

Domestic Medium Term Note Programme

Programme Memorandum



Programme Memorandum dated 12 December 2022



ALTVEST CREDIT OPPORTUNITIES FUND LIMITED

(incorporated with limited liability under registration number 2022/737301/06 in the Republic of South Africa)

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

Programme

Under this Altvest Credit Opportunities Fund Limited ZAR5,000,000,000 Domestic Medium Term Note Programme ("**Programme**"), Altvest Credit Opportunities Fund 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 12 December 2022, as amended and/or supplemented from time to time ("**Programme Memorandum**").

The Programme Memorandum, dated 12 December 2022, was registered and approved by The Cape Town Stock Exchange Proprietary Limited ("**CTSE**") on 8 December 2022.

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 12 December 2022 ("**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 "*Summary of the Programme*" under "*Increase in the Programme Amount*".

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

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 the relevant Tranche of Secured Notes will be set out in a Security Annexure and/or in a Security Supplement.

A Security Annexure and/or a Security Supplement will contain:

- details of the security structure which is applicable to the relevant Tranche of Secured Notes (including, without limitation, details of the applicable Security Agreements);
- the additional and/or supplemented Conditions which are applicable to the relevant Tranche of Secured Notes;
- details of the additional risk factors which are applicable to the relevant Tranche of Secured Notes.

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 (if any), 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.

Notes may be issued on a continuing basis and may be placed by one or more Dealers appointed by the Issuer from 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" (see, in addition, "Secured Notes" above).

Arranger and Dealer:

CTSE Capital Solutions Proprietary Limited



Debt Issuer Agent:

CTSE Capital Solutions Proprietary Limited



Legal Advisers to the Issuer:

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, the annual reports of the Issuer (if any) 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 take any responsibility for the contents of this Programme Memorandum, each Applicable Pricing Supplement, the annual financial statements of the Issuer, the annual reports of the Issuer (if any) and any amendments or supplements to the aforementioned documents. Neither CTSE nor CTSE Registry Services Proprietary Limited make any representation as to the accuracy or completeness of this Programme Memorandum, each Applicable Pricing Supplement, the annual financial statements of the Issuer, the annual reports of the Issuer (if any) 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 Dealer/s (if any) 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 Dealer/s, CTSE, CTSE Registry Services Proprietary Limited, 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 Services Proprietary Limited, the Debt Issuer Agent, the Arranger, the 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 Services Proprietary Limited, 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 Services Proprietary Limited, the Debt Issuer Agent, the Arranger, the 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 Services Proprietary Limited, the Debt Issuer Agent, the Arranger, the 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 Dealer/s, CTSE or CTSE Registry Services Proprietary Limited 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*" as read with any applicable Security Supplement) and any other factors which may be relevant to it in connection with such investment.

Neither CTSE nor CTSE Registry Services Proprietary Limited 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 Services Proprietary Limited, 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 Services Proprietary Limited 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 Services Proprietary Limited, 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 Services Proprietary Limited 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 Services Proprietary Limited 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 Services Proprietary Limited 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.

TABLE OF CONTENTS

	Page
DOCUMENTS INCORPORATED BY REFERENCE	8
SUMMARY OF THE PROGRAMME	10
FORM OF THE NOTES	15
FORM OF THE APPLICABLE PRICING SUPPLEMENT	16
TERMS AND CONDITIONS	28
USE OF PROCEEDS	61
GENERAL DESCRIPTION OF THE ISSUER	62
FINANCIAL INFORMATION	71
RISK FACTORS	72
SETTLEMENT, CLEARING AND TRANSFERS OF UNCERTIFICATED NOTES	78
SUBSCRIPTION AND SALE	79
TAXATION	83
EXCHANGE CONTROL	86
GENERAL INFORMATION	89

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 the financial year of the Issuer ending on the last day of February 2023 and all succeeding financial years of the Issuer, which will include the independent auditor's reports in respect of such financial statements;
- b) the annual reports of the Issuer (if any);
- c) each Applicable Pricing Supplement relating to a Tranche of Notes which is listed on CTSE ("**CTSE-listed Applicable Pricing Supplement**") (including the Security Annexure, if any);
- d) updated information (if any) on the Issuer and/or its business (see the section of this Programme Memorandum headed "*General Description of the Issuer*"), including, without limitation, updated information (if any) on the Issuer-specific risks listed in the section of this Programme Memorandum headed "*Risk Factors*" under "*Risks relating to the Issuer*";
- e) subject to the provisions under the sub-section headed "*Data Room*" below, all information which is held in the "*Data Room*" as defined in that sub-section ("**Data Room**");
- f) 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;
- g) each supplement to this Programme Memorandum required to be made available (and published) by the Issuer in terms of Section 9.14 and/or Section 11.20 of the CTSE Debt Listings Requirements;
- h) each Security Supplement;
- i) the King Code Application Register (and any updates thereto from time to time), as described in the section of this Programme Memorandum headed "*General Description of the Issuer*" under "*Compliance with the King Code*" ("**King Code Information**"),

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.

For purposes of the paragraphs below, "**Confidential Documents**" mean documents and agreements relating to one or more Tranche/s of Secured Notes which are determined by the Issuer to be confidential, including (without limitation) the memorandum of incorporation of the relevant security special purpose vehicle ('SPV'), the relevant 'SPV' owner trust deed; the relevant Security Agreements, Security Supplement and/or Security Annexure, and any documents and/or certificates which relate to one or more Tranches of Secured Notes in issue (or to be issued) under the Programme; provided that such documents will not include this Programme Memorandum, the audited annual financial statements of the Issuer, the annual reports of the Issuer (if any) and any supplement to this Programme Memorandum described in sub-paragraph (g) above.

The constitutional documents of the Issuer are available for inspection, upon request, during normal office hours, at the Specified Office of the Issuer.

The following documents (excluding Confidential Documents) are available for inspection (or will be 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 is (or will be) available on the Issuer's website at www.altvestcapital.co.za:

- a) this Programme Memorandum;
- b) each CTSE-listed Applicable Pricing Supplement, including the relevant Security Annexure (where applicable), unless the relevant Security Annexure is a Confidential Document;

- c) the updated information (if any) on the Issuer and/or its business described in sub-paragraph (d) above;
- d) each Security Supplement, unless the relevant Security Supplement is a Confidential Document;
- e) each supplement to the Programme Memorandum described in sub-paragraph (g) above;
- f) each supplement to this Programme Memorandum contemplated under "*Review and Update*" below.

In addition, each document described in the paragraph above (excluding Confidential Documents) is (or will be) available on CTSE's website at www.ctexchange.co.za.

The King Code Information (see the section of this Programme Memorandum headed "*General Description of the Issuer*" under "*Compliance with the King Code*" below) will (as and when the relevant King Code Information is approved and becomes available) be available for inspection, upon request, during normal office hours, at the Specified Office of the Issuer. In addition, the King Code Information is (or will be) available on the Issuer's website at www.altvestcapital.co.za.

Information held in the Data Room (or the relevant portion thereof) will only be made available to potential investor/s in a Tranche of Secured Notes (and the Secured Noteholder/s of that Tranche of Secured Notes) on the basis set out under the sub-section headed "*Data Room*" below.

All of the information described in this section above will only be made available as described in this section above for as long as this Programme Memorandum remains registered with CTSE.

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 which relate to one or more Tranches of Secured Notes in issue (or to be issued) under the Programme.

A potential investor in Secured Note/s in a Tranche of Secured Notes ("**Potential Investor**") may apply for access to the Data Room (or the relevant portion thereof) by addressing a request therefor to the Issuer at info@altvestcapital.co.za.

The Issuer may, in its sole and absolute discretion, grant the Potential Investor access to the Data Room (or the relevant portion thereof); provided that the 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 the Potential Investor and (ii) given such undertaking/s as to confidentiality of the information made available in the Data Room (or the relevant portion thereof) as the Issuer may require.

Access to the Data Room (or the relevant portion thereof) will continue if the Potential Investor becomes a Secured Noteholder (by subscribing for the relevant Secured Note/s).

REVIEW AND UPDATE

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, for purposes of the paragraph below, 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.

SUMMARY OF THE PROGRAMME

The following summary 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.

Approval and listing	<p>The Programme Memorandum, dated 12 December 2022, was registered and approved by CTSE on 8 December 2022.</p> <p>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 (if any), subject to all Applicable Laws.</p> <p>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.</p> <p>The Applicable Pricing Supplement will specify whether or not a Tranche of Registered Notes will be listed and, if so, on which Financial Exchange.</p>
Arranger	CTSE Capital Solutions Proprietary Limited.
Books Closed Period	<p>The Register will, in respect of a Tranche of Registered Notes, be closed during the Books Closed Period.</p> <p>The Books Closed Period will be from 17h00 (South African time) on the Last Day to Register until 17h00 (South African time) on the day preceding each Interest Payment Date (where applicable) and the Redemption Date.</p> <p>The Last Day to Register will be the dates specified as such in the Applicable Pricing Supplement 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 Registered Notes in the Register.</p>
Clearing and settlement	<p>The CSD is the operator of an electronic clearing system which matches, clears and facilitates the settlement of all transactions carried out on CTSE.</p> <p>Each Tranche of Uncertificated Notes will be issued in registered uncertificated form and will be held in the CSD. Each Tranche of Uncertificated Notes will be issued, cleared and settled in accordance with the Applicable Procedures through the CSD electronic settlement system (see the sections of this Programme Memorandum headed "<i>Form of the Notes</i>" and "<i>Settlement, Clearing and Transfers of Uncertificated Notes</i>").</p>
CSD	Strate Proprietary Limited, a central securities depository licensed in terms of the Financial Markets Act, or any additional or alternative depository approved by the Issuer.
CSD Participants	<p>The persons accepted by the Central Securities Depository as participants in terms of the Financial Markets Act.</p> <p>As at the Programme Date, the 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.</p> <p>Euroclear Bank S.A/N.V., as operator of the Euroclear System ("Euroclear"), and Clearstream Banking, <i>société anonyme</i> ("Clearstream") may hold Notes through their nominated Participant.</p>
CSD Procedures	In relation to a Tranche of Uncertificated Notes, the rules and operating procedures for the time being of the CSD and CSD Participants.
CTSE	The Cape Town Stock Exchange Proprietary Limited (formerly 4 Africa Exchange Proprietary Limited), licensed as an exchange in terms of the Financial Markets Act or any exchange which operates as a successor exchange to CTSE in terms of the Financial Markets Act.

Data Room	The access controlled virtual data room set up by the Issuer for purposes of posting and storing Confidential Documents which relate to one or more Tranches of Secured Notes in issue (or to be issued) under the Programme.
Dealers	CTSE Capital Solutions Proprietary Limited 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 of more Tranche/s 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 (see the section of this Programme Memorandum headed " <i>Subscription and Sale</i> " under " <i>Arranger, Debt Issuer Agent, Dealer and Placing Arrangements</i> ").
Debt Issuer Agent	CTSE Capital Solutions Proprietary Limited
Description of the Programme	Altvest Credit Opportunities Fund Limited ZAR5,000,000,000 Domestic Medium Term Note Programme.
Distribution	A Tranche of Notes may be offered by way of public auction or private placement or any other means permitted by Applicable Law, as specified in the Applicable Pricing Supplement.
Exchange control	<p>This Programme Memorandum does not require the prior written approval of the Exchange Control Authorities in terms of the Exchange Control Regulations.</p> <p>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.</p> <p>However, under certain circumstances (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 (see the section of this Programme Memorandum headed "<i>Exchange Control</i>").</p>
Form of the Notes	Notes will be issued in the form of Registered Notes or Order Notes, as described in the section of this Programme Memorandum headed " <i>Form of the Notes</i> ".
Governing Law	This 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.
Increase in the Programme Amount	From time to time the Issuer may elect to increase the Programme Amount. Subject to the Applicable Procedures, all Applicable Laws and the conditions set out in the Programme Agreement, the Issuer may, without the consent of any Noteholder, increase the Programme Amount by delivering a notice of such increased Programme Amount to (i) the Arranger, (ii) the Debt Issuer Agent and (iii) the Dealer/s. The Issuer will, forthwith after the Programme Amount is so increased, notify the Noteholders (in accordance with Condition 17.1) of the increased Programme Amount.
Interest	Notes may be interest-bearing or non-interest bearing, as specified in the Applicable Pricing Supplement. Zero Coupon Notes will not bear interest.
Interest Commencement Date	A Tranche of interest-bearing Notes will bear interest from (and including) the Interest Commencement Date. Unless otherwise specified in the Applicable Pricing Supplement, the Interest Commencement Date will be the Issue Date.
Interest payments	Interest on a Tranche of interest-bearing Notes will be payable in arrear, in respect of the Interest Periods specified in the Applicable Pricing Supplement, on the Interest Payment Dates specified in the Applicable Pricing Supplement.
Issue Price	A Tranche of Notes will be issued on a fully-paid basis at its Principal Amount or at a discount or premium to its Principal Amount, as specified in the Applicable Pricing Supplement.
Issuer	Altvest Credit Opportunities Fund Limited.

Issue and transfer taxes	As at the Programme Date, no securities transfer tax or any similar tax is payable under the Securities Transfer Tax Act in respect of the issue, transfer or redemption of the Notes (see the section of this Programme Memorandum headed " <i>Taxation</i> "). 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 Noteholders.
Maturity Date	The Maturity Date of a Tranche of Notes will be specified in the Applicable Pricing Supplement.
Negative pledge	For as long as any Senior Unsecured Note remains outstanding, the Issuer will not create or permit the creation of any Encumbrance (other than a Permitted Encumbrance) over the whole or any Material Part of its present or future undertaking, assets or revenues, 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, as contemplated in Condition 6.
Noteholders	The Noteholders are (i) the holders of Registered Notes which are recorded as the registered Noteholders of such Registered Notes in the Register (see " <i>Register</i> " below) and (ii) the Payees of Order Notes.
Programme Amount	As 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 in " <i>Increase in the Programme Amount</i> " above.
Rating	<p>The Programme is not rated.</p> <p>The Issuer and/or 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.</p> <p>The Applicable Pricing Supplement will reflect the Rating/s, if any, assigned to the Issuer and/or a Tranche of Notes, as well as the Rating Agency/ies which assigned such Rating/s.</p> <p>A Rating of the Issuer and/or a Tranche of Notes is not a recommendation to subscribe for, buy, sell or hold any Notes.</p>
Redemption:	<p><i>Redemption at maturity:</i> Unless previously redeemed, or purchased and cancelled, pursuant to Condition 10, the Issuer will redeem a Tranche of Notes, on the Maturity Date, at the Final Redemption Amount, as described in Condition 9.1.</p> <p><i>Redemption for tax reasons:</i> The Issuer may, at its election, redeem any Tranche of Notes (in whole or in part) for tax reasons (as set out in Condition 10.2), on the Early Redemption Date (Tax), at the Early Redemption Amount, as described in Condition 9.2.</p> <p><i>Redemption at the election of the Issuer:</i> If "<i>Redemption at the Election of the Issuer</i>" is specified in the Applicable Pricing Supplement as being applicable to a Tranche of Notes, the Issuer may, at its option, redeem that Tranche of Notes (in whole or in part), on the Early Redemption Date (Call), at the Early Redemption Amount, as described in Condition 9.3.</p> <p><i>Redemption at the election of Noteholders:</i> If the Noteholder Early Redemption Election is applicable to a Tranche of Notes, the Noteholder of any Note/s in that Tranche may, at its election (but subject to Condition 9.7.2) require the Issuer to redeem all or any of such Note/s (as specified in the Noteholder Early Redemption Notice), in whole or in part (as specified in the Noteholder Early Redemption Notice), on the Early Redemption Date (Put), at the Early Redemption Amount, as described in Condition 9.4.</p>

Register	<p>The Register is the register of the Issuer's securities (including the register of the Issuer's uncertificated securities) contemplated in (and maintained in accordance) with Part E of the Companies Act.</p> <p>The Register will be maintained by the Transfer Agent.</p> <p>The registered Noteholder/s of a Tranche of Uncertificated Notes will be determined in accordance with the CSD Procedures, and such registered Noteholder/s will be named in the Register as the registered Noteholder/s of such Uncertificated Note/s.</p> <p>Each holder of Registered Notes which are represented by a Certificate will be named in the Register as the registered Noteholder of such Registered Notes. The holders of Beneficial Interests will not be named in the Register.</p> <p>Only Noteholders named in the Register at 17h00 (South African time) on the relevant Last Day to Register will be entitled to payments of amounts due and payable in respect of Registered Notes.</p>
Risk factors	<p>Investing in the Notes involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are set out in the section of this Programme Memorandum headed "<i>Risk Factors</i>" and, where applicable, the relevant Security Annexure and/or Security Supplement (see "<i>Secured Notes</i>" below).</p>
Secured Notes	<p>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 the relevant Tranche of Secured Notes will be set out in a Security Annexure and/or in a Security Supplement.</p> <p>A Security Annexure and/or a Security Supplement will contain:</p> <ul style="list-style-type: none"> • details of the security structure which is applicable to the relevant Tranche of Secured Notes (including, without limitation, details of the applicable Security Agreements), as further described in Condition 21; • the additional and/or supplemented Conditions which are applicable to the relevant Tranche of Secured Notes, as further described in Condition 21; • details of the additional risk factors which are applicable to the relevant Tranche of Secured Notes, as further described in Condition 21.
Selling restrictions	<p>The distribution of this Programme Memorandum and/or any Applicable Pricing Supplement and any offering or sale of or subscription for a Tranche of Notes may be restricted by law in certain jurisdictions, and is restricted by law in the United States of America, the European Economic Area, the United Kingdom and South Africa (see the section of this Programme Memorandum headed "<i>Subscription and Sale</i>" under "<i>Selling Restrictions</i>"). Any other or additional selling restrictions which are applicable to the placing of a Tranche of Notes will be set out in the Applicable Pricing Supplement. Persons who come into possession of this Programme Memorandum and/or any Applicable Pricing Supplement must inform themselves about and observe all applicable selling restrictions.</p>
Settling Bank	<p>FirstRand Bank Limited or, if the Issuer elects to appoint another entity as Settling Bank, as contemplated in Condition 16, that other entity, as the case may be.</p>
Specified Currency	<p>South African Rand (ZAR) or (subject, to the Exchange Control Regulations), any other currency specified as such in the Applicable Pricing Supplement.</p>
Specified Denomination	<p>The denomination of each Note in a Tranche of Notes will be 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.</p>

Status of the Notes	A Tranche of Notes may comprise Senior Notes or Subordinated Notes, Secured Notes or Unsecured Notes, as specified in the Applicable Pricing Supplement (and as described in Condition 5).
Strate Issuer Agent	CTSE Registry Services Proprietary Limited or, if the Issuer elects to appoint another entity as Strate Issuer Agent, as contemplated in Condition 16, that other entity, as the case may be.
Taxation	A summary of the more important fiscal provisions pertaining to the Notes, as at the Programme Date, is set out in the section of this Programme Memorandum headed " <i>Taxation</i> ". The summary is not intended to be and does not constitute tax advice. Potential investors in the Notes should, before making an investment in the Notes, consult their own professional advisers as to the potential fiscal consequences of, and their tax positions in respect of the acquisition, holding and/or disposal of the Notes.
Terms and Conditions	<p>See the section of this Programme Memorandum headed "<i>Terms and Conditions</i>" ("Terms and Conditions").</p> <p>The Applicable Terms and Conditions of a Tranche of Notes are 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.</p>
Transfer Agent	CTSE Registry Services Proprietary Limited or, if the Issuer elects to appoint another entity as Transfer Agent, as contemplated in Condition 16, that other entity, as the case may be.
Type of Notes	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.
Use of proceeds	The Issuer will use the net proceeds of the issue of a Tranche of Notes for its general corporate purposes or as may otherwise be described in the Applicable Pricing Supplement.
Withholding tax	All payments of interest in respect of the Notes will be made without withholding or deduction for or on account of any Taxes unless such withholding or deduction is required by Applicable Law. If any such withholding or other deduction is required by Applicable Law and is applicable to all Noteholders, the Issuer will, subject to the election of the Issuer to redeem that Tranche of Notes following a Tax Event pursuant to Condition 9.2 (and subject to certain exceptions as provided in Condition 10), 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 interest which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction.

FORM OF THE NOTES

REGISTERED NOTES WHICH ARE HELD IN THE CSD

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

The Notes in a Tranche of Registered Notes will, upon issue, be freely transferrable and 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 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.



ALTVEST CREDIT OPPORTUNITIES FUND LIMITED

(incorporated with limited liability under registration number 2022/737301/06 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 12 December 2022, as amended and/or supplemented from time to time ("**Programme Memorandum**") prepared by Altvest Credit Opportunities Fund Limited ("**Issuer**") in connection with the Altvest Credit Opportunities Fund Limited ZAR5,000,000,000 Domestic Medium Term Note Programme ("**Programme**").

The Programme Memorandum, dated 12 December 2022, was registered and approved by the Cape Town Stock Exchange Proprietary Limited ("**CTSE**") on 8 December 2022.

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	Altvest Credit Opportunities Fund Limited
2.	Tranche number	[]
3.	Series number	[]
4.	Status of Notes	<i>(*delete whichever is not applicable)</i> [Senior Secured Notes (see Condition 5.1)] [Senior Unsecured Notes (see Condition 5.2)] [Subordinated Secured Notes (see Condition 5.3)]

- [Subordinated Unsecured Notes (see Condition 5.4)]
5. Security *(*delete whichever is not applicable)*
 [Unsecured Notes]
 [Secured Notes (see Item H below)]
6. Form of Notes The Notes in this Tranche are issued in registered uncertificated form and will be held in the CSD.
7. Type of Notes [Fixed Rate Notes] [Floating Rate Notes] [Zero Coupon Notes]
[specify other]
8. Issue Date []
9. Issue Price [[]% of the Principal Amount] *[specify other]*
10. Aggregate Principal Amount of this Tranche ZAR[]
11. Interest *(*delete whichever is not applicable)*
 [Fixed Rate Note provisions (see Condition 7.1)]
 [Floating Rate Note provisions (see Condition 7.2)]
[specify other]
12. Redemption/payment basis [Redemption at par] *[specify other]*
13. 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]*
14. 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]*
15. Specified Currency [ZAR] *[specify other (subject to the Exchange Control Regulations)]*
16. Business Day Convention [Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] *[specify other]*
17. 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(8) 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 to []% 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(16) above).] *[specify other]*

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)] *[specify other]*
6. Calculation Amount ZAR1,000,000
7. Fixed Interest Amount per Calculation Amount ZAR[] per Calculation Amount
8. Initial Broken Amount [Not Applicable] *[specify Initial Broken Amount: []]*
9. Final Broken Amount [Not Applicable] *[specify Final Broken Amount: []]*
10. Default Rate [The sum of the Fixed Interest Rate (see Item C(1) above) plus []% per annum] (see Condition 7.4.1)] *[specify other]*
11. 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(16) above)] *[specify other]*
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)] *[specify other]*
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 7.2.4, 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 Strate 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>] |
| 3. | <i>Redemption for tax reasons:</i> | Applicable (see Condition 9.2) |
| (a) | Redemption in whole | [Applicable] [Not Applicable] |
| (b) | Redemption in whole or 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>]. |
| 4. | <i>Redemption at the election of the Issuer:</i> | [Applicable - see Condition 9.3]
[Not Applicable] |
| 5. | <i>If "Redemption at the election of the Issuer" applicable:</i> | |
| (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>] |
| 6. | <i>Redemption at the election of the Noteholder:</i> | [Applicable - see Condition 9.4]
[Not Applicable] |
| 7. | <i>If "Redemption at the election of the Noteholder" applicable:</i> | A Noteholder of any Notes in this Tranche (" relevant Noteholder ") 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 (" 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, 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] [*specify other*]
- (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 [Not Applicable] [*specify*]
2. Specified Office of the Security SPV [Not Applicable] [*specify*]
3. Security SPV Owner Trust [Not Applicable] [*specify*]
4. Trustee of the Security SPV Owner Trust [Not Applicable] [*specify*]
5. Specified Office of the Trustee of the Security SPV Owner Trust [Not Applicable] [*specify*]
6. Security structure Details of the security structure which is applicable to this Tranche of Secured Notes (including, without limitation, details of the applicable Security Agreements) are set out in [Annexure "A" (*Secured Notes*) to this Applicable Pricing Supplement] and/or in the Security Supplement dated [], as contemplated in Condition 20.
7. Additional and/or supplemented Conditions The additional and/or supplemented Conditions which are applicable to this Tranche of Secured Notes and/or the Secured Noteholders of this Tranche of Secured Notes are set out in [Annexure "A" (*Secured Notes*) to this Applicable Pricing Supplement] and/or in the Security Supplement dated [], as contemplated in Condition 20.
8. Additional risks relating to Secured Notes Details of the additional risk factors which are applicable to this Tranche of Secured Notes are set out in [Annexure "A" (*Secured Notes*) to this Applicable Pricing Supplement] and/or in the Security Supplement dated [], as contemplated in Condition 20.
9. 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 which relate to one or more Tranches of Secured Notes in issue (or to be issued) under the Programme.

A potential investor in Secured Note/s in this Tranche of Secured Notes ("**Potential Investor**") may apply for access to the Data Room (or the relevant portion thereof) by addressing a request therefor to the Issuer at info@altvestcapital.co.za.

The Issuer may, in its sole and absolute discretion, grant the Potential Investor access to the Data Room (or the relevant portion thereof); provided that the 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 the Potential Investor and (ii) given such undertaking/s as to confidentiality of the information made available in the Data Room (or the relevant portion thereof) as the Issuer may require.

Access to the Data Room (or the relevant portion thereof) will

continue if the Potential Investor becomes a Secured Noteholder (by subscribing for the relevant Secured Note/s).

I AGENTS AND SPECIFIED OFFICES

1. Strate Issuer Agent [CTSE Registry Services Proprietary Limited] *[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 [14th Floor, 1 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] Limited] *[specify other]*
8. Specified Office of the Issuer's CSD Participant/Settlement Agent [14th Floor, 1 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 in the Register the transfer of Notes which are represented by Certificates.
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 dates]* 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. Exchange control approval [Not Applicable] [Applicable] *(Note: see the section of the Programme Memorandum headed "Exchange Control")*
2. Additional selling restrictions (if any) [Not Applicable] *[give details]*
3. International Security Identification Number (ISIN) []
4. Stock Code Number []
5. Financial Exchange The Cape Town Stock Exchange Proprietary Limited ('CTSE')
6. Debt Issuer Agent [CTSE Capital Solutions Proprietary Limited] *[specify other]*
7. Name of Dealer [Not Applicable] *[give details]*
8. Stabilisation Manager [Not Applicable] *[give details]*
9. Method of Distribution [Dutch Auction] [Dutch Auction (sealed bid without feedback)] [Private Placement] *[specify other]*

10. Bookbuild and Allocation Policy [Not Applicable] *[give details]*
11. Pricing Methodology [Not Applicable] *[give details]*
12. 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]*
13. 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]*
14. Governing law
The Programme Memorandum, the Notes, the Applicable Terms and Conditions [and the Security Agreements relating to this Tranche of Secured Notes] are governed by, and shall be construed in accordance with, the laws of South Africa.
15. Use of proceeds
The Issuer will use the proceeds of this Tranche of Notes for [its general corporate purposes] *[specify other]*.
16. Material change
*(*delete whichever is not applicable)*
Note: if the Commercial Paper Regulations are applicable:
[See Annexure ["A"] ["B"] 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 was registered on 22 September 2022. The Issuer only commenced full business operations after the Programme Date.

[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 prior to and as at the date of signature of this Applicable Pricing Supplement. 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]
- 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 [] (being the end of the last financial period for which [audited annual financial statements] [unaudited interim 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]
17. Commercial Paper Regulations [Applicable - see Annexure ["A"] ["B"] (*Commercial Paper Regulations*) 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))

18. 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, the annual reports of the Issuer (if any) and any amendments or supplements to the aforementioned documents, except as otherwise stated therein.

Neither CTSE nor CTSE Registry Services Proprietary Limited take any responsibility for the contents of the Programme Memorandum, this Applicable Pricing Supplement, the annual financial statements of the Issuer, the annual reports of the Issuer (if any) and any amendments or supplements to the aforementioned documents. Neither CTSE nor CTSE Registry Services Proprietary Limited make any representation as to the accuracy or completeness of the Programme Memorandum, this Applicable Pricing Supplement, the annual financial statements of the Issuer, the annual reports of the Issuer (if any) and any amendments or supplements to the aforementioned documents, and each of CTSE and CTSE Registry Services Proprietary Limited 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 CTSE, as from [], pursuant to the Altvest Credit Opportunities Fund Limited ZAR5,000,000,000 Domestic Medium Term Note Programme.

ALTVEST CREDIT OPPORTUNITIES FUND LIMITED

By: _____

[By: _____]

Name: _____

[Name: _____]

Capacity: _____

[Capacity: _____]

Duly authorised

[*Duly authorised*]

ANNEXURE "A" TO THE APPLICABLE PRICING SUPPLEMENT – SECURED NOTES

*(*delete if not applicable)*

Details of the security structure

[give details]

Additional and/or supplemented Conditions

[specify]

Additional risks relating to Secured Notes

[specify]

ANNEXURE ["A"] ["B"] 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**"), conducts "*the business of a bank*" (as defined in paragraph (a) of the definition of "*the business of a bank*" in the Banks Act, 1990), the Issuer will procure that this Annexure ["A"] ["B"] (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"] ["B"] (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 Altvest Credit Opportunities Fund Limited (registration number 2022/737301/06).

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 [Deloitte & Touche] [*specify other*].

[Deloitte & Touche] [*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 listed on CTSE.

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

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*)

[Deloitte & Touche] [*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.

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 15.1.3;

"Acceleration Date" has the meaning given to it in Condition 15.1.3;

"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;

"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, 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;

"Arranger" means CTSE Capital Solutions or such other entity as may be appointed by the Issuer from time to time in accordance with the Programme Agreement;

"Banks Act" means the Banks Act, 1990;

"Beneficial Interest" means, in relation to a Tranche of Uncertificated Notes, subject to Condition 1.2.4, the beneficial interest as co-owner of all of the Uncertificated 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 Uncertificated Notes in that Tranche, is determined by reference to the proportion that the aggregate Outstanding Principal Amount of such number of Uncertificated Notes bears to the aggregate Outstanding Principal Amount of all of the Uncertificated 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;

"**Certificate**" means the single certificate in definitive registered form without interest coupons representing Registered Note/s for which a Beneficial Interest in Uncertificated Note/s has/have been exchanged 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**" mean documents and agreements relating to one or more Tranche/s of Secured Notes which are determined by the Issuer to be confidential, including (without limitation) the memorandum of incorporation of the relevant security special purpose vehicle ('SPV'), the relevant 'SPV' owner trust deed, the relevant Security Agreements, Security Supplement and/or Security Annexure, and any documents and/or certificates which relate to one or more Tranches of Secured Notes in issue (or to be issued) under the Programme; provided that such documents will not include the Programme Memorandum, the audited annual financial statements of the Issuer, the annual reports of the Issuer (if any) and any supplement to the Programme Memorandum required to be made available (and published) by the Issuer in terms of Section 9.14 and/or Section 11.20 of the CTSE Debt Listings Requirements, as described in the section of the Programme Memorandum headed "*Documents Incorporated by Reference*" under "*General*";

"**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, in relation to a Tranche of Uncertificated Notes, the rules, directives and operating procedures for the time being of the CSD and CSD Participants;

"**CTSE**" means The Cape Town Stock Exchange Proprietary Limited (formerly 4 Africa 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 CTSE in terms of the Financial Markets Act;

"**CTSE Capital Solutions**" means CTSE Capital Solutions Proprietary Limited (registration number 2018/195310/07);

"**CTSE Debt Listings Requirements**" means the document entitled "*4AX Debt Listings Requirements (VERSION 01) (Effective Date: 28 February 2020)*", as amended and/or supplemented from time to time by CTSE;

"**CTSE Registry Services**" means CTSE Registry Services Proprietary Limited (registration number 2016/396777/07);

"**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 relate to one or more Tranche/s of Secured Notes in issue (or to be issued) under the Programme, as described in 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 CTSE 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 Tranche/s 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 CTSE Capital Solutions or such other person as may be appointed by the Issuer as Debt Issuer Agent in accordance with Chapter 4 of 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 poll (and not on a show of hands), 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 poll (and not on a show of hands), 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 Uncertificated Notes, 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 Uncertificated 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 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;

"Early Termination Amount" means, in respect of each Accelerated Senior Unsecured Note (i) the Outstanding Principal Amount of that Accelerated Senior Unsecured Note plus accrued interest (if any) to the Acceleration Date or (ii) the amount of principal of that Accelerated Senior Unsecured Note 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;

"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;

"Event of Default" means:

- a) in relation to Senior Unsecured Notes, any of the events described in Condition 15.1;
- b) in relation to one or more Tranche/s of Secured Notes, the events specified as such in the relevant Security Annexure/s and/or in the relevant Security Supplement, as contemplated in Condition 20;
- c) in relation to Subordinated Notes, either of the events described in Conditions 15.2;

"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 the Noteholders of one or more Tranche/s of Notes or the Noteholders of more of more Series of Notes, as applicable;

"Group of Secured Noteholders" means, in relation to a Tranche of Secured Notes, the Noteholders of the Secured Notes in that Tranche and **"Groups of Secured Noteholders"** means, collectively, each such Group of Secured Noteholders;

"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 and (without double counting) any guarantees and/or suretyships and/or indemnities given by the Issuer in respect of moneys borrowed, whether present or future, actual or contingent;

"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) any step (including an application, a proposal or a convening of a meeting) is taken by any person with a view to having 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; or
- g) the Issuer commits any act which is or, if it were a natural person, would be an act of insolvency as defined in the Insolvency Act; or
- h) the Issuer is unable to pay its debts when they fall due or is deemed to be unable to pay its debts under any Applicable Law (other than as the result of a failure to pay a debt or claim which is the subject of a good faith dispute),

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 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 Strate 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 Altvest Credit Opportunities Fund Limited (registration number 2022/737301/06);

"**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;

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

"**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 the greater of (i) ZAR20,000,000 or (ii) an amount equal to 1% 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;

"**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 Uncertificated Notes, determined in accordance with the CSD Procedures and recorded as such in the Register; (ii) the registered Noteholders of Registered Notes which are represented by Certificates, recorded as such in the Register 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 Agreement; or
- c) any Encumbrance arising by operation of law; or
- d) any statutory Encumbrance; or
- e) 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
- f) 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

- g) any extension or renewal of any Encumbrance contemplated in sub-paragraphs (a) to (f) 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 a written 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 written 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 Altvest Credit Opportunities Fund 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 written agreement entitled "*Programme Agreement*" entered into between Altvest Credit Opportunities Fund Limited (as Issuer), and CTSE Capital Solutions (as Arranger and Dealer) on or about 25 November 2022, 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 "*Summary of the Programme*" under "*Increase in the Programme Amount*";

"**Programme Date**" means the date of the Programme Memorandum, being 12 December 2022;

"**Programme Memorandum**" means this document so entitled in respect of the Programme dated 12 December 2022; 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*" under "*Review and Update*"), 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;

"**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 (registration number 1995/005001/07) and/or Moody's Investors Service South Africa Proprietary Limited (registration number 2002/014566/07) 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;

"**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 Strate 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 (a) Uncertificated Notes and (b) Note/s for which a Beneficial Interest has been exchanged, subject to and in accordance with Condition 11.1. which are represented by Certificate/s;

"**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 as read with the Applicable Pricing Supplement) in which the Floating Interest Rate applicable to that Tranche is to be determined;

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

"**Secured Notes**" means, collectively, Senior Secured Notes and Subordinated Secured Notes;

"**Security Agreements**" mean, in relation to one or more Tranche/s of Secured Notes, the written agreements which provide for the personal and/or real rights of security to be conferred, directly or indirectly, on the Secured Noteholders of such Tranche/s of Secured Notes, including any related guarantee and/or indemnity and/or security cession, where applicable, and "**Security Agreement**" means each of them;

"**Security Annexure**" means, in relation to a Tranche of Secured Notes, Annexure "A" (*Secured Notes*) to the Applicable Pricing Supplement relating to that Tranche of Secured Notes;

"**Security Supplement**" means, in relation to a Tranche of Secured Notes, the Security Supplement described as such in the Item headed "*SECURITY*" in the Applicable Pricing Supplement relating to that Tranche of Secured Notes;

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

"**Senior Noteholders**" means, collectively, the Senior Secured Noteholders and the Senior Unsecured Noteholders and "**Senior Noteholder**" means any of them;

"**Senior 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 Secured Noteholders**" means, collectively, the Noteholders of Senior Secured Notes and "**Senior Secured Noteholder**" means any of them;

"**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;

"**Senior Unsecured Noteholders**" means, collectively, the Noteholders of Senior Unsecured Notes and "**Senior Unsecured Noteholder**" means any of them;

"**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 16, that other entity, as the case may be;

"**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 Issuer Agent, the Strate Issuer Agent, the Settling Bank 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 17.1, as the case may be, and (b) in relation to each other relevant entity that is relevant to one or more Tranche/s of Secured Notes, the address of the office specified in respect of such entity in the Applicable Pricing Supplement/s and/or a Security 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 17.1, as the case may be;

"**Strate Issuer Agent**" means CTSE Registry Services or, if the Issuer elects to appoint another entity as Strate Issuer Agent, as contemplated in Condition 16, that other entity, as the case may be;

"**Subordinated Notes**" means a Tranche of Notes issued with the status and characteristics set out in Condition 5.3 or Condition 5.4, as the case may be, 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% 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*";

"**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;

"Transfer Agent" means CTSE Registry Services or, if the Issuer elects to appoint another entity as Transfer Agent, as contemplated in Condition 16, 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;

"Uncertificated Notes" means, subject to Condition 1.2.4, Notes issued in registered uncertificated form in terms of Chapter IV of the Financial Markets Act, and held in the CSD;

"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), the Reference Rate specified as such in the Applicable Pricing Supplement that is, subject to Condition 7.2.4, 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 Strate Issuer 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 "Uncertificated Notes" include Beneficial Interests in such Uncertificated Notes, and *vice versa*, and references to "Noteholders of Uncertificated Notes" include the holders of Beneficial Interests in such Uncertificated 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.

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. Uncertificated Notes

- 3.2.1. Each Tranche of Uncertificated Notes will be issued in uncertificated form in terms of Chapter IV of the Financial Markets Act and will be held in the CSD. Uncertificated Notes will not be represented by any certificate or written instrument.
- 3.2.2. Each Tranche of Uncertificated Notes will be held by the registered Noteholder/s of such Uncertificated 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, a holder of a Beneficial Interest in Uncertificated Note/s shall be entitled to exchange such Beneficial Interest for Notes which are represented by a Certificate in accordance with Condition 11.1.

3.4. Order Notes

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.

4. TITLE

4.1. Registered Notes

4.1.1. *Uncertificated Notes*

The registered Noteholder/s of the Note/s in a Tranche of Uncertificated Notes 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.

4.1.2. *Beneficial Interests*

- 4.1.2.1. The CSD Participants will maintain records of the Beneficial Interests in Uncertificated Notes.
- 4.1.2.2. Beneficial Interests which are held by CSD Participants will be held directly through the CSD, and the CSD will hold such Beneficial Interests, on behalf of such Participants, through the central securities accounts maintained by the CSD for such CSD Participants.
- 4.1.2.3. Beneficial Interests which are held by clients of CSD Participants will be held indirectly through such CSD Participants, and such CSD Participants will hold such Beneficial Interests, on behalf of such clients, through the securities accounts maintained by such CSD Participants for such clients. The clients of CSD Participants may include the holders of Beneficial Interests or their custodians. The clients of CSD Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Notes held by them in the CSD only through their CSD Participants.
- 4.1.2.4. In relation to each person shown in the records of the CSD or the relevant CSD Participant, as the case may be, as the holder of a Beneficial Interest in a particular aggregate Outstanding Principal Amount, a certificate or other document issued by the CSD or the relevant CSD Participant, as the case may be, as to the aggregate Outstanding Principal Amount standing to the account of such person shall be *prima facie* proof of such Beneficial Interest and such aggregate Outstanding Principal Amount.
- 4.1.2.5. Beneficial Interests may be transferred only in accordance with the CSD Procedures. Such transfers will not be recorded in the Register.
- 4.1.2.6. Subject to the CSD Procedures, the holders of Beneficial Interests may only exercise their rights in respect of such Beneficial Interests through their CSD Participants.
- 4.1.2.7. Any reference in the Terms and Conditions to the relevant CSD Participant shall, in respect of a Beneficial Interest, be a reference to the CSD Participant appointed to act as such by the holder of such Beneficial Interest.

4.1.3. *Registered Notes which are represented by Certificates*

- 4.1.3.1. 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.
- 4.1.3.2. Title to Registered Notes which are represented by a Certificate will pass upon registration of transfer in accordance with Condition 13.2.

4.1.4. *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, 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 Secured Notes

Subordinated Secured 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 secured obligations of the Issuer.

5.4. Subordinated Unsecured Notes

Subordinated Unsecured Notes constitute direct, subordinated 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 subordinated and unsecured obligations of the Issuer.

6. NEGATIVE PLEDGE

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 Strate 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. Subject to Condition 7.2.4, 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 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 Strate

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 Strate 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. 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*
- If the Reference Rate is ZAR-JIBAR-SAFEX, 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 ZAR-JIBAR-SAFEX as may be prescribed by Applicable Law and/or put in place by the financial markets, 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 any such updated determination of ZAR-JIBAR-SAFEX 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 Capital Solutions 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 Strate 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. 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 Uncertificated Notes 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 in 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 – Uncertificated Notes*

- 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 Uncertificated Notes. 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 Uncertificated Notes. 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 Uncertificated Notes, 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 Uncertificated 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 holder of Beneficial Interests 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 Uncertificated Notes 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 – Registered 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 17.1) 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 17.1) 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 17.1) 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 BENEFICIAL INTERESTS AND REPLACEMENT OF CERTIFICATES**

11.1. **Exchange of Beneficial Interests**

- 11.1.1. A holder of a Beneficial Interest in Note/s may, in terms of the Applicable 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 holder's nominated CSD Participant (or, if such holder is a CSD Participant, the CSD), request that such Beneficial Interest be exchanged for Notes in definitive registered form which are represented by a Certificate ("**Exchange Notice**"). The Exchange Notice shall specify (i) the name, physical address, postal address, e-mail address and bank account details of the holder of the Beneficial Interest and (ii) the day on which such Beneficial Interest is to be exchanged for Notes which are represented by 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 holder'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 such Beneficial Interest for Notes which are 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 Applicable 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 holder's nominated CSD Participant (acting on behalf of the holder of the Beneficial Interest) at the Specified Office of the Transfer Agent; provided that joint holders of a Beneficial Interest shall be entitled to receive only one Certificate in respect of that joint holding, and delivery to one of those joint holders shall be delivery to all of them.
- 11.1.3. In order to effect the exchange of a Beneficial Interest in any Notes (a) such 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 Notes from the CSD in accordance with the CSD Procedures.
- 11.1.4. A Certificate shall, in relation to a Beneficial Interest in any number of Notes of a particular aggregate Outstanding Principal Amount standing to the account of the holder thereof, represent that number of 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 Applicable 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 Uncertificated Notes 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 Uncertificated 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 Beneficial Interests

- 13.1.1. Beneficial Interests may be transferred only in accordance with the CSD Procedures through the CSD.
- 13.1.2. Transfers of Beneficial Interests to and from clients of CSD Participants occur by way of electronic book entry in the securities accounts maintained by the CSD Participants for their clients, in accordance with the CSD Procedures.
- 13.1.3. Transfers of Beneficial Interests among CSD Participants occur through electronic book entry in the central securities accounts maintained by the CSD for the CSD Participants, in accordance with the CSD Procedures.
- 13.1.4. Transfers of Beneficial Interests will not be recorded in the Register.

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 is 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 is 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. **Events of Default in respect of Senior Unsecured Notes**

15.1.1. An Event of Default in respect of Senior Unsecured Notes will occur if:

15.1.1.1. 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 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

15.1.1.2. the Issuer fails to perform or observe any of its other material obligations under the Applicable Terms and Conditions of any Tranche of Senior Unsecured Notes and such failure to perform or observe is not remedied within 7 (seven) Business Days after the Issuer has been given written notice from any Senior Unsecured Noteholder;

15.1.1.3. the Issuer fails to pay any amount due and payable under any Material Indebtedness (taking into account any applicable grace period for such payment) and such failure to pay continues for more than 30 (thirty) consecutive days; provided that such failure to pay shall not constitute an Event of Default if the Issuer, in good faith and on reasonable grounds, institutes proceedings to contest its liability to pay such amount within 30 (thirty) consecutive days of the day on which such amount is purportedly due and payable; provided further that if a final decision which is not subject to any appeal has been given or handed down in respect of such proceedings and such decision has been given or handed down against the Issuer, such failure to pay shall, with effect from the date on which such decision is given or handed down, constitute an Event of Default; or

15.1.1.4. an Issuer Insolvency Event occurs; or

15.1.1.5. proceedings are initiated against the Issuer such that a person takes possession of the whole or a Substantial Part of the assets of the Issuer or an execution or attachment or other process is levied, enforced upon, sued out or put in force against the whole or a Substantial Part of the assets of the Issuer, and such proceedings are not (or such execution, attachment or other process is not) withdrawn, or settled and satisfied, within 30 (thirty) days; or

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

15.1.1.7. 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 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 the any Senior Unsecured Noteholder requiring the applicable consent, licence, permit or authorisation to be obtained; or

- 15.1.1.8. the Issuer has one or more judgment/s or order/s or similar award/s for the payment of any amount which, individually or in the aggregate at any point in time, exceeds ZAR1,000,000 ("**judgment**") awarded against it and fails to satisfy such judgment within 30 (thirty) days after becoming aware thereof:
- 15.1.1.8.1. if such judgment is appealable, fails to appeal against such judgment within the time limits prescribed by law or fails to diligently prosecute such appeal thereafter or ultimately fails in such appeal and then fails to satisfy such judgment within 10 (ten) days; and/or
- 15.1.1.8.2. if such judgment is a default judgment, fails to apply for the rescission thereof within the time limits prescribed by law or fails to diligently prosecute such application thereafter or ultimately fails in such application and then fails to satisfy such judgment within 10 (ten) days; and/or
- 15.1.1.8.3. if such judgment is reviewable, fails to initiate proceedings for the review thereof within the time limits prescribed by law or fails to diligently prosecute such proceedings thereafter or ultimately fails in such proceedings and then fails to satisfy such judgment within 10 (ten) days; or
- 15.1.1.9. the Issuer ceases to carry on its business in a normal and regular manner or materially changes the nature of its business, or through an official act of the Board threatens to cease to carry on its business.
- 15.1.2. The Issuer, upon becoming aware that any Event of Default contemplated in Condition 15.1 has occurred and is continuing, shall forthwith notify all of the Senior Unsecured Noteholders (in the manner set out in Condition 17.1) of that Event of Default and (ii) the Strate Issuer Agent, the Settling Bank, the Transfer Agent, the CSD and, if any relevant Tranche is listed on CTSE, CTSE, in writing of that Event of Default.
- 15.1.3. Any Senior Unsecured Noteholder may, by written notice to the Issuer effective upon the date of receipt thereof by the Issuer ("**Acceleration Date**"), declare the Senior Unsecured Note/s held by that Senior Unsecured Noteholder 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.
- 15.1.4. The Issuer shall, forthwith following receipt of a notice contemplated in Condition 15.1.3, notify the Strate Issuer Agent, the Settling Bank, the Transfer Agent, the CSD and, if the Accelerated Senior Unsecured Note/s are listed on CTSE, CTSE, that the Accelerated Senior Unsecured Note/s have become immediately due and payable.
- 15.2. Events of Default in respect of Subordinated Notes**
- 15.2.1. Subject to and without derogating from the provisions of Conditions 5.3 and 5.4, if 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 a Tranche of Subordinated Notes ("**relevant Tranche**") on the due date for payment of such amount, any Noteholder who holds Notes in the relevant Tranche ("**relevant Noteholder**") may, at its discretion and without further notice, institute proceedings for the winding-up of the Issuer and/or prove in any winding-up of the Issuer, but take no other action in respect of that failure to pay. In such proceedings or winding-up the claim of the relevant Noteholder shall be for the Early Termination Amount of the Note/s in the relevant Tranche held by that relevant Noteholder.
- 15.2.2. If the Issuer fails to perform or observe any of its other obligations under the Applicable Terms and Conditions of the relevant Tranche, then any relevant Noteholder may, at its discretion and without further notice, bring such proceedings as it may think fit to enforce the obligation in question; 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 relevant Tranche sooner than the same would otherwise have been payable by it.
- 15.3. Additional Events of Default in respect of Senior Secured Notes**
- A Security Annexure and/or a Security Supplement will set out the additional Conditions setting out (i) the Events of Default which are applicable to a Tranche of Secured Notes, (ii) the action to be taken following the occurrence of any such Event of Default and (iii) the applicable provisions (if any) relating to limited rights of enforcement, non-petition and set-off which are applicable to the relevant Secured Noteholders, as further described in Condition 20.
- 16. TRANSFER AGENT, STRATE ISSUER AGENT AND SETTLING BANK**
- 16.1. 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.

- 16.2. 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 17.1) of any such appointment and, if any Registered Notes are listed on CTSE, the Issuer shall notify CTSE of any such appointment.
- 16.3. There will at all times be an 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.
- 16.4. 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.
- 16.5. Subject to Applicable Laws, if and to the extent that the Issuer acts as Strate Issuer Agent and/or Transfer Agent:
- 16.5.1. 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
- 16.5.2. 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.

17. NOTICES

17.1. Notice to Noteholders

- 17.1.1. 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).
- 17.1.2. 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 17.1.1, the publication of the relevant notice on the CTSE News Service or on any other electronic news service of general distribution.
- 17.1.3. 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.
- 17.1.4. 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).
- 17.1.5. 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 17.1, subject to compliance with any other time periods prescribed in the provision concerned.
- 17.1.6. In addition to the applicable notice requirements set out in this Condition 17.1 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.

17.2. Notice by Noteholders

- 17.2.1. 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.
- 17.2.2. All notices to be given by any holder of a Beneficial Interest to the Issuer or the Transfer Agent, as the case may be, shall be in writing and given by such holder through such holder'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.

18. AMENDMENT

- 18.1. 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. 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 18.1 will be binding on all of the Noteholders.
- 18.2. Save as is provided in Condition 18.1 but subject to Condition 18.7, 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 (iii):
- 18.2.1. 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 18.4) 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 18.4);
- 18.2.2. 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 18.4) 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 18.4).
- 18.3. The provisions of Condition 19 will apply, *mutatis mutandis*, to each meeting of all of the Noteholders or the relevant Group/s of Noteholders, as applicable.
- 18.4. 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 18.2, the Issuer shall (in the manner set out in Condition 17.1) 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.

- 18.5. Any amendment to the Applicable Terms and Conditions (including any of the Terms and Conditions) effected in terms of this Condition 18 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 17.1) 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.
- 18.6. 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.

19. MEETINGS OF NOTEHOLDERS

19.1. Directions of Noteholders

- 19.1.1. The provisions with regard to meetings of all of the Noteholders or the relevant Group/s of Noteholders (as applicable) are set out in this Condition 19. The provisions of this Condition 19 will apply, *mutatis mutandis*, to each separate meeting of all of the Noteholders or the relevant Group/s of Noteholders (as applicable) (each a "**meeting**").
- 19.1.2. Only Noteholders or the relevant Group/s of 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.
- 19.1.3. Every director or duly appointed representative of the Issuer and every other person authorised in writing by the Issuer may attend and speak at a meeting, but will not be entitled to vote, other than (subject to Condition 19.10.3) as a Noteholder or proxy or duly authorised representative of a Noteholder.
- 19.1.4. A meeting will have power, in addition to all powers specifically conferred elsewhere in the Terms and Conditions:
- 19.1.4.1. 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));
- 19.1.4.2. by a Debt Securities Extraordinary Resolution of all of the Noteholders, to bind all of the Noteholders to any compromise or arrangement;
- 19.1.4.3. by a Debt Securities Extraordinary Resolution of all of the Noteholders or the relevant Group/s of 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 18;
- 19.1.5. 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 (as applicable) will require a Debt Securities Ordinary Resolution to be passed.

19.2. Convening of meetings

- 19.2.1. The Issuer may at any time convene a meeting.
- 19.2.2. The Issuer 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**").

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

19.3. Convening of meetings by requisitionists

If the Issuer 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 to all of the Noteholders or the relevant Group/s of Noteholders (as applicable), in accordance with Condition 22.4.

19.4. Notice of meeting

Whenever the Issuer wishes (or is required) to convene a meeting, 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 (as applicable) in the manner set out in Condition 17.1, 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 (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 (as applicable) may agree in writing to a shorter notice period.

19.5. Place of meeting

- 19.5.1. Subject to Condition 19.5.2, 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.
- 19.5.2. 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.

19.6. Quorum

- 19.6.1. A quorum at a meeting shall:
- 19.6.1.1. for the purposes of considering a Debt Securities Ordinary Resolution, consist of Noteholders or the relevant Group/s of 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 (as applicable);
- 19.6.1.2. for the purposes of considering a Debt Securities Extraordinary Resolution, consist of Noteholders or the relevant Group/s of 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 (as applicable).
- 19.6.2. No business will be transacted at a meeting unless a quorum is present at the time when the meeting proceeds to business.
- 19.6.3. 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.

19.7. Chairman

The Issuer 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 19. The chairman of an adjourned meeting need not be the same

person as was chairman of the original meeting.

19.8. **Adjournment**

- 19.8.1. Subject to the provisions of this Condition 19, 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.
- 19.8.2. 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.
- 19.8.3. No business will be transacted at any adjourned meeting other than the business left unfinished at original meeting which was adjourned.

19.9. **Votes**

- 19.9.1. At a meeting of all of the Noteholders or the relevant Group/s of Noteholders (as applicable), voting shall be by way of a poll (and not on a show of hands).
- 19.9.2. 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.
- 19.9.3. Holders of Beneficial Interests must vote in accordance with the CSD Procedures. Subject to the CSD Procedures, the holders of Beneficial Interests 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 holders of Beneficial Interests.
- 19.9.4. 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.

19.10. **Proxies and representatives**

- 19.10.1. 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.
- 19.10.2. A person appointed to act as proxy need not be a Noteholder.
- 19.10.3. The proxy form will be deposited at the Specified Office of the Issuer 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.
- 19.10.4. 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.
- 19.10.5. Notwithstanding Condition 19.10.4, a proxy form will be valid for any adjourned meeting, unless the contrary is stated thereon.
- 19.10.6. 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 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.
- 19.10.7. 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.

19.11. **Binding effect of resolutions**

A resolution passed at a meeting of all of the Noteholders or the relevant Group/s of Noteholders (as applicable), duly convened and held in accordance with the provisions of this Condition 19 is binding on

all of the Noteholders or the relevant Group/s of 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.

19.12. Debt Securities Ordinary Written Resolution and Debt Securities Extraordinary Written Resolution

- 19.12.1. 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:
- 19.12.1.1. 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
- 19.12.1.2. subject to Condition 18.2, 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.
- 19.12.2. 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 19.

19.13. 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.

20. SECURED NOTES

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 the relevant Tranche of Secured Notes will be set out in a Security Annexure and/or in a Security Supplement. A Security Annexure and/or a Security Supplement will contain:

- 20.1. details of the security structure which is applicable to the relevant Tranche of Secured Notes (including, without limitation, details of the applicable Security Agreements);
- 20.2. the additional and/or supplemented Conditions which are applicable to the relevant Tranche of Secured Notes, including:
- 20.2.1. additional Conditions setting out (i) the Events of Default which are applicable to the relevant Tranche of Secured Notes, (ii) the action to be taken following the occurrence of any such Event of Default and (iii) the applicable provisions (if any) relating to limited rights of enforcement, non-petition and set-off which are applicable to the relevant Secured Noteholders;
- 20.2.2. all other additional and/or supplemented Conditions which are applicable to the relevant Tranche of Secured Notes including (without limitation):
- 20.2.2.1. Conditions (in addition to/and or supplementing those set out in Condition 1.1) setting out defined terms which are applicable to Secured Notes;
- 20.2.2.2. Conditions (in addition to/and or supplementing those set out in Condition 18) setting out the procedure for amending the Applicable Terms and Conditions of a Tranche of Secured Notes (including any of the Terms and Conditions);
- 20.2.2.3. Conditions (in addition to/and or supplementing those set out in Condition 19) setting out the procedure for meetings of all of the Secured Noteholders or the relevant Group/s of Secured Noteholders (as applicable);
- 20.3. details of the additional risk factors which are applicable to the relevant Tranche of Secured Notes.

21. 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.

22. GOVERNING 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, are governed by, and shall be construed in accordance with, the laws of South Africa.

23. 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.

USE OF PROCEEDS

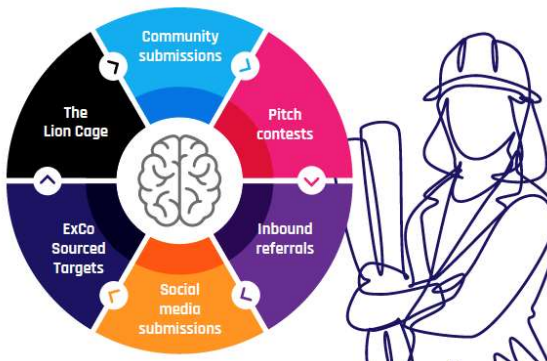
The Issuer will use the net proceeds from the issue of a Tranche of Notes for its general corporate purposes or as may otherwise be described in the Applicable Pricing Supplement.

Companies meeting the following criteria will sourced and supported:

INNOVATIVE OPPORTUNITY SOURCING THROUGH MULTIPLE CHANNELS

OPPORTUNITY SELECTION

Replacing traditional investment banking approach of opportunity selection through disruptive methods of deal sourcing by leveraging democratic community feedback and technology



THE IDEAL FIT

Ideal listing demonstrates traits of a traditional alternative investment; exhibits clear signs of disruption, has strong social impact goals with a strong management team executing on strategic vision

- Post Revenue
- Preferably founder-led
- Disruptive & non-traditional operating models
- Proven track record of growth
- Strong cash flow generation capabilities
- Ability to clearly outline and execute on strategic vision
- Bias to women owned & run

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*"):

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

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 public company with limited liability in terms of the Companies Act, under registration number 2022/737301/06. The Issuer was registered as a private company on 22 September 2022 and converted to a public company on 1 November 2022.

The registered office of the Issuer is situated at Block B, 66 Rivonia Road, Chislehurst, Sandton, 2146, Johannesburg, Gauteng, South Africa.

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.

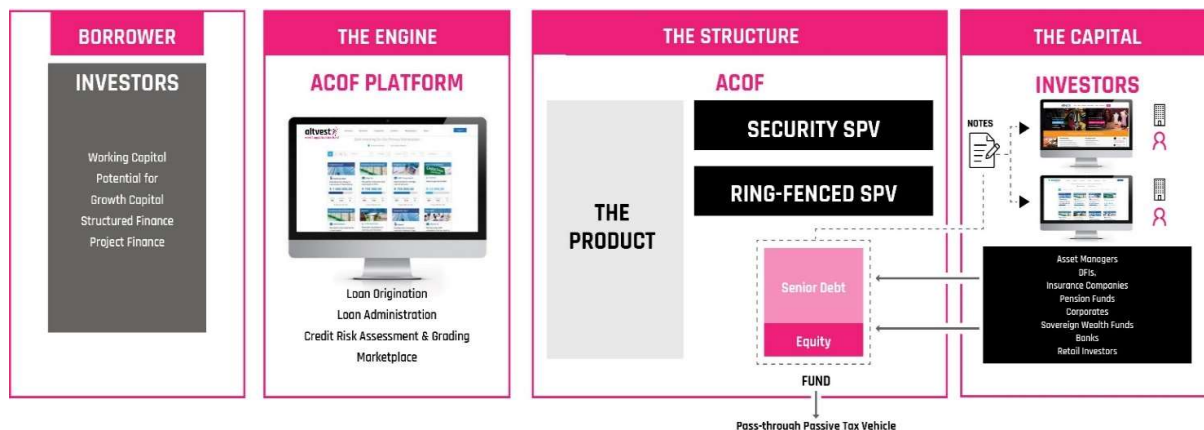
STRUCTURE OF THE ISSUER

The Issuer is wholly-owned by Altvest Capital Limited (registration number 2021/540736/06) ("**Fund Manager**"). The Fund Manager is a public company which is listed on the CTSE and A2X stock exchanges.

BUSINESS OF THE ISSUER

The Issuer's business will, following the Programme Date, comprise of (1) the raising of capital through the issue of Notes, under the Programme, pursuant to the Programme Memorandum ("**Capital Raising**") and (2) the lending of funds obtained through the Capital Raising to, primarily, women-owned and/or managed and/or staffed businesses in South Africa, as described under the section headed "*Lending Business*" below ("**Lending Business**").

The Issuer's mission is aligned with that of its Fund Manager's brand, namely ultimately to democratise access to finance and investments. The Issuer is driven to provide clients that meet its lending criteria with access to suitable debt funding and to thereby play an active role in stimulating economic growth reducing unemployment and reducing gender inequality.



Role of the Fund Manager

The Fund Manager is in the process of applying for authorisation as a "financial services provider" (FSP No 52886) in terms of sections 7 and 8 of the Financial Advisory and Intermediary Services Act, 2002 ("FAIS Act"). In particular, the Fund Manager is applying for authorisation as a Category 1 "financial services provider" which is authorized to render "intermediary services" (as defined in the FAIS Act). The Issuer and the Fund Manager are aware that "a person may not act or offer to act as a financial services provider, unless such person has been issued with a licence under section 8 [of the FAIS Act]".







The Fund Manager will provide fund management services to the Issuer.

The Fund Manager will be responsible (through outsourcing in certain instances) for performing the following Issuer management functions: compliance, oversight of administration and risk management.

The Fund Manager will also be responsible for performing various functions in relation to the Lending Business.

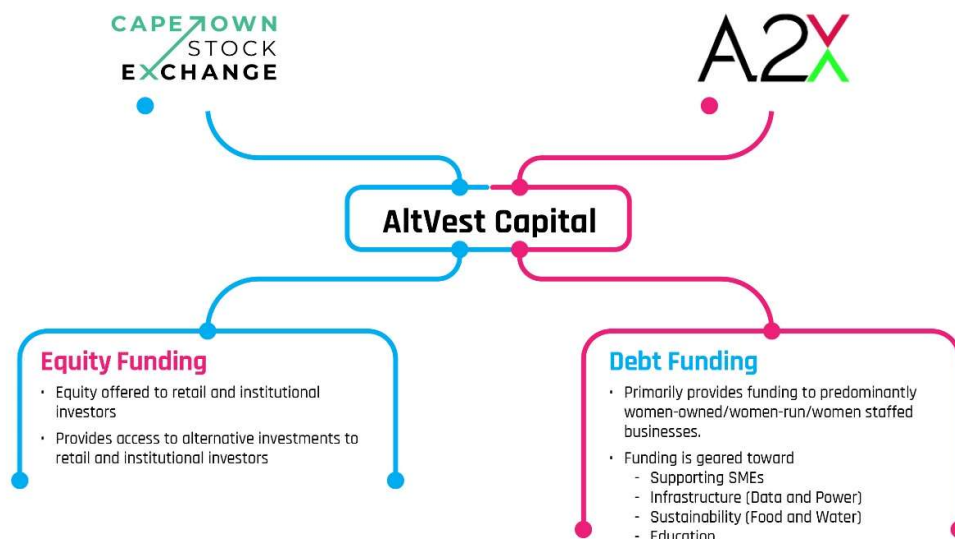
The Fund Manager operates a platform that avails carefully selected bespoke investment opportunities to retail and institutional investors in a cost efficient, regulated and fractionalised manner.

Through its social media presence and nationwide reach, the Fund Manager will assist the Issuer with access to investors and borrowers, and will directly and indirectly offer borrowers access to marketing and branding opportunities. Below is an overview of the Fund Manager's social media interactions to date:

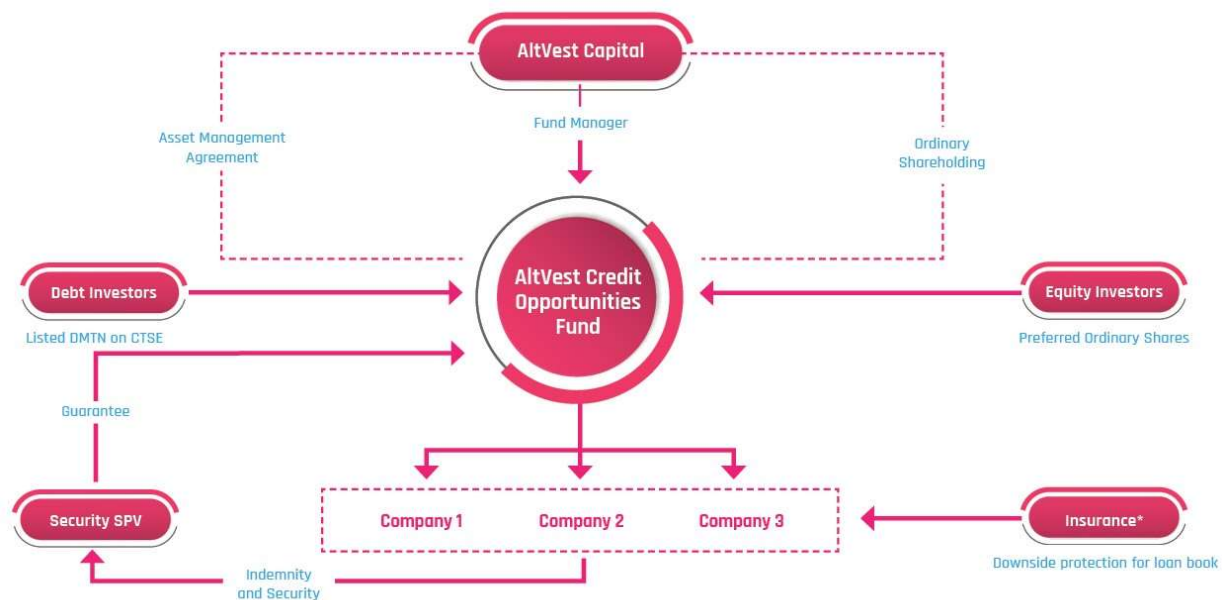
 2.5M Twitter Impressions	Twitter is leveraged to share insights relating to potential assets to be listed on AltVest and provide thought leadership
 45k LinkedIn impressions	LinkedIn amplifies the reach of content by posting articles and links to twitter space recordings
 66k Broadcast streams	Twitter spaces with industry / thought leaders are converted into podcasts for the community members unable to attend live
 69% Newsletter open rate	Our 3400 newsmailer subscribers receive access to upcoming listings and thought leadership weekly
 7000 Article reads since March	Self generated thought leadership regarding investments sharing insights, designed for investors interested in fractional investment opportunities
  Presence on visual channels	Established both a Youtube and Instagram channel to be grown once we have developed our other social media channels

Capital Raising

The Issuer will obtain capital for deployment from several categories of investors and funders in the form of debt and equity.



Following the Programme Date and the commencement of operations, investors will have the ability to invest funds into the Issuer through the Programme and equity listed on CTSE.



Lending Business

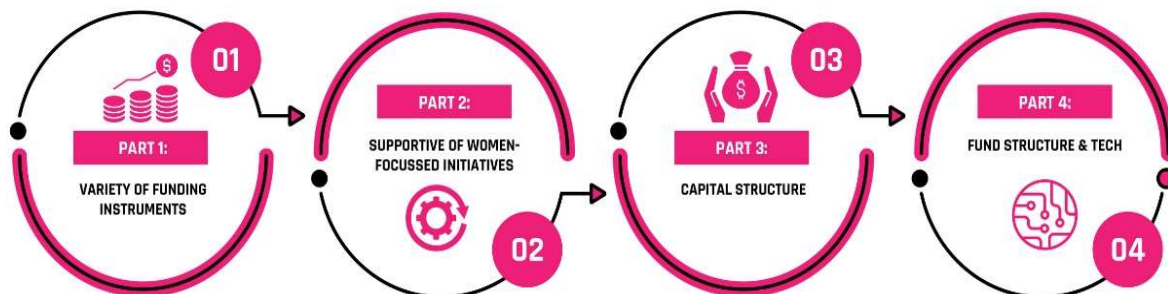
The Issuer will originate term loans to borrowers through an online platform. The Issuer will also support its portfolio of borrowers by offering technical, compliance, and finance related services.

The Issuer is in the process of applying to become a duly registered "credit provider" under the National Credit Act, 2005.

The Issuer's product offering

The Issuer's product offering has been designed to be diverse and flexible enough to accommodate the differing financial circumstances of prospective borrowers. At the same time the Issuer will refrain from offering a uniquely tailored funding solution to each borrower as this will result in slower turnaround time and higher borrowing costs.

The Issuer's debt funding offering is based on the following building blocks:

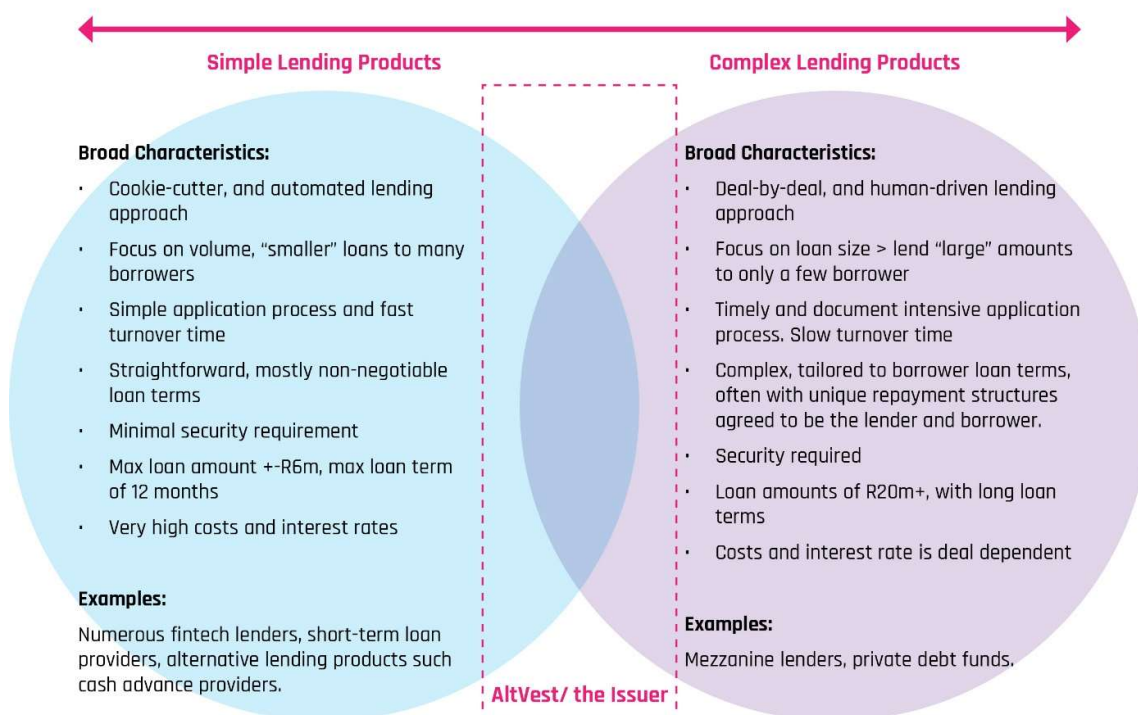


The offering above is underpinned by the components below:



The Issuer's offering has been created by combining select characteristics of simple lending products with select characteristics of more complex lending products. The intention behind the structure is to create an offering that addresses certain of the shortcomings in the South African lending market indicated hereunder.

A simplified classification of debt products currently offered in South Africa, and where the Issuer seeks to position itself:



The Issuer provides funding for the following situations:

- Growth funding
- Working Capital
- Asset Finance
- Property Finance
- Debt Refinance
- Acquisition Finance
- Other

The Issuer offers prospective borrowers one of two repayment options:

Amortising Loan Repayment Structure	<p><i>Description:</i></p> <p>The borrower borrows an agreed-to amount from the Issuer, and repays the borrowed amount through monthly instalments, with each instalment consisting of interest and capital.</p> <p><i>Suitability:</i></p> <p>The most well-known loan repayment structure, thus making it an option that most borrowers are comfortable to consider.</p> <p>Fixed loan instalment amounts provide borrowers with increased budgeting and cash flow planning power.</p>
Revenue-based Loan Repayment Structure	<p><i>Description:</i></p> <p>The borrower borrows an agreed-to amount from the Issuer. In return, over a pre-determined number of years, the borrower commits to paying the Issuer a monthly percentage-based fee linked to the borrowers revenue. Capital repayments only commence after an agreed-to period of time.</p> <p><i>Suitability:</i></p> <p>Ideal for borrowers willing to pay a higher cost in the long term, for the more immediate benefits of (1) an initial capital repayment holiday, (2) a monthly loan fee that rises/(falls) when the borrower is doing well/(worse) and thus has greater/(lower) repayment affordability.</p>

Other relevant offering terms of the Issuer:

(The Issuer reserves the right to amend its offering terms should it deem it appropriate to do so. Relevant governance and operational procedures will be followed should amendments be proposed and approved.)

Loan term	Flexible and deal-dependent. Up to 10 years
Annual Interest rates	Up to Prime + 7%
Collateral	The Issuer is a secured lender and will require a borrower to provide collateral. The extent to which security is required will be assessed on a deal-by-deal basis.

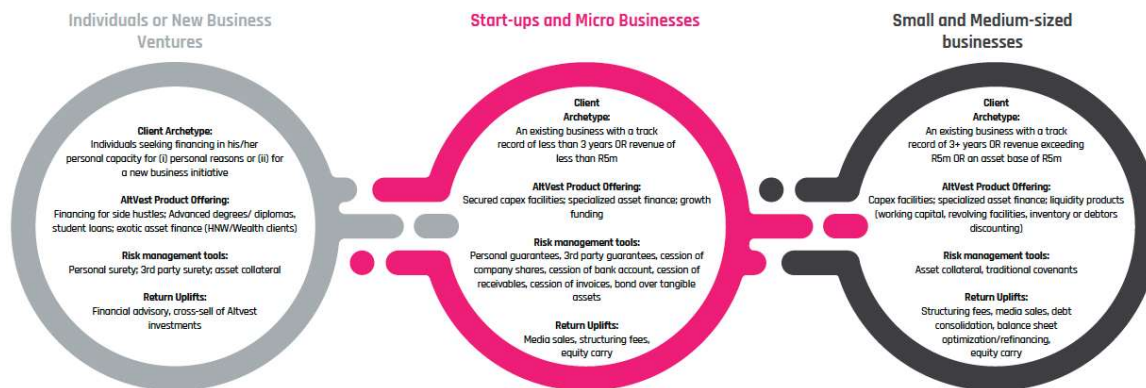
The Issuer's lending criteria

While the Issuer maintains a predominantly open mandate, applications from prospective borrowers must reflect a clear presence of the following in order for the application to be considered a viable potential lending opportunity:

- Significant proportionate presence of women within the business. This can be in the form of the business being predominantly women-owned and/or women-run and/or women-staffed.
- An established business with a proven business model and scope for further growth, and/or an entrepreneurial venture with a well-researched business proposal and a business plan showing scope for monetisation and growth.
- An ability to provide clean and transparent information to the Issuer.

- Enforces good governance measures.
- A willingness to view the Fund Manager and the Issuer as not simply a financier, but rather as funding partners.
- Shows an openness to discuss optimal funding terms with the Issuer, touching on topics such as finding an optimal mix of security and loan undertakings to ensure that the borrower is able to afford the loan while simultaneously ensuring that the Issuer is sufficiently covered.

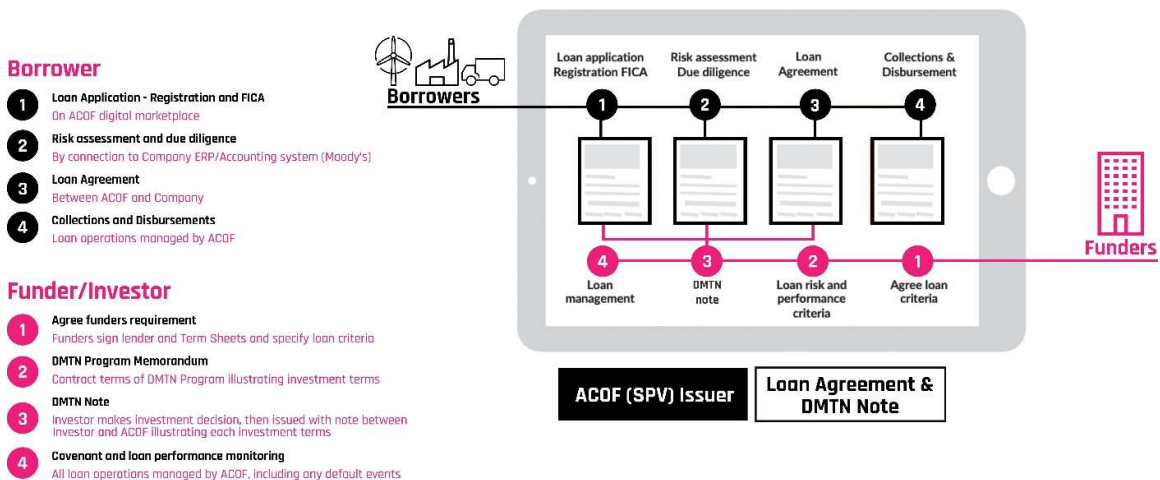
Taking into consideration the Issuer’s lending criteria described above, the Issuer anticipates that potential borrowers will fall into one of three defining categories:



While not restricting its mandate to the investment themes below, the Issuer will actively attempt to source opportunities within the following categories:



The Issuer’s lending process:



ISSUER BOARD

The directors of the Issuer as at the Programme Date are:

Warren Wheatley (CEO)

Qualifications:

CA(SA), CFP, Post Graduate Diploma in Corporate Finance, Post Graduate Diploma in Financial Planning Law and Post Graduate Diploma in Auditing.

Experience:

Warren is the founder and Chief Investment Officer of Lebashe Investment Group Proprietary Limited and a Non-Executive director on the board of Arena Holdings Proprietary Limited. Warren is also Chairman of the Joint Investment Committee of the Telkom Retirement Fund. He has extensive experience in the investment arena including as an investment banker and wealth manager at ABSA Capital. He has also previously served in various roles at Alexander Forbes.

Chrizelle van der Colff (Executive Director)

Qualifications:

Advanced Diploma Wealth Management and Financial Markets and Instruments - Academy of Financial Markets, Certificate in Wealth Management – GIBBS, Family Business Consulting and Governance – Nelson Mandela University

Experience:

Family Office Banker at Absa Wealth and Investment Management. Facilitation of large scale transactions in structured credit, wealth and investment management, FX, Aviation finance and Investment Banking related transactions. Portfolio Risk Management, 1st Group to gain experience in Family Governance.

Akshay Karan (Executive Director)

Qualifications:

Qualified CA (SA), Postgraduate Diploma in Accounting, Bachelor of Business Science in Finance with Accounting

Experience:

Ex-investment banker (Investec) and top-tier management consultant (BCG) with experience in leveraged finance, principal investments, private equity, financial engineering and strategy; having worked with every major bank across Sub-Saharan Africa either as a transactor or consultant. Successfully structured and executed several private equity transactions across Africa, in industries ranging from financial services to renewable energy infrastructure. Core member of Altvest's investment and finance functions, overseeing financial structuring, deal execution and technical reporting both for individual investments and the overall portfolio

Suzanne van Niekerk (Executive Director)

Qualifications:

Bcom (Hons). Investment Management, CFA Level 3 Candidate

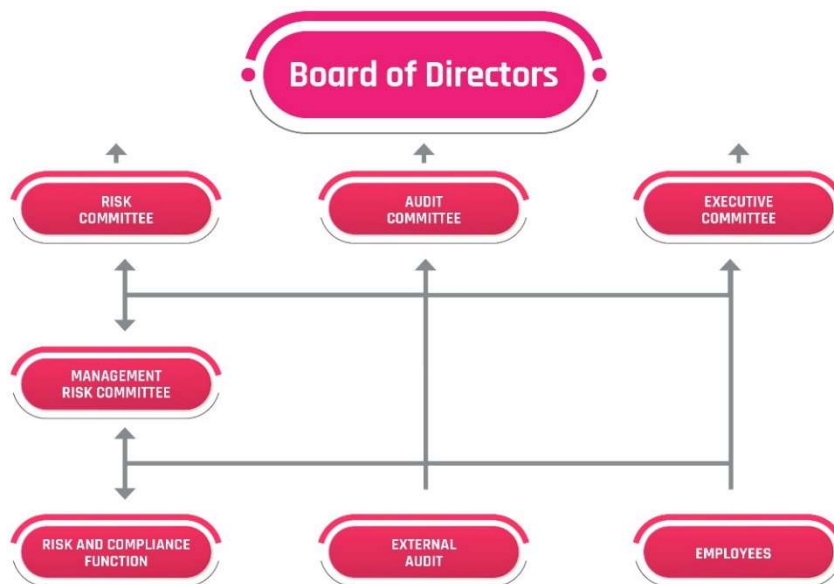
Experience:

Experienced credit analyst having assessed and presented over 400 loan applications across several industries, varying product offerings and level of complexity while at Merchant West and Inyosi Empowerment. First-hand experience in building loan processes and structuring non-vanilla deals. Boasts strong financial market and macro-economic knowledge obtained through providing market research to global trading and brokerage firms. Strong business process skills underscored by time spent consulting inhouse in the capital market divisions of numerous local banks.

In addition to the directors described above, it is the intention of the Issuer, following the Programme Date, to appoint three independent non-executive directors. The Issuer will procure that the details and CVs of each of the three additional directors are published on the CTSE News Service as soon as may be practicable after each such appointment has been made.

GOVERNANCE AND COMMITTEES

Risk and Compliance Governance Framework for the Issuer and the Fund Manger



Relevant policies and procedures

Board

- Board Charter
- Director Declarations

Key Internal Policies

- Code of Conduct
- Conflict of Interest
- Personal Account trading
- Procurement Policy
- Insider Trading Policy

The Board Charter, Director Declarations, Code of Conduct, Conflict of Interest and Procurement Policy documents listed above (and any updates thereto) will be made available, as and when such documents are prepared and/or updated, on the basis set out in the section of this Programme Memorandum headed "*Documents Incorporated by Reference*" under "*Data Room*" above.

TEAM MEMBERS

The Issuer will be managed on a day-to-day basis by a team consisting primarily of female professionals.

Team Member	Role	Years' Experience	Academic Background
Chrizelle van der Colff	Governance and Control	20+ years	Advanced Diploma Wealth Management, Financial Markets and Instruments, Certificate in Wealth Management
Ethel Makovah-Msebe	Operations	5+ years	BA in International Relations
Tatum Keshwar	Media and Marketing	15+ years	BSacPsych in Clinical Psychology and Industrial Psychology
Sheena Singh	Operations	20+ years	Bachelor of Commerce in Business Administration , RE 5 REGULATORY EXAMINATION, Hedge Fund, National Certificate in Financial Markets & Instruments, Financial Services Certificate: Banking
Suzanne van Niekerk	Credit and Portfolio Analysis	8+ years	Bcom (Hons). Investment Management, CFA Level 3 Candidate

COMPLIANCE WITH THE KING CODE

As at the Programme Date, the Issuer does not comply at all with the King Code on Corporate Governance for South Africa, as amended from time to time ("**King Code**").

The reasons for Issuer non-compliance with the King Code are as follows:

- The Issuer was registered on 22 September 2022.
- The Issuer will only commence full business operations after the Programme Date.

However, it is the intention of the Issuer, following the Programme Date and as and when it becomes operationally possible, to use its best endeavours to comply with the King Code on the same basis as is set out in the document entitled "*4AX Listings Requirements (VERSION 02) (Effective Date: 2nd October 2017)*", as amended and/or supplemented from time to time by CTSE ("**CTSE Equity Listings Requirements**").

The Issuer's compliance with the King Code will be set out in its "*KING CODE APPLICATION REGISTER*" ("**King Code Application Register**").

The King Code Application Register (and any updates thereto from time to time) is (or will be) incorporated by reference into this Programme Memorandum (see the section of this Programme Memorandum headed "*Documents Incorporated by Reference*") and will be made available on the basis set out in the section of this Programme Memorandum headed "*Documents Incorporated by Reference*" under "*General*" above.

FINANCIAL INFORMATION

FINANCIAL STATEMENTS

The Issuer was registered on 22 September 2022 and assumed certain assets and liabilities incurred and generated as a consequence of its set up costs.

Summary Balance sheet:

Assets	ZAR (Millions)
Contracts and lending platform	R10.50
Cash	R5.00
Total	R15.50
Liabilities and equity	
Set up costs	R9.00
Preferred ordinary shares	R5.00
Revaluation reserve	R1.50
Total	R15.50

The Issuer will only commence full business operations after the Programme Date.

The respective audited annual financial statements of the Issuer for the financial year of the Issuer ending on the last day of February 2023 and all succeeding financial years of the Issuer, 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*".

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

Deloitte & Touche 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"):

- updated information (if any) on the Issuer-specific risks, as described in the section of the Programme Memorandum headed "Documents Incorporated by Reference" under "General" above;
- information pertaining to the Issuer which is relevant to the Programme and/or this Programme Memorandum, as described in the section of the Programme Memorandum headed "Documents Incorporated by Reference" under "General" above.

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

Investment failure risk

This risk is the probability of the actual return on an investment, falling short of the return expected on the investment. The Issuer will deploy the proceeds of the issue of a Tranche of Notes to make loans to borrowers through a number of loan products. The Issuer has a predefined range of tried and tested metrics which it believes are suitable for its portfolio of borrowers. These include, but are not limited to, revenue, gross margins, financial history and credit ratings. Despite implementing the appropriate risk mitigation strategies, the Issuer's financing activities and return expectations may fail to perform in line with the Issuer's expectations, which may result in the partial or full inability to meet the Issuer's obligations under a Tranche of Notes. The Issuer's management will proactively manage any risk relating to investment failure through its Investment Committee, but cannot completely eliminate this risk across all Tranches of Notes issued under the Programme.

Credit risk

Credit risk is the probability of loss as a result of a counterparty's inability to meet its financial obligation, including but not limited to its inability to service interest and principal cash flows. The Issuer's lending activities are exposed to credit risk, which could ultimately result in an interruption of the cash flows needed to service its payment obligations under a Tranche of Notes. The risk of default is the probability that the borrower SME fails to make full payments according to the terms of the relevant loan agreement. To minimise the impact of credit and default risk, the Issuer will hold collateral over loans made by it to SMEs, which collateral includes, but is not limited to, real estate, traded securities, inventory, debtors, plant, equipment and guarantees by both directors and shareholders of the relevant SME.

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.

Collateral risk

Collateral risk is the risk of loss arising from an impairment of the collateral held as security for the Issuer's loans to the SMEs. The security may be destroyed or the insurance cover may prove to be insufficient to cover the outstanding balance of the relevant loan amount. The collateral also suffers liquidity risk, particularly for real estate and other forms of non-financial security.

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.

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

The Programme is not rated.

The Issuer and/or 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 the Issuer and/or 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.

Uncertificated Notes will be held in the CSD

Each Tranche of Uncertificated 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 "Uncertificated Notes" include Beneficial Interests in such Notes, and *vice versa*, and references to "Noteholders of Uncertificated Notes" 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 holders of Beneficial Interests and the Issuer.

The CSD Participants will maintain records of Beneficial Interests which are held by their clients.

Subject to the CSD Procedures, the holders of Beneficial Interests will be able to transfer such Beneficial Interests only through the CSD. Subject to the CSD Procedures, the holders of Beneficial Interests may exercise their rights in respect of such Beneficial Interests 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 Uncertificated Notes.

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 Uncertificated Notes.

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 Uncertificated Notes, 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 Uncertificated Notes must therefore rely on the CSD Procedures to receive payments under such Uncertificated Notes.

Noteholders of Uncertificated Notes must vote in accordance with the CSD Procedures. Subject to the CSD Procedures, the Noteholders of Uncertificated Notes 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 Uncertificated Notes.

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

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.

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.

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 Conditions 5.2 and 5.4.

SECURED NOTES

General

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 the relevant Tranche of Secured Notes will be set out in a Security Annexure and/or in a Security Supplement).

A Security Annexure and/or a Security Supplement will contain:

Security structure: Details of the security structure which is applicable to the relevant Tranche of Secured Notes (including, without limitation, details of the applicable Security Agreements).

Additional and/or supplemented Conditions: The additional and/or supplemented Conditions which are applicable

to the relevant Tranche of Secured Notes.

Additional risks relating to Secured Notes: Details of the additional risk factors which are applicable to the relevant Tranche of Secured Notes.

Limited Recourse Notes

The Notes in a Tranche of Secured Notes will, if so specified in the relevant Security Agreement/s, be subject to the limited recourse provisions set out in the relevant Security Agreement/s.

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 circulated prior to the issue of the first Tranche of such Notes.

SETTLEMENT, CLEARING AND TRANSFERS OF UNCERTIFICATED NOTES

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 Uncertificated Notes.

Each Tranche of Uncertificated Notes 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 Uncertificated Notes will take place in accordance with the electronic settlement procedures of the CSD.

Tranches of Uncertificated Notes 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 Uncertificated Notes 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 Uncertificated Notes.

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 Uncertificated Notes, 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 Uncertificated Notes 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 BENEFICIAL INTERESTS

The CSD Participants will maintain records of Beneficial Interests held by their clients. Beneficial Interests may be transferred only in accordance with the CSD Procedures through the CSD.

Transfers of Beneficial Interests to and from clients of CSD Participants occur by way of electronic book entry in the securities accounts maintained by the CSD Participants for their clients, in accordance with the CSD Procedures.

Transfers of Beneficial Interests among CSD Participants occur through electronic book entry in the central securities accounts maintained by the CSD for the CSD Participants, in accordance with the CSD Procedures.

Transfers of Beneficial Interests will not be recorded in the Register.

Subject to the Financial Markets Act, a holder of a Beneficial Interest in Uncertificated Note/s shall be entitled to exchange such Beneficial Interest for Registered Notes which are represented by a Certificate in accordance with Condition 11.1.

SUBSCRIPTION AND SALE

ARRANGER, DEBT ISSUER AGENT, DEALER AND PLACING ARRANGEMENTS

Arranger

CTSE Capital Solutions Proprietary Limited ("**CTSE Capital Solutions**") is the Arranger of the Programme.

Debt Issuer Agent

CTSE 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 sets out certain requirements in relation to the appointment, and termination of appointment, of a Debt Issuer Agent.

CTSE Capital 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 and specified in the Applicable Pricing Supplement.

In terms of (and subject to) the Programme Agreement, CTSE 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 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 South African 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 or company 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 similar 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" (for example a bank) as defined in section 24JB of the Income Tax Act and it recognises the Notes as financial assets 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 or interest 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. This will for instance be the case if the interest is not determined with reference to a specified interest rate or the time value of money. A so-called profit participating loan would also be affected. In such event, that portion of the interest that is affected is deemed to be a dividend *in specie* declared and paid by the Issuer to the holder on the last day of the year of assessment of the Issuer and is not deductible in terms of the Income Tax Act. The legislation has recently been amended to make it clear that 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 *in addition to the interest being* subject to dividend withholding tax unless the exemptions relating to dividends tax are applicable.

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*". 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.

An approval under the Exchange Control Regulations may take the form of a "specific" approval granted pursuant to a specific individually motivated application to the Exchange Control Authorities for exchange control approval. However, in terms of the Exchange Control Regulations, the SARB has also delegated to Authorised Dealers the power to approve (a "general pre-approval") certain transactions without reference to the SARB. The transactions that may be approved by Authorised Dealers without reference to the SARB are contained in the Manual, which is updated from time to time through the release of circulars published by the SARB. A "general pre-approval" applies generically to certain classes of transactions or all transactions of a particular kind.

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.

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.

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 in the South African 2021 Budget on 24 February 2021, that in 2021, National Treasury and the SARB will continue to develop the legislative framework for the new capital flow management system announced in the South African 2020 Budget. According to Annexure F of the South African 2021 Budget, the capital flow management framework "...is expected to be substantively completed" during 2021.

The SARB will issue a new set of "Capital Flows Management Regulations" in terms of the Currency and Exchanges Act, 1933. 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 current exchange control procedures relating to emigration for exchange control purposes prior to 1 March 2021, provided their emigration applications are 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 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.

BLOCKED RAND

"**Blocked Rand**" means, for purposes of the Exchange Control Regulations, funds which may not previously be remitted by an emigrant out of South Africa or paid into a bank account outside South Africa.

Blocked Rand may be used for the subscription for or purchase of Notes. Any principal and/or other redemption amount which is payable by the Issuer in respect of such Notes subscribed for or purchased with Blocked Rand may not, in terms of the Exchange Control Regulations, be remitted out of South Africa or paid into a bank account which is outside South Africa.

EMIGRANTS FROM THE COMMON MONETARY AREA

Any 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 nominated Authorised Dealer controlling such Emigrant Noteholder's blocked assets.

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.

In terms of the previous regime and the interim arrangement (see under "*AMENDMENTS TO THE EXCHANGE CONTROL REGULATIONS*" above) until otherwise indicated by the nominated Authorised Dealer, all payments of principal and/or other redemption amount payable to an Emigrant Noteholder will be deposited into such Emigrant Noteholder's Blocked Rand account, as maintained by the nominated Authorised Dealer. Such amounts are not freely transferable from the Common Monetary Area and may only be dealt with in terms of the Exchange Control Regulations. Payments of interest due and payable in respect of such Notes to such Emigrant Noteholder need not be deposited into such Emigrant Noteholder's Emigrant Blocked Rand account, and such amounts of interest are freely transferable from the Common Monetary Area.

NON-RESIDENTS OF THE COMMON MONETARY AREA

Any 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 as to 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 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 unless otherwise indicated by the nominated Authorised Dealer. 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 (see, however, "*AMENDMENTS TO THE EXCHANGE CONTROL REGULATIONS*" above).

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.

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 12 December 2022, was registered and approved by CTSE on 8 December 2022.

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.

COMMERCIAL PAPER REGULATIONS

If applicable, see Annexure "B" to the *pro forma* Applicable Pricing Supplement set out in the section of this Programme Memorandum headed "*Form of the Applicable Pricing Supplement*".

LITIGATION

The Issuer has, for the 18 months prior to the Programme Date, been a "shelf company" 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 12 (twelve) months preceding 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 was registered on 22 September 2022. The Issuer will only commence full business operations after the Programme Date.

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 prior to and as at 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

Deloitte & Touche are the auditors of the Issuer as at the Programme Date.

For: ALTVEST CREDIT OPPORTUNITIES FUND LIMITED


By:  _____

Name: Warren Wheatley

Capacity: Director

Duly authorised

Date: 12 December 2022

By:  _____

Name: Akshay Karan

Capacity: Director

Duly authorised

Date: 12 December 2022

ISSUER**ALTVEST CREDIT OPPORTUNITIES FUND LIMITED**

(registration number 2021/922233/06)

Block B, 66 Rivonia Road

Chislehurst

Sandton, 2146

Johannesburg

South Africa

Contact: Suzanne van Niekerk

Tel: (0)67 991 1632

E-mail: suzanne@altvestcapital.co.za**ARRANGER AND DEALER****CTSE CAPITAL SOLUTIONS PROPRIETARY LIMITED**

(registration number 2018/195310/07)

Woodstock Exchange Building

5th Floor

68 Albert Road

Woodstock, 7925

South Africa

Contact: Warren Squires

Tel: (0)78 460-5856

E-mail: warren.squires@ctsecapital.co.za**DEBT ISSUER AGENT****CTSE CAPITAL SOLUTIONS PROPRIETARY LIMITED**

(registration number 2018/195310/07)

Woodstock Exchange Building

5th Floor

68 Albert Road

Woodstock, 7925

South Africa

Contact: Warren Squires

Tel: (0)78 460-5856

E-mail: warren.squires@ctsecapital.co.za**STRATE ISSUER AGENT****CTSE REGISTRY SERVICES PROPRIETARY LIMITED**

(registration number 2016/396777/07)

Woodstock Exchange Building

5th Floor, Block B

66-68 Albert Road

Woodstock, 7925

South Africa

Contact: Estelle de Jager

Tel: (0)11 100 8352

E-mail: admin@4axregistry.co.za**SETTLING BANK****FIRSTRAND BANK LIMITED**

(registration number 1929/001225/06)

14th Floor

1 Merchant Place

cnr Rivonia Road and Fredman Drive

Sandton, 2196

South Africa

Contact: (0)11 685 5361

Tel: 082 920 3526

E-mail: jean.venter@rmb.co.za**TRANSFER AGENT****CTSE REGISTRY SERVICES PROPRIETARY LIMITED**

(registration number 2016/396777/07)

Woodstock Exchange Building, 5th Floor, Block B, 66-68 Albert Road, Woodstock, 7925, South Africa

Contact: Estelle de Jager

Tel: (0)11 100 8352

E-mail: admin@4axregistry.co.za

LEGAL ADVISERS TO THE ISSUER
CLIFFE DEKKER HOFMEYR INC.
(registration number 2008/018923/21)
1 Protea Place 150 West Street
Sandown
Sandton, 2196
South Africa
Contact: Jacqueline King
Tel: (0)71 278 3185
Email: jacqueline.king@cdhlegal.com

AUDITORS TO THE ISSUER
DELOITTE & TOUCHE
5 Magwa Crescent, Waterfall City,
Waterfall, Johannesburg,
2090
South Africa
Contact: Camilla Howard - Browne
Tel: (0)11 806 5000
Email: chowardbrowne@deloitte.co.za