanent establishment of such non-resident located in South Africa.

## **EXCHANGE CONTROL**

*The comments below are intended as a general guide to the current position under the Exchange Control Regulations, 1961 as promulgated under the Currency and Exchanges Act, 1933, as amended, (the "Regulations") and are not a comprehensive statement of the Regulations. The information below is not intended as advice and it does not purport to describe all of the considerations that may be relevant to a prospective subscriber for, or purchaser of any Notes. Prospective subscribers for, or purchasers of any Notes who are non-South African residents or who are emigrants from the Common Monetary Area are urged to seek further professional advice in regard to the subscription for, or purchase of any Notes.*

### **Non-South African Resident Noteholders and Emigrants from the Common Monetary Area**

Dealings in the Notes, the performance by the Issuer of its obligations under the Notes and the performance by the Security SPV of its obligations under the Guarantee, may be subject to the Regulations.

#### **Emigrant Capital Accounts**

Funds in an Emigrant's Capital Account may be used for the subscription for or purchase of Notes. Any amounts payable by the Issuer in respect of the Notes subscribed for or purchased with funds from an Emigrant's Capital Account may not, in terms of the Regulations, be remitted out of South Africa or paid into any non-South African account.

#### **Emigrants from the Common Monetary Area**

Any Certificates issued to Noteholders who are emigrants from the Common Monetary Area will be endorsed "non-resident". Such restrictively endorsed Certificates will be deposited with an authorised foreign exchange dealer controlling such emigrant's remaining South African assets to which Financial Surveillance Department restrictions have been applied.

In the event that a Beneficial Interest in Notes is held by an emigrant from the Common Monetary Area through the Central Securities Depository and its relevant Participants, the securities account of such emigrant will be credited and designated as an "Emigrant Capital Account".

Any payments of principal due to a Noteholder who is an emigrant from the Common Monetary Area will be deposited into such emigrant Noteholder's capital account, as maintained by an authorised foreign exchange dealer. The amounts are not freely transferable from the Common Monetary Area and may only be dealt with in terms of the Regulations.

Any payments of interest due to a Noteholder who is an emigrant from the Common Monetary Area will be deposited into such emigrant Noteholder's "non-resident" Rand account, as maintained by an authorised foreign exchange dealer. The amount represents income which is freely transferable from the Common Monetary Area.

#### **Non-residents of the Common Monetary Area**

Any Certificates issued to Noteholders who are not resident in the Common Monetary Area will be endorsed "non-resident". In the event that a Beneficial Interest in Notes is held by a non-resident of the Common Monetary Area through the Central Securities Depository and its relevant Participants, the securities account of such Noteholder will be credited and designated as a "non-resident" account.

It will be incumbent on any such non-resident to instruct the non-resident's nominated or authorised dealer in foreign exchange as to how any funds due to such non-resident in respect of Notes are to be dealt with. Such funds may, in terms of the Regulations, be remitted outside of the Common Monetary

Area only if the relevant Notes are acquired with foreign currency introduced into South Africa and provided that the relevant Certificate or securities account is designated "non-resident".

For the purposes of these paragraphs, the Common Monetary Area comprises South Africa, the Republic of Namibia, the Kingdom of Lesotho and the Kingdom of eSwatini (the latter formerly known as the Kingdom of Eswatini).

## SUBSCRIPTION AND SALE

Absa Corporate and Investment Bank will, in terms of each Programme Agreement, be appointed as a Dealer in relation to each Issuer Programme on an ongoing basis for the duration of each such Issuer Programme. An Issuer may, pursuant to a Programme Agreement, appoint one or more other Dealers in respect of each Transaction or the issue of a Tranche of Notes.

### Republic of South Africa

Prior to the issue of any Tranche of Notes under the Issuer Programme by the Issuer, each Dealer for that Tranche of Notes will be required to represent and agree that it will not offer or solicit any offers for subscription or sale of the Notes in that Tranche of Notes, and will itself not sell Notes, in South Africa, except in accordance with the Companies Act, the Banks Act, 1990, the Exchange Control Regulations and/or any other applicable laws or regulations of South Africa in force from time to time. In particular, without limitation, the Programme Memorandum does not, nor is it intended to, constitute a registered prospectus (as that term is defined in the Companies Act) and each Dealer for that Tranche of Notes will be required to represent and agree that it will not make "an offer to the public" (as that term is defined in the Companies Act) of any of the Notes (whether for subscription or sale). Notes will not be offered for subscription to any single addressee acting as principal for an amount of less than R1 000 000.

### United States of America

The Notes have not been and will not be registered under the United States Securities Act, 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account of or benefit of, U.S. persons except in certain transactions exempt from and not subject to the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Prior to the issue of any Tranche of Notes under the Issuer Programme by the Issuer, each Dealer for that Tranche of Notes will be required to represent and agree that:

- (i) the Notes in that Tranche have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account of or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;
- (ii) it has not offered, sold or delivered any Notes in that Tranche and will not offer, or sell or deliver, any Notes within the United States except in accordance with Rule 903 of Regulation S under the Securities Act or pursuant to an available exemption from the registration requirements of the Securities Act; and
- (iii) it, its affiliates and any persons acting on its or any of its affiliates' behalf have not engaged and will not engage in any directed selling efforts with respect to the Notes in that Tranche and it, its affiliates and any persons acting on its or any of its affiliates' behalf have complied and will comply with the offering restrictions requirements of Regulation S.

### United Kingdom

Prior to the issue of any Tranche of Notes under the Issuer Programme by the Issuer, each Dealer for that Tranche of Notes will be required to represent and agree that:

- (i) No deposit-taking: in relation to any of the Notes in that Tranche which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business

and (ii) it has not offered or sold, and will not offer or sell, any Notes in that Tranche other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of such Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act, 2000 (the "FSMA") by the Issuer;

- (ii) Financial promotion: it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA)) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (iii) General compliance: it has complied with and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

### **European Economic Area**

Each of the Issuer and Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area or in the United Kingdom. For the purposes of this provision:

- (i) the expression "retail investor" means a person who is one (or more) of the following:
- (ii) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or
- (iii) a customer within the meaning of Directive (EU) 2016/97 (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

not a qualified investor as defined in Regulation (EU) 2017/1129 (the "Prospectus Regulation").

### **General**

Prior to the issue of any Tranche of Notes under the Issuer Programme, each Dealer for that Tranche of Notes will be required to represent and agree that it will comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, subscribes or procures subscriptions for, offers or sells Notes in that Tranche or has in its possession or distributes the Programme Memorandum and will obtain any consent, approval or permission required by it for the purchase, subscription, offer or sale by it of Notes in that Tranche under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, subscriptions, offers or sales.

Each Dealer for a Tranche of Notes will be required to represent and agree that it will comply with such other or additional restrictions in relation to that Tranche of Notes as the Issuer and such Dealer agree and as are set out in the Applicable Pricing Supplement.

Neither the Issuer nor any of the Dealers represent represents that Notes may at any time lawfully be subscribed for or sold in compliance with any applicable registration or other requirements in any

jurisdiction or pursuant to any exemption available thereunder or assumes any responsibility for facilitating such subscription or sale.

## GLOSSARY OF DEFINITIONS

1. Terms and expressions set out below shall have the meanings set out below in the Terms and Conditions of the Notes and the other Transaction Documents, unless such term is separately defined in the Applicable Pricing Supplements or the Transaction Documents or the context otherwise requires.
- 1.1 **Absa Bank** means Absa Bank Limited, a company incorporated in accordance with the laws of South Africa, registration number 1986/004794/06;
- 1.2 **Absa Corporate and Investment Bank** means Absa Corporate and Investment Bank Limited, a division of Absa Bank.
- 1.3 **Account Bank** means in respect of each Transaction, such bank, authorised to conduct the business of a bank under the Banks Act, 1990, appointed in terms of the Bank Agreement.
- 1.4 **Account Monies** means, in respect of each Transaction, all monies held from time to time in all bank accounts (existing and future) in the name of or on behalf of the Issuer in respect of that Transaction, including monies in the Bank Accounts.
- 1.5 **Accounting Records** means the books of account and accounting systems of the Issuer.
- 1.6 **Accounts** means the accounting statements of the Issuer, including income statements and balance sheets, together with statements, reports and notes (including, without limitation, directors' reports and auditor's reports (if any)) attached to or intended to be read with any of those income statements or balance sheets.
- 1.7 **Actual Redemption Date** means, in relation to a Tranche of Notes, the date upon which the Notes in that Tranche are redeemed in full by the Issuer.
- 1.8 **Additional Business Centre** means any commercial centre set out in the Applicable Pricing Supplement in relation to the settlement of payments in Rand.
- 1.9 **Administrator** means, in respect of each Issuer Programme, such person as may be appointed as administrator in accordance with the provisions of the Administration Agreement.
- 1.10 **Administration Agreement** means, in respect of each Issuer Programme or Transaction, the agreement concluded between the Issuer, the Administrator and the Security SPV (if any) in terms of which the Administrator is appointed as the agent of the Issuer to perform certain administrative functions on behalf of the Issuer.
- 1.11 **Affiliate** means, in relation to any company, that company's subsidiary or holding company, or a subsidiary of that company's holding company.
- 1.12 **Agency Agreement** means, in respect of each Issuer Programme, the agreement concluded between the Issuer, the Transfer Agent, the Paying Agent and the Calculation Agent, or a separate agreement between the Issuer and each of the Transfer Agent, the Paying Agent and the Calculation Agent.
- 1.13 **this Agreement** when used in a Transaction Document, refers to that Transaction Document in which it is used.
- 1.14 **Applicable Issuer Supplement** means, in respect of each Issuer Programme, Programme, the Applicable Issuer Supplement signed by an Issuer, in terms of which it

binds itself to the terms and conditions of the Programme and sets out further information in relation to itself, based upon the Pro Forma Applicable Issuer Supplement set out in the section of the Programme Memorandum headed "*Pro Forma Applicable Issuer Supplement*".

- 1.15 **Applicable Laws** means, in relation to a person, all and any:
- 1.15.1 statutes and subordinate legislation;
  - 1.15.2 regulations, ordinances and directives;
  - 1.15.3 by-laws;
  - 1.15.4 codes of practice, circulars, guidance notices, judgements and decisions of any competent authority; and
  - 1.15.5 other similar provisions, from time to time.
- 1.16 **Applicable Pricing Supplement** means, in relation to a Tranche of Notes, the pricing supplement completed and signed by the Issuer in relation to the issue of that Tranche of Notes, setting out such additional and/or other terms and conditions as are applicable to that Tranche of Notes, as described in the section of the Programme Memorandum headed "*Pro Forma Applicable Pricing Supplement*".
- 1.17 **Applicable Procedures** means the rules and operating procedures for the time being of the Central Securities Depository, Settlement Agents and the JSE, as the case may be.
- 1.18 **Applicable Transaction Supplement** means, in respect of each Transaction, the supplement to the Programme Memorandum signed by the Issuer setting out the information in relation to that Transaction, based upon the pro forma Applicable Transaction Supplement set out in the section of the Programme Memorandum headed "*Pro Forma Applicable Transaction Supplement*".
- 1.19 **Approved Entity** means:
- 1.19.1 a person which has the Required Credit Rating; or
  - 1.19.2 a person which is a wholly owned subsidiary of an entity which has the Required Credit Rating, and whose obligations are irrevocably and unconditionally guaranteed by such entity. For the purposes of this definition, the term "subsidiary" will bear the meaning ascribed thereto in the Companies Act, save that the relevant entity shall not be limited to being a South African company.
- 1.20 **Arranger** means, in respect of each Issuer Programme, such person with whom the Issuer has entered into the Programme Agreement.
- 1.21 **Assets** means, in respect of each Transaction, the separate contractually segregated subset of the assets of the Issuer in respect of that Transaction, including the Issuer's right, title and interest in and to the following in respect of that Transaction:
- 1.21.1 the Participating Assets;
  - 1.21.2 any Permitted Investments;



- 1.21.3 the Transaction Documents, including the benefit of all representations, warranties, undertakings, indemnities and promises made by any party in favour of the Issuer under the Transaction Documents;
- 1.21.4 the Bank Accounts and amounts standing to the credit of such Bank Accounts;
- 1.21.5 any other assets of or acquired by the Issuer in respect of that Transaction from time to time, including any related collateral in respect of the Participating Assets; and
- 1.21.6 income, or amounts in the nature of income, accrued from investments in respect of that Transaction, to the extent not included in the preceding paragraphs of this definition.
- 1.22 **Auditor** means the auditor of the Issuer, from time to time.
- 1.23 **Authorised Person** means, in respect of a Transaction Document, a director or any other person duly authorised to act as an authorised person for the purposes of that Transaction Document.
- 1.24 **Bank Accounts** means, in respect of each Transaction, the Transaction Account and such other bank accounts of the Issuer referred to in the Bank Agreement in respect of that Transaction.
- 1.25 **Bank Agreement** means, in respect of each Transaction, the agreement concluded in respect of that Transaction between the Issuer, the Administrator, the Servicer, the Account Bank and the Security SPV (if any), in accordance with which the Bank Accounts are opened by the Issuer with the Account Bank.
- 1.26 **Banks Act** means the Banks Act, 1990.
- 1.27 **Beneficial Interest** means, in relation to a Note, an interest as co-owner of an undivided share in a Note held in uncertificated form, as provided for in section 37(1) of the Financial Markets Act.
- 1.28 **Books Closed Period** means the period during which the Transfer Agent will not record any transfer of Notes in the Register, as specified in the Applicable Pricing Supplement.
- 1.29 **Business Centre** means Johannesburg.
- 1.30 **Business Day** means a day (other than a Saturday, Sunday or statutory public holiday) on which commercial banks settle payments in Rand in Johannesburg or any Additional Business Centre specified in the Applicable Pricing Supplements.
- 1.31 **Business Day Convention** means the business day convention, if any, specified as such and set out in the Applicable Pricing Supplement.
- 1.32 **Business Proceeds** means any proceeds of or arising in connection with the disposal by the Issuer of the whole or any part of the Assets.
- 1.33 **Calculation Agent** means, in respect of each Issuer Programme, such person with whom the Issuer enters into an agreement to perform various calculations in respect of the Notes.
- 1.34 **Call Notice** means a notice delivered by the Issuer to Noteholders in accordance with Condition 7.4.

- 1.35 **Central Securities Depository** means Strate Proprietary Limited (registration number 1998/022242/07), or its nominee, a central securities depository operating in terms of the Financial Markets Act, or any additional or alternate depository approved by the Issuer and the Dealer.
- 1.36 **Certificate** means, as contemplated in the Terms and Conditions, a single certificate representing Notes in a Tranche of Notes, registered in the name of the relevant Noteholder.
- 1.37 **Class or Class of Notes** means, in respect of each Transaction, one or more Series of Notes designated as such in the Applicable Pricing Supplement, comprising all of the Notes designated by a letter of the alphabet (such as Class A Notes and Class B Notes), on the basis that a Note in a Class of Notes identified by a letter closer to the beginning of the alphabet will on enforcement rank higher than Notes in those Classes of Notes identified by a letter closer to the end of the alphabet and a Class may comprise separate Series of Notes having different Interest Rates, Scheduled Maturity Dates, Final Redemption Dates and other terms as set out in the Applicable Pricing Supplement (and, if so, these will be designated by a letter of the alphabet followed by a numeral, such as Class A1 and Class A2).
- 1.38 **Common Terms Agreement** means, in respect of each Issuer Programme or Transaction, the agreement setting out certain terms and provisions common to all or some of the Transaction Documents in respect of the Issuer Programme or Transaction, entered onto between the Secured Creditors (other than Noteholders) of all Transactions under the Issuer Programme or the Secured Creditors (other than Noteholders) of the relevant Transaction and any other third parties who may become bound to the agreement in accordance with its terms.
- 1.39 **Companies Act** means the Companies Act, 2008.
- 1.40 **Condition** means a numbered term or condition of the Notes forming part of the Terms and Conditions (and reference in the Transaction Documents to a particular numbered Condition shall be construed as a reference to the corresponding condition in the Terms and Conditions).
- 1.41 **Controlling Class or Controlling Class Noteholders** means, in respect of each Transaction, the holders of the highest-ranking Class of Notes at any point in time in respect of that Transaction, starting with the holders of the Class A Notes, and if there are no Class A Notes, then each succeeding Class of Notes in reducing order of rank, and if there is only one Class of Notes, then the holders of such Notes.
- 1.42 **Credit Rating** means, in respect of each Transaction pursuant to which rated Notes are issued, a credit rating assigned by the Rating Agency, as specified in the Applicable Pricing Supplement.
- 1.43 **Date of Signature** means the date of signature of a Transaction Document by the signatory which signs it last.
- 1.44 **Dealer** means, in respect of each Issuer Programme, any person appointed as such under the Programme Agreement from time to time, which appointment may be for a specific issue of Notes or on an ongoing basis.
- 1.45 **Derivative Contract** means, in respect of each Transaction, any interest rate swap, forward rate agreement or other hedging transaction or agreement, any option with respect to such transaction or agreement, or any combination of such transactions or

agreements or other similar arrangements entered into by the Issuer and a Derivative Counterparty.

- 1.46 **Derivative Counterparty** means, in respect of each Transaction, any person with the Required Credit Rating, with whom the Issuer concludes a Derivative Contract.
- 1.47 **Derivative Termination Amount** means all amounts payable to the Derivative Counterparty by the Issuer under any Derivative Contract following the occurrence of an early termination date as defined in that Derivative Contract.
- 1.48 **Early Redemption Amount** means the amount, as set out in Condition 7.7, at which the Notes will be redeemed by the Issuer pursuant to the provisions of Condition 7.3 (Tax reasons).
- 1.49 **Eligibility Criteria** means, in respect of each Transaction, the criteria that a Participating Asset must satisfy to be acquired and/or invested in by the Issuer, if applicable, as set out in the Applicable Transaction Supplement.
- 1.50 **Eligible Participating Asset** means a Participating Asset that satisfies the Eligibility Criteria.
- 1.51 **Encumbrance** means any mortgage bond, notarial bond, pledge, lien, hypothecation, assignment, security cession, deposit by way of security or any other agreement or arrangement (whether conditional or not and whether relating to existing or to future assets), having the effect of providing a security interest or preferential treatment to a person over another person's assets (including set-off, title retention or reciprocal fee arrangements) or any agreement or arrangement to give any form of security or preferential treatment to a person over another person's assets, but excluding statutory preferences and rights of first refusal, and "Encumber" shall be construed accordingly.
- 1.52 **Enforcement Notice** means, in respect of each Transaction, (i) a written notice to the Issuer, following an Event of Default under the Notes of that Transaction, declaring the Notes of that Transaction to be immediately due and payable in accordance with the Terms and Conditions, or (ii) once the Notes have been redeemed in full, a written notice by any other Secured Creditor of that Transaction to the Issuer, to pay any amount due and payable under the Transaction Document with that Secured Creditor, following an Event of Default under the relevant Transaction Document concluded with that Secured Creditor.
- 1.53 **Extraordinary Resolution** means a resolution passed at a properly constituted meeting of Noteholders or Noteholders of the relevant Series of Notes or Class of Notes, as the case may be, by a majority consisting of not less than 66,67% of the value of the votes cast at a poll by all Noteholders or Noteholders of the relevant Series of Notes or Class of Notes, as the case may be, present in person or by proxy.
- 1.54 **Event of Default** means, in respect of each Transaction, in relation to any Notes of that Transaction, any of the events specified as such in Condition 11 of the Terms and Conditions and, in relation to any Transaction Document of that Transaction, a failure by the Issuer duly to perform or observe any obligation binding on it under any such Transaction Document which breach gives rise to a claim by a Secured Creditor of that Transaction against the Issuer in respect of that Transaction.
- 1.55 **Final Broken Amount** means in respect of a Tranche of Notes, the Interest Amount for the last Interest Period, as specified in the Applicable Pricing Supplement.

- 1.56 **Final Redemption Date** means, in relation to a Tranche of Notes, the final date upon which the Notes of that Tranche are to be redeemed, as set out in the Applicable Pricing Supplement.
- 1.57 **Financial Exchange** means, if applicable, the JSE and/or such other or further financial exchange(s) as may be selected by the Issuer, subject to Applicable Laws.
- 1.58 **Financial Year** means the financial year of the Issuer, which ends on the date of each year specified in the Applicable Issuer Supplement, or such other date as the Issuer may adopt as its financial year end from time to time.
- 1.59 **Financial Markets Act** means the Financial Markets Act, 2012.
- 1.60 **Fixed Rate Notes** means Notes which will bear interest at a fixed Interest Rate, as specified in the Applicable Pricing Supplement.
- 1.61 **Floating Rate Notes** means Notes which will bear interest at a floating Interest Rate as specified in the Applicable Pricing Supplement.
- 1.62 **GAAP** means Generally Accepted Accounting Practice in South Africa.
- 1.63 **GCR** means Global Credit Rating Co. Proprietary Limited, a private company with limited liability registered and incorporated in accordance with the laws of South Africa under Registration Number 1995/05001/07 and its successors in title and assigns.
- 1.64 **Guarantee** means, in respect of each Transaction, the limited recourse guarantee or guarantees given by the Security SPV (if any) to the Secured Creditors.
- 1.65 **Hedge Contract** bears the same meaning as a Derivative Contract.
- 1.66 **Hedge Counterparty** bears the same meaning as a Derivative Counterparty.
- 1.67 **Hedging Transaction** bears the same meaning as a Derivative Contract.
- 1.68 **IFRS** means International Financial Reporting Standards and the interpretation of those standards as adopted by the International Accounting Standards Board.
- 1.69 **Indemnity** means, in respect of each Transaction, the written indemnity given by the Issuer to the Security SPV (if any) in respect of that Transaction, indemnifying the Security SPV against claims by Secured Creditors of that Transaction under the Guarantee in respect of that Transaction.
- 1.70 **Initial Broken Amount** means, in respect of a Tranche of Notes, the Interest Amount for the First Interest Period as specified in the Applicable Pricing Supplement.
- 1.71 **Initial Issue Date** means, in respect of a Transaction, the Issue Date of the Initial Notes in respect of that Transaction, as specified in the Applicable Pricing Supplement.
- 1.72 **Initial Notes** means, in respect of a Transaction, the first Tranche of Notes issued by the Issuer in respect of that Transaction (or if more than one Tranche of Notes is issued on the same date, then all of those Tranches of Notes).
- 1.73 **Interest Amount** means the amount of interest payable in respect of each Note, as determined in accordance with the Terms and Conditions.

- 1.74 **Interest Commencement Date** means, in respect of a Tranche of Notes, the first date from which interest on such Notes will accrue, as specified in the Applicable Pricing Supplement.
- 1.75 **Interest Payment Date(s)** means, the dates specified as such in the Applicable Pricing Supplement upon which Interest Amounts are due and payable in respect of the Notes.
- 1.76 **Interest Period** means each period, as specified in the Applicable Pricing Supplement, in respect of which interest accrues on the Notes, commencing on (and including) each Interest Payment Date and ending on (but excluding) the following Interest Payment Date, provided that the first Interest Period in respect of any Tranche of Notes shall be from (and including) the Interest Commencement Date to (but excluding) the relevant Interest Payment Date thereafter, as specified in the Applicable Pricing Supplement.
- 1.77 **Interest Rate** means, in relation to each Tranche of Notes, the interest rate specified in the Applicable Pricing Supplement.
- 1.78 **Interest Rate Market of the JSE** means the separate platform or sub-market of the JSE designated as the "*Interest Rate Market*" and on which debt securities (as defined in the JSE Debt Listings Requirements) may be listed, subject to all Applicable Laws.
- 1.79 **Interpolated Screen Rate** means the rate (rounded to the same number of decimal places as the two relevant screen rates for JIBAR (Screen Rate) which results from interpolating on a linear basis between:
- 1.79.1 the Screen Rate for the longest period (for which the Screen Rate is available) which is less than the relevant Interest Period; and
- 1.79.2 the Screen Rate for the shortest period (for which the Screen Rate is available) which exceeds the relevant Interest Period,
- each as of 11h00 on the first day of that Interest Period.
- 1.80 **ISDA** means International Swaps and Derivatives Association, Inc.
- 1.81 **ISDA Definitions** means the 2006 ISDA Definitions as published by ISDA (as amended, supplemented, revised or republished from time to time).
- 1.82 **ISDA Master Agreement** means, in respect of each Transaction, an agreement entered into in accordance with the pro-forma agreement approved by ISDA from time to time.
- 1.83 **Issue Date** means, in relation to each Tranche of Notes, the date specified as such in the Applicable Pricing Supplement.
- 1.84 **Issue Price** means, in relation to each Tranche of Notes, the price specified as such in the Applicable Pricing Supplement.
- 1.85 **Issuer** means, in respect of each Issuer Programme, the special purpose legal entity formed to, amongst other things, issue the Notes and to acquire and/or invest in Participating Assets, as set out in the Applicable Issuer Supplement.
- 1.86 **Issuer Insolvency Event** means, in respect of each Issuer Programme, the occurrence of any of the following events:
- 1.86.1 the Issuer becoming subject to a scheme of arrangement or compromise as envisaged in the Companies Act (other than a scheme of arrangement or

- compromise the terms of which have been approved by an Extraordinary Resolution of the Noteholders and where the Issuer is solvent);
- 1.86.2 the Issuer being wound-up, liquidated, deregistered, sequestrated, terminated or placed under or business rescue, whether provisionally or finally and whether voluntarily or compulsorily, or passing a resolution providing for any such event;
- 1.86.3 the Issuer compromising or attempting to compromise with or deferring or attempting to defer payment of debts owing by it to its creditors generally or any significant class of its creditors (except a deferral provided for in the Transaction Documents as a result of a lack of available funds for that purpose in terms of the Priority of Payments);
- 1.86.4 the Issuer committing an act which would be an act of insolvency, in terms of the Insolvency Act, 1936, were the Issuer a natural person (except as provided for in the Transaction Documents as a result of lack of available funds for that purpose in terms of the Priority of Payments);
- 1.86.5 the Issuer being deemed to be unable to pay its debts in terms of the Companies Act (except where such is as a result of a lack of available funds for that purpose in terms of the Priority of Payments); or
- 1.86.6 the members or creditors of the Issuer meeting in order to pass a resolution providing for the Issuer to be wound-up, liquidated, deregistered, sequestrated, terminated or placed under or business rescue, or any resolution being passed to this effect.
- 1.87 **Issuer Owner Trust** means the trust established in accordance with the laws of South Africa, which, if the Issuer is a company, owns or will own all of the ordinary shares in the capital of the Issuer, as specified in the Applicable Issuer Supplement.
- 1.88 **Issuer Owner Trustee** means the trustee for the time being of the Issuer Owner Trust.
- 1.89 **Issuer Programme** means the Note programme established by each Issuer in terms of the Programme Memorandum, which includes all Transactions entered into by that Issuer in terms of each Applicable Transaction Supplement and/or each Applicable Pricing Supplement.
- 1.90 **Issuer Programme Amount** means, in respect of each Issuer Programme, the maximum Outstanding Principal Amount of Notes that may be in issue at any particular point in time (excluding any Notes issued pursuant to a Refinancing) as the board of directors of the Issuer approves from time to time, as specified in the Applicable Pricing Supplement.
- 1.91 **Issuer's Business** means the business of the Issuer in acquiring or investing in Assets, issuing Notes, entering into Transaction Documents (and related documents) and any other incidental or related activity, as described in the memorandum of incorporation of the Issuer.
- 1.92 **Issuer's Website** means, in respect of each Transaction, the website maintained by or on behalf of the Issuer, as set out in the Programme Memorandum and/or the Issuer Supplement and/or the Applicable Transaction Supplement.

- 1.93 **JIBAR** means:
- 1.93.1 the mid-market rate for deposits in Rand for the same period as the relevant Interest Period which appears on the Reuters screen SAFEY page under caption "Yield" (or on the SAFEX nominated successor screen for JIBAR) as of approximately 11h00, Johannesburg time, on the relevant Rate Determination Date, rounded to the third decimal point; or
- 1.93.2 if such rate does not appear on the Reuters screen SAFEY page (or on the SAFEX nominated successor screen for JIBAR) for the relevant Interest Period for any reason whatsoever, the rate determined on the basis of the mid-market rate for deposits in Rand for the same period as the relevant Interest Period quoted by at least 2 of the Reference Banks at approximately 11h00, Johannesburg time, on the Rate Determination Date. (The requesting party will request the principal Johannesburg office of each of the Reference Banks to provide a quotation of such rate. If at least 2 quotations are provided, the rate for that date will be the arithmetic mean of those quotations); or
- 1.93.3 if on any Rate Determination Date on which the previous sub-paragraph applies, fewer than 2 quotations are provided by the Reference Banks, the rate for that date will be determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner, using a representative rate which in its opinion is as close as possible to JIBAR for the same period as the relevant Interest Period.
- 1.94 **JSE** means the JSE Limited (Registration Number 2005/022939/06), licensed as an exchange in terms of the Financial Markets Act, or any exchange which operates as a successor exchange to the JSE in terms of the Financial Markets Act.
- 1.95 **JSE Debt Guarantee Fund Trust** means the guarantee fund trust operated by the JSE as a separate guarantee fund, in terms of the of the rules of the JSE, as required by sections 8(1)(h) and 17(2)(w) of the Financial Markets Act or any successor fund.
- 1.96 **JSE Debt Listings Requirements** means all listings requirements promulgated by the JSE from time to time for the Interest Rate Market of the JSE.
- 1.97 **Last Day to Register** means, with respect to a particular Tranche of Notes, the record date specified in the Applicable Pricing Supplement.
- 1.98 **Liability** means, in respect of each Transaction, the separate contractually segregated subset of liabilities of the Issuer incurred in respect of that Transaction.
- 1.99 **Liquidity Facility Provider** means, in respect of each Issuer Programme or Transaction, such person as may be appointed as liquidity facility provider in accordance with the provisions of the Liquidity Facility Agreement.
- 1.100 **Liquidity Facility Agreement** means, in respect of each Issuer Programme or Transaction, the agreement concluded between the Issuer, the Liquidity Facility Provider and the Security SPV (if any) in accordance with which the Liquidity Facility Provider is appointed to provide liquidity support in respect of the Issuer Programme or Transaction.
- 1.101 **Material Adverse Effect** means an event or circumstance which (when taken alone or together with any previous event or circumstance) has, or could reasonably be expected to have, a material adverse effect on the assets, business or financial condition or trading prospects of the Issuer, the Administrator or the Servicer as a whole to such an extent that

their ability to perform their respective obligations in terms of the Transaction Documents is, or is reasonably likely to be, impaired, as determined by the entity specified in the relevant Transaction Document in the context in which such term is used.

- 1.102 **Maturity Amount** means the amount payable at maturity in respect of the Notes, as specified in the Applicable Pricing Supplement.
- 1.103 **Maturity Date** means, in respect of a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement.
- 1.104 **Mixed Rate Notes** means Notes which will bear interest over respective periods at differing Interest Rates applicable to any combination of Fixed Rate Notes, Floating Rate Notes or other Notes, each as specified in the Applicable Pricing Supplement.
- 1.105 **Moody's** means Moody's Investors Service Limited.
- 1.106 **Non-Performing Asset** bears the meaning assigned to such term in the Applicable Issuer Supplement, the Applicable Transaction Supplement or the Applicable Pricing Supplement.
- 1.107 **Noteholder** means, in respect of a Note, the holder of that Note as recorded in the Register.
- 1.108 **Noteholder Report** means, in respect of each Transaction, the report prepared by the Administrator in terms of the Administration Agreement, for such periods as specified in the Administration Agreement, setting out salient information in respect of the relevant Participating Assets and the Notes.
- 1.109 **Notes** means, in respect of each Transaction, the debt securities issued by the Issuer under the Programme in respect of that Transaction, under the Terms and Conditions.
- 1.110 **Note Subscription Agreement** in respect of each issue of Notes under a Transaction, the agreement concluded between the Issuer, the Arranger and the Dealer relating to the procuring of subscriptions for the Notes, as amended, novated and/or substituted from time to time in accordance with its terms.
- 1.111 **Obligor** means, in relation to a Participating Asset, a borrower, guarantor or any other similar obligor counterparty to an agreement comprising or relating to, a Participating Asset.
- 1.112 **Ordinary Resolution** means a resolution passed at a properly constituted meeting of Noteholders or Noteholders of the relevant Series of Notes or Class of Notes, as the case may be, by a majority of the value of the votes cast at a poll by Noteholders or Noteholders of the relevant Series of Notes or Class of Notes, as the case may be, present in person or by proxy.
- 1.113 **Originator** means the person identified as such in the Applicable Transaction Supplement.
- 1.114 **Outstanding** means, in respect of the Notes at any time, any Notes that have been issued and which have not been redeemed in full at such time.
- 1.115 **Outstanding Principal Amount** means, in relation to any Note, the Principal Amount of that Note less the aggregate amounts in respect of principal redeemed and paid to the Noteholder.



- 1.116 **Participant** means a person that holds in custody and administers securities or an interest in securities and that has been accepted by the Central Securities Depository as a participant in terms of the Financial Markets Act.
- 1.117 **Participating Asset** means, in respect of each Transaction, any asset acquired and/or invested in by the Issuer in respect of that Transaction, where the kind of asset that may be acquired and/or invested in in respect of that Transaction is specified in the Applicable Transaction Supplement.
- 1.118 **Participating Asset Acquisition Agreement** means, in respect of each Issuer Programme or Transaction, the agreement between the Seller, the Issuer, the Administrator and the Security SPV (if any) in relation to the sale by the Seller and the purchase by the Issuer of Participating Assets or any other agreement relating to the acquisition of, or investment in, Participating Assets by the Issuer.
- 1.119 **Paying Agent** means, in respect of each Issuer Programme, such person with whom the Issuer enters into an agreement to perform paying agency services in respect of the Notes.
- 1.120 **Payment Date** means, in respect of each Transaction, the date on which any payments are due by the Issuer to any creditor of the Issuer in accordance with the Priority of Payments, as set out in the Applicable Transaction Supplement.
- 1.121 **Performing Asset** bears the meaning assigned to such term in the Applicable Issuer Supplement, the Applicable Transaction Supplement or the Applicable Pricing Supplement.
- 1.122 **Permitted Investments** means, in respect of each Transaction, investments in which the Issuer is entitled to invest cash from time to time standing to the credit of the Bank Accounts, namely any:
- 1.122.1 cash deposited with an Approved Entity;
- 1.122.2 any debt instrument which has the Required Credit Rating or which is issued or secured or guaranteed by an Approved Entity;
- 1.122.3 investments in money market funds regulated in terms of the Collective Investment Schemes Control Act, 2002, provided that such money market funds have been assigned the Required Credit Rating;
- being, in all cases:
- 1.122.4 purchased at or below face value;
- 1.122.5 purchased in Rand;
- 1.122.6 an investment which has a maturity date at least 2 days prior to the next Interest Payment Date.
- 1.123 **Post-Enforcement Priority of Payments** means, in respect of each Transaction, the order in which payments will be made by the Issuer or the Security SPV (if any) in respect of that Transaction, after the delivery of an Enforcement Notice.

- 1.124 **Pre-Enforcement Priority of Payments** means, in respect of each Transaction, the order in which payments will be made by the Issuer in respect of that Transaction, prior to delivery of an Enforcement Notice.
- 1.125 **Preference Shareholder** means, in respect of each Issuer Programme or Transaction, the person, if any, which holds preference shares in the capital of the Issuer entitling the holder to such preference dividend as set out in the memorandum of incorporation of the Issuer subject to the provisions of the Transaction Documents.
- 1.126 **Preference Share Subscription Agreement** means, in respect of each Transaction, the agreement concluded between the Preference Shareholder and the Issuer relating to the subscription for preference shares in the Issuer.
- 1.127 **Prime Rate** means as at any date of determination, the rate equal to the publicly quoted basic rate of interest per annum, compounded monthly in arrear and calculated on a 365 day year (irrespective of whether or not the year is a leap year) from time to time published by Absa that day, being its prime overdraft rate, as certified by any manager of such bank, whose appointment and designation need not be proved.
- 1.128 **Principal Amount** means, in relation to a Note, the nominal amount of that Note on the relevant Issue Date equivalent to the Specified Denomination set out in the Applicable Pricing Supplement.
- 1.129 **Principal Amount Outstanding** means, in relation to any Note, the Principal Amount of that Note less the aggregate amounts in respect of principal redeemed and paid to the Noteholder.
- 1.130 **Priority of Payments** means, in respect of each Transaction, the Pre-Enforcement Priority of Payments or Post-Enforcement Priority of Payments, of that Transaction, as the case may be.
- 1.131 **Programme** means the multi-issuer Note programme as contemplated in the Programme Memorandum.
- 1.132 **Programme Agreement** means, in respect of each Issuer Programme, the agreement between the Issuer and a Dealer in relation to the establishment of each Issuer Programme and the placement of Notes on behalf of the Issuer in respect of each Transaction.
- 1.133 **Programme Memorandum** means this programme memorandum prepared by Absa Corporate and Investment Bank as arranger, incorporating the Terms and Conditions, as amended or supplemented from time to time, pursuant to which special purpose legal entities which accede to the programme memorandum may issue asset backed securities from time to time.
- 1.134 **Put Notice** means a notice delivered by a Noteholder to the Issuer in accordance with Condition 7.5.
- 1.135 **Rate Determination Date** means, in respect of each Interest Period, the day falling on the first day of that Interest Period or, if such day is not a Business Day, the first following day that is a Business Day.
- 1.136 **R or Rand or ZAR** means the lawful currency of South Africa, being South African Rand, or any successor currency.

- 1.137 **Rating Agency** means, in respect of each Transaction, any of Global Credit Rating Co. Proprietary Limited, S&P, Fitch Southern Africa (Pty) Ltd, Moody's Investors Service Limited, and/or such other rating agency or rating agencies, if any, appointed by the Issuer to assign a Credit Rating to the Issuer or to any Notes issued by the Issuer, as specified in the Applicable Pricing Supplement.
- 1.138 **Redemption Amount** means the amount allocated for redemption of the Notes under the Priority of Payments.
- 1.139 **Redemption Date** means each date on which any Notes are to be redeemed, partially or finally, as the case may be, in terms of the Terms and Conditions.
- 1.140 **Reference Banks** means Absa Bank Limited, FirstRand Bank Limited, Investec Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited and each of their successors-in-title.
- 1.141 **Reference Rate** means, in relation to a Tranche of Floating Rate Notes, the meaning ascribed thereto in the Applicable Pricing Supplement (Notes) relating to that Tranche.
- 1.142 **Refinancing** means, in respect of each Transaction, in relation to Notes with the same Redemption Date, the redemption of the those Notes in full, funded by the issue of further Notes and/or the incurrence of debt under the Subordinated Loan Agreement.
- 1.143 **Register** means the register of securities maintained by the Transfer Agent, including the Issuer's uncertificated securities register administered and maintained by a participant or central securities depository, in accordance with the Companies Act, the Financial Markets Act and the rules of the Central Securities Depository.
- 1.144 **Regulator** means the prudential authority established in terms of the Financial Sector Regulation Act, 2017, including its predecessors as provided for in the Banks Act, being the Registrar of Banks.
- 1.145 **Relevant Screen Page** means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the Applicable Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.
- 1.146 **Required Credit Rating** means if the Notes are externally rated by a credit rating agency or if so specified in the Applicable Pricing Supplement, then such ratings in respect of Permitted Investments and in respect of counterparties to the Transaction Documents that are required to have a credit rating, as may be specified in the Applicable Transaction Supplement or the Applicable Pricing Supplement.
- 1.147 **S&P** means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies Incorporated, registered and incorporated in accordance with the laws of South Africa under Registration Number 1996/014081/10 and its successors-in-title and assigns.
- 1.148 **Safe Custody Agreement** in respect of each Transaction, the agreement between the Issuer and such entity as identified in the Applicable Pricing Supplement, in terms of which such person is appointed to provide safe custody and settlement services to the Issuer.
- 1.149 **SAFEX** means the JSE Equity Derivatives Market operated by the JSE Limited, or any successor thereto.

- 1.150 **Scheduled Maturity Date** means, in relation to a Tranche of Notes, the date upon which final repayment of the Outstanding Principal Amount of the Notes of that Tranche is expected to be made by the Issuer, without any Event of Default being triggered should the Issuer fail to do so due to insufficient cash being available for this purpose in terms of the Priority of Payments, as set out in the Applicable Pricing Supplement.
- 1.151 **Secured Creditors** means, in respect of each Transaction, each of the creditors of the Issuer set out in the Priority of Payments of that Transaction, that is a party to a Transaction Document in respect of that Transaction.
- 1.152 **Security** means, in respect of each Transaction, the relevant Assets which are subject to the security arrangements described in the relevant Security Agreement.
- 1.153 **Security Agreements** means, in respect of each Transaction, the documents entered into by the Issuer with the Security SPV (if any) or with the Noteholders or a trustee on their behalf, in respect of that Transaction, in terms of which the Issuer agrees to pledge, hypothecate, assign, cede, deposit or otherwise encumber the Assets of that Transaction specified in such agreement to the Security SPV or to the Noteholders or a trustee on their behalf, as security for the obligations of the Issuer to the Security SPV, including the obligations of the Issuer to the Security SPV under the Indemnity, or to the Noteholders or a trustee on their behalf, in respect of that Transaction.
- 1.154 **Security Cession** means, in respect of each Transaction, the cession by the Issuer in favour of the Security SPV (if any) or to the Noteholders or a trustee on their behalf, by way of cession-in-security, of all the Issuer's right, title and interest in and to the Assets in respect of that Transaction.
- 1.155 **Security Interest** means any equity option, Encumbrance, or other adverse right or interest whatsoever, howsoever created or arising.
- 1.156 **Security SPV** means, in respect of each Transaction, the special purpose entity (if any) which is established to hold and realise Security for the benefit of Secured Creditors in respect of that Transaction (and, if so specified in the Applicable Issuer Supplement, for one or more other Transactions in respect of the relevant Issuer Programme).
- 1.157 **Security SPV Owner Trust** means a trust established in accordance with the laws of South Africa, which owns or will own the entire issued share capital of each Security SPV, if the Security SPV is a company, as specified in the Applicable Issuer Supplement.
- 1.158 **Security SPV Owner Trustee** means the trustee for the time being of the Security SPV Owner Trust.
- 1.159 **Seller** means, in respect of each Transaction, in relation to each Participating Asset, the party named as such in the Participating Asset Acquisition Agreement.
- 1.160 **Senior Notes** means Notes issued with the status set out in Condition 5.2.
- 1.161 **SENS** means the Stock Exchange News Service of the JSE.
- 1.162 **Series** means a Tranche of Notes which, together with any further Tranche or Tranches of Notes, are expressed to be consolidated and form a single series of Notes and identical in all respects (including listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Price.

- 1.163 **Servicer** means, in respect of each Transaction, such person as may be appointed as servicer in accordance with the provisions of the Servicing Agreement.
- 1.164 **Servicer Event of Default** means any event defined as such in the Servicing Agreement.
- 1.165 **Servicing Agreement** means, in respect of each Issuer Programme or Transaction, the agreement concluded between the Issuer, the Servicer, the Administrator and the Security SPV (if any) in accordance with which the Servicer is appointed as the agent of the Issuer in relation to the administration, servicing and management of the Participating Assets.
- 1.166 **Servicing Fee** means the fee payable to the Servicer in accordance with the provisions of the Servicing Agreement.
- 1.167 **Settlement Agents** means those Participants which perform electronic settlement of funds and scrip on behalf of market participants in accordance with the Applicable Procedures.
- 1.168 **South Africa** means the Republic of South Africa.
- 1.169 **Specified Denomination** means the denomination of the Notes, as specified in the Applicable Pricing Supplement.
- 1.170 **Specified Office** in respect of each Transaction, in relation to each of the Issuer, the Security SPV (if any), the Seller, the Servicer, the Administrator, the Calculation Agent, Transfer Agent, Paying Agent and the Safe Custody Agent, the address of the office specified in respect of such entity at the end of the Programme Memorandum, the Applicable Issuer Supplement or the Applicable Transaction Supplement, or such other address as is notified by such entity (or, where applicable, a successor to such entity) to the Noteholders in accordance with the Terms and Conditions, as the case may be.
- 1.171 **Step-Up Date** means, in relation to each Tranche of Notes, the date specified in the Applicable Pricing Supplement from which the Step-Up Rate will be applicable.
- 1.172 **Step-Up Rate** means, in relation to each Tranche of Notes, the interest rate specified in the Applicable Pricing Supplement.
- 1.173 **Subordinated Notes** means Notes issued with the status set out in Condition 5.3.
- 1.174 **Subordinated Lender** means, in respect of each Transaction, such person as may be appointed as lender in accordance with the provisions of the Subordinated Loan Agreement.
- 1.175 **Subordinated Loan** means the capital sums lent and advanced to the Issuer by the Subordinated Lender pursuant to the Subordinated Loan Agreement.
- 1.176 **Subordinated Loan Agreement** means, in respect of each Issuer Programme or Transaction, the agreement entered into between the Issuer, the Subordinated Lender and the Security SPV (if any).
- 1.177 **Substitute Servicer** means, in respect of each Transaction, such person as may be appointed as substitute Servicer under the terms of the Servicing Agreement.
- 1.178 **Taxes** means all present and future taxes, levies, imposts, duties, charges, fees, deductions and withholdings imposed or levied by any governmental, fiscal or other competent authority in South Africa (and including any penalty payable in connection with

any failure to pay, or delay in paying, any of the same) and “**Tax**” and “**Taxation**” shall be construed accordingly.

- 1.179 **Terms and Conditions** means the terms and conditions incorporated in the section of the Programme Memorandum headed "*Terms and Conditions of the Notes*" as amended or supplemented, in accordance with which the Notes will be issued.
- 1.180 **Tranche** means all Notes which are identical in all respects (including as to listing, if any) and are issued in a single issue, as set out in the Applicable Pricing Supplement;
- 1.181 **Transaction** means, in respect of each Issuer Programme, collectively the distinct series of contracts and arrangements entered into by the Issuer in connection with the issue of one or more tranches of Notes and the acquisition of and/or investment in one or more Participating Assets, as described in an Applicable Transaction Supplement, where the Participating Assets and Notes constitute a separate, contractually segregated subset of assets and liabilities of the Issuer and are identified as in the accounting records of the Issuer, in any agreement for the acquisition of and/or investment in such Participating Assets and, if applicable, in the Applicable Pricing Supplement and where recourse in respect of such Notes is limited to the proceeds or enforcement of security over such Participating Assets, and not to any other assets of the Issuer.
- 1.182 **Transaction Account** means, in respect of each Transaction, the bank account held at the Account Bank, in the name of the Issuer, in respect of that Transaction.
- 1.183 **Transaction Documents** means, in respect of each Transaction, the documents described as such in the Applicable Transaction Supplement, and any other instrument which relates to the issue by the Issuer of the Notes in respect of that Transaction which the Issuer and the Noteholders or the Security SPV of that Transaction agree is a Transaction Document.
- 1.184 **Transfer Agent** means, in respect of each Issuer Programme, such person with whom the Issuer enters into an agreement to perform Note registry services.
- 1.185 **Transfer Form** means, in relation to the transfer of a Note as contemplated in the Terms and Conditions, the form of transfer approved by the Transfer Agent.
- 1.186 **VAT** means value added tax imposed in terms of the Value-Added Tax Act, 1991, or any similar tax imposed in place thereof from time to time; and
- 1.187 **Zero Coupon Note** means a Note specified as such in the Applicable Pricing Supplement.
2. In the Terms and Conditions, unless inconsistent with the context:
- 2.1 one gender includes a reference to the others;
- 2.2 the singular includes the plural and vice versa;
- 2.3 natural persons include juristic persons and vice versa;
- 2.4 any agreement or instrument is a reference to that agreement or instrument as amended, supplemented, varied, novated, restated or replaced from time to time, and amended or amendment will be construed accordingly;
- 2.5 a provision of law is a reference to that provision as amended or re-enacted, and includes any subordinate legislation;

- 2.6 a regulation includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, being of a type with which any person to which it applies is accustomed to comply) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- 2.7 assets includes present and future properties, revenues and rights of every description;
- 2.8 disposal means a sale, transfer, grant, lease or other disposal (whether voluntary or involuntary);
- 2.9 indebtedness includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- 2.10 an authorisation includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration or notarisation;
- 2.11 days is a reference to calendar days, unless expressly stated otherwise;
- 2.12 a party or any other person includes that person's permitted successor, transferee, assignee, cessionary and/or delegate;
- 2.13 a time of day is a reference to Johannesburg time;
- 2.14 if any provision in a definition is a substantive provision conferring rights or imposing obligations on any party, effect must be given to it as if it were a substantive provision in the body of the agreement, notwithstanding that it is contained in the interpretation clause;
- 2.15 headings are inserted for the sake of convenience only and do not in any way affect the interpretation of the Terms and Conditions; and
- 2.16 the use of the word including followed by specific examples will not be construed as limiting the meaning of the general wording preceding it, and the eiusdem generis rule must not be applied in the interpretation of such general wording or such specific examples.

**GENERAL INFORMATION****Authorisations**

Each Issuer, will to the extent required, obtain separate consents, approvals and authorisations of all regulatory authorities required by the Issuer under the laws of South Africa for the establishment of the Issuer Programme, the issue of Notes under the Issuer Programme and to undertake and perform its respective obligations under the Terms and Conditions. No exchange control approval is required for the establishment of the Programme. If any approval is needed by an Issuer from the financial surveillance department of the South African Reserve Bank for the issue of Notes under the Issuer Programme, this will be set out in the Applicable Pricing Supplement.



**CORPORATE INFORMATION**

**ARRANGER AND DEBT SPONSOR**

**Absa Corporate and Investment Bank, a division of Absa Bank Limited**

(Registration number 1986/004794/06)

c/o Absa Bank Limited

15 Alice Lane

Sandton, 2196

South Africa

Contact: Head Risk-Out Structuring

Tel: (011) 895 6849

**ATTORNEYS TO THE ARRANGER**

**Webber Wentzel**

90 Rivonia Road

Sandton

2196

Contact: Partner

Tel: (011) 530 5213

**SIGNATURE PAGE**

**THE ISSUER**

DocuSigned by:  
*Jonathan Burnett*  
83D1D7FF3A4E4FA...

For and on behalf of:  
**AB Finco 1 (RF) Limited**

Name: Jonathan Burnett

Capacity: Director  
(who warrants his authority)

DocuSigned by:  
*Rishendrie Thanthony*  
B7C0DEB8EF3F4FB...

For and on behalf of:  
**AB Finco 1 (RF) Limited**

Name: Rishendrie Thanthony

Capacity: Director  
(who warrants his authority)