
APPLICABLE PRICING SUPPLEMENT

VISTA FINCO (RF) LIMITED

(Incorporated in South Africa with limited liability under registration number 2021/527596/06)

Issue of ZAR1,500,000,000 Class A Senior Secured Fixed Rate Notes Under its ZAR15,000,000,000 Note Programme

Transaction 2

Sub-Series 1

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

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum dated 22 July 2022, and approved by the JSE, the Applicable Issuer Supplement issued by Vista Finco (RF) Limited dated 22 July 2022 and the Applicable Transaction Supplement issued by Vista Finco (RF) Limited dated on or about 17 October 2022. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum and/or the Applicable Issuer Supplement and/or the Applicable Transaction Supplement, the provisions of this Applicable Pricing Supplement shall prevail.

Capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the section of the Programme Memorandum entitled "*Definitions and Interpretation*" and/or the section of the Applicable Transaction Supplement entitled "*Transaction Specific Definitions*".

References in this Applicable Pricing Supplement to the Terms and Conditions are to the section of the Programme Memorandum entitled "*Terms and Conditions of the Notes*". References to any Condition in this Applicable 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 this Applicable Pricing Supplement which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that this Applicable Pricing Supplement contains all information required by Applicable Law. The Issuer accepts full responsibility for the information contained in this Applicable Pricing Supplement, the Programme Memorandum, the Applicable Issuer Supplement, the Applicable Transaction Supplement, its annual financial statements and any amendments or supplements to the aforementioned documents from time to time, except otherwise stated therein.

The Issuer certifies that the Principal Amount of the Notes to be issued and described in this Applicable Pricing Supplement together with the aggregate Outstanding Principal Amount of all other Notes in issue under the Issuer Programme at the Issue Date will not exceed the Issuer Programme Amount as specified in item 46 below.

DESCRIPTION OF THE NOTES

1	Issuer	Vista Finco (RF) Limited, registration number 2021/527596/06
2	Security SPV	Vista Finco Security SPV (RF) Proprietary Limited, registration number 2021/467763/07
3	Status/Class of the Notes	Class A Senior Secured Notes
4	Tranche number	1
5	Series number	2
6	Sub-Series number	1
7	Security	Yes. Security structure – see section entitled "Security Arrangements" on page 100 of the Programme Memorandum and the section entitled "Security SPV" on page 14 of the Applicable Transaction Supplement
8	Aggregate Principal Amount of this Tranche	ZAR 1,500,000,000
9	Issue Date	22 January 2025
10	Minimum Denomination per Note	ZAR1,000,000
11	Issue Price	100%
12	Applicable Business Day Convention	Modified Following Business Day
13	Interest Commencement Date	22 January 2025
14	Scheduled Maturity Date	22 January 2026
15	Step-Up Date, if applicable	N/A
16	Final Redemption Date	22 January 2026, subject to the applicable Business Day Convention
17	Final Redemption Amount	ZAR 1,500,000,000
18	Use of Proceeds	The net proceeds of the issue of this Tranche will be used to enter into a Repurchase Transaction with the Seller, in terms of which the Issuer will acquire ZAR Bonds from the Seller

19 Specified Currency

Rand

20 Set out the relevant description of any additional Terms and Conditions relating to the Notes and/or amendments to the Priority of Payments

ADJUSTMENTS

1. Definitions

For this Tranche of Notes -

- (a) **"Adjustment Notice"** - means, in respect of an Interest Period (other than the first Interest Period), a notice delivered by the Issuer to the Noteholders setting out the Interest Rate determined by the Issuer in accordance with item 20(2)(b) (and any details relating to the calculation of the Interest Rate) which the Issuer proposes apply to the Notes for that Interest Period;
- (b) **"Determines"** - means a determination made by the Issuer based on reasonable estimates informed by information actually available to the Issuer at the time the determination is made, and its cognates have the same meaning;
- (c) **"Initial Interest Rate"** - means the interest rate specified in item 29;
- (d) **"Interest Rate"** - means -
 - (i) in relation to the first Interest Period, the Initial Interest Rate;
 - (ii) in relation to any subsequent Interest Period, the interest rate specified in the Adjustment Notice delivered in relation to that Interest Period, if agreed to by the Noteholders; and
 - (iii) in relation to any Interest Period in respect of which the Issuer fails to deliver an Adjustment Notice, the Interest Rate applicable to the immediately preceding Interest Period;
- (e) **"Payments"** - means, in respect of an Interest Period (other than the first Interest Period), the aggregate (Determined by the Issuer) of -
 - (i) its liability or potential liability for Taxes and any statutory fees, costs

and expenses due and payable by it during that Interest Period in order to preserve its corporate existence, to maintain it in good standing and to comply with all Applicable Laws;

- (ii) the fee payable to the Administrator under the Administration Agreement (inclusive of VAT, if any), if due and payable during that Interest Period;
- (iii) fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Issuer, which are due and payable by it under the Transaction Documents during that Interest Period or are to be paid by the Issuer to the Administrator during that Interest Period in the reimbursement of costs and expenses paid by the Administrator on behalf of the Issuer under the Administration Agreement (including payment of the Rating Agency (if any), Euroclear Bank, the Issuer's Settlement Agent, the Calculation Agent, the Paying Agent, the Transfer Agent, the Account Bank fees, audit fees, legal fees, the directors of the Issuer and company secretarial expenses); and
- (iv) interest which will be due and payable in respect of the Notes for that Interest Period.

In calculating "**Payments**", Taxes, fees, costs, charges, liabilities and expenses will, where incurred -

- (i) in relation to a particular Sub-Series, be apportioned *pro rata* between the Sub-Series under that Transaction;
- (ii) in relation to a particular Transaction, be apportioned *pro rata* between the Sub-Series under that Transaction; and
- (iii) in relation to the Issuer Programme, be apportioned *pro rata* between the Transactions under the Issuer Programme.

2. Adjustment Notices

- (a) No later than four Business Days prior to the first day of each Interest Period (other than the first Interest Period), the Issuer must deliver an Adjustment Notice to the Noteholders in respect of that upcoming Interest Period.
- (b) The Interest Rate proposed in an Adjustment Notice must be a rate that would, in the Issuer's Determination, if applicable to the Notes for the upcoming Interest Period, permit the Issuer to pay or provide for Payments for that upcoming Interest Period (adjusted to take account of the proposed revised Interest Rate).
- (c) Each Adjustment Notice is irrevocable.
- (d) On receipt of an Adjustment Notice, a Noteholder may -
 - (i) respond to that notice by no later than three Business Days prior to the first day of the next upcoming Interest Period confirming that it agrees to the Interest Rate and Interest Payment Date, proposed by the Issuer in that notice;
 - (ii) respond to that notice by no later than three Business Days prior to the first day of the next upcoming Interest Period indicating that it does not agree to the Interest Rate and/or Interest Payment Date proposed by the Issuer in that notice; or
 - (iii) elect not to respond to the notice.
- (e) If all of the Noteholders respond to an Adjustment Notice as contemplated in item 20(2)((d))((i)) -
 - (i) the Interest Rate set out in that Adjustment Notice shall be the

Interest Rate applicable to the Notes for the Interest Period in respect of which the Adjustment Notice was delivered; and

- (ii) the Interest Payment Date set out in that Adjustment Notice shall be the next upcoming Interest Payment Date.
- (f) In any other case or if the Issuer fails to deliver an Adjustment Notice as required by item 20(2)(a)), the Issuer will -
- (i) terminate the Repurchase Transaction concluded under the Repurchase Agreement, executed in relation to this Tranche of Notes; and
 - (ii) mandatorily redeem all (but not only part) of the Notes on the day which falls on the immediately following Interest Payment Date at the Final Redemption Amount, together with accrued but unpaid interest (if any) from (and including) the immediately preceding Interest Payment Date (or the Interest Commencement Date in the case of the first Interest Period) to (but excluding) the date of redemption.
- (g)
- (i) Notwithstanding Condition 16, any notice (including each Adjustment Notice) given by the Issuer to a Noteholder or *vice versa* under or in connection with this item 20 shall be sent by email:
 - 1. in the case of a notice from the Issuer to a Noteholder, to that Noteholder's email address notified to the Issuer and the Administrator by no later than ten Business Days after the Issue Date; and

2. in the case of a notice from a Noteholder to the Issuer, to the Issuer's email address set out in the Common Terms Agreement (with a copy to be sent to the Administrator's email address as set out in the Common Terms Agreement).

(ii) A party may at any time change its email address for purposes of this item 20 by notice in writing to the other parties (delivered in accordance with this item 20), provided that a party may not change its email address within the ten-Business Day preceding the last day of any Interest Period.

(iii) A notice given as set out above shall be deemed to have been duly given when actually received in readable form.

(iv) This item 20 shall not operate so as to invalidate the giving or receipt of any written notice which is actually received by the addressee other than by the method referred to in this item 20.

(v) Any notice in terms of or in connection with this item 20 shall be valid and effective only if in writing and if received or deemed to be received by the addressee in terms of this item 20, subject to what is set out in item 20(2)((g))(iv)).

21	Settlement Agent	Absa Bank Limited (acting through its Corporate and Investment Banking division)
22	Registered Office of the Settlement Agent	15 Alice Lane, Sandton, 2196, Johannesburg
23	Calculation Agent	Absa Bank Limited (acting through its Corporate and Investment Banking Division)
24	Registered Office of the Calculation Agent	15 Alice Lane, Sandton, 2196, Johannesburg

25	Transfer Agent	Absa Bank Limited (acting through its Corporate and Investment Banking Division)
26	Registered Office of the Transfer Agent	15 Alice Lane, Sandton, 2196, Johannesburg
27	Paying Agent	Absa Bank Limited (acting through its Corporate and Investment Banking Division)
28	Registered Office of the Paying Agent	15 Alice Lane, Sandton, 2196, Johannesburg

FIXED RATE NOTES

29	Fixed Interest Rate	The Initial Interest Rate is 8.258% per annum
30	Interest Payment Dates	Each of the following dates until the Final Redemption Date, or if 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) - 22 April 2025; 22 July 2025; 22 October 2025; and 22 January 2026
31	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 Payment Date will commence on and include the Interest Commencement Date and end on (but exclude) 22 April 2025 (each Interest Payment Date as adjusted in accordance with the applicable Business Day Convention)
32	Any other terms relating to the particular method of calculating interest	Day Count Fraction is Actual / 365

GENERAL

33	Additional selling restrictions	N/A
34	International Securities Identification Numbering (ISIN)	ZAG000211525

35	Stock Code	VFL02U
36	Financial Exchange	N/A
37	Method of distribution	Private Placement
38	Rating assigned to this Tranche of Notes (if any)	N/A
39	Date of issue of current Rating	N/A
40	Date of next expected Rating review	N/A
41	Rating Agency	N/A
42	Governing Law	South Africa
43	Last Day to Register	By 17h00 on the Business Day immediately preceding the first day of a Books Closed Period
44	Books Closed Period	The Register will be closed during the five calendar days preceding each Interest Payment Date being - 18 April 2025 to 22 April 2025 18 July 2025 to 22 July 2025 18 October 2025 to 22 October 2025 18 January 2026 to 22 January 2026 in each case both days inclusive
45	Description of the amortisation of Notes	N/A
46	Issuer Programme Amount	ZAR15,000,000,000
47	Aggregate Outstanding Principal Amount of Notes in issue on the Issue Date of this Tranche	ZAR nil, excluding this Tranche of Notes and any other Tranche(s) of Notes to be issued on the Issue Date
48	Mandatory early redemption	Yes See item 20 of this Applicable Pricing Supplement
49	Other provisions	N/A
50	Additional Information	

(a) description of the assets	The Issuer entered into the Repurchase Agreement with the Seller in terms of which it may enter into one or more Repurchase Transactions with the Repurchase Counterparty. In respect of the Repurchase Transaction entered into in relation to the Tranche of Notes described in this Applicable Pricing Supplement, the Issuer will use the proceeds of the issue of this Tranche of Notes to acquire ZAR denominated Bonds from the Seller, and simultaneously, the Issuer will agree to sell such ZAR denominated Bonds back to the Repurchase Counterparty, at an agreed price, on the maturity of the Repurchase Transaction. The Seller will pay interest to the Issuer in respect of the Repurchase Transaction, and at maturity of the Repurchase Transaction, the Seller will repurchase the ZAR denominated Bonds or equivalent securities for cash from the Issuer. The ZAR denominated Bonds to be acquired with the net proceeds of the issue of this Tranche are ZAR denominated bonds, the details which are listed in Annexure A to the Confirmation dated 15 January 2025.
(b) number and value of assets	1
(c) the seasoning of the assets	N/A
(d) rights of recourse against the originator to the extent allowed in law	See Annexure A which contains the relevant extracts from the Repurchase Agreement
(e) rights to substitute the assets and the qualifying criteria	N/A
(f) the treatment of early amortisation of the assets	N/A
(g) level of concentration of the obligors in the asset pool, identifying obligors that account for 10% or more of the asset value	100%
(h) level of collateralisation	The level of collateralisation will be set out in the

Investor Report

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| (i) | where there is no concentration of obligors above 10%, the general characteristics and descriptions of the obligors | N/A |
| 51 | Legal jurisdiction where the assets are situated | South Africa |
| 52 | Eligibility Criteria | N/A |
| 53 | Material Change Statement | There has been no material change in the financial or trading position of the Issuer since 31 December 2023, its most recent financial year-end |

DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3(5) OF THE COMMERCIAL PAPER REGULATIONS promulgated in Government Notice No. 2172 (Government Gazette 16167 of 16 December 1994) pursuant to the provisions of the Banks Act, 1990

At the date of this Applicable Pricing Supplement -

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| 54 | the ultimate borrower is the Issuer; |
| 55 | the Issuer is a going concern and can be reasonably expected to meet its obligations under the Notes; |
| 56 | the auditor of the Issuer is PricewaterhouseCoopers Inc.; |
| 57 | the aggregate Outstanding Principal Amount of all Notes in issue by the Issuer, excluding this Tranche of Notes and any other Notes to be issued on the Issue Date of this Tranche of Notes, is ZAR nil; |
| 58 | it is anticipated that the Issuer may issue additional Notes, up to ZAR nil during the remainder of its current financial year, in addition to the Notes forming part of this issue; |
| 59 | prospective investors are to consider this Applicable Pricing Supplement, the Programme Memorandum and the documents incorporated therein by reference to ascertain the nature of the financial and commercial risks of an investment in the Notes; |
| 60 | there has not been any material adverse change in the Issuer's financial position since the date of its incorporation; |
| 61 | the Notes to be issued will not be listed; |
| 62 | the net proceeds of the issue of this Tranche of Notes will be used to enter into a Repurchase Transaction with the Seller in terms of which the Issuer will acquire ZAR |

denominated Bonds;

- 63 the obligations of the Issuer in respect of Notes issued under the Applicable Pricing Supplement are guaranteed by the Security SPV in terms of the Security SPV Guarantee; and
- 64 PricewaterhouseCoopers Inc., the statutory auditors of the Issuer, have confirmed that nothing has come to their attention that causes them to believe that the Issuer will not be in compliance with the relevant provisions of the Commercial Paper Regulations with regard to the proposed issue of the Notes, as described in the Programme Memorandum and this Applicable Pricing Supplement.

VISTA FINCO (RF) LIMITED (RF) LIMITED

By: _____

Capacity: Director, duly authorised

Name: _____

Date: _____

By: _____

Capacity: Director, duly authorised

Name: _____

Date: _____

ANNEXURE A - EXTRACTS FROM THE REPURCHASE AGREEMENT

11 EVENTS OF DEFAULT

- 11.1 If any of the following events (each an "**Event of Default**") occurs in relation to either party (the "**Defaulting Party**", the other party being the "**non-Defaulting Party**") whether acting as the Seller or the Purchaser -
- 11.1.1 the Purchaser fails to pay the Purchase Price upon the applicable Purchase Date or the Seller fails to pay the Repurchase Price upon the applicable Repurchase Date; or
 - 11.1.2 the Seller fails to deliver Purchased Securities on the Purchase Date or the Purchaser fails to deliver Equivalent Securities on the Repurchase Date, in either case within the standard settlement time for delivery of the Securities concerned, provided that no Event of Default will occur if (a) the failure is caused by an error or omission of an administrative or operational nature; and (b) Securities were available to such Defaulting Party to enable it to deliver the relevant Securities when due; and (c) the relevant delivery is made within two Business Days after notice of such failure is given by the non-Defaulting Party; or
 - 11.1.3 the Seller or the Purchaser fails to pay when due any sum payable under clauses 11.9 or 11.10 below; or
 - 11.1.4 the Seller or the Purchaser fails to make a Margin Transfer within the minimum period in accordance with clause 5.10 in the case or an obligation to deliver Equivalent Margin Securities, either to deliver the relevant Equivalent Margin Securities or to pay Cash in accordance with clause 11 or to pay the Cash Equivalent Amount in accordance with clause 5.11.2;
 - 11.1.5 the Seller or the Purchaser fails to comply with clause 6; or
 - 11.1.6 an Insolvency Event occurs with respect to the Seller or the Purchaser; or
 - 11.1.7 any representations made by the Seller or the Purchaser are incorrect or untrue in any material respect when made or repeated or deemed to have been made or repeated; or
 - 11.1.8 the Seller or the Purchaser admits to the other that it is unable to, or intends not to, perform any of its obligations hereunder or in respect of any Transaction; or
 - 11.1.9 the Seller or the Purchaser being declared in default or being suspended or expelled from membership of or participation in, any securities exchange or suspended or prohibited from dealing in securities by any Competent Authority, in each case on the grounds that it has failed to meet any requirements relating to financial resources credit rating; or
 - 11.1.10 the Seller or the Purchaser fails to perform any other of its obligations hereunder and does not remedy such failure within 30 days after notice is given by the non-Defaulting Party requiring it to do so; or

- 11.1.11 any Transaction is, or is likely to become, in breach of or contrary to any rule, regulation, law, policy or directive; or
- 11.1.12 any party has any of its registrations, authorisations, licences, or memberships, with any governmental or regulatory authority revoked, suspended, terminated, limited or qualified; or
- 11.1.13 either party delivers a written notice to an affected person as contemplated by section 129(7) of the Companies Act; or
- 11.1.14 either party is or becomes "financially distressed" as defined in section 128(f) of the Companies Act,

then clauses 11.2 to 11.8 below shall apply.

- 11.2 If any Event of Default referred to in clauses 11.1.1, 11.1.2, 11.1.3, 11.1.4, 11.1.5, 11.1.7, 11.1.8, 11.1.10 or 11.1.11 occurs in relation to a Transaction, an Event of Default will be deemed to have occurred in respect of that Transaction only and will not constitute an Event of Default in relation to any other Transaction. If an Event of Default referred to in clauses 11.1.6, 11.1.9, 11.1.12, 11.1.13 or 11.1.14 occurs, an Event of Default will be deemed to have occurred in respect of all Transactions.
- 11.3 If at any time an Event of Default has occurred and while it is continuing the non-Defaulting Party may, by written notice ("**Default Notice**") to the Defaulting Party specify the relevant Event of Default and designate a date at least 20 days from the date of the Default Notice within which to remedy the said Event of Default (if capable of remedy). Should the Defaulting party fail to remedy the said Event of Default within the prescribed period (or if the said Event of Default is not capable of being remedied), the Business Day following expiry of the aforementioned period will constitute an Early Termination Date in respect of all outstanding Transactions. If, however, "Automatic Early Termination" is specified in Annexure A with respect to the Defaulting Party, then an Early Termination Date in respect of all outstanding Transactions will occur at the time immediately preceding the occurrence with respect to the Defaulting Party of an Insolvency Event which is the presentation of a petition for winding-up or any analogous proceeding or the appointment of a liquidator or analogous officer of the Defaulting Party.
- 11.4 If an Early Termination Date occurs, the Repurchase Date for each Transaction hereunder shall be deemed to occur on the Early Termination Date and, subject to the following provisions, all Cash Margin (including interest accrued) shall be repayable and Equivalent Margin Securities shall be deliverable and Cash Equivalent Amounts shall be payable, in each case on the Early Termination Date (and so that, where this clause 11.4 applies, performance of the respective obligations of the parties with respect to the delivery of Securities, the payment of the Repurchase Prices for any Equivalent Securities, the repayment of any Cash Margin and the payment of Cash Equivalent Amounts shall be effected only in accordance with the provisions of clause 11.5 below).

11.5

- 11.5.1 The Default Market Values of the Equivalent Securities and Equivalent Margin Securities to be transferred, the amount of any Cash Margin (including the amount of interest accrued) to be transferred and the Repurchase Prices and Cash Equivalent Amounts to be paid by each party shall be established by the non-Defaulting Party for all Transactions as at the Early Termination Date;
- 11.5.2 on the basis of the sums so established, the non-Defaulting Party shall take account (as at the Early Termination Date) of what is due from each party to the other under this Agreement (on the basis that each party's claim against the other in respect of the transfer to it of Equivalent Securities or Equivalent Margin Securities under this Agreement equals the Default Market Value therefor and including amounts payable under clauses 11.8 and 13) and the sums due from one party shall be set off against the sums due from the other and only the balance of the account shall be payable (by the party having the claim valued at the lower amount pursuant to the foregoing). For the purposes of this calculation, all sums not denominated in the Base Currency shall be converted into the Base Currency at the Spot Rate; and
- 11.5.3 as soon as reasonably practicable after effecting the calculation above, the non-Defaulting party shall provide to the Defaulting party a statement showing in reasonable detail such calculations and specifying the balance payable by one party to the other and such balance shall be due and payable on the Business Day following the date of such statement provided that, to the extent permitted by applicable law, interest shall accrue on such amount on a 360 day, 365 day or other day basis in accordance with the applicable market convention (or as otherwise agreed by the parties); for the actual number of days during the period from and the Early Termination Date to, but excluding, the date of payment.
- 11.6 For the purposes of this Agreement, the "Default Market Value" of any Equivalent Securities or Equivalent Margin Securities shall be determined by the non-Defaulting Party on or as soon as reasonably practicable after the Early Termination Date in accordance with clause 11.7 below, and for this purpose -
- 11.6.1 the "**Appropriate Market**" means, in relation to Securities of any description, the market which is the most appropriate market for Securities of that description, as determined by the non-Defaulting Party;
- 11.6.2 "**Deliverable Securities**" means Equivalent Securities or Equivalent Margin Securities to be delivered by the Defaulting Party;
- 11.6.3 "**Net Value**" means at any time, in relation to any Deliverable Securities or Receivable Securities, the amount which, in the reasonable opinion of the non-Defaulting Party, represents their fair market value, having regard to such pricing sources (including trading prices) and methods (which may include, without limitation, available prices for Securities with similar maturities. Terms and credit characteristics as the relevant Equivalent Securities or Equivalent Margin Securities) as the non-Defaulting Party considers appropriate, less, in the case of Receivable Securities, or plus, the of Deliverable Securities, Transaction Costs which would be incurred or reasonably anticipated in connection with the purchase or sale of such Securities;

- 11.6.4 **"Receivable Securities"** means Equivalent Securities Equivalent Securities to be delivered to the Defaulting Party; and
- 11.6.5 **"Transaction Costs"** in relation to any transaction contemplated in clause 11.6 or clause 11.7 means the reasonable costs, commissions, fees and expenses (including any mark-up or mark-down or premium paid for guaranteed delivery) incurred or reasonably anticipated in connection with the purchase of Deliverable Securities or sale of Receivable Securities, calculated on the assumption that the aggregate thereof is the least that could reasonably be expected to be paid in order to carry out the transaction.
- 11.7 If –
- 11.7.1 on or about the Early Termination Date the non-Defaulting Party has sold, in the case of Receivable Securities, or purchased, in the case of Deliverable Securities, Securities which form part of the same issue and are of an identical type and description as those Equivalent Securities or Equivalent Margin Securities (regardless as to whether or not such sales or purchases have settled), the non-Defaulting Party may elect to treat as the Default Market Value –
- 11.7.1.1 in the case of Receivable Securities, the net proceeds of such sale after deducting all reasonable costs, commissions, fees and expenses incurred in connection therewith (provided that, where the Securities sold are not identical in amount to the Equivalent Securities or Equivalent Margin Securities, the non-Defaulting Party may, acting in good faith, either (x) elect to treat such net proceeds of sale divided by the amount of Securities sold and multiplied by the amount of the Equivalent Securities or Equivalent Margin Securities as the Default Market Value or (y) elect to treat such net proceeds of sale of the Equivalent Securities or Equivalent Margin Securities actually sold as the Default Market Value of that proportion of the Equivalent Securities or Equivalent Margin Securities, and, in the case of (y), the Default Market Value of the balance of the Equivalent Securities or Equivalent Margin Securities shall be determined separately in accordance with the provisions of this clause 11.7; or
- 11.7.1.2 in the case of Deliverable Securities, the aggregate cost of such purchase, including all reasonable costs, commissions, fees and expenses incurred in connection therewith (provided that, where the Securities purchased are not identical in amount to the Equivalent Securities or Equivalent Margin Securities, the non-Defaulting Party may, acting in good faith, either (x) elect to treat such aggregate cost divided by the amount of Securities sold and multiplied by the amount of the Equivalent Securities or Equivalent Margin Securities as the Default Market Value or (y) elect to treat the aggregate cost of the Equivalent Securities or Equivalent Margin Securities actually purchased as the Default Market Value of that proportion of the Equivalent Securities or Equivalent Margin Securities, and, in the case of (y), the Default Market Value of the balance of the Equivalent Securities or Equivalent Margin Securities shall be determined separately in accordance with the provisions of this clause 11.7;

- 11.7.2 on or about the Early Termination Date the non-Defaulting Party has received, in the case of Deliverable Securities, offer quotations or in the case of Receivable Securities, bid quotations in respect of Securities of the relevant description from two or more market makers or regular dealers in the Appropriate Market in a commercially reasonable size, using pricing methodology which is customary for the relevant type of security (as determined by the non-Defaulting Party) the non-Defaulting Party may elect to treat as the Default Market Value of such Securities -
- 11.7.2.1 the price quoted (or where a price is quoted by two or more market makers, the arithmetic mean of such prices) by each of them for, in the case of Deliverable Securities, the sale by the relevant market maker or dealer of such Securities or, in the case of Receivable Securities, the purchase by the relevant market maker or dealer of such Securities provided that such price or prices quoted may be adjusted in a commercially reasonable manner by the non-Defaulting Party (x) to reflect accrued but unpaid coupons not reflected in the price or prices quoted in respect of such securities and (y) in respect of any Pool Factor Affected Security, to reflect the realisable value of such Security, taking into consideration the Pool Factor Distortion (and for this purpose, "**Pool Factor Affected Security**" means a security other than an equity security in respect of which the decimal value of the outstanding principal divided by the original principal balance of such Security is less than one (as indicated by any pool factor applicable to such security), such circumstance a "**Pool Factor Distortion**");
- 11.7.2.2 after deducting, in the case of Receivable Securities, or adding, in the case of Deliverable Securities the Transaction Costs which would be incurred or reasonably anticipated in connection with such transaction; or
- 11.7.3 if, acting in good faith the non-Defaulting Party either -
- 11.7.3.1 has endeavoured but been unable to sell or purchase Securities in accordance with clause 11.7.1 above or to obtain quotations in accordance with clause 11.7.2 above (or both); or
- 11.7.3.2 has determined that it would not be commercially reasonable to sell or purchase Securities at the prices bid or offered or to obtain such quotations, or that it would not be commercially reasonable to use any quotations which it has obtained under clause 11.7.2 above,
- the non-Defaulting Party may determine the Net Value of the relevant Equivalent Securities or Equivalent Margin Securities (which shall be specified) and may treat such Net Value as the Default Value of the relevant Equivalent Securities or Equivalent Margin Securities.
- 11.8 The Defaulting Party shall be liable to the non-Defaulting Party for the amount of all reasonable legal and other professional expenses incurred by the non-Defaulting Party in connection with or as a consequence of an Event of Default, together with interest thereon at the Applicable Rate or, in the case of an expense attributable to a particular Transaction, the Pricing Rate for the relevant Transaction if that Pricing Rate is greater than the Applicable Rate.

- 11.9 If the Seller fails to deliver Purchased Securities to the Purchaser on the applicable Purchase Date, the Purchaser may, notwithstanding its rights referred to in clause 11.2, -
- 11.9.1 if it has paid the Purchase Price to the Seller, require the Seller immediately to repay the sum so paid;
- 11.9.2 if the Purchaser has a Transaction Exposure to the Seller in respect of the relevant Transaction, require the Seller to pay Cash Margin at least equal to such Transaction Exposure; and
- 11.9.3 at any time while such failure continues, by written notice to the Seller specify a date at least 20 days from the date of such notice within which to deliver the Purchased Securities. Should the Seller fail to deliver the Purchased Securities within the prescribed period, the Transaction will terminate on the Business Day following expiry of the aforementioned period *mutatis mutandis* in accordance with clause 11.4. On such termination the obligations of the Seller with respect to delivery of Purchased Securities and Equivalent Securities shall terminate and the Seller shall, in addition to the repayment referred to in clause 11.9.1, pay to the Purchaser an amount equal to the excess of the Repurchase Price at the date of Termination over the Purchase Price.
- 11.10 If the Purchaser fails to deliver some or all Equivalent Securities to the Seller on the applicable Repurchase Date, the Seller may, notwithstanding its rights referred to in clause 11.2, -
- 11.10.1 if it has paid the Repurchase Price to the Purchaser, require the Purchaser immediately to repay the sum so paid;
- 11.10.2 if the Seller has a Transaction Exposure to the Purchaser in respect of the relevant Transaction, require the Purchaser to pay Cash Margin at least equal to such Transaction Exposure; and
- 11.10.3 at any time while such failure continues, by written notice to the Purchaser specify a date at least 20 days from the date of such notice within which to deliver the relevant Equivalent Securities. Should the Purchaser fail to deliver the said Equivalent Securities within the prescribed period, the Seller shall be entitled to declare that that Transaction or part of the Transaction in respect of which the said Equivalent Securities have not been delivered (but only that Transaction or part of Transaction) shall be terminated immediately in accordance with clause 11.4 above (disregarding for purpose references in that clause to transfer of Cash Margin, delivery of Equivalent Margin Securities and payment of Cash Equivalent Amount and as if references to the Repurchase Date were to the date on which notice was given under this clause 11.10.3).
- 11.11 The provisions of this Agreement constitute a complete statement of the remedies available to each party in respect of any Event of Default.

- 11.12 Subject to clause 11.13, neither party may claim any sum by way of consequential loss or damage in the event of a failure by the other party to perform any of its obligations under this Agreement.
- 11.13
- 11.13.1 Subject to clause 11.13.2 below, if as a result of a Transaction terminating before its agreed Repurchase Date or a Forward Transaction terminating before its Purchase Date under clauses 11.2, 11.9.3 or 11.10.3, or the non-Defaulting Party, in the case of clause 11.2, the Purchaser, in the case of clause 11.9.3 or the Seller, in the case of clause 11.10.3 (in each case the "**first party**") incurs any loss or expense in entering into replacement transactions or in otherwise hedging its exposure arising in connection with a Transaction so terminating, the other party shall be required to pay to the first party the amount determined by the first party in good faith and without double counting to be equal to the loss or expense incurred in connection with such replacement transactions or hedging (including fees, costs and other expenses) less the amount of any profit or gain made by that party in connection with such replacement transactions or hedging; provided that if that calculation results in a negative number, an amount equal to that number shall be payable by the first party to the other party.
- 11.13.2 If the first party reasonably decides, instead of entering into such replacement transactions, to replace or unwind any hedging transactions which the party entered into in connection with the Transaction so terminating, or to enter into any replacement hedging transactions, the other party shall be required to pay to the first party the amount determined by the first party in good faith to be equal to the loss or expense incurred in connection with entering into such replacement or unwinding (including all fees, costs and other expenses) less the amount of profit or gain made by that party in connection with such replacement or unwinding; provided that if that calculation results in a negative number, an amount equal to that number shall be payable by the first party to the other party.
- 11.14 Each party shall immediately notify the other if an Event of Default, or an event which, upon the service of a notice or the lapse of time, or both, would be an Event of Default, occurs in relation to it.
- 11.15 Any amount payable to one party (the Payee) by the other party (the Payer) under clause 11.5 may, at the option of the non-Defaulting Party, be reduced by its set off against any amount payable (whether at such time or in the future or upon the occurrence of a contingency) by the Payee to the Payer (irrespective of the currency, place of payment or booking office of the obligation) under any other agreement between the Payee and the Payer or instrument or undertaking issued or executed by one party to, or in favour of, the other party. If an obligation is unascertained, the non-Defaulting Party may in good faith estimate that obligation and set off in respect of the estimate, subject to accounting to the other party when the obligation is ascertained. Nothing in this clause shall be effective to create a charge or other security interest. This clause 11 shall be without prejudice and in addition to any right of set off, combination of accounts, lien or other right to which any party is at any time otherwise entitled (whether by operation of law, contract or otherwise).

