

## PROGRAMME MEMORANDUM DATED [●] 2024



### INDLULIVING PROPRIETARY LIMITED

(incorporated with limited liability under registration number 2024/500291/07 in the Republic of South Africa)

## ZAR5,000,000,000 DOMESTIC MEDIUM TERM NOTE PROGRAMME

### Programme

Under this ZAR5,000,000,000 Domestic Medium Term Note Programme ("**Programme**"), IndluLiving Proprietary Limited ("**Issuer**") may from time to time issue senior or subordinated, secured or unsecured, limited recourse (where applicable) notes of any kind ("**Notes**") pursuant to this Programme Memorandum, dated [●] 2024, as amended and/or supplemented from time to time ("**Programme Memorandum**").

The Programme Memorandum, dated [●] 2024, was registered and approved by Cape Town Stock Exchange Proprietary Limited ("**CTSE**") on [●] 2024.

References in this Programme Memorandum to the "**Terms and Conditions**" are to the section of this Programme Memorandum headed "*Terms and Conditions*". References to any Condition are to that Condition of the Terms and Conditions. Unless otherwise defined in this Programme Memorandum or, in relation to a Tranche of Notes, the Applicable Pricing Supplement, capitalised terms used in this Programme Memorandum are defined in the Terms and Conditions.

As at [●] 2024 ("**Programme Date**"), the Programme Amount is ZAR5,000,000,000. The aggregate Outstanding Principal Amount of Notes in issue under the Programme at any one point in time may not exceed ZAR5,000,000,000 unless such amount is increased by the Issuer as set out in the section of this Programme Memorandum headed "*General Description of the Programme*".

Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. The Issuer will, prior to the issue of a Tranche of Notes, complete an Applicable Pricing Supplement based on the *pro forma* Applicable Pricing Supplement set out in the section of this Programme Memorandum headed "*Form of the Applicable Pricing Supplement*".

A Tranche of Notes will comprise Senior Notes or Subordinated Notes, Secured Notes or Unsecured Notes, as indicated in the Applicable Pricing Supplement. A Tranche of Notes may comprise Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or such combination of any of the foregoing or such other type of Note as may be determined by the Issuer and the Dealer/s and specified in the Applicable Pricing Supplement.

A Tranche of Notes will be issued on, and subject to, the Applicable Terms and Conditions (that is, the Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement).

### Secured Notes

The Issuer will use the proceeds of the issue of a Group of Secured Notes (as defined in Condition 1.1 to finance the Property Loan/s which is/are "linked" to the relevant Portfolio of Stabilised Developer Property/ies (as more fully described in the section of this Programme Memorandum headed "*General Description of the Issuer*" under "*Description of the INDLU Living Group*" below).

The security structure which is applicable to a Group of Secured Notes will be set out in the Security Agreements relating to that Group of Secured Notes.

The Security Agreements relating to a Group of Secured Notes will comprise the Guarantee, the Indemnity and the Security Cession relating to that Group of Secured Notes as well as such other agreement/s (if any) as is/are specified in the Security Cession.

Any additional information not currently provided for in the Programme Memorandum necessary to enable investor/s to make an informed judgement concerning the Issuer and a Group of Secured Notes will be set out in a Security Annexure.

### Security SPV

The Security SPV is IndluLiving Security SPV (RF) Proprietary Limited (registration number 2024/565725/07). The Security SPV is a special purpose vehicle which has been established for the purpose of holding and, following a Guarantee Event in respect of a Group of Secured Notes, realising the Eligible Security relating to that Group of Secured Notes for the benefit of the Group of Secured Noteholders who hold that Group of Secured Notes, in terms of and subject to the Security Agreements relating to that Group of Secured Notes.

### Security SPV Owner Trust

IndluLiving Security SPV Owner Trust is the Security SPV Owner Trust. The initial Security SPV Owner Trustee is (or will be)

Skybound Corporate Services Proprietary Limited (registration number 2017/157610/07) ("**Skybound Corporate Services**"). It is intended that the Security SPV Owner Trustee will hold all of the ordinary shares in the share capital of the Security SPV ("**Shares**").

*Shareholder of the Security SPV: Letter of Authority issued prior to the Programme Date*

If the Letter of Authority (as defined in Condition 1.1) has been issued by the Master (as defined in Condition 1.1) to Skybound Corporate Services (as initial Security SPV Owner Trustee) prior to the Programme Date, all of the Shares will be issued to and held by Skybound Corporate Services (as initial Security SPV Owner Trustee).

*Shareholder of the Security SPV: Letter of Authority not issued prior to the Programme Date*

If the Letter of Authority (as defined in Condition 1.1) has not been issued by the Master (as defined in Condition 1.1) to Skybound Corporate Services (as initial Security SPV Owner Trustee) prior to the Programme Date:

- all of the Shares will be issued to and held by Courchevel Proprietary Limited (registration number 2017/172621/07) ("**Courchevel**"), pending the issue of the Letter of Authority; and
- the Security SPV and/or Skybound Corporate Services will procure that, as soon as may be practicable after the issue of the Letter of Authority, Courchevel transfers all of the Shares to Skybound Corporate Services (as the initial Security SPV Owner Trustee); and
- following transfer of all of the Shares from Courchevel to Skybound Corporate Services (as the initial Security SPV Owner Trustee), Skybound Corporate Services (as the initial Security SPV Owner Trustee) will be the sole holder of all of the Shares.

#### **Limited Recourse Secured Notes**

A Group of Secured Notes will, following a Guarantee Event in respect of that Group of Secured Notes, be subject to the Limited Recourse Provisions set out in Condition 16.20.

#### **General**

A Tranche of Registered Notes may be listed on CTSE and/or on such other Financial Exchange/s as may be determined by the Issuer and the Dealer/s, subject to all Applicable Laws. Unlisted Registered Notes may also be issued under the Programme. Unlisted Registered Notes are not regulated by CTSE or any other Financial Exchange. The Noteholders of Registered Notes that are not listed on CTSE will have no recourse against CTSE. The Applicable Pricing Supplement will specify whether or not a Tranche of Registered Notes will be listed and, if so, on which Financial Exchange.

Each Tranche of Registered Notes will be issued in registered uncertificated form in terms of Chapter IV of the Financial Markets Act and will be held in the CSD. The settlement of trades in Registered Notes which are held in the CSD will take place in accordance with the electronic settlement procedures of the CSD.

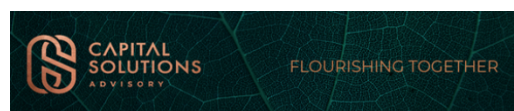
For as long as the Issuer is a private company, a Noteholder of Registered Notes may not, as contemplated in Article 2.1(2A) of the Memorandum of Incorporation of the Issuer, transfer such Registered Notes without the prior written consent of the Issuer Board. Condition 26.2 describes the Issuer Board resolution which provides for the "upfront" consent of the Issuer Board to the transfer of all Registered Notes issued, under the Programme, pursuant to this Programme Memorandum, for as long as the Issuer is a private company.

Notes may be issued on a continuing basis and be placed by one or more Dealers appointed by the Issuer from time to time pursuant to the Programme Agreement, which appointment may be for a specific issue of one or more Tranches of Notes or on an on-going basis.

***Prospective investors in the Notes should pay particular attention to the section of this Programme Memorandum headed "Risk Factors". 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 creditworthiness, of the Issuer and each other Indemnifier, 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, the extent of its exposure to risk (see the section of this Programme Memorandum headed "Risk Factors") and any other factors which may be relevant to it in connection with such investment.***

**Arranger, Dealer and Debt Issuer Agent:**

**Capital Solutions Advisory Proprietary Limited**



**Legal Advisers to the Issuer, the Arranger and Dealer:**

**Cliffe Dekker Hofmeyr Inc.**



## GENERAL NOTICE

This Programme Memorandum must be read in conjunction with all documents which are incorporated by reference into this Programme Memorandum (see the section of this Programme Memorandum headed "*Documents Incorporated by Reference*"). This Programme Memorandum must be read and construed on the basis that such documents are incorporated into and form part of this Programme Memorandum.

The Issuer certifies that, to the best of its knowledge and belief, there are no facts that have been omitted which would make any statement contained in this Programme Memorandum false or misleading, that all reasonable enquiries to ascertain such facts have been made, and that this Programme Memorandum contains or incorporates by reference (see the section of this Programme Memorandum headed "*Documents Incorporated by Reference*") all information required by the CTSE Debt Listings Requirements and all other Applicable Laws.

The Issuer accepts full responsibility for the accuracy of the information contained in this Programme Memorandum, each Applicable Pricing Supplement, the annual financial statements of the Issuer and any amendments or supplements to the aforementioned documents, except as otherwise stated therein.

The Issuer, having made all reasonable enquiries, confirms that this Programme Memorandum contains or incorporates by reference (see the section of this Programme Memorandum headed "*Documents Incorporated by Reference*") all information that is material in the context of the issue and the offering of Notes, that the information contained in (or incorporated by reference into) this Programme Memorandum as at the Programme Date is not misleading and that the opinions expressed in this Programme Memorandum are honestly held.

Neither CTSE nor CTSE Registry Services Proprietary Limited ("**CTSE Registry**") take any responsibility for the contents of this Programme Memorandum, each Applicable Pricing Supplement, the annual financial statements of the Issuer and any amendments or supplements to the aforementioned documents. Neither CTSE nor CTSE Registry make any representation as to the accuracy or completeness of this Programme Memorandum, each Applicable Pricing Supplement, the annual financial statements 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. CTSE's approval of the registration of this Programme Memorandum and the listing of Notes is not to be taken in any way as an indication of the merits of the Issuer or of the Notes and, to the extent permitted by Applicable Law, CTSE will not be liable for any claim whatsoever.

Neither the Issuer nor the Arranger nor the relevant Dealer/s makes any representation or warranty as to the settlement procedures of the CSD or CTSE or any other Financial Exchange.

No person is authorised to give any information or to make any representation other than those contained in or consistent with this Programme Memorandum. If any such information is given or representation is made, it must not be relied upon as having been authorised by the Issuer, the Arranger, the relevant Dealer/s, CTSE, CTSE Registry, the Debt Issuer Agent or any of its/their respective Affiliates and advisers.

Neither the delivery of this Programme Memorandum 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 any representation that there has been no change in the affairs of the Issuer since the Programme Date or that the information contained in or incorporated by reference into this Programme Memorandum is correct at any time subsequent to the date of the document containing such information.

Neither CTSE, CTSE Registry, the Debt Issuer Agent, the Arranger, the relevant Dealer/s nor any of its/their respective Affiliates and advisers have separately verified the information contained in or incorporated by reference into this Programme Memorandum. No representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by CTSE, CTSE Registry, the Debt Issuer Agent or any of its/their respective Affiliates and advisers as to the accuracy or completeness of the information contained in or incorporated by reference into this Programme Memorandum or any other information provided by the Issuer in connection with the Programme or the Notes.

Each person receiving this Programme Memorandum acknowledges that such person has not relied on CTSE, CTSE Registry, the Debt Issuer Agent, the Arranger, the relevant Dealer/s or any of its/their respective Affiliates and advisers in connection with its investigation of the accuracy of such information or its investment decision. Neither CTSE, CTSE Registry, the Debt Issuer Agent, the Arranger, the relevant Dealer/s nor any of its/their respective Affiliates and advisers accept any liability in relation to the information contained in (or incorporated by reference into) this Programme Memorandum or any other information provided by the Issuer in connection with the Programme or the Notes.

Neither this Programme Memorandum nor any other information supplied in connection with the Programme and/or the Notes is intended to provide the basis of any credit or other evaluation, or should be considered as a recommendation or a statement of opinion, or a report of either of those things, by the Issuer, the Debt Issuer Agent, the Arranger, the relevant Dealer/s, CTSE or CTSE Registry or that any recipient of this Programme Memorandum or any other information supplied in connection with the Programme and/or the Notes, should

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 creditworthiness, 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, the extent of its exposure to risk (see the section of this Programme Memorandum headed "*Risk Factors*") and any other factors which may be relevant to it in connection with such investment.

Neither CTSE nor CTSE Registry nor the Debt Issuer Agent nor the Arranger nor the Dealer/s nor any of its/their respective Affiliates and advisers undertake to review the financial condition or affairs of the Issuer or to advise any investor or potential investor in the Notes of any information coming to the attention of CTSE, CTSE Registry, the Debt Issuer Agent, the Arranger, the Dealer/s or any of its/their respective Affiliates and advisers.

Neither this Programme Memorandum nor any Applicable Pricing Supplement nor any other information supplied in connection with the Programme and/or the Notes constitutes an offer or an invitation by or on behalf of the Issuer, the Debt Issuer Agent, the Arranger, the Dealer/s, CTSE, CTSE Registry or to any person to subscribe for or to purchase or otherwise deal in any Notes.

The distribution of this Programme Memorandum and/or any Applicable Pricing Supplement and the issue, offering or sale of Notes in certain jurisdictions may be restricted by law (see the section of this Programme Memorandum headed "*Subscription and Sale*" under "*Selling Restrictions*"). In particular, there are restrictions on the distribution of this Programme Memorandum and/or any Applicable Pricing Supplement and the offer or sale or subscription of Notes in the United States of America, the European Economic Area, the United Kingdom and South Africa. For a description of certain restrictions on offers, sales and subscriptions of Notes and on the distribution of this Programme Memorandum and/or any Applicable Pricing Supplement and other offering material relating to the Programme and/or the Notes, see the section of this Programme Memorandum headed "*Subscription and Sale*" under "*Selling Restrictions*".

Neither the Issuer, the Debt Issuer Agent, the Arranger, the Dealer/s, CTSE, CTSE Registry, nor any of its/their respective Affiliates and advisers represent that this Programme Memorandum and/or any Applicable Pricing Supplement may be lawfully distributed, or that any Notes may be lawfully offered, subscribed for or sold, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution, offering, subscription or sale.

In particular, no action has been taken by the Issuer, the Debt Issuer Agent, the Arranger, the Dealer/s, CTSE, CTSE Registry or any of its/their respective Affiliates and advisers which would permit a public offering of any Notes or a distribution of this Programme Memorandum and/or any Applicable Pricing Supplement in any jurisdiction where action for that purpose is required.

The Notes may not be offered or sold, directly or indirectly, and neither this Programme Memorandum nor any Applicable Pricing Supplement nor any advertisement or other offering material relating to the Programme and/or the Notes may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with all Applicable Laws and regulations.

Neither this Programme Memorandum nor any Applicable Pricing Supplement are for distribution in, and do not constitute an offer of Notes for sale or subscription in, the United States of America or in any other jurisdiction in which such a distribution or such offer for sale or subscription would be unlawful or would require qualification or registration. It is the responsibility of any person wishing to subscribe for or purchase Notes to satisfy himself as to the full observance of the laws of the relevant jurisdiction.

***The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended ("Securities Act"). The Notes may not be offered or sold in the United States of America or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the US Securities Act.***

Persons into whose possession this Programme Memorandum and/or any Applicable Pricing Supplement comes are required by the Issuer, the Debt Issuer Agent, the Arranger, the Dealer/s, CTSE and CTSE Registry to comply with all Applicable Laws and regulations in each country or jurisdiction in which they subscribe for, purchase, offer, sell, transfer or deliver Notes or have in their possession (or distribute) this Programme Memorandum and/or any Applicable Pricing Supplement, in all cases at their own expense, and neither the Issuer, the Debt Issuer Agent, the Arranger, the Dealer/s, CTSE, CTSE Registry nor any of its/their respective Affiliates and advisers shall have responsibility therefor.

Any Notes purchased or subscribed for by any person who wishes to offer such Notes for sale or resale may not be offered in any country or jurisdiction in circumstances which would result in the Issuer being obliged to register this Programme Memorandum or any further prospectus or corresponding document relating to the Notes in such country or jurisdiction.

Price stabilisation will be permitted by CTSE in accordance with the provisions of the Financial Markets Act. Price stabilisation may be affected through an over-allotment. Overallotment is a pre-cursor to a price stabilisation mechanism aimed at supporting and maintaining the price of a newly listed Tranche of Notes. The main purpose price stabilisation is, in relation to a Tranche of Notes, to support the market price of Notes in the same Series as that Tranche of Notes at a level higher than that which might otherwise prevail for a limited period after the Issue Date, and to establish an orderly market for that Tranche of Notes in the secondary market.

There is no obligation on the Issuer to stabilise the price of any Tranche of Notes, but if the Issuer intends to effect price stabilisation, the Debt Issuer Agent must contact CTSE for a ruling in this regard.

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## DOCUMENTS INCORPORATED BY REFERENCE

### GENERAL

The following documents and information are incorporated by reference into, and form part of, this Programme Memorandum:

- a) the respective audited annual financial statements of the Issuer for all financial years of the Issuer after the Programme Date, which will include the independent auditor's reports in respect of such financial statements;
- b) the respective annual financial statements of IndluLiving Security SPV (RF) Proprietary Limited ("**Security SPV**") for all financial years of the Security SPV after the Operative Date (as defined in the section of this Programme Memorandum headed "*Financial Information*"), which will include the independent auditor's reports in respect of such financial statements;
- c) each Applicable Pricing Supplement relating to a Tranche of Notes which is listed on CTSE ("**CTSE-listed Applicable Pricing Supplement**");
- d) the information pertaining to the Issuer which is relevant to the Programme and/or this Programme Memorandum and which is (i) electronically disseminated by the CTSE News Service (as defined below) to subscribers for the CTSE News Service and/or (ii) available on any electronic news service established or used or required by CTSE;
- e) the updated information (if any) on the Issuer and/or its business, including, without limitation, updated information (if any) on the risks relating to the Applicable Issuer and/or its business specified in this Programme Memorandum;
- f) each supplement to this Programme Memorandum required to be made available (and published) by the Issuer in terms of Section 9.14 of the CTSE Debt Listings Requirements;
- g) each new Programme Memorandum or supplement to the Programme Memorandum contemplated in Section 11.20 of the CTSE Debt Listings Requirements, as described under the section under "*Review and Update*" below,

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

The "**CTSE News Service**" is the news service operated by CTSE for the purpose of disseminating information in relation to CTSE, the Issuer and Tranches of Notes which are listed on CTSE, and for communication between CTSE, the Issuer and/or the Debt Issuer Agent.

### DOCUMENTS AVAILABLE FOR INSPECTION

On and with effect from the Programme Date, the following documents will be available for inspection (or will become available for inspection as and when the relevant document is approved and becomes available), upon request, during normal office hours, at the Specified Office of the Issuer and will be (or will become) available on the Issuer's website at [Indluliving.org](http://Indluliving.org) ("**Issuer Website**"):

- a) the Programme Memorandum;
- b) each supplement to the Programme Memorandum required to be made available (and published) by the Issuer in terms of Section 9.14 of the CTSE Debt Listings Requirements;
- c) each new Programme Memorandum or supplement to the Programme Memorandum contemplated in Section 11.20 of the CTSE Debt Listings Requirements, as described under "*Review and Update*" below;
- d) the updated information (if any) on the Issuer and/or its business which is incorporated by reference into this Programme Memorandum, as described under "*General*" above;
- e) each CTSE-listed Applicable Pricing Supplement.

### DOCUMENTS AVAILABLE FOR INSPECTION ON THE CTSE WEBSITE

On and with effect from the Programme Date, the documents listed under "*Documents Available for Inspection on the Issuer Website*" above will be available (or will become available as and when the relevant document is approved and becomes available) on the CTSE's website at [www.ctexchange.co.za](http://www.ctexchange.co.za).

## CONFIDENTIAL DOCUMENTS

"**Confidential Documents**" are documents and/or agreements relating to the Issuer and/or its business and/or the Security SPV and/or the Programme and/or the Notes which are determined by the Issuer to be confidential; provided that such documents will not include the documents listed under "*Documents Available for Inspection on the Issuer Website*" above.

As at the Programme Date the following documents comprise Confidential Documents:

- a) the constitutional documents of the Issuer;
- b) the constitutional documents of the Security SPV;
- c) the Security SPV Owner Trust Deed;
- d) the respective audited annual financial statements of the Issuer;
- e) the respective audited annual financial statements of the Security SPV;
- f) the Security Agreements;
- g) if so specified in the Security Annexure, the Security Annexure;
- h) the Service Level Agreement.

As at the Programme Date:

- A. Confidential Documents which are relevant to all Noteholders (or all potential investors in the Notes) comprise the documents described in paragraphs (a), (d) and (g) above ("**General Information**"); and
- B. Confidential Documents which are relevant only to Secured Noteholders (or potential investors in Secured Notes) comprise the documents described in paragraphs (b), (c), (e) and (f) above and, if so specified in the Applicable Pricing Supplement relating to a Tranche of Secured Notes, the Security Annexure (together, the "**Specific Information**").

Confidential Documents will be held in the Data Room.

General Information will be made available to all Noteholders (or all potential investors in the Notes), and Specific Information will be made available to the Secured Noteholders (or potential investors in Secured Notes), only on the basis set out under "*Data Room*" below.

## DATA ROOM

The "**Data Room**" is the access controlled virtual data room set up by the Issuer for purposes of posting and storing Confidential Documents.

A potential investor in the Notes may apply for access to the General Information and, where applicable, the Specific Information, by addressing a request therefor to the Issuer at [enquiry@indlu.io](mailto:enquiry@indlu.io) ("**Issuer Email Address**").

The Issuer may, in its sole and absolute discretion, grant the potential investor in the Notes access to the General Information and, where applicable, the Specific Information; provided that that potential investor shall have (i) furnished to the Issuer all such information as the Issuer may require including, without limitation, information as to the identity and nature of that potential investor and (ii) given such undertaking/s as to the confidentiality of the Confidential Information made available in the Data Room as the Issuer may require.

Access to the Data Room (or the relevant portion thereof) will continue if a potential investor in Note/s becomes a Noteholder (by subscribing for such Note/s).

## UPDATES TO THIS PROGRAMME MEMORANDUM

The Issuer will, for as long as this Programme Memorandum remains registered with CTSE, publish a new Programme Memorandum or a supplement to this Programme Memorandum, as the case may be, within 6 (six) months of the financial year end of the Issuer, if any of the information contained in this Programme Memorandum (excluding the Terms and Conditions) becomes outdated in a Material (as defined below) respect; provided that no new Programme Memorandum or supplement to this Programme Memorandum, as the case may be, is required in respect of the Issuer's annual financial statements if such annual financial statements are incorporated by reference into this Programme Memorandum and are published, as required by the Companies Act, and submitted to CTSE within 6 (six) months after the financial year end of the Issuer.

A new Programme Memorandum or a supplement to this Programme Memorandum, as the case may be, must be approved by CTSE. Any such new Programme Memorandum or Programme Memorandum as supplemented, as the case may be, will be deemed to have substituted the previous Programme Memorandum from the date of issue of the new Programme Memorandum or the supplement to this Programme Memorandum, as the case may be.



"**Investors**" means persons who have acquired or may acquire Notes in a Tranche of Notes which is (or is to be) listed on CTSE and "**Potential Investors**" shall be construed accordingly.

"**Material**" means any information that enables an Investor (as defined above) in Notes in a Tranche of Notes which is (or is to be) listed on CTSE to make an informed assessment of the activities, management, assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to such Notes, including a change in any other factor that CTSE may regard as being material in such circumstances.

## GENERAL DESCRIPTION OF THE PROGRAMME

*A general description of the Programme is set out below. The general description does not purport to be complete and is taken from, and is qualified by, the remainder of this Programme Memorandum and, in relation to a Tranche of Notes, the Applicable Pricing Supplement relating to that Tranche of Notes and, in relation to a Group of Secured Notes the Security Agreements relating to that Group of Secured Notes.*

### ISSUE

The Issuer may from time to time (without the consent of any Noteholder), issue one or more Tranche/s of Notes pursuant to the Programme; provided that the aggregate Outstanding Principal Amount of all of the Notes in issue under the Programme from time to time does not exceed the Programme Amount.

All payments in relation to the Notes in a Tranche will be made in the Specified Currency. The denomination of each Note in a Tranche will be the Specified Denomination.

Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. The Issuer will, prior to the issue of a Tranche of Notes, complete an Applicable Pricing Supplement based on the *pro forma* Applicable Pricing Supplement set out in the section of this Programme Memorandum headed "*Form of the Applicable Pricing Supplement*". The Applicable Pricing Supplement relating to a Tranche of Notes will set out, among other things, the Principal Amount, the Issue Date, the Issue Price, the Maturity Date and, in the case of interest-bearing Notes, the Interest Rate and the Interest Payment Dates.

A Tranche of Notes will comprise Senior Notes or Subordinated Notes, Secured Notes or Unsecured Notes, as indicated in the Applicable Pricing Supplement. A Tranche of Notes may comprise Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or such combination of any of the foregoing or such other type of Note as may be determined by the Issuer and the Dealer/s and specified in the Applicable Pricing Supplement.

A Tranche of Notes will be issued on, and subject to, the Applicable Terms and Conditions (that is, the Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement).

### LISTING

A Tranche of Registered Notes may be listed on CTSE and/or on such other Financial Exchange/s as may be determined by the Issuer and the Dealer/s, subject to all Applicable Laws.

Unlisted Registered Notes may also be issued under the Programme. Unlisted Registered Notes are not regulated by CTSE or any other Financial Exchange. The Noteholders of Registered Notes that are not listed on CTSE will have no recourse against CTSE.

The Applicable Pricing Supplement will specify whether or not a Tranche of Registered Notes will be listed and, if so, on which Financial Exchange.

### SETTLEMENT

Each Tranche of Registered Notes will be issued in registered uncertificated form in terms of Chapter IV of the Financial Markets Act and will be held in the CSD. The settlement of trades in Registered Notes which are held in the CSD will take place in accordance with the electronic settlement procedures of the CSD.

### SECURITY ARRANGEMENTS

#### General

See the face page of this Programme Memorandum under "*Secured Notes*" and the section of this Programme Memorandum headed "*Risk Factors*" under "*The Security Structure and risks relating to the Security Structure*" for a description of the security arrangements relating to a Group of Secured Notes.

#### Security Agreements

The Security Agreements relating to a Group of Secured Notes will comprise the Guarantee, the Indemnity and the Security Cession relating to that Group of Secured Notes as well as such other agreement/s (if any) as is/are specified in the Security Cession.

#### Security Annexure

Any additional information not currently provided for in the Programme Memorandum necessary to enable investor/s to make an informed judgement concerning the Issuer and a Group of Secured Notes will be set out in a Security Annexure.

## **Security SPV**

The Security SPV is IndluLiving Security SPV (RF) Proprietary Limited. The Security SPV is a special purpose vehicle which has been established for the purpose of holding and, following a Guarantee Event in respect of a Group of Secured Notes, realising the Eligible Security relating to that Group of Secured Notes for the benefit of the Group of Secured Noteholders who hold that Group of Secured Notes, in terms of and subject to the Security Agreements relating to that Group of Secured Notes.

## **Security SPV Owner Trust**

The Security SPV Owner Trust is the trust known as the "IndluLiving Security SPV Owner Trust" established (or to be established) pursuant to the Security SPV Owner Trust Deed.

## **Guarantee**

The payment obligations of the Issuer to the relevant Group of Secured Noteholders under the relevant Group of Secured Notes (and the Applicable Terms and Conditions will be guaranteed, subject to the Limited Recourse Provisions, by the Security SPV, in terms of and subject to the Guarantee relating to that Group of Secured Notes.

A Group of Secured Notes will, following a Guarantee Event in respect of that Group of Secured Notes, be subject to the Limited Recourse Provisions set out in Condition 16.20.

## **Indemnity**

The Issuer will, in terms of the Indemnity relating to a Group of Secured Notes, indemnify the Security SPV in respect of claims made against the Security SPV under the Guarantee relating to that Group of Secured Notes.

## **Security Cession**

The obligations of the Issuer to the Security SPV under the Indemnity relating to a Group of Secured Notes will, in terms of the Security Cession relating to that Group of Secured Notes, be secured by a pledge and cession in security, by the Issuer in favour of the Security SPV, of the Eligible Security relating to that Group of Secured Notes.

## **Eligible Security relating to a Group of Secured Notes**

The Eligible Security relating to a Group of Secured Notes will be the Eligible Security defined as such in the Security Cession relating to that Group of Secured Notes.

The Security SPV will identify the Eligible Security relating to a Group of Secured Notes in its Accounting Records (by way of the prefixing of a unique numeral) as being attributable solely to that Group of Secured Notes, and the Security SPV will procure that that Eligible Security can be distinguished from the Eligible Security relating to each other Group of Secured Notes.

## **RESTRICTIONS ON THE TRANSFERABILITY OF REGISTERED NOTES**

For as long as the Issuer is a private company, a Noteholder of Registered Notes may not, as contemplated in Article 2.1(2A) of the Memorandum of Incorporation of the Issuer, transfer such Registered Notes without the prior written consent of the Issuer Board.

Condition 26.2 describes the Issuer Board resolution which provides for the "upfront" consent of the Issuer Board to the transfer of all Registered Notes issued, under the Programme, pursuant to this Programme Memorandum, for as long as the Issuer is a private company.

## **PROGRAMME AMOUNT**

As at the Programme Date, the Programme Amount is ZAR5,000,000,000. The aggregate Outstanding Principal Amount of Notes in issue under the Programme at any one point in time may not exceed ZAR5,000,000,000, unless such amount is increased by the Issuer, as set out below.

For the purpose of calculating the aggregate Outstanding Principal Amount of all Notes in issue under the Programme, pursuant to this Programme Memorandum, from time to time:

- a) the ZAR equivalent of a Tranche of Notes denominated in any Specified Currency other than ZAR shall be determined, at or about the time at which a Placing Agreement is entered into between the Issuer and the relevant Dealer/s for the issue and placing of such Notes (or where no such Placing Agreement is entered into, at or about the time of placing of such Notes), on the basis of the spot rate at such time for the sale of such ZAR amount against the purchase of such other Specified Currency in the Johannesburg inter-bank foreign exchange market, as quoted by any leading bank selected by the Issuer;
- b) the ZAR equivalent of a Tranche of Notes in respect of which the Redemption Amount is calculated by reference to an index and/or a formula (as indicated in the Applicable Pricing Supplement) shall be calculated *mutatis mutandis* in accordance with paragraph (a) above, with reference to the aggregate Outstanding Principal Amount of that Tranche of Notes (regardless of the Issue Price of that Tranche of

Notes); and

- c) the ZAR equivalent of a Tranche of Zero Coupon Notes (or any other Tranche of Notes issued at a discount or a premium) shall be calculated *mutatis mutandis* in accordance with paragraph (a) above, with reference to the Issue Price of that Tranche of Zero Coupon Notes (or that Tranche of Notes).

From time to time the Issuer may elect to increase the Programme Amount. Subject to the Applicable Procedures and all Applicable Laws, the Issuer may, without the consent of any Noteholder, increase the Programme Amount by delivering a notice thereof to (i) the Arranger, (ii) the Debt Issuer Agent and (iii) the Dealer/s. Upon the conditions set out in the Programme Agreement to the exercise of the Issuer's right to increase the Programme Amount having been met, all references in this Programme Memorandum (and each agreement, deed or document relating to the Programme and/or this Programme Memorandum) to the Programme Amount will be, and will be deemed to be, references to the increased Programme Amount. The Issuer shall, forthwith after the Programme Amount is so increased, notify the Noteholders (in accordance with Condition 19.1) of the increased Programme Amount.

## FORM OF THE NOTES

### REGISTERED NOTES

Each Tranche of Registered Notes will be issued in registered uncertificated form in terms of Chapter IV of the Financial Markets Act and held in the CSD ("**Uncertificated Notes**"). Uncertificated Notes will not be represented by any certificate or written instrument.

Subject to the CSD Procedures and unless the context clearly otherwise indicates, references to "Uncertificated Notes" include Beneficial Interests in Uncertificated Notes, and *vice versa*, and references to "Noteholders of Uncertificated Notes" include the holders of Beneficial Interests in Uncertificated Notes, and *vice versa*.

The registered Noteholder/s of Uncertificated Note/s will be determined in accordance with the CSD Procedures, and such registered Noteholder/s will be named in the Register as the registered holder/s of such Uncertificated Note/s.

The CSD maintains central securities accounts only for CSD Participants. As at the Programme Date, the CSD Participants are Standard Chartered Bank Johannesburg Branch, Absa Bank Limited, Citibank N.A., South Africa Branch, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited and the South African Reserve Bank.

Euroclear Bank S.A/N.V., as operator of the Euroclear System ("**Euroclear**"), and Clearstream Banking, *société anonyme* ("**Clearstream**"), among others, may hold Uncertificated Notes through their nominated CSD Participant.

Subject to the CSD Procedures, the holders of Beneficial Interests may only exercise their rights (including voting rights) in respect of such Beneficial Interests through their CSD Participants.

Title to Beneficial Interests will be reflected in the central securities accounts maintained by the CSD and the relevant CSD Participants for the holders of such Beneficial Interests.

Title to Beneficial Interests will pass on transfer thereof by way of electronic book entry in the central securities accounts maintained by the CSD and the relevant CSD Participants for the holders of such Beneficial Interests. Beneficial Interests may be transferred only in accordance with the CSD Procedures.

### REGISTERED NOTES WHICH ARE REPRESENTED BY CERTIFICATES

Subject to the Financial Markets Act, the holder of Beneficial Interests will be entitled to exchange such Beneficial Interest for Notes which are represented by a Certificate in accordance with Condition 11.1.

Each Noteholder of Notes which are represented by a Certificate will be named in the Register as the registered Noteholder of such Notes.

Title to Notes which are represented by Certificates will pass upon registration of transfer in accordance with Condition 13.2.

### TRANSFERABILITY OF REGISTERED NOTES

For as long as the Issuer is a private company, a Noteholder of Registered Notes may not, as contemplated in Article 2.1(2A) of the Memorandum of Incorporation of the Issuer, transfer such Registered Notes without the prior written consent of the Issuer Board. Condition 26.2 describes the Issuer Board resolution which provides for the "upfront" consent of the Issuer Board to the transfer of all Registered Notes issued, under the Programme, pursuant to this Programme Memorandum, for as long as the Issuer is a private company.

The Registered Notes in a Tranche of Registered Notes will, upon issue, be fully paid.

### ORDER NOTES

A Tranche of Order Notes will be embodied in, and represented by, Order Certificate/s. Subordinated Notes will not be issued in the form of Order Notes.

Order Certificates which represent and embody interest-bearing Order Notes shall, if indicated in the Applicable Pricing Supplement, have interest Coupons attached to the relevant Order Certificates on issue.

Title to Order Notes will pass by way of Endorsement and delivery of the relevant Order Certificate in accordance with Condition 13.3.

**FORM OF THE APPLICABLE PRICING SUPPLEMENT**

Set out below is the form of the Applicable Pricing Supplement which will be completed for each Tranche of Registered Notes (both Secured and Unsecured) which is to be listed on CTSE.

The form of Applicable Pricing Supplement which will be completed for each Tranche of Registered Notes which is to be listed on any Financial Exchange other than (or in addition to) CTSE will, subject to the Rules of that Financial Exchange and all Applicable Laws, be substantially in the form set out below adapted, as applicable, to comply with the Rules of that Financial Exchange and all Applicable Laws.

The form of Applicable Pricing Supplement which will be completed for each Tranche of unlisted Registered Notes and each Tranche of Order Notes will be substantially in the form set out below adapted, as applicable, in such manner as is appropriate to unlisted Registered Notes or Order Notes, as applicable, as determined by the Issuer and the Dealer/s.



**INDLULIVING PROPRIETARY LIMITED**

*(incorporated with limited liability under registration number 2024/500291/07 in the Republic of South Africa)*

**ZAR5,000,000,000 DOMESTIC MEDIUM TERM NOTE PROGRAMME**

issue of ZAR[                    ] [Senior] [Subordinated] [Secured] [Unsecured] [Limited Recourse] [Fixed Rate] [Floating Rate] [Zero Coupon] [*specify other*] Registered Notes due [                    ]

This document constitutes the Applicable Pricing Supplement relating to the issue of the Tranche of Registered Notes described herein ("**Notes**", "**Tranche of Notes**" and "**relevant Tranche of Notes**").

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum, dated [●] 2024, as amended and/or supplemented from time to time ("**Programme Memorandum**") prepared by IndluLiving Proprietary Limited ("**Issuer**") in connection with the [●] ZAR5,00,000,000 Domestic Note Programme ("**Programme**").

The Programme Memorandum, dated [●] 2024, was registered and approved by CTSE on [●] 2024 .

References in this Applicable Pricing Supplement to the "**Terms and Conditions**" are to the section of the Programme Memorandum headed "*Terms and Conditions*". A reference to any Condition shall be a reference to that Condition of the Terms and Conditions.

Capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the Terms and Conditions.

To the extent that there is any conflict or inconsistency between the provisions of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

**A DESCRIPTION OF THE NOTES**

- |    |                 |   |
|----|-----------------|---|
| 1. | Issuer          | IndluLiving Proprietary Limited   |
| 2. | Tranche number  | [                    ]  |
| 3. | Series number   | [                    ]  |
| 4. | Status of Notes | (*delete whichever is not applicable)<br>[Senior Secured Notes (see Condition 5.1)] |

- [Senior Unsecured Notes (see Condition 5.2)]  
 [Subordinated Notes (see Condition 5.3)]
5. Security *(\*delete whichever is not applicable)*  
 [Unsecured Notes]  
 [Secured Notes (see Item H below)]
6. Limited recourse [Applicable] [Not applicable]\
7. Form of Notes The Notes in this Tranche are issued in registered uncertificated form and will be held in the CSD.
8. Type of Notes [Fixed Rate Notes] [Floating Rate Notes] [Zero Coupon Notes] *[specify other]*
9. Issue Date [            ]
10. Issue Price [[            ]% of the Principal Amount] *[specify other]*
11. Aggregate Principal Amount of this Tranche ZAR[            ]
12. Interest *(\*delete whichever is not applicable)*  
 [Fixed Rate Note provisions (see Condition 7.1)]  
 [Floating Rate Note provisions (see Condition 7.2)]  
*[specify other]*
13. Redemption/payment basis [Redemption at par] *[specify other]*
14. Change of interest or redemption payment basis [Not Applicable] *[specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]*
15. Specified Denomination (Principal Amount per Note) [ZAR1,000,000] *[specify other - that is, such higher amount as is prescribed from time to time in terms of section 96(2)(a) of the Companies Act]*
16. Specified Currency [ZAR] *[specify other (subject to the Exchange Control Regulations)]*
17. Business Day Convention [Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] *[specify other]*
18. Day Count Fraction [1/1] [Actual/365] [Actual/365 (Fixed)] *[specify other]*
- B PROGRAMME AMOUNT**
1. Programme Amount as at the Issue Date [ZAR5,000,000,000] *[specify other]*
2. Aggregate Outstanding Principal Amount of all of the Notes issued under the Programme as at the Issue Date ZAR[            ], excluding the aggregate Principal Amount of this Tranche and any other Tranche/s of Notes issued on the Issue Date specified in Item A(9) above.
3. Issuer confirmation as to Programme Amount The Issuer confirms that the issue of this Tranche will not cause the Issuer to exceed the Programme Amount.
- C FIXED RATE NOTES (\*delete if not applicable)**
1. Fixed Interest Rate [The fixed interest rate per annum [NACS] *[specify other]* equal [            ]% per annum for the period from and including the Interest Commencement Date to but excluding the Redemption Date] *[specify other]*
2. Interest Commencement Date [Issue Date] *[specify other]*
3. Interest Payment Dates Semi-annually in arrears on [            ] and [            ] of each year for the period from and including the Interest Commencement Date to but excluding the Redemption Date

or, if any such date is not a Business Day, the date determined in accordance with the [ ] Business Day Convention (see Item A(17) above).

4. First Interest Payment Date [ ]
5. Interest Periods Each successive 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) the First Interest Payment Date ([ ]) and the last Interest Period will end on but exclude the Redemption Date, it being recorded, for the avoidance of doubt, that if any such date is not a Business Day, the date will be determined in accordance with the [ ] Business Day Convention (see Item C(3) above).
6. Initial Broken Amount [Not Applicable] [*specify Initial Broken Amount:* [ ]]
7. Final Broken Amount [Not Applicable] [*specify Final Broken Amount:* [ ]]
8. Default Rate [The sum of the Fixed Interest Rate (see Item C(1) above) plus [ ]% per annum] (see Condition 7.4.1)] [*specify other*]
9. Other terms relating to the method of calculating interest for Fixed Rate Notes [Not Applicable] [*specify other terms*]

**D FLOATING RATE NOTES** (*\*delete if not applicable*)

1. Floating Interest Rate [The floating interest rate per annum [NACQ] [*specify other*] equal to the sum of the [Reference Rate] and [the Margin] [*specify other*] for the period from and including the Interest Commencement Date to but excluding the Redemption Date] [*specify other*]
2. Interest Commencement Date [Issue Date] [*specify other*]
3. Interest Payment Dates Quarterly in arrears on [ ] [ ] [ ] and [ ] of each year for the period from and including the Interest Commencement Date to but excluding the Redemption Date or, if any such date is not a Business Day, the date determined in accordance with the [ ] Business Day Convention (see Item A(17) above).
4. First Interest Payment Date [ ]
5. Interest Periods Each successive 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) the First Interest Payment Date ([ ]) and the last Interest Period will end on but exclude the Redemption Date, it being recorded, for the avoidance of doubt, that if any such date is not a Business Day, the date will be determined in accordance with the [ ] Business Day Convention (see Item D(3) above).
6. Manner in which the Floating Interest Rate is to be determined: [Screen Rate Determination] [ISDA Determination] [Other Determination - *specify*]
7. **Screen Rate Determination:** [Applicable] [Not Applicable]
- (a) Reference Rate [ZAR-JIBAR-SAFEX (being, subject to Condition 7.2.3, the average mid-market yield rate per annum for 3-month deposits in Rand which appears on the Relevant Screen Page as the "SFX 3M YIELD" at or about the Relevant Time on the



- Rate Determination Date, determined by the Issuer Agent in accordance with Condition 7.2.3)] [*specify other*]
- (b) Rate Determination Dates The first day of each Interest Period; provided that the first Rate Determination Date shall be [                    ].
- (c) Relevant Screen Page and Reference Code [Reuters Screen SAFEX MNY MKT page - "SFX 3M YIELD"] [*specify other*]
- (d) Relevant Time [11h00 (South African time)] [*specify other*]
- (e) Reference Banks [Absa Bank Limited, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited] [*specify other*]
- 8. ISDA Determination:** [Applicable] [Not Applicable]
- (a) Floating Rate Option [                    ]
- (b) Designated Maturity [                    ]
- (c) Reset Date [                    ]
- 9. Other Determination:** [Applicable] [Not Applicable] (*if the Floating Interest Rate to be calculated otherwise than by reference to Item D(7) or Item D(8) above, insert basis for determining the Floating Interest Rate*)
10. Margin [Not Applicable] [*specify Margin: (+/-) [                    ]% to be added to/subtracted from the relevant [ISDA Rate] [Reference Rate] [specify other]*]
11. Minimum Floating Interest Rate [Not Applicable] [*specify Minimum Floating Interest Rate: [                    ]%*]
12. Maximum Floating Interest Rate [Not Applicable] [*specify Maximum Floating Interest Rate: [                    ]%*]
13. Default Rate [The sum of the [Reference Rate] and [the Margin] plus [                    ]% per annum] (see Condition 7.4.1)] [*specify other*]
14. Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest for Floating Rate Notes, if different from those set out in the Terms and Conditions [Not Applicable] [*specify other terms*]
- E ZERO COUPON NOTES (\*delete if not applicable)**
1. Accrual Yield [[                    ]%] [*specify other*]
2. Reference Price [                    ]
3. Any other formula/basis of determining amount payable [Not Applicable] [*give details*]
4. Default Rate [Condition 7.4.2 applicable]] [*specify other*]
5. Other terms relating to the method of calculating payments for Zero Coupon Notes, if different from those set out in the Terms and Conditions [Not Applicable] [*give details*]
- F OTHER NOTES (\*delete if not applicable)**
1. If the Notes are not Floating Rate Notes, Fixed Rate Notes or Zero Coupon Notes, or if the Notes are a combination of either of the foregoing, set out the relevant description and any additional terms and conditions applicable to such [                    ]

## Notes

**G REDEMPTION**

- |           |   |   |
|-----------|---|---|
| 1.        | Maturity Date   | [            ]  |
| 2.        | Final Redemption Amount   | [The aggregate Outstanding Principal Amount of this Tranche plus interest accrued (if any) to the Maturity Date] [ <i>specify other</i> ]   |
| <b>3.</b> | <b><i>Redemption for tax reasons:</i></b>                                   | Applicable (see Condition 9.2)  |
| (a)       | Redemption in whole   | [Applicable] [Not Applicable]   |
| (b)       | Redemption in part  | [Applicable] [Not Applicable]   |
| (c)       | Optional Redemption Date (Tax)  | [The Interest Payment Date (in the case of interest-bearing Notes) or other date (in the case of non-interest-bearing Notes) stipulated as the date for redemption of this Tranche of Notes in the notice of redemption given by the Issuer in terms of Condition 9.2] [ <i>specify other</i> ]   |
| (d)       | Early Redemption Amount   | [The aggregate Outstanding Principal Amount (or the relevant portion thereof) of this Tranche of Notes plus interest accrued (if any) to the Optional Redemption Date (Tax)] [The aggregate amount of principal (or the relevant portion thereof) of this Tranche calculated in accordance with Condition 9.5] [ <i>specify other</i> ].  |
| <b>4.</b> | <b><i>Redemption at the election of the Issuer:</i></b>                     | [Applicable - see Condition 9.3] [Not Applicable]   |
| <b>5.</b> | <b><i>If "Redemption at the election of the Issuer" applicable:</i></b>     |   |
| (a)       | Redemption in whole   | [Applicable] [Not Applicable]   |
| (b)       | Redemption in part  | [Applicable] [Not Applicable]   |
| (c)       | Optional Redemption Date (Call)   | [The Interest Payment Date (in the case of interest-bearing Notes) or other date (in the case of non-interest-bearing Notes) stipulated as the date for redemption of this Tranche of Notes (or the relevant portion thereof) in the notice of redemption given by the Issuer in terms of Condition 9.3] [ <i>specify other</i> ]   |
| (d)       | Early Redemption Amount   | [The aggregate Outstanding Principal Amount (or the relevant portion thereof) of this Tranche of Notes plus interest accrued (if any) to the Optional Redemption Date (Call)] [The aggregate amount of principal (or the relevant portion thereof) of this Tranche calculated in accordance with Condition 9.5] [ <i>specify other</i> ]  |
| (e)       | Notice period   | [ <i>specify</i> ]  |
| <b>6.</b> | <b><i>Redemption at the election of the Noteholder:</i></b>                 | [Applicable - see Condition 9.4] [Not Applicable]   |
| <b>7.</b> | <b><i>If "Redemption at the election of the Noteholder" applicable:</i></b> | A Noteholder of any Notes in this Tranche (" <b>relevant Noteholder</b> ") may, at its election (but subject to Condition 9.4.2) require the Issuer to redeem all or any (as specified in the Noteholder Early Redemption Notice) of the Notes in this Tranche held by the relevant Noteholder (" <b>relevant Notes</b> "), in whole or in part (as specified in the Noteholder Early Redemption Notice), on the Optional Redemption Date (Put), at the Early Redemption Amount, as set out in Condition 9.4. |
| (a)       | Optional Redemption Date (Put)  | [The Interest Payment Date (in the case of interest-bearing Notes) or other date (in the case of non-interest-bearing Notes) stipulated as the date for redemption of the relevant Notes (or the relevant portion thereof) in the Noteholder Early Redemption Notice] [ <i>specify other</i> ]  |

- (b) Early Redemption Amount [The aggregate Outstanding Principal Amount (or the relevant portion thereof) of the relevant Notes plus interest accrued (if any) to the Early Redemption Date (Put)] [The aggregate amount of principal (or the relevant portion thereof) of the relevant Notes calculated in accordance with Condition 9.5] [specify other]
- (c) *pro forma* Noteholder Early Redemption Notice attached [Yes] [No]
8. Other terms applicable on redemption [Not Applicable] [give details]
- H SECURITY** (\*delete if not applicable – only applicable to Secured Notes)
1. Security SPV IndluLiving Security SPV (RF) Proprietary Limited
2. Specified Office of the Security SPV c/o Skybound Corporate Services Proprietary Limited, 7<sup>th</sup> Floor Letterstedt House, Cnr Main and Campground Roads, Newlands, 7700, South Africa
3. Security SPV Owner Trust IndluLiving Security SPV Owner Trust
4. Trustee of the Security SPV Owner Trust Skybound Corporate Services Proprietary Limited
5. Specified Office of the Trustee of the Security SPV Owner Trust Skybound Corporate Services Proprietary Limited, 7<sup>th</sup> Floor Letterstedt House, Cnr Main and Campground Roads, Newlands, 7700, South Africa
6. Group of Secured Notes The Issuer will use the proceeds of the issue of this Tranche of Secured Notes and the other Tranche/s of Secured Notes (if any) which is/are "linked" to the Portfolio of Stabilised Developer Property/ies described in Item H(7) below ("**Group of Secured Notes**") to finance the relevant Property Loan/s (as more fully described in the section of the Programme Memorandum headed "*General Description of the Issuer*" under "*Description of the INDLU Living Group*").
7. Portfolio of Stabilised Developer Property/ies [identify] [please insert the way in which each Portfolio is currently identified for administrative purposes]
8. Security Agreements The Security Agreements relating to the Group of Secured Notes comprise the Guarantee, the Indemnity and the Security Cession as well as such other agreement/s (if any) as is/are specified in the Security Cession.
9. Data Room See Item K(1) (*Data Room*) below and the section of the Programme Memorandum headed "*Documents Incorporated by Reference*" under "*Data Room*".
- I AGENTS AND SPECIFIED OFFICES**
1. Strate Issuer Agent [CTSE] [specify other]
2. Specified Office of the Strate Issuer Agent [Woodstock Exchange Building, 5th Floor, Block B, 66-68 Albert Road, Woodstock, 7925, South Africa] [specify other]
3. Settling Bank [FirstRand Bank Limited] [specify other]
4. Specified Office of the Settling Bank [4 Merchant Place, Cnr Rivonia Road and Fredman Drive, Sandton, 2196, South Africa] [specify other]
5. Transfer Agent [CTSE Registry Services Proprietary Limited] [specify other]
6. Specified Office of the Transfer Agent [Woodstock Exchange Building, 5th Floor, Block B, 66-68 Albert Road, Woodstock, 7925, South Africa] [specify other]
7. Issuer's CSD Participant/Settlement Agent [FirstRand Bank Limited] [specify other]
8. Specified Office of the Issuer's CSD Participant/Settlement Agent [4 Merchant Place, Cnr Rivonia Road and Fredman Drive, Sandton, 2196, South Africa] [specify other]

**J REGISTER CLOSED**

1. Last Day to Register  
Up until 17h00 (South African time) on the [sixth] [*specify other*] day preceding each Interest Payment Date (where applicable) and the Redemption Date or, if any such date is not a Business Day, the Business Day which immediately precedes such date, being, in each instance, the last date on which the Transfer Agent will accept Transfer Forms and record the transfer of Notes in the Register.
2. Books Closed Period  
The Register will be closed during the [5 (five)] [*specify other*] days preceding each Interest Payment Date (where applicable) and the Redemption Date from 17h00 (South African time) on the Last Day to Register until 17h00 (South African time) on the day preceding the Interest Payment Date and the Redemption Date, being the period during which the Register is closed for purposes of giving effect to transfers, redemptions or payments in respect of the Notes.
3. Books Closed Dates  
[*specify*] of each year until the Redemption Date or, if any such date is not a Business Day, the Business Day which immediately precedes such date.

**K GENERAL**

1. Data Room  

General Information will be made available to all Noteholders (or all potential investors in this Tranche of Notes) on the basis set out in the section of the Programme Memorandum headed "*Documents Incorporated by Reference*" under "*Data Room*".

If this Tranche of Notes comprises a Tranche of Secured Notes, the Specific Information will be made available to the Secured Noteholders (or potential investors in such Secured Notes), on the basis set out in the section of the Programme Memorandum headed "*Documents Incorporated by Reference*" under "*Data Room*".

A potential investor in the Notes may apply for access to the General Information and, where applicable, the Specific Information, by addressing a request therefor to the Issuer at the Issuer Email Address.

The Issuer may, in its sole and absolute discretion, grant the potential investor in the Notes access to the General Information and, where applicable, the Specific Information; provided that that potential investor shall have (i) furnished to the Issuer all such information as the Issuer may require including, without limitation, information as to the identity and nature of that potential investor and (ii) given such undertaking/s as to the confidentiality of the Confidential Information made available in the Data Room as the Issuer may require.

Access to the Data Room (or the relevant portion thereof) will continue if a potential investor in Note/s becomes a Noteholder (by subscribing for such Note/s).
2. Exchange control approval  
[Not Applicable] [Applicable] (*Note: see the section of the Programme Memorandum headed "Exchange Control"*)
3. Additional selling restrictions (if any)  
[Not Applicable] [*give details*]
4. International Security Identification Number (ISIN)  
[            ]
5. Stock Code Number  
[            ]
6. Financial Exchange  
CTSE

7. Debt Issuer Agent [Capital Solutions Advisory Proprietary Limited] [*specify other*]
8. Name of Dealer [Not Applicable] [*give details*]
9. Stabilisation Manager [Not Applicable] [*give details*]
10. Method of Distribution Private Placement
11. Bookbuild and Allocation Policy Not Applicable
12. Pricing Methodology [Not Applicable] [*give details*]
13. Rating/s (if any) assigned to the Issuer as at the Issue Date, Rating Agency/ies and date/s on which such Rating/s is/are expected to be reviewed [Not Applicable] [*give details*]
14. Rating/s (if any) assigned to the Notes, Rating Agency/ies and date/s on which such Rating/s is/are expected to be reviewed [Not Applicable] [*give details*]
15. Governing law The Programme Memorandum, the Notes, the Applicable Terms and Conditions [and the Security Agreements relating to the Group of Secured Notes] are governed by, and shall be construed in accordance with, the laws of South Africa.
16. Use of proceeds (*\*delete whichever is not applicable*)
- [The Issuer will use the proceeds of the issue of the Group of Secured Notes which is "linked" to the Portfolio of Stabilised Developer Property/ies (see Item H(7) above) to finance the relevant Property Loan/s (as more fully described in the section of the Programme Memorandum headed "General Description of the Issuer" under "Description of the INDLU Living Group").]
- [The Issuer will use the proceeds of this Tranche of Unsecured Notes for [its general corporate purposes] [*specify other*]].
17. Material change (*\*delete whichever is not applicable*)
- Note: if the Commercial Paper Regulations are applicable:*
- [See Annexure "A" to this Applicable Pricing Supplement - paragraph 6]
- Note: if the Commercial Paper Regulations are not applicable:*
- (*\*delete whichever of (1) and (2) below is not applicable*)
- 1) [The Issuer is a newly set-up entity, incorporated on 12 August 2024, with no assets or liabilities (save for its share capital). The Issuer will only commence business operations after the Programme Date.
- The 1st set of audited financial statements of the Issuer will cover the period from the date of the Issuer's incorporation (12 August 2024) to the last day of February 2025 (financial year end).
- As at the Issue Date, the Issuer has no "subsidiaries" (as defined in the Companies Act).
- The Issuer is not aware of any Material change in the financial or trading condition of the Issuer that has occurred during the period from the date of the Issuer's incorporation (12 August 2024) to the Programme Date. This statement has not been confirmed or verified or reviewed and reported on by the auditors of the Issuer.]
- 2) [The Issuer confirms that, as at the date of signature of this Applicable Pricing Supplement, [save as is set out in

the paragraph below] no Material change in the financial or trading condition of the Issuer or any "subsidiary" (as defined in the Companies Act) of the Issuer has occurred since the last day of February [ ] (being the end of the last financial period for which audited annual financial statements of the Issuer have been prepared). This statement has not been confirmed or verified or reviewed and reported on by the auditors of the Issuer.

*[if applicable, give details of any Material change]*

18. Commercial Paper Regulations

[Applicable - see Annexure "A" to this Applicable Pricing Supplement] [Not Applicable]

*(Note: Neither compliance with the Commercial Paper Regulations (nor compliance any other available exemption under the Banks Act, 1990) is applicable to the issue and placing of this Tranche of Notes if the Issuer does not, in relation to the issue and placing of this Tranche of Notes, conduct "the business of a bank" (as defined in paragraph (a) of the definition of "the business of a bank" in the Banks Act, 1990)*

19. Security Annexure

[Applicable - see Annexure ["A"] ["B"] to this Applicable Pricing Supplement] [Not Applicable]

If the case of a Group of Secured Notes, the additional information not currently provided for in the Programme Memorandum concerning the Issuer and/or that Group of Secured Notes is set out in the Security Annexure attached as Annexure ["A"] ["B"] to this Applicable Pricing Supplement.

If so indicated in the Security Annexure, the Security Annexure is a Confidential Document.

20. Other relevant information

[Not Applicable] *[give details]*

The Issuer certifies that, to the best of its knowledge and belief, there are no facts the omission of which would make this Applicable Pricing Supplement false or misleading, that all reasonable enquiries to ascertain such facts have been made, and that this Applicable Pricing Supplement contains all information required by the CTSE Debt Listings Requirements (and all other Applicable Laws) to appear in this Applicable Pricing Supplement.

The Issuer accepts full responsibility for the accuracy of the information contained in the Programme Memorandum, this Applicable Pricing Supplement, the annual financial statements of the Issuer and any amendments or supplements to the aforementioned documents, except as otherwise stated therein.

Neither CTSE nor CTSE Registry take any responsibility for the contents of the Programme Memorandum, this Applicable Pricing Supplement, the annual financial statements of the Issuer and any amendments or supplements to the aforementioned documents. Neither CTSE nor CTSE Registry make any representation as to the accuracy or completeness of the Programme Memorandum, this Applicable Pricing Supplement, the annual financial statements of the Issuer and any amendments or supplements to the aforementioned documents, and each of CTSE and CTSE Registry expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the aforementioned documents. CTSE's approval of the registration of the Programme Memorandum and listing of the Notes is not to be taken in any way as an indication of the merits of the Issuer or of the Notes and, to the extent permitted by law, CTSE will not be liable for any claim whatsoever.

Application is hereby made to list Tranche [ ] of Series [ ] of the Notes on the CTSE, as from [ ], pursuant to the IndluLiving Proprietary Limited ZAR5,000,000,000 Domestic Medium Term Note Programme.

**For INDLULIVING PROPRIETARY LIMITED**

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

[By: \_\_\_\_\_]

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

[Name: \_\_\_\_\_]

Capacity: \_\_\_\_\_

[Capacity: \_\_\_\_\_]

*Duly authorised*[*Duly authorised*]

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

[Date: \_\_\_\_\_]

**ANNEXURE "A" TO THE APPLICABLE PRICING SUPPLEMENT - COMMERCIAL PAPER REGULATIONS (\*delete if not applicable)**

**Disclosure requirements in terms of paragraph 3(5) of the Commercial Paper Regulations**

If the Issuer, in relation to the issue and placing of a Tranche of Notes ("**relevant Tranche of Notes**"), is obliged to comply with the Commercial Paper Regulations, the Issuer will procure that this Annexure "A" (in substantially the form set out below) is completed and attached to the Applicable Pricing Supplement relating to the relevant Tranche of Notes ("**Applicable Pricing Supplement**").

The information required to be disclosed in terms of paragraph 3(5) of the Commercial Paper Regulations is set out in this Annexure "A" (except where such information is disclosed in the Programme Memorandum and/or the Applicable Pricing Supplement):

1. **Issuer and Ultimate Borrower** (*paragraph 3(5)(a) of the Commercial Paper Regulations*)

The Issuer of the relevant Tranche of Notes is IndluLiving Proprietary Limited (incorporated with limited liability under registration number 2024/500291/07 in South Africa).

The "*ultimate borrower*" (as defined in the Commercial Paper Regulations) of the proceeds of the issue of the relevant Tranche of Notes is [the Issuer] [*specify other*].

2. **Going concern** (*paragraph 3(5)(b) of the Commercial Paper Regulations*)

The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments, thereby reflecting the adequacy of the liquidity and solvency of the Issuer.

3. **Auditor** (*paragraph 3(5)(c) of the Commercial Paper Regulations*)

The auditors of the Issuer as at the Issue Date are [Advoca Auditing Inc] [*specify other*].

[Advoca Auditing Inc] [*specify other*] has acted as the auditors of the Issuer's latest audited financial statements.

4. **Total amount of Commercial Paper** (*paragraph 3(5)(d) of the Commercial Paper Regulations*)

a) The Issuer has, prior to the Issue Date, issued "*commercial paper*" (as defined in the Commercial Paper Regulations) in an aggregate amount of ZAR[ ].

b) As at Issue Date, to the best of the Issuer's knowledge and belief, the Issuer estimates that it will issue "*commercial paper*" (as defined in the Commercial Paper Regulations) in an aggregate amount of ZAR[ ] during the Issuer's current financial year (excluding the relevant Tranche of Notes).

5. **Other information** (*paragraph 3(5)(e) of the Commercial Paper Regulations*)

All information that may reasonably be necessary to enable the investor to ascertain the nature of the financial and commercial risk of its investment in the relevant Tranche of Notes is contained in the Programme Memorandum and the Applicable Pricing Supplement.

6. **Material adverse change** (*paragraph 3(5)(f) of the Commercial Paper Regulations*)

[Subject to the paragraph below and] Save as disclosed in the Programme Memorandum, there has been no material adverse change in the Issuer's financial position since the date of the Issuer's last audited financial statements.

7. **Listing** (*paragraph 3(5)(g) of the Commercial Paper Regulations*)

The relevant Tranche of Notes will be [unlisted] [listed on CTSE].

8. **Use of proceeds** (*paragraph 3(5)(h) of the Commercial Paper Regulations*)

[If the relevant Tranche of Notes is secured, the Issuer will use the proceeds of the issue of the Group of Secured Notes (which is "linked" to the Portfolio of Stabilised Developer Property/ies described in Item H(7) of the Applicable Pricing Supplement) to finance the relevant Property Loan/s (as more fully described in the section of the Programme Memorandum headed "*General Description of the Issuer*" under "*Description of the INDLU Living Group*")]

[If the relevant Tranche of Notes is unsecured, the Issuer will use the net proceeds of the issue of the relevant Tranche of Notes [for its general corporate purposes] [for the purposes specified in the Applicable



Pricing Supplement]].

9. **Security** (*paragraph 3(5)(i) of the Commercial Paper Regulations*)

The relevant Tranche of Notes is [unsecured] [secured].

10. **Auditors confirmation** (*paragraph 3(5)(j) of the Commercial Paper Regulations*)

[Advoca Auditing Inc] [*specify other*], being the Issuer's auditors as at the Issue Date, have confirmed in writing that nothing has come to their attention which causes them to believe that the issue of the relevant Tranche of Notes under the Programme, pursuant to the Programme Memorandum (as read with the Applicable Pricing Supplement) will not comply in all material respects with the provisions of the Commercial Paper Regulations.

11. **Audited financial statements** (*paragraphs 3(5)(j)(i) and (j)(ii) of the Commercial Paper Regulations*)

Where, in relation to the issue and placing of the relevant Tranche of Notes, the Programme Memorandum and/or the Applicable Pricing Supplement is distributed and/or made available for inspection in South Africa, a copy of the Issuer's latest audited annual financial statements will at all times separately accompany (either by electronic delivery or by physical delivery) the Programme Memorandum and/or the Applicable Pricing Supplement, as required by the Commercial Paper Regulations.

**ANNEXURE ["A"] ["B"] TO THE APPLICABLE PRICING SUPPLEMENT – SECURITY ANNEXURE (*\*delete if not applicable*)**

This Security Annexure [is a Confidential Document] [is not a Confidential Document]

Additional information not currently provided for in the Programme Memorandum concerning the Issuer and/or the relevant Group of Secured Notes [*specify*]

## TERMS AND CONDITIONS

The following is the text of the Terms and Conditions.

### 1. DEFINITIONS AND INTERPRETATION

#### 1.1. Definitions

Unless separately defined in the Terms and Conditions or, in relation to a Tranche of Notes, unless separately defined in the Applicable Pricing Supplement, the following expressions have the following meanings:

**"Accelerated Senior Unsecured Note/s"** has the meaning given to it in Condition 15.2.4;

**"Acceleration Date"** has the meaning given to it in Condition 15.2.4;

**"Accrual Yield"** means, in relation to a Tranche of Zero Coupon Notes, the yield accruing on the Issue Price, specified as a percentage in the Applicable Pricing Supplement;

**"Actual Payment Date"** means, in relation to all or any of the Notes in a Tranche of Notes (as applicable), the date on which any amount which is due and payable by the Issuer to the Noteholder/s of such Note/s under the Applicable Terms and Conditions is actually paid to the Noteholder/s of such Note/s, and **"Actual Redemption Date"** means the Actual Payment Date of the Redemption Amount which is due and payable by the Issuer to the Noteholder/s of such Note/s;

**"Affiliate"** means, in relation to a company, its *"holding company"* (as defined in the Companies Act) and each *"subsidiary"* (as defined in the Companies Act) of such company and such holding company;

**"Applicable Agency Agreement"** means each agency agreement concluded between the Issuer and the Settling Bank and/or the Strate Issuer Agent and/or the Transfer Agent, as amended, novated and/or substituted from time to time in accordance with its/their terms, unless the Issuer itself acts in any of the abovementioned capacities;

**"Applicable Laws"** means, in relation to the Issuer (or any other Person), all and any statutes, subordinate legislation, regulations, ordinances, directives, circulars and guidance notices, and judgments and decisions of any competent authority in South Africa (including without limitation, the CSD Procedures), compliance with which is mandatory for the Issuer (or that other Person);

**"Applicable Pricing Supplement"** means, in relation to a Tranche of Notes and each Tranche of Secured Notes in a Group of Secured 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, based upon the *pro forma* pricing supplement which is set out in the section of the Programme Memorandum headed *"Form of the Applicable Pricing Supplement"*;

**"Applicable Terms and Conditions"** means, in relation to a Tranche of Notes, the Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement relating to that Tranche of Notes and **"relevant Applicable Terms and Conditions"** means, in relation to a Group of Secured Notes, the Applicable Terms and Conditions of each Tranche in that Group of Secured Notes;

**"Arranger"** Capital Solutions or such other entity (if any) as may be appointed as Arranger in terms of the Programme Agreement, as the case may be;

**"Banks Act"** means the Banks Act, 1990;

**"Beneficial Interest"** means, in relation to a Tranche of Registered Notes which is held in the CSD, subject to Condition 1.2.4, the beneficial interest as co-owner of all of the Registered Notes in that Tranche, as contemplated in Chapter IV of the Financial Markets Act, the nominal value of which beneficial interest, in relation to any number of Registered Notes in that Tranche, is determined by reference to the proportion that the aggregate Outstanding Principal Amount of such number of Registered Notes bears to the aggregate Outstanding Principal Amount of all of the Registered Notes in that Tranche, as contemplated in Chapter IV of the Financial Markets Act;

**"Bills of Exchange Act"** means the Bills of Exchange Act, 1964;

**"Books Closed Period"** means, in relation to a Tranche of Registered Notes, from 17h00 (South African time) on the Last Day to Register until 17h00 (South African time) on the day preceding each Interest Payment Date and the Redemption Date, during which the Register will be closed for purposes of giving effect to transfers, redemptions or payments in respect of that Tranche of Registered Notes;

**"Business Day"** means, subject to the CSD Procedures, a day (other than a Saturday or Sunday or statutory public holiday) on which commercial banks and foreign exchange markets settle payments in ZAR;

**"Business Day Convention"** means, in relation to a Tranche of Notes (where applicable), the convention for adjusting any date if it would otherwise fall on a day that is not a Business Day, and the following terms, when specified in the Applicable Pricing Supplement and used in conjunction with the term "Business Day Convention" and a date, shall mean that an adjustment will be made if that date would otherwise fall on a day that is not a Business Day so that:

- a) if **"Following"** is specified in the Applicable Pricing Supplement the relevant payment date will be the first following day that is a Business Day; or
- b) if **"Modified Following"** or **"Modified"** is specified in the Applicable Pricing Supplement, the relevant payment date will be the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day; or
- c) if **"Preceding"** is specified in the Applicable Pricing Supplement, the relevant payment date will be the first preceding day that is a Business Day; or
- d) such other method of adjusting the relevant payment date as is specified in the Applicable Pricing Supplement;

**"Capital Solutions"** means Capital Solutions Advisory Proprietary Limited (registration number 2024/073540/07);

**"Certificate"** means the single certificate in definitive registered form without interest coupons representing Registered Note/s that has/have been exchanged for Beneficial Interests in accordance with Condition 11.1;

**"Commercial Paper Regulations"** means the commercial paper regulations of 14 December 1994 issued pursuant to paragraph (cc) of the definition of *"the business of a bank"* in the Banks Act, set out in Government Notice 2172 and published in *Government Gazette* 16167 of 14 December 1994;

**"Companies Act"** means the Companies Act, 2008;

**"Condition"** means a numbered term or condition forming part of the Terms and Conditions;

**"Confidential Documents"** means documents and/or agreements relating to the Issuer and/or its business and/or the Programme and/or the Notes which are determined by the Issuer to be confidential; provided that such documents will not include the documents listed in the section of the Programme Memorandum headed *"Documents Incorporated by Reference"* under *"Documents Available for Inspection on the Issuer Website"* above;

**"Coupon"** means an interest coupon representing and embodying the right to an interest payment in respect of an interest-bearing Order Note and which is attached on issue to the relevant Order Certificate;

**"CSD"** means Strate Proprietary Limited (registration number 1998/022242/07), licensed as a central securities depository in terms of the Financial Markets Act or any additional or alternate depository approved by the Issuer;

**"CSD Participant"** means a person accepted by the CSD as a participant in terms of the Financial Markets Act;

**"CSD Procedures"** means the rules, directives and operating procedures for the time being of the CSD and CSD Participants;

**"CTSE"** means Cape Town Stock Exchange Proprietary Limited (registration number 2013/031754/07), licensed as an "exchange" in terms of the Financial Markets Act, or any exchange which operates as a successor exchange to the CTSE in terms of the Financial Markets Act;

**"CTSE Debt Listings Requirements"** means the CTSE Debt Listings Requirements for the listing of Debt Securities (as defined in such Requirements), as amended and/or supplemented from time to time by the CTSE;

**"CTSE Registry"** and **"CTSE Registry Solutions"** means CTSE Registry Services Proprietary Limited (registration number 2016/396777/07), a wholly owned subsidiary of CTSE;

**"CTSE Rules"** means the exchange rules of CTSE promulgated from time to time pursuant to the Financial Markets Act;

**"Data Room"** means the access controlled virtual data room set up by the Issuer for purposes of posting

and storing Confidential Documents which are relevant to all or some of the Noteholders (or all or some of the Potential Investors), as described under the section of the Programme Memorandum headed "*Documents Incorporated by Reference*" under "*Data Room*";

**"Day Count Fraction"** means, in relation to a Tranche of Notes (where applicable):

- a) if "**1/1**" is specified in the Applicable Pricing Supplement, 1; or
- b) if "**Actual/365**", "**Act/365**", "**Actual/Actual**" or "**Act/Act**" is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period in respect of which payment is being made divided by 365 (or, if any portion of the Interest Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365); or 360/365 (Fixed)
- c) if "**Actual/365 (Fixed)**", "**Act/365 (Fixed)**", "**A/365 (Fixed)**" or "**A/365F**" is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period in respect of which payment is being made divided by 365; or
- d) such other calculation method as is specified in the Applicable Pricing Supplement;

**"Dealer"** means Capital Solutions and each additional Dealer (if any) appointed by the Issuer from time to time, as contemplated in the Programme Agreement, which appointment may be for a specific issue of one or more Tranches of Notes or on an ongoing basis for the duration of the Programme, subject to the Issuer's right to terminate the appointment of any Dealer;

**"Debt Issuer Agent"** means Capital Solutions or such other person as may be appointed by the Issuer as Debt Issuer Agent in accordance with Chapter 4 of the the CTSE Debt Listings Requirements;

**"Debt Securities Extraordinary Resolution"** means a resolution passed at a meeting (duly convened) of all of the Noteholders or the relevant Group/s of Noteholders (as applicable), by a majority consisting of (i) Noteholders holding not less than 66.67% of the aggregate Outstanding Principal Amount of all of the Notes or (ii) Noteholders in the relevant Group/s of Noteholders holding not less than 66.67% of the aggregate Outstanding Principal Amount of the Notes held by the relevant Group/s of Noteholders, as the case may be, present in person or by proxy, voting at such meeting upon a show of hands or if a poll be duly demanded, by a majority consisting of not less than 66.67% of the votes given on such a poll;

**"Debt Securities Extraordinary Written Resolution"** means a resolution passed by all of the Noteholders or the relevant Group/s of Noteholders (as applicable), other than at a meeting of all of the Noteholders or the relevant Group/s of Noteholders (as applicable), with the written consent of (i) Noteholders holding not less than 66.67% of the aggregate Outstanding Principal Amount of all of the Notes or (ii) Noteholders in the relevant Group/s of Noteholders holding not less than 66.67% of the aggregate Outstanding Principal Amount of the Notes held by the relevant Group/s of Noteholders, as the case may be;

**"Debt Securities Ordinary Resolution"** means a resolution passed at a meeting (duly convened) of all of the Noteholders or the relevant Group/s of Noteholders (as applicable), by a majority consisting of (i) Noteholders holding not less than 51% of the aggregate Outstanding Principal Amount of all of the Notes or (ii) Noteholders in the relevant Group/s of Noteholders holding not less than 51% of the aggregate Outstanding Principal Amount of the Notes held by the relevant Group/s of Noteholders, as the case may be, present in person or by proxy, voting at such meeting upon a show of hands or if a poll be duly demanded, by a majority consisting of not less than 51% of the votes given on such a poll;

**"Debt Securities Ordinary Written Resolution"** means a resolution passed by all of the Noteholders or the relevant Group/s of Noteholders (as applicable), other than at a meeting of all of the Noteholders or the relevant Group/s of Noteholders (as applicable), with the written consent of (i) Noteholders holding not less than 51% of the aggregate Outstanding Principal Amount of all of the Notes or (ii) Noteholders in the relevant Group/s of Noteholders holding not less than 51% of the aggregate Outstanding Principal Amount of the Notes held by the relevant Group/s of Noteholders, as the case may be;

**"Default Rate"** means, in relation to a Tranche of Notes (where applicable), the default rate specified as such in the Applicable Pricing Supplement;

**"Designated Bank Account"** means, in relation to a Tranche of Registered Notes which is held in the CSD, the individual designated bank account opened by the Issuer with the Settling Bank, into which the full aggregate amount due and payable in respect of such Registered Notes will be irrevocably deposited, all as required by, and in accordance with, the CSD Procedures and as contemplated in Condition 8.2.2;

**"Early Redemption Amount"** means, in relation to all or any of the Note/s in a Tranche of Notes (as

applicable) which is/are due to be redeemed (in whole or in part, as applicable) in terms of Condition 9.2 or Condition 9.3 or Condition 9.4, as applicable, (i) the aggregate Outstanding Principal Amount (or the relevant portion thereof) of such Note/s plus accrued interest (if any) to the Early Redemption Date or (ii) the amount of principal (or the relevant portion thereof) of such Note/s calculated in accordance with Condition 9.5 or (iii) such other amount as is specified as such in (or calculated in the manner set out in) the Applicable Pricing Supplement;

**"Early Termination Amount"** means, in respect of each Accelerated Senior Unsecured Note or each Accelerated Subordinated Note, as applicable (i) the Outstanding Principal Amount of that Accelerated Senior Unsecured Note or that Accelerated Subordinated Note, as applicable, plus accrued interest (if any) to the Acceleration Date or (ii) the amount of principal of that Accelerated Senior Unsecured Note or that Accelerated Subordinated Note, as applicable, calculated in accordance with Condition 9.5 or (iii) such other amount as is specified as such in (or calculated in the manner set out in) the Applicable Pricing Supplement;

**"Early Redemption Date"** means, in relation to all or any of the Note/s in a Tranche of Notes (as applicable) which is/are due to be redeemed (in whole or in part, as applicable) in terms of Condition 9.2 or Condition 9.3 or Condition 9.4, as applicable, the Optional Redemption Date (Tax) or the Optional Redemption Date (Call) or the Optional Redemption Date (Put) or any other date on which such Note/s is/are due to be redeemed (in whole or in part) in terms of the Applicable Terms and Conditions, as applicable;

**"Eligible Security"**, in relation to a Group of Secured Notes, has the meaning ascribed to that term in the Security Cession relating to that Group of Secured Notes;

**"Encumbrance"** means any mortgage, pledge, lien, hypothecation, assignment, cession *in securitatem debiti*, deposit by way of security creating, in each instance, real rights 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 to a creditor and which creates real rights of security, or any agreement or arrangement to give any form of a secured claim to a creditor with real rights of security;

**"Endorsement"** means, in relation to Order Notes, an *"indorsement"* as contemplated in the Bills of Exchange Act;

**"Endorsement in Blank"** means, in relation to Order Notes, an Endorsement which specifies no named Payee;

**"Enforcement Amount"** means, following a Guarantee Event in respect of a Group of Secured Notes, the total amount recovered and received by the Security SPV in terms of and subject to the Indemnity relating to that Group of Secured Notes and from the realisation of the Eligible Security in terms of the Security Cession relating to that Group of Secured Notes;

**"Enforcement Date"** means, following the occurrence of an Event of Default in respect of a Group of Secured Notes, the latest date of delivery, by or on behalf of the Security SPV, of an Enforcement Notice to the Issuer, pursuant to the Indemnity relating to that Group of Secured Notes (as contemplated in Condition 16.5);

**"Enforcement Notice"** means, following the occurrence of an Event of Default in respect of a Group of Secured Notes, a written notice delivered, by or on behalf of the Security SPV, to the Issuer, pursuant to the Indemnity relating to that Group of Secured Notes, declaring all of the Secured Notes in that Group of Secured Notes, and all amounts owing by the Issuer to the Group of Secured Noteholders who hold that Group of Secured Notes under the Applicable Terms and Conditions (whether or not due for payment), to be immediately due and payable;

**"Event of Default"** means, in relation to Senior Unsecured Notes, any of the events described in Condition 15.2 and, in relation to Subordinated Notes, any of the events described in Conditions 15.3, as applicable;

**"Exchange Control Authorities"** means the Financial Surveillance Department of the South African Reserve Bank;

**"Exchange Control Regulations"** means the Exchange Control Regulations, 1961, promulgated pursuant to the Currency and Exchanges Act, 1933;

**"Final Broken Amount"** means, in relation to a Tranche of Notes (where applicable), the amount (if any) specified as such in the Applicable Pricing Supplement;

**"Financial Exchange"** means any *"exchange"* as defined in the Financial Markets Act;

**"Final Redemption Amount"** means, in relation to a Tranche of Notes which is to be redeemed on the Maturity Date in terms of Condition 9.1, (i) the aggregate Outstanding Principal Amount of that Tranche

plus accrued interest (if any) to the Maturity Date or (ii) such other amount as is specified as such in (or calculated in the manner set out in) the Applicable Pricing Supplement;

**"Financial Markets Act"** means the Financial Markets Act, 2012;

**"First Interest Payment Date"** means, in relation to a Tranche of Notes (where applicable), the date specified as such in the Applicable Pricing Supplement;

**"FirstRand Bank"** means FirstRand Bank Limited (registration number 1929/001225/06);

**"Fixed Interest Rate"** means, in relation to a Tranche of Notes (where applicable), the fixed interest rate per annum specified as such in (or calculated in the manner set out in) the Applicable Pricing Supplement;

**"Fixed Rate Notes"** means a Tranche of Notes which will bear interest at a Fixed Interest Rate, as specified in the Applicable Pricing Supplement;

**"Floating Interest Rate"** means, in relation to a Tranche of Notes (where applicable), the floating interest rate per annum specified as such in (or calculated in the manner set out in) the Applicable Pricing Supplement;

**"Floating Rate Notes"** means a Tranche of Notes which will bear interest at a Floating Interest Rate, as specified in the Applicable Pricing Supplement;

**"Group"** or **"Group of Noteholders"** means, in relation to Unsecured Notes, the Noteholders of one or more Tranche/s of Notes or the Noteholders of one or more Series of Notes, as applicable, and, in relation to a Group of Secured Notes, the Group of Secured Noteholders who hold that Group of Secured Notes;

**"Group of Secured Noteholders"** means, in relation to a Group of Secured Notes, the Secured Noteholders of that Group of Secured Notes;

**"Group of Secured Notes"** means the Tranche/s of Secured Notes, having the same Issue Date, which is/are "linked" to a Portfolio of Stabilised Developer Property/ies and the proceeds of which Secured Notes will be used to finance the Property Loan/s relating to that Portfolio of Stabilised Developer Property/ies, it being recorded that capitalised terms used in this definition which are not defined in this Condition 1.1 shall bear the meanings ascribed to those terms in the section of the Programme Memorandum headed "*General Description of the Issuer*" under "*Description of the INDLU Living Group*" below);

**"Guarantee"** means, in relation to a Group of Secured Notes, the written guarantee entitled "*Guarantee*", dated on or about the Issue Date of that Group of Secured Notes, to be executed by the Security SPV in favour of the Group of Secured Noteholders who hold that Group of Secured Notes, as amended, novated and/or substituted from time to time in accordance with its terms;

**"Guarantee Conditions"** means, in relation to a Group of Secured Notes, all of the terms and conditions set out in the Guarantee relating to that Group of Secured Notes;

**"Guarantee Event"** means, following the occurrence of an Event of Default in respect of a Group of Secured Notes, the delivery, by or on behalf of the Security SPV, of an Enforcement Notice to the Issuer pursuant to the Indemnity relating to that Group of Secured Notes (as contemplated in Condition 16.5);

**"IFRS"** means International Financial Reporting Standards (formerly International Accounting Standards) issued by the International Accounting Standards Board ('IASB') and interpretations issued by the International Financial Reporting Interpretations Committee of IASB (as amended, supplemented or re-issued from time to time);

**"Income Tax Act"** means the Income Tax Act, 1962;

**"Indebtedness"** means, in relation to the Issuer any indebtedness of the Issuer in respect of moneys borrowed from any third party lender and (without double counting) any guarantees given by the Issuer, whether present or future, actual or contingent;

**"Indemnity"** means, in relation to a Group of Secured Notes, the written agreement entitled "*Indemnity*", dated on or about the Issue Date, executed by the Issuer in favour of the Security SPV, as amended, novated and/or substituted from time to time in accordance with its terms;

**"Indemnity Default"** means, following a Guarantee Event in respect of a Group of Secured Notes, the failure by the Issuer to pay the Total Amount to the Security SPV, in terms of the Indemnity relating to that Group of Secured Notes, by the close of business on the 2nd (second) Business Day following the Enforcement Date in respect of that Group of Secured Notes;

**"Initial Broken Amount"** means, in relation to a Tranche of Notes (where applicable), the amount (if any) specified as such in the Applicable Pricing Supplement;

**"Insolvency Act"** means the Insolvency Act, 1936;

**"Insolvency Event"** means, in relation to the Issuer, the occurrence of any of the following events in respect of the Issuer:

- a) an application is made to have the Issuer wound up or liquidated or placed under business rescue; or
- b) an order is made or an effective resolution is passed for the winding-up or liquidation or business rescue of the Issuer; or
- c) a business rescue practitioner is appointed in respect of the Issuer or any application for any such appointment is made; or
- d) a liquidator is appointed in respect of the Issuer or any application for any such appointment is made; or
- e) the Issuer is wound-up or liquidated or placed under business rescue, whether provisionally or finally and whether voluntarily or compulsorily, or the Issuer passes a resolution providing for any such event; or
- f) the Issuer takes any action (including an application, a proposal or a convening of a meeting) for a readjustment or deferment of any of its obligations or makes or attempts to make a general assignment or an arrangement or composition or compromise with or for the benefit of its creditors or declares a moratorium in respect of all or any of its indebtedness for moneys borrowed or raised,

provided that no such business rescue, liquidation or winding-up shall constitute an Insolvency Event if the terms of such business rescue, liquidation or winding-up were approved by a Debt Securities Extraordinary Resolution (or a Debt Securities Extraordinary Written Resolution) of all of the Senior Noteholders before the date of such business rescue, liquidation or winding-up;

**"Interest Amount"** means, in relation to a Tranche of Notes (where applicable), the amount of interest due and payable in respect of each Note in that Tranche, on the relevant Interest Payment Date, in respect of the relevant Interest Period, calculated by the Issuer Agent in accordance with Condition 7;

**"Interest Commencement Date"** means, in relation to a Tranche of Notes (where applicable), the Issue Date or such other date (if any) as is specified in the Applicable Pricing Supplement;

**"Interest Payment Date"** means, in relation to a Tranche of Notes (where applicable), the date specified as such in the Applicable Pricing Supplement or, if such date is not a Business Day, the date determined in accordance with the applicable Business Day Convention specified in the Applicable Pricing Supplement;

**"Interest Period"** means, in relation to a Tranche of Notes (where applicable), each successive 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 shall commence on (and include) the Interest Commencement Date and end on (but exclude) the First Interest Payment Date and the final Interest Period shall end on (but exclude) the Redemption Date, it being recorded, for the avoidance of doubt, that if any such date is not a Business Day, the date will be determined in accordance with the applicable Business Day Convention specified in the Applicable Pricing Supplement;

**"Interest Rate"** and **"Rate of Interest"** means, in relation to a Tranche of Notes (where applicable), the Fixed Interest Rate and/or the Floating Interest Rate and/or such other interest rate per annum as is specified in (or calculated in the manner set out in) the Applicable Pricing Supplement;

**"ISDA"** means International Swaps and Derivatives Association Inc.;

**"ISDA Definitions"** means, in relation to a Tranche of Floating Rate Notes (where applicable), the 2006 ISDA Definitions (*Interest Rate and Currency Derivative Transactions*) published by ISDA (as amended, supplemented, revised or republished from time to time) or such other ISDA Definitions as are specified as such in the Applicable Pricing Supplement;

**"ISDA Determination"** means, in relation to a Tranche of Floating Rate Notes (where applicable), the manner (set out in Condition 7.2.2 as read with the Applicable Pricing Supplement) in which the Floating Interest Rate applicable to that Tranche is to be determined;

**"Issue Date"** means, in relation to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;

**"Issue Price"** means, in relation to a Tranche of Notes, the price specified as such in the Applicable Pricing Supplement;



"**Issuer**" means IndluLiving Proprietary Limited (registration number 2024/500291/07);

"**Issuer Board**" means the board of directors of the Issuer;

"**Last Day to Register**" means, in relation to a Tranche of Registered Notes, the sixth Business Day or such other Business Day as is specified in the Applicable Pricing Supplement preceding each Interest Payment Date and the Redemption Date until 17h00 (South African time) on that Business Day, such Business Day being the last day on which the Transfer Agent will accept Transfer Forms and record in the Register the transfer of Registered Notes in that Tranche which are represented by Certificate/s;

"**Letter of Authority**" means the document issued by the Master authorising Skybound Corporate Services to act as the initial Security SPV Owner Trustee, in terms of section 6 of the Trust Property Control Act, 1988;

"**Limited Recourse Notes**" means each Group of Secured Notes;

"**Limited Recourse Provisions**" and "**Limited Recourse**" means, in relation to a Group of Secured Notes, following a Guarantee Event in respect of that Group of Secured Notes, the limited recourse provisions set out in Condition 16.20;

"**Margin**" means, in relation to a Tranche of Notes (where applicable), the margin specified as such in the Applicable Pricing Supplement;

"**Master**" means the Master of the High Court (Cape Town) appointed under section 2 of the Administration of Estates Act, 1965;

"**Material Indebtedness**" means, in relation to any Indebtedness of the Issuer at any point in time, an amount which (either alone or when aggregated with the amount of any other Indebtedness of the Issuer at that point in time) is equal to or exceeds 10% (ten percent) of the aggregate value of the total assets of the Issuer, such aggregate value and such total assets being determined by reference to the latest audited annual financial statements of the Issuer or if, in the reasonable opinion of the Issuer's auditors, such aggregate value and such total assets cannot be determined by reference to such latest audited annual financial statements, such aggregate value and such total assets as are determined by the Issuer's auditors (acting as an expert and not an arbitrator) in a report prepared by the Issuer's auditors for this purpose, such report, in the absence of manifest error, being *prima facie* evidence of the matters to which it relates;

"**Maturity Date**" means, in relation to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;

"**NACA**" means nominal annual compounded annually;

"**NACM**" means nominal annual compounded monthly;

"**NACQ**" means nominal annual compounded quarterly;

"**NACS**" means nominal annual compounded semi-annually;

"**Noteholder Early Redemption Election**" means, where "*Redemption at the election of Noteholders*" is specified in the Applicable Pricing Supplement as being applicable to a Tranche of Notes, the election of a Noteholder of Note/s in that Tranche to require the Issuer to redeem all or any of such Note/s (in whole or in part), on the Early Redemption Date (Put), in terms of Condition 9.4;

"**Noteholder Early Redemption Notice**" means, in relation to a Tranche of Notes to which the Noteholder Early Redemption Election is applicable, a written notice (in the form obtainable from the Issuer and/or the Transfer Agent and/or attached to the Applicable Pricing Supplement) which must be completed and signed by a Noteholder of Note/s in that Tranche who wishes to exercise the Noteholder Early Redemption Election in respect of all or any of such Note/s (in whole or in part) and which must be sent to the Issuer (with copies thereof to the Transfer Agent and the Settling Bank) in accordance with Condition 9.4;

"**Noteholders**" and "**holders of Notes**" means, (i) subject to Condition 1.2.4, the registered Noteholders of Registered Notes which are held in the CSD, determined in accordance with the CSD Procedures (in the case of Registered Notes which are held in the CSD); (ii) the holders of Registered Notes recorded as the registered holders of such Registered Notes in the Register (in the case of Registered Notes which are represented by Certificates) and (iii) the Payees of Order Notes;

"**Notes**" means the senior or subordinated, secured or unsecured, limited recourse (where applicable) notes of any kind issued or to be issued by the Issuer, under the Programme, pursuant to the Programme Memorandum;

**"Optional Redemption Date (Call)"** means, in relation to a Tranche of Notes which is to be redeemed (in whole or in part) in terms of Condition 9.3, the Interest Payment Date (in the case of interest-bearing Notes) or other date (in the case of non-interest-bearing Notes) stipulated as the date for redemption of that Tranche of Notes (in whole or in part), in the notice of redemption given by the Issuer in terms of Condition 9.3;

**"Optional Redemption Date (Put)"** means, in relation to all or any of the Note/s in a Tranche of Notes which is/are to be redeemed in terms of Condition 9.4 (following receipt by the Issuer of a Noteholder Early Redemption Notice), the date/s specified as such in the Applicable Pricing Supplement or, if no such date/s is/are specified in the Applicable Pricing Supplement, the Interest Payment Date/s (in the case of interest-bearing Notes) or other date/s (in the case of non-interest-bearing Notes) stipulated as the date/s for redemption of such Note/s (in whole or in part) in that Noteholder Early Redemption Notice;

**"Optional Redemption Date (Tax)"** means, in relation to a Tranche of Notes which is to be redeemed (in whole or in part) in terms of Condition 9.2, the Interest Payment Date (in the case of interest-bearing Notes) or other date (in the case of non-interest-bearing Notes) stipulated as the date for redemption of that Tranche of Notes in the notice of redemption given by the Issuer in terms of Condition 9.2;

**"Order Certificate"** means a certificate which is a negotiable instrument and which represents (and embodies) an Order Note, as contemplated in the Bills of Exchange Act and, unless the context otherwise requires, the term "Order Certificate" shall include the Coupons attached on issue to that certificate;

**"Order Note"** means a Note payable to order, as contemplated in the Bills of Exchange Act and, unless the context otherwise requires, the term "Order Note" shall include the rights to payment of interest and/or principal represented by and embodied in the Coupon/s attached on issue to the Order Certificate representing and embodying such Order Note;

**"Outstanding Principal Amount"** means, in relation to each Note in a Tranche of Notes, the Principal Amount of that Note less (on each occasion on which that Note is partially redeemed in terms of and subject to Condition 9, that portion of the Principal Amount of that Note which has been so partially redeemed and, in relation to the Programme at any point in time, the aggregate of all of such Principal Amounts of all of the Notes in issue under the Programme at that time;

**"Payee"** means the person reflected as the payee on an Order Certificate or the person to whom such Order Certificate has been negotiated (by way of delivery and Endorsement), as the case may be, as contemplated in the Bills of Exchange Act;

**"Payment Date"** means, in relation to each Note in a Tranche of Notes, the Redemption Date or (in the case of interest-bearing Notes) each Interest Payment Date or any other date on which any amount is due and payable to the Noteholders of such Notes in terms of the Applicable Terms and Conditions, as applicable;

**"Permitted Encumbrance"** means, in relation to the Issuer:

- a) any Encumbrance existing at the Programme Date; or
- b) any Encumbrance created pursuant to any Security Cession;
- c) any Encumbrance created or arising by operation of law (including, without limitation, any statutory Encumbrance);
- d) any Encumbrance created over or with respect to any receivables of the Issuer if such Encumbrance was created pursuant to any securitisation or like arrangement in accordance with normal market practice and the Indebtedness secured by such Encumbrance is limited to the value (on or about the date of creation of such Encumbrance) of such receivables; or
- e) any other Encumbrance, provided that the aggregate value of the assets of the Issuer which are subject to such other Encumbrance does not, at any time, exceed 5% of the aggregate value of the total assets of the Issuer at that time, such aggregate value and such total assets being determined by reference to the latest audited annual financial statements of the Issuer or if, in the reasonable opinion of the Issuer's auditor, such aggregate value and such total assets cannot be determined by reference to such latest audited annual financial statements, such aggregate value and such total assets as are determined by the Issuer's auditor (acting as an expert and not an arbitrator) in a report prepared by the Issuer's auditor for this purpose, such report, in the absence of manifest error, being *prima facie* evidence of the matters to which it relates; or
- f) any extension or renewal of any Encumbrance contemplated in sub-paragraphs (a) to (e) inclusive above;

**"person"** means any individual, company, corporation, firm, partnership, joint venture, association,

organisation, state or agency of a state or other entity, whether or not having separate legal personality;

**"Placement Agreement"** means an agreement, concluded in accordance with the Programme Agreement, in terms of which the Issuer agrees to issue one or more Tranches of Notes and one or more Dealers agree to place such Tranche/s of Notes, in accordance with such agreement;

**"Principal Amount"** means, in relation to each Note in a Tranche of Notes, the nominal amount of that Note (being the amount equivalent to the Specified Denomination), and in relation to any number of Notes in that Tranche, such number of Notes multiplied by that nominal amount;

**"Programme"** means the IndluLiving Proprietary Limited ZAR5,000,000,000 Domestic Medium Term Note Programme under which the Issuer may from time to time issue Notes;

**"Programme Agreement"** means the Programme Agreement, dated [●] 2024, concluded between the Issuer and Capital Solutions (as Arranger and Dealer), as amended, novated and/or substituted from time to time in accordance with its terms;

**"Programme Amount"** means the maximum aggregate Outstanding Principal Amount of all of the Notes that may be in issue under the Programme at any one point in time being, as at the Programme Date, ZAR5,000,000,000, or such increased amount as is determined by the Issuer from time to time, as set out in the section of the Programme Memorandum headed "*General Description of the Programme*";

**"Programme Date"** means the date of the Programme Memorandum, being [●] 2024;

**"Programme Memorandum"** means this document so entitled in respect of the Programme dated [●] 2024; provided that if the Issuer publishes a new Programme Memorandum or a supplement to the Programme Memorandum, as the case may be (as contemplated in the section of this document headed "*Documents Incorporated by Reference*"), references to "Programme Memorandum" shall be construed as references to that new Programme Memorandum or the Programme Memorandum as supplemented by that supplement to the Programme Memorandum, as the case may be;

**"Programme Termination Date"** means the later of (i) the date being 6 (six) calendar months following the Actual Redemption Date of the last Note/s in issue and outstanding under the Programme or (ii) following the occurrence of a Guarantee Event in respect of the last Tranche of Secured Notes in issue under the Programme, the date being 6 (six) calendar months following the date on which all claims for payment by the Group of Secured Noteholders who hold that Tranche of Secured Notes against the Security SPV under the Guarantee relating to that Tranche of Secured Notes have been discharged in accordance with the provisions of that Guarantee, as applicable;

**"R" or "Rand" or "ZAR"** means the lawful currency of South Africa;

**"Rate Determination Date"** means, in relation to a Tranche of Notes (where applicable), the first day of each Interest Period; provided that the Rate Determination Date for the first Interest Period shall, in the case of a Tranche of Floating Rate Notes or if otherwise specified in the Applicable Pricing Supplement, be the date specified as such in the Applicable Pricing Supplement;

**"Rating"** means, in relation to the Issuer and/or a Tranche of Notes (where applicable), the rating assigned to the Issuer and/or that Tranche of Notes (as applicable) by any Rating Agency;

**"Rating Agency"** means Global Credit Rating Co. Proprietary Limited (incorporated with limited liability under registration number 1995/005001/07 in South Africa) and/or Moody's Investors Service South Africa Proprietary Limited (incorporated with limited liability under registration number 2002/014566/07 in South Africa) or the South African branch (registration number 2012/020451/10) of Standard & Poor's Global Inc. and/or Fitch Ratings Ltd (registered in England under registration number 1316230) and/or such other locally or internationally recognised rating agency/ies as is/are appointed by the Issuer;

**"Recovered Amount"** means, following a Guarantee Event in respect of a Group of Secured Notes, if the Enforcement Amount in respect of that Group of Secured Notes is less than the Total Amount in respect of that Group of Secured Notes, that Enforcement Amount or, if that Enforcement Amount is greater than that Total Amount, that portion of the Enforcement Amount as is equal to that Total Amount, as the case may be;

**"Redemption Amount"** means, in relation to all or any of the Notes in a Tranche of Notes (as applicable), the Final Redemption Amount or the Early Redemption Amount or the Early Termination Amount or such other amount as is specified as such in (or calculated in the manner set out in) the Applicable Pricing Supplement, as applicable;

**"Redemption Date"** means, in relation to all or any of the Notes in a Tranche of Notes (as applicable), the Maturity Date or the Early Redemption Date or the Early Termination Date or such other date/s as is/are specified as such in the Applicable Pricing Supplement, as applicable;

**"Reference Banks"** means, in relation to a Tranche of Notes (where applicable), the banks specified as such in the Applicable Pricing Supplement or, if none, 4 (four) major banks (selected by the Issuer Agent and approved by the Issuer) in the market that is most closely connected with the Reference Rate;

**"Reference Rate"** means, in relation to a Tranche of Notes (where applicable), the rate specified as such in the Applicable Pricing Supplement;

**"Reference Price"** means, in relation to a Tranche of Zero Coupon Notes, the price specified as such in the Applicable Pricing Supplement;

**"Register"** means the register of the Issuer's securities (including the register of the Issuer's uncertificated securities) contemplated in (and maintained in accordance) with Chapter 2 Part E of the Companies Act;

**"Registered Notes"** means (i) Notes issued in uncertificated form in terms of Chapter IV of the Financial Markets Act which are (upon issue) held in the CSD and (ii) Notes in certificated which are represented by Certificates, as contemplated in Condition 11.1;

**"relevant Group of Secured Noteholders"** means, in relation to a Group of Notes, the Secured Noteholders of that Group of Secured Notes;

**"relevant Group of Secured Notes"** means, in relation to a Group of Secured Noteholders, the Group of Secured Notes held by that Group of Secured Noteholders;

**"Relevant Screen Page"** means, in relation to a Tranche of Notes (where applicable), 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;

**"Relevant Time"** means, in relation to a Tranche of Notes (where applicable), the time specified as such in the Applicable Pricing Supplement;

**"Representative"** means a person duly authorised to act on behalf of a Noteholder, which person may be regarded by each of the Issuer, the Transfer Agent and the Settling Bank (acting in good faith) as being duly authorised to act based upon the tacit or express representation made by such person, in the absence of express notice to the contrary from that Noteholder;

**"Screen Rate Determination"** means, in relation to a Tranche of Floating Rate Notes (where applicable), the manner (set out in Condition 7.2.3 subject (where applicable), to Condition 7.2.4, as read with the Applicable Pricing Supplement) in which the Floating Interest Rate applicable to that Tranche is to be determined;

**"Secured Note Event of Default"** means, in relation to Senior Secured Notes, any of the events described in Condition 15.1;

**"Secured Noteholder"** means a holder of Senior Secured Note/s;

**"Security Agreements"** mean, in relation to a Tranche of Secured Notes, collectively, the Guarantee, the Indemnity and the Security Cession relating to that Tranche of Secured Notes as well as such other agreement/s (if any) as is/are specified in the Security Cession, and **"Security Agreement"** means each of them;

**"Security Cession"** means, in relation to a Group of Secured Notes, the written agreement entitled *"Security Cession"*, dated on or about the Issue Date, executed by the Issuer in favour of the Security SPV, as amended, novated and/or substituted from time to time in accordance with its terms;

**"Security SPV"** means IndluLiving Security SPV (RF) Proprietary Limited (registration number 2024/565725/07);

**"Security SPV Default"** means, in relation to a Group of Secured Notes, any act or omission of the Security SPV which amounts to (a) gross or willful breach of the Security SPV's obligations under any of the Security Agreements relating to that Group of Secured Notes or (b) fraud, but excluding any act or omission which (i) is in accordance with the direction of a court or (ii) is otherwise sanctioned by law or (iii) arises as a result of a breach by a person (other than the Security SPV) of any of the Security Agreements relating to that Group of Secured Notes;

**"Security SPV Owner Trust"** means the trust known as the "IndluLiving Security SPV Owner Trust" established (or to be established) pursuant to the Security SPV Owner Trust Deed;

**"Security SPV Owner Trust Deed"** means the written trust deed of the Security SPV Owner Trust

lodged with (or to be lodged with) the Master in terms of section 4 of the Trust Property Control Act, 1988, executed (or to be executed) by Skybound Corporate Services (as initial Security SPV Owner Trustee) and the Issuer (as Founder), as amended, novated and/or substituted from time to time in accordance with its terms;

**"Security SPV Owner Trustee"** means Skybound Corporate Services (in its capacity as the initial Security SPV Owner Trustee) or any successor or replacement Security SPV Owner Trustee appointed as such under the Security SPV Owner Trust Deed, as the case may be;

**"Senior Notes"** means Senior Unsecured Notes and Senior Secured Notes;

**"Senior Secured Notes"** and **"Secured Notes"** means a Tranche of Notes issued with the status and characteristics set out in Condition 5.1, as specified in the Applicable Pricing Supplement;

**"Senior Unsecured Notes"** means a Tranche of Notes issued with the status and characteristics set out in Condition 5.2, as specified in the Applicable Pricing Supplement;

**"Series"** means a Tranche of Notes which, together with any other Tranche/s of Notes, is expressed in the Applicable Pricing Supplement to form a single series of Notes, identified in the Applicable Pricing Supplements relating to such Tranches of Notes by way of a unique numeral (such as Series 1);

**"Settling Bank"** means FirstRand Bank or, if the Issuer elects to appoint another entity as Settling Bank, as contemplated in Condition 18, that other entity, as the case may be;

**"Skybound Corporate Services"** means Skybound Corporate Services Proprietary Limited (registration number 2017/157610/07);

**"Solvent Reconstruction"** means, in relation to the Issuer, an event where an order is made or an effective resolution is passed for the winding-up of the Issuer other than under or in connection with a scheme of arrangement or reconstruction not involving a bankruptcy or insolvency where the obligations of the Issuer under the Notes then in issue under the Programme are assumed by the successor entity to which all, or substantially all, of the property, assets and undertaking of the Issuer are transferred or where an arrangement with similar effect not involving bankruptcy or insolvency is implemented;

**"South Africa"** means the Republic of South Africa;

**"Specified Currency"** means, in relation to each Note in a Tranche of Notes, subject to the Exchange Control Regulations and the approval of CTSE, the currency specified as such in the Applicable Pricing Supplement;

**"Specified Denomination"** means, in relation to each Note in a Tranche of Notes, the amount specified as such in the Applicable Pricing Supplement; provided that such amount shall not be less than ZAR1,000,000 (or the equivalent thereof in the Specified Currency if the Specified Currency is not ZAR) or such other amount as is prescribed from time to time in terms of section 96(2)(a) of the Companies Act;

**"Specified Office"** means, (a) in relation to each of the Issuer, the Debt Issuer Agent, the Settling Bank, the Strate Issuer Agent and the Transfer Agent, the address of the office specified in respect of such entity at the end of the Programme Memorandum or such other address as is notified by such entity (or, where applicable, a successor to such entity) to the Noteholders in accordance with Condition 19.1, as the case may be, and (b) in relation to each of the Security SPV and the Security SPV Owner Trustee, the address of the office specified in respect of such entity in the Applicable Pricing Supplement or such other address as is notified by such entity (or, where applicable, a successor to such entity) to the Secured Noteholders in accordance with Condition 19.1, as the case may be;

**"Strate Issuer Agent"** means CTSE or such other person as may be appointed by the Issuer as Debt Issuer Agent in accordance with Chapter 4 of the the CTSE Debt Listings Requirements;

**"Subordinated Notes"** means a Tranche of Notes issued with the status and characteristics set out in Condition 5.3, as specified in the Applicable Pricing Supplement;

**"Substantial Part"** means, in relation to the present or future assets of the Issuer at any point in time, assets of the Issuer which (either alone or when aggregated with other assets of the Issuer at that time) have an aggregate value equal to or greater than 25% (twenty five percent) of the aggregate value of the total assets of the Issuer, such aggregate value and such total assets being determined by reference to the latest audited annual financial statements of the Issuer or if, in the reasonable opinion of the Issuer's auditor, such aggregate value and such total assets cannot be determined by reference to such latest audited annual financial statements, such aggregate value and such total assets as are determined by the Issuer's auditor (acting as an expert and not an arbitrator) in a report prepared by the Issuer's auditor for this purpose, such report, in the absence of manifest error, being *prima facie* evidence of the matters to which it relates;

**"Taxes"** means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of South Africa or any political subdivision therein or any authority therein or thereof having power to tax (including any penalty, including *mora* interest, payable in connection with any failure to pay, or delay in paying, any of the same; provided that such penalty does not arise as a result of any default of negligence on the part of the relevant Noteholder) and **"Tax"** and **"Taxation"** will be construed accordingly;

**"Tax Event"** means, in relation to a Tranche of Notes, an event where, as a result of a Tax Law Change, the Issuer has paid or will pay or would on the next Interest Payment Date be required to pay additional amounts as provided for in Condition 10 and the Issuer cannot avoid the foregoing by taking measures which are commercially available to it;

**"Tax Law Change"** means, in relation to a Tranche of Notes, a change in or proposed change in, or amendment or proposed amendment to, the laws or regulations of South Africa, or any political subdivision or any authority thereof or therein having power to tax, or any change or proposed change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), whether or not having retrospective effect, which change, proposed change, amendment or proposed amendment is announced on or after the Issue Date;

**"Terms and Conditions"** means the terms and conditions of the Notes set out in this section of the Programme Memorandum headed *"Terms and Conditions"*;

**"Total Amount"** means, following a Guarantee Event in respect of a Group of Secured Notes, an amount which is equal to the total amount payable to the Group of Secured Noteholders who hold that Group of Secured Notes in terms of the Guarantee relating to that Group of Secured Notes (ignoring the provisions of the Guarantee Conditions);

**"Tranche"** and **"Tranche of Notes"** means those Notes which are subject to the identical Applicable Terms and Conditions (including as to listing) and in respect of which the same Applicable Pricing Supplement applies;

**"Transaction Account"** means, in relation to a Group of Secured Notes, the individual bank account identified as relating to that Group of Secured Notes, opened in the name of the Security SPV, at the Transaction Bank, into which, following a Guarantee Event in respect of that Group of Secured Notes, among other things, the Total Amount in respect of that Group of Secured Notes is required to be paid by the Issuer in terms of the Indemnity relating to that Group of Secured Notes;

**"Transaction Bank"** means FirstRand Bank, or such other bank, registered as a bank in terms of the Banks Act, as may be selected by the Issuer from time to time and notified to the Security SPV;

**"Transfer Agent"** means CTSE Registry Services or, if the Issuer elects to appoint another entity as Transfer Agent, as contemplated in Condition 18, that other entity, as the case may be;

**"Transfer Form"** means the written form for the transfer of a Note represented by a Certificate, in the usual form or in such other form as is approved by the Transfer Agent;

**"Value-Added Tax Act"** means the Value-Added Tax Act, 1991;

**"VAT"** means value added tax imposed in terms of the Value-Added Tax Act, or any similar tax imposed in place thereof from time to time;

**"ZAR-JIBAR-SAFEX"** means, in relation to a Tranche of Notes (where applicable), subject to Condition 7.2.4, the Reference Rate specified as such in the Applicable Pricing Supplement that is, subject to Condition 7.2.3, the average mid-market yield rate per annum for 3-month deposits in Rand which appears on the Relevant Screen Page as the "SFX 3M YIELD" at or about the Relevant Time on the Rate Determination Date, determined by the Issuer Agent in accordance with Condition 7.2.3;

**"Zero Coupon Notes"** means a Tranche of Notes which will be offered and sold at a discount to its aggregate Principal Amount or at par and will not bear interest other than in the case of late payment, as specified in the Applicable Pricing Supplement.

## 1.2 Interpretation

1.2.1 To the extent that there is any conflict or inconsistency between the provisions of the Terms and Conditions and the provisions of any of the CSD Procedures, those provisions of the CSD Procedures shall prevail.

1.2.2 In the Terms and Conditions:

1.2.2.1 if an expression is stated in Condition 1.1 to have the meaning given in the Applicable Pricing Supplement, but the Applicable Pricing Supplement gives no such meaning or specifies that such

expression is "not applicable" then such expression is not applicable to the relevant Tranche of Notes; and

- 1.2.2.2 any reference to the any agreement (including, without limitation, the Applicable Agency Agreement and any Security Agreement) shall be construed as a reference to that agreement, as amended and/or supplemented from time to time.
- 1.2.3 Unless inconsistent with the context or save where the contrary is expressly specified in the Terms and Conditions:
- 1.2.3.1 all references in the Terms and Conditions to any statute, regulation or other legislation will be a reference to that statute, regulation or other legislation as at the Programme Date and as amended, re-enacted or replaced and substituted from time to time;
- 1.2.3.2 references to any Condition are to that Condition of the Terms and Conditions;
- 1.2.3.3 words denoting the singular only will include the plural also and *vice versa*, words denoting one gender only will include the other genders and words denoting persons only will include firms and corporations and *vice versa*;
- 1.2.3.4 the use of the word "including" followed by a specific example/s will not be construed as limiting the meaning of the general wording preceding it and the *eiusdem generis* rule will not be applied in the interpretation of such general wording or such specific example/s. Such references to "including" and "in particular" will not be construed restrictively but will mean "including, without prejudice to the generality of the foregoing" and "in particular, but without prejudice to the generality of the foregoing" respectively;
- 1.2.3.5 any reference to days (other than a reference to Business Days), months or years will be a reference to calendar days, months or years, as the case may be.
- 1.2.4 Subject to the CSD Procedures and unless the context clearly otherwise indicates, references to "Registered Notes which are held in the CSD" include Beneficial Interests in such Registered Notes, and *vice versa*, and references to "registered Noteholders of Registered Notes which are held in the CSD" include the holders of Beneficial Interests in such Registered Notes, and *vice versa*.
- 1.2.5 If any provision in a definition in the Terms and Conditions is a substantive provision conferring a right or imposing an obligation on any party then, notwithstanding that it is only in a definition, effect shall be given to that provision as if it were a substantive provision in the body of the Terms and Conditions.
- 1.2.6 Headings and sub-headings in the Terms and Conditions are inserted for convenience only.
- 1.2.7 Where any term is defined within a particular Condition, that term shall bear the meaning ascribed to it in that Condition wherever it is used in the Terms and Conditions.
- 1.2.8 The *contra proferentem* rule shall not be applied in the interpretation of the Terms and Conditions.
- 1.2.9 All references in this Programme Memorandum to the "**Security SPV Owner Trust**" shall, in accordance with Applicable Law and where the context so requires, be construed as references to the "**Security SPV Owner Trustee**", acting in its capacity as such.

## 2. ISSUE

- 2.1. The Issuer may from time to time (without the consent of any Noteholder), issue one or more Tranche/s of Notes pursuant to the Programme; provided that the aggregate Outstanding Principal Amount of all of the Notes in issue under the Programme from time to time does not exceed the Programme Amount.
- 2.2. Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. A Tranche of Notes will be issued on, and subject to, the Applicable Terms and Conditions of that Tranche of Notes.
- 2.3. The Applicable Terms and Conditions of a Tranche of Registered Notes are incorporated by reference into the Certificate/s (if any) representing the Registered Notes in that Tranche. The Applicable Pricing Supplement will be attached to such Certificate/s.
- 2.4. A Tranche of Registered Notes may be listed on CTSE and/or on such other Financial Exchange/s as may be determined by the Issuer and the Dealer/s, subject to all Applicable Laws. Unlisted Registered Notes may also be issued under the Programme. Unlisted Registered Notes are not regulated by CTSE or any other Financial Exchange. The holders of Registered Notes that are not listed on CTSE will have no recourse against CTSE. The Applicable Pricing Supplement will specify whether or not a Tranche of Registered Notes will be listed and, if so, on which Financial Exchange.
- 2.5. A Tranche of Order Notes will not be listed on any Financial Exchange.

### 3. TYPE, FORM AND DENOMINATION

#### 3.1. General

- 3.1.1. All payments in relation to the Notes in a Tranche will be made in the Specified Currency. The denomination of each Note in a Tranche will be the Specified Denomination.
- 3.1.2. A Tranche of Notes will comprise Senior Notes or Subordinated Notes, Secured Notes or Unsecured Notes, as indicated in the Applicable Pricing Supplement. A Tranche of Notes may comprise Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or such combination of any of the foregoing or such other type of Note as may be determined by the Issuer and the Dealer/s and specified in the Applicable Pricing Supplement.

#### 3.2. Registered Notes which are held in the CSD

- 3.2.1. Each Tranche of Registered Notes will be issued in uncertificated form in terms of Chapter IV of the Financial Markets Act and will be held in the CSD. Registered Notes which are held in the CSD will not be represented by any certificate or written instrument.
- 3.2.2. Each Tranche of Registered Notes which is held in the CSD will be held by the registered Noteholder/s of such Registered Notes in accordance with and subject to the Financial Markets Act and the CSD Procedures.

#### 3.3. Registered Notes which are represented by Certificates

Subject to the Financial Markets Act, the Noteholder of Registered Notes which are held in the CSD shall be entitled to exchange such Registered Notes for Registered Notes which are represented by a Certificate in accordance with Condition 11.1.

#### 3.4. Order Notes

- 3.4.1. Order Notes will be embodied in, and represented by, Order Certificate/s. Interest-bearing Order Notes may have Coupons attached to the relevant Order Certificate on issue.
- 3.4.2. Subordinated Notes will not be issued in the form of Order Notes.

### 4. TITLE

#### 4.1. Registered Notes

##### 4.1.1. *Registered Notes which are held in the CSD*

- 4.1.1.1. The registered Noteholders of Registered Notes which are held in the CSD will be determined in accordance with the CSD Procedures, and such registered Noteholders will be named in the Register as the registered Noteholders of such Registered Notes.
- 4.1.1.2. The clients of CSD Participants may include the registered Noteholders of Registered Notes which are held in the CSD or their custodians. The CSD Participants will maintain records of the Registered Notes held by their clients.
- 4.1.1.3. Title to Registered Notes which are held in the CSD will be reflected in the central securities accounts maintained by the CSD and the relevant CSD Participants for the registered Noteholders of such Registered Notes.
- 4.1.1.4. In relation to each person shown in the records of the CSD or the relevant CSD Participant, as the case may be, as the registered Noteholder of Registered Notes which are held in the CSD in a particular aggregate Outstanding Principal Amount, a statement or other document issued by the CSD or the relevant CSD Participant, as the case may be, as to the aggregate Outstanding Principal Amount of such Registered Notes standing to the account of such person shall be *prima facie* proof of such aggregate Outstanding Principal Amount of such Registered Notes.
- 4.1.1.5. Registered Notes which are held in the CSD may be transferred only in accordance with the CSD Procedures.
- 4.1.1.6. Subject to the CSD Procedures, the registered Noteholders of Registered Notes which are held in the CSD may only exercise their rights in respect of such Registered Notes through their CSD Participants.
- 4.1.1.7. Any reference in the Terms and Conditions to the relevant CSD Participant shall, in respect of a Registered Note which is held in the CSD, be a reference to the CSD Participant appointed to act as such by the registered Noteholder of such Note.

##### 4.1.2. *Registered Notes which are represented by Certificates*



- 4.1.2.1. Each Noteholder of Registered Notes which are represented by a Certificate will be named in the Register as the registered Noteholder of such Registered Notes.
- 4.1.2.2. Title to Registered Notes which are represented by a Certificate will pass upon registration of transfer in accordance with Condition 13.2.

#### 4.1.3. *Register*

The Issuer, the Transfer Agent and the Settling Bank shall recognise a Noteholder of Registered Notes as the sole and absolute owner of the Registered Notes registered in that Noteholder's name in the Register (notwithstanding any notice of ownership or writing thereon 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. **Order Notes**

- 4.2.1. The Issuer, the Transfer Agent and the Settling Bank may deem and treat the person who from the face of the Order Certificate appears to be the Payee thereof as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or notice of any previous loss or theft thereof) for all purposes, and payment to such person or its Representative shall discharge the Issuer from all liability to the Payee in relation to such Order Certificate, even if the relevant Endorsement has been forged or made without authority.
- 4.2.2. Title to Order Notes will initially pass by Endorsement and delivery of the relevant Order Certificate in accordance with Condition 13.3. An Order Certificate upon which the last Endorsement is an Endorsement in Blank shall be treated as a Bearer Certificate (that is, a certificate which is a negotiable instrument and which represents (and embodies) a Note payable to the bearer thereof, as contemplated in the Bills of Exchange Act), for so long as not subject to further Endorsement.
- 4.2.3. Provided the Issuer pays any amount due upon presentation and surrender of an Order Certificate in good faith, it shall not be incumbent upon the Issuer or the Transfer Agent or the Settling Bank to determine or prove that the Endorsement of the Payee making such Endorsement was made by or under the authority of the person whose Endorsement it purports to be.

## 5. **STATUS OF THE NOTES**

### 5.1. **Senior Secured Notes**

Senior Secured Notes constitute direct limited recourse senior secured obligations of the Issuer and rank *pari passu* without any preference or priority among themselves and (save for certain debts accorded preferential rights by law) at least *pari passu* with all other present and future unsubordinated and secured obligations of the Issuer.

### 5.2. **Senior Unsecured Notes**

Senior Unsecured Notes constitute direct senior and (subject to the provisions of Condition 6) unsecured obligations of the Issuer and rank *pari passu* without any preference or priority among themselves and (save for certain debts accorded preferential rights by law) at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the Issuer.

### 5.3. **Subordinated Notes**

Subordinated Notes constitute direct subordinated unsecured obligations of the Issuer and rank *pari passu* without any preference or priority among themselves and (save for certain debts accorded preferential rights by law) at least *pari passu* with all other present and future subordinated and unsecured obligations of the Issuer.

## 6. **NEGATIVE PLEDGE AND ISSUER UNDERTAKING**

For as long as any Senior Unsecured Note remains outstanding, the Issuer shall not create or permit the creation of any Encumbrance (other than a Permitted Encumbrance) over the whole or a Substantial Part of its present or future assets to secure any Indebtedness without providing such security or arrangement for the Senior Unsecured Notes as is approved by a Debt Securities Extraordinary Resolution (or a Debt Securities Extraordinary Written Resolution) of all of the Senior Unsecured Noteholders, unless the provision of any such security or arrangement is waived by a Debt Securities Extraordinary Resolution (or a Debt Securities Extraordinary Written Resolution) of all of the Senior Unsecured Noteholders.

## 7. **INTEREST**

### 7.1. **Fixed Rate Notes**

- 7.1.1. A Tranche of Fixed Rate Notes will bear interest on its Outstanding Principal Amount at the Fixed Interest Rate specified in (or calculated in the manner set out in) the Applicable Pricing Supplement, for the period from (and including) the Interest Commencement Date to (but excluding) the Redemption Date.
- 7.1.2. The interest due on a Tranche of Fixed Rate Notes in respect of an Interest Period will be payable in arrears on the Interest Payment Date in respect of that Interest Period. The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date. If any Interest Payment Date falls upon a day which is not a Business Day, the provisions of Condition 8.4 shall determine the date of payment of interest due on that Interest Payment Date.
- 7.1.3. The interest payable in respect of a Tranche of Fixed Rate Notes in respect of any six-monthly Interest Period shall, unless otherwise specified in the Applicable Pricing Supplement, be calculated by multiplying the Fixed Interest Rate applicable to that Tranche of Fixed Rate Notes by its Outstanding Principal Amount and then dividing the product by two; provided that:
- 7.1.3.1. if an Initial Broken Amount is specified in the Applicable Pricing Supplement, the first Interest Amount shall equal that Initial Broken Amount; and
- 7.1.3.2. if a Final Broken Amount is specified in the Applicable Pricing Supplement, the final Interest Amount shall equal that Final Broken Amount.
- 7.1.4. Save as provided in the preceding paragraphs of this Condition 7.1, if interest on a Tranche of Fixed Rate Notes is required to be calculated for a period of other than one year (in the case of annual interest payments) or other than six months (in the case of semi-annual interest payments), as the case may be, such interest shall (unless otherwise specified in the Applicable Pricing Supplement) be calculated on the basis of the actual number of days in such period divided by 365 (three hundred and sixty five).
- 7.2. Floating Rate Notes**
- 7.2.1. *General*
- 7.2.1.1. A Tranche of Floating Rate Notes will bear interest on its Outstanding Principal Amount at the Floating Interest Rate specified in (or calculated in the manner set out in) the Applicable Pricing Supplement, for the period from (and including) the Interest Commencement Date to (but excluding) the Redemption Date.
- 7.2.1.2. The interest due on a Tranche of Floating Rate Notes in respect of an Interest Period will be payable in arrears on the Interest Payment Date in respect of that Interest Period. The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date. If any Interest Payment Date falls upon a day which is not a Business Day, the provisions of Condition 8.4 shall determine the date of payment of interest due on that Interest Payment Date
- 7.2.1.3. The Floating Interest Rate applicable from time to time to a Tranche of Floating Rate Notes will be determined (and specified in the Applicable Pricing Supplement) (i) on the basis of ISDA Determination or (ii) on the basis of Screen Rate Determination or (iii) on such other basis as may be determined by the Issuer and specified in the Applicable Pricing Supplement.
- 7.2.2. *ISDA Determination*
- 7.2.2.1. Where ISDA Determination is specified in the Applicable Pricing Supplement as the manner in which the Floating Interest Rate is to be determined, the Floating Interest Rate applicable to a Tranche of Floating Rate Notes for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any). For the purposes of this Condition 7.2.2.1, "**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 an interest rate swap transaction if that agent were acting as Issuer Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
- 7.2.2.1.1. the Floating Rate Option is as specified in the Applicable Pricing Supplement;
- 7.2.2.1.2. the Designated Maturity is the period specified in the Applicable Pricing Supplement; and
- 7.2.2.1.3. the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on ZARJIBAR-SAFEX, the first day of that Interest Period or (ii) in any other case, as specified in the Applicable Pricing Supplement.
- 7.2.2.2. For the purposes of Condition 7.2.2.1, "**Floating Rate**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

### 7.2.3. *Screen Rate Determination*

7.2.3.1. Where Screen Rate Determination is specified in the Applicable Pricing Supplement as the manner in which the Floating Interest Rate is to be determined, the Floating Interest Rate applicable to a Tranche of Floating Rate Notes for each Interest Period will be subject to the provisions of this Condition 7.2.3, be:

7.2.3.1.1. if the Relevant Screen Page is available, either:

- a) the offered quotation (if only one quotation appears on the screen page); or
- b) the arithmetic mean (rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage per annum) for the Reference Rate which appears on the Relevant Screen Page as at the Relevant Time on the relevant Rate Determination Date plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any), all as determined by the Strate Issuer Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Strate Issuer Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations; or

7.2.3.1.2. if the Relevant Screen Page is not available or if, in the case of Condition 7.2.3.1.1(a), no such offered quotation appears or, in the case of Condition 7.2.3.1.1(b), fewer than three such offered quotations appear, in each case as at the Relevant Time, the Strate Issuer Agent shall request the principal Johannesburg office of each of the Reference Banks to provide the Issuer Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at the Relevant Time on the relevant Rate Determination Date. If two or more of the Reference Banks provide the Strate Issuer Agent with such offered quotations, the Floating Interest Rate for the relevant 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 indicated in the Applicable Pricing Supplement) the Margin (if any), all as determined by the Issuer Agent; or

7.2.3.1.3. if the Floating Interest Rate cannot be determined by applying the provisions of Condition 7.2.3.1.1 and Condition 7.2.3.1.2, the Floating Interest Rate for the relevant Interest Period shall be the rate per annum which the Strate Issuer Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Strate Issuer Agent by the Reference Banks or any two or more of them, at which such Reference Banks offered, at the Relevant Time on the relevant Rate Determination Date, deposits in an amount approximately equal to the aggregate Principal Amount of the relevant Tranche of Floating Rate Notes, for a period equal to that which would have been used for the Reference Rate to prime banks in the Johannesburg inter-bank market plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any). If fewer than two of the Reference Banks provide the Strate Issuer Agent with such offered rates, the Floating Interest Rate for the relevant Interest Period will be determined by the Strate Issuer Agent as the arithmetic mean (rounded as provided above) of the rates for deposits in an amount approximately equal to the aggregate Principal Amount of the relevant Tranche of Floating Rate Notes, for a period equal to that which would have been used for the Reference Rate, quoted at approximately 11h00 (Johannesburg time) on the relevant Interest Determination Date by the Reference Banks plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any). If the Floating Interest Rate cannot be determined in accordance with the foregoing provisions of this Condition 7.2.3.1.3, the Floating 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 last preceding Interest Period).

7.2.3.2. Subject to Condition 7.2.4, if the Reference Rate from time to time in respect of a Tranche of Floating Rate Notes is specified in the Applicable Pricing Supplement as being other than ZAR-JIBAR-SAFEX, the Floating Interest Rate applicable to that Tranche of Floating Rate Notes will be determined as provided in the Applicable Pricing Supplement.

7.2.4. *ZAR-JIBAR-SAFEX to co-exist with and/or be replaced by ZARONIA*

7.2.4.1. The ZAR-JIBAR-SAFEX Reference Rate will co-exist with and/or be replaced by the "South African

Rand Overnight Index Average" ("**ZARONIA**").

7.2.4.2. On 28 September 2023, the South African Reserve Bank ("**SARB**") released a document entitled "*Consultation on market conventions for ZARONIA-linked cash market instruments*" ("**ZARONIA Document**").

7.2.4.3. The ZARONIA Document is available on:

<https://www.resbank.co.za/en/home/publications/publication-detail-pages/media-releases/2023/Consultation-on-market-conventions-for-ZARONIA-linked-cash-market-instruments>

7.2.4.4. The ZARONIA Document refers to 3 "consultation papers", prepared by the Market Practitioners Group, on "*market conventions for cash market products that will use ... [ZARONIA] as an alternative reference rate*".

7.2.4.5. Consultation paper 2: "*Consultation on market conventions for ZARONIA-linked bond market instruments – 27 September 2023*" (and the related "*ZARONIA – Bond Practical Guide*") are available on:

<https://www.resbank.co.za/en/home/publications/publication-detail-pages/Financial-Markets/Committees/MPG/MPG-Related-pages/market-conventions-for-ZARONIA-linked-bond-market-instruments>

7.2.4.6. SARB has started publishing ZARONIA on its website to "*allow market participants to observe the rate before it is formally endorsed for use in financial products*".

7.2.4.7. If the ZAR-JIBAR-SAFEX Reference Rate co-exists with and/or is replaced by ZARONIA, the provisions of Condition 7.2.3 shall be subject to (and construed in accordance with) such updates in the methodology and/or calculations used to determine ZARONIA as may be prescribed by SARB and Applicable Law, including any transitional arrangements between the determination of ZAR-JIBAR-SAFEX as at the Programme Date (as set out in Condition 7.2.3) and the determination of ZARONIA that occurs after the Programme Date.

#### 7.2.5. *Maximum or Minimum Floating Interest Rate*

If any Maximum Floating Interest Rate or Minimum Floating Interest Rate is specified in the Applicable Pricing Supplement, then the Floating Interest Rate applicable to the relevant Tranche of Floating Rate Notes shall in no event be greater than the maximum or be less than the minimum so specified.

#### 7.2.6. *Calculation of Floating Interest Rate and Interest Amount*

7.2.6.1. The Strate Issuer Agent will, on or as soon as practicable after each Rate Determination Date or each Reset Date, as applicable, but in any event not later than 3 (three) Business Days after the Rate Determination Date or the Reset Date, as applicable, determine the Floating Interest Rate applicable to a Tranche of Floating Rate Notes for the Interest Period commencing on that Rate Determination Date or that Reset Date, as applicable, and (ii) calculate the Interest Amount payable in respect of that Tranche of Floating Rate Notes for that Interest Period.

7.2.6.2. Unless otherwise specified in the Applicable Pricing Supplement, the Interest Amount in respect of a Tranche of Floating Rate Notes will be determined by multiplying the Floating Interest Rate applicable to that Tranche of Floating Rate Notes by its Outstanding Principal Amount, then multiplying the product by the applicable Day Count Fraction and rounding the resultant product to the nearest cent, half a cent being rounded upwards.

### 7.3. **Other Notes**

The Applicable Pricing Supplement relating to any other Tranche of Notes not specifically provided for in the Terms and Conditions will set out, among other things, the manner in which the interest (if any) and/or other amounts payable in respect of that Tranche are to be calculated, the Interest Commencement Date (and/or other payment commencement date), the Interest Payment Date/s (and/or other payment date/s) and the Interest Period/s (and/or other payment period/s).

### 7.4. **Default interest**

7.4.1. Subject, in the case of Zero Coupon Notes, to Condition 7.4.2, If payment of principal (or any portion thereof) and/or interest (or any portion thereof) due and payable in respect of a Tranche of Notes (or the relevant Notes in that Tranche) is not paid on the due date for payment of such principal and/or interest, the overdue principal and/or interest will bear interest, at the Default Rate, from and including the due date for payment of such principal and/or interest to but excluding the Actual Payment Date.

7.4.2. If payment of principal (or the relevant portion thereof) due and payable in respect of a Tranche of Zero Coupon Notes (or the relevant Zero Coupon Notes in that Tranche) is improperly withheld or refused then, unless otherwise specified in the Applicable Pricing Supplement, the amount of principal (or the relevant portion thereof) shall thereafter be an amount equal to the sum of (i) the Reference Price (or the relevant portion thereof) and (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price (or the relevant portion thereof) on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) the Actual Payment Date.

**7.5. Debt Instrument System and Strate Issuer Agent**

7.5.1. The CSD Procedures provide for the establishment and implementation of the CSD's "Debt Instrument Solution ('DIS')". These amendments also provide, among other things, for the appointment of an 'Issuer Agent' who will be responsible, among other things, for the confirmation of interest/coupon and partial redemption amounts to be disbursed under debt instruments and the confirmation, on a daily basis of the outstanding principal amount of debt instruments in issue. An 'Issuer Agent' may be electronically connected to the Debt Instrument System by a system (the Central Messaging Front-End System ('CMFE')) that caters for an 'Issuer Agent' interface to the Debt Instrument System. The Central Messaging Front-End System will enable an 'Issuer Agent' to interact directly with the CSD.

7.5.2. As at the Programme Date, CTSE is the 'Issuer Agent' contemplated in the CSD Procedures. In addition to the duties and obligations of the Strate Issuer Agent contemplated in this Condition 7 and the Applicable Agency Agreement (if any), the Strate Issuer Agent will perform all such additional duties and comply with all such additional obligations as are required to be performed and/or complied with under the applicable provisions of the CSD Procedures.

**7.6. General**

*7.6.1. Calculation of other amounts*

If the Applicable Pricing Supplement specifies that any other amount, rate, index and/or formula in relation to a Tranche of Notes is to be calculated by the Strate Issuer Agent, the Strate Issuer Agent will, as soon as practicable after the time or times at which any such amount, rate, index and/or formula is to be determined, calculate the relevant amount, rate, index and/or formula in the manner specified in the Applicable Pricing Supplement.

*7.6.2. Fall-back Interest Rate*

Unless otherwise specified in the relevant Applicable Pricing Supplement, if the Strate Issuer Agent is unable to determine a rate (or, as the case may be, the arithmetic mean of rates) in accordance with the above provisions of this Condition 7, the Interest Rate applicable to the relevant Tranche of Notes during the relevant Interest Period will be the Interest Rate applicable to the relevant Tranche of Notes during the immediately preceding Interest Period (with adjustment for any change in the Margin, Maximum Interest Rate or Minimum Interest Rate).

*7.6.3. Notification of Floating Interest Rate and each Interest Amount*

7.6.3.1. The Strate Issuer Agent will cause each Floating Interest Rate and each Interest Amount determined by it (and any other amount/s required to be determined by it) to be notified to the Settling Bank as soon as practicable after such determination but in any event not later than 3 (three) Business Days after the Rate Determination Date or the Reset Date, as applicable (in the case of the determination of the Floating Interest Rate) and not later than 3 (three) Business Days before the Interest Payment Date (in the case of the determination of the Interest Amount). The Strate Issuer Agent will cause each Floating Interest Rate applicable to a Tranche of Registered Notes which is listed on CTSE to be published on the CTSE News Service not later than 3 (three) Business Days before the relevant Interest Payment Date. The Strate Issuer Agent will cause each Interest Amount determined by it to be announced on the CTSE News Service at least 3 (three) Business Days before the relevant Interest Payment Date.

7.6.3.2. The Strate Issuer Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period.

*7.6.4. Certificates to be final*

All communications, notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7 by the Issuer Agent will (in the absence of negligence, wilful default, bad faith or manifest error) be binding on the Issuer and the Noteholders and (subject as aforesaid) no liability to the Issuer or the Noteholders will attach to the Strate Issuer Agent in connection with the exercise or non-exercise by it of its powers, duties

and discretions pursuant to the provisions of this Condition 7.

7.6.5. *Failure to make determinations*

If the Strate Issuer Agent does not for any reason determine and/or calculate and/or publish any amount, rate or date as provided in the Terms and Conditions, it will forthwith notify the Issuer, the Settling Bank, CTSE and the CSD thereof. Any failure by the Strate Issuer Agent to determine and/or calculate and/or publish any of the foregoing will not affect the Issuer's obligations to pay any amount due in respect of the Notes as and when due.

**8. PAYMENTS**

**8.1. General**

- 8.1.1. All payments of all amounts (whether in respect of principal, interest or otherwise) due and payable in respect of any Notes shall be made by the Settling Bank, on behalf of the Issuer, on the terms and conditions of the Applicable Agency Agreement and this Condition 8.
- 8.1.2. Payments will be subject in all cases to any Taxation or other laws, directives and regulations applicable to such payment in the place of payment.
- 8.1.3. Any reference in the Terms and Conditions to principal and/or interest in respect of the Notes shall be deemed to include any additional amounts which may be payable under Condition 10.

**8.2. Method of payment - Registered Notes**

8.2.1. *General*

- 8.2.1.1. Subject to Condition 8.2.2, only Noteholders of Registered Notes named in the Register at 17h00 (South African time) on the relevant Last Day to Register will be entitled to payments of interest and/or principal in respect of Registered Notes.
- 8.2.1.2. Payments of all amounts due and payable in respect of Registered Notes which are held in the CSD shall be made in accordance with the CSD Procedures and Condition 8.2.2.
- 8.2.1.3. Payments of all amounts due and payable respect of Registered Notes which are represented by Certificates shall be made, in accordance with Condition 8.2.3, to the person named as the registered Noteholder of such Registered Notes in the Register at 17h00 (South African time) on the relevant Last Day to Register.

8.2.2. *Method of payment – Notes which are held in the CSD*

- 8.2.2.1. The Issuer has opened the Designated Bank Account with the Settling Bank. The Designated Bank Account will be used solely for purposes of depositing (and funding) the aggregate amount (whether in respect of principal, interest or otherwise) which is due and payable, on the relevant Payment Date, in respect of a Tranche of Registered Notes which is held in the CSD. The Issuer will, in accordance with the CSD Procedures, furnish the CSD with full details of the Settling Bank and the Designated Bank Account.
- 8.2.2.2. The Settling Bank will, in accordance with the CSD Procedures and by no later than the time and day stipulated in the CSD Procedures, make an irrevocable deposit, into the Designated Bank Account, of the full aggregate amount which is due and payable, on the relevant Payment Date, in respect of a Tranche of Registered Notes which is held in the CSD. Such amount will be deposited into the Designated Bank Account, in immediately available and freely transferable funds, in ZAR.
- 8.2.2.3. The funds in the Designated Bank Account will be transferred to the relevant CSD Participants, by means of the South African Multiple Option Settlement ('SAMOS') system operated by the South African Reserve Bank. The CSD Participants will then make payment of the relevant amounts to the registered Noteholders of Registered Notes which are held in the CSD, in accordance with the CSD Procedures.
- 8.2.2.4. Once the funds deposited into the Designated Bank Account have been cleared and credited to the Designated Bank Account, and transferred from the Designated Bank Account to the relevant CSD Participants, neither the Settling Bank nor the Issuer shall be responsible for the loss in transmission of any such funds. Accordingly, the irrevocable deposit of any amount into (and the clearance and crediting of such amount to) the Designated Bank Account, and the transfer of such amount from the Designated Bank Account to the relevant CSD Participants, all in accordance with the CSD Procedures and this Condition 8.2.2, will be satisfaction *pro tanto*, to the extent of such amount, of the Issuer's obligations to the relevant registered Noteholders under the relevant Registered Notes, the Applicable Terms and Conditions and the Applicable Agency Agreement.

- 8.2.2.5. Each of the persons reflected in the records of the CSD or the relevant CSD Participant (as the case may be) as the registered Noteholder of Registered Notes which are held in the CSD shall look solely to the relevant CSD Participant for such person's share of the funds deposited into the Designated Bank Account.
- 8.2.2.6. Payments of amounts due and payable in respect of Registered Notes which are held in the CSD will be recorded by the relevant CSD Participant, distinguishing between interest and principal, and such record of payments by the relevant CSD Participant will be *prima facie* proof of such payments.
- 8.2.3. *Method of payment - Notes which are represented by Certificates*
- 8.2.3.1. The Settling Bank will, in the case of Registered Note/s which is/are represented by a Certificate, pay all amounts which are due and payable, on a Payment Date, to the registered Noteholder/s of such Registered Note/s, in immediately available and freely transferable funds, in ZAR, by electronic funds transfer, to the bank account of the person named as the registered Noteholder of such Registered Notes in the Register or, in the case of joint registered Noteholders, the bank account of the first one of them named in the Register in respect of such Registered Notes.
- 8.2.3.2. If several persons are entered into the Register as joint registered Noteholders of Registered Note/s which are represented by a Certificate then, without affecting the previous provisions of this Condition 8.2.3, payment to any one of them shall be an effective and complete discharge by the Issuer of the amount so paid, notwithstanding any notice (express or otherwise) which the Issuer and/or the Settling Bank may have of the right, title, interest or claim of any other person to or in any such Registered Notes.
- 8.2.3.3. Neither the Settling Bank nor the Issuer shall be responsible for the loss in transmission of any funds referred to in Condition 8.2.3.1, and payment of any amount into the bank account referred to in Condition 8.2.3.1 in accordance with Condition 8.2.3.1, shall be satisfaction *pro tanto*, to the extent of such amount, of the Issuer's obligations to the relevant registered Noteholders under the relevant Registered Notes, the Applicable Terms and Conditions and the Applicable Agency Agreement.
- 8.3. **Method of payment - Order Notes**
- 8.3.1. Payments of:
- 8.3.1.1.1. interest in respect of Order Notes will be made to the Payee only against presentation and surrender by the Payee, or its Representative, of the relevant Coupon or (where the Order Certificate is issued without Coupons) only against presentation by the Payee, or its Representative of the Order Certificate, to the Settling Bank (at its Specified Office);
- 8.3.1.1.2. principal in respect of Order Notes which are to be redeemed (whether in whole or in part) pursuant to the Applicable Terms and Conditions will be made to the Payee only against presentation and surrender, by the Payee or its Representative, of the relevant Order Certificate to the Settling Bank (at its Specified Office);
- 8.3.2. Upon presentation and surrender of the Order Certificate or Coupon or Receipt, as the case may be, to the Settling Bank (at its Specified Office) in terms of Condition 8.3.1, the Payee, or its Representative, shall notify the Settling Bank in writing of the address (within South Africa or such Other Banking Jurisdiction as is specified in the Applicable Pricing Supplement) of the Payee and the bank account (within South Africa) into which the relevant payment must be made.
- 8.3.3. Subject to Conditions 8.3.1 and 8.3.2, the Settling Bank shall pay all amounts due and payable in respect of any Order Notes, in immediately available and freely transferable funds, in the Specified Currency, by electronic funds transfer, to the bank account referred to in Condition 8.3.2. Neither the Issuer nor the Settling Bank shall be responsible for the loss in transmission of any such funds, and payment of any amount into such bank account, in accordance with this Condition 8.3, shall be satisfaction *pro tanto*, to the extent of such amount, of the Issuer's obligations to the relevant Payees under the relevant Order Notes, the Applicable Terms and Conditions and the Applicable Agency Agreement.
- 8.4. **Surrender of Certificates**
- 8.4.1. Payments of principal in respect of any Registered Note/s which is/are represented by Certificate/s shall be made to the Noteholder/s of such Registered Note/s only if, prior to the Redemption Date, such Certificate/s shall have been surrendered to the Transfer Agent (at its Specified Office).
- 8.4.2. If the relevant Certificate is not surrendered to the Transfer Agent (at its Specified Office) in accordance with Condition 8.4.1, the amount of principal payable to the Noteholder of the Registered Notes represented by that Certificate shall be retained by the Settling Bank for such Noteholder, at

the latter's risk, until that Certificate shall have been surrendered to the Transfer Agent (at its Specified Office), and such Noteholder will not be entitled to any interest and/or other payments in respect of any delay in payment occasioned as a result of such failure to surrender such Certificate.

#### 8.5. **Payment Date**

Notwithstanding anything to the contrary contained in the Terms and Conditions, if the date for payment of any amount (whether in respect of principal, interest or otherwise) due and payable in respect of a Tranche of Notes is not a Business Day, then:

- 8.5.1. if a Business Day Convention is not specified in the Applicable Pricing Supplement, such date for payment shall be the following Business Day;
- 8.5.2. 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,

and the holders of such Notes will not be entitled to further interest or other payments in respect of any such delay.

### 9. **REDEMPTION AND PURCHASES**

#### 9.1. **Redemption on the Maturity Date**

Unless previously redeemed, or purchased and cancelled, pursuant to this Condition 9 below, or unless otherwise specified in the Applicable Pricing Supplement, the Issuer will redeem a Tranche of Notes, at the Final Redemption Amount, on the Maturity Date.

#### 9.2. **Redemption for tax reasons**

- 9.2.1. If a Tax Event has occurred and is continuing in respect of a Tranche of Notes, the Issuer may, at its election, having given not less than 30 (thirty) nor more than 60 (sixty) days' notice (which notice shall be irrevocable) to the Settling Bank, the Transfer Agent and (in the manner set out in Condition 19.1) the Noteholders of that Tranche of Notes, redeem that Tranche of Notes, in whole or in part (as specified in such notice), on the Optional Redemption Date (Tax), at the Early Redemption Amount, provided that no such notice of redemption shall be given earlier than:
  - 9.2.1.1. where the Optional Redemption Date (Tax) is an Interest Payment Date, 60 (sixty) days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts or would not be entitled (or such entitlement is materially reduced) to claim a deduction in respect of computing its taxation liabilities; or
  - 9.2.1.2. where the Optional Redemption Date (Tax) is not an Interest Payment Date, 90 (ninety) days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts or would not be entitled (or such entitlement is materially reduced) to claim a deduction in respect of computing its taxation liabilities.
- 9.2.2. Prior to the publication of any notice of redemption pursuant to Condition 9.2.1, the Issuer shall deliver to the relevant Noteholders (in accordance with Condition 19.1) an opinion of an independent attorney or advocate of recognised standing, having more than 10 (ten) years' experience in tax law, to the effect that a Tax Event has occurred. Upon the expiry of the notice referred to in Condition 9.2.1, the Issuer shall be obliged to redeem the relevant Tranche of Notes in accordance with this Condition 9.2.

#### 9.3. **Redemption at the election of the Issuer**

If "*Redemption at the election of the Issuer*" is specified in the Applicable Pricing Supplement as being applicable to a Tranche of Notes, the Issuer may, at its election, having given not less than the number of days' notice of redemption specified in the Applicable Pricing Supplement (which notice shall be irrevocable) to the Settling Bank, the Transfer Agent and (in the manner set out in Condition 19.1) the Noteholders of that Tranche of Notes, redeem that Tranche of Notes, in whole or in part (as specified in such notice), on the Optional Redemption Date (Call), at the Early Redemption Amount.

#### 9.4. **Redemption at the election of Noteholders**

- 9.4.1. If "*Redemption at the election of Noteholder*" is specified in the Applicable Pricing Supplement as being applicable to a Tranche of Notes ("**relevant Tranche**"), a Noteholder of any Notes in the relevant Tranche ("**relevant Noteholder**") may, at its election (but subject to Condition 9.4.2) require the Issuer to redeem all or any of the Notes in the relevant Tranche (as specified in the Noteholder Early Redemption Notice) ("**relevant Notes**"), in whole or in part (as specified in the Noteholder Early Redemption Notice), on the Optional Redemption Date (Put), at the Early Redemption Amount.



9.4.2. In order to exercise the Noteholder Early Redemption Election, the relevant Noteholder must, not less than 30 (thirty) nor more than 60 (sixty) days before the Optional Redemption Date (Put), send the duly completed Noteholder Early Redemption Notice (in the form obtainable from the Issuer or attached to the Applicable Pricing Supplement, as the case may be), together with (where applicable) a copy of the Certificate (if any) representing the relevant Notes or (where applicable) a copy of the Order Certificate representing and embodying the relevant Notes, to the Issuer, with a copy of the Noteholder Early Redemption Notice to the Transfer Agent and the Settling Bank.

9.4.3. No Certificate representing the relevant Notes which has been surrendered to the Transfer Agent in accordance with Condition 8.4, and no Order Certificate representing and embodying the relevant Order Notes which has been presented and surrendered to the Settling Bank in accordance with Condition 8.3.2, may be withdrawn; provided that if, prior to the Early Redemption Date (Put), the relevant Notes become immediately due and payable or payment of the relevant redemption monies is improperly withheld or refused, such Certificate or such Order Certificate, as the case may be, shall, without prejudice to the exercise of the Noteholder Early Redemption Election, be returned to the relevant Noteholder by uninsured mail (airmail if overseas) at the address specified by the relevant Noteholder in the Noteholder Early Redemption Notice.

9.5. **Early redemption of Zero Coupon Notes**

9.5.1. Unless otherwise specified in the Applicable Pricing Supplement, the Early Redemption Amount payable on redemption of a Tranche of Zero Coupon Notes at any time before the Maturity Date shall be an amount equal to the sum of (i) the Reference Price and (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the Early Redemption Date.

9.5.2. Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period which is less than a full year shall be made on the basis of the Day Count Fraction specified in the Applicable Pricing Supplement.

9.6. **Redemption of a portion of the Notes**

If only a portion of a Tranche of Notes (or only a portion of any Notes in that Tranche) are to be redeemed prior to the Maturity Date in terms of this Condition 9, the Early Redemption Amount of each such Note shall be the Early Redemption Amount of that Tranche of Notes (calculated as if that Tranche of Notes were to be redeemed in whole) multiplied by that portion (expressed as a percentage) divided by the total number of Notes in that Tranche.

9.7. **Redemption of some, but not all, of the Notes in a Tranche**

Where only some, but not all, of the Notes in a Tranche of Notes are to be redeemed prior to the Maturity Date in terms of this Condition 9, the Early Redemption Amount of each such Note shall be the Early Redemption Amount of that Tranche of Notes divided by the total number of Notes in that Tranche.

9.8. **Purchases**

The Issuer and any "*subsidiary*" (as defined in the Companies Act) of the Issuer and any "*holding company*" (as defined in the Companies Act) of the Issuer may at any time purchase Registered Notes in the open market or otherwise and at any price. In the event of the Issuer purchasing Registered Notes, such Registered Notes may (subject to the restrictions of any Applicable Law) be held, resold or, at the option of the Issuer, cancelled.

9.9. **Cancellation**

All Registered Notes which are redeemed or purchased by the Issuer and, at the option of the Issuer, cancelled (as contemplated in Condition 9.8) will forthwith be cancelled and may not be re-issued or resold. Each Certificate (if any) representing any Registered Notes which are cancelled or, following a partial redemption, partially cancelled, shall be forwarded to the Transfer Agent for cancellation. The Transfer Agent shall notify the CSD of any cancellation, partial cancellation, partial redemption or redemption of Registered Notes so that the CSD can record the reduction in the aggregate Outstanding Principal Amount of the Registered Notes in issue. Where only a portion of the Registered Notes which are represented by a Certificate is redeemed, the Transfer Agent shall deliver a new Certificate to the holder of such Registered Notes representing the balance of such Registered Notes, as contemplated in Condition 13.2. The provisions of this Condition 9.9 shall, to the extent applicable, apply *mutatis mutandis* to Order Certificates and Order Notes.

9.10. **Registered Notes which are held in the CSD**

The redemption of Registered Notes which are held in the CSD will take place in accordance with the

Financial Markets Act and the CSD Procedures.

## 10. TAXATION

- 10.1. All payments of principal and interest in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for or on account of any Taxes, unless the withholding or deduction is required by Applicable Law.
- 10.2. If any withholding or other deduction for or on account of any Taxes is required by Applicable Law, the Issuer shall, subject to the Issuer's rights to redeem that Tranche of Notes for tax reasons pursuant to Condition 9.2, pay such additional amounts as shall be necessary in order that the net amounts received by the Noteholders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been received by them in the absence of such withholding or deduction, provided that no such additional amounts shall be payable in respect of any Note:
  - 10.2.1. to a Noteholder who is liable for such Taxes in respect of such Note by reason of his having some connection with South Africa other than the mere holding of such Note or the receipt of principal or interest in respect of such Note; or
  - 10.2.2. held by or on behalf of a Noteholder which would not be liable for or subject to such withholding or deduction by complying with any statutory requirement or by making a declaration of non-residency or other similar claim for exemption to the relevant tax authority; or
  - 10.2.3. where such withholding or deduction is in respect of Taxes levied or imposed on interest or principal payments only by virtue of the inclusion of such payments in the "*taxable income*" (as defined in section 1 of the Income Tax Act) or "*taxable capital gain*" (as defined in paragraph 1 of Schedule 8 to the Income Tax Act) of the relevant Noteholder; or
  - 10.2.4. where (in the case of any payment of principal and/or interest which is conditional on surrender of the relevant Certificate or the relevant Order Certificate, as the case may be, in accordance with the Applicable Terms and Conditions), the relevant Certificate or the relevant Order Certificate, as the case may be, is surrendered more than 30 (thirty) days after the Payment Date, except to the extent that the relevant Noteholder would have been entitled to such additional amounts if it had surrendered the relevant Certificate or the relevant Order Certificate, as the case may be, on such 30th (thirtieth) day; or
  - 10.2.5. if such withholding or deduction arises through the exercise by the revenue authorities of special powers in respect of tax defaulters.
- 10.3. 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 10.
- 10.4. Any reference in the Terms and Conditions to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under the Terms and Conditions or under any undertakings given in addition to, or in substitution for, the Terms and Conditions.

## 11. EXCHANGE OF REGISTERED NOTES WHICH ARE HELD IN THE CSD FOR REGISTERED NOTES WHICH ARE REPRESENTED BY A CERTIFICATE AND REPLACEMENT OF CERTIFICATES

### 11.1. Exchange of Registered Notes which are held in the CSD

- 11.1.1. A Noteholder of Registered Notes which are held in the CSD may, in terms of the CSD Procedures and subject to section 42 as read with section 35(2)(i) of the Financial Markets Act (or such other relevant section of any successive legislation), by written notice to the Noteholder's nominated CSD Participant (or, if such Noteholder is a CSD Participant, the CSD), request that such Registered Notes be exchanged for Registered Notes in definitive registered form which are represented by a Certificate ("**Exchange Notice**"). The Exchange Notice shall specify (i) the name, address and bank account details of the Noteholder of the relevant Registered Notes and (ii) the day on which such Registered Notes are 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.
- 11.1.2. The Noteholder's nominated CSD Participant will, within 7 (seven) days of receipt of the Exchange Notice, through the CSD, notify the Transfer Agent that it is required to exchange the relevant Registered Notes for Registered Notes represented by a Certificate. The Transfer Agent will, as soon as is practicable but within 14 (fourteen) days after receiving such notice, in accordance with the CSD Procedures, procure that a Certificate is prepared, authenticated and made available for delivery, on a Business Day falling within the aforementioned 14 (fourteen) day period ("**Exchange Date**"), to the CSD Participant acting on behalf of the Noteholder of the relevant Registered Notes at the Specified Office of the Transfer Agent; provided that joint Noteholders of the relevant Registered Notes shall

be entitled to receive only one Certificate in respect of that joint holding, and delivery to one of those joint Noteholders shall be delivery to all of them.

11.1.3. In order to effect the exchange of Registered Notes which are held in the CSD for Registered Notes which are represented by a Certificate (a) such Registered Notes will, prior to the Exchange Date, be surrendered (through the CSD) to the Transfer Agent at its Specified Office and (b) the Transfer Agent will obtain the release of such Registered Notes from the CSD in accordance with the CSD Procedures.

11.1.4. A Certificate shall, in relation to any number of Registered Notes of a particular aggregate Outstanding Principal Amount standing to the account of the Noteholder thereof, represent that number of Registered Notes of that aggregate Outstanding 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 Outstanding Principal Amount is equivalent to a fraction of the Specified Denomination or a fraction of any multiple thereof, such Certificate shall be issued in accordance with, and be governed by, the CSD Procedures.

## 11.2. Replacement of Certificates

If any Certificate is mutilated, defaced, stolen, destroyed or lost it may be replaced at the Specified Office of the Transfer Agent, on payment by the claimant of such costs and expenses as may be incurred in connection therewith, and upon such terms as to evidence of title and the provision of such indemnity or security as the Issuer and the Transfer Agent may require. Mutilated or defaced Certificates must be surrendered at the Specified Office of the Transfer Agent before replacements will be issued.

## 11.3. Death and sequestration or liquidation of Noteholder

Any person becoming entitled to Registered Notes in consequence of the death, sequestration or liquidation of the holder of such Registered Notes may, upon producing evidence to the satisfaction of the Issuer and the Transfer Agent that he holds the position in respect of which he proposes to act under this Condition 11.3 or of his title as the Issuer and the Transfer Agent shall require, be registered himself as the holder of such Registered Notes or, subject to the CSD Procedures, this Condition 11.3 and Condition 13.2, may transfer such Registered Notes. The Issuer and (if applicable) the CSD and the relevant CSD Participant shall be entitled to retain any amount payable upon the Registered Notes to which any person is so entitled until such person shall be registered as aforesaid or shall duly transfer the Registered Notes.

## 11.4. Costs

11.4.1. The costs and expenses of the delivery of each Certificate and all taxes or governmental charges that may be imposed in relation to such Certificate and/or the printing, issue and delivery of such Certificate and all related insurance charges (if any) shall, unless and to the extent otherwise provided by Chapter IV of the Financial Markets Act, be borne by the Noteholder of the Registered Notes represented by that Certificate. Separate costs and expenses relating to the provision of Certificates and/or the transfer of Registered Notes represented by Certificates may be levied by other persons, such as a CSD Participant, under the CSD Procedures, and such costs and expenses shall not be borne by the Issuer.

11.4.2. The costs and expenses of the printing, issue and delivery of Order Certificates and any Coupons shall be borne by the Issuer, save as otherwise provided in the Applicable Pricing Supplement.

## 12. REGISTER

12.1. The Register will be maintained by the Transfer Agent and will be kept at the Specified Office of the Transfer Agent. The Register will reflect the number of Registered Notes issued and outstanding and the serial number of Certificates (if any) issued in respect of the Registered Notes. The registered Noteholders of Registered Notes which are held in the CSD will be determined in accordance with the CSD Procedures, and such registered Noteholders will be named in the Register as the registered Noteholders of such Registered Notes.

12.2. The Register will contain the name, physical address, postal address, e-mail address and bank account details of the registered Noteholders of Registered Notes. The Register will set out the aggregate Principal Amount of Registered Notes issued to a Noteholder or the aggregate Outstanding Principal Amount of Registered Notes transferred to a Noteholder, as the case may be, the Issue Date or the date of transfer, as the case may be, and the date upon which the Noteholder became registered as such.

12.3. The Register will be open for inspection during the normal business hours of the Transfer Agent by any Noteholder of Registered Notes (or any Representative of such Noteholder). The Register will, in relation to a Tranche of Registered Notes, be closed during the Books Closed Period.

- 12.4. Neither the Issuer nor the Settling Bank nor the Transfer Agent will 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.
- 12.5. 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 Registered Notes of which it is notified; provided that the Register will only be amended to reflect a transfer of Registered Notes represented by a Certificate if such transfer is carried out in accordance with Condition 13.2.

### 13. TRANSFER OF NOTES

#### 13.1. Transfer of Registered Notes which are held in the CSD

- 13.1.1. Registered Notes which are held in the CSD may be transferred only in accordance with the CSD Procedures.
- 13.1.2. Transfers of Registered Notes which are held in the CSD to and from clients of CSD Participants shall occur by way of electronic book entry in the central securities accounts maintained by the CSD and the CSD Participants for their clients, in accordance with the CSD Procedures.

#### 13.2. Transfer of Registered Notes which are represented by Certificates

- 13.2.1. In order for any transfer of Registered Notes which are represented by a Certificate to be recorded in the Register, and for such transfer to be recognised by the Issuer:
  - 13.2.1.1. the transfer of such Registered Notes must be embodied in the Transfer Form;
  - 13.2.1.2. the Transfer Form must be signed by the registered Noteholder of such Registered Notes and the transferee, or any Representative of that registered Noteholder and/or transferee;
  - 13.2.1.3. the Transfer Form must be delivered to the Transfer Agent, at its Specified Office, together with the Certificate representing such Registered Notes for cancellation.
- 13.2.2. Registered Notes which are represented by a Certificate may be transferred, in whole or in part, in amounts of not less than the Specified Denomination or any multiple thereof.
- 13.2.3. Subject to the preceding provisions of this Condition 13.2, the Transfer Agent will, within 3 (three) Business Days of receipt by it of a valid Transfer Form (or such longer period as may be required to comply with any Applicable Laws and/or the CSD Procedures), record the transfer of Registered Notes which are represented by a Certificate (or the relevant portion of such Registered Notes) in the Register, and authenticate and deliver to the transferee at the Specified Office of the Transfer Agent 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 Registered Notes reflecting the same Outstanding Principal Amount as the Registered Notes transferred.
- 13.2.4. Where a Noteholder has transferred part only of his holding of Registered Notes which are represented by a Certificate, the Transfer Agent will authenticate and deliver to such Noteholder at the Specified Office of the Transfer Agent or, at the risk of such Noteholder, send by mail to such address as such Noteholder may request, a new Certificate in respect of the balance of the Registered Notes held by such Noteholder.
- 13.2.5. The transferor of any Registered Notes which are represented by a Certificate will be deemed to remain the owner thereof until the transferee is registered in the Register as the holder thereof.
- 13.2.6. Before any transfer of any Registered Notes which are represented by a Certificate is registered in the Register, 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 Issuer and the Transfer Agent may require as to the identity and title of the transferor and the transferee.
- 13.2.7. No transfer of any Registered Notes which are represented by a Certificate will be registered during the Books Closed Period.
- 13.2.8. If the transfer of any Registered Notes which are represented by a Certificate is registered in the Register, the Transfer Form and cancelled Certificate will be retained by the Transfer Agent.

#### 13.3. Transfer of Order Notes

Order Notes may be transferred only by the negotiation of the Order Certificate representing and embodying such Order Notes (by way of the Endorsement of such Order Certificate by the old Payee and the delivery of such Order Certificate to the new Payee), as contemplated in the Bills of Exchange Act.

#### 13.4. Prohibition on stripping

Where so specified in the Applicable Pricing Supplement, Order Certificates which are issued with Coupons attached shall be issued subject to the condition that the relevant Order Notes may only be transferred to a single transferee at a time and, accordingly, that the various rights in respect of the relevant Order Notes may not be stripped and transferred to various transferees at different times.

#### 14. PRESCRIPTION

Any claim for payment of any amount (whether in respect of principal, interest or otherwise) in respect of any Notes will prescribe 3 (three) years after the date on which such amount first becomes due and payable under the Applicable Terms and Conditions; provided that the aforesaid three-year time period shall be increased to 6 (six) years in the case of Order Notes.

#### 15. EVENTS OF DEFAULT

##### 15.1. Secured Note Events of Default

A Secured Note Event of Default in respect of a Group of Secured Notes will occur if:

- 15.1.1. the Issuer fails to pay any amount (whether in respect of principal, interest or otherwise) due and payable under the Applicable Terms and Conditions of any Tranche in that Group of Secured Notes on the due date for payment of such amount and such failure to pay has continued for more than 5 (five) Business Days; or
- 15.1.2. the Issuer fails to perform or observe any of its other material obligations under the Applicable Terms and Conditions of any Tranche in that Group of Secured Notes and/or the Issuer fails to perform or observe any material obligation binding on it under any of the Security Agreements relating to that Group of Secured Notes to which the Issuer is a party and:
  - 15.1.2.1. such failure to perform or observe is not remedied within 7 (seven) Business Days after the Issuer has been given written notice from the Security SPV or any Secured Noteholder in the Group of Secured Noteholders who hold that Group of Secured Notes or any party to the Security Agreements relating to that Group of Secured Notes requiring such failure to perform or observe to be remedied; and
  - 15.1.2.2. the Group of Secured Noteholders who hold that Group of Secured Notes have resolved, by a Debt Securities Ordinary Resolution (or a Debt Securities Ordinary Written Resolution), that such failure to perform or observe is, in their opinion, materially prejudicial to the interests of that Group of Secured Noteholders; or
- 15.1.3. any of the Security Agreements relating to that Group of Secured Notes becomes illegal, invalid or unenforceable for any reason whatsoever (or is reasonably claimed by the Security SPV not to be in full force and effect) and such illegality, invalidity or unenforceability is not capable of being remedied or, if capable of being remedied, is not remedied within 10 (ten) Business Days after the parties to the relevant Security Agreement/s have been given written notice from the Security SPV requiring such illegality, invalidity or unenforceability to be remedied; or
- 15.1.4. it is or becomes unlawful for the Issuer to perform any of its obligations under the Applicable Terms and Conditions of any Tranche in that Group of Secured Notes and/or any of the Security Agreements relating to that Group of Secured Notes to which the Issuer is a party; or
- 15.1.5. any consent, license, permit or authorisation required by the Issuer to enable the Issuer to comply with its obligations under the Applicable Terms and Conditions of any Tranche in that Group of Secured Notes and/or any of the Security Agreements relating to that Group of Secured Notes to which the Issuer is a party, is revoked, withdrawn, materially altered or not renewed and such event is not remedied within 14 (fourteen) Business Days after the Issuer has been given written notice from the Security SPV requiring the applicable consent, licence, permit or authorisation to be obtained; or
- 15.1.6. an Insolvency Event occurs; or
- 15.1.7. the Issuer ceases carrying on, or threatens to cease to carry on, all or a greater part of its business (other than in respect of a Solvent Reconstruction) unless, prior to the occurrence of such event, all of the Group/s of Secured Noteholders, acting together, resolve, by way of a single Debt Securities Extraordinary Resolution (or by way of a single Debt Securities Extraordinary Written Resolution), that the occurrence of such event shall not comprise a Secured Event of Default for purposes of this Condition 15.1, in which event that Secured Event of Default shall also not constitute an Event of Default for purposes of Condition 15.2.1 or Condition 15.3.1.2; or
- 15.1.8. all of the ordinary shares in the share capital of the Security SPV ("**Shares**") cease to be held by the Security SPV Owner Trustee without the prior approval, by way of a single Debt Securities Extraordinary Resolution (or a single Debt Securities Extraordinary Written Resolution), passed by all

of the Group/s of the Secured Noteholders, acting together.

## 15.2. Events of Default in respect of Senior Unsecured Notes

15.2.1. An Event of Default in respect of a Tranche of Senior Unsecured Notes will occur if:

15.2.1.1. the Issuer fails to pay any amount (whether in respect of principal, interest or otherwise) due and payable under the Applicable Terms and Conditions of that Tranche of Senior Unsecured Notes on the due date for payment of such amount and such failure to pay has continued for more than 5 (five) Business Days; or

15.2.1.2. the Issuer fails to perform or observe any of its other material obligations under the Applicable Terms and Conditions of that Tranche of Senior Unsecured Notes and such failure to perform or observe is not remedied within 14 (fourteen) days after the Issuer has been given written notice from any Noteholder of Senior Unsecured Notes in that Tranche of Senior Unsecured Notes requiring such failure to perform or observe to be remedied; or

15.2.1.3. it is or becomes unlawful for the Issuer to perform any of its obligations under the Applicable Terms and Conditions of that Tranche of Senior Unsecured Notes;

15.2.1.4. any consent, license, permit or authorisation required by the Issuer to enable the Issuer to comply with its obligations under the Applicable Terms and Conditions of that Tranche of Senior Unsecured Notes is revoked, withdrawn, materially altered or not renewed and such event is not remedied within 14 (fourteen) Business Days after the Issuer has been given written notice from any Noteholder of Senior Unsecured Notes in that Tranche of Senior Unsecured Notes requiring the applicable consent, licence, permit or authorisation to be obtained;

15.2.1.5. an Issuer Insolvency Event occurs; or

15.2.1.6. subject to Condition 15.1.7, the Issuer ceases carrying on, or threatens to cease to carry on, all or a greater part of its business (other than in respect of a Solvent Reconstruction);

15.2.2. The Issuer, upon becoming aware that any Event of Default contemplated in Conditions 15.2.1.1 to 15.2.1.4 inclusive has occurred and is continuing, shall forthwith notify the Noteholders of the Tranche of Senior Unsecured Notes in respect of which that Event of Default has occurred (in the manner set out in Condition 19.1) of that Event of Default and (ii) the Strate Issuer Agent, the Settling Bank, the Transfer Agent, the CSD and, if that Tranche of Senior Unsecured Notes is listed on CTSE, CTSE, in writing of that Event of Default.

15.2.3. The Issuer, upon becoming aware that any Event of Default contemplated in Condition 15.2.1.5 and/or Condition 15.2.1.6 has occurred and is continuing, shall forthwith notify all of the Noteholders of Senior Unsecured Notes (in the manner set out in Condition 19.1) of that Event of Default and (ii) the Strate Issuer Agent, the Settling Bank, the Transfer Agent, the CSD and, if any of the Senior Unsecured Notes are listed on CTSE, CTSE, in writing of that Event of Default.

15.2.4. Any Noteholder of:

15.2.4.1. Senior Unsecured Note/s in the Tranche of Senior Unsecured Notes in respect of which any Event of Default contemplated in Conditions 15.2.1.1 to 15.2.1.4 inclusive has occurred;

15.2.4.2. Senior Unsecured Note/s in respect of which any Event of Default contemplated in Condition 15.2.1.5 and/or Condition 15.2.1.6 has occurred,

may, by written notice to the Issuer effective upon the date of receipt thereof by the Issuer ("**Acceleration Date**"), declare such Senior Unsecured Note/s to be immediately due and payable, whereupon such Senior Unsecured Note/s ("**Accelerated Senior Unsecured Note/s**") (whether or not due for payment) shall become immediately due and payable at the Early Termination Amount.

15.2.5. The Issuer shall, forthwith following receipt of a notice contemplated in Condition 15.2.4, notify the Strate Issuer Agent, the Settling Bank, the Transfer Agent, the CSD and, if any of the Senior Unsecured Notes are listed on CTSE, the CTSE, that the Accelerated Senior Unsecured Note/s have become immediately due and payable.

## 15.3. Events of Default in respect of Subordinated Notes

15.3.1. An Event of Default in respect of a Tranche of Subordinated Notes will occur if:

15.3.1.1. subject to and without derogating from the provisions of Condition 5.3, the Issuer fails to pay any amount (whether in respect of principal, interest or otherwise) due and payable under the Applicable Terms and Conditions of that Tranche of Subordinated Notes on the due date for payment of such amount and such failure to pay continues for more than 10 (ten) calendar days

after the Issuer has been given written notice from any Noteholder of Subordinated Notes that a Tranche of Subordinated Notes requiring such failure to pay to be remedied; or

- 15.3.1.2. an Issuer Insolvency Event occurs.
- 15.3.2. The Issuer, upon becoming aware that an Event of Default contemplated in Condition 15.3.1.1 has occurred and is continuing, shall forthwith notify the Noteholders of the Tranche of Subordinated Notes in respect of which that Event of Default has occurred (in the manner set out in Condition 19.1) of that Event of Default and (ii) the Strate Issuer Agent, the Settling Bank, the Transfer Agent, the CSD and, if that Tranche of Subordinated Notes is listed on CTSE, CTSE, in writing of that Event of Default.
- 15.3.3. The Issuer, upon becoming aware that any Event of Default contemplated in Condition 15.3.1.2 has occurred and is continuing, shall forthwith notify all of the Noteholders of Subordinated Notes (in the manner set out in Condition 19.1) of that Event of Default and (ii) the Strate Issuer Agent, the Settling Bank, the Transfer Agent, the CSD and, if any of the Subordinated Notes are listed on CTSE, CTSE, in writing of that Event of Default.
- 15.3.4. Any Noteholder of Subordinated Notes in respect of which an Event of Default contemplated in Condition 15.3.1 has occurred may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce the relevant obligation to pay; provided that the Issuer shall not, as a result of the bringing of any such proceedings, be obliged to pay any sum representing or measured by reference to principal or interest on the Subordinated Notes sooner than the same would otherwise have been payable by it.

## 16. ACTION FOLLOWING THE OCCURRENCE OF A SECURED NOTE EVENT OF DEFAULT

- 16.1. The occurrence of any Secured Note Event of Default contemplated in Conditions 15.1.6 to 15.1.8 inclusive is a general Secured Note Event of Default which will apply to each Group of Secured Notes then in issue and each Group of Secured Noteholders who hold each such Group of Secured Notes, and the provisions of this Condition 16 below shall be construed accordingly. The occurrence of any other Secured Note Event of Default will apply to the Group of Secured Notes in respect of which that other Secured Note Event of Default has occurred and the Group of Secured Noteholders who hold that Group of Secured Notes ("**relevant Group of Secured Noteholders**"), and the provisions of this Condition 16 below shall be construed accordingly.
- 16.2. The Issuer, upon becoming aware that any Secured Note Event of Default in respect of a Group of Secured Notes has occurred and is continuing, shall forthwith notify (in the manner set out in Condition 19.1) the Group of Secured Noteholders who hold that Group of Secured Notes of that Secured Note Event of Default and (ii) the Issuer Agent, the Settling Bank, the Transfer Agent, the CSD and, if that Group of Secured Notes is listed on CTSE, CTSE, in writing of that Secured Note Event of Default.
- 16.3. The Security SPV will not be required to take any steps to ascertain whether any Secured Note Event of Default has occurred or to monitor or supervise the observance and performance by the Issuer of its obligations under the Applicable Terms and Conditions of any Tranche in a Group of Secured Notes and, until the Security SPV has actual knowledge or has been served with express notice thereof it will be entitled to assume that no Secured Note Event of Default has taken place.
- 16.4. Upon receipt by the Security SPV of notice from the Issuer that a Secured Note Event of Default in respect of a Group of Secured Notes has occurred and is continuing, or upon the Security SPV itself becoming aware that a Secured Note Event of Default in respect of a Group of Secured Notes has occurred and is continuing, or upon receipt by the Security SPV of notice from any Secured Noteholder in the relevant Group of Secured Noteholders that a Secured Note Event of Default in respect of a Group of Secured Notes has occurred and is continuing, the Security SPV shall promptly give notice thereof (in the manner set out in Condition 19.1) to the Group of Secured Noteholders who hold that Group of Secured Notes, and the Security SPV shall promptly call a meeting of that Group of Secured Noteholders. The provisions of Condition 21 will apply *mutatis mutandis* to a meeting of that Group of Secured Noteholders save that the 21 (twenty one) day notice period contemplated in Condition 21.4 shall be reduced to 7 (seven) days.
- 16.5. If, at the meeting of the Group of Secured Noteholders contemplated in Condition 16.4, the Security SPV is instructed to do so by a Debt Securities Extraordinary Resolution of that Group of Secured Noteholders, the Security SPV shall, in terms of the Indemnity relating to the relevant Group of Secured Notes, forthwith deliver an Enforcement Notice in respect of that Group of Secured Notes to the Issuer.
- 16.6. Notwithstanding Condition 16.5, the Security SPV shall have a discretion not to act in terms of the applicable provisions of the Indemnity relating to a Group of Secured Notes if, at any time prior to the delivery of an Enforcement Notice in respect of that Group of Secured Notes to the Issuer, the Secured Note Event of Default in respect of that Group of Secured Notes is remedied in such manner that, in the Security SPV's reasonable opinion, the relevant Group of Secured Noteholders will not be prejudiced by

the non-delivery of such Enforcement Notice in terms of that Indemnity.

- 16.7. The delivery of an Enforcement Notice in respect of a Group of Secured Notes by or on behalf of the Security SPV to the Issuer pursuant to the Indemnity relating to that Group of Secured Notes (as contemplated in Condition 16.5) is a Guarantee Event in respect of that Group of Secured Notes for purposes of the Guarantee relating to that Group of Secured Notes.
- 16.8. The Security SPV has agreed, in terms of the Guarantee relating to a Group of Secured Notes, that a Guarantee Event in respect of that Group of Secured Notes shall be (and shall be deemed to be) a claim by the relevant Group of Secured Noteholders (subject to the Guarantee Conditions) against the Security SPV under that Guarantee.
- 16.9. All payments to be made by the Security SPV to the relevant Group of Secured Noteholders under the Guarantee relating to the relevant Group of Secured Notes will (subject to the Guarantee Conditions) be made *mutatis mutandis* in accordance with the provisions of Condition 8.
- 16.10. The Issuer and the Security SPV have agreed, in terms of the Indemnity relating to a Group of Secured Notes, that a Guarantee Event in respect of that Group of Secured Notes shall be (and shall be deemed to be) a claim by the Security SPV, against the Issuer under that Indemnity.
- 16.11. Promptly after the Enforcement Date in respect of a Group of Secured Notes (and by no later than the close of business on the 2nd (second) Business Day following that Enforcement Date), the Issuer shall pay the Total Amount in respect of that Group of Secured Notes to the Security SPV, in terms of the Indemnity relating to that Group of Secured Notes (and notwithstanding that the Issuer may dispute its liability to make such payment).
- 16.12. The Issuer shall pay the Total Amount in respect of a Group of Secured Notes in cash, without set-off, withholding or deduction of any nature whatsoever, into the Transaction Account relating to that Group of Secured Notes. The Issuer shall not have the right to withhold such payment even if it contends that it is not liable or obliged to pay all or any portion of that Total Amount on the basis of any fact or allegation which would or may constitute a legal or equitable defence to any claims of the Security SPV under the Indemnity relating to that Group of Secured Notes.
- 16.13. The Issuer and the Security SPV have agreed, in terms of the Indemnity relating to a Group of Secured Notes that, notwithstanding anything to the contrary contained in any of the Security Agreements relating to that Group of Secured Notes:
  - 16.13.1. an Indemnity Default in respect of that Group of Secured Notes shall be (and shall be deemed to be) a claim by the Security SPV, against the Issuer, under the Security Cession relating to that Group of Secured Notes;
  - 16.13.2. the total liability of the Issuer to the Security SPV under the Indemnity relating to that Group of Secured Notes will never exceed the amount recovered and received by the Security SPV from the realisation of the Eligible Security relating to that Group of Secured Notes in terms of the Security Cession relating to that Group of Secured Notes;
  - 16.13.3. following the failure to pay contemplated in Condition 16.13.1:
    - 16.13.3.1. the Security SPV shall not be entitled to take any action and/or proceedings against the Issuer under the Indemnity relating to that Group of Secured Notes and/or for the enforcement of that Indemnity (including not levying or enforcing any attachment or execution upon any of the assets of the Issuer; and
    - 16.13.3.2. all rights of enforcement and/or actions and/or proceedings of or taken by the Security SPV against the Issuer (including levying or enforcing any attachment or execution upon all or any of the Eligible Security relating to that Group of Secured Notes) shall be limited to the enforcement of the Security SPV's rights and claims against the Issuer in terms of, and subject to, the Security Cession relating to that Group of Secured Notes.
- 16.14. Promptly after the Enforcement Date in respect of a Group of Secured Notes, the Security SPV will, in terms of the Guarantee relating to that Group of Secured Notes:
  - 16.14.1. enforce the remedies available to it under the Security Agreements relating to that Group of Secured Notes and realise the Eligible Security relating to that Group of Secured Notes for the benefit of the relevant Group of Secured Noteholders; and
  - 16.14.2. pay the Recovered Amount in respect of that Group of Secured Notes to the relevant Group of Secured Noteholders.
- 16.15. If the Enforcement Amount in respect of a Group of Secured Notes is greater than the Total Amount in



respect of that Group of Secured Notes, the Security SPV will, in terms of the Security Cession relating to that Group of Secured Notes, pay the difference between that Enforcement Amount and that Total Amount to the Issuer.

- 16.16. Notwithstanding anything to the contrary contained in any of the Security Agreements relating to a Group of Secured Notes, the total liability of the Security SPV to the relevant Group of Secured Noteholders under the Guarantee relating to that Group of Secured Notes will never exceed the Recovered Amount in respect of that Group of Secured Notes.
- 16.17. Following a Guarantee Event in respect of a Group of Secured Notes, the recourse of the relevant Group of Secured Noteholders, against the Security SPV under the Guarantee relating to that Group of Secured Notes is limited, in total as between the relevant Group of Secured Noteholders, to the Recovered Amount in respect of that Group of Secured Notes.
- 16.18. Accordingly, the Security SPV will not be liable under the Guarantee relating to a Group of Secured Notes to pay the relevant Group of Secured Noteholders an amount which, in the aggregate, exceeds the Recovered Amount in respect of that Group of Secured Notes, and the Security SPV will only be obliged to make any payments under that Guarantee if, and to the extent that, it has recovered and received moneys from the Issuer pursuant to the Indemnity relating to that Group of Secured Notes and/or from the realisation of the Eligible Security relating to that Group of Secured Notes in terms of the Security Cession relating to that Group of Secured Notes.
- 16.19. Following a Guarantee Event in respect of a Group of Secured Notes, each Secured Noteholder in the relevant Group of Secured Noteholders will participate in the Recovered Amount in respect of that Group of Secured Notes in the proportion that the aggregate Outstanding Principal Amount of Secured Notes held by that Secured Noteholder as at the Enforcement Date in respect of that Group of Secured Notes bears to the aggregate Outstanding Principal Amount of that Group of Secured Notes as at that Enforcement Date.
- 16.20. The relevant Group of Secured Noteholders agree that, following a Guarantee Event in respect of a Group of Secured Notes, the payment of the Recovered Amount in respect of that Group of Secured Notes by the Security SPV to the relevant Group of Secured Noteholders, in terms of the Guarantee relating to that Group of Secured Notes, will:
- 16.20.1. cure in full the Secured Note Event of Default that occurred in respect of that Group of Secured Notes; and
- 16.20.2. be satisfaction in full of the Security SPV's obligations to make payment to the relevant Group of Secured Noteholders under the Guarantee relating to that Group of Secured Notes; and
- 16.20.3. be satisfaction in full of the Issuer's obligations to make payment to the relevant Group of Secured Noteholders under the Applicable Terms and Conditions of each Tranche in that Group of Secured Notes.

#### **17. LIMITED RIGHTS OF ENFORCEMENT, NON-PETITION AND SET-OFF APPLICABLE TO SECURED NOTEHOLDERS**

- 17.1. The provisions of Condition 16.1 apply *mutatis mutandis* to this Condition 17 below.
- 17.2. Subject to Condition 17.3, only the Security SPV may, following a Guarantee Event in respect of a Group of Secured Notes, enforce the security created in favour of the Security SPV by the Security Agreements relating to that Group of Secured Notes, subject to and in accordance with those Security Agreements.
- 17.3. No Secured Noteholder in the relevant Group of Secured Noteholders is entitled to take any action or proceedings against the Issuer for the enforcement of the Applicable Terms and Conditions of any Tranche in a Group of Secured Notes (including not levying or enforcing any attachment or execution upon any of the assets of the Issuer) or accelerate or demand from the Issuer early payment of principal in respect of that Group of Secured Notes, and all rights of enforcement will be exercised by the Security SPV, following a Guarantee Event in respect of that Group of Secured Notes, subject to and in terms of the Guarantee relating to that Group of Secured Notes; provided that:
- 17.3.1. if the Security SPV is entitled and obliged to deliver an Enforcement Notice in respect of that Group of Secured Notes to the Issuer and/or to enforce its remedies against the Issuer pursuant to any of the Security Agreements relating to that Group of Secured Notes, but fails to do so within 10 (ten) Business Days of being called upon to do so by a Debt Securities Extraordinary Resolution of the relevant Group of Secured Noteholders; or
- 17.3.2. if the Security SPV is wound-up or liquidated (in each case whether voluntarily or compulsorily, provisionally or finally); or
- 17.3.3. if any of the Security Agreements relating to that Group of Secured Notes is/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 parties),

then each Secured Noteholder in the relevant Group of Secured Noteholders will be entitled to take action itself to enforce its claims under the Applicable Terms and Conditions of the relevant Tranche in that Group of Secured Notes directly against the Issuer.

- 17.4. No Secured Noteholder in the relevant Group of Secured Noteholders shall, until 2 (two) years following the Termination Date, institute, or join with any person in instituting or vote in favour of, any steps or legal proceedings for the winding-up or liquidation of, or any compromise or scheme of arrangement or related relief in respect of (a) the Issuer or for the appointment of a liquidator or similar officer of the Issuer or (b) save in the event of a Security SPV Default relating to a Group of Secured Notes, the Security SPV or for the appointment of a liquidator or similar officer of the Security SPV.
- 17.5. Each Secured Noteholder in the relevant Group of Secured Noteholders undertakes to the Issuer, the Security SPV and the Secured Noteholders of each other Group of Secured Noteholders that if (for any reason whatsoever) any payment is received by that first-mentioned Secured Noteholder other than in accordance with the applicable provisions of the Guarantee relating to the Group of Secured Notes held by that first-mentioned Group of Secured Noteholders in respect of amounts due to that first-mentioned Secured Noteholder, following a Guarantee Event in respect of that Group of Secured Notes, by the Security SPV under that Guarantee, the amount so paid will be received and held by that first-mentioned Secured Noteholder, as agent for the Security SPV, and that first-mentioned Secured Noteholder will pay such amount to the Security SPV immediately on demand.
- 17.6. The Security SPV has acknowledged in the Guarantee relating to a Group of Secured Notes that it has entered into that Guarantee for the benefit of the relevant Group of Secured Noteholders, that the Security SPV holds the security created pursuant to the Security Agreements relating to that Group of Secured Notes for the benefit of the relevant Group of Secured Noteholders and that, following a Guarantee Event in respect of that Group of Secured Notes, it will hold the Recovered Amount in respect of that Group of Secured Notes for the benefit of the relevant Group of Secured Noteholders to be paid to the relevant Group of Secured Noteholders in accordance with the provisions of that Guarantee.
- 17.7. Each Secured Noteholder in the relevant Group of Secured Noteholders agrees that it will not set off or claim to set off any amounts owed by that Secured Noteholder to the Issuer or, following a Guarantee Event in respect of the Group of Secured Notes held by the relevant Group of Secured Noteholders, to the Security SPV, as the case may be, against any amount owed to that Secured Noteholder by the Issuer or, following that Guarantee Event, the Security SPV, as the case may be.
- 17.8. It is recorded that the occurrence of an Insolvency Event is a Secured Note Event of Default.
- 17.9. The Group of Secured Noteholders who hold a Group of Secured Notes agree that, in the event of the occurrence of an Issuer Insolvency Event, the Security SPV shall:
  - 17.9.1. deliver an Enforcement Notice in respect of that Group of Secured Notes to the Issuer and, promptly thereafter, enforce the Security SPV's remedies against the Issuer, pursuant to the Security Agreements relating to that Group of Secured Notes;
  - 17.9.2. following the delivery of the Enforcement Notice in respect of that Group of Secured Notes to the Issuer make a claim in the winding-up or liquidation of the Issuer against the Eligible Security relating to that Group of Secured Notes pursuant to the Security Agreements relating to that Group of Secured Notes; and
  - 17.9.3. pay the Recovered Amount in respect of that Group of Secured Notes to the relevant Group of Secured Noteholders in accordance with the Guarantee relating to that Group of Secured Notes.
- 17.10. If, in relation to the Group of Secured Noteholders who hold a Group of Secured Notes, the Security SPV fails, for whatever reason, to make a claim in the liquidation or winding-up of the Issuer, as contemplated in Condition 17.9.2, at least 10 (ten) Business Days prior to the first meeting of creditors of the Issuer, or if the liquidator does not accept a claim tendered for proof by the Security SPV as contemplated in Condition 17.9.2, as the case may be, then each Secured Noteholder in the relevant Group of Secured Noteholders will be entitled to lodge such claims (if any) itself but each such Secured Noteholder agrees that:
  - 17.10.1. any claim made or proved by that Secured in the liquidation or winding-up proceedings of the Issuer in respect of amounts owing to that Secured Noteholder by the Issuer under the Applicable Terms and Conditions of the relevant Tranche in that Group of Secured Notes or in respect of amounts owing to the Security SPV by the Issuer under the Security Agreements relating to that Group of Secured Notes, as the case may be, shall be subject to the condition that no amount shall be paid in respect

thereof to the extent that the effect of such payment would be to reduce the amount payable to any other Secured Noteholders in the relevant Group of Secured Noteholders in accordance with the applicable provisions of the Guarantee relating to that Group of Secured Notes; and

- 17.10.2. if the liquidator refuses to accept claims (if any) proved subject to the condition contained in Condition 17.10.1 then that Secured Noteholder shall be entitled to prove its/their claims against the Issuer, in full, on the basis that any liquidation dividend payable to any that Secured Noteholder is paid to the Security SPV for distribution in accordance with the applicable provisions of the Guarantee relating to that Group of Secured Notes.
- 17.11. Nothing in the Applicable Terms and Conditions of any Tranche in a Group of Secured Notes limits:
- 17.11.1. the exercise of any right or power by the Security SPV under the Security Agreements relating to that Group of Secured Notes;
- 17.11.2. the entitlement of the Security SPV to institute, or join with any person in instituting, any proceedings for the Issuer to be liquidated, or for the appointment of a liquidator or similar officer of the Issuer, in the event that the Security SPV is unable (due to practical or legal impediments which, in the reasonable opinion of the Security SPV, are not of a temporary nature) to enforce any of the Security Agreements relating to that Group of Secured Notes;
- 17.11.3. the entitlement of the Security SPV to levy or enforce any attachment or execution or take any proceedings with the levying of or enforce any attachment or execution upon or against the Eligible Security relating to that Group of Secured Notes;
- 17.11.4. any Secured Noteholder in the relevant Group of Secured Noteholders from obtaining or taking any proceedings to obtain an interdict, mandamus or other order to restrain any breach by the Issuer of the Applicable Terms and Conditions of the relevant Tranche in that Group of Secured Notes; or
- 17.11.5. any Secured Noteholder in the relevant Group of Secured Noteholders from obtaining or taking any proceedings to obtain declaratory relief in relation to any of the Applicable Terms and Conditions of the relevant Tranche in that Group of Secured Notes.
- 17.12. Where the Applicable Terms and Conditions of any Tranche of Secured Notes in a Group of Secured Notes and/or any of the Security Agreements relating to that Group of Secured Notes make provision for the consent to be given by the Security SPV then, unless expressly stated otherwise in those Applicable Terms and Conditions and/or that Security Agreement, such consent:
- 17.12.1. 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 the relevant Group of Secured Noteholders;
- 17.12.2. 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.
- 17.13. Where the Applicable Terms and Conditions of any Tranche of Secured Notes in a Group of Secured Notes provide that the Issuer and/or the Security SPV 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 Secured Noteholder in the relevant Group of Secured Noteholders 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 to those Applicable Terms and Conditions shall nevertheless in all respects continue to perform their obligations under those Applicable Terms and Conditions and/or to give effect to those Applicable Terms and Conditions, 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.

## **18. TRANSFER AGENT, STRATE ISSUER AGENT AND SETTLING BANK**

- 18.1. The Issuer is entitled to vary or terminate the appointment of any third party appointed by the Issuer as Strate Issuer Agent and/or Settling Bank and/or Transfer Agent in accordance with the terms and conditions of the Applicable Agency Agreement governing that appointment and/or to appoint additional or other agents.
- 18.2. If the Issuer elects to appoint another entity (not being the Issuer) as Strate Issuer Agent and/or Settling Bank and/or Transfer Agent, that other entity, on execution of an appropriate Applicable Agency Agreement or an appropriate accession letter to the Applicable Agency Agreement, as the case may be, shall serve in that capacity in respect of the Notes. The Issuer shall notify the Noteholders (in the manner set out in Condition 19.1) of any such appointment and, if any Registered Notes are listed on CTSE, the Issuer shall notify CTSE of any such appointment.

- 18.3. There will at all times be a Strate Issuer Agent, a Settling Bank and a Transfer Agent with a Specified Office in such place as may be required by the CTSE Debt Listings Requirements and/or the CSD Procedures.
- 18.4. The Strate Issuer Agent, the Settling Bank and the Transfer 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.
- 18.5. Subject to Applicable Laws, if and to the extent that the Issuer acts as Strate Issuer Agent and/or Transfer Agent:
- 18.5.1. all references in the Terms and Conditions to any action, conduct or function in such role shall be understood to mean that the Issuer shall perform such action, conduct or function itself; and
- 18.5.2. any requirements in the Terms and Conditions for consultation, indemnification by or of, payment by or to, delivery by or to, notice by or to, consent by or to or agreement between the Issuer and the Strate Issuer Agent and/or the Transfer Agent (as applicable) shall be disregarded to the extent that the Issuer performs such role.

## 19. NOTICES

### 19.1. Notice to Noteholders

- 19.1.1. All notices to Noteholders of Notes which are represented by Certificates shall be in writing and shall be sent by registered mail to the respective postal addresses of those Noteholders appearing in the Register or delivered by hand to the respective addresses of those Noteholders appearing in the Register or sent by e-mail to the e-mail address appearing in the Register. Each such notice shall be deemed to have been received by the relevant Noteholder on the date of delivery (if such notice is delivered by hand) or the tenth day after the date on which such notice is sent by registered mail (if such notice is sent by registered mail) or (if such notice is transmitted by e-mail) on the Business Day that the e-mail is transmitted (provided that a confirmation of error free transmittal is received from the transmitting terminal), except that any e-mail transmitted after 16h30 (local time in the place of receipt) shall be deemed to have been received on the following Business Day (if such notice is transmitted by e-mail).
- 19.1.2. For so long as any Registered Notes which are represented by Certificates are listed on CTSE, there may be substituted for the notice contemplated in Condition 19.1.1, the publication of the relevant notice on the CTSE News Service or on any other electronic news service of general distribution.
- 19.1.3. Notices to the Payees of Order Notes shall be published in an English language daily newspaper of general circulation in South Africa, and such notice shall be deemed to have been received by such Payees on the date on which that notice is published in such newspaper.
- 19.1.4. All notices to the Noteholders of Registered Notes which are held in the CSD shall be in writing and shall be delivered by hand or transmitted by e-mail to CTSE, the CSD and the CSD Participants, for communication by the CSD and the CSD Participants to the Noteholders of Registered Notes which are held in the CSD in accordance with the CSD Procedures. Each such notice will be deemed to have been received by the holders of such Registered Notes on the date of delivery (if such notice is delivered by hand) or the date on which such notice is transmitted by e-mail (if such notice is sent by e-mail).
- 19.1.5. 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 this Condition 19.1, subject to compliance with any other time periods prescribed in the provision concerned.
- 19.1.6. In addition to the applicable notice requirements set out in this Condition 19.1 above, all notices of meetings of all of the Noteholders or the relevant Group/s of Noteholders (as applicable) shall be published on the CTSE News Service.

### 19.2. Notice by Noteholders

- 19.2.1. All notices to be given by (i) any Noteholder of Registered Note/s which is/are represented by a Certificate or (ii) any Payee of Order Note/s, as the case may be, to the Issuer or the Transfer Agent, as the case may be, shall be in writing and given by delivering the notice, by hand or by registered post or by e-mail, together with a certified copy of that Certificate or the relevant Order Certificate, as applicable, to the Specified Office or postal address or e-mail address, as applicable, of the Issuer or the Specified Office or postal address or e-mail address, as applicable, of the Transfer Agent, as the case may be. Each such notice shall be deemed to have been received by the Issuer or the Transfer Agent, as the case may be, on the date of delivery (if such notice is delivered by hand) or the tenth day after the date on which such notice is sent by registered mail (if such notice is sent by registered

mail) or (if such notice is delivered by e-mail hand), the Business Day that the e-mail is transmitted (provided that a confirmation of error free transmittal is received from the transmitting terminal), except that any e-mail transmitted after 16h30 (local time in the place of receipt) shall be deemed to have been received on the following Business Day.

- 19.2.2. All notices to be given by any Noteholder of Registered Notes which are held in the CSD to the Issuer or the Transfer Agent, as the case may be, shall be in writing and given by such Noteholder through such Noteholder's CSD Participant subject to, and in accordance with, the CSD Procedures, and in such manner as the Issuer and the relevant CSD Participant may approve for this purpose.

## 20. AMENDMENT

- 20.1. The Issuer may effect, without the consent of any Noteholder, any amendment to the Applicable Terms and Conditions (including any of the Terms and Conditions) which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of South Africa (including, without limitation, the Applicable Laws and the Applicable Procedures); provided that such amendment shall be in writing and signed by or on behalf of the Issuer (and, where such amendment is an amendment to the Applicable Terms and Conditions (including any of the Terms and Conditions) which are applicable to any Secured Notes, signed by or on behalf of the Security SPV). The Issuer shall procure that a summary of such amendments is published on the CTSE News Service. Any amendments effected in terms of this Condition 20.1 will be binding on all of the Noteholders.
- 20.2. Save as is provided in Condition 20.1 (but subject, in the case of Secured Notes, to Condition 20.6), no amendment to any of the Applicable Terms and Conditions (including any of the Terms and Conditions) may be effected unless (i) the proposed amendment is first approved by CTSE and, after having obtained the approval of CTSE to the proposed amendment, (ii) the proposed amendment is signed by or on behalf of the Issuer (and, where the proposed amendment is an amendment to the Applicable Terms and Conditions (including any of the Terms and Conditions) which are applicable to any Tranche of Secured Notes, signed by or on behalf of the Security SPV) and (iii):
- 20.2.1. where the proposed amendment is an amendment to any of the Applicable Terms and Conditions (including any of the Terms and Conditions) which are applicable to all of the Notes, (i) the proposed amendment is approved by a Debt Securities Extraordinary Resolution of all of the Noteholders (provided that the relevant Debt Securities Extraordinary Resolution shall be passed within 15 (fifteen) Business Days after the proposed amendment is submitted to the Noteholders in terms of Condition 20.4) or (ii) the proposed amendment is approved by way of a Debt Securities Extraordinary Written Resolution signed by or on behalf of the required number of Noteholders (provided that the relevant Debt Securities Extraordinary Written Resolution shall be signed within 15 (fifteen) Business Days after the proposed amendment is submitted to the Noteholders in terms of Condition 20.4);
- 20.2.2. where the proposed amendment is an amendment to any of the Applicable Terms and Conditions (including any of the Terms and Conditions) which are applicable only to certain Tranche/s of Notes, (i) the proposed amendment is approved by Debt Securities Extraordinary Resolution/s of the Group/s of Noteholders holding such Tranche/s of Notes (provided that the relevant Debt Securities Extraordinary Resolution shall be passed within 15 (fifteen) Business Days after the proposed amendment is submitted to such Group/s of Noteholders in terms of Condition 20.4) or (ii) the proposed amendment is approved by way of Debt Securities Extraordinary Written Resolution/s signed by or on behalf of the required number of Noteholders in such Group/s of Noteholders (provided that the relevant Debt Securities Extraordinary Written Resolution/s shall be signed within 15 (fifteen) Business Days after the proposed amendment is submitted to such Group/s of Noteholders in terms of Condition 20.4).
- 20.3. The provisions of Condition 21 will apply, *mutatis mutandis*, to each meeting of all of the Noteholders or the relevant Group/s of Noteholders, as applicable.
- 20.4. After having obtained the approval of CTSE to a proposed amendment to the Applicable Terms and Conditions (including any of the Terms and Conditions) to be effected in terms of Condition 20.2, the Issuer shall (in the manner set out in Condition 19.1) notify all of the Noteholders or the relevant Group/s of Noteholders, as the case may be, of such proposed amendment. Such notice shall (i) include the forms of the Debt Securities Extraordinary Resolution/s and the Debt Securities Extraordinary Written Resolution/s setting out such proposed amendment, (ii) the restrictions on voting under the Terms and Conditions, (iii) the last date on which the Noteholders or the relevant Group/s of Noteholders, as the case may be, should return the signed Debt Securities Extraordinary Resolution/s or the signed Debt Securities Extraordinary Written Resolution/s, as the case may be, and the address to which the signed Debt Securities Extraordinary Resolution/s or the signed Debt Securities Extraordinary Written Resolution/s, as the case may be, should be sent.

- 20.5. Any amendment to the Applicable Terms and Conditions (including any of the Terms and Conditions) effected in terms of this Condition 20 will be binding on all of the Noteholders or the relevant Group/s of Noteholders, as the case may be, and such amendment will be notified (in the manner set out in Condition 19.1) to all of the Noteholders or the relevant Group/s of Noteholders, as the case may be, as soon as practicable after such amendment has been effected.
- 20.6. If and for so long as any Tranche of Secured Notes then in issue has been Rated by the Rating Agency, no amendment to the Applicable Terms and Conditions (including any of the Terms and Conditions) of that Tranche of Secured Notes may be made unless the Rating Agency confirms in writing that such amendment will not adversely affect its current Rating of that Tranche of Secured Notes.

## 21. MEETINGS OF NOTEHOLDERS

### 21.1. Directions of Noteholders

- 21.1.1. The provisions with regard to meetings of all of the Noteholders or the relevant Group/s of Noteholders or the relevant Group/s of Secured Noteholders (as applicable) are set out in this Condition 21. The provisions of this Condition 21 will apply, *mutatis mutandis*, to each separate meeting of all of the Noteholders or the relevant Group/s of Noteholders or the relevant Group/s of Secured Noteholders (as applicable) (each a "**meeting**").
- 21.1.2. Subject to the CSD Procedures in the case of the Noteholders of Registered Notes which are held in the CSD, only Noteholders or the relevant Group/s of Noteholders or the relevant Group/s of Secured Noteholders (as applicable) of Registered Notes named in the Register at 18h00 (South African time) on the date being 10 (ten) Business Days before the date scheduled for the holding of a meeting will be entitled to receive notice of that meeting and to participate in and vote at that meeting.
- 21.1.3. Every director or duly appointed representative of the Issuer and every other person authorised in writing by the Issuer and, in the case of a meeting of the relevant Group/s of Secured Noteholders, every director or duly appointed representative of the Security SPV and every other person authorised in writing by the Security SPV, may attend and speak at a meeting, but will not be entitled to vote, other than (subject to Condition 21.10.3) as a Noteholder or proxy or duly authorised representative of a Noteholder.
- 21.1.4. A meeting will have power, in addition to all powers specifically conferred elsewhere in the Terms and Conditions:
- 21.1.4.1. by a Debt Securities Ordinary Resolution of all of the Noteholders, to give instructions to the Issuer in respect of any matter not covered by the Applicable Terms and Conditions (including any of the Terms and Conditions) (but without derogating from the powers or discretions expressly conferred upon the Issuer by the Applicable Terms and Conditions (including any of the Terms and Conditions) or imposing obligations on the Issuer not imposed or contemplated by the Applicable Terms and Conditions (including any of the Terms and Conditions) or otherwise conflicting with or inconsistent with the provisions of the Applicable Terms and Conditions (including any of the Terms and Conditions);
- 21.1.4.2. by a Debt Securities Extraordinary Resolution of all of the Noteholders, to bind all of the Noteholders to any compromise or arrangement;
- 21.1.4.3. by a Debt Securities Extraordinary Resolution of all of the Noteholders or the relevant Group/s of Noteholders or the relevant Group/s of Secured Noteholders (as applicable), to agree to any amendment to the Applicable Terms and Conditions (including any of the Terms and Conditions), subject to and in accordance with the applicable provisions of Condition 20;
- 21.1.4.4. by a Debt Securities Ordinary Resolution of all of the relevant Group/s of Secured Noteholders, to give instructions to the Security SPV in respect of any matter not covered by the Applicable Terms and Conditions (including any of the Terms and Conditions) of any Tranche in any Group of Secured Notes and/or any of the Security Agreements relating to any Group of Secured Notes (but without derogating from the powers or discretions expressly conferred upon the Security SPV by the Applicable Terms and Conditions (including any of the Terms and Conditions) of any Tranche in any Group of Secured Notes and/or any of the Security Agreements relating to any Group of Secured Notes or imposing obligations on the Security SPV not imposed or contemplated by the Applicable Terms and Conditions (including any of the Terms and Conditions) of any Tranche in any Group of Secured Notes and/or any of the Security Agreements relating to any Group of Secured Notes or otherwise conflicting with or inconsistent with the provisions of the Applicable Terms and Conditions (including any of the Terms and Conditions) of any Tranche in any Group of Secured Notes and/or any of the Security Agreements relating to any Group of Secured Notes).

21.1.5. The Security SPV will be entitled, before carrying out the directions of any Secured Noteholders in terms of Condition 21.1.4.4, to require that it be indemnified against all expenses and liabilities which may be incurred by it and that it be provided from time to time, so far as the Security SPV may reasonably require, with sufficient monies to enable it to meet the expense of giving effect to such directions.

21.1.6. Unless otherwise specified in the Terms and Conditions (and subject to Conditions 21.1.4.2 and 21.1.4.3), resolutions of all of the Noteholders or the relevant Group/s of Noteholders or the relevant Group/s of Secured Noteholders (as applicable) will require a Debt Securities Ordinary Resolution to be passed.

## 21.2. Convening of meetings

21.2.1. The Issuer (and, in the case of a meeting of Secured Noteholders, the Security SPV) may at any time convene a meeting.

21.2.2. The Issuer (and, in the case of a meeting of Secured Noteholders, the Security SPV) will convene a meeting of (i) all the Noteholders upon the requisition in writing of Noteholders holding not less than 15% of the aggregate Outstanding Principal Amount of all of the Notes or (ii) a separate meeting of any Group/s of Noteholders upon the requisition in writing of Noteholders in such Group/s holding not less than 15% of the aggregate Outstanding Principal Amount of the Notes held by such Group/s, as the case may be (each such requisition, a "**requisition notice**").

21.2.3. A requisition notice will state the nature of the business for which the meeting is to be held, the resolutions to be proposed and considered at the meeting and the place at which the meeting is to be held, and will be deposited at the Specified Office of the Issuer (and, in the case of a meeting of Secured Noteholders, the Specified Office of the Security SPV). A requisition notice may consist of several documents in like form, each signed by one or more requisitionists.

## 21.3. Convening of meetings by requisitionists

If the Issuer (or, in the case of a meeting of any Secured Noteholders, the Security SPV) fails to convene a meeting within 10 (ten) days of the deposit of a requisition notice, the requisitionists may themselves convene the meeting, but the meeting so convened will be held within 30 (thirty) days from the date of such deposit and will be convened as nearly as possible in the same manner as that in which meetings may be convened by the Issuer. Whenever the requisitionists are about to so convene any such meeting, the requisitionists shall forthwith give notice of the meeting to the Issuer (and, in the case of a meeting of Secured Noteholders, the Security SPV), and to all of the Noteholders or the relevant Group/s of Noteholders or the relevant Group/s of Secured Noteholders (as applicable), in accordance with Condition 22.4.

## 21.4. Notice of meeting

Whenever the Issuer (and, in the case of a meeting of Secured Noteholders, the Security SPV) wish/es (or is/are required) to convene a meeting, they/it will (subject to Condition 16.4) forthwith give at least 21 (twenty one) days' prior written notice thereof (exclusive of the day on which the notice is given and of the day on which the meeting is held) to all of the Noteholders or the relevant Group/s of Noteholders or the relevant Group/s of Secured Noteholders (as applicable) in the manner set out in Condition 19.1, 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; provided that all of the Noteholders or the relevant Group/s of Noteholders or the relevant Group/s of Secured Noteholders (as applicable) holding at least 90% of the aggregate Outstanding Principal Amount of all of the Notes or the Notes held by such Group/s or Group/s of Secured Noteholders (as applicable) may agree in writing to a shorter notice period.

## 21.5. Place of meeting

21.5.1. Subject to Condition 21.5.2, a meeting will be held in such place as is specified in the notice convening that meeting; provided that, unless otherwise provided in such notice, the meeting will be held in South Africa.

21.5.2. A meeting may be conducted entirely by electronic communication and any Noteholder (or its proxy) may participate in a meeting by electronic communication, *mutatis mutandis* in accordance with the provisions of section 63(2) and 63(3) of the Companies Act.

## 21.6. Quorum

21.6.1. A quorum at a meeting shall:

21.6.1.1. for the purposes of considering a Debt Securities Ordinary Resolution, consist of Noteholders or

the relevant Group/s of Noteholders or the relevant Group/s of Secured Noteholders (as applicable), present in person or by proxy, holding in the aggregate not less than 50% (fifty percent) of the aggregate Outstanding Principal Amount of all of the Notes or the Notes held by such Group/s or such Group/s of Secured Noteholders (as applicable);

- 21.6.1.2. for the purposes of considering a Debt Securities Extraordinary Resolution, consist of Noteholders or the relevant Group/s of Noteholders or the relevant Group/s of Secured Noteholders (as applicable), present in person or by proxy, holding in the aggregate not less than 66.67% (sixty six point six seven percent) of the aggregate Outstanding Principal Amount of all of the Notes or the Notes held by such Group/s or such Group/s of Secured Noteholders (as applicable).
- 21.6.2. No business will be transacted at a meeting unless a quorum is present at the time when the meeting proceeds to business.
- 21.6.3. If, within 30 (thirty) minutes 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 second 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 at such adjourned meeting will constitute a quorum for the purpose of considering any resolution, including a Debt Securities Ordinary Resolution and a Debt Securities Extraordinary Resolution.

#### 21.7. **Chairman**

The Issuer or its representative (or, in the case of a meeting convened by the Security SPV, the Security SPV or its representative) will preside as chairman at a meeting. If the aforesaid person is not present within 15 (fifteen) minutes of the time appointed for the holding of the meeting, the Noteholders then present in person or by proxy will choose one of their own number to preside as chairman at that meeting; provided that at least 75% (seventy five percent) of such Noteholders shall have agreed to the chairman so appointed. The procedures to be followed at the meeting shall be as determined by the chairman subject to this Condition 21. The chairman of an adjourned meeting need not be the same person as was chairman of the original meeting.

#### 21.8. **Adjournment**

- 21.8.1. Subject to the provisions of this Condition 21, the chairman of a meeting may, with the consent of (and shall if directed by) the Noteholders then present at the meeting, adjourn the meeting from time to time and from place to place.
- 21.8.2. At least 10 (ten) days' written notice of any meeting adjourned through want of a quorum will be given in the same manner as of the original meeting and such notice will state that the relevant Noteholders present in person or by proxy at the adjourned meeting will constitute a quorum. Otherwise it shall not be necessary to give notice of an adjourned meeting.
- 21.8.3. No business will be transacted at any adjourned meeting other than the business left unfinished at original meeting which was adjourned.

#### 21.9. **Votes**

- 21.9.1. At a meeting of all of the Noteholders or the relevant Group/s of Noteholders or the relevant Group/s of Secured Noteholders (as applicable), voting may either be by show of hands, or by polling.
- 21.9.2. If voting is by show of hands, each Noteholder present at the meeting in person or by proxy will have 1 (one) vote, irrespective of the number of Note/s held by that Noteholder.
- 21.9.3. On a poll each Noteholder present at the meeting in person or by proxy, will be entitled to 1 (one) vote for each ZAR1,000,000 (one million rand) in Principal Amount of the aggregate Outstanding Principal Amount of the Note/s held by that Noteholder.
- 21.9.4. Noteholders of Registered Notes which are held in the CSD must vote in accordance with the CSD Procedures. Subject to the CSD Procedures, the Noteholders of Registered Notes which are held in the CSD may exercise their respective rights to vote through their respective CSD Participants. Subject to the CSD Procedures, the respective CSD Participants will vote in accordance with the respective instructions conveyed to them by the respective Noteholders of Registered Notes which are held in the CSD.
- 21.9.5. Neither the Issuer nor any "subsidiary" (as defined in the Companies Act) of the Issuer nor any "holding company" (as defined in the Companies Act) of the Issuer will have any voting rights in respect of any Notes held by it.



### 21.10. Proxies and representatives

- 21.10.1. Noteholders present at a meeting 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, 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.
- 21.10.2. A person appointed to act as proxy need not be a Noteholder.
- 21.10.3. The proxy form will be deposited at the Specified Office of the Issuer (and, in the case of a meeting convened by the Security SPV, the Specified Office of the Security SPV) not less than 24 (twenty four) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such proxy proposes to vote.
- 21.10.4. No proxy form will be valid after the expiration of 6 (six) months from the date named in it as the date of its execution.
- 21.10.5. Notwithstanding Condition 21.10.4, a proxy form will be valid for any adjourned meeting, unless the contrary is stated thereon.
- 21.10.6. 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 the 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 (and, in the case of a meeting convened by the Security SPV, the Security SPV at its Specified Office) more than, and that the transfer has been given effect to less than, 12 (twelve) hours before the commencement of the meeting or adjourned meeting at which the proxy is to be used.
- 21.10.7. Any Noteholder which is a juristic person may, by resolution of its directors or other governing body, authorise any person to act as its Representative in connection with any meeting or proposed meeting. Any reference in the Terms and Conditions to a Noteholder present at a meeting in person includes the duly authorised Representative of a Noteholder which is a juristic person.

### 21.11. Binding effect of resolutions

A resolution passed at a meeting of all of the Noteholders or the relevant Group/s of Noteholders or the relevant Group/s of Secured Noteholders (as applicable), duly convened and held in accordance with the provisions of this Condition 21 is binding on all of the Noteholders or the relevant Group/s of Noteholders or the relevant Group/s of Secured Noteholders (as applicable), whether present or not present at any such meeting, and each of such Noteholders shall be bound to give effect thereto accordingly. The passing of any such resolution shall be conclusive evidence (unless the contrary is proved) that the circumstances of such resolution justify the passing of it.

### 21.12. Debt Securities Ordinary Written Resolution and Debt Securities Extraordinary Written Resolution

- 21.12.1. A Debt Securities Ordinary Resolution or a Debt Securities Extraordinary Resolution, as the case may be, that could be voted on at a meeting may instead be:
- 21.12.1.1. submitted for consideration as a Debt Securities Ordinary Written Resolution or a Debt Securities Extraordinary Written Resolution, as the case may be, to the Noteholders entitled to exercise voting rights in relation thereto; and
- 21.12.1.2. subject to Condition 20.2, voted on in writing by Noteholders entitled to exercise voting rights in relation thereto within 20 (twenty) Business Days after the proposed Debt Securities Ordinary Written Resolution or the proposed Debt Securities Extraordinary Written Resolution, as the case may be, was submitted to them.
- 21.12.2. A Debt Securities Ordinary Written Resolution or a Debt Securities Extraordinary Written Resolution, as the case may be, shall be as valid and effectual as a Debt Securities Ordinary Resolution or a Debt Securities Extraordinary Resolution, as the case may be, passed at a meeting duly convened and held in accordance with the provisions of this Condition 21.

### 21.13. Minutes

The Issuer will cause minutes of all resolutions and proceedings at meetings to be duly taken. Any such minutes, 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 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. STIPULATIONS AND BENEFITS

- 22.1. The provisions of the Guarantee relating to a Group of Secured Notes which confer benefits on a Secured Noteholder in the relevant Group of Secured Noteholders constitute stipulations for the benefit of that Secured Noteholder, and that Secured Noteholder, upon its subscription for any Note/s in that Group of Secured Notes and the issue of such Note/s to it, or upon the transfer of any Notes in that Group of Secured Notes to it, as the case may be, shall be deemed to have accepted such benefits, and that Secured Noteholder shall accordingly have the benefit of all those provisions of that Guarantee which confer rights on that Secured Noteholder and be bound by all those provisions of that Guarantee which impose obligations on that Secured Noteholder.
- 22.2. The provisions of the Indemnity and the Security Cession relating to a Group of Secured Notes which confer benefits on a Secured Noteholder in the relevant Group of Secured Noteholders constitute stipulations for the benefit of that Secured Noteholder, and that Secured Noteholder, upon its subscription for any Note/s in that Group of Secured Notes and the issue of such Note/s to it, or upon the transfer of any Note/s in that Group of Secured Notes to it, as the case may be, shall be deemed to have accepted such benefits, and that Secured Noteholder shall accordingly have the benefit of all those provisions of that Indemnity and that Security Cession which confer rights on that Secured Noteholder and be bound by all those provisions of that Indemnity and that Security Cession which impose obligations on that Secured Noteholder; provided that that Secured Noteholder shall not become a party to that Indemnity and/or that Security Cession by virtue of having accepted such benefits.
- 22.3. The provisions of the Security SPV Owner Trust Deed which confer benefits on a Secured Noteholder in the relevant Group of Secured Noteholders constitute stipulations for the benefit of that Secured Noteholder, and that Secured Noteholder, upon its subscription for any Note/s in that Group of Secured Notes and the issue of such Note/s to it, or upon the transfer of any Note/s in that Group of Secured Notes to it, as the case may be, shall be deemed to have accepted such benefits, and that Secured Noteholder shall accordingly have the benefit of all those provisions of the Security SPV Owner Trust Deed which confer rights on that Secured Noteholder and be bound by all those provisions of the Security SPV Owner Trust Deed which impose obligations on that Secured Noteholder; provided that that Secured Noteholder shall not become a party to the Security SPV Owner Trust Deed and/or a beneficiary of the Security SPV Owner Trust by virtue of having accepted such benefits.
- 22.4. The provisions of any of the Applicable Terms and Condition (including the Terms and Conditions) which confer benefits on the Security SPV constitute stipulations for the benefit of the Security SPV, and the Security SPV, upon signing the Security Agreement/s to which the Security SPV is to be a party, shall be deemed to have accepted such benefits, and the Security SPV shall accordingly have the benefit of all those provisions of such Applicable Terms and Condition (including the Terms and Conditions) which confer rights on the Security SPV and be bound by all those provisions of such Applicable Terms and Condition (including the Terms and Conditions) which impose obligations on the Security SPV; provided that the Security SPV shall not become a party to any of such Applicable Terms and Conditions by virtue of having accepted such benefits.

## 23. SEVERABILITY

Should any of the Applicable Terms and Conditions be, or become, invalid, the validity of the remaining Applicable Terms and Conditions shall not be affected in any way.

## 24. GOVERNING LAW

The Programme Memorandum, the Notes, the Applicable Terms and Conditions and, in relation to a Group of Secured Notes, the Security Agreements relating to that Group of Secured Notes, are governed by, and shall be construed in accordance with, the laws of South Africa.

## 25. FURTHER ISSUES

The Issuer shall be at liberty from time to time, without the consent of any Noteholder, to create and issue a Tranche of Notes ("**Additional Notes**") having terms and conditions which are identical to any other Tranche of Notes already in issue under the Programme ("**Existing Notes**") (save for their respective Issue Dates, First Interest Payment Dates, Issue Prices and aggregate Principal Amounts), so that the Additional Notes (i) are consolidated with the Existing Notes and form part of the same Tranche of Existing Notes and (ii) rank *pari passu* in all respects with the Existing Notes.

## 26. RESTRICTIONS ON THE TRANSFERABILITY OF REGISTERED NOTES WHERE THE ISSUER IS A PRIVATE COMPANY

- 26.1. For as long as the Issuer is a private company, a Noteholder of Registered Notes may not, as contemplated in Article 2.1(2A) of the Memorandum of Incorporation of the Issuer, transfer such Registered Notes without the prior written consent of the Issuer Board.
- 26.2. The Issuer Board has consented in writing (in a resolution of the Issuer Board passed on [●] [●] 2024) to the transfer of all Registered Notes issued, under the Programme, pursuant to this Programme Memorandum, for as long as the Issuer is a private company.

## FORM OF THE GUARANTEE

The Guarantee relating to a Group of Secured Notes will be in (or substantially in) the form set out below:

### GUARANTEE

granted by

#### INDLULIVING SECURITY SPV (RF) PROPRIETARY LIMITED

(as Security SPV)

in favour of

**THE GROUP OF SECURED NOTEHOLDERS WHO HOLD TRANCHE [ ] OF SERIES [ ] OF THE SECURED NOTES (STOCK CODE NUMBER [ ]) [SPECIFY EACH OTHER TRANCHE OF SECURED NOTES IN THE RELEVANT GROUP OF SECURED NOTES]**

### 1. INTRODUCTION

- 1.1 IndluLiving Proprietary Limited (registration number 2024/500291/07) ("**Issuer**") has established the IndluLiving Proprietary Limited ZAR5,000,000,000 Domestic Note Programme ("**Programme**"), pursuant to the Programme Memorandum, dated [●] 2024, as amended and/or supplemented from time to time ("**Programme Memorandum**").
- 1.2 On [ ] ("**Issue Date**"), the Issuer proposes to issue Tranche [ ] of Series [ ] of the Secured Notes (Stock Code Number [ ]) [*specify each other Tranche of Secured Notes in the relevant Group of Secured Notes*], under the Programme, pursuant to the Programme Memorandum ("**Secured Notes**" and "**relevant Group of Secured Notes**").
- 1.3 The agreement embodied in this document (including all annexures and schedules hereto), as amended, novated and/or substituted from time to time in accordance with its terms ("**this Guarantee**") is the "Guarantee" as defined in the section of the Programme Memorandum headed "*Terms and Conditions*" ("**Terms and Conditions**") relating to the relevant Group of Secured Notes.

### 2. EXECUTION OF THIS GUARANTEE AND ACKNOWLEDGEMENT BY THE SECURITY SPV

- 1.1 This Guarantee is executed by IndluLiving Security SPV (RF) Proprietary Limited (registration number 2024/565725/07) ("**Security SPV**") in favour of the Group of Secured Noteholders who hold the relevant Group of Secured Notes ("**relevant Group of Secured Noteholders**").
- 1.2 The Security SPV acknowledges that it has entered into this Guarantee for the benefit of the relevant Group of Secured Noteholders, that the Security SPV holds the security created pursuant to the Security Agreements relating to the relevant Group of Secured Notes for the benefit of the relevant Group of Secured Noteholders and that, following a Guarantee Event, it will hold the Recovered Amount for the benefit of the relevant Group of Secured Noteholders to be paid to the relevant Group of Secured Noteholders in accordance with this Guarantee.

### 3. DEFINITIONS AND INTERPRETATION

- 3.1 The expressions defined in the Terms and Conditions shall, save where otherwise defined in this Guarantee, have the same meanings in this Guarantee and shall form part of this Guarantee. References in this Guarantee to any Condition are to that Condition of the Terms and Conditions.
- 3.2 In this Guarantee the following words and expressions bear the following meanings:

"**Applicable Terms and Conditions**" means, in relation to a Tranche of Secured Notes in the relevant Group of Secured Notes, the Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of the that Tranche of Secured Notes set out in the Applicable Pricing Supplement relating to that Tranche of Secured Notes;

"**Eligible Security**" has the meaning ascribed to that term in the Security Cession;

"**Enforcement Amount**" means, following a Guarantee Event, the total amount recovered and received by the Security SPV in terms of and subject to the Indemnity and from the realisation of the Eligible Security in terms of the Security Cession;

"**Enforcement Date**" means, following the occurrence of a Secured Note Event of Default in respect of the relevant Group of Secured Notes, the latest date of delivery, by or on behalf of the Security SPV, of an Enforcement Notice to the Issuer pursuant to the Indemnity;

**"Enforcement Notice"** means, following the occurrence of a Secured Note Event of Default in respect of the relevant Group of Secured Notes, a written notice delivered, by or on behalf of the Security SPV, to the Issuer pursuant to the Indemnity, declaring all of the Secured Notes and all amounts owing by the Issuer to the relevant Group of Secured Noteholders under the Applicable Terms and Conditions (whether or not due for payment) to be immediately due and payable;

**"Guarantee Conditions"** means, collectively, all of the terms and conditions of this Guarantee;

**"Guarantee Event"** means, following the occurrence of a Secured Note Event of Default in respect of the relevant Group of Secured Notes, the delivery, by or on behalf of the Security SPV, of an Enforcement Notice to the Issuer pursuant to the Indemnity;

**"Indemnity"** means the written agreement entitled "*Indemnity*" relating to the relevant Group of Secured Notes, dated on or about the Issue Date, executed by the Issuer in favour of the Security SPV, as amended, novated and/or substituted from time to time in accordance with its terms;

**"Indemnity Default"** means, following a Guarantee Event, the failure by the Issuer to pay the Total Amount to the Security SPV, in terms of the Indemnity, by the close of business on the 2nd (second) Business Day following the Enforcement Date;

**"Issue Date"** means the Issue Date of relevant Group of Secured Notes, being [                    ];

**"Limited Recourse Provisions"** means the provisions of clauses 5.1 to 5.3 inclusive;

**"Recovered Amount"** means, following a Guarantee Event, if the Enforcement Amount is less than the Total Amount, the Enforcement Amount or, if the Enforcement Amount is greater than the Total Amount, that portion of the Enforcement Amount as is equal to the Total Amount, as the case may be;

**"relevant Secured Noteholder"** and **"Secured Noteholder"** means a Secured Noteholder in the relevant Group of Secured Noteholders;

**"relevant Secured Notes"** means, in relation to a relevant Secured Noteholder, all of the Secured Note/s held by that relevant Secured Noteholder as at the Enforcement Date;

**"Secured Event of Default"** means any of the events described in Condition 15.1;

**"Security Agreements"** mean, collectively, this Guarantee, the Indemnity and the Security Cession and, such other agreement/s (if any) as is/are specified in the Security Cession, and **"Security Agreement"** means any of them;

**"Security Cession"** means the written agreement entitled "*Security Cession*" relating to the relevant Group of Secured Notes, dated on or about the Issue Date, executed by the Issuer in favour of the Security SPV, as amended, novated and/or substituted from time to time in accordance with its terms;

**"Secured Notes"** mean all of the Secured Notes in the relevant Group of Secured Notes;

**"Signature Date"** means the date of signature of this Guarantee by the Security SPV;

**"Total Amount"** means, following a Guarantee Event, an amount equal to the total amount payable to the relevant Group of Secured Noteholders in terms of this Guarantee (ignoring the provisions of the Guarantee Conditions).

- 3.3 When any number of days is prescribed in this Guarantee, the same shall be reckoned inclusively of the first and exclusively of the last day unless the last day falls on a day which is not a Business Day, in which case the last day shall be the immediately following Business Day.
- 3.4 In the event that the day for payment of any amount due in terms of this Guarantee should fall on a day which is not a Business Day, then the relevant date for payment shall be the following Business Day.
- 3.5 Where figures are referred to in numerals and in words, if there is any conflict between the two, the words shall prevail.
- 3.6 Where any term is defined within the context of any particular clause in this Guarantee, the term so defined, unless it is clear from the clause in question that the term so defined has limited application to the relevant clause, shall bear the same meaning as ascribed to it for all purposes in terms of this Guarantee, notwithstanding that that term has not been defined in this interpretation clause.
- 3.7 The use of the word "including" followed by a specific example or examples shall not be construed as limiting the meaning of the general wording preceding it and the *eiusdem generis* rule shall not be applied in the interpretation of such general wording or such specific example or examples.
- 3.8 Any reference to a statute in this Guarantee is to that statute as at the Signature Date and as amended or

re-enacted from time to time and shall include any succeeding statute.

- 3.9 The rule of construction that, in the event of ambiguity, the contract shall be interpreted against the party responsible for the drafting or preparation of this Guarantee, shall not apply.
- 3.10 The expiration or termination of this Guarantee shall not affect such of the provisions of this Guarantee as expressly provide that they will operate after any such expiration or termination or which of necessity must continue to have effect after such expiration or termination, notwithstanding that the clauses themselves do not expressly provide for this.
- 3.11 In this Guarantee, clause headings are inserted for convenience and ease of reference only and shall not affect the interpretation of this Guarantee.
- 3.12 All references in this Guarantee to an agreement, instrument or other document (including, without limitation, the Programme Memorandum and the Security Agreements) shall be construed as a reference to that agreement, instrument or document as the same may be amended, modified, varied, supplemented, replaced or novated from time to time.
- 3.13 If any provision in a definition in this Guarantee is a substantive provision conferring a right or imposing an obligation on any party then, notwithstanding that it is only in a definition, effect shall be given to that provision as if it were a substantive provision in the body of in this Guarantee.
- 3.14 Words denoting the singular include the plural and *vice versa*; words denoting any gender include the other genders; and words denoting persons include firms and corporations and *vice versa*.

#### **4 STIPULATIONS**

- 4.1 The provisions of this Guarantee which confer benefits on a Secured Noteholder constitute stipulations for the benefit of that Secured Noteholder, and that Noteholder, upon its subscription for any Secured Note/s and the issue of such Secured Note/s to it, or upon the transfer of any Secured Note/s to it, as the case may be, shall be deemed to have accepted such benefits, and that Secured Noteholder shall accordingly have the benefit of all those provisions of this Guarantee which confer rights on that Secured Noteholder and be bound by all those provisions of this Guarantee which impose obligations on that Secured Noteholder.
- 4.2 The provisions of the Terms and Conditions which confer benefits on the Security SPV constitute stipulations for the benefit of the Security SPV and the Security SPV, upon signing this Guarantee, shall be deemed to have accepted such benefits, and the Security SPV shall accordingly have the benefit of all those provisions of the Terms and Conditions which confer rights on the Security SPV and be bound by all of those provisions of the Terms and Conditions which impose obligations on the Security SPV; provided that the Security SPV shall not become a party to the Terms and Conditions by virtue of having accepted such benefits.
- 4.3 Upon the Signature Date, the Security SPV shall retain the original signed Guarantee. The Security SPV shall hold the original signed Guarantee for and on behalf of the relevant Group of Secured Noteholders. The Security SPV shall make a copy of this Guarantee available to each of the Secured Noteholders in the relevant Group of Secured Noteholders, upon request during normal office hours, at the Specified Office of the Security SPV.

#### **5 LIMITED RECOURSE PROVISIONS**

- 5.1 Notwithstanding anything to the contrary contained in any of the Security Agreements, the total liability of the Security SPV to the relevant Group of Secured Noteholders under this Guarantee will never exceed the Recovered Amount.
- 5.2 Following a Guarantee Event, the recourse of the relevant Group of Secured Noteholders against the Security SPV under this Guarantee is limited, in total as between the relevant Group of Secured Noteholders, to the Recovered Amount.
- 5.3 Accordingly, the Security SPV will not be liable under this Guarantee to pay the relevant Group of Secured Noteholders an amount which, in the aggregate, exceeds the Recovered Amount, and the Security SPV will only be obliged to make any payments under this Guarantee if, and to the extent that, it has recovered and received moneys from the Issuer pursuant to the Indemnity and/or from the realisation of the Eligible Security in terms of the Security Cession.

#### **6 GUARANTEE**

- 6.1 The Security SPV hereby irrevocably and unconditionally guarantees, in favour of each Secured Noteholder that, if a Guarantee Event occurs, the Security SPV shall, subject to the Guarantee Conditions (including, in particular, the Limited Recourse Provisions), pay to that Secured Noteholder, the full amount due and payable by the Issuer to that Secured Noteholder under the Applicable Terms and Conditions as at the

Enforcement Date.

- 6.2 The guarantee contemplated in this Guarantee is given to each Secured Noteholder on the basis that that Secured Noteholder has expressly agreed, in terms of Condition 17, to the limitation on its rights of recourse, enforcement of claims and rights of set-off.
- 6.3 The Security SPV acknowledges that it has entered into this Guarantee for the benefit of the relevant Group of Secured Noteholders, that the Security SPV holds the security created pursuant to the Security Agreements for the benefit of the relevant Group of Secured Noteholders and that, following a Guarantee Event, it will hold the Recovered Amount for the benefit of the relevant Group of Secured Noteholders to be paid to the relevant Group of Secured Noteholders in accordance with the provisions of this Guarantee.

## 7. CLAIMS UNDER THIS GUARANTEE

The Security SPV agrees that a Guarantee Event shall be (and shall be deemed to be) a claim by the relevant Group of Secured Noteholders (subject to the Limited Recourse Provisions) against the Security SPV under this Guarantee.

## 8. ENFORCEMENT

- 8.1 The occurrence of any Secured Note Event of Default contemplated in Conditions 15.1.6 to 15.1.8 inclusive is a general Secured Note Event of Default which will apply to each Group of Secured Notes then in issue and each Group of Secured Noteholders who hold each such Group of Secured Notes, and the provisions of Condition 16 (and this clause 8 below) shall be construed accordingly.
- 8.2 The Issuer has agreed that, upon becoming aware that any Secured Note Event of Default in respect of the relevant Group of Secured Notes has occurred and is continuing, it will forthwith notify (in the manner set out in Condition 19.1) the relevant Group of Secured Noteholders of that Secured Note Event of Default and (ii) the Strate Issuer Agent, the Settling Bank, the Transfer Agent, the CSD and, if the relevant Group of Secured Notes is listed on CTSE, CTSE, in writing of that Secured Event of Default.
- 8.3 The Security SPV shall not be required to take any steps to ascertain whether any Secured Note Event of Default has occurred or to monitor or supervise the observance and performance by the Issuer of its obligations under the Applicable Terms and Conditions and, until the Security SPV has actual knowledge or has been served with express notice thereof it will be entitled to assume that no Secured Note Event of Default has taken place.
- 8.4 Upon receipt by the Security SPV of notice from the Issuer that a Secured Note Event of Default in respect of the relevant Group of Secured Notes has occurred and is continuing, or upon the Security SPV itself becoming aware that a Secured Note Event of Default in respect of the relevant Group of Secured Notes has occurred and is continuing, or upon receipt by the Security SPV of notice from any Secured Noteholder that a Secured Note Event of Default in respect of the relevant Group of Secured Notes has occurred and is continuing, the Security SPV shall promptly give notice thereof (in the manner set out in Condition 19.1) to the relevant Group of Secured Noteholders, and the Security SPV shall promptly call a meeting of the relevant Group of Secured Noteholders. The provisions of Condition 22 will apply *mutatis mutandis* to a meeting of the relevant Group of Secured Noteholders contemplated in this clause 8.3 save that the 21 (twenty one) day notice period contemplated in Condition 21.4 shall be reduced to 7 (seven) days.
- 8.5 If, at the meeting of the relevant Group of Secured Noteholders contemplated in clause 8.4, the Security SPV is instructed to do so by a Debt Securities Extraordinary Resolution of the relevant Group of Secured Noteholders, the Security SPV shall, in terms of the Indemnity, forthwith deliver an Enforcement Notice to the Issuer.
- 8.6 Notwithstanding clause 8.5, the Security SPV shall have a discretion not to act in terms of the applicable provisions of the Indemnity if, at any time prior to the delivery of an Enforcement Notice to the Issuer, the Secured Note Event of Default in respect of the relevant Group of Secured Notes is remedied in such manner that, in the Security SPV's reasonable opinion, the relevant Group of Secured Noteholders will not be prejudiced by the non-delivery of the Enforcement Notice in terms of the Indemnity.
- 8.7 The delivery of an Enforcement Notice in respect of the relevant Group of Secured Notes by or on behalf of the Security SPV to the Issuer pursuant to the Indemnity (as contemplated in clause 8.5) is a Guarantee Event in respect of the relevant Group of Secured Notes for purposes of this Guarantee.
- 8.8 If, following the occurrence of a Secured Note Event of Default in respect of the relevant Group of Secured Notes, an Enforcement Notice is delivered by or on behalf of the Security SPV to the Issuer in accordance with the Indemnity (as contemplated in clause 8.5), then all of the Secured Notes in the relevant Group of Secured Notes and all amounts owing by the Issuer to the relevant Group of Secured Noteholders under the Applicable Terms and Conditions (whether or not due for payment) shall be immediately due and

payable.

- 8.9 Promptly after the Enforcement Date, the Security SPV shall:
- 8.9.1 enforce the remedies available to it under the Security Agreements and realise the Eligible Security for the benefit of the relevant Group of Secured Noteholders; and
- 8.9.2 pay the Recovered Amount to the relevant Group of Secured Noteholders.
- 8.10 Following a Guarantee Event, each Secured Noteholder in the relevant Group of Secured Noteholders will participate in the Recovered Amount in the proportion that the aggregate Outstanding Principal Amount of the Secured Note/s held by that Secured Noteholder as at the Enforcement Date bears to the aggregate Outstanding Principal Amount of the relevant Group of Secured Notes as at the Enforcement Date.
- 8.11 Following a Guarantee Event, the payment of the Recovered Amount by the Security SPV to the relevant Group of Secured Noteholders, in terms of this Guarantee, shall:
- 8.11.1 cure in full the relevant Secured Note Event of Default that occurred in respect of the relevant Group of Secured Notes; and
- 8.11.2 be satisfaction in full of the Security SPV's obligations to make payment to the relevant Group of Secured Noteholders under this Guarantee; and
- 8.11.3 be satisfaction in full of the Issuer's obligations to make payment to the relevant Group of Secured Noteholders under the Applicable Terms and Conditions.
- 8.12 All payments to be made by the Security SPV to the relevant Group of Secured Noteholders in terms of this Guarantee shall, subject to the Guarantee Conditions (including, in particular, the Limited Recourse Provisions), be made *mutatis mutandis* in accordance with the provisions of Condition 8, free of exchange, any other costs, charges or expenses and without any deduction, set-off or counterclaim whatsoever.

## 9. DURATION

- 9.1 This Guarantee is a continuing guarantee and shall commence on the Signature Date and shall continue and remain in full force and effect as a continuing guarantee (notwithstanding any fluctuation in or extinction for any period whatsoever of any amounts owing to any Secured Noteholder in the relevant Group of Secured Noteholders by the Issuer under the Applicable Terms and Conditions or any intermediate payment of any of such amounts) until (subject to clause 10.4) the earlier of the date on which:
- 9.1.1 payment is made of all amounts that are or that may become due and payable by the Issuer to the relevant Group of Secured Noteholders under the Applicable Terms and Conditions; and
- 9.1.2 payment is made (subject to the Limited Recourse Provisions) of all amounts that are or that may become due and payable by the Security SPV to the relevant Group of Secured Noteholders in terms of this Guarantee.
- 9.2 On and with effect from the Signature Date, the Security SPV shall be bound, and shall remain bound, to the full extent of this Guarantee, which shall at all times be fully and immediately enforceable, despite:
- 9.2.1 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Issuer or the Security SPV;
- 9.2.2 the Issuer being wound up or liquidated (whether provisionally or finally) or, subject to the Companies Act, placed under business rescue proceedings or otherwise becoming subject to any other legal liability or to any law for the benefit or assistance of debtors and/or creditors, or entering into or becoming subject to any scheme of arrangement or compromise;
- 9.2.3 any of the obligations of the Issuer in respect of amounts owing to any Secured Noteholder under the Applicable Terms and Conditions or any security granted by the Issuer or any other person in respect of such amounts being or becoming illegal, invalid, unenforceable or ineffective in any respect;
- 9.2.4 time or other indulgence being granted or agreed to be granted to the Issuer by any Secured Noteholder in respect of any of the Issuer's obligations under the Applicable Terms and Conditions;
- 9.2.5 the obligations of the Issuer to any Secured Noteholder under the Applicable Terms and Conditions and/or the obligations of the Security SPV to any Secured Noteholder in terms of this Guarantee being varied or novated, whether by agreement, operation of law or otherwise;
- 9.2.6 any security contemplated in any of the Security Agreements not being obtained or protected or being released or ceasing to be enforceable or ceasing to be held for any other reason;
- 9.2.7 any amendment (however fundamental) to (or replacement of) the Applicable Terms and Conditions



and/or any of the Security Agreements;

- 9.2.8 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce any rights against, or security over, the Eligible Security; or
- 9.2.9 any other cause, act, event or omission which, but for the provisions of this clause 9.2, would or might have the effect of terminating, discharging, impairing or in any other manner whatsoever affecting any of the obligations of the Security SPV in terms of this Guarantee or any of the rights, powers or remedies conferred upon the relevant Group of Secured Noteholders by law.

## 10. FURTHER PROVISIONS

- 10.1 The rights of the relevant Group of Secured Noteholders in terms of this Guarantee are in addition to, and not diminished or otherwise affected by, any other rights of the relevant Group of Secured Noteholders under the other Security Agreements and/or any rights provided by law. This Guarantee is in addition to, and does not prejudice, nor is it prejudiced by, the Indemnity.
- 10.2 Subject to the provisions of the Security Agreements to the contrary, any Secured Noteholder may, without prejudice to its rights in terms of this Guarantee and without notice to, or consent from, the Security SPV, grant any indulgence, give extension of time or make any other concession to, or compound or make any other arrangement with, the Issuer. The liability of the Security SPV under this Guarantee shall not be affected by such indulgence, extension of time, concession, compounding or arrangement, or by any dealing which, but for the provisions of this clause 10.2, might operate as a discharge of the Security SPV from the whole or any part of its obligations under this Guarantee.
- 10.3 Any settlement or discharge given by a Secured Noteholder to the Security SPV in respect of the Security SPV's obligations under this Guarantee to that Secured Noteholder or any other agreement reached between a Secured Noteholder and the Security SPV in relation to this Guarantee shall be, and be deemed always to have been, void if any act on the faith of which that Secured Noteholder gave the Security SPV that settlement or discharge or entered into that agreement is subsequently avoided by or in pursuance of any provision of law.
- 10.4 If any payment or other performance which has had the effect of reducing or discharging the liability of the Security SPV under this Guarantee is wholly or partly set aside or reversed or refunded for any reason, the Security SPV's liability for the indebtedness reduced or discharged by such payment or other performance shall be reinstated as if such payment or other performance had not been made.
- 10.5 The Security SPV acknowledges that this Guarantee is given on the basis that it constitutes a separate obligation enforceable against the Security SPV even though the relevant Group of Secured Noteholders (or any of them) has/have not proceeded against or claimed payment from the Issuer.
- 10.6 The Security SPV waives any right that it may have to first require any Secured Noteholder to make any demand of the Issuer, to proceed against or claim payment from the Issuer or any third party, to take any action or obtain judgement in any court against the Issuer, or to make, file or prove any claim in the winding-up or liquidation of the Issuer, before claiming under this Guarantee.

## 11. WARRANTIES AND REPRESENTATIONS

- 11.1 The Security SPV represents and warrants to and in favour of each Secured Noteholder that on and as at the Signature Date and, in the case of the representations and warranties set out in clauses 11.1.4, 11.1.8 and 11.1.9, on each day following the Signature Date for the duration of this Guarantee:
- 11.1.1 the Security SPV is duly incorporated and validly existing as a company with limited liability under the Companies Act;
- 11.1.2 the Security SPV has the necessary legal capacity to enter into and perform its obligations under this Guarantee and has taken all necessary corporate and/or internal action to authorise the entering into and execution of, and performance of its obligations under, this Guarantee;
- 11.1.3 following execution of this Guarantee by the Security SPV, this Guarantee will constitute valid, legally binding and, subject to any Applicable Laws from time to time in effect relating to liquidation, insolvency, reorganisation or analogous circumstances or proceedings in any jurisdiction and other laws or other legal procedures affecting generally the enforcement of creditors' rights, enforceable obligations of the Security SPV;
- 11.1.4 the Security SPV has no beneficial right, title or interest in or to any of the Eligible Security save for those which have been conferred upon or granted to it, in its capacity as Security SPV, pursuant to the Security Cession;
- 11.1.5 the execution and entering into of this Guarantee by the Security SPV and the performance by it of its

obligations under this Guarantee do not and will not:

- 11.1.5.1 contravene any Applicable Law to which the Security SPV is subject; or
  - 11.1.5.2 conflict with, or result in a breach of, any of the terms or provisions of the Memorandum of Incorporation of the Security SPV;
  - 11.1.5.3 result in a breach of any of the terms or provisions of any agreement to which the Security SPV is a party or by which it is bound;
  - 11.1.6 the Security SPV is in possession of all material licences, consents and authorisations necessary for it to lawfully conduct its business;
  - 11.1.7 no litigation, arbitration or administrative proceedings which, if determined against the Security SPV, would have a material adverse effect on the Security SPV's ability to perform its obligations under this Guarantee are presently current or pending or, to the knowledge of the Security SPV, threatened against the Security SPV;
  - 11.1.8 the obligations of the Security SPV under this Guarantee rank and will rank at least *pari passu* with all of the Security SPV's other senior unsecured obligations;
  - 11.1.9 all financial and other information furnished by the Security SPV to the Issuer in contemplation of or in terms of or pursuant to this Guarantee is, as far as the Security SPV is aware, materially true, correct and not misleading in any way whatsoever at the time such information was given.
- 11.2 The Security SPV gives each Secured Noteholder the representations and warranties in clause 11.1 on the basis that the Secured Note/s are subscribed for or purchased by that Secured Noteholder (and the Applicable Terms and Conditions are entered into by that Secured Noteholder) relying on such representations and warranties, each of which is deemed to be a material representation and warranty inducing that Secured Noteholder to subscribe for or purchase the Secured Note/s and to enter into the Applicable Terms and Conditions.
- 11.3 The representations and warranties of the Security SPV in this clause 11 which are continuing representations and warranties shall remain in force until this Guarantee is terminated but without prejudice to any right or remedy of the relevant Group of Secured Noteholders arising from a breach of any such representation and warranty prior to the date of termination of this Guarantee.

## 12. LIABILITY AND INDEMNITY

- 12.1 The Security SPV shall not have any liability to any Secured Noteholder in respect of anything done or omitted to be done by the Security SPV in good faith pursuant to, and in terms of, this Guarantee.
- 12.2 Notwithstanding clause 12.1, the provisions of this Guarantee shall not limit any liability on the part of the Security SPV to the relevant Group of Secured Noteholders for any loss occasioned by or arising from the Security SPV's dishonesty, negligence or breach of the provisions of this Guarantee.
- 12.3 The Security SPV hereby indemnifies (subject to the Limited Recourse Provisions) each Secured Noteholder and holds it harmless on demand against any loss, liability or cost suffered by that Secured Noteholder if any obligation of the Security SPV in terms of this Guarantee is or becomes unenforceable, invalid or illegal. The amount of that loss, liability or cost shall be equal to the amount which that Secured Noteholder would otherwise have been entitled to recover under this Guarantee had that obligation been enforceable, valid and legal.

## 13. INDEMNITY DEFAULT

- 13.1 The Issuer and the Security SPV have agreed, in terms of the Indemnity, that a Guarantee Event shall be (and shall be deemed to be) a claim by the Security SPV, against the Issuer, under the Indemnity.
- 13.2 The relevant Group of Secured Noteholders acknowledge that the Issuer and the Security SPV have agreed, in terms of the Indemnity that, notwithstanding anything to the contrary contained in any of the Security Agreements:
  - 13.2.1 an Indemnity Default in respect of the relevant Group of Secured Notes shall be (and shall be deemed to be) a claim by the Security SPV, against the Issuer, under the Security Cession;
  - 13.2.2 the total liability of the Issuer to the Security SPV under the Indemnity will never exceed the amount recovered and received by the Security SPV from the realisation of the Eligible Security in terms of the Security Cession;
  - 13.2.3 following such Indemnity Default:
    - 13.2.3.1 the Security SPV shall not be entitled to take any action and/or proceedings against the Issuer under

the Indemnity and/or for the enforcement of the Indemnity (including not levying or enforcing any attachment or execution upon any of the assets of the Issuer); and

- 13.2.3.2 all rights of enforcement and/or actions and/or proceedings of or taken by the Security SPV against the Issuer (including levying or enforcing any attachment or execution upon all or any of the Eligible Security) shall be limited to the enforcement of the Security SPV's rights and claims against the Issuer in terms of, and subject to, the Security Cession.

#### 14. NOTICES

All notices required or permitted to be given to the Security SPV by the relevant Group of Secured Noteholders or by the Security SPV to the relevant Group of Secured Noteholders, as the case may be, in terms of this Guarantee shall be given *mutatis mutandis* in the manner set out in Condition 19.

#### 15. AMENDMENT

No amendment of this Guarantee may be made unless (a) in writing and signed by or on behalf of the Security SPV, and (b) approved by a Debt Securities Extraordinary Resolution or a Debt Securities Extraordinary Written Resolution, as the case may be, of the relevant Group of Secured Noteholders.

#### 16. ASSIGNMENT

The Security SPV may not cede, delegate and/or assign any of its rights and/or obligations under this Guarantee unless approved by a Debt Securities Extraordinary Resolution of the relevant Group of Secured Noteholders or approved in writing by a Debt Securities Extraordinary Written Resolution of the relevant Group of Secured Noteholders.

#### 17. GENERAL

##### 17.1 Renunciation of benefits

- 17.2.1 The Security SPV acknowledges that its obligations under this Guarantee are principal obligations and, save to the extent expressly set out in this Guarantee, renounces any benefits to which it is entitled in law as a result of this Guarantee.
- 17.2.2 The Security SPV undertakes, in respect of any claim arising under this Guarantee, not to raise the defence that there is no cause (that is, reasonable basis) for the granting of this Guarantee.

##### 17.2 Certificate of indebtedness

A certificate signed by any director or officer of the Security SPV Trustee (whose appointment need not be proved) as to the existence, and the amount of, the Security SPV's indebtedness to the relevant Group of Secured Noteholders in terms of this Guarantee, that such amount is due and payable, the amount of interest accrued thereon and as to any other fact, matter or thing relating to the Security SPV's indebtedness to the relevant Group of Secured Noteholders in terms of this Guarantee, shall be *prima facie* proof of the contents and correctness thereof for the purposes of provisional sentence, summary judgement or any other proceedings, shall be valid as a liquid document for such purpose and shall in addition, be *prima facie* proof for purposes of pleading or trial in any action instituted by the relevant Group of Secured Noteholders arising in terms of this Guarantee.

##### 17.3 Prescription

Any claim for payment of any amount under this Guarantee will prescribe 3 (three) years after the date on which such amount first becomes due and payable under this Guarantee.

##### 17.4 No indulgences

No latitude, extension of time or other indulgence which may be given or allowed by a Secured Noteholder to the Security SPV in respect of the performance of any obligation hereunder, and no delay or forbearance in the enforcement of any right of a Secured Noteholder arising from this Guarantee and no single or partial exercise of any right by a Secured Noteholder under this Guarantee, shall in any circumstances be construed to be an implied consent or election by such Secured Noteholder or operate as a waiver or a novation of or otherwise affect any of such Secured Noteholder's rights in terms of or arising from this Guarantee or estop or preclude such Secured Noteholder from enforcing at any time and without notice, strict and punctual compliance with each and every provision or term of this Guarantee. Failure or delay on the part of a Secured Noteholder in exercising any right, power or privilege under this Guarantee will not constitute or be deemed to be a waiver thereof, nor will any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power

or privilege.

**17.5 No waiver or suspension of rights**

No waiver, suspension or postponement by a Secured Noteholder of any right arising out of or in connection with this Guarantee shall be of any force or effect unless in writing and signed by such Secured Noteholder. Any such waiver, suspension or postponement will be effective only in the specific instance and for the purpose given.

**USE OF PROCEEDS**

The Issuer will use the proceeds of the issue of a Group of Secured Notes which is "linked" to a Portfolio of Stabilised Developer Property/ies to finance the relevant Property Loan/s (as described in the section of this Programme Memorandum headed "*General Description of the Issuer*" under "*Description of the INDLU Living Group*" below).

The Issuer will apply the proceeds of the issue of a Tranche of unsecured Notes for its general corporate purposes or as may otherwise be specified in the Applicable Pricing Supplement.

**GENERAL DESCRIPTION OF THE ISSUER****DOCUMENTS INCORPORATED BY REFERENCE**

The description of the Issuer and its business may be included and/or updated in the following information which is incorporated by reference into this Programme Memorandum (see the section of the Programme Memorandum headed "*Documents Incorporated by Reference*"):

- information pertaining to the Issuer which is relevant to the Programme and/or this Programme Memorandum described in the section of the Programme Memorandum headed "*Documents Incorporated by Reference*" under "*General*" - sub-paragraph (d);
- updated information (if any) on the Issuer and/or its business described in the section of the Programme Memorandum headed "*Documents Incorporated by Reference*" under "*General*" - sub-paragraph (e).

The information described above is (or will be) available on the basis set out in the section of this Programme Memorandum headed "*Documents Incorporated by Reference*".

**REGISTRATION AND REGISTERED OFFICE OF THE ISSUER**

The Issuer is registered and incorporated as a private company with limited liability in terms of the Companies Act, under registration number 2024/500291/07. The Issuer was registered on 12 August 2024.

The registered office of the Issuer is situated at Fintech Campus, Cnr Botterklapper and Ilanga Street, The Willows, Pretoria, 0181.

**COMPANY SECRETARY**

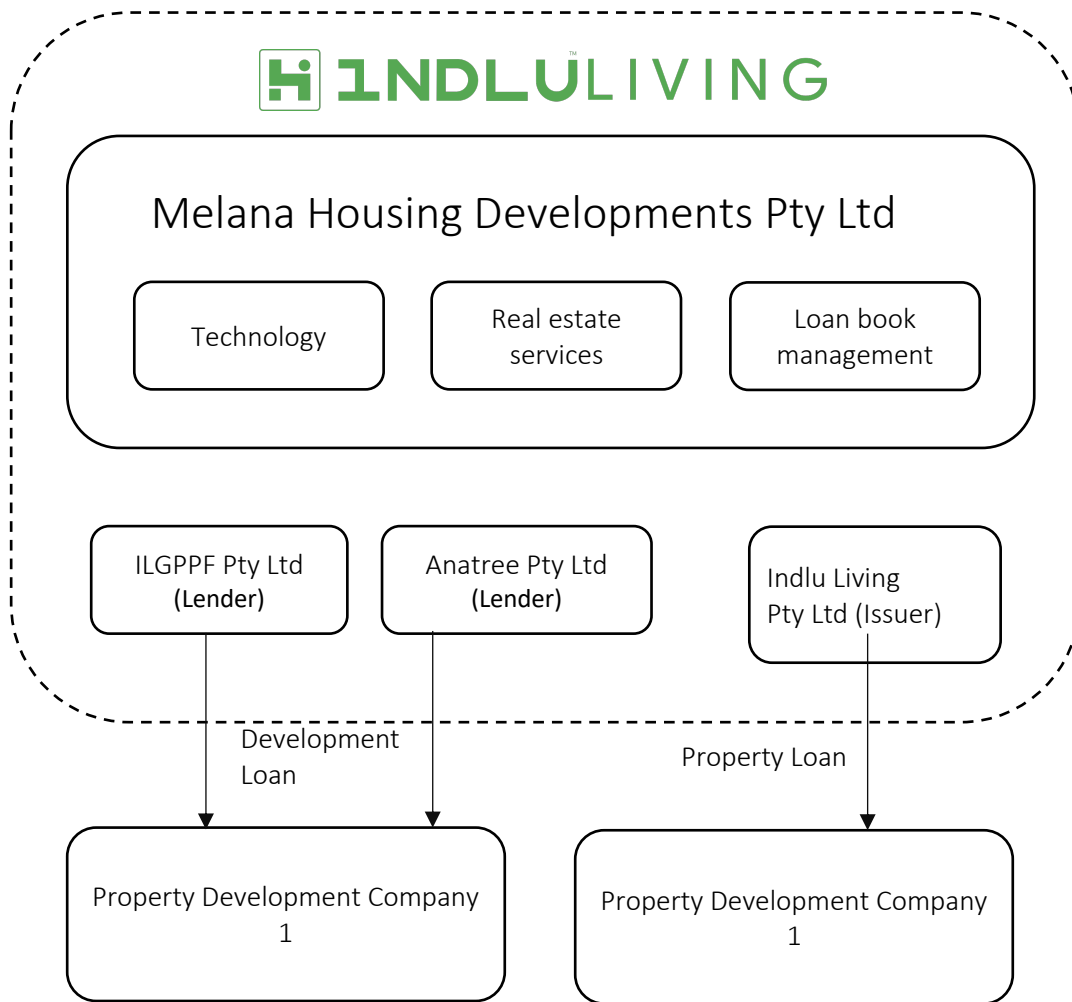
The Company Secretary of the Issuer is CTSE Registry Services Proprietary Limited.

The office of the Company Secretary is situated at Woodstock Exchange Building, 5th Floor, Block B, 66-68 Albert Road, Woodstock, 7925, South Africa.

**DESCRIPTION OF THE INDLU LIVING GROUP**

The Issuer is a wholly owned subsidiary of Melana Housing Developments Proprietary Limited (trading under the brand name 'INDLU Living') ("**INDLU Living**").

Organograms of the INDLU Living Group, Note issuances and the Security Structure are set out below:



INDLU Living has been set up for the purpose of funding, through certain specific purpose subsidiaries, housing loans to development companies (each, a "**Development Company**" and together the "**Development Companies**") set up by property owners and developers in the low cost housing market. These property owners and developers (each, a "**Developer**" and together, the "**Developers**") are sourced and vetted by INDLU Living.

The financing subsidiaries include ILGPPF Proprietary Limited and Anatree Proprietary Limited (each, a "**Lender**" and together the "**Lenders**"). INDLU Living is the majority shareholder in the Lenders.

The mission of INDLU Living is to empower a Developer (through its Development Company) to develop its property/ies (each a "**Developer Property**" and together the "**Developer Properties**"), and to earn a sustainable income from the Developer Property, by providing a number of related and connected services to the Development Company in relation to the Developer Property. These services enable the Developer (through its Development Company) to build, rent out and secure a long term income stream from the Developer Property. INDLU Living, through its professional real estate services team, manages the entire cycle of application, building plan approval, lending, construction and rent collection through its digital technology platform. The digital technology platform was created (and is operated) by INDLU Living, and INDLU Living holds all of the intellectual property relating to the digital technology platform.

The first loan from a Lender to a Development Company is a short term standard and transparent development loan to fund the acquisition and/or building and development of the Developer Property ("**Development Loan**").

INDLU Living manages the entire Development Loan process and has full visibility and control over (i) the cash disbursements from the Lender to the relevant suppliers in the construction and development process implemented in respect of the Developer Property/ies financed by the Development Loan, on behalf of the Development Company and (ii) the cash collection mechanism in respect of the rentals payable to the Development Company by tenants of the Developer Property/ies. INDLU Living has appointed a back-up servicer ("**Back-up Servicer**") to perform these management services in the event that INDLU Living is unable, in the circumstances set out in the agreement between INDLU Living and the Back-up Servicer, to do so.

As such times as are determined by INDLU Living Developer Property/ies owned by one or more Development Company/ies that have been 'stabilised' (that is, there is a proven track record of lease payments made to those Development Company/ies by tenants of such Developer Property/ies under the relevant lease agreement/s) for a period of at least 3 months (with a maximum period of 3 years) ("**Stabilised Developer Property/ies**"), the Stabilised Developer Property/ies will be "grouped" into separate portfolios relating to those Development Company/ies (each, a "**Portfolio**" and together, the "**Portfolios**"). Each Portfolio will comprise of such Stabilised Developer Property/ies of the Development Company/ies as is/are identified by INDLU Living ("**relevant Stabilised Developer Property/ies**"), having due regard to the market at that time and the Development Loan/s advanced in relation to the relevant Stabilised Developer Property/ies ("**relevant Development Loan/s**") which is/are to be re-financed through the proceeds of the issue of the relevant Group of Secured Notes, as described in the paragraph below.

In relation to a Portfolio, all or a portion of the outstanding balances of the relevant Development Loan/s (such outstanding balances to be determined with reference to the applicable capitalization rate/s) is/are then refinanced into long-term property loan/s at more favourable interest rates ("**relevant Property Loan/s**"). The applicable capitalization rate used to determine the outstanding balance of each relevant Development Loan to be re-financed will be calculated by dividing the net operating income of the relevant Stabilised Developer Property financed by that relevant Development Loan by the current market value or purchase price of that relevant Stabilised Developer Property.

The Issuer will apply the proceeds of the issue of the Group of Secured Notes which is "linked" to a Portfolio of Stabilised Developer Property/ies to finance the relevant Property Loan/s.

The payment obligations of the Issuer to the Secured Noteholders who hold the relevant Group of Secured Notes will be secured, through the Security SPV structure, on the basis set out in the Security Agreements relating to the relevant Group of Secured Notes. The Eligible Security relating to the relevant Group of Secured Notes will be specified in such Security Agreements.

## **BUSINESS OF THE ISSUER**

The Issuer's business will, following the Programme Date, comprise of the issue of Tranches of Notes, under the Programme, pursuant to the Programme Memorandum.

The Issuer will use the proceeds of the issue of the relevant Group of Secured Notes which is "linked" to a Portfolio of Stabilised Developer Property/ies to finance the relevant Property Loan/s (as described under "*Description of the INDLU Living Group*" above). The Issuer will apply the proceeds of the issue of a Tranche of unsecured Notes for its general corporate purposes or as may otherwise be specified in the Applicable Pricing Supplement.



The Issuer has entered into (or will enter into) a service level agreement, prior to the Issue Date of the first Group of Secured Notes to be issued under the Programme, with INDLU Living ("**Service Level Agreement**"). The Service Level Agreement sets out (or will set out), among other things, the services which INDLU Living is to provide to the Issuer.

In terms of the Service Level Agreement, INDLU Living will be responsible for performing certain management functions which have been outsourced to it by the Issuer. These functions include compliance, governance and risk management functions. A monitoring process has also been established that includes accounting and reporting. The Service Level Agreement provides for the management functions which INDLU Living is to provide to the Issuer.

The Service Level Agreement is a Confidential Document and will be available in the Data Room on the basis set out in the section of this Programme Memorandum headed "*Documents Incorporated by Reference*" under "*Data Room*" above.

## **ISSUER BOARD**

The directors of the Issuer as at the Programme Date are

### **Werner Kruger** (Executive director) (40)

Werner has a Bsc. Architecture from the University of Pretoria.

Werner has 15 years' experience in creating, implementing and commercializing market driven socio-economic development models that focus on the emerging African market. I co-founded EmpiriQ Holdings Proprietary Limited ("**EmpiriQ**") that has successfully created a group of companies that focus on market driven socio-economic development. The companies operate in different sectors such as property development, finance and technology. Currently Werner serves as director and executive management for Melana Developments Proprietary Limited. Melana Developments Proprietary Limited focuses on property development, development finance, construction and professional services. Werner's main focus being that of operational design, optimization and operations management.

### **Jacobus ('Cobus') Tridoux Truter** (Executive director) (40)

Cobus graduated from the University of Pretoria in 2007 with a Bachelor's Degree in Industrial/Systems Engineering.

In the same year, Cobus became the economic development manager of Mukhanyo Community Development Centre, a South African NGO, focusing on entrepreneurship development strategies and managing revenue-generating projects. In 2008, Cobus co-founded the EmpiriQ Group, which specialises in market-driven economic development solutions for the Emerging Market, particularly the emerging urban African market. Cobus' work involves identifying and exploring social entrepreneurship opportunities, leading to projects in housing, Information and Communication Technology, microfinance, and retail sectors. Cobus has also developed a management system for the construction industry. He currently serves as CEO of Melana Housing Developments (Pty) Ltd, overseeing business development, deal structuring, and sourcing funding for its projects.

### **Daniel ('Niel') Justus Vermaas** (Non-executive director) (39)

Niel has a Bachelor of Engineering (B.Eng), Industrial Engineering from the University of Pretoria (2004-2007)

Niel is a seasoned executive with over 13 years of experience at the intersection of property development, finance, and technology. In 2021, Niel co-founded EmpiriQ Holdings Proprietary Limited, a holding company for a group of firms focused on property development, finance and technology. These firms include an advisory and support consulting firm, EmpiriQ Advisory and Support Services Proprietary Limited, Melana Developments Proprietary Limited, a retail property development company that has developed retail assets worth over R400mil and Melana Developments Proprietary Limited, with an achieved private funding valuation of more than R300mil.

Niel served as COO at Melana Developments Proprietary Limited from 2017 until early 2022 and was responsible for financial management as well as the management and design of all client-facing operational processes. Melana Developments Proprietary Limited focuses on property development, development finance, construction and professional services in the low cost housing sector of South Africa.

Niel is currently serving as Director and CEO of Natalmahogany Proprietary Limited which provides innovative retail space and payment solutions that enable clients to better manage independent, non-national retail tenants. Its SaaS platform has been adopted by prominent clients including V&A Waterfront Holdings Proprietary Limited (V&A Waterfront in Cape Town) and a listed REIT - Hyprop Investments Limited.

Niel has also served as director of EmpiriQ Advisory and Support Services Proprietary Limited since November 2009, which generates over R12mil annually by offering advisory and consultancy services. Niel has also served as director for Anatre Proprietary Limited and ILGPPF Proprietary Limited since April 2024, both of which are

housing development financial services SPVs.

**Phillip Venter** (Non-executive director) (37)

Phillip has a BSc. Computer Science & Software Engineering (2009) from University of South Africa and a BSc Hons. Computer Science (2013) from University of Pretoria.

Phillip has 12 years of experience in the manufacturing, medical, banking and finance industries as a software engineer and architect. Phillip has managed multiple software development teams and developed key systems for the following companies:

- Maxion Wheels (Hayes-Lemmerz Proprietary Limited – Manufacturing [2006 – 2009] Role: Software Engineering Consultant
- Allegra Proprietary Limited – Medical / Pharmacology [2009 – 2013] Role: Software Engineer and Team Lead
- Paycorp Proprietary Limited (ATM Solutions) – Banking Infrastructure [2013 – 2016] Role: Senior Software Engineer and Solutions Architect
- Sage Group Proprietary Limited – ERP & Accounting Solutions [2016 – 2017] Role: Senior Software Engineer and Solutions Architect

Since joining the EmpiriQ Holdings Proprietary Limited Group of Companies ("**EmpiriQ**") in 2017 as a shareholder and Chief Technology Officer, Phillip has developed the systems and public-facing app that manages the rental stock. Phillip's role in the Empiriq Team involves advising on and developing technology initiatives that drive business growth and increase the value of EmpiriQ.

**COMPLIANCE WITH KING IV**

The Issuer does not comply with the King IV Code on Corporate Governance.

The reasons for Issuer non-compliance with the King IV Code on Corporate Governance are as follows:

- the Issuer is a newly set-up entity, incorporated on 12 August 2024, with no assets or liabilities (save for its share capital);
- the Issuer will only commence business operations after the Programme Date;
- as at the Programme Date, the Issuer is a private company that has only [one] shareholder;
- the Issuer's business will, following the Programme Date, be limited to the raising of capital through the issue of Notes, under the Programme, pursuant to the Programme Memorandum;
- the Issuer is, for all intents and purposes, a 'flow-through' special purpose vehicle, as described under "*Description of the INDLU Living Group*" above.

## FINANCIAL INFORMATION

### FINANCIAL STATEMENTS

#### Issuer

The Issuer is a newly set-up entity, incorporated on 12 August 2024, with no assets or liabilities (save for its share capital). The Issuer will only commence business operations after the Programme Date. Accordingly, the first set of audited financial statements of the Issuer will cover the period from the date of the Issuer's incorporation (12 August 2024) to the last day of February 2025 (financial year end).

The respective audited annual financial statements of the Issuer for all financial years of the Issuer after the Programme Date, which will include the independent auditor's reports in respect of such financial statements, are incorporated by reference into this Programme Memorandum (see the section of this Programme Memorandum headed "*Documents Incorporated by Reference*").

The above annual financial statements are or will (as and when such annual financial statements are approved and become available) be available on the basis set out in the section of this Programme Memorandum headed "*Documents Incorporated by Reference*".

#### Security SPV

As at the Programme Date, the Security SPV is a special purpose "shelf company" with no assets or liabilities (save for its share capital).

The Security SPV is a special purpose vehicle which has been established for the purpose of holding and, following a Guarantee Event in respect of a Tranche of Secured Notes, realising the Eligible Security relating to that Tranche of Secured Notes for the benefit of the Group of Secured Noteholders who hold that Tranche of Secured Notes, in terms of and subject to the Security Agreements relating to that Tranche of Secured Notes.

The Security SPV will continue to have no assets or liabilities (save for its share capital) until the date on which the Security Cession relating to the first Tranche of Secured Notes to be issued under the Programme is signed by the parties thereto ("**Operative Date**"). On and with effect from the Operative Date, the Security SPV will hold the Eligible Security relating to that Tranche of Secured Notes for the benefit of the Group of Secured Noteholders who hold that Tranche of Secured Notes.

The respective annual financial statements of the Security SPV for all financial years of the Security SPV after the Operative Date, which will include the independent auditor's reports in respect of such financial statements, are incorporated by reference into this Programme Memorandum (see the section of this Programme Memorandum headed "*Documents Incorporated by Reference*"). These annual financial statements are or will (as and when such annual financial statements are approved and become available) be available on the basis set out in the section of this Programme Memorandum headed "*Documents Incorporated by Reference*".

### REPORT OF THE INDEPENDENT AUDITORS

The reports of the independent auditors of the Issuer are (or will be) included with the respective audited annual financial statements of the Issuer (see "*Financial Statements*" above).

#### AUDITORS

Advoca Auditing Inc are the auditors of the Issuer as at the Programme Date.

## RISK FACTORS

*The Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. The information set out below is not intended as advice and does not purport to describe all of the considerations that may be relevant to a prospective subscriber for or purchaser of any Notes.*

*Prospective investors should, prior to investing in the Notes, consult their own financial, tax and legal advisers as to the risks and investment considerations arising from an investment in the Notes, the appropriate tools to analyse such an investment, and the suitability of such an investment in the context of the particular circumstances of each investor.*

*The information set out in the following summary is intended as a general guide to certain risk factors which may be relevant to a prospective subscriber for or purchaser of any Notes or any person contemplating making an investment in the Notes.*

*Certain information including, among others, updated information (if any) on the Issuer-specific risks in the section under "Risks relating to the Issuer" below (and/or further information (if any) on any Issuer-specific risks) may be made available in the Data Room. Where this information is made available in the Data Room, this information will be incorporated by reference into this Programme Memorandum (see the section of this Programme Memorandum headed "Documents Incorporated by Reference" under "General" and "Data Room" above).*

### RISKS RELATING TO THE ISSUER

#### Documents incorporated by reference

Issuer-specific risks may be included and/or updated in the following information which is incorporated by reference into this Programme Memorandum (see the section of the Programme Memorandum headed "Documents Incorporated by Reference" under "General" above):

- the information pertaining to the Issuer which is relevant to the Programme and/or this Programme Memorandum and which is (i) electronically disseminated by the CTSE News Service to subscribers for the CTSE News Service and/or (ii) available on any electronic news service established or used or required by CTSE;
- the updated information (if any) on the Issuer and/or its business, including, without limitation, updated information (if any) on the risks relating to the Applicable Issuer and/or its business specified in this Programme Memorandum;

The information described above is (or will be) available on the basis set out in the section of this Programme Memorandum headed "Documents Incorporated by Reference".

#### General

The financial prospects of any entity are sensitive to the underlying characteristics of its business and the nature and extent of the commercial risks to which the entity is exposed. The Issuer Group is exposed to commercial and market risks in the ordinary course of its businesses. There are a number of risks faced by the Issuer Group, including those that encompass a broad range of economic and commercial risks, many of which are not within the Issuer Group's control. The performance of the Issuer Group's businesses can be influenced by external market and regulatory conditions. If the Issuer Group's businesses are affected by adverse circumstances in the same period, overall earnings would suffer significantly. These risks create the potential for the Issuer Group to suffer loss.

Whilst the Issuer believes that it has implemented appropriate policies, systems and processes to control and mitigate these risks, investors should note that any failure to control these risks adequately could have an adverse effect on the financial condition and reputation of the Issuer Group.

#### Property Loan/s and risks associated with the relevant Portfolio of Stabilised Developer Property/ies

The Issuer will use the proceeds of the issue of the relevant Group of Secured Notes which is "linked" to a Portfolio of Stabilised Developer Property/ies to finance the relevant Property Loan/s (as described in the Section of this Programme Memorandum headed "General Description of the Issuer" under "Description of the INDLU Living Group" above).

There is a risk that the tenants of the Portfolio of Stabilised Developer Property/ies which is "linked" to the relevant Group of Secured Notes fail to meet their lease payment obligations to the relevant Development Company/ies under the relevant lease agreement/s. This, among other factors, could lead to the Development Company failing to meet its payment obligations to the Issuer under the relevant Property Loan/s. The collectability of amounts due to the Development Company under the relevant lease agreements will be subject to credit, liquidity and

interest rate risks that relate to the tenants' ability to pay the relevant lease amounts to the Development Company. These risks will generally fluctuate in response to, among other things, market interest rates, general economic conditions and the financial standing of the tenants.

The failure referred to in the paragraph above could, in turn, have a negative impact on the ability of the Issuer to meet its payment obligations under the Group of Secured Notes which is "linked" to the relevant Portfolio of Stabilised Developer Property/ies.

In addition, the Issuer may have various interest rate exposures based on the yield earned on the relevant Property Loan/s and the rates of interest paid to the relevant Group of Noteholders who hold the relevant Group of Secured Notes.

#### ***Risk of infrastructure failure***

INDLU Living is exposed to infrastructure failure risk. Infrastructure failure risk as a result of a high-density environment is the risk of key systems or components of the infrastructure of a Developer Property malfunctioning or breaking down, leading to significant disruptions or costs. This includes disruptions in essential services such as water and electricity, and risks related to natural events such as floods, earthquakes, or severe weather conditions.

#### **Credit risk**

Credit risk is the risk of loss due to non-performance of a counterparty in respect of any financial or performance obligation due to deterioration in the financial status of the counterparty. The Issuer assumes counterparty risk in connection with its lending and other businesses where it relies on the ability of a third party to satisfy its financial obligations to the Issuer on a timely basis. The resultant credit exposure will depend on a number of factors, including the financial condition of the counterparty, the value of property the Issuer holds as collateral and the market value of the counterparty instruments and obligations the Issuer holds.

#### **Liquidity risk**

Liquidity risk is the inability to discharge funding or trading obligations which fall due at market related prices.

The Issuer is exposed to the risk that it is unable to meet its financial commitments when they fall due, which could arise due to mismatches in cashflows.

#### **Market risk**

Market risk is the exposure to adverse changes in the value of future cashflows and/or financial instruments and/or financial assets as a result of changes in market prices or volatility, including risks arising from interest rates, derivatives (which are subject to settlement and other risks) and the correlation of market prices and rates within and across markets. Any decline in global asset markets, including property and other asset markets, or in market liquidity, could adversely impact the Issuer's results of operations and financial condition.

#### **Interest rate risk**

Interest rate risk is the sensitivity of the balance sheet and income statement to unexpected, adverse movements of interest rates. Interest rate risk arises from a variety of sources including mismatches between the re-pricing periods of assets and liabilities. As a result of these mismatches, movements in interest rates can affect earnings or the value of the Issuer.

#### **Operational risk**

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

The daily operations of the Issuer may result in financial loss, adverse regulatory consequences or reputational damage due to a variety of operational risks including business decisions, technology risk (including business systems failure), fraud, compliance with legal and regulatory obligations, counterparty performance under outsourcing arrangements, business continuity planning, legal and litigation risk, data integrity and processing risk, managing conflicts of interests and key person risk.

#### **Solvency risk**

Solvency risk is the risk that the Issuer is not adequately capitalised. Any failure by the Issuer to maintain capital adequacy may impact its ability to fulfil its obligations under the Notes.

#### **Failure of systems and breaches of security systems**

The Issuer relies on the proper functioning of its systems which may fail as a result of hardware or software failure or power or telecommunications failure. The occurrence of such a failure may not be adequately covered by its business resumption and disaster recovery planning. Any significant degradation or failure of the Issuer's information, processing or trading systems could have an adverse effect on its business, results of operations and

financial condition.

### **Key personnel**

The Issuer's performance is dependent on the talents and efforts of key personnel. The Issuer's continued ability to compete effectively and further develop its businesses also depends on its ability to attract new employees. In relation to the development and training of new staff, the Issuer is reliant on the continued development of the educational sector within South Africa, including access to facilities and educational programmes by its future employees.

### **Legal, regulatory, compliance and tax risk**

Compliance risk is the risk (among other things) that regulatory requirements which are applicable to the Issuer are not complied with.

Failure to comply with legal and regulatory requirements which are applicable to the Issuer, including tax laws and regulations, or government policies, may have an adverse effect on the Issuer and its reputation among customers.

The Issuer may also be adversely affected by future changes in government policy, legal, regulatory and compliance requirements. Future tax developments or changes to tax laws in South Africa may also have a material adverse effect on the Issuer and on its business.

A number of regulatory changes have been implemented or proposed in various jurisdictions as a result of the global economic crisis, which may affect certain business activities of the Issuer.

It is not possible to predict what further future regulatory or related changes may result from the global economic crisis or the effect any such changes would have on the Issuer and its business.

The Issuer is also exposed to the risk of inappropriate or inadequate documentation of contractual relationships.

## **GENERAL RISKS RELATING TO THE MARKET AND SOUTH AFRICA**

### **Exchange control**

Since 1995, certain exchange controls in South Africa have been relaxed. The extent to which the Government of South Africa may further relax (or re-impose) such exchange controls cannot be predicted with certainty. Large capital outflows from South Africa in consequence of changes in exchange controls could adversely affect the Issuer's business and it could have an adverse effect on the financial condition of the Issuer.

### **Market conditions, including funding**

Global market conditions are subject to periods of volatility and change which can negatively impact market liquidity, increase credit spreads and reduce funding availability. Instability in equity and debt markets may affect the Issuer's ability to access the funding necessary to grow its businesses.

### **Terrorist acts**

Terrorist acts, and other acts of war or hostility and responses to those acts, may create economic and political uncertainties, which could have a negative impact on South Africa, and international economic conditions generally, and more specifically on the business and results of operations of the Issuer in ways that cannot be predicted.

## **RISKS RELATING TO THE NOTES GENERALLY**

### **Investment suitability**

Investors should have (either alone or with the help of a financial adviser) sufficient knowledge and experience in financial and business matters to meaningfully evaluate the merits and risks of investing in a particular issue of Notes and the information contained in or incorporated by reference into this Programme Memorandum, or any Applicable Pricing Supplement, as well as access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of their particular circumstances.

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference into this Programme Memorandum;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such an investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;

- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes may be complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

### **Meetings of Noteholders**

The Terms and Conditions contain provisions for calling meetings of Noteholders or Groups of Noteholders, as applicable, to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders or Groups of Noteholders, as applicable, including Noteholders who do not attend and vote at the relevant meeting and Noteholders who vote in a manner contrary to the majority.

### **Change of law**

The Programme Memorandum, the Notes, the Applicable Terms and Conditions and, in relation to a Tranche of Secured Notes, the Security Agreements relating to that Tranche of Secured Notes will be governed by, and construed in accordance with, the laws of South Africa. No assurance can be given as to the impact of any possible judicial decision or change to South African law or administrative practice in South Africa after the Programme Date.

### **Rating**

A Tranche of Notes may, on or before the Issue Date, be rated by a Rating Agency on a national scale or international scale basis. Unrated Tranches of Notes may also be issued.

The Applicable Pricing Supplement will reflect the Rating/s, if any, assigned to a Tranche of Notes, as well as the Rating Agency/ies which assigned such Rating/s.

A Rating is not a recommendation to subscribe for, buy, sell or hold any Notes, inasmuch as, among other things, a Rating does not comment on the market price or suitability of the Notes for a particular investor. A Rating of a Tranche of Notes only addresses the likelihood that the aggregate Outstanding Principal Amount of Notes in that Tranche will be fully repaid by the Maturity Date and that the interest (if any) payable in respect of such Notes will be paid on a timely basis. There can be no assurance that a Rating of a Tranche of Notes will remain for any given period of time or that the Rating will not be lowered or withdrawn entirely by the Rating Agency if, in its judgment, circumstances in the future warrant such action.

Any adverse change in the Rating could adversely affect the trading price of all or any of the Notes.

### **Limited liquidity of the Notes**

There may be a limited secondary market for the Notes. There can be no assurance that any secondary market for any of the Notes will continue until the Maturity Date. Generally, Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors will have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes. Consequently, a subscriber or purchaser must be prepared to hold its Notes until the Maturity Date.

If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer.

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

### **Registered Notes will be held in the CSD**

Each Tranche of Registered Notes will be issued in uncertificated form in terms of Chapter IV of the Financial Markets Act and will be held in the CSD.

Subject to the CSD Procedures and unless the context clearly otherwise indicates, references to "Registered Notes

which are held in the CSD" include Beneficial Interests in such Notes, and *vice versa*, and references to "Noteholders of Registered Notes which are held in the CSD" include the holders of Beneficial Interests in such Notes, and *vice versa*.

The CSD Procedures will determine the procedures for transfer, payment and communication between Noteholders of Registered Notes which are held in the CSD and the Issuer.

The CSD Participants will maintain records of Registered Notes which are held in the CSD held by their clients.

Subject to the CSD Procedures, the Noteholders of Registered Notes which are held in the CSD will be able to transfer such Registered Notes only through the CSD. Subject to the CSD Procedures, the Noteholders of Registered Notes which are held in the CSD may exercise their rights in respect of such Registered Notes through their CSD Participants.

The Issuer has opened the Designated Bank Account with the Settling Bank. The Designated Bank Account will be used solely for purposes of depositing (and funding) the aggregate amount which is due and payable, on the relevant Payment Date, in respect of a Tranche of Registered Notes which is held in the CSD.

The Issuer will, in accordance with the CSD Procedures, make an irrevocable deposit, into the Designated Bank Account, of the full aggregate amount which is due and payable, on the relevant Payment Date, in respect of a Tranche of Registered Notes which is held in the CSD.

The funds in the Designated Bank Account will be transferred to the relevant CSD Participants, by means of the South African Multiple Option Settlement ('SAMOS') system operated by the South African Reserve Bank. The CSD Participants will then make payment of the relevant amounts to the Noteholders of Registered Notes which are held in the CSD, in accordance with the CSD Procedures, as contemplated in Condition 8.2.2.

Once the funds deposited into the Designated Bank Account have been cleared and credited to the Designated Bank Account, and transferred from the Designated Bank Account to the relevant CSD Participants, neither the Settling Bank nor the Issuer will be responsible for the loss in transmission of any such funds.

A Noteholder of Registered Notes which are held in the CSD must therefore rely on the CSD Procedures to receive payments under such Registered Notes.

Noteholders of Registered Notes which are held in the CSD must vote in accordance with the CSD Procedures. Subject to the CSD Procedures, the Noteholders of Registered Notes which are held in the CSD may exercise their respective rights to vote through their respective CSD Participants. Subject to the CSD Procedures, the respective CSD Participants will vote in accordance with the respective instructions conveyed to them by the respective Noteholders of Registered Notes which are held in the CSD.

Subject to the Financial Markets Act, the Noteholder of Registered Notes which are held in the CSD will only be entitled to exchange such Registered Notes for Registered Notes represented by a Certificate in accordance with Condition 11.1.

#### **Restrictions on transferability of Registered Notes where the Issuer is a private company**

For as long as the Issuer is a private company, a Noteholder of Registered Notes may not, as contemplated in Article 2.2(2A) of the Memorandum of Incorporation of the Issuer, transfer such Registered Notes without the prior written consent of the Issuer Board.

Condition 26.2 describes the Issuer Board resolution which provides for the "upfront" consent of the Issuer Board to the transfer of all Registered Notes issued, under the Programme, pursuant to this Programme Memorandum, for as long as the Issuer is a private company.

#### **Registered Notes which are represented by Certificates where the denominations involve integral multiples**

If the aggregate Principal Amount of Registered Notes held by a Noteholder is equivalent to a fraction of the Specified Denomination or a fraction of any multiple thereof, the Certificate representing such Registered Notes will be issued in accordance with, and be governed by, Applicable Law.

A Noteholder who holds Registered Notes in an aggregate Outstanding Principal Amount which is less than the minimum Specified Denomination may not receive a Certificate in respect of such Registered Notes and may need to purchase an additional Principal Amount of Registered Notes such that its total holding of such Registered Notes amounts to the minimum Specified Denomination.

Noteholders of Registered Notes which are represented by a Certificate should be aware that, where such Registered Notes have a denomination which is a fraction of the Specified Denomination or a fraction of any multiple thereof, such Registered Notes may be illiquid and difficult to trade.

#### **Recourse against CTSE or any other Financial Exchange**

A Tranche of Registered Notes may be listed on CTSE and/or on such other Financial Exchange/s as may be



determined by the Issuer and the Dealer/s, subject to all Applicable Laws.

Unlisted Registered Notes may also be issued under the Programme. Unlisted Registered Notes are not regulated by CTSE or any other Financial Exchange. The Noteholders of Registered Notes that are not listed on CTSE will have no recourse against CTSE.

### **Commercial Paper Regulations**

The commercial paper regulations of 14 December 1994 set out in Government Notice 2172 and published in *Government Gazette* 16167 of 14 December 1994 ("**Commercial Paper Regulations**") comprise an exemption to "*the business of a bank*" as defined in paragraph (a) of the definition of "*the business of a bank*" in the Banks Act, 1990, of South Africa ("**Banks Act**").

The question of whether the Issuer, in the issue and placing of a Tranche of Notes, conducts "*the business of a bank*" as defined in paragraph (a) of the definition of "*the business of a bank*" in the Banks Act is a question of fact.

A Tranche of Notes will be privately placed. It is the intention of the Issuer, in the issue and placing of each Tranche of Notes, to ensure that the subscribers for that Tranche of Notes do not comprise the "*general public*" for purposes of paragraph (a) of the definition of "*the business of a bank*" in the Banks Act and that it does not conduct "*the business of a bank*" as defined in any other paragraph of the definition of "*the business of a bank*" in the Banks Act.

Where the Issuer, in the issue and placing of a Tranche of Notes, does not, in fact, conduct "*the business of a bank*" as defined in paragraph (a) of the definition of "*the business of a bank*" in the Banks Act, the Issuer will not be obliged to comply with the Commercial Paper Regulations (or any other available exemption under the Banks Act) in relation to the issue and placing of that Tranche of Notes.

### **Legal investment considerations may restrict certain investments**

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor in the Notes should consult its legal advisers to determine whether and to what extent (a) the Notes are legal investments for it, (b) the Notes can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

## **RISKS RELATING TO THE STRUCTURE OF A PARTICULAR ISSUE OF NOTES**

### **Notes subject to optional redemption by the Issuer**

If "*Redemption at the election of the Issuer*" is specified in the Applicable Pricing Supplement as being applicable to a Tranche of Notes, the Issuer may, in terms of and subject to Condition 9.3, at its election, redeem that Tranche of Notes prior to the Maturity Date, as more fully described in Condition 9.3. These optional early redemption features of the Notes may limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any such redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the Interest Rate applicable to the Notes. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that applicable to the relevant Notes. Potential investors in the Notes should consider reinvestment risk in light of other investments available at that time.

### **Interest rate risks**

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the market value of the Fixed Rate Notes.

### **Mixed Rate Notes**

Mixed Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of Mixed Rate Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Mixed Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate may at any time be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Fixed Rate Notes.

### **Variable rate Notes with a multiplier or other leverage factor**

Notes with variable Interest Rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include these features.

#### **Notes issued at a substantial discount or premium**

The market values of Notes issued at a substantial discount or premium to their Principal Amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

#### **Subordinated Notes may be subordinated to most of the Issuer's liabilities**

The payment obligations of the Issuer under Subordinated Notes will rank behind Senior Notes. See Condition 5.3.

#### **Unsecured Notes**

Unsecured Notes will be obligations solely of the Issuer. Unsecured Notes will not be obligations of, or the responsibility of, or guaranteed by, any other person.

### **THE SECURITY STRUCTURE AND RISKS RELATING TO THE SECURITY STRUCTURE**

*The security structure which is applicable to a Group of Secured Notes will be set out in the Security Agreements relating to that Group of Secured Notes. The following section contains a description of the Security SPV and the Security SPV Owner Trustee, and a summary of certain provisions of the Security Agreements relating to a Group of Secured Notes. The summary of the Security Agreements relating to a Group of Secured Notes does not purport to be complete and is taken from, and is qualified by, those Security Agreements.*

#### **Security SPV**

The Security SPV is IndluLiving Security SPV (RF) Proprietary Limited (registration number 2024/565725/07).

The Security SPV was incorporated on 9 September 2024 as a limited liability ring-fenced private company.

The registered office of the Security SPV is situated at c/o Skybound Corporate Services Proprietary Limited, 7<sup>th</sup> Floor Letterstedt House, Cnr Main and Campground Roads, Newlands, 7700, South Africa, South Africa.

The Security SPV is a special purpose vehicle which has been established for the purpose of holding and, following a Guarantee Event in respect of a Group of Secured Notes, realising the Eligible Security relating to that Group of Secured Notes for the benefit of the Group of Secured Noteholders who hold that Group of Secured Notes ("**relevant Group of Secured Noteholders**"), in terms of and subject to the Security Agreements relating to that Group of Secured Notes.

The Security SPV has been structured as a special purpose "insolvency remote" company, and the legal powers and capacity of the Security SPV are subject to the restrictions, limitations and qualifications set out in the Memorandum of Incorporation of the Security SPV ("**Security SPV MOI**").

#### **Security SPV MOI**

A summary of certain provisions of the Security SPV MOI is set out below.

References to the "Company" are to the Security SPV. References to the "Act" are to the Companies Act. References to the "Shareholder" are to the Security SPV Owner Trustee. References to the "Shares" are to the shares in the Company. Clause numbers refer to that clause of the Security SPV MOI.

##### Clause 2.5 of the Security SPV MOI: Introduction

The Company is a special purpose company which has been established for the purpose of holding and, following a Guarantee Event in respect of a Group of Secured Notes, realising the Eligible Security for the benefit of the relevant Group of Secured Noteholders, in terms of and subject to the Security Agreements.

##### Clause 6 of the Security SPV MOI: Powers of the Company

The Company is, in terms of clause 7, subject to restrictive conditions as contemplated in section 15(2)(b) of the Act.

The legal powers and capacity of the Company are, in terms of clause 7, subject to restrictions, limitations and qualifications as contemplated in section 19(1)(b)(ii) of the Act.

##### Clause 7 of the Security SPV MOI: Ring Fencing Conditions:

###### Permitted Activities

7.1 The sole purpose for which the Company has been incorporated is as set out in clauses 2.2 to 2.6 inclusive.

- 7.2 For as long as any Secured Notes remain in issue (together, the "**Outstanding Secured Notes**"), the Company and the Directors shall, unless first approved by a Debt Securities Extraordinary Resolution or a Debt Securities Extraordinary Written Resolution, as the case may be, of all of the Secured Noteholders of the Outstanding Secured Notes, only have the legal powers and authority and capacity in relation, where applicable, to a Group of Secured Notes:
- 7.2.1 to enter into, execute and implement the Security SPV Agreements relating to that Group of Secured Notes;
  - 7.2.2 to enforce the Company's rights and perform the Company's obligations and comply with the Company's undertakings under the Security SPV Agreements relating to that Group of Secured Notes;
  - 7.2.3 to enforce all rights expressed to be conferred on the Company in the Programme Memorandum, and perform all obligations and comply with all undertakings expressed to be assumed by the Company in the Programme Memorandum;
  - 7.2.4 to undertake matters necessarily incidental to the activities envisaged by the Programme Memorandum and the Security SPV Agreements relating to that Group of Secured Notes, including entering into any further agreements and documents necessary to implement and perform its obligations and exercise its rights in terms of the Security SPV Agreements relating to that Group of Secured Notes;
  - 7.2.5 to hold and, following a Guarantee Event in respect of that Group of Secured Notes, realise the Eligible Security relating to that Group of Secured Notes for the benefit of the relevant Group of Secured Noteholders, in terms of and subject to the Security SPV Agreements relating to that Group of Secured Notes; and
  - 7.2.6 to comply with all Applicable Laws.

#### Prohibited Activities

Clause 7.3 of the Security SPV MOI:

Except to the extent otherwise permitted in terms of clause 7.2, the Company shall not have any capacity nor will the Directors have any power or authority or capacity to enter into any transaction or to perform any act on behalf of the Company falling outside of the nature of the permitted activities recorded in clause 7.2 including (without limitation) the power or authority or capacity to-

- 7.3.1 issue or resolve to issue any Securities to any person other than the Shares issued (or to be issued) to the Security SPV Owner Trust in terms of clause 9;
- 7.3.2 make any Distributions;
- 7.3.3 provide financial assistance in accordance with the provisions of section 44 (specifically section 44(3)) and section 45 (specifically section 45(2)) of the Act;
- 7.3.4 propose any resolution to the Shareholder in terms of sections 20(2) and 20(6) of the Act to permit or ratify an act of the Directors that is inconsistent with any limitation or restriction imposed by this Memorandum of Incorporation and the authority of the Directors to perform such an act on behalf of the Company;
- 7.3.5 increase or decrease the number of authorised Shares;
- 7.3.6 consolidate and reduce the number of the Company's issued and authorised Shares;
- 7.3.7 subdivide its Shares by increasing the number of its issued and authorised Shares;
- 7.3.8 reclassify any classified Shares that have been authorised but not issued;
- 7.3.9 acquire any of its Shares;
- 7.3.10 approve the transfer of any of its Shares save as is set out in clause 9.2;
- 7.3.11 pay remuneration to the Directors for their services as directors;
- 7.3.12 borrow any money or incur any liabilities other than from the Shareholder, either in the form of a loan or a donation, and only in connection with, in relation, where applicable, to a Group of Secured Notes:
  - 7.3.12.1 any expenses or liabilities directly or indirectly incurred in connection with the Programme Memorandum and/or the Security SPV Agreements relating to a Group of Secured Notes; and
  - 7.3.12.2 any expenses or liabilities directly incurred in compliance by the Company with its obligations and enforcing by the Company of its rights pursuant to the Programme Memorandum and/or the Security SPV Agreements relating to a Group of Secured Notes;

- 7.3.13 indemnify a Director or purchase insurance to protect a Director, as set out in section 78 of the Act;
- 7.3.14 take part in the management, supervisions or control of the business or operations of any other company or business or enter into partnerships or joint ventures or be interested in any way whatsoever in any company, close corporation, association, person or entity;
- 7.3.15 form and have an interest in any company, joint venture, partnership, association, close corporation, entity or person of whatsoever nature;
- 7.3.16 be party to an amalgamation or merger in accordance with section 113 of the Act;
- 7.3.17 employ natural persons nor pay salaries and wages, retirement benefits of whatever nature normally associated with employment including the establishment of pensions schemes and the payment of pension contributions;
- 7.3.18 distribute *in specie*, or in kind, any of its assets to the Shareholder;
- 7.3.19 occupy any premises, purchase or acquire any moveable or immovable property of any kind;
- 7.3.20 manage, insure, sell, lease, mortgage, dispose of, Encumber, exchange, work, develop, build on, improve, turn to account or in any way otherwise deal with its undertaking or all or any part of its property and assets;
- 7.3.21 make, draw, issue, execute accept, endorse, or discount promissory notes, bills of exchange or any other kind of negotiable or transferable instruments;
- 7.3.22 act as principals, agents, contractors, trustees, consultants or advisors or render any service or sell any products; and
- 7.3.23 pay gratuities or make donations.

#### Clause 22 of the Security SPV MOI: Amendment of Memorandum of Incorporation

22.2 In addition to the requirements set out in clause 22.1, the provisions of clause 6, clause 7 and clause 9 and this clause 22 may only be amended if, for as long as there are any Outstanding Secured Notes (as defined in clause 7.2), such amendment is first approved by a Debt Securities Extraordinary Resolution or a Debt Securities Extraordinary Written Resolution, as the case may be, of all of the Secured Noteholders of the Outstanding Secured Notes (as defined in clause 7.2).

#### Security SPV Owner Trust and Security SPV Owner Trustee

The Security SPV Owner Trust is the trust known as the "IndluLiving Security SPV Owner Trust" established (or to be established) pursuant to the Security SPV Owner Trust Deed. \*The Security SPV Owner Trust has been (or will be) structured as a special purpose trust.

The initial Security SPV Owner Trustee is (or will be) Skybound Corporate Services Proprietary Limited (registration number 2017/157610/07) ("**Skybound Corporate Services**"). It is intended that the Security SPV Owner Trustee will hold all of the ordinary shares in the share capital of the Security SPV ("**Shares**").

The registered office of the Security SPV Owner Trustee is situated at 7<sup>th</sup> Floor Letterstedt House, Cnr Main and Campground Roads, Newlands, 7700, South Africa.

#### *Shareholder of the Security SPV: Letter of Authority issued prior to the Programme Date*

If the Letter of Authority (as defined in Condition 1.1) has been issued by the Master (as defined in Condition 1.1) to Skybound Corporate Services (as initial Security SPV Owner Trustee) prior to the Programme Date, all of the Shares will be issued to and held by Skybound Corporate Services (as initial Security SPV Owner Trustee).

#### *Shareholder of the Security SPV: Letter of Authority not issued prior to the Programme Date*

If the Letter of Authority (as defined in Condition 1.1) has not been issued by the Master (as defined in Condition 1.1) to Skybound Corporate Services (as initial Security SPV Owner Trustee) prior to the Programme Date:

- all of the Shares will be issued to and held by Courchevel Proprietary Limited (registration number 2017/172621/07) ("**Courchevel**"), pending the issue of the Letter of Authority; and
- the Security SPV and/or Skybound Corporate Services will procure that, as soon as may be practicable after the issue of the Letter of Authority, Courchevel transfers all of the Shares to Skybound Corporate Services (as the initial Security SPV Owner Trustee); and
- following transfer of all of the Shares from Courchevel to Skybound Corporate Services (as the initial Security SPV Owner Trustee), Skybound Corporate Services (as the initial Security SPV Owner Trustee) will be the sole holder of all of the Shares.

### Security SPV Owner Trust Deed

A summary of certain provisions of the Security SPV Owner Trust Deed is set out below.

Clause 4 of the Security SPV Owner Trust Deed: Objectives

The sole purpose and object of the Security SPV Owner Trust is to (1) accept the donation referred to in clause 5, (2) utilise the donation to acquire the Shares and to settle the registration fees due to the Master and (3) hold the Shares until such time as it disposes of the Shares in accordance with clause 9.3.

Clauses 7.8 and 7.9 of the Security SPV Owner Trust Deed: Appointment of Trustee

The following persons shall be disqualified from acting as Trustee:

- any person who would be disqualified from acting as a director of a company in terms of section 69 of the Companies Act or any corresponding statutory provisions;
- any person whose estate has been sequestrated and has not been rehabilitated;
- any person who is diagnosed with a mental illness as defined in the Mental Health Care Act, 2002 or is found by a competent court to be lunatic or of unsound mind or incapable of managing his own affairs; or
- any person who has been convicted of any crime involving dishonesty.

The office of Trustee will automatically be vacated if:

- the Trustee becomes disqualified in terms of clause 7.8;
- any step (including an application, a proposal or a convening of a meeting) is taken by any person (including the Trustee) with a view to having the Trustee sequestrated or wound up or liquidated or placed under business rescue; or
- the Trustee takes any action (including an application, a proposal or a convening of a meeting) for a readjustment or deferment of any of its obligations or makes or attempts to make a general assignment or an arrangement or composition or compromise with or for the benefit of its creditors or declares a moratorium in respect of all or any of its indebtedness for moneys borrowed or raised;
- the Trustee commits any act which is or, if it were a natural person, would be, an act of insolvency as defined in the Insolvency Act;
- the Trustee resigns its office on at least 14 (fourteen) days' written notice to the Founder and the Master.

Clause 9 of the Security SPV Owner Trust Deed: Powers of the Trustee

The Security SPV Owner Trust (and the Trustee in its capacity as such) shall only have such powers (including any ancillary and plenary powers), capacity and ability as are reasonably required to fulfil the purpose and object referred to in clause 4, to perform its obligations under this Deed and to comply with all Applicable Law. The Security SPV Owner Trust (and the Trustee in its capacity as such) shall have no other power, capacity and/or authority..

Without limiting the generality of clause 9.1, the Trustee shall not have the power or authority or capacity to incur any liabilities on behalf of the Security SPV Owner Trust other than pursuant to the fulfilment of the objects of the Security SPV Owner Trust set out in clause 4, and the Security SPV Owner Trust (and the Trustee in its capacity as such) shall not have the power to:

- incur any liabilities on behalf of the Security SPV Owner Trust other than pursuant to the fulfilment of the objects of the Security SPV Owner Trust; or
- acquire any assets in the name of the Security SPV Owner Trust, save for (a) the amount donated to the Trustee by the Founder in terms of clause 5 and (b) the Shares (or the proceeds of the sale of any Shares);
- engage in any activity which is not incidental to any of the activities of the Security SPV Owner Trust specifically provided for or contemplated by this Deed;
- appoint any employees or hire any premises.

Notwithstanding anything to the contrary contained in this Deed, the Security SPV Owner Trust (and the Trustee in its capacity as such) shall not, for as long as any Secured Notes remain in issue, be entitled to dispose of any or all of the Shares unless such disposal is first approved by a Debt Securities Extraordinary Resolution or a Debt Securities Extraordinary Written Resolution, as the case may be, of all of the Secured Noteholders.

Clause 17.1 of the Security SPV Owner Trust Deed: Amendment of this Deed

The terms and conditions of this Deed may be amended at any time upon agreement in writing by the Parties;

provided that no cancellation of or amendment to any provision of clause 4, clause 9, this clause 17 and/or clause 23.7 may be made unless:

- such cancellation or amendment is in writing and signed by or on behalf of the Parties; and
- for as long as any Secured Notes remain in issue, such cancellation or amendment is first approved by a Debt Securities Extraordinary Resolution or a Debt Securities Extraordinary Written Resolution, as the case may be, of the Secured Noteholders of those Secured Notes.

Clause 21 of the Security SPV Owner Trust Deed: Stipulations

The provisions of this Deed which confer benefits on a Secured Noteholder constitute stipulations for the benefit of that Secured Noteholder, and that Secured Noteholder, upon its subscription for any Secured Note/s and the issue of such Secured Note/s to it, or upon the transfer of any Secured Note/s to it, as the case may be, shall be deemed to have accepted such benefits, and that Secured Noteholder shall accordingly have the benefit of all those provisions of this Deed which confer rights on that Secured Noteholder and be bound by all those provisions of this Deed which impose obligations on that Secured Noteholder; provided that that Secured Noteholder shall not become a party to this Deed and/or a beneficiary of the Security SPV Owner Trust by virtue of having accepted such benefits.

#### **Limited recourse against the Security SPV under the Guarantee relating to a Group of Secured Notes**

Following a Guarantee Event in respect of a Group of Secured Notes, the Recovered Amount in respect of that Group of Secured Notes may not be sufficient to satisfy the obligations of the Issuer under the Applicable Terms and Conditions.

However, notwithstanding anything to the contrary contained in any of the Security Agreements relating to a Group of Secured Notes, the total liability of the Security SPV to the relevant Group of Secured Noteholders under the Guarantee relating to that Group of Secured Notes will never exceed the Recovered Amount in respect of that Group of Secured Notes.

Following a Guarantee Event in respect of a Group of Secured Notes, the recourse of the relevant Group of Secured Noteholders against the Security SPV, under the Guarantee relating to that Group of Secured Notes, is limited, in total as between the relevant Group of Secured Noteholders, to the Recovered Amount in respect of that Group of Secured Notes.

Accordingly, the Security SPV will not be liable under the Guarantee relating to a Group of Secured Notes to pay the relevant Group of Secured Noteholders an amount which, in the aggregate, exceeds the Recovered Amount in respect of that Group of Secured Notes, and the Security SPV will only be obliged to make any payments under that Guarantee if, and to the extent that, it has recovered and received moneys from the Issuer pursuant to that Indemnity and/or from the realisation of the Eligible Security relating to that Group of Secured Notes in terms of the Security Cession relating to that Group of Secured Notes.

#### **Limited recourse against the Issuer under the Indemnity relating to a Group of Secured Notes**

The Issuer and the Security SPV have agreed, in terms of the Indemnity relating to a Group of Secured Notes that, notwithstanding anything to the contrary contained in any of the Security Agreements relating to that Group of Secured Notes:

- an Indemnity Default in respect of that Group of Secured Notes shall be (and shall be deemed to be) a claim by the Security SPV, against the Issuer, under the Security Cession relating to that Group of Secured Notes;
- the total liability of the Issuer to the Security SPV under the Indemnity relating to that Group of Secured Notes will never exceed the amount recovered and received by the Security SPV from the realisation of the Eligible Security relating to that Group of Secured Notes in terms of the Security Cession relating to that Group of Secured Notes;
- following such Indemnity Default:
  - the Security SPV shall not be entitled to take any action and/or proceedings against the Issuer under the Indemnity relating to that Group of Secured Notes and/or for the enforcement of that Indemnity (including not levying or enforcing any attachment or execution upon any of the assets of the Issuer; and
  - all rights of enforcement and/or actions and/or proceedings of or taken by the Security SPV against the Issuer (including levying or enforcing any attachment or execution upon all or any of the Eligible Security relating to that Group of Secured Notes) shall be limited to the enforcement of the Security SPV's rights and claims against the Issuer in terms of, and subject to, the Security Cession relating to that Group of Secured Notes.

#### **Limited recourse against the Issuer under the Applicable Terms and Conditions**

The relevant Group of Secured Noteholders will agree that, following a Guarantee Event in respect of the relevant Group of Secured Notes, the payment of the Recovered Amount in respect of that Group of Secured Notes by the Security SPV to the relevant Group of Secured Noteholders will, among other things, be satisfaction in full of the Issuer's obligations to make payment to the relevant Group of Secured Noteholders under the Applicable Terms and Conditions.

The Recovered Amount in respect of a Group of Secured Notes may not be sufficient to satisfy the obligations of the Issuer to the relevant Group of Secured Noteholders under the Applicable Terms and Conditions (see "*Eligible Security relating to a Group of Secured Notes*" below). In such event, the relevant Group of Secured Noteholders will have no recourse or claim against the Issuer for the balance of any amount which (following distribution of that Recovered Amount to the relevant Group of Secured Noteholders) would otherwise have been payable under the Applicable Terms and Conditions.

#### **Eligible Security relating to a Group of Secured Notes**

The Eligible Security relating to a Group of Secured Notes will be the Eligible Security defined as such in the Security Cession relating to that Group of Secured Notes.

The Security SPV will identify the Eligible Security relating to a Group of Secured Notes in its Accounting Records (by way of the prefixing of a unique numeral) as being attributable solely to that Group of Secured Notes, and the Security SPV will procure that Eligible Security can be distinguished from the Eligible Security relating to each other Group of Secured Notes.

The real rights of security in the Eligible Security relating to a Group of Secured Notes will be provided in favour of the Security SPV, and not the relevant Group of Secured Noteholders. As a result, the relevant Group of Noteholders will not have the right to realise that Eligible Security directly but will be required to do so indirectly (subject to certain exceptions set out in Condition 17.3) through the Security SPV.

No Secured Noteholder in the relevant Group of Secured Noteholders will have any rights whatsoever (whether directly or indirectly) in or to or arising from the realisation of the Eligible Security relating to any other Group of Secured Notes.

The value of the Eligible Security relating to a Group of Secured Notes may be affected by, among other things, the collectability of amounts due to the Development Company under the relevant lease agreements, which will be subject to credit, liquidity and interest rate risks that relate to the tenants' ability to pay the relevant lease amounts to the Development Company. These risks will generally fluctuate in response to, among other things, market interest rates, general economic conditions and the financial standing of the tenants (see "*Risks relating to the Issuer*" above under "*Developer Loans, Property Loans and risks associated with the Developer Properties*"). No assurance can be given that the value of the Eligible Security relating to a Group of Secured Notes will remain at the level at which it was on the Issue Date of that Group of Secured Notes.

Any realisation of the Eligible Security relating to a Group of Secured Notes will depend on many factors including, among other things, the nature of that that Eligible Security, the ability of the Security SPV to sell that Eligible Security in an ordinary sale and the availability of buyers for that Eligible Security. Each of these factors could reduce the proceeds of the realisation of that Eligible Security in terms of the Security Cession relating to that Group of Secured Notes.

#### **Collectability risk in respect of Eligible Security which comprises claims for payment of money**

To the extent that any of the Eligible Security relating to a Group of Secured Notes includes claims for payment of money, the collectability of the relevant amounts will be subject to credit, liquidity and interest rate risks that relate to the relevant debtor under such claims. This will generally fluctuate in response to, among other things, market interest rates, general economic conditions and the financial standing of the relevant debtor. See, in particular, "*Risks relating to the Issuer*" above under "*Developer Loans, Property Loans and risks associated with the Developer Properties*".

#### **Interest rate mismatches**

Where the Eligible Security relating to a Group of Secured Notes includes payment claims that the Issuer has against the Development Company pursuant to the relevant Property Loans/s, the Issuer may have various interest rate exposures based on the yield earned on the relevant Property Loan/s and the rates of interest paid to the relevant Group of Secured Noteholders under the relevant Group of Secured Notes.

#### **Insolvency of the Security SPV**

The Security SPV has been structured as a special purpose "insolvency remote" company, and the legal powers and capacity of the Security SPV are subject to the restrictions, limitations and qualifications set out in the Security SPV MOI (see "*Security SPV*" and "*Security SPV MOI*" above).

It is nevertheless possible for the Security SPV to be liquidated or wound-up or placed under business rescue,

which may adversely affect the rights of the Secured Noteholders.

However, notwithstanding anything to the contrary contained in any of the Security Agreements relating to a Group of Secured Notes, the total liability of the Security SPV to the relevant Group of Secured Noteholders under the Guarantee relating to that Group of Secured Notes will never exceed the Recovered Amount in respect of that Group of Secured Notes (see "*Limited recourse against the Security SPV under the Guarantee relating to a Group of Secured Notes*" above).

In addition, Condition 17 provides, as between the Security SPV and each Group of Secured Noteholders, for limited rights of enforcement, non-petition and set-off (see "*Limited rights of enforcement, non-petition and set-off*" below).

Accordingly, it is improbable that the Security SPV will be insolvent or near-insolvent (and therefore be liquidated or wound-up or placed under business rescue) unless there were to be, for example, dishonesty, fraudulent conduct or negligence, or a breach of contract, by the Security SPV (or its directors or officers by, for instance, entering into unauthorised transactions on behalf of the Security SPV).

If, among other things, the Security SPV is wound-up or liquidated (in each case whether voluntarily or compulsorily, provisionally or finally), then each Secured Noteholder will be entitled to take action itself to enforce its claims under the Applicable Terms and Conditions directly against the Issuer, subject to and in accordance with Condition 17.3.

### **Enforcement of the Security Agreements**

The interests of the relevant Group of Secured Noteholders will be represented by the Security SPV.

Subject to Condition 17.3, only the Security SPV may, following a Guarantee Event in respect of a Group of Secured Notes, enforce the security created in favour of the Security SPV by the Security Agreements relating to that Group of Secured Notes, subject to and in accordance with those Security Agreements.

Promptly after the Enforcement Date in respect of a Group of Secured Notes, the Security SPV will, in terms of the Guarantee relating to that Group of Secured Notes:

- enforce the remedies available to it under the Security Agreements relating to that Group of Secured Notes and realise the Eligible Security relating to that Group of Secured Notes for the benefit of the relevant Group of Secured Noteholders; and
- pay the Recovered Amount in respect of that Group of Secured Notes to the relevant Group of Secured Noteholders.

Following a Guarantee Event in respect of a Group of Secured Notes, each Secured Noteholder in the relevant Group of Secured Noteholders will participate in the Recovered Amount in respect of that Group of Secured Notes in the proportion that the aggregate Outstanding Principal Amount of the Secured Note/s held by that Secured Noteholder as at the Enforcement Date in respect of that Group of Secured Notes bears to the aggregate Outstanding Principal Amount of all of that Group of Secured Notes as at that Enforcement Date.

The relevant Group of Secured Noteholder have agreed that, following a Guarantee Event in respect of the relevant Group of Secured Notes, the payment of the Recovered Amount in respect of that Group of Secured Notes by the Security SPV to the relevant Group of Secured Noteholders, in terms of the Guarantee relating to that Group of Secured Notes, will:

- cure in full the Secured Note Event of Default that occurred in respect of that Group of Secured Notes; and
- be satisfaction in full of the Security SPV's obligations to make payment to the relevant Group of Secured Noteholders under the Guarantee relating to that Group of Secured Notes; and
- be satisfaction in full of the Issuer's obligations to make payment to the relevant Group of Secured Noteholders under the Applicable Terms and Conditions.

The proceeds from the realisation of the Eligible Security relating to a Group of Secured Notes may not be sufficient to satisfy the obligations of the Issuer to the relevant Group of Secured Noteholders under the Applicable Terms and Conditions (see "*Limited recourse against the Security SPV under the Guarantee relating to a Group of Secured Notes*" and "*Eligible Security relating to a Group of Secured Notes*" above).

### **Enforceability of the Security Agreements relating to a Group of Secured Notes**

The Security Agreements relating to a Group of Secured Notes will comprise the Guarantee, the Indemnity and the Security Cession relating to that Group of Secured Notes as well as such other agreement/s (if any) as is/are specified in that Security Cession.

If, among other things, any of the Security Agreements relating to a Group of Secured Notes are not enforceable, then each Secured Noteholder in the relevant Group of Secured Noteholders will be entitled to take action itself



to enforce its claims under the Applicable Terms and Conditions directly against the Issuer, subject to and in accordance with Condition 17.3 (see "*Limited rights of enforcement, non-petition and set-off*" below).

#### **Limited rights of enforcement, non-petition, set-off and related undertakings**

Subject to Condition 17.3, only the Security SPV may, following a Guarantee Event in respect of a Group of Secured Notes, enforce the security created in favour of the Security SPV by the Security Agreements relating to that Group of Secured Notes, subject to and in accordance with those Security Agreements.

Subject to certain exceptions set out in Condition 17.3, no Secured Noteholder in the relevant Group of Secured Noteholders is entitled to take any action or proceedings against the Issuer for the enforcement of the Applicable Terms and Conditions (including not levying or enforcing any attachment or execution upon any of the assets of the Issuer) or accelerate or demand from the Issuer early payment of principal in respect of that Group of Secured Notes, and all rights of enforcement will be exercised by the Security SPV, following a Guarantee Event in respect of that Group of Secured Notes, subject to and in terms of the Guarantee relating to that Group of Secured Notes.

No Secured Noteholder in the relevant Group of Secured Noteholders may, until 2 (two) years following the Termination Date, institute, or join with any person in instituting or vote in favour of, any steps or legal proceedings for the winding-up or liquidation of, or any compromise or scheme of arrangement or related relief in respect of the Issuer or for the appointment of a liquidator or similar officer of (a) the Issuer or (b) save in the event of a Security SPV Default relating to the relevant Group of Secured Notes, the Security SPV or for the appointment of a liquidator or similar officer of the Security SPV.

Each Secured Noteholder in the relevant Group of Secured Noteholders undertakes to the Issuer, the Security SPV and the Secured Noteholders of each other Group of Secured Noteholders that if (for any reason whatsoever) any payment is received by that first-mentioned Secured Noteholder other than in accordance with applicable provisions of the Guarantee relating to the relevant Group of Secured Notes in respect of amounts due to that first-mentioned Secured Noteholder, following a Guarantee Event in respect of that Group of Secured Notes, by the Security SPV under that Guarantee, the amount so paid will be received and held by that first-mentioned Secured Noteholder, as agent for the Security SPV, and that first-mentioned Secured Noteholder will pay such amount to the Security SPV immediately on demand.

Each Secured Noteholder in the relevant Group of Secured Noteholders agrees that it will not set off or claim to set off any amounts owed by that Secured Noteholder to the Issuer or, following a Guarantee Event in respect of the relevant Group of Secured Notes, to the Security SPV, as the case may be, against any amount owed to that Secured Noteholder by the Issuer or, following that Guarantee Event, the Security SPV, as the case may be.

#### **RISKS RELATING TO SUBORDINATED NOTES**

##### **Subordinated Notes may be subordinated to most of the Issuer's liabilities**

Subordinated Notes constitute direct subordinated unsecured obligations of the Issuer and rank *pari passu* without any preference or priority among themselves and (save for certain debts accorded preferential rights by law) at least *pari passu* with all other present and future subordinated and unsecured obligations of the Issuer.

The claims of the Subordinated Noteholders against the Issuer under the Applicable Terms and Conditions of a Tranche of Subordinated Notes will be subordinated to the claims of the Senior Noteholders against the Issuer.

##### **Events of Default - Subordinated Notes**

Any Noteholder of Subordinated Notes in respect of which an Event of Default contemplated in Condition 15.3.1 has occurred may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce the relevant obligation to pay; provided that the Issuer shall not, as a result of the bringing of any such proceedings, be obliged to pay any sum representing or measured by reference to principal or interest on the Subordinated Notes sooner than the same would otherwise have been payable by it.

##### **No limitation on issuing securities**

There is no restriction on the amount of securities or indebtedness which the Issuer may issue or incur which rank senior to or *pari passu* with the Subordinated Notes in the event the Issuer is wound-up or placed under liquidation. The issue of any such securities or indebtedness may reduce the amount recoverable by holders of Subordinated Notes in the event the Issuer is wound-up or placed under liquidation.

#### **RISKS RELATING TO OTHER NOTES**

The risks (if any) of investing in particular types of Notes which are not set out in, or covered by, this section of the Programme Memorandum headed "*Risk Factors*" will be set out in an annexure to the Applicable Pricing Supplement relating to the relevant Tranche of Notes and/or in a supplement to this Programme Memorandum prior to the Issue Date of the first Tranche of such Notes to be issued under the Programme.

## **SETTLEMENT, CLEARING AND TRANSFERS OF REGISTERED NOTES WHICH ARE HELD IN THE CSD**

Each Tranche of Registered Notes will be issued in uncertificated form in terms of Chapter IV of the Financial Markets Act and will be held in the CSD.

### **CLEARING SYSTEMS**

The CSD is the operator of an electronic clearing system which matches, clears and facilitates the settlement of all transactions carried out in respect of Registered Notes which are held in the CSD.

Each Tranche of Registered Notes which is held in the CSD will be issued, cleared and transferred in accordance with the CSD Procedures through the electronic settlement system of the CSD, and the settlement of trades in Registered Notes which are held in the CSD will take place in accordance with the electronic settlement procedures of the CSD.

Tranches of Registered Notes which are held in the CSD will be settled through CSD Participants who will comply with the electronic settlement procedures prescribed by the CSD.

The Issuer will adhere to the recognised and standardised electronic clearing and settlement procedures of the CSD.

### **CSD PARTICIPANTS**

The CSD maintains central securities accounts only for CSD Participants. As at the Programme Date, the CSD Participants are the South African Reserve Bank, Standard Chartered Bank Johannesburg Branch, Absa Bank Limited, Citibank N.A., South Africa Branch, FirstRand Bank Limited, Nedbank Limited and The Standard Bank of South Africa Limited. Euroclear and Clearstream, among others, may settle offshore transfers of Notes which are held in the CSD through their nominated CSD Participant.

CSD Participants are responsible for the settlement of scrip and payment transfers through the CSD and the South African Reserve Bank.

### **PAYMENTS**

Payments of all amounts due and payable in respect of Registered Notes which are held in the CSD will be made in accordance with the CSD Procedures and Condition 8.2.2.

The Issuer will, in accordance with the CSD Procedures, make an irrevocable deposit, into the Designated Bank Account, of the full aggregate amount which is due and payable, on the relevant Payment Date, in respect of a Tranche of Registered Notes which are held in the CSD.

The funds in the Designated Bank Account will be transferred to the relevant CSD Participants, by means of the South African Multiple Option Settlement ('SAMOS') system operated by the South African Reserve Bank. The CSD Participants will then make payment of the relevant amounts to the Noteholders of Registered Notes which are held in the CSD, in accordance with the CSD Procedures, as contemplated in Condition 8.2.2.

Once the funds deposited into the Designated Bank Account have been cleared and credited to the Designated Bank Account, and transferred from the Designated Bank Account to the relevant CSD Participants, neither the Settling Bank nor the Issuer will be responsible for the loss in transmission of any such funds.

Each of the persons reflected in the records of the relevant CSD Participant as the Noteholders of Registered Notes which are held in the CSD shall look solely to the relevant CSD Participant for such person's share of the funds deposited into the Designated Bank Account.

### **TRANSFER AND EXCHANGE OF REGISTERED NOTES WHICH ARE HELD IN THE CSD**

The CSD Participants will maintain records of Registered Notes held by their clients.

Title to Registered Notes which are held in the CSD will pass on transfer thereof by electronic book entry in the central securities accounts maintained by the CSD and the relevant CSD Participants for the Noteholders of such Registered Notes.

Registered Notes which are held in the CSD may be transferred only in accordance with the CSD Procedures.

Subject to the Financial Markets Act, Registered Notes which are held in the CSD may be exchanged for Registered Notes which are represented by Certificates in accordance with Condition 11.1.

## SUBSCRIPTION AND SALE

### ARRANGER, DEBT ISSUER AGENT, DEALER AND PLACING ARRANGEMENTS

#### Arranger

Capital Solutions Advisory Proprietary Limited ("**Capital Solutions**") is the Arranger of the Programme.

#### Debt Issuer Agent

Capital Solutions has been appointed as the Debt Issuer Agent by the Issuer in accordance with Chapter 4 of the CTSE Debt Listings Requirements. Chapter 4 of the CTSE Debt Listings Requirements of the CTSE Debt Listings Requirements sets out certain requirements in relation to the appointment, and termination of appointment, of a Debt Issuer Agent.

Capital Solutions is the ongoing Debt Issuer Agent of the Programme, and is the Debt Issuer Agent for purposes of procuring the approval and registration of the Programme Memorandum by CTSE and the listing of Tranche/s of Registered Notes on CTSE, subject to the applicable provisions of Chapter 4 of the CTSE Debt Listings Requirements.

#### Dealer and placing arrangements

A Tranche of Registered Notes may be offered by way of public auction or private placement or any other means permitted by Applicable Law, as determined by the Issuer and the relevant Dealer/s.

In terms of (and subject to) the Programme Agreement, Capital Solutions has been appointed as a Dealer for the duration of the Programme (subject to the Issuer's right to terminate the appointment of any Dealer).

The Issuer may, in terms of (and subject to) the Programme Agreement, appoint one or more additional Dealers for the duration of the Programme or to place one or more particular Tranches of Registered Notes (subject to the Issuer's right to terminate the appointment of any Dealer).

Subject to the Programme Agreement, the Issuer may from time to time agree with any Dealer/s to issue, and any Dealer/s may agree to place, one or more Tranches of Registered Notes by entering into a Placement Agreement. Each Placement Agreement will be concluded in accordance with, and be supplemental to, the Programme Agreement.

A Placement Agreement will, among other things, provide for the relevant Dealer/s, subject to certain conditions set out in the Placement Agreement (as read with the Programme Agreement), to place the Notes in the relevant Tranche/s of Registered Notes, and may also provide for the Dealer/s to underwrite the subscription and payment for such Notes.

On the Issue Date, delivery of the Notes in a Tranche of Registered Notes to the subscribers of such Registered Notes will, in accordance with the relevant Placement Agreement (as read with the Programme Agreement), be effected by the Issuer's CSD Participant, against payment of the Issue Price, in accordance with the Applicable Procedures. The relevant Dealer/s may procure sale and purchase transactions in respect of the relevant Tranche/s of Registered Notes before the Issue Date. Such transactions will be for settlement on the Issue Date and will be subject to the condition that the relevant Placement Agreement is not terminated before the time on which such transactions are to be settled on the Issue Date.

The relevant Dealer/s may, under certain circumstances (before the issue of or payment for the relevant Tranche/s of Notes) terminate their obligations to place the relevant Tranche/s of Registered Notes under the relevant Placement Agreement. The relevant Placement Agreement may, under certain circumstances (before the issue of or payment for the relevant Tranche/s of Registered Notes), automatically terminate. If the relevant Placement Agreement is terminated before the Issue Date, the transactions in the relevant Tranche/s of Registered Notes shall also terminate and no party thereto shall have any claim against any other party as a result of such termination.

The Issuer has no right to cancel the relevant Placement Agreement before the issue of or payment for the relevant Tranche/s of Registered Notes.

### SELLING RESTRICTIONS

#### South Africa

Each Dealer will be required to represent and agree that it will not solicit any offers for subscription for or sale of any Notes and will not itself sell any Notes, in South Africa, in contravention of the Companies Act, the Banks Act, the Exchange Control Regulations and/or any other Applicable Laws and regulations of South Africa in force from time to time.

In particular, the Programme Memorandum does not, nor is it intended to, constitute a "*prospectus*" (as contemplated in the Companies Act) and each Dealer will be required to represent and agree that it will not make an "*offer to the public*" (as such expression is defined in the Companies Act) of any Notes (whether for subscription, purchase or sale).

Notes will not be offered for subscription or sale to any single addressee for an amount of less than ZAR1,000,000 (or such other amount as is prescribed from time to time in terms of section 96(2)(a) of the Companies Act).

### **United States of America**

#### *Regulation S Category 2*

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

Each Dealer will be required to represent and agree that it has not offered, sold, resold or delivered any Notes and will not offer, sell, resell or deliver any Notes:

- a) as part of its distribution at any time; and
- b) otherwise until 40 (forty) days after completion of the distribution of all of the Notes in the relevant Tranche/s of Notes, as determined and certified by the Dealer or, in the case of an issue of the relevant Tranche/s of Notes on a syndicated basis, the relevant Lead Manager/s, of all Notes of the Series of which the relevant Tranche/s of Notes is/are a part,

within the United States of America or to, or for the account or benefit of, U.S. persons only in accordance with Regulation S and it will send to each distributor to which it sells any Notes a confirmation or other notice setting forth the restrictions on offers and sales of such Notes within the United States of America or to, or for the account or benefit of, U.S. persons.

In addition, an offer or sale of the Notes within the United States of America by any Dealer or other distributor (whether or not participating in the offering of such Notes during the distribution compliance period described in the preceding paragraph) may violate the registration requirements of the U.S. Securities Act.

Each Dealer (and in the case of the issue of the relevant Tranche/s of Notes on a syndicated basis, the relevant Lead Manager/s) shall determine and certify to the Issuer when it has completed the distribution of the Notes in the relevant Tranche/s of Notes.

Each Dealer will be required to further represent and agree that neither it, its affiliates nor any person acting on its or their behalf has engaged or will engage in any "*directed selling efforts*" (as that term is defined in Regulation S under the U.S. Securities Act) with respect to any Notes, and it and they have complied and will comply with the offering restrictions requirements of Regulation S.

### **European Economic Area**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer will be required to represent and agree that, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State ("**Relevant Implementation Date**") it has not made and will not make an offer of any Notes to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- a) if the Applicable Pricing Supplement relating to a Tranche of Notes specifies that an offer of such Notes may be made other than pursuant to Article 3.2 of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Applicable Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Applicable Pricing Supplement, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- c) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Dealer or Dealers nominated by the

Issuer for any such offer; or

- d) at any time in any other circumstances falling within Article 3.2 of the Prospectus Directive, provided that no such offer of Notes referred to in paragraphs (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) and including any relevant implementing measure in the Relevant Member State.

### **United Kingdom**

Each Dealer will be required to represent and agree that:

- a) in relation to any of Notes 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 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 Notes would otherwise constitute a contravention of Section 19 of the United Kingdom Financial Services and Markets Act, 2000 ("**FSMA**") by the Issuer;
- b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any 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 any Notes in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer;
- c) it has complied with and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### **Changes to the above selling restrictions**

The selling restrictions set out above may in relation to any Tranche of Notes, be changed by the Issuer and the relevant Dealer/s, including following a change in, or clarification of, a relevant law, regulation, directive, request or guideline having the force of law or compliance with which is in accordance with the practice of responsible financial institutions in the country or jurisdiction concerned or any change in or introduction of any of them or in their interpretation or administration. Any such change will be set out in the Applicable Pricing Supplement relating to the relevant Tranche of Notes.

### **Other selling restrictions**

Each Dealer will be required to represent and agree that:

- a) it will (to the best of its knowledge and belief) comply with all applicable laws and regulations in force in each jurisdiction in which it purchases, subscribes or procures subscriptions for, offers or sells any Notes or has in its possession or distributes the Programme Memorandum and/or the Applicable Pricing Supplement and will obtain any consent, approval or permission required by it for the purchase, subscription, offer or sale by it of any Notes under the laws and regulations in force in each jurisdiction to which it is subject or in which it makes such purchases, subscriptions, offers or sales; and
- b) it will comply with such other or additional restrictions as the Issuer and the Dealer agree and as are set out in the Applicable Pricing Supplement relating to the relevant Tranche of Notes.

Neither the Issuer nor the Debt Issuer Agent nor the Arranger nor the Dealer/s represent that this Programme Memorandum and/or any Applicable Pricing Supplement may be lawfully distributed, or that any Notes may be lawfully offered, subscribed for or sold, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution, offering, subscription or sale.

Persons into whose possession this Programme Memorandum and/or any Applicable Pricing Supplement comes are required by the Issuer, the Debt Issuer Agent, the Arranger and the Dealer/s to comply with all Applicable Laws and regulations in each country or jurisdiction in which they subscribe for, purchase, offer, sell, transfer or deliver Notes or have in their possession or distribute this Programme Memorandum and/or any Applicable Pricing

Supplement and to obtain any consent, approval or permission required by them for the subscription, purchase, offer, sale, transfer or delivery by them of any Notes under the law and regulations in force in any country or jurisdiction to which they are subject or in which they make such subscriptions, purchases, offers, sales, transfers or deliveries, in all cases at their own expense, and none of the Issuer, the Debt Issuer Agent, the Arranger or the Dealer/s shall have responsibility therefor.

In accordance with the above, any Notes purchased or subscribed for by any person which it wishes to offer for sale or resale may not be offered in any country or jurisdiction in circumstances which would result in the Issuer being obliged to register this Programme Memorandum or any further prospectus or corresponding document relating to the Notes in such country or jurisdiction.

## TAXATION

*The summary in this section headed "Taxation" below is intended to deal with the more important fiscal provisions that could be relevant to the treatment of the Notes from a general fiscal perspective as at the Programme Date. The contents of this section headed "Taxation" are not intended to and do not constitute tax advice and do not purport to describe all of the considerations that may be relevant to a prospective subscriber for or holder of or purchaser of any Notes. Prospective Noteholders of Notes should consult their own professional advisers in this regard. This summary is limited to the South African taxation consequences that could be applicable to Noteholders.*

### SECURITIES TRANSFER TAX

The issue, transfer and redemption of Notes will not attract securities transfer tax under the Securities Transfer Tax Act, 2007 as the Notes do not constitute "securities" as envisaged by such legislation. Any future transfer duties and/or taxes that may be introduced in respect of (or be applicable to) the transfer of Notes will be for the account of the transferee Noteholder, even though such transfer duties and/or taxes could, in the first instance, have been payable by the regulated intermediary concerned.

### INCOME TAX

The taxation of "interest" is regulated by section 24J of the Income Tax Act, 1962 ("**Income Tax Act**") on the basis that interest must be accounted for in the hands of a Noteholder on a yield-to-maturity basis. For tax purposes "interest" as defined in section 24J of the Income Tax Act ("**Interest**") has a wide meaning and includes, among other things, not just interest and related finance charges, but also any discount or premium payable or receivable in terms of or in respect of a financial arrangement.

The references to Interest mean "interest" as understood in South African tax law. These references do not take account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the Terms and Conditions of the Notes or any related documentation.

However, to the extent that a Noteholder is a "covered person" as defined in section 24JB of the Income Tax Act and it recognises the Notes in profit or loss in the statement of comprehensive income in respect of financial assets and financial liabilities of that covered person that are measured at fair value in profit or loss in terms of accounting principles, the Noteholder should consider the application of section 24JB of the Income Tax Act instead.

#### Original issue discount or premium

Any discount that arises pursuant to the original issue of the Notes will be treated as Interest for tax purposes, and the amount of the discount will be deemed to accrue to the Noteholder on a yield to maturity basis as if such Noteholder were to hold the Notes until the Maturity Date.

Any original issue premium over the principal amount of the Notes will also be treated as Interest for tax purposes and will be taken into account in calculating the return to the Noteholder on a yield to maturity basis as if such Noteholder were to hold the Notes until the Maturity Date.

Appropriate adjustments are made to the extent that the Notes are disposed of by the Noteholder prior to the Maturity Date.

#### Interest on the Notes

A "resident" of South Africa (as defined in section 1 of the Income Tax Act) ("**Resident**") will, subject to any available exemptions, be taxed on its worldwide income. Accordingly, a Resident Noteholder will be liable for income tax, subject to available exemptions, on any income received or accrued in respect of the Notes held by that Resident Noteholder in the relevant year of assessment of that Resident Noteholder.

A person who or which is not a Resident ("**Non-Resident**") is taxed in South Africa under the Income Tax Act only on income from a source within or deemed to be sourced within South Africa.

Interest which, during the relevant year of assessment of a Non-Resident Noteholder, is received or accrued in respect of Notes which are held by that Non-Resident Noteholder is regarded as being from a South African source as the Issuer is a South African tax resident.

However, Interest which, during the relevant year of assessment of a Non-Resident Noteholder, is received or accrued in respect of Notes which are held by that Non-Resident Noteholder will (subject to "*Withholding Tax*" below) be exempt from income tax under section 10(1)(h) of the Income Tax Act, unless that Non-Resident Noteholder:

- a) is a natural person who was physically present in South Africa for a period exceeding 183 calendar days in

aggregate during the 12-month period preceding the date on which the Interest is received by or accrues to that Non-Resident Noteholder; or

- b) the debt from which the Interest arises is effectively connected to a permanent establishment of that Non-Resident Noteholder in South Africa.

If a Non-Resident Noteholder does not qualify for the exemption under section 10(1)(h) of the Income Tax Act, an exemption from or reduction of tax liability under the Income Tax Act may nevertheless be available under an applicable convention concluded between the Government and the relevant other contracting state for the avoidance of double taxation ("**DTA**") of which the Noteholder is a tax resident. In addition, some entities may be exempt from income tax, which would include an exemption from Interest.

Prospective Non-Resident Noteholders must consult their own professional advisers as to whether the interest income earned on Notes to be held by them will be exempt under section 10(1)(h) of the Income Tax Act or under an applicable DTA.

As regard the Withholding Tax on Interest paid to Non-Resident Noteholders, see "*Withholding Tax*" below.

### **Re-characterisation of Interest**

Certain anti-avoidance provisions have been inserted into the Income Tax Act which have the result that interest is re-characterised as dividends. In such event, the interest is deemed to be a dividend in specie declared and paid by the Issuer on the last day of the year of assessment of the Issuer and is not deductible in terms of the Income Tax Act. The interest is also re-characterised in the hands of the Noteholder and is deemed to have accrued to the Noteholder in the form of a dividend *in specie* that is declared and paid to the Noteholder on the last of the year of assessment of the Issuer and is subject to dividend withholding tax.

### **Withholding Tax**

A withholding tax on Interest paid to Non-Residents (at the rate of 15% of the amount of the Interest) ("**Withholding Tax**") applies in terms of Part IVB of the Income Tax Act.

The Issuer is entitled to request a Noteholder to confirm its tax residency and whether any withholding or reduction of the Withholding Tax rate is in fact required in terms of any applicable DTA.

Subject to any Withholding Tax relief provided for in the Income Tax Act (see the paragraph below) or an applicable DTA, the Withholding Tax will be imposed in respect of all payments of Interest from a South African source to Non-Residents unless a Non-Resident is liable to the payment of South African income tax on such Interest.

However, payments of Interest under Notes held by Non-Resident Noteholders will be exempt from Withholding Tax if (among other exemptions) such Notes are listed on a "*recognised exchange*". the CTSE (as an "*exchange*" as defined in the Financial Markets Act) is a "*recognised exchange*".

Accordingly, payments of Interest under Notes held by Non-Resident Noteholders will be exempt from Withholding Tax.

Payments of Interest under Notes held by a Non-Resident will also be exempt from the Withholding Tax if:

- a) that Non-Resident is a natural person who was physically present in South Africa for a period exceeding 183 days in aggregate during the twelve-month period preceding the date on which the Interest is paid; or
- b) the debt claim in respect of which that Interest is paid is effectively connected with a permanent establishment of that Non-Resident in South Africa, if that Non-Resident is registered as a taxpayer in South Africa.

### **Disposal of the Notes**

If a Noteholder sells or otherwise disposes of a Note, Taxes (whether income tax or capital gains tax) may be levied on such sale or disposal.

Taxes (whether income tax or capital gains tax) may be levied on the disposal or deemed disposal of any Notes held by a Resident Noteholder. In general, income tax will be leviable to the extent that a Resident Noteholder is a trader or has acquired the Notes for speculative purposes or has acquired the Notes as part of a business in carrying out a profit-making scheme. In general, capital gains tax will be leviable to the extent that the Notes have been acquired by a Resident Noteholder for investment purposes and the disposal is not part of a business in carrying out a profit-making scheme.

Any discount or premium on acquisition which has already been treated as Interest for income tax purposes under section 24J of the Income Tax Act (see "*Original issue discount or premium*" above) will not again be taken into account when determining any capital gain or loss.

Taxes (whether income tax or capital gains tax) will not be levied on the disposal or deemed disposal of Notes held



by a Non-Resident Noteholder unless the profits made on the disposal or deemed disposal of such Notes are from a South African source or are attributable to a permanent establishment of that Non-Resident Noteholder in South Africa during the relevant year of assessment of that Non-Resident Noteholder. An applicable DTA may provide such Non-Resident Noteholder with relief from such Taxes.

#### **VALUE-ADDED TAX**

In terms of the Value-Added Tax Act, 1991 ("**Value-Added Tax Act**"), no value-added tax ("**VAT**") is payable on the issue or transfer of the Notes. The issue, allotment or transfer of ownership of the Notes constitutes a "financial service", the supply of which is exempt from VAT in terms of section 12(a) of the Value-Added Tax Act. However, commissions or other charges that are payable on the facilitation of this "financial service" are, in principle, subject to VAT at the current standard rate of 15%, depending on the circumstances and the identity of the relevant service provider.

#### **US TAXATION – FOREIGN ACCOUNT TAX COMPLIANCE ACT**

Sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986 introduced a new reporting regime, being the Foreign Account Tax Compliance Act ("**FACTA**"). FACTA imposes withholding tax of 30% on any US sourced income or US sourced gross proceeds paid to a foreign financial institution ("**FFI**") or to a "*direct reporting non-financial foreign entity*" ("**NFFE**") unless the FFI or direct reporting NFFE meets certain requirements. To meet these requirements, the FFI or direct reporting NFFE must enter into an agreement with the US Internal Revenue Service ("**IRS**") either via their respective country's government, being an Intergovernmental Agreement or independently via the IRS directly.

The South African Government and the U.S. Government signed an IGA ("**South African IGA**") in respect of FATCA on 9 June 2014. Under the South African IGA, South African FFIs will generally be able to be treated as "deemed compliant" with FATCA perspective.

FATCA is a particularly complex piece of legislation. The above description is based in part on U.S. Treasury regulations official guidance and the South African IGA, all of which are subject to change or may be implemented in materially different form.

Potential investors in the Notes should consult their own tax advisers to determine how these rules may apply to payments they will receive under the Notes and the potential impact of the implementation of the South African IGA and implementing legislation on them.

## EXCHANGE CONTROL

*The comments below are intended as a general guide to the position under the Exchange Control Regulations as at the Programme Date (subject to "AMENDMENTS TO THE EXCHANGE CONTROL REGULATIONS" below). The contents of this section headed "Exchange Control" do not constitute exchange control advice and do 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 should consult their professional advisers in this regard.*

### EXCHANGE CONTROL REGULATIONS - GENERAL

The Exchange Control Regulations, 1961 promulgated under the Currency and Exchanges Act, 1933 ("**Exchange Control Regulations**") provide for exchange controls which, among other things, restrict the export of capital from the Republics of South Africa and Namibia, and the Kingdoms of eSwatini and Lesotho (collectively the "**Common Monetary Area**").

Transactions between residents of the countries comprising the Common Monetary Area and foreigners are subject to the Exchange Control Regulations, which are administered by the Financial Surveillance Department of the South African Reserve Bank ("**Exchange Control Authorities**").

The application of the Exchange Control Regulations is set out in the "Currency and Exchanges Manual for Authorised Dealers" published by the Exchange Control Authorities ("**Manual**"), as read with the circulars published by the Exchange Control Authorities.

Applications for approval under the Exchange Control Regulations are effected through "authorised dealers" which are approved by the South African Reserve Bank ("**SARB**") as "authorised dealers" in foreign currency ("**Authorised Dealers**"). Authorised Dealers assist the Exchange Control Authorities with the monitoring and enforcement of the Exchange Control Regulations. Authorised Dealers include the major South African banks and certain local branches of foreign banks.

Noteholders who are uncertain as to whether they are residents or non-residents for purposes of the Exchange Control Regulations, as read with the Manual, are advised to approach their Authorised Dealer to request confirmation.

The onus for obtaining all exchange control approvals lies with the relevant South African resident.

Up to 28 February 2021 (see under "AMENDMENTS TO THE EXCHANGE CONTROL REGULATIONS" below) the following definitions applied for the purposes of the Exchange Control Regulations, (a) a "resident" is any person, being a natural person or a legal entity, who has taken up permanent residence, is domiciled or registered in South Africa; (b) a "non-resident" is a person, being a natural person or a legal entity, whose normal place of residence, domicile or registration is outside the Common Monetary Area; and (c) an "emigrant" is a South African resident who has left South Africa to take up permanent residence or has been granted permanent residence in any country outside of the Common Monetary Area.

### AMENDMENTS TO THE EXCHANGE CONTROL REGULATIONS

It was announced in the South African 2020 Budget that the Exchange Control Regulations would be replaced with a new capital flow management framework and regulations, which would be implemented within a period of 12 months from the announcement. It was subsequently announced that National Treasury and the SARB will continue to develop the legislative framework for the new capital flow management system that was announced.

This framework is being developed with the Financial Intelligence Centre and the South African Revenue Services. However, insofar as the various transactions are concluded before the Exchange Control Regulations are replaced, the current Exchange Control Regulations will still apply.

It was further stated that the concept of "emigration", as recognised by the SARB, would be phased out with effect from 1 March 2021 and be replaced by a verification process. Exchange Control Circular 6/2021 dated 26 February 2021 ("**Excon Circular**") sets out the changes in relation to emigrants and changes to the Manual with effect from 1 March 2021.

Up until 28 February 2021, the Exchange Control Regulations read with the Manual distinguished between "residents", "non-residents" and "emigrants". As of 1 March 2021, under the new framework, natural person residents and natural person emigrants are treated identically. To ensure a smooth transition from the old framework to the new framework, natural persons who duly applied to be emigrants under the old framework before 28 February 2021, will be dealt with in terms of the exchange control procedures relating to emigration for exchange control purposes prior to 1 March 2021, provided their emigration applications were approved before 28 February 2022.

Considering that the changes announced in the Excon Circular only recently came into effect, Noteholders who became emigrants pursuant to the emigration process under the previous framework, are advised to approach their Authorised Dealer to determine how they will be treated under the new framework and how the Excon Circular will be applied.

In the context of the exchange control rules regarding securities control, the SARB has indicated in the Excon Circular that the rules applicable to natural person emigrants will temporarily apply until discussions with the relevant stakeholders have been finalized. As such, a distinction must still be drawn between residents and emigrants for the time being.

#### **PROGRAMME MEMORANDUM**

The Programme Memorandum does not require the prior approval of the Exchange Control Authorities in terms of the Exchange Control Regulations.

#### **ISSUE OF NOTES**

In general, the issue of a Tranche of Notes will not require the prior written approval of the Exchange Control Authorities in terms of the Exchange Control Regulations.

However, under certain circumstances, including in the case of asset backed securities, and if so indicated in the Applicable Pricing Supplement, the issue of a particular Tranche of Notes will require the prior written approval of the Exchange Control Authorities in terms of the Exchange Control Regulations. Dealings in such Notes and the performance by the Issuer of its obligations under such Notes and the Applicable Terms and Conditions will be subject to the Exchange Control Regulations. It is recommended that confirmation from an Authorised Dealer be sought in this regard.

#### **EMIGRANTS FROM THE COMMON MONETARY AREA**

Any Individual Certificates issued to a Noteholder who is an emigrant from the Common Monetary Area ("**Emigrant Noteholder**") will, in the absence of any indication to the contrary by the nominated Authorised Dealer be restrictively endorsed "emigrant" and must be deposited with the Emigrant Noteholder's nominated Authorised Dealer.

Where a Note is held by an Emigrant Noteholder through the CSD, the securities account maintained for such Emigrant Noteholder by the relevant CSD Participant will be designated as an "emigrant" account unless otherwise indicated by the nominated Authorised Dealer.

It will be incumbent on an Emigrant Noteholder to instruct its nominated Authorised Dealer how payments of amounts (whether in respect of principal, interest or otherwise) payable in respect of the Notes held by such Emigrant Noteholder are to be dealt with.

#### **NON-RESIDENTS OF THE COMMON MONETARY AREA**

Any Individual Certificates issued to a Noteholder who is a non-resident ("**Non-Resident Noteholder**") will be restrictively endorsed "non-resident".

Where a Note is held by a Non-Resident Noteholder through the CSD, the securities account maintained for such Non-Resident Noteholder by the relevant CSD Participant will be designated as a "non-resident" account.

It will be incumbent on a Non-Resident Noteholder to instruct its nominated Authorised Dealer how payments of amounts (whether in respect of principal, interest or otherwise) payable in respect of the Notes held by such Non-Resident Noteholder are to be dealt with. Such amounts may, in terms of the Exchange Control Regulations, be remitted abroad only if such Notes were acquired with foreign currency introduced into South Africa and provided that the relevant Individual Certificate has been restrictively endorsed "non-resident" or the relevant securities account has been designated as a "non-resident" securities account, as the case may be.

#### **ORDER NOTES**

Any Order Certificates issued to Emigrant Noteholders will be endorsed in accordance with the applicable provisions of the Exchange Control Regulations. The disposal or acquisition of or dealing in any Order Notes (and Order Certificates) issued to Emigrant Noteholders will be subject to the applicable provisions of the Exchange Control Regulations.

Any Order Certificates issued to Non-resident Noteholders will be endorsed in accordance with the applicable provisions of the Exchange Control Regulations. The disposal or acquisition of or dealing in any Order Notes (and Order Certificates) issued to Non-Resident Noteholders will be subject to the applicable provisions of the Exchange Control Regulations.

## GENERAL INFORMATION

### CORPORATE AUTHORISATIONS

All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of South Africa as at the Programme Date have been given for the establishment of the Programme and the execution of this Programme Memorandum, and for the Issuer to enter into and perform its obligations under, among other things, each Applicable Agency Agreement (if any) and the Programme Agreement.

As contemplated in Condition 26.2, the Issuer Board has consented in writing (in a resolution of the Issuer Board passed on [●] [●] 2024) to the transfer of all Registered Notes issued, under the Programme, pursuant to this Programme Memorandum, for as long as the Issuer of such Registered Notes is a private company.

All corporate authorities, and all consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer will be given, prior to the Issue Date of a Tranche of Notes, for (among other things) the Issuer to issue that Tranche of Notes, to execute the Applicable Pricing Supplement relating to that Tranche of Notes, to enter into and perform its obligations under the Applicable Terms and Conditions of that Tranche of Notes, and to enter into and perform its obligations under the Placing Agreement (if any) relating to the issue and placing of that Tranche of Notes.

In addition, all corporate authorities, and all consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of South Africa will be given, prior to the Issue Date of a Tranche of Secured Notes, for the Issuer to enter into and perform its obligations under, among other things, the Security Agreements relating to that Tranche of Secured Notes.

### APPROVAL AND LISTING

The Programme Memorandum, dated [●] 2024, was registered and approved by the CTSE on [●] 2024.

A Tranche of Registered Notes may be listed on the CTSE and/or on such other Financial Exchange/s as may be determined by the Issuer and the Dealer/s, subject to all Applicable Laws. Unlisted Registered Notes may also be issued under the Programme. Unlisted Registered Notes are not regulated by the CTSE or any other Financial Exchange. The Noteholders of Registered Notes that are not listed on the CTSE will have no recourse against the CTSE. The Applicable Pricing Supplement will specify whether or not a Tranche of Registered Notes will be listed and, if so, on which Financial Exchange.

### LITIGATION

The Issuer is a newly set-up entity, incorporated on 12 August 2024, with no assets or liabilities (save for its share capital). The Issuer will only commence business operations after the Programme Date. The Issuer is not aware of any legal or arbitration proceedings in which the Issuer is involved, including any proceedings that are pending or threatened, that may have or have had in the period between the date of incorporation of the Issuer (12 August 2024) and the Programme Date, a Material effect on the Issuer's financial position.

For purposes of the paragraph above "**Material**" shall have the meaning ascribed to it in the CTSE Debt Listings Requirements.

### MATERIAL CHANGE

The Issuer is a newly set-up entity, incorporated on 12 August 2024, with no assets or liabilities (save for its share capital). The Issuer will only commence business operations after the Programme Date.

The 1st set of audited financial statements of the Issuer will cover the period from the date of the Issuer's incorporation (12 August 2024) to the last day of February 2025 (financial year end).

As at the Programme Date, the Issuer has no "*subsidiaries*" (as defined in the Companies Act).

The Issuer is not aware of any Material change in the financial or trading condition of the Issuer that has occurred in the period between the date of incorporation of the Issuer (12 August 2024) and the Programme Date. This statement has not been confirmed or verified or reviewed and reported on by the auditors of the Issuer.

For purposes of the paragraph above "**Material**" shall have the meaning ascribed to it in the CTSE Debt Listings Requirements.

### AUDITORS

Advoca Auditing Inc are the auditors of the Issuer as at the Programme Date.

**For: INDLULIVING PROPRIETARY LIMITED**

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

Name: [●]

Capacity: [●]

*Duly authorised*

Date: [●] 2024

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

Name: [●]

Capacity: [●]

*Duly authorised*

Date: [●] 2024

**ISSUER****INDLULIVING PROPRIETARY LIMITED**

(registration number 2024/500291/07)

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**SETTLING BANK AND ISSUER'S CSD PARTICIPANT/SETTLEMENT AGENT****FIRSTRAND BANK LIMITED**

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**TRANSFER AGENT**  
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(registration number 2016/396777/07)

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(registration number 2008/018923/21)

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**AUDITORS TO THE ISSUER**  
**ADVOCA AUDITING INC**

[•]