

**APPLICABLE PRICING SUPPLEMENT**



**Adcorp Holdings Limited**

**(the "Issuer")**

*(Incorporated with limited liability in South Africa under registration number 1974/001804/06)*

**Issue of R120 000 000 Unsecured Floating Rate Notes with Stock Code ADCB03**

**Under its R2 000 000 000 Domestic Medium Term Note Programme**

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

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum issued by the Issuer dated 6 March 2013, as may be amended or supplemented from time to time. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the Terms and Conditions. References in this Applicable Pricing Supplement to the Terms and Conditions are to the section of the Programme Memorandum headed "*Terms and Conditions of the Notes*". References to any Condition in this Applicable Pricing Supplement are to that Condition of the Terms and Conditions.

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

The JSE assumes no responsibility or liability of whatsoever nature for the contents of the Programme Memorandum or this Applicable Pricing Supplement or the annual financial statements or any other information incorporated by reference into the Programme Memorandum (as amended or restated from time to time), and the JSE makes no representation as to the accuracy or completeness of the Programme Memorandum or this Applicable Pricing Supplement, the annual financial statements or any other information incorporated by reference into the Programme Memorandum (as amended or restated from time to time). The JSE expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of this Programme Memorandum or this Applicable Pricing Supplement or the annual

financial report or any other information incorporated by reference into this Programme Memorandum (as amended or restated from time to time).

#### DESCRIPTION OF THE NOTES

25.	Issuer	Adcorp Holdings Limited
26.	Status of the Notes	Senior Notes
27.	Security	Unsecured
28.	Listed/Unlisted	Listed
29.	Series number	13
30.	Tranche number	1
31.	Aggregate Principal Amount of this Tranche	R120 000 000
32.	Interest/Payment Basis	Floating Rate
33.	Issue Date and first settlement date	31 July 2014
34.	Minimum Denomination per Note	R1 000 000
35.	Specified Denomination (Principal Amount per Note)	R1 000 000
36.	Issue Price(s)	100% of the Principal Amount of each Note
37.	Applicable Business Day Convention, if different to that specified in the Terms and Conditions	Modified Following Business Day
38.	Interest Commencement Date(s)	31 July 2014
39.	Step-Up Date	N/A
40.	Final Redemption Date	31 January 2016
41.	Specified Currency	ZAR
42.	Additional Business Centre	N/A
43.	Maturity Amount	100% of the Principal Amount of each Note
44.	Negative Pledge	Condition 11 is applicable

- |                                                                                                                                                    |                                                                                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| 45. Set out the relevant description of any additional/amended Terms and Conditions relating to the Notes (including additional covenants, if any) | See Appendix "B" for additional/amended Terms and Conditions relating to the Notes |
|----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|

#### **FIXED RATE NOTES**

- |                                                                               |     |
|-------------------------------------------------------------------------------|-----|
| 46. Fixed Interest Rate                                                       | N/A |
| 47. Interest Payment Date(s)                                                  | N/A |
| 48. Interest Period(s)                                                        | N/A |
| 49. Initial Broken Amount                                                     | N/A |
| 50. Final Broken Amount                                                       | N/A |
| 51. Step-Up Rate                                                              | N/A |
| 52. Any other items relating to the particular method of calculating interest | N/A |

#### **FLOATING RATE NOTES**

- |                                                           |                                                                                                                                                                                                                                                                   |
|-----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 53. Interest Payment Date(s)                              | 31 January, 30 April, 31 July, and 31 October of each year that the Notes are in issue, subject to the Applicable Business Day Convention in 13 above                                                                                                             |
| 54. Interest Period(s)                                    | <p>31 January to 29 April;</p> <p>30 April to 30 July;</p> <p>31 July to 30 October; and</p> <p>31 October to 30 January (all dates inclusive)</p> <p>Of each year that the Notes are in issue, subject to the Applicable Business Day Convention in 13 above</p> |
| 55. Manner in which the Interest Rate is to be determined | Screen Rate Determination                                                                                                                                                                                                                                         |

56.	Margin/Spread for the Interest Rate	200 basis points, to be added to the relevant Reference Rate
57.	Margin/Spread for the Step-Up Rate	N/A
58.	If Screen Determination	
	(a) Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated)	ZAR-JIBAR-SAFEX with a designated maturity of three months
	(b) Rate Determination Date(s)	The initial Interest Rate is to be determined on 29 July 2014, thereafter on 31 October, 31 January, 30 April, and 31 July of each year that the Notes are in issue
	(c) Relevant Screen page and Reference Code	Reuters page SAFEX code 01209 or any successor page
59.	If Interest Rate to be calculated otherwise than by reference to Screen Rate Determination, insert basis for determining Interest Rate/Margin/Fall back provisions	N/A
60.	Any other terms relating to the particular method of calculating interest	N/A
	<b>ZERO COUPON NOTES</b>	N/A
61.	(a) Implied Yield	N/A
	(b) Reference Price	N/A
	(c) Equivalent Discount Rate	N/A
	(d) Spread to Reference Rate	N/A
	(e) Maturity Date	N/A
	(f) Day Count	N/A
	(g) Any other formula or basis for determining amount payable	N/A

**INDEXED NOTES**

62. (a) Type of Indexed Notes N/A
- (b) Index/Formula by reference to which Interest Amount/Final Redemption Amount is to be determined N/A
- (c) Manner in which the Interest Amount/Final Redemption Amount is to be determined N/A
- (d) Interest Period N/A
- (e) Interest Payment Date(s) N/A
- (f) If different from the Calculation Agent, agent responsible for calculating amount of principal and interest N/A
- (g) Provisions where calculation by reference to Index and/or Formula is impossible or impracticable N/A

**OTHER NOTES**

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

**PROVISIONS REGARDING REDEMPTION/MATURITY**

64. Redemption at the option of the Issuer in terms of Condition 8.4: If yes: No
- (a) Optional Redemption Date(s) N/A
- (b) Optional Redemption Amount(s) and N/A

method, if any, of calculation of such amount(s)

- |     |                                      |     |
|-----|--------------------------------------|-----|
| (c) | Minimum period of notice             | N/A |
| (d) | If redeemable in part:               |     |
|     | Minimum Redemption Amount(s)         | N/A |
|     | Higher Redemption Amount(s)          | N/A |
| (e) | Other terms applicable on Redemption | N/A |
65. Redemption at the option of the holders of the Senior Notes (Put Option) in terms of Condition 8.5: If yes
- |     |                                                                                          |                                                                                                                                                                                                                                                                            |
|-----|------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (a) | Optional Redemption Date(s) (Put)                                                        | 15 August 2014 and any date thereafter, if the Subsidiary Guarantee has not been duly executed by 15 August 2014 and such financial assistance resolutions as may be required by the Companies Act in respect of the Subsidiary Guarantee has not been passed by that date |
| (b) | Optional Redemption Amount(s) (Put) and method, if any, of calculation of such amount(s) | The Principal Amount of the Note being redeemed                                                                                                                                                                                                                            |
| (c) | Minimum period of notice                                                                 | 5 Business Days                                                                                                                                                                                                                                                            |
| (d) | If redeemable in part:                                                                   |                                                                                                                                                                                                                                                                            |
|     | Minimum Redemption Amount(s)                                                             | N/A                                                                                                                                                                                                                                                                        |
|     | Higher Redemption Amount(s)                                                              | N/A                                                                                                                                                                                                                                                                        |
| (e) | Other terms applicable on Redemption                                                     | N/A                                                                                                                                                                                                                                                                        |
66. Redemption at the option of the holders of the Notes upon the occurrence of a Put Event in terms of Condition 8.6:
- |     |                                                                                       |     |
|-----|---------------------------------------------------------------------------------------|-----|
| (a) | Delisting of the Notes of this Tranche/the ordinary shares of the Issuer from the JSE | Yes |
|-----|---------------------------------------------------------------------------------------|-----|

(b)	Change of Control	Yes
(c)	Issuer disposing of all or the greater part of its undertaking or assets	Yes
67.	Early Redemption Amount(s) payable on redemption for Taxation reasons in terms of Condition 8.3 or Optional Redemption following a Put Event in terms of Condition 8.6 or early redemption following an Event of Default in terms of Condition 12 : if yes	Yes
	Early Redemption Amount and method, if any, of calculation of such amount	As per Condition 8.7

#### GENERAL

68.	Additional selling restrictions	N/A
69.	International Securities Numbering (ISIN)	ZAG000118449
70.	Stock Code	ADCB03
71.	Financial Exchange	JSE (Interest Rate Market)
72.	Dealer(s)	RMB
73.	If syndicated, names of Lead Manager(s)	N/A
74.	Method of distribution	Private placement
75.	Rating assigned to the Issuer (if any), date of such rating and date for review of such rating	BBB(ZA), November 2013 which is to be reviewed from time to time
76.	Rating Agency, if any	GCR Credit Rating Co Proprietary Limited
77.	Governing Law	South Africa
78.	Last Day to Register	by 17h00 on each of 20 January, 19 April, 20 July, and 20 October of each year that the Notes are in issue
79.	Books Closed Period	21 January to 30 January, 20 April to 29 April, 21 July to 30 July, and 21 October to 30 October of each year that the Notes are in issue

80.	Calculation Agent	Absa CIB
81.	Specified Office of the Calculation Agent	15 Alice Lane, Sandton, 2196
82.	Transfer Agent	Absa CIB
83.	Specified Office of the Transfer Agent	15 Alice Lane, Sandton, 2196
84.	Debt Sponsor	RMB
85.	Issuer's Settlement Agent	Absa Investor Services, a division of Absa Bank Limited
86.	Specified Office of the Issuer's Settlement Agent	15 Alice Lane, Sandton, 2196
87.	Stabilisation Manager, if any	N/A
88.	Programme Amount	R2 000 000 000
89.	Aggregate Outstanding Principal Amount of Notes in issue on the Issue Date of this Tranche	R785 000 000.00, excluding this Tranche of Notes and any other Tranche(s) of Notes to be issued on the Issue Date
90.	Aggregate Outstanding Principal Amount of Notes in issue in respect of the Series on the Issue Date of this Tranche	R0, excluding this Tranche of Notes and any other Tranche(s) of Notes to be issued in respect of the Series on the Issue Date
91.	Additional Events of Default	The breach of the covenants contained in Appendix "B" shall constitute an Event of Default
92.	Trustee	N/A
93.	Specified Office of the Trustee	N/A
94.	Other provisions	See Appendix "B" for additional/amended Terms and Conditions relating to the Notes

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

ADDITIONAL/AMENDED TERMS AND CONDITIONS RELATING TO THE NOTES – SEE APPENDIX "B"

Application is hereby made to list this Tranche of the Notes, as from 31 July 2014, pursuant to the Adcorp Holdings Limited Domestic Medium Term Note Programme. The Programme was registered with the JSE on 6 March 2013.

ADCORP HOLDINGS LIMITED

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

Director, duly authorised

Date: 30 JULY 2014

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

Director, duly authorised

Date: 30 JULY 2014

**APPENDIX "A"****Disclosure Requirements in terms of paragraph 3(5) of the Commercial Paper Regulations**

At the date of this Applicable Pricing Supplement:

Paragraph 3(5)(a)

The ultimate borrower is the Issuer.

Paragraph 3(5)(b)

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

Paragraph 3(5)(c)

The auditor of the Issuer is Deloitte & Touche.

Paragraph 3(5)(d)

As at the date of this issue:

- (a) the Issuer has issued commercial paper currently outstanding, of R785 000 000, (excluding this issuance); and
- (b) it is anticipated that the Issuer will issue additional Notes with an estimated nominal value of R100 000 000 during the remainder of its current financial year ended 28 February 2015, in addition to the Notes forming part of this issue of Notes.

Paragraph 3(5)(e)

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

Paragraph 3(5)(f)

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

Paragraph 3(5)(g)

The Notes issued will be listed, as stated in the Applicable Pricing Supplement.

Paragraph 3(5)(h)

The funds to be raised through the issue of the Notes are to be used by the Issuer for general corporate purposes.

Paragraph 3(5)(i)

The Notes are unsecured.

Paragraph 3(5)(j)

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

## APPENDIX "B"

### ADDITIONAL/AMENDED TERMS AND CONDITIONS RELATING TO THE NOTES OF THE SERIES

#### COVENANTS

The Terms and Conditions set out in the Programme Memorandum are amended in relation to the Notes of this Tranche by the insertion of the following additional Condition 23 (**Covenants**) and Condition 24 (**Subsidiary Guarantee**):

#### 23. Condition 23 Covenants

23.1.1 The Issuer must ensure that:

#### 23.1.2 **EBITDA Interest Cover Ratio**

the ratio of Consolidated EBITDA to Consolidated Net Finance Charges shall not be less than 4 times,

Where:

**Consolidated EBITDA** means the consolidated net earnings of the South African Group before income tax as per the income statement; before interest received and interest paid, plus depreciation, amortisation and all share based payments under IFRS 2 and before deducting or adding any extraordinary costs or income; and

**Consolidated Net Finance Charges** means consolidated net interest and preference dividends of the South African Group as per the income statement during the relevant Measurement Period.

23.2 The Issuer must deliver a compliance certificate to the Rating Agency in respect of the covenants:

23.2.1 within 30 days of the last day of each month other than August and February;

23.2.2 within 60 days of the last day of August; and

23.2.3 within 90 days of the last day of February

together with a certificate from the Calculation Agent, in which the Calculation Agent confirms the accuracy of the calculations in the compliance certificate.

23.3 A compliance certificate must be signed by 2 duly authorised directors of the Issuer.

23.4 The covenants shall be tested on the last day of each month (the "**Measurement Date**"), in relation to each 12 month period (a "**Measurement Period**") ending on that Measurement Date, by reference to (i) the audited consolidated financial statements of the Issuer where the Measurement Date is the last day of February, (ii) the unaudited consolidated reviewed financial statements of the Issuer where the Measurement Date is the last day of February,

and (iii) the consolidated management accounts of the Issuer where the Measurement Date is the last day of any other month.

- 23.5 All the terms defined in respect of the financial covenants are to be determined on a consolidated basis and (except as expressly included or excluded in the relevant definition) in accordance with IFRS.
- 23.6 Where an amount in any financial statements is not denominated in Rand, it shall be converted into Rand at the rates specified in those financial statements.

#### 24. Condition 24 - Subsidiary Guarantee

- 24.1 The obligations of the Issuer under the Notes will be guaranteed by the Subsidiary Guarantors on the terms and conditions as contained in the Subsidiary Guarantee, which terms and conditions shall not be modified or amended by the Issuer without the consent of the Noteholders, as described in Appendix "C" to the Applicable Pricing Supplement. Additional Subsidiaries of the Issuer may accede to the Subsidiary Guarantee as Subsidiary Guarantors from time to time. The Issuer shall notify the Noteholders in writing of such accession in accordance with Condition 16 (*Notices*).
- 24.2 If, after the Issue Date, any wholly-owned member of the South African Group becomes a Material Subsidiary, the Issuer must, within 30 days of the publication of the audited consolidated annual financial statements of the Issuer or within 30 days of the publication of the unaudited interim financial results of the Issuer, as the case may be, procure that that Material Subsidiary becomes a Subsidiary Guarantor by delivering to the Guarantee Holder a duly completed and executed Accession Agreement, unless it is unlawful for that Material Subsidiary to become a Subsidiary Guarantor and such unlawfulness is not within the control of the Issuer or the relevant Material Subsidiary.
- 24.3 If at any time after the Issue Date:
- 24.3.1 the aggregate contribution of the Material Subsidiaries that are Subsidiary Guarantors to the (a) Tangible NAV, (b) the EBITDA of the South African Group or (c) the Trade Receivables,
- is less than
- 24.3.2 85% of the (a) Tangible NAV, or (b) EBITDA of the South African Group, or (c) Trade Receivables, as the case may be,

such shortfall being the "**Financial Support Deficit**", then the Issuer must procure, within 30 days of the publication of the audited consolidated annual financial statements of the Issuer or within 30 days of the publication of the unaudited interim financial results of the Issuer, as the case may be, that so many additional members of the South African Group become Subsidiary Guarantors as are necessary to ensure that there is no Financial Support Deficit, by delivering to the Guarantee Holder a duly completed and executed Accession Agreement.

- 24.4 The Subsidiary Guarantee and each Accession Agreement will be deposited with and held by the Guarantee Holder. Each Noteholder will, at its cost, be entitled to require the Guarantee Holder to provide a copy of the Subsidiary Guarantee and each Accession Agreement on request. In holding the Guarantee and each Accession Agreement, the Guarantee Holder does not act in a fiduciary or similar capacity for the Noteholders and it does not accept any liability, duty or responsibility to the Noteholders in this regard.
- 24.5 The Issuer is entitled to request the removal of a Subsidiary Guarantor, as a Subsidiary Guarantor, by notice in writing to the Noteholders. The Noteholders shall approve such request, provided that no amount is then due under the Subsidiary Guarantee and after its removal there will not be a Financial Support Deficit as contemplated in Condition 24.3. Such termination shall take effect from the date of approval of such request by Extraordinary Resolution of the Noteholders and shall not affect any accrued rights and/or obligations of the Subsidiary Guarantor at the date of such termination. The Issuer shall notify the Noteholders in writing of such cessation in accordance with Condition 16 (*Notices*).

**ADDITIONAL DEFINITIONS**

1. Terms and expressions set out below will have the meanings set out below in the Terms and Conditions of the Notes of this Tranche:
  - 1.1 **Accession Agreement** means in relation to any additional Subsidiary of the Issuer that accedes to the Subsidiary Guarantee as a Subsidiary Guarantor, the accession agreement substantially in the form set out in schedule 2 of the Subsidiary Guarantee;
  - 1.2 **Guarantee Holder** means Rand Merchant Bank, a division of FirstRand Bank Limited, a bank and public company incorporated in accordance with the laws of South Africa;
  - 1.3 **Subsidiary Guarantee** means the unconditional and irrevocable guarantee to be given by the Subsidiary Guarantors to all Noteholders as contemplated in Condition 24 of the Terms and Conditions, as amended, novated and/or substituted from time to time in accordance with its terms;
  - 1.4 **Subsidiary Guarantor** means each of the companies listed in Appendix "C" to this Pricing Supplement and any additional Subsidiary of the Issuer that accedes to the Subsidiary Guarantee, if and for so long as each such company is a party to the Subsidiary Guarantee in accordance with the provisions of the Terms and Conditions;
  - 1.5 **Obligor** means the Issuer and each Subsidiary Guarantor;
  - 1.6 **Transaction Documents** means, for the purposes of Condition 12.1.8 (Events of Default), the Subsidiary Guarantee.

## APPENDIX "C"

## SUBSIDIARY GUARANTORS

NAME	REGISTRATION NUMBER
Adcorp Staffing Solutions (Pty) Ltd	1997/019094/07
Adcorp Fulfilment Services (Pty) Ltd	1977/002576/07
Adcorp Management Services (Pty) Ltd	1973/010551/07
Adcorp Support Services (Pty) Ltd	2007/013705/07
Capital Outsourcing Group (Pty) Ltd	2002/013684/07
Quest Staffing Solutions (Pty) Ltd	2011/010513/07
Fortress Administration (Pty) Ltd	2011/010048/07
Paracon SA (Pty) Ltd	1995/007343/07
Mondial IT Solutions (Pty) Ltd	2002/030788/07
Production Management Institute of Southern Africa (Pty) Ltd	1997/018146/07
All About Project Management (Pty) Ltd	2006/004068/07

## SUBSIDIARY GUARANTEE

BY

THE SUBSIDIARY GUARANTORS

IN FAVOUR OF

THE NOTEHOLDERS IN TERMS OF THE ZAR2,000,000,000 ADCORP HOLDINGS LIMITED  
DOMESTIC MEDIUM TERM NOTE PROGRAMME

### 1. Interpretation

- 1.1 The terms defined in the pro forma terms and conditions of the Notes to be issued by Adcorp Holdings Limited, in terms of the ZAR2,000,000,000 Adcorp Holdings Limited Domestic Medium Term Note Programme, as set out in the Programme Memorandum of Adcorp Holdings Limited (as revised, supplemented, amended, updated or replaced from time to time) shall, except where the context otherwise requires and save where otherwise defined or provided for in this Guarantee, have the same meanings in this Guarantee and shall form part of this Guarantee.
- 1.2 For the purposes of this document, the term "**this Guarantee**" means the guarantee embodied in this document.

### 2. Stipulation

- 2.1 With effect from the date of signature of this Guarantee, this Guarantee constitutes a stipulation in favour of each of the Noteholders and shall be deemed to have been accepted by each of them and to constitute a binding agreement with each of them (notwithstanding that the Noteholders shall not have executed this document) upon the issue or transfer of the Notes to such Noteholders, as the case may be.
- 2.2 On the date of signature of this Guarantee, the Subsidiary Guarantors shall deliver the original signed Guarantee to the Guarantee Holder, which has, in accordance with the undertaking annexed to this Guarantee as **Schedule 1**, undertaken to hold such original Guarantee on behalf of the Noteholders and to make certified copies of this Guarantee available to the Noteholders upon written request by the Noteholders, in accordance with such undertaking.

### 3. Guarantee

- 3.1 Each Subsidiary Guarantor, jointly and severally, irrevocably and unconditionally:
  - 3.1.1 guarantees to each Noteholder the punctual performance by the Issuer of all its payment obligations under the Notes in accordance with the Terms and Conditions; and

- 3.1.2 undertakes with each Noteholder that, whenever the Issuer does not pay any amount when due under or in connection with any Note in accordance with the Terms and Conditions, that Subsidiary Guarantor shall immediately on demand by the relevant Noteholder pay that amount as if it were the principal obligor in respect of that amount; and
- 3.1.3 indemnifies each Noteholder immediately on demand against any cost, loss or liability suffered by that Noteholder if any obligation guaranteed by a Subsidiary Guarantor is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability to which this indemnity applies will be equal to the amount the Noteholder would otherwise have been entitled to recover.
- 3.2 Each Subsidiary Guarantor's obligations in respect of the Senior Notes constitute direct, unconditional, unsecured and unsubordinated obligations of such Subsidiary Guarantor and will rank *pari passu* among themselves and (save for certain debts required to be preferred by law) at least equally with all other unsecured, unsubordinated obligations of such Subsidiary Guarantor, if any, from time to time outstanding.
- 3.3 Each Subsidiary Guarantor's obligations in respect of the Subordinated Notes constitute direct, unconditional, unsecured and subordinated obligations of such Subsidiary Guarantor and will rank *pari passu* among themselves and (save for certain debts required to be preferred by law) at least equally with all other unsecured, subordinated obligations of such Subsidiary Guarantor, if any, from time to time outstanding, which rank or are expressed to rank (and which are entitled to rank) *pari passu* with the subordinated obligations under this Guarantee in respect of the Subordinated Notes.

#### 4. Continuing Guarantee

This Guarantee is a continuing Guarantee and will extend to the ultimate balance of all sums payable by the Issuer under the Notes in accordance with the Terms and Conditions, regardless of any intermediate payment or discharge in whole or in part.

#### 5. Reinstatement

If any payment by the Issuer or any discharge given by the Noteholders (whether in respect of the obligations of the Issuer or any security for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event:

- 5.1 the liability of each Subsidiary Guarantor under this Guarantee will continue as if that payment discharge, avoidance or reduction had not occurred; and
- 5.2 the Noteholders will be entitled to recover the value or amount of that security or payment from each Subsidiary Guarantor

as if that payment, discharge, avoidance or reduction had not occurred,

## 6. Waiver of defences

The obligations of each Subsidiary Guarantor under this Guarantee will not be affected by an act, omission, matter or thing which, but for this provision, would reduce, release or prejudice any of its obligations under this Guarantee (whether or not known to it or any Noteholder), including:

- 6.1 any time, waiver or consent granted to, or composition with, the Issuer or other person;
- 6.2 the release of any person under the terms of any composition or arrangement with any creditor of the Group;
- 6.3 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any person;
- 6.4 any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- 6.5 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Issuer or other person;
- 6.6 any amendment (however fundamental and whether or not more onerous) of the Terms and Conditions or any other document or security;
- 6.7 any unenforceability, illegality or invalidity of any obligation of any person under the Notes or any other document or security; and/or
- 6.8 any insolvency or similar proceedings;
- 6.9 any Noteholder receiving a dividend or benefit in any insolvency, liquidation or business rescue or any compromise or composition, whether in terms of any statutory enforcement or the common law;
- 6.10 any Noteholder granting any indulgences to the Issuer or not exercising any one or more of its rights under the Notes, either timeously or at all; and/or
- 6.11 any other fact or circumstance arising on which the Issuer might otherwise be able to rely on a defence based on prejudice, waiver or estoppel.

## 7. Immediate recourse

Each Subsidiary Guarantor waives any right it may have of first requiring any Noteholder (or any trustee or agent on its behalf) to proceed against or enforce any other right or security or claim payment from any person before claiming from that Subsidiary Guarantor under this Guarantee. This waiver applies irrespective of any law or any provision of the Terms and Conditions to the contrary.

## 8. Appropriations

Until all amounts which may be or become payable by the Issuer under or in connection with the Notes have been irrevocably paid in full, each Noteholder (or any trustee or agent on its behalf) may without affecting the liability of any Subsidiary Guarantor under this Guarantee:

- 8.1 refrain from applying or enforcing any other moneys, security or rights held or received by that Noteholder (or any trustee or agent on its behalf) in respect of those amounts; or
- 8.2 apply and enforce any of those moneys, security or rights in such manner and order as it sees fit (whether against amounts payable under the Notes or otherwise); and
- 8.3 hold in an interest-bearing suspense account any moneys received from any Subsidiary Guarantor or on account of that Subsidiary Guarantor's liability under this Guarantee.

## 9. Deferral of rights

Unless all amounts which may be or become payable by the Issuer under or in connection with the Notes have been irrevocably paid in full, or the relevant Noteholder otherwise directs, no Subsidiary Guarantor will exercise any rights which it may have by reason of performance by it of its obligations under this Guarantee:

- 9.1 to be indemnified by the Issuer;
- 9.2 to be subrogated to any rights, security or moneys held, received or receivable by any Noteholder (or any trustee or agent on its behalf); or
- 9.3 be entitled to any right of contribution in respect of any payment made or moneys received on account of that Subsidiary Guarantor's liability under this Guarantee;
- 9.4 claim, rank, prove or vote as a creditor of the Issuer or its estate in competition with any Noteholder (or any trustee or agent on its behalf); or
- 9.5 receive, claim or have the benefit of any payment, distribution or security from or on account of the Issuer, or exercise any right of set-off as against the Issuer.

Each Subsidiary Guarantor must hold in trust for and immediately pay or transfer to the relevant Noteholder any payment or distribution or benefit of security received by it contrary to this Guarantee or in accordance with any directions given by the relevant Noteholder.

## 10. Additional rights

This Guarantee is in addition to and is not in substitution for or in any way prejudiced by:

- 10.1 any other rights a Noteholder has, or may at any time in the future have, against any Subsidiary Guarantor or any other person; or
- 10.2 any other security now or subsequently held by any Noteholder (which that Noteholder may release as it sees fit, without prejudice to its rights hereunder).

## 11. Amendment

No amendment to this Guarantee may be effected unless in writing and signed by or on behalf of all the Subsidiary Guarantors and approved by Extraordinary Resolution of the Noteholders.

## 12. Addresses and notices

12.1 For the purposes of this Guarantee all notices to Noteholders shall be given in the manner contemplated in Condition 16 of the Terms and Conditions and the provisions of Condition 16 shall apply mutatis mutandis to the giving of such notice.

12.2 Each Subsidiary Guarantor and the Issuer chooses the address to which notices may be given and at which documents in legal proceedings may be served (their *domicilia citandi et executandi*) in connection with this Guarantee, at:

Physical: c/o Adcorp Holdings Limited

Adcorp Office Park @ Nicolway Bryanston

Cnr William Nicol Drive & Wedgewood Link

Bryanston

2021

Telefax: 011 244 5310

Email: anthony@adcorp.co.za

Attention: The Chief Financial Officer

12.3 Any Subsidiary Guarantor or the Issuer may change its address chosen for the purposes of this clause to another address in the Republic of South Africa by giving 5 Business Days' notice to the Noteholders.

12.4 Any notice given to a Subsidiary Guarantor or the Issuer in connection with this Guarantee must be:

12.4.1 delivered in person; or

12.4.2 sent by prepaid registered post or by fax;

to the address chosen by that Subsidiary Guarantor or the Issuer.

12.5 This clause will not operate so as to invalidate the giving or receipt of any notice which is actually received by the addressee other than by a method referred to above.

## 13. Governing Law

This Guarantee is governed by the laws of the Republic of South Africa.

#### 14. **Cessation of a Subsidiary Guarantor**

The Issuer may request by notice in writing to the Noteholders that a Subsidiary Guarantor cease to be a Subsidiary Guarantor under this Guarantee. The Noteholders shall approve such request provided that no amount is then due under the Guarantee and after its removal there will not be Financial Support Deficit as contemplated in Condition 24.3 of the Terms and Conditions of the Notes. Such termination shall take effect from the date of approval of such request by Extraordinary Resolution of the Noteholders shall not affect any accrued rights and/or obligations of the Subsidiary Guarantor at the date of such termination.

#### 15. **Accession Agreement**

If a party (the "**Additional Subsidiary Guarantor**") agrees to become a Subsidiary Guarantor after the date of this Guarantee, then such party shall become an Additional Subsidiary Guarantor upon the execution of a deed of adherence to this Guarantee, in substantially the form of Schedule 2 to this Guarantee (an "**Accession Agreement**") and delivery of the duly completed and executed Accession Agreement to the Guarantee Holder.

#### 16. **Jurisdiction**

The parties consent to the non-exclusive jurisdiction of the High Court of South Africa (Gauteng Local Division, Johannesburg), to settle any dispute in connection with this Guarantee.

For and on behalf of

**ADCORP HOLDINGS LIMITED**

---

Name:

Date:

For and on behalf of

**[SUBSIDIARY GUARANTOR]**

---

Name:

Date:

**SCHEDULE 1 TO THE SUBSIDIARY GUARANTEE**

The Noteholders in terms of the ZAR2,000,000,000

Adcorp Holdings Limited DMTN

Dear Sirs

**Guarantee issued by the Subsidiary Guarantors in terms of the ZAR2 000 000 000 Adcorp Holdings Limited Domestic Medium Term Note Programme (the "Programme"), in favour of the Noteholders in terms of such Programme (the "Guarantee")**

We refer to the Guarantee. Capitalised terms not specifically defined in this undertaking shall have the meaning assigned to such terms in the Guarantee.

We hereby undertake in favour of each of the Noteholders to receive and hold in custody the original signed Guarantee to be delivered to us by the Subsidiary Guarantors on the date of signature of the Guarantee. This undertaking shall not imply any relationship of trust, duty of care or fiduciary obligation on our part to take any action in relation to the Guarantee.

We undertake, upon the written request by any Noteholder and at the cost of such Noteholder, to make available to the Noteholder, a certified copy of the Guarantee within 5 Business Days of receipt of such written request.

Upon the termination of the Guarantee in accordance with its terms and conditions, we shall deliver the original Guarantee to Adcorp Holdings Limited.

This undertaking constitutes an irrevocable stipulation in favour of the Noteholders and shall be deemed to have been accepted by them, mutatis mutandis, in the manner envisaged in clause 3 of the Guarantee.

Yours faithfully

For: Rand Merchant Bank, a division of FirstRand Bank Limited  
in its capacity as Guarantee Holder

## **SCHEDULE 2 TO THE SUBSIDIARY GUARANTEE**

### **FORM OF ACCESSION AGREEMENT - ADDITIONAL SUBSIDIARY GUARANTOR**

To: **THE NOTEHOLDERS IN TERMS OF THE ZAR2,000,000,000 ADCORP HOLDINGS LIMITED DOMESTIC MEDIUM TERM NOTE PROGRAMME**

From: **ADCORP HOLDINGS LIMITED and [ADDITIONAL SUBSIDIARY GUARANTOR]**

Date: **[•]**

**ADCORP HOLDINGS LIMITED** (the Issuer) – **Subsidiary Guarantee dated [•] in favour of the Noteholders in terms of the ZAR2 billion domestic medium term note programme of the Issuer (the "Guarantee")**

We refer to the Guarantee. This is an Accession Agreement and the terms used in this Accession Agreement shall have the same meaning as in the Guarantee.

This Accession Agreement is delivered to you pursuant to the provisions of Clause 15 of the Guarantee.

[Name of additional Subsidiary Guarantor] agrees to become a Subsidiary Guarantor and to be bound by the terms of the Guarantee as a Subsidiary Guarantor with effect from [ ].

The Subsidiary Guarantor chooses the address to which notices may be given and at which documents in legal proceedings may be served (their *domicilia citandi et executandi*) in connection with this Guarantee, that identified with its name below.

This Accession Agreement is governed by South African law.

### **ADCORP HOLDINGS LIMITED**

By:

For and on behalf of

**[ADDITIONAL SUBSIDIARY GUARANTOR]**

Name:

Date:

Address:[•]

[•]  
[•]  
[•]  
[•]

Registration number: [•]

Fax number: [•]

Attention: [•]

## DOCUMENTS INCORPORATED BY REFERENCE

For so long as the Notes of the Tranche referred to in this Applicable Pricing Supplement are outstanding, the following documents listed below are deemed to be incorporated into, and to form part of, the Programme Memorandum in addition to the documents listed in the Programme Memorandum and will be available for inspection by Noteholders at the Specified Office of the Issuer:

- (a) the Subsidiary Guarantee;
- (b) the audited annual financial statements of the Guarantors, for the three financial years ended before the Issue Date (to the extent available) , together with such reports, statements and notes attached to or intended to be read with such financial statements; and
- (c) the audited annual financial statements of the Guarantors for the financial years ended after the Issue Date, together with such reports, statements and notes attached to or intended to be read with such financial statements;.