
APPLICABLE PRICING SUPPLEMENT



ACCELERATE PROPERTY FUND LIMITED

(Incorporated in the Republic of South Africa with limited liability under registration number 2005/015057/06)

Issue of ZAR285,000,000 Senior Secured Floating Rate Notes due 26 September 2019

Under its ZAR5,000,000,000 Domestic Medium Term Note Programme

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum, dated 9 September 2014, prepared by Accelerate Property Fund Limited in connection with the Accelerate Property Fund Limited ZAR5,000,000,000 Domestic Medium Term Note Programme, as amended and/or supplemented from time to time (the **Programme Memorandum**).

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the section of the Programme Memorandum headed "*Terms and Conditions of the Notes*" or in the Enforcement Rights Agreement entered into between *inter alia*, the Issuer, GMG Trust Company (SA) Proprietary Limited, FirstRand Bank Limited (acting through its Rand Merchant Bank division) and Investec Bank Limited on or about 21 November 2013, as the case may be.

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. The Notes described herein are issued on and subject to the Terms and Conditions as amended and/or supplemented by the Terms and Conditions contained in this Applicable Pricing Supplement. 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.

PARTIES

- | | |
|----------------------|---|
| 1. Issuer | Accelerate Property Fund Limited |
| 2. Dealer | Rand Merchant Bank, a division of FirstRand Bank Limited |
| 3. Managers | Rand Merchant Bank, a division of FirstRand Bank Limited |
| 4. Debt Sponsor | Rand Merchant Bank, a division of FirstRand Bank Limited |
| 5. Paying Agent | Rand Merchant Bank, a division of FirstRand Bank Limited |
| Specified Address | 1 Merchant Place, cnr Fredman Drive and Rivonia Road, Sandton, 2196 |
| 6. Calculation Agent | Rand Merchant Bank, a division of FirstRand Bank Limited |
| Specified Address | 1 Merchant Place, cnr Fredman Drive and Rivonia Road, Sandton, 2196 |
| 7. Transfer Agent | Rand Merchant Bank, a division of FirstRand |

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A handwritten signature, possibly 'D', is written over the number '1'.

Specified Address

Bank Limited

1 Merchant Place, cnr Fredman Drive and
Rivonia Road, Sandton, 2196

PROVISIONS RELATING TO THE NOTES

- | | |
|--|--|
| 8. Status of Notes | Senior Secured (See Appendix "A" for
Description of Security Arrangements) |
| 9. Form of Notes | Listed Notes |
| 10. Series Number | 2 |
| 11. Tranche Number | 1 |
| 12. Aggregate Nominal Amount: | |
| (a) Series | ZAR285,000,000 |
| (b) Tranche | ZAR285,000,000 |
| 13. Interest | Interest-bearing |
| 14. Interest Payment Basis | Floating Rate |
| 15. Automatic/Optional Conversion
from one Interest /
Redemption/Payment Basis to
another | N/A |
| 16. Form of Notes | The Notes in this Tranche are issued in
uncertificated form and held by the CSD |
| 17. Issue Date | 28 October 2014 |
| 18. Nominal Amount per Note | ZAR1,000,000 |
| 19. Specified Denomination | ZAR1,000,000 |
| 20. Specified Currency | ZAR |
| 21. Issue Price | 100 per cent |
| 22. Interest Commencement Date | 28 October 2014 |
| 23. Maturity Date | 26 September 2019 |
| 24. Applicable Business Day
Convention | Following Business Day |
| 25. Final Redemption Amount | 100 per cent of Nominal Amount |
| 26. Last Day to Register | By 17h00 on 20 March, 20 June, 20 September
and 20 December of each year until the Maturity
Date |
| 27. Books Closed Period(s) | The Register will be closed from 21 March to 25
March, 21 June to 25 June, 21 September to 25
September and from 21 December to 25
December (all dates inclusive) in each year until
the Maturity Date |
| 28. Default Rate | N/A |

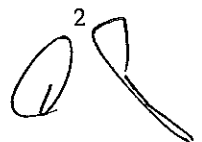
FIXED RATE NOTES

N/A

FLOATING RATE NOTES

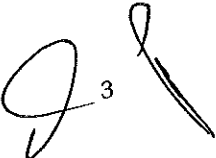
- | | |
|--|--|
| 29. (a) Floating Interest Payment
Date(s) | 26 March, 26 June, 26 September and 26
December of each year until the Maturity Date
with the first Interest Payment Date being 26 |
|--|--|

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	December 2014, in all instances subject to the Applicable Business Day Convention contained in 24 above
(b) Interest Period(s)	From and including the applicable Interest Payment Date and ending on but excluding the following Interest Payment Date, the first Interest Period commencing on 28 October 2014 and ending the day before the next Interest Payment Date
(c) Definition of Business Day (if different from that set out in Condition 1) (<i>Interpretation</i>)	N/A
(d) Minimum Rate of Interest	N/A
(e) Maximum Rate of Interest	N/A
(f) Other terms relating to the method of calculating interest (e.g.: Day Count Fraction, rounding up provision)	N/A
30. Manner in which the Rate of Interest is to be determined	Screen Rate Determination
31. Margin	2.30 per cent to be added to the Reference Rate
32. If ISDA Determination:	
(a) Floating Rate	N/A
(b) Floating Rate Option	N/A
(c) Designated Maturity	N/A
(d) Reset Date(s)	N/A
(e) ISDA Definitions to apply	N/A
33. If Screen Rate Determination:	
(a) Reference Rate (including relevant period by reference to which the Rate of Interest is to be calculated)	3 Month ZAR-JIBAR
(b) Interest Rate Determination Date(s)	26 March, 26 June, 26 September and 26 December of each year until the Maturity Date with the first Interest Rate Determination Date being 23 October 2014
(c) Relevant Screen Page and Reference Code	Reuters page SAFETY code 01209; or any successor page
34. If Rate of Interest to be calculated otherwise than by ISDA Determination or Screen Rate Determination, insert basis for determining Rate of Interest/Margin/ Fallback provisions	N/A
35. Calculation Agent responsible for calculating amount of principal and interest	Rand Merchant Bank, a division of FirstRand Bank Limited
	N/A

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ZERO COUPON NOTES**PARTLY PAID NOTES****INSTALMENT NOTES****MIXED RATE NOTES****INDEX-LINKED NOTES****DUAL CURRENCY NOTES****EXCHANGEABLE NOTES****OTHER NOTES**

N/A

N/A

N/A

N/A

N/A

N/A

N/A

**PROVISIONS REGARDING
REDEMPTION/MATURITY**

36. Redemption at the option of the Issuer:

No

37. Redemption at the Option of the Noteholders:

No

38. Redemption in the event of a breach of the Loan to Value at the election of Noteholders pursuant to Condition 8.5 (*Redemption in the event of a breach of the Loan to Value Ratio*):

No, however, see "Redemption in the event of a breach of the Financial Covenants" in Condition 2 Appendix "B" (Additional Terms and Conditions)

39. Redemption in the event of a Change of Control at the election of Noteholders pursuant to Condition 8.6 (*Redemption in the event of a Change of Control*)

Yes

40. Redemption in the event of a failure to maintain JSE listing or Rating at the election of Noteholders pursuant to Condition 8.7 (*Redemption in the event of a failure to maintain JSE listing or Rating*)

Yes

41. Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default (if required)

Yes

If no:

(a) Amount payable; or

N/A

(b) Method of calculation of amount payable

N/A

GENERAL

42. Financial Exchange

Interest Rate Market of the JSE

43. Additional selling restrictions

N/A

44. ISIN No.

ZAG000120973

45. Stock Code

APF02

46. Stabilising manager

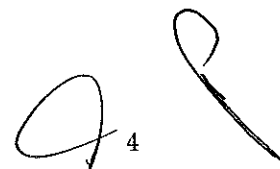
N/A

47. Provisions relating to stabilisation

N/A

48. Method of distribution

Private placement



49. Credit Rating assigned to the Notes AA-(za), which rating will be reviewed in September 2015
50. Applicable Rating Agency Global Credit Ratings Co. Proprietary Limited
51. Governing law (if the laws of South Africa are not applicable) N/A
52. Other provisions *See Appendix "A" for Description of Security Arrangements, Appendix "B" for Additional Terms and Conditions, Appendix "C" for a list of Secured Properties, Appendix "D" for the Debt Guarantee and Appendix "E" for Documents Incorporated by Reference.*

DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3(5) OF THE COMMERCIAL PAPER REGULATIONS

53. Paragraph 3(5)(a)

The "ultimate borrower" (as defined in the Commercial Paper Regulations) is the Issuer.

54. 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.

55. Paragraph 3(5)(c)

The auditor of the Issuer is Ernst & Young Incorporated.

56. Paragraph 3(5)(d)

As at the date of this issue:

- (i) the Issuer has issued ZAR416,000,000 of Commercial Paper (as defined in the Commercial Paper Regulations) (which amount includes Notes issued under the Programme Memorandum); and
- (ii) the Issuer estimates that it may issue ZAR500,000,000 of Commercial Paper during the current financial year, ending 31 March 2015.

57. Paragraph 3(5)(e)

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 Notes is contained in the Programme Memorandum and the Applicable Pricing Supplement.

58. Paragraph 3(5)(f)

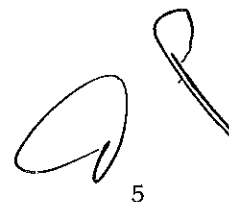
There has been no material adverse change in the Issuer's financial position since the date of its last audited financial statements.

59. Paragraph 3(5)(g)

The Notes issued will be listed.

60. Paragraph 3(5)(h)

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



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61. Paragraph 3(5)(i)

The obligations of the Issuer in respect of the Notes are secured.

62. Paragraph 3(5)(i)

Ernst & Young Incorporated, the statutory auditors of the Issuer, have confirmed that their review did not reveal anything which indicates that this issue of Notes issued under the Programme will not comply in all respects with the relevant provisions of the Commercial Paper Regulations.

Responsibility:

The Issuer certifies that to the best of its knowledge and belief there are no facts which have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and this Applicable Pricing Supplement contains all information required by law and the debt listings requirements of the JSE. The Issuer accepts full responsibility for the accuracy of the information contained in this Applicable Pricing Supplement, except as otherwise stated therein.

Application is hereby made to list this issue of Notes on 28 October 2014.

SIGNED at Fourways on this 23 day of October 2014

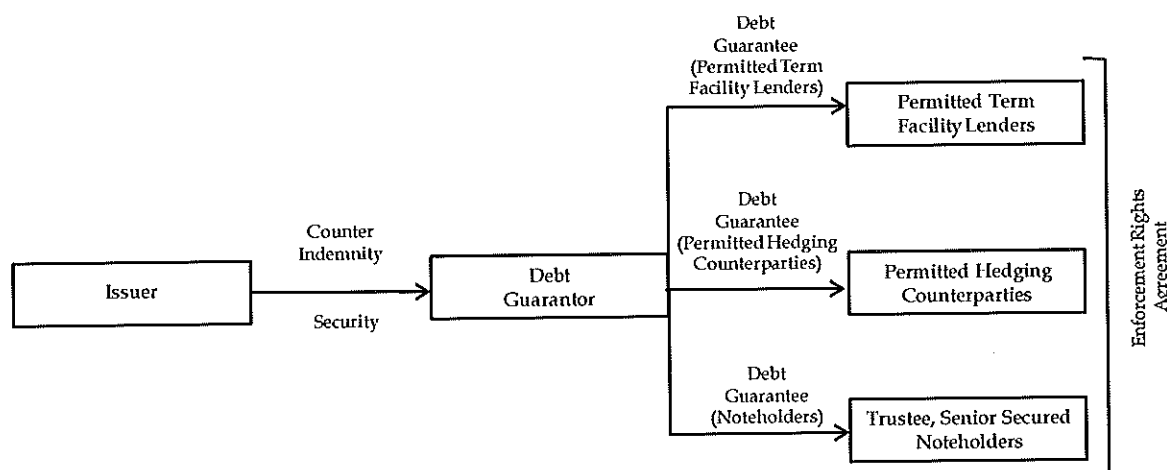
For and on behalf of
ACCELERATE PROPERTY FUND LIMITED

Name: J. PATEL
Capacity: Director
Who warrants his/her authority hereto

Name: P. COHEN
Capacity: Director
Who warrants his/her authority hereto

DESCRIPTION OF SECURITY ARRANGEMENTS

The below is a brief description of the security arrangements in respect of the Senior Secured Notes contemplated in this Applicable Pricing Supplement (the **Senior Secured Notes**) and does not purport to form part of the Terms and Conditions.

Security Structure Diagram**1. Interpretation**

Terms used but not defined herein have the meanings set forth in the Terms and Conditions. In addition, for purposes of this Appendix "A" (*Description of Security Arrangements*), the following defined terms shall bear the following meanings:

- 1.1 **Cession in Security** means the cession in security concluded or to be concluded between the Issuer and the Debt Guarantor pursuant to which the Issuer cedes *in securitatem debiti* its rights in and to the Lease Agreements, Lease Payments, Insurance Policies and Insurance Proceeds (all as defined therein) in favour of the Debt Guarantor as security for the obligations of the Issuer under the Counter Indemnity Agreement;
- 1.2 **Counter Indemnity** means the counter indemnity agreement concluded or to be concluded between the Issuer and the Debt Guarantor pursuant to which the Issuer indemnifies the Debt Guarantor against any loss, costs or liability which the Debt Guarantor may incur as a result of or in connection with, *inter alia*, the Debt Guarantee;
- 1.3 **Debt Guarantee** means the written guarantee granted by the Debt Guarantor in favour of the Trustee, for the benefit of the Senior Secured Noteholders pursuant to which the Debt Guarantor irrevocably guarantees the obligations of the Issuer under the Senior Secured Notes;
- 1.4 **Debt Guarantor** means Accelerate Security SPV (RF) Proprietary Limited, a private company incorporated under the laws of South Africa with registration number 2011/100034/07 and wholly owned by an owner trust with its main business being that of a property security company;
- 1.5 **Debt Guarantor Security** means all the security interests conferred upon the Debt

Guarantor pursuant to the Cession in Security and the Mortgage Bonds;

- 1.6 **Mortgage Bonds** means the first ranking continuing covering mortgage bonds registered or to be registered by the Issuer in favour of the Debt Guarantor over each of the Secured Properties (listed in Appendix "C"). On the redemption or repayment of the Senior Secured Notes, the Mortgage Bonds will be cancelled;
- 1.7 **Senior Secured Noteholders** means the registered holders of the Senior Secured Notes as recorded in the Register and **Senior Secured Noteholder** means, as the context requires, any of them; and
- 1.8 **Trustee** means the Trustee for the time being of the Accelerate Senior Secured Notes Trust, being as at the Issue Date, Maitland Group South Africa Limited.

2. Description of Security Arrangements

- 2.1 The Senior Secured Notes constitute direct, senior, unconditional and secured indebtedness, but rank *pari passu* amongst themselves and *pari passu* with any indebtedness incurred to the Permitted Term Facility Lenders and the Permitted Hedging Counterparties.
- 2.2 The obligations of the Issuer under the Senior Secured Notes will be directly guaranteed and indirectly secured as set out below.

3. Direct Guarantee

The Debt Guarantor has irrevocably guaranteed, by way of first ranking guarantee, ranking *pari passu* with the Debt Guarantee (Permitted Hedging Counterparties) and the Debt Guarantee (Permitted Term Facility Lenders), all of the Issuer's obligations to the Trustee and the Senior Secured Noteholders under the Senior Secured Notes.

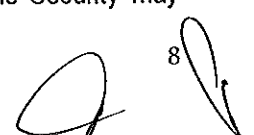
4. Counter Indemnity and Security

- 4.1 In terms of the Counter Indemnity, the Issuer has indemnified the Debt Guarantor against any loss, costs or liability which the Debt Guarantor may incur as a result of or in connection with the Debt Guarantor Guarantees.
- 4.2 The obligations of the Issuer under the Counter Indemnity are secured by:
- 4.2.1 the Cession in Security; and
- 4.2.2 the Mortgage Bonds (if any).

5. Risks relating to the Security Structure

- 5.1 As set out above, the Security will not be granted directly in favour of the Senior Secured Noteholders. Instead, the Security will be granted in favour of the Debt Guarantor.
- 5.2 As a result, neither the Trustee (acting for the benefit of the Senior Secured Noteholders) nor the Senior Secured Noteholders will have the right to realise the Security directly. Instead, the Trustee (acting on the instructions of the Senior Secured Noteholders) must in accordance with Enforcement Rights Agreement, request that the Enforcement Agent take Enforcement Action. Notably, the Enforcement Agent may only act (or refrain from acting) on the instructions of Finance Providers whose Voting Entitlements are together not less than 50,1% (fifty comma one percent). This indirect claim in respect of the Security may

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result in a delay in realisation or could involve the Finance Providers voting against the realisation of the Security.

APPENDIX "B"

ADDITIONAL TERMS AND CONDITIONS

*The following are additional terms and conditions (the **Additional Terms and Conditions**) which apply to the Senior Secured Notes contemplated in this Applicable Pricing Supplement (the **Senior Secured Notes**) and which will be incorporated by reference into each Senior Secured Note.*

In addition to the below, (i) all references to notice to the Noteholders and rights and/or discretions to be exercised by the Noteholders shall for the purposes of the Senior Secured Notes, be deemed to be references to notice to the Trustee and the Senior Secured Noteholders and rights and/or discretions to be exercised by the Trustee in accordance with the instructions of the relevant majority of Senior Secured Noteholders or such other person as prescribed in relation to any particular matter under the Notes Trust Deed, as the case may be, and (ii) all references in the Programme Memorandum to Senior Notes shall be deemed to be references to the Senior Secured Notes.

1. Guarantees

1.1 The occurrence of one or more of the following events set out in this paragraph 1 (**Guarantees**) shall constitute an Event of Default as set out in Condition 14.1.10 (**Other**):

1.1.1 the Debt Guarantee (**Noteholders**) is not in full and effect and such failure has continued for more than 30 (thirty) days following service on the Debt Guarantor of a written notice requiring that failure to be remedied; or

1.1.2 it is or becomes unlawful for the Debt Guarantor, to perform any of its obligations under the Debt Guarantee (**Noteholders**); or

1.1.3 the Debt Guarantor repudiates the Debt Guarantee (**Noteholders**) or evidences an intention to repudiate the Debt Guarantee (**Noteholders**).

2. Redemption in the event of a breach of the Financial Covenants

2.1 The Issuer shall for so long as any Senior Secured Note remains Outstanding and during each Measurement Period, ensure that:

2.1.1 the Loan to Value Ratio does not exceed 50% (fifty percent) (**the Loan to Value Ratio**);

2.1.2 the Secured Properties Loan to Value Ratio does not exceed 45% (forty five percent) (**the Secured Properties Loan to Value Ratio**);

2.1.3 the Interest Cover Ratio shall be greater than 2.0 times (**the Interest Cover Ratio**); and

2.1.4 the Secured Properties Interest Cover Ratio shall be greater than 2.0 times (**the Secured Properties Interest Cover Ratio**).

2.2 The Issuer shall within 90 (ninety) days after each Measurement Date, test the Financial Covenants as at each Measurement Date by reference to the audited consolidated financial statements of the Issuer on that date, or, if not available, then the unaudited consolidated financial statements of the Issuer on that date.

2.3 In the event of any dispute in respect of any calculation relating to the Financial Covenants or any other calculations required in respect of any Financial Covenant, such dispute shall be determined by independent auditors, appointed by the Noteholder Trustee (which auditors must be one of PricewaterhouseCoopers Inc., Ernst & Young, Deloitte & Touche

Inc. or KPMG Inc.), acting as experts and not as arbitrators (taking into account these Additional Terms and Conditions), whose determination will, in the absence of manifest error, be final and binding on the Issuer and the Noteholders.

- 2.4 The cost of such independent auditors resolving such dispute shall be paid by the party whose calculation is shown to be incorrect by the Auditors, provided that if the calculations of both the disputing parties and the Issuer are shown to be incorrect by the independent Auditors, the costs of such independent auditors shall be apportioned amongst the disputing parties and the Issuer by the independent Auditors and the disputing parties and the Issuer shall be liable for such costs in such proportion.
- 2.5 A compliance certificate in respect of the Financial Covenants, signed by 2 (two) directors of the Issuer, one of which shall be the Financial Director, will be available for inspection by the Noteholders, during normal office hours, at the registered office of the Issuer as set out at the end of the Programme Memorandum, within 90 (ninety days) of each Measurement Date.
- 2.6 A **Breach Event** shall occur if at any time while the Senior Secured Notes remain Outstanding, the Loan to Value Ratio, the Secured Properties Loan to Value Ratio, the Interest Cover Ratio or the Secured Properties Interest Cover Ratio does not satisfy the required thresholds contemplated in Condition 2.1 above and the Issuer fails to remedy such breach within a period of 30 (thirty) days of the occurrence of such breach, to the extent possible (the **Remedy Period**).
- 2.7 Promptly upon expiry of the Remedy Period and the Issuer becoming aware that a Breach Event has occurred, the Issuer shall give a notice to the Noteholders (**Breach Notice**) in accordance with Condition 16 (*Notices*) of such breach and outline the procedure for exercising the option contained in Condition 2.8 below.
- 2.8 If a Breach Event occurs at any time while the Senior Secured Notes remain Outstanding and following receipt of a Breach Notice, then, provided the Noteholders have:
- 2.8.1 in terms of Condition 16 (*Notices*) issued a notice to convene a meeting of Noteholders within 15 (fifteen) days of the Breach Event; and
- 2.8.2 resolved in terms of Condition 18 (*Meetings of Noteholders*) by way of Extraordinary Resolution to redeem the Senior Secured Notes,

the Issuer shall redeem all the Senior Secured Notes held by the Noteholders at the Early Redemption Amount calculated in accordance with Condition 8.7 (*Early Redemption Amounts*), together with accrued interest (if any) within 15 (fifteen) days of having received a written notice from the Noteholders to redeem such Senior Secured Notes.

- 2.9 the option in Condition 2.8 above shall be exercisable by the Noteholders by the delivery of a written notice (a **Breach of Financial Covenant Redemption Notice**) to the Issuer at its registered office within 30 (thirty) days after the occurrence of the Breach Event, unless prior to the delivery by that Noteholder of its Breach of Financial Covenant Redemption Notice the Issuer gives notice to redeem the Notes.

- 2.10 For the purposes of these Additional Terms and Conditions:
- 2.10.1 **Accounting Principles** means the generally accepted accounting principles in South Africa, including IFRS;
- 2.10.2 **Annual Valuations Report** means an annual valuations report in respect of all of the Immovable Properties owned by the Issuer, consisting of:
- 2.10.2.1 annual valuations of the directors of the Issuer of at least two thirds (by value) of all Immovable Properties owned by the Issuer; and
- 2.10.2.2 an Independent Valuation of at least one third (by value) of all Immovable Properties owned by the Issuer;
- 2.10.3 **Borrowings** means, on each Measurement Date, the aggregate Financial Indebtedness of the Issuer;
- 2.10.4 **Capital Expenditure** means any expenditure or obligation in respect of expenditure which, in accordance with Accounting Principles, is treated as capital expenditure (and including the capital element of any expenditure or obligation incurred in connection with a Finance Lease) in respect of the Secured Properties;
- 2.10.5 **Finance Lease** means any lease or hire purchase contract which would, in accordance with the Accounting Principles, be treated as a finance or capital lease;
- 2.10.6 **Financial Covenant** means collectively the Loan to Value Ratio, the Secured Properties Loan to Value Ratio, the Interest Cover Ratio and the Secured Properties Interest Cover Ratio;
- 2.10.7 **Financial Half Year Date** means the financial half year end of the Issuer which, as at the Issue Date, is 30 September of each calendar year;
- 2.10.8 **Financial Indebtedness** means any indebtedness for or in respect of:
- 2.10.8.1 moneys borrowed and debit balances at banks or other financial institutions;
- 2.10.8.2 any acceptance under any acceptance credit or bill discounting facility (or dematerialised equivalent);
- 2.10.8.3 any note purchase facility or the issue of bonds, Notes, debentures, loan stock or any similar instrument;
- 2.10.8.4 the amount of any liability in respect of Finance Leases;
- 2.10.8.5 receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis and meet any requirement for de-recognition under the Accounting Principles);
- 2.10.8.6 any Treasury Transaction (and, when calculating the value of that Treasury Transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that Treasury Transaction, that amount) shall be taken into account);
- 2.10.8.7 any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial

institution in respect of (a) an underlying liability of the Issuer which liability would fall within one of the other paragraphs of this definition, or (b) any liabilities of the Issuer relating to any post-retirement benefit scheme;

- 2.10.8.8 any amount raised by the issue of redeemable shares which are redeemable or are otherwise classified as borrowings under the Accounting Principles;
- 2.10.8.9 any amount of any liability under an advance or deferred purchase agreement if (a) one of the primary reasons behind entering into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question, or (b) the agreement is in respect of the supply of assets or services and payment is due more than 90 (ninety) days after the date of supply;
- 2.10.8.10 any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under the Accounting Principles; and
- 2.10.8.11 the amount of any liability in respect of any guarantee for any of the items referred to in Conditions 2.10.8.1 to 2.10.8.10 above;
- 2.10.9 **Financial Year End** means the financial year end of the Issuer which, as at the Signature Date, is 31 March of each calendar year;
- 2.10.10 **Immovable Property** means any land and any buildings, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of that land;
- 2.10.11 **Institute of Valuers** means The South African Institute of Valuers, founded in 1909, the national society of professional real estate Valuers; or its successor;
- 2.10.12 **Interest Cover Ratio** means, on each Measurement Date, the ratio of (a) EBITDA to (b) Net Interest Charged in respect of the Measurement Period ending on that Measurement Date;
- 2.10.13 **Interest Payable** means in respect of the relevant Measurement Period ending on any Measurement Date, the aggregate of:
- 2.10.13.1 all interest accrued by the Issuer in terms of any Borrowings; plus
- 2.10.13.2 any amounts payable by the Issuer in terms of any Treasury Transaction (as such relates to the hedging by the Issuer of its interest rate risk); plus
- 2.10.13.3 all accrued interest, acceptance commission, premiums, discounts, prepayment fees, and any other continuing, regular or periodic costs and expenses in the nature of interest including finance lease costs and redeemable preference shares dividends whether paid, payable or capitalised by the Issuer during such period (but excluding any interest paid and/or payable in respect of any subordinated shareholder loans in the Issuer),
- all as reflected in, and/or ascertained from the Financial Statements for that Measurement Period;
- 2.10.14 **Interest Receivable** means, in respect of the relevant Measurement Period ending on

any Measurement Date, all interest received by or accrued to the Issuer during such period, including any amounts received by the Issuer in terms of any Treasury Transaction (as such relates to the hedging by the Issuer of its interest rate risk) (other than interest which is not received or receivable in funds that are freely remittable to South Africa), all as reflected in, and/or ascertained from, the Financial Statements for that Measurement Period;

- 2.10.15 **Issuer Assets Valuation Amount** means, on each Measurement Date, the value of the Issuer's Immovable Property (as set out in the latest Annual Valuations Report or, where the value of any Immovable Property is not contained in such Annual Valuations Report, the Issuer's desktop valuation in respect thereof);
- 2.10.16 **Lease Agreement** means the signed lease of property agreements or heads of agreement in respect of all or a portion of the Secured Properties and **Lease Agreement** means, as the context required, all of them;
- 2.10.17 **Lease Payments** means the periodic and other payments payable by any lessee in respect of a Secured Property to or for the account of the Issuer under any applicable Lease Agreement or any other arrangements, including, without limitation, rentals, insurance premiums and operating expenses in respect of the applicable Lease Agreement;
- 2.10.18 **Loan** means a loan made or to be made under the loan facilities provided pursuant to the Common Terms Agreement entered into on or about 20 November 2013 between inter alia, the Issuer, FirstRand Bank Limited and Investec Bank Limited, and a reference to **Loans** shall be construed as a reference to the aggregate principal amount outstanding for the time being of all loans made under such loan facilities;
- 2.10.19 **Loan to Value Ratio** means, on each Measurement Date:
- 2.10.19.1 the Borrowings;
- 2.10.19.2 divided by the Issuer Assets Valuation Amount,
- expressed as a percentage, in each case on such date;
- 2.10.20 **Measurement Date** means each Financial Half Year Date and Financial Year End;
- 2.10.21 **Measurement Period** means each period of 6 (six) months ending on a Measurement Date;
- 2.10.22 **Net Interest Charged** means, in respect of any relevant Measurement Period ending on any Measurement Date, Interest Payable less any Interest Receivable;
- 2.10.23 **Open Market Valuation** means in respect of the Property Portfolio, the annual property valuation undertaken at the instance of the Issuer in regard to all the properties in the Property Portfolio, which in relation to a minimum of 33.3% (thirty three point three percent) of the Property Portfolio by number, shall be undertaken by a Valuer or Valuers appointed by the Issuer, provided that in respect of any 3 (three) year period the Property Portfolio will have been valued, in accordance with the valuation methodology approved by the Institute of Valuers from time to time or such other methodology approved in writing by the Valuers approved by the Issuer;

- 2.10.24 **Property Portfolio** means all the immovable properties owned by the Accelerate Group from time to time;
- 2.10.25 **Property Portfolio Value** means the most recent Open Market Valuation;
- 2.10.26 **Secured Borrowings** means any bank facilities and/or senior secured Notes, whereby the providers of such bank facilities or holders of senior secured Notes benefit from a guarantee provided by the Debt Guarantor;
- 2.10.27 **Secured Properties** means:
- 2.10.27.1 Each of the properties listed in Appendix "C" (*Property Schedule*), as such property schedule is amended or supplemented from time to time in writing by the Issuer and the Noteholder Trustee (acting on the instructions of all of the Noteholders) to reflect the Immovable Properties which are subject to the Transaction Security from time to time; and
- 2.10.27.2 such other immovable property or properties over which the Issuer or any other Guarantor may, with the prior written consent of the Noteholder Trustee, register a Mortgage Bond in favour of the Debt Guarantor from time to time, as security for the Issuer's obligations to the Debt Guarantor arising under the Senior Secured Notes,
- and **Secured Property** shall mean any one of them;
- 2.10.28 **Secured Properties Interest Cover Ratio** means, on each Measurement Date, the ratio of (a) Secured Properties Net Income to (b) Secured Properties Interest Payable in respect of that Measurement Period;
- 2.10.29 **Secured Properties Interest Payable** means, in respect of the relevant Measurement Period ending on a Measurement Date, the aggregate of all interest accrued by the Issuer under or in connection with the Finance Documents and the Senior Secured Notes (plus or minus, as applicable, any amounts payable by the Issuer under any arrangements entered into by the Issuer to hedge these obligations);
- 2.10.30 **Secured Properties Loan to Value Ratio** means, on each Measurement Date:
- 2.10.30.1 the Total Loan plus the principal amount outstanding under the Senior Secured Notes;
- 2.10.30.2 divided by the Secured Property Valuation Amount,
- expressed as a percentage, in each case on such date;
- 2.10.31 **Secured Properties Net Income** means, in respect of the relevant Measurement Period ending on a Measurement Date:
- 2.10.31.1 the aggregate amount of all Lease Payments; minus
- 2.10.31.2 all operating costs in respect of the Secured Properties; minus
- 2.10.31.3 any Capital Expenditure in respect of the Secured Properties; plus
- 2.10.31.4 a pro rata portion of interest received by the Issuer in respect of the Secured Properties, calculated as follows:

$$P = \frac{SPVA}{TPV} \times AIR$$

Where:

PP = the pro rata portion of interest received by the Issuer in respect of the Secured Properties;

SPVA = Secured Properties Valuation Amount;

TPV = the Issuer Assets Valuation Amount;

AIR = the aggregate amount of interest received by the Issuer during the relevant Measurement Period;

- 2.10.32 **Secured Property Valuation Amount** means the value of the Secured Properties expressed in Rand (as set out in the latest Annual Valuations Report or, where the value of any Secured Property is not contained in such Annual Valuations Report, the Issuer's desktop valuation in respect thereof);
- 2.10.33 **Total Loan** means the aggregate of the Loans from time to time;
- 2.10.34 **Treasury Transaction** means any currency or interest purchase, cap or collar agreement, forward rate agreements, interest rates or currency future or option contracts, foreign exchange or currency purchase or sale agreement, interest rate swap, currency swap or combined interest rate and currency swap agreement or any derivative transaction and any other similar agreement entered into in connection with the protection against or benefit from fluctuation in any rate or price;
- 2.10.35 **Valuer** means:
- 2.10.35.1 Mills Fitchet;
- 2.10.35.2 MDK Consulting;
- 2.10.35.3 Promax Valuation Services;
- 2.10.35.4 Norman Griffith and Associates; or
- 2.10.35.5 any other independent immovable property valuer appointed by the Issuer (with the prior approval of the Noteholder Trustee), which complies, in all respects, with the following requirements:
- 2.10.35.5.1 the Valuer and its relevant representative must be registered with the South African Council for the Property Valuers Profession; and
- 2.10.35.5.2 the Valuer or its relevant representative must have at least 5 (five) years' experience in the valuation of commercial properties in South Africa.

APPENDIX "C"

PROPERTY SCHEDULE

No	Name of Letting Enterprise	Description of Secured Property	Value of Secured Property	Mortgage Bond Amount
Zaphan Listing Properties Group				
1.	Flora Office Park	Erven 316 and 317 Florida North Extension 6 Township, Registration Division IQ, Gauteng Province	R73,000,000	R73,000,000
2.	Willows Shopping Centre	Erf 276 Die Wilgers Extension 9 Township and Erf 1220 Die Wilgers Extension 9 Township, Registration Division JR, Gauteng Province, and Holding 257 Willowglen Agricultural Holdings, Registration Division JR, Gauteng Province	R65,000,000	R65,000,000
3.	Rock Cottage	Erf 4761 Weltevredenpark Extension 82 Township, Registration Division IQ, Gauteng Province	R64,000,000	R64,000,000
4.	Highway Gardens Office Park	Remaining Extent and Portion 1 of Erf 126 Highway Gardens Township, Registration Division IR, Gauteng Province	R29,000,000	R29,000,000
5.	Eastlynne Shopping Centre	Erf 198 East Lynne Township, Registration Division JR, Gauteng Province	R33,000,000	R33,000,000
6.	Corporate Park Shopping Centre	Remaining Extent of Erf 172 Randjespark Extension 28 Township, Registration Division JR, Gauteng Province	R29,500,000	R29,500,000
7.	ABSA Brakpan	Erf 3439 Brakpan Township, Registration Division IR, Gauteng Province	R12,000,000	R12,000,000
Fourways Properties Group				
8.	Fourways Mall Shopping Center *	Erven 1698, 1699, 1700, 1701, 1714 and 1715 Fourways Extension 14 Township, Registration Division IQ, Gauteng Province	R2,094,800,000	R2,094,800,000
9.	Cedar Square *	Erven 862, 863 and 864 Witkoppen Extension 58 Township and Erven 918 and 919 Witkoppen Extension 8 Township, Gauteng Province	R759,300,000	R759,300,000
10.	Fourways View *	Erf 867 and 868 Witkoppen Extension 27 Township,	R312,500,000	R312,500,000

		Registration Division IQ, Gauteng Province		
11.	The Buzz Shopping Centre *	Erven 1611 and 1612 Witkoppen Extension 116 Township, Gauteng Province; Erven 1362, 1363, 1367 and 1368 Witkoppen Extension 91 Township, Gauteng Province; Erven 1783 and 1784 Witkoppen Extension 117 Township, Gauteng Province; and Erven 1785, 1786 and 1787 Witkoppen Extension 118 Township, Gauteng Province	R280,900,000	R280,900,000
12.	Fourways Game	Erven 1071 and 1072 Witkoppen Extension 12 Township, Registration Division IQ, Gauteng Province	R162,700,000	R162,700,000
13.	BMW Fourways Building *	Erf 2209 Witkoppen Extension 57 Township, Gauteng Province	R162,800,000	R162,800,000
14.	Leaping Frog	Erven 937 and 938 Beverley Extension 67 Township, and Portion 351 of the Farm Zevenfontein 407, Registration Division JR, Gauteng Province	R148,000,000	R148,000,000
15.	Sasol Delta Building *	Erf 1008 Witkoppen Extension 26 Township, Registration Division IQ, Gauteng Province	R55,600,000	R55,600,000
16.	Valley View Unit 1, 4, 5 & 7 *	Section numbers 1, 4, 5 and 7 as shown and more fully described in the sectional plan number SS 936/2007 in the scheme known as Valleyview Centre, together with an undivided share in the common property and exclusive use areas attaching to the section (if any) as shown in the title deeds	R15,300,000	R15,300,000
17.	Ford and Mazda Building *	Erf 2043 Witkoppen Extension 91 Township, Gauteng Province	R43,900,000	R43,900,000
18.	Exact Mobile *	Remaining Extent of Erf 779 Witkoppen Extension 26 Township, Registration Division IQ, Gauteng Province	R15,600,000	R15,600,000
Remaining Cape Town Deeds Registry				
19.	Oceana	Erf 230 (formerly Erven 9 and 10) Roggebaai, Cape Town, Western Cape Province	R112,800,000	R112,800,000

20.	The Pines	Portion 79 of the Farm 794 Stellenbosch RD, Cape Town, Western Cape Province	R71,100,000	R71,100,000
21.	Mr Price	Portion 75 of the Farm 794 Stellenbosch RD, Cape Town, Western Cape Province	R61,300,000	R61,300,000
22.	Keerom Chambers	Erf 8430 Cape Town, Western Cape Province	R61,400,000	R61,400,000
23.	Edcon	Erf 166999 Diep River, Cape Town, Western Cape Province	R58,500,000	R58,500,000
24.	Tyger Manor	Erf 34109 Bellville Township, Western Cape Province	R51,400,000	R51,400,000
25.	Thomas Pattullo	Erf 148 Roggebaai, Western Cape Province	R47,600,000	R47,600,000
26.	99 - 101 Hertzog Boulevard	Erf 5 Roggebaai, Western Cape Province	R48,800,000	R48,800,000
27.	Triangel House	Erf 14422 Somerset West, Cape Town, Western Cape	R31,800,000	R31,800,000
28.	Mustek (89 Hertzog Boulevard)	Erf 6 Roggebaai, Cape Town, Western Cape Province	R35,800,000	R35,800,000
29.	Mill House	Erf 170672 Cape Town, Western Cape Province	R22,700,000	R22,700,000
Remaining Johannesburg Deeds Registry				
30.	Wilrogate Shopping Centre	Erf 2627 and 2628 Wilropark Extension 23 Township, Registration Division IQ, Gauteng Province	R72,000,000	R72,000,000
31.	Venter Centre	Erf 197 Hughes Extension 12 Township, Registration Division IR, Gauteng Province	R59,000,000	R59,000,000
32.	Meshcape Edenvale	Erven 427, 428, 429, 430 and 552 Eastleigh, Edenvale Township, Registration Division IR, Gauteng Province	R35,000,000	R35,000,000
33.	Eden Terrace	Erf 1544 Eden Glen Extension 55 Township, Registration Division IR, Gauteng Province	R38,000,000	R38,000,000
34.	9 Main Road Melville	Erven 320, 321, 348 and 349 Melville Township, Registration Division IR, Gauteng Province	R31,500,000	R31,500,000
35.	11 Main			

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	Road Melville			
36.	Beacon Isle	Remaining Extent of Erf 332 Florida North Township, Registration Division IQ, Gauteng Province	R20,000,000	R20,000,000
37.	7 Main Road Melville	Erven 213 and 960 and Remaining Extent of Erf 214 Melville Township, Registration Division IR, Gauteng Province	R15,500,000	R15,500,000
38.	Cascades	Erf 237 Little Falls Extension 1 Township, Registration Division IQ, Gauteng Province	R15,000,000	R15,000,000
39.	Wilropark Shopping Centre	Erf 49 Wilropark Township, Registration Division IQ, Gauteng Province	R12,000,000	R12,000,000
40.	14 Main Road Melville	Erf 319 Melville Township, Registration Division IR, Gauteng Province	R8,300,000	R8,300,000
41.	Remaining Pietermaritzburg Deeds Registry			
42.	Eshowe	Erf 1698 Eshowe Township, Registration Division GU, KwaZulu-Natal Province	R52,200,000	R52,200,000
Remaining Pretoria Deeds Registry				
43.	Kyalami Downs S/C	Erf 8 and Portion 1 of Erf 172 Kyalami Park Township, Registration Division JR, Gauteng Province	R132,000,000	R132,000,000
44.	Cherry Lane	Erf 437 Nieu Muckleneuk Township, Registration Division JR, Gauteng Province	R102,000,000	R102,000,000
45.	1 Charles Crescent	Erf 265 Eastgate Extension 4 Township, Registration Division IR, Gauteng Province	R119,400,000	R119,400,000
46.	PriMovie Park	Erven 72,73 and 74 Eastgate Extension 4 Township, and Portions 715 and 224 of the Farm Zandfontein 42, Registration Division IR, Gauteng Province	R93,000,000	R93,000,000
47.	Glen Gables	Erf 772 Lynnwood Glen Extension 3 Township, Registration Division JR, Gauteng Province	R46,000,000	R46,000,000
48.	Highveld Centurion	Erf 714 Highveld Extension 8 Township, Registration Division JR, Gauteng Province	R46,500,000	R46,500,000

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49.	9 Charles Crescent	Erf 255 Eastgate Extension 4 Township, Registration Division IR, Gauteng Province	R34,300,000	R34,300,000
50.	Rietfontein	Erf 801 Rietfontein Township, Registration Division JR, Gauteng Province	R28,000,000	R28,000,000
51.	10 Charles Crescent	Erf 79 Eastgate Extension 4 Township, Registration Division IR, Gauteng Province	R15,600,000	R15,600,000

ADDITIONAL DOCUMENTS INCORPORATED BY REFERENCE

Capitalised terms used in this section headed "Additional Documents Incorporated by Reference" shall bear the same meanings as used in the Terms and Conditions and this Applicable Pricing Supplement, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.

1. In addition to the documents incorporated by reference into the Programme Memorandum (see section of the Programme Memorandum headed "*Documents Incorporated by Reference*");
 - 1.1 the audited annual financial statements, and notes thereto, of the Debt Guarantor in respect of its financial years, as and when such audited financial statements become available; and
 - 1.2 the Debt Guarantee dated [●] 2014 executed by the Debt Guarantor in favour of the Trustee for the benefit of the Senior Secured Noteholders,

shall be deemed to be incorporated in, and form part of, this applicable pricing supplement.

2. The Debt Guarantor will, for as long as any of the Senior Secured Notes remains outstanding, provide at the registered office of the Issuer as set out at the end of the Programme Memorandum, without charge, to any person, upon request of such person, a copy of all of the documents referred to in paragraphs 1.1 and 1.2 above, which are incorporated herein by reference, unless such documents have been modified or superseded, in which case the modified or superseding documentation will be provided. Requests for such documents should be directed to the chief financial officer of the Issuer in writing at the Issuer's registered office as set out at the end of the Programme Memorandum. In addition, the constitutive documents of the Debt Guarantor will be available at the registered office of the Issuer as set out at the end of the Programme Memorandum upon written request addressed to the company secretary of the Issuer.