



**Barloworld**  
*Leading brands*

**BARLOWORLD LIMITED**

*(Incorporated with limited liability under Registration Number 1918/000095/06 in the Republic of South Africa)*

---

**ZAR750,000,000**

**11,67% Senior Unsecured Fixed Rate Registered Bonds**

**due 2 October 2015**

---

A total amount of ZAR750,000,000 senior unsecured fixed rate registered bonds with minimum denominations of ZAR1,000,000 each (the "**Bonds**") will be issued subject to the terms and conditions ("**Terms and Conditions**") contained in this Offering Circular.

For as long as the Bonds are in issue, interest on the Bonds will be payable semi-annually in arrears on 2 April and 2 October of each year, commencing on 2 April 2009, provided that the last date for such payment shall be on 2 October 2015. The Bonds will bear interest at a rate of 11,67% per annum in respect of the period from and including 2 October 2008 to but excluding 2 October 2015. Payments in respect of the Bonds will be made without deduction for or on account of South African taxes as described in Condition 10 of the Terms and Conditions.

Unless previously redeemed at a prior date for taxation reasons or purchased by the Issuer and cancelled, the Bonds will be redeemed on 2 October 2015 at their Principal Amount.

The Bonds will be listed on the Bond Exchange of South Africa Limited ("**BESA**") under stock code number BAW2. The application was granted on 30 September 2008 and the Bonds may be traded by or through members of BESA from 2 October 2008 in accordance with the rules and operating procedures for the time being of BESA. The settlement of trades on BESA shall take place in accordance with the electronic settlement procedures of BESA and Strate Limited.

---

*Joint Lead Managers*

**ABSA CAPITAL, a division of ABSA BANK LIMITED**

**THE STANDARD BANK OF SOUTH AFRICA LIMITED**

---

*WJH*  
*CK*

---

## IMPORTANT NOTICE

---

*Words used in this section shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or clearly inappropriate from the context.*

Barloworld Limited (the “**Issuer**”) accepts responsibility for the information contained in this Offering Circular, except as may be otherwise stated. To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Issuer, having made all reasonable inquiries, confirms that this Offering Circular contains or incorporates all information which is material in relation to the issuing and the offering of the Bonds, that all information contained or incorporated in this Offering Circular is true and accurate in all material respects and is not misleading, that the opinions and the intentions expressed in this Offering Circular are honestly held and that there are no other facts the omission of which would make this Offering Circular or any of such information or expression of any such opinions or intentions misleading in any material respect.

This Offering Circular is to be read in conjunction with all documents incorporated herein by reference (see the section entitled “*Documents Incorporated by Reference*”) and should be read and construed on the basis that such documents are incorporated in and form part of this Offering Circular.

Absa Capital, a division of Absa Bank Limited (“**Absa Capital**”), The Standard Bank of South Africa Limited (“**SBSA**”) (Absa Capital and SBSA collectively the “**Joint Lead Managers**”) and BESA have not separately verified the information contained in this Offering Circular. Accordingly, no representation, warranty or undertaking, expressed or implied is made and no responsibility is accepted by the Joint Lead Managers or BESA as to the accuracy or completeness of the information contained in this Offering Circular or any other information provided by the Issuer. Neither the Joint Lead Managers nor BESA accepts any liability in relation to the information contained in this Offering Circular or any other information provided by the Issuer in connection with the Bonds. The statements made in this paragraph are without prejudice to the responsibilities of the Issuer.

No person has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the issue and sale of the Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Joint Lead Managers. Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof, or that any other financial statement or other information supplied in connection with the Offering Circular is correct at any time subsequent to the date indicated in the document containing the same.

This Offering Circular and any other information supplied in connection with the Bonds is not intended to provide the basis of any credit or other evaluation, and should not be considered as a recommendation by the Issuer, the Joint Lead Managers or BESA that any recipient of this Offering Circular or any other information supplied in connection with the Bonds should purchase any Bonds. Each investor contemplating purchasing any Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

Neither this Offering Circular nor any other information supplied in connection with the Bonds constitutes an offer or invitation by or on behalf of the Issuer, the Joint Lead Managers or BESA to any person to subscribe for or to purchase any Bonds.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Bonds in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. Neither the Issuer, the Joint Lead Managers nor BESA represent that this Offering Circular may be lawfully distributed, or that any Bonds may be lawfully offered, 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 or offering. In particular, no action has been taken by the Issuer or the Joint Lead Managers which would permit a public offering of any Bonds or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Bonds may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except in compliance with any applicable laws and regulations and the Joint Lead Managers have represented that all offers and sales by them will be made in compliance with this prohibition.

The distribution of this Offering Circular and the offer for the subscription or sale of Bonds may be restricted by law in certain jurisdictions. Persons into whose possession this Offering Circular or any Bonds come must inform themselves about, and observe, any such restrictions. In particular there are restrictions on the distribution of this Offering Circular and the offer for the subscription or sale of Bonds in the United States of America, the European Economic Area, the United Kingdom and South Africa.

The Bonds have not been and will not be registered under the United States Securities Act of 1933 (the "Securities Act"). The Bonds may not be offered, sold or delivered within the United States or to US persons except in accordance with Regulation S under the Securities Act.

The price/yield, the amount and the allocation of Bonds to be issued with this Offering Circular will be determined by the Issuer and Joint Lead Managers at the time of issue in accordance with the prevailing market conditions.

In this Offering Circular, all references to "*Rands*", "*South African Rand*", "*ZAR*", "*R*" or "*cents*" is to the legal currency of South Africa and all references to "*US Dollar*", "*USD*" or "*Dollars*" shall be a reference to the currency of the United States of America. References to "*€*" or "*Euro*" are to the single currency of the European Union.

---

## TABLE OF CONTENTS

---

	<i>Page</i>
DOCUMENTS INCORPORATED BY REFERENCE	4
SUMMARY OF THE TRANSACTION	5
FORM OF THE BONDS	7
TERMS AND CONDITIONS OF THE BONDS	8
USE OF PROCEEDS	23
ORGANISATIONAL STRUCTURE OF BARLOWORLD LIMITED	24
DESCRIPTION OF BARLOWORLD LIMITED	25
SOUTH AFRICAN TAXATION	36
SOUTH AFRICAN EXCHANGE CONTROL	37
PLACEMENT AND UNDERWRITING	39
SETTLEMENT, CLEARING AND TRANSFERS	41
GENERAL INFORMATION	42

---

## DOCUMENTS INCORPORATED BY REFERENCE

---

*Words used in this section entitled "Documents Incorporated by Reference" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.*

The following documents shall be deemed to be incorporated in, and to form part of, this Offering Circular:

- (a) the audited annual financial statements, and notes thereto, of the Issuer for the financial years ended 30 September 2005, 2006 and 2007, as well as the published audited annual financial statements, and notes thereto of the Issuer in respect of further financial years, as and when such become available; and
- (b) any supplements to this Offering Circular circulated by the Issuer from time to time,

save that any statement contained in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

Copies of the audited annual financial statements of the Issuer are available free of charge at the registered office of the Issuer as set out at the end of this Offering Circular. The audited annual financial statements of the Issuer are also available on the Issuer's website ([www.barloworld.com](http://www.barloworld.com)).

---

## SUMMARY OF THE TRANSACTION

---

*The following summary does not purport to be complete and is taken from, and is qualified by, the remainder of this Offering Circular. Words and expressions defined in the "Terms and Conditions of the Bonds" below shall have the same meanings in this summary.*

<b>Issuer</b>	Barloworld Limited (Registration Number 1918/000095/06), a public company duly incorporated with limited liability in accordance with the company laws of South Africa;
<b>Description of Bonds</b>	Barloworld Limited ZAR750,000,000 Senior Unsecured Fixed Rate Registered Bonds due 2 October 2015;
<b>Amount</b>	The initial issue of the Bonds will be for a total amount of ZAR750,000,000;
<b>Joint Lead Managers</b>	Absa Capital, a division of Absa Bank Limited (Registration Number 1986/004794/06), a public company and registered bank duly incorporated with limited liability in accordance with the company and banking laws of South Africa; and  The Standard Bank of South Africa Limited (Registration Number 1962/000738/06), a public company and registered bank duly incorporated with limited liability in accordance with the company and banking laws of South Africa ("SBSA");
<b>Paying Agent</b>	SBSA or such other paying agent as may be appointed by the Issuer from time to time;
<b>Transfer Secretary</b>	Link Market Services South Africa (Proprietary) Limited (Registration Number 2000/007239/07) or any successor as contemplated in the Terms and Conditions;
<b>Clearing System</b>	The CSD acting as the approved electronic clearing house, carrying on the role of matching, clearing and facilitation of settlement of all transactions carried out on BESA;
<b>Credit Rating</b>	The Issuer has been assigned a "AA-(zaf)" national long-term rating and a "F1(zaf)" national short-term rating by the Rating Agency;
<b>Currency</b>	South African Rand ("ZAR");
<b>Denomination of Bonds</b>	Bonds will be issued with a minimum denomination of ZAR1,000,000 each;
<b>Early Redemption</b>	The Issuer may redeem the Bonds at their Principal Amount (together with any interest due thereon) upon notice for taxation reasons, as described in Condition 7 of the Terms and Conditions;
<b>Form of the Bonds</b>	The Bonds will be issued in registered form as described below in the section entitled "Form of the Bonds";
<b>Governing Law</b>	The Bonds will be governed by, and construed in accordance with, the laws of South Africa;
<b>Interest Payment Dates</b>	Semi-annually on 2 April and 2 October (or if any such date is not a Business Day, the first following day that is a Business Day) of each year, commencing on 2 April 2009, provided that the last date for such payment shall be on 2 October 2015 or the date of Early Redemption, whichever is the earlier;
<b>Interest Rate</b>	A fixed rate (the "Fixed Rate") of 11,67% per annum over the period from and including 2 October 2008 to but excluding 2 October 2015;
<b>Listing and Trading</b>	An application was made to list the Bonds on BESA under stock code number BAW2. The application was granted on 30 September 2008 and the Bonds may be traded by and through members of BESA from 2 October 2008;

Negative Pledge	Condition 6 of the Terms and Conditions provides for a negative pledge in favour of the Bondholders;
Principal Amount	The face value of each Bond;
Purchase of Bonds	The Issuer may, at any time, purchase Bonds at any price in the open market or otherwise. Such Bonds may be held, resold or, at the option of the Issuer, cancelled;
Rating Agency	Fitch Southern Africa (Proprietary) Limited;
Redemption Date	Unless redeemed at a prior date or purchased and cancelled, the Bonds will mature on 2 October 2015;
Redemption Value	100% of the Principal Amount of each Bond;
Optional Redemption	<p>Change of Control</p> <p>If at any time while any Bond remains in issue (i) a Change of Control in the Issuer; and (ii) within the Change of Control Period (A) if at the time the Change of Control occurs such Bond or the Issuer (as the case may be) is rated by a Rating Agency, a Rating Downgrade in respect of that Change of Control occurs; or (B) if at the time the Change of Control occurs such Bond or the Issuer (as the case may be) is not so rated, a Negative Rating Event in respect of that Change of Control occurs, (in either case, a “<b>Change of Control Event</b>”) (C) and the Bondholders resolve by way of an Extraordinary Resolution to have their Bonds redeemed by the Issuer, then each Bondholder shall have the option to require the Issuer to redeem each Bond held by that Bondholder at its Principal Amount together with accrued interest (if any) within 30 (thirty) days after the delivery by that Bondholder of a Change of Control Redemption Notice (as defined below). Such option shall be exercisable by a Bondholder by the delivery of a written notice (a “<b>Change of Control Redemption Notice</b>”) to the Issuer at its registered office within 45 (forty-five) days after the occurrence of a Change of Control Event, unless prior to the delivery by that Bondholder of its Change of Control Redemption Notice the Issuer gives notice to redeem the Bonds under Condition 16 (if applicable).</p>
Register Closed	The Register shall be closed prior to each Interest Payment Date and the Redemption Date for the periods as described in Condition 14 of the Terms and Conditions;
Selling Restrictions	The distribution of this Offering Circular and the offer for the subscription or sale of Bonds may be restricted by law in certain jurisdictions and are restricted by law in the United States of America, the European Economic Area, the United Kingdom and South Africa. Persons who come into possession of this Offering Circular must inform themselves about and observe any such restrictions;
Stamp Duty	No stamp duty, uncertificated securities tax or any similar tax is payable in respect of the issue or transfer of marketable securities or securities qualifying as instruments as contemplated in Section 24J of the Income Tax Act under current South African law.
Status of Bonds	The Bonds constitute direct, senior and unsecured obligations of the Issuer and rank and will rank <i>pari passu</i> amongst themselves and with the claims of all other unsecured creditors of it, other than those claims which are expressly preferred under the laws of South Africa;
Taxation	All payments in respect of the Bonds will be made without withholding, or deduction for or on account of taxes levied in South Africa, subject to certain exceptions as provided in Condition 10 of the Terms and Conditions. In the event that withholding tax or such other deduction is required by law, then the Issuer will pay (subject to such exceptions) any additional amounts as shall be necessary in order that the net amounts received by the Bondholders after such withholding or deduction shall equal the respective amounts of the Principal Amount and interest which would otherwise have been receivable in respect of the Bonds as the case may be, in the absence of such withholding or deduction; and
Terms and Conditions	The terms and conditions of the Bonds set out below in this Offering Circular.

---

## FORM OF THE BONDS

---

*Words used in this section entitled "Form of the Bonds" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.*

The Bonds will be listed on BESA, a licensed exchange in terms of the Securities Services Act. The Bonds will be issued in accordance with the Terms and Conditions set out below in this Offering Circular and will now be issued in the form of a Global Certificate without interest coupons, which will be lodged and immobilised in the CSD, which forms part of the settlement system of BESA. This will entail that the Bonds, represented by the Global Certificate, will be deposited with and registered in the name of, and for the account of the CSD's Nominee.

Beneficial Interests in Bonds which are lodged in the form of the Global Certificate in the CSD may, in terms of existing law and practice, be transferred through the CSD by way of book entry in the securities accounts of the Participants in the CSD, who are also approved by BESA to act as Settlement Agents and therefore perform electronic settlement of both funds and scrip on behalf of market participants. A certificate or other document issued by a Participant as to the nominal amount of such Beneficial Interest in Bonds standing to the account of any person shall be *prima facie* proof of such Beneficial Interest. A Global Certificate may be replaced by the issue of uncertificated securities in terms of Section 37 of the Securities Services Act.

Beneficial Interests in the Bonds may be exchanged by the Issuer, for Individual Certificates in accordance with Condition 12 of the Terms and Conditions. Such Individual Certificates will not be issuable in bearer form. The Bonds represented by the Global Certificate and Individual Certificates will be registered in the names of the Bondholders in the Register of Bondholders maintained by the Transfer Secretary. The Issuer shall regard the Register as the conclusive record of title to the Bonds. The CSD shall be recognised by the Issuer as the owner of the Bonds represented by the Global Certificate and the registered holders of Individual Certificates shall be recognised by the Issuer as the owners of the Bonds represented by such Individual Certificates. The Bonds represented by an Individual Certificate shall be transferred in accordance with Condition 13 of the Terms and Conditions.



---

## TERMS AND CONDITIONS OF THE BONDS

---

*The following is the text of the terms and conditions of the Bonds which will be incorporated by reference into the Global Certificate and each Individual Certificate.*

### 1. INTERPRETATION

In these terms and conditions, unless inconsistent with the context, the following expressions shall have the following meanings:

<b>"Applicable Procedures"</b>	the rules and operating procedures for the time being of the CSD and BESA, as the case may be;
<b>"Barloworld Group"</b>	collectively, the Issuer, each of its Subsidiaries and any other company or entity whose financial results are consolidated with the financial results of the Issuer in accordance with IFRS;
<b>"Beneficial Interest"</b>	the undivided share of a co-owner of the Bonds represented by the Global Certificate, as provided in Section 41 of the Securities Services Act;
<b>"BESA"</b>	Bond Exchange of South Africa Limited (Registration Number 2007/034441/06), a public company duly incorporated with limited liability in accordance with the company laws of South Africa, or its nominee and a licensed exchange in terms of the Securities Services Act or any exchange which operates as a successor exchange to BESA;
<b>"Bondholder"</b>	the holder of a Bond as recorded in the Register being the CSD and the holders of Individual Certificates;
<b>"Bonds"</b>	the senior unsecured fixed rate registered bonds with minimum denominations of ZAR1,000,000 each issued pursuant to these Terms and Conditions;
<b>"Business Day"</b>	a day which is a day, other than a Saturday, Sunday or official South African public holiday within the meaning of the Public Holidays Act, 1994 (as amended), on which commercial banks settle ZAR payments in Johannesburg;
<b>"Certificate"</b>	a Global Certificate or Individual Certificate;
<b>"Companies Act"</b>	the Companies Act, 1973 (as amended);
<b>"CSD"</b>	Strate Limited (Registration Number 1998/022242/06), a public company duly incorporated with limited liability in accordance with the company laws of South Africa, or its nominee, operating in terms of the Securities Services Act (or any successor legislation thereto), or any additional or alternate depository approved by the Issuer and BESA;
<b>"CSD's Nominee"</b>	Central Depository Nominees (Proprietary) Limited (Registration Number 1990/006665/07), a private company duly incorporated with limited liability in accordance with the company laws of South Africa, a wholly owned Subsidiary of the CSD;
<b>"Event of Default"</b>	an event of default by the Issuer set out in Condition 11;
<b>"Extraordinary Resolution"</b>	a resolution passed at a properly constituted meeting of the Bondholders upon a show of hands by a majority consisting of not less than two-thirds of the Bondholders present in person and voting at the meeting or, if a poll be duly demanded, a majority consisting of not less than two-thirds of the votes given at such poll by Bondholders present in person or by Proxy;
<b>"Form of Proxy"</b>	an instrument in writing signed by the Bondholder or, in the case of a Bondholder which is a corporation, executed under its common seal or signed on its behalf by a duly authorised representative of the corporation appointing a Proxy;

<b>“Global Certificate”</b>	the single certificate, without interest coupons, registered in the name of the CSD’s Nominee and representing those Bonds which are lodged and immobilised in the CSD other than those Bonds represented by the Individual Certificates. A Global Certificate may be replaced by the issue of uncertificated securities in terms of Section 37 of the Securities Services Act;
<b>“IFRS”</b>	the International Financial Reporting Standards issued by the board of International Standards Committee from time to time;
<b>“Individual Certificate”</b>	a Bond in the definitive registered form of a single certificate exchanged for a Beneficial Interest in the Bonds represented by the Global Certificate in accordance with Condition 12 and any further Certificate issued in consequence of a transfer thereof;
<b>“Interest Payment Date”</b>	the day upon which interest due in respect of the Bonds shall be paid by the Issuer, being 2 April and 2 October of each year, commencing on 2 April 2009, provided that the last date for such payment shall be on the Redemption Date;
<b>“Interest Period”</b>	each six-month period commencing on and including the day of any Interest Payment Date and ending on but excluding the following Interest Payment Date during the period from and including the Issue Date to but excluding Redemption Date, provided that the first Interest Period shall be from and including the Issue Date to, but excluding the first Interest Payment Date thereafter;
<b>“Interest Rate”</b>	the rate of interest applicable to the Bonds, being 11,67% per annum;
<b>“Issue Date”</b>	2 October 2008;
<b>“Issuer”</b>	Barloworld Limited (Registration Number 1918/000095/06), a public company duly incorporated with limited liability in accordance with the company laws of South Africa;
<b>“Last Day to Register”</b>	16h00 South African time on the tenth day preceding an Interest Payment Date or Redemption Date, as the case may be, being the last day on which the Transfer Secretary will accept Transfer Forms and record the transfer of the Bonds in the Register and whereafter the Register is closed for further transfers or entries until such Interest Payment Date or Redemption Date;
<b>“Material Subsidiary”</b>	a Subsidiary of the Issuer which represents more than 10% of the total assets of the Barloworld Group or accounts for more than 10% of the Barloworld Group’s total attributable income before tax;
<b>“Ordinary Resolution”</b>	a resolution passed at a properly constituted meeting of Bondholders, upon a show of hands by a majority of the Bondholders present in person or by Proxy and voting at the meeting or, if a poll is demanded, a majority of the votes cast at such poll by Bondholders present in person or by Proxy;
<b>“Participant”</b>	a person accepted by the CSD as a participant in terms of Section 34 of the Securities Services Act;
<b>“Paying Agent”</b>	SBSA or such other paying agent as may be appointed by the Issuer from time to time, subject to the approval of BESA;
<b>“Principal Amount”</b>	the face value of each Bond;
<b>“Proxy”</b>	a person appointed under a Form of Proxy to act on behalf of a Bondholder in connection with any meeting or proposed meeting of the Bondholders;
<b>“Redemption Date”</b>	the date upon which the Bonds are redeemed by the Issuer, whether by way of redemption on maturity in terms of Condition 7.1 or redemption for tax reasons in terms of Condition 7.3, as the case may be;
<b>“Register”</b>	the register maintained by the Transfer Secretary in terms of Condition 14;
<b>“Relevant Date”</b>	in respect of any payment, the date on which such payment first becomes due, except that, in relation to monies payable to the CSD in accordance with these Terms and Conditions, it means the first date on which: <ul style="list-style-type: none"> <li>(a) the full amount of such monies have been received by the CSD;</li> <li>(b) such monies are available for payment to the holders of Beneficial Interests; and</li> <li>(c) notice to that effect has been duly given to such holders in accordance with the Applicable Procedures;</li> </ul>

<b>“Representative”</b>	where a Bondholder is a corporation, a person authorised by a resolution of the Bondholder’s directors or other governing body to act as its representative in connection with any meeting or proposed meeting of the Bondholders;
<b>“SBSA”</b>	The Standard Bank of South Africa Limited (Registration Number 1962/000738/06), a public company and registered bank duly incorporated with limited liability in accordance with the company and banking laws of South Africa;
<b>“Securities Services Act”</b>	the Securities Services Act, 2004 (as amended);
<b>“Settlement Agent”</b>	a Participant, approved by BESA in terms of the rules of BESA, to perform electronic settlement of both funds and scrip on behalf of market participants;
<b>“Subsidiary”</b>	a subsidiary, as defined in section 1(3) of the Companies Act;
<b>“Terms and Conditions”</b>	the terms and conditions incorporated in this section “ <i>Terms and Conditions of the Bonds</i> ” and in accordance with which the Bonds are issued;
<b>“Transfer Form”</b>	the written form for the transfer of any Bond, in the form approved by the Transfer Secretary and signed by the transferor and transferee;
<b>“Transfer Secretary”</b>	Link Market Services South Africa (Proprietary) Limited (Telephone: (27) (11) 630 0800; Telefax: (27) (11) 834 4398) or any successor secretaries appointed by the Issuer; and
<b>“ZAR”</b>	the lawful currency of South Africa, being South African Rand, or any successor currency.

## 2. ISSUE

A total amount of ZAR750,000,000 Bonds will be issued, provided that nothing contained herein shall preclude the Issuer from, at any time, issuing further bonds on these Terms and Conditions. The Issuer reserves the right from time to time without the consent of the Bondholders to create and issue additional bonds with identical terms (save as to amount, date of the first payment of interest thereon, issue date and issue price) and such bonds shall be consolidated to form a single series with and increase the aggregate Principal Amount of the Bonds. The term ‘*Bonds*’ shall, in the event of such increase, also comprise such additionally issued bonds.

## 3. FORM AND DENOMINATION

- 3.1 The Bonds are senior unsecured fixed rate registered bonds with a minimum denomination of ZAR1,000,000.
- 3.2 The Bonds will be issued in the form of the Global Certificate which will be deposited with and registered in the name of, and for the account of the CSD’s Nominee. The CSD’s Nominee shall be reflected in the Register as the registered holder of the Bonds represented by such Global Certificate. An owner of a Beneficial Interest in the Bonds represented by the Global Certificate shall be entitled to exchange such Beneficial Interest for an Individual Certificate in accordance with Condition 12.

## 4. TITLE

- 4.1 Title to the Bonds will pass upon registration of transfer in the Register in accordance with Condition 13. The Issuer, the Paying Agent and the Transfer Secretary shall recognise a Bondholder as the sole and absolute owner of the Bonds registered in that Bondholder’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 Bond may be subject.
- 4.2 Beneficial Interests in Bonds lodged in the CSD in the form of the Global Certificate may, in terms of existing law and practice, be transferred through the CSD by way of book entry in the securities accounts of the Participants. Such transfers will not be recorded in the Register and the CSD’s Nominee will continue to be reflected in the Register as the Bondholder in respect of the Global Certificate, notwithstanding such transfers.

## 5. STATUS

The Bonds constitute direct, senior, unconditional and unsecured obligations of the Issuer and will rank *pari passu* amongst themselves and (save for certain debts required to be preferred by law) equally with claims of all other unsecured creditors (other than unsecured subordinated obligations, if any) of the Issuer from time to time outstanding.

## 6. NEGATIVE PLEDGE

- 6.1 The Issuer undertakes, until the Redemption Date, that neither the Issuer nor its Material Subsidiaries shall create or permit the creation of any Encumbrance (defined below) other than a Permitted Encumbrance (defined below) over any of their present or future businesses, undertakings, assets or revenues to secure any present or future Indebtedness (defined below) (save for those that have been accorded preferential rights by law) without at the same time securing all Bonds equally and rateably with such Indebtedness or providing such other security as may be approved by Extraordinary Resolution of the Bondholders, unless the provision of any such security in terms of this Condition 6.1 is waived by an Extraordinary Resolution of the Bondholders.
- 6.2 The Issuer shall be entitled but not obliged, to form, or procure the formation of, a trust or trusts, or to appoint, or procure the appointment of, an agent or agents to hold any such rights of security for the benefit of such Bondholders.
- 6.3 For the purposes of this Condition 6:
- (a) **"Encumbrance"** means any mortgage, pledge, hypothecation, assignment, cession *in securitatem debiti*, deposit by way 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 or any agreement or arrangement to give any form of security to a creditor but excluding statutory preferences and any security interest arising by operation of law; and
  - (b) **"Permitted Encumbrance"** means:
    - (i) any Encumbrance existing as at the date of this Offering Circular; or
    - (ii) any Encumbrance with respect to the receivables of the Issuer or any Material Subsidiary which is created pursuant to any securitisation or like arrangement in accordance with normal market practice and whereby the Indebtedness is limited to the value of such receivables; or
    - (iii) any Encumbrance with respect to inter-company Indebtedness incurred between the Issuer and any Subsidiary; or
    - (iv) any Encumbrance created over any asset owned, acquired, developed or constructed by the Issuer or any Material Subsidiary, being an Encumbrance created for the sole purpose of financing or refinancing that asset owned, acquired, developed or constructed, provided that the Indebtedness so secured shall not exceed the *bona fide* market value of such asset or the cost of that acquisition, development or construction (including all interest and other finance charges, adjustments due to changes in circumstances and other charges reasonably incidental to such cost, whether contingent or otherwise); or
    - (v) any Encumbrance over deposit accounts securing the loan to the Issuer or any Material Subsidiary of funds equal to the amounts standing to the credit of such deposit accounts; or
    - (vi) any Encumbrance created in the ordinary course of the Issuer's business or any Material Subsidiary's business over stock-in-trade, inventory, accounts receivable or deposit accounts; or
    - (vii) any Encumbrance subsisting over any asset of any Subsidiary prior to the date of such entity becoming a Subsidiary and not created in contemplation of such entity becoming a Subsidiary and any substitute Encumbrance created over that asset (but in any such case the amount of the Indebtedness secured by such Encumbrance, may not be increased); or
    - (viii) any Encumbrance securing in aggregate not more than ZAR100,000,000 at any time.
  - (c) **"Indebtedness"** means any indebtedness in respect of monies borrowed and guarantees given, whether present or future, actual or contingent.

## 7. REDEMPTION AND PURCHASES

### 7.1 Redemption on maturity

Subject to these Terms and Conditions, the Bonds shall be redeemed at their Principal Amount on • .... (together with interest accrued to such Redemption Date). If such Redemption Date falls upon a day which is not a Business Day, payment shall be made on the first following day that is a Business Day, provided that no additional interest shall be payable for the period necessitated by such delay.

### 7.2 Redemption in the event of a Change of Control of the Issuer

(a) A "Change of Control Event" shall occur if:

- (i) a Change of Control occurs; and
- (ii) within the Change of Control Period:
  - (A) in relation to any rating assigned to any Bonds that are rated by a Rating Agency or in relation to any rating assigned to the Issuer by a Rating Agency, if at the time the Change of Control occurs, a Rating Downgrade in relation to such Bonds or the Issuer, as the case may be, occurs in respect of that Change of Control; or
  - (B) in relation to any Bonds that are not rated by a Rating Agency or where no rating is assigned to the Issuer by a Rating Agency, if at the time the Change of Control occurs, a Negative Rating Event in relation to such Bonds or the Issuer, as the case may be, occurs in respect of that Change of Control.

(b) Promptly upon the Issuer becoming aware that a Change of Control Event has occurred, the Issuer shall give a notice to the Bondholders in accordance with Condition 16 specifying the nature of the Change of Control Event and the circumstances giving rise to it and the procedure for exercising the option contained in this Condition 7.2(b).

(c) If at any time while any Bond remains in issue, upon the occurrence of a Change of Control Event, the Issuer shall, and only if the Bondholders have:

- (i) in terms of Condition 16 issued a notice to convene a meeting of Bondholders within 30 (thirty) days of the date on which the Negative Rating Event occurred; and
- (ii) resolved in terms of Condition 18 by way of Extraordinary Resolution requiring the redemption of the Bonds by the Bondholders in these circumstances,

redeem all Bonds at its Principal Amount together with accrued interest (if any) within 15 (fifteen) days of having received a written notice from the Bondholders to redeem such Bond.

(d) For the purposes of this Condition 7.2:

- (i) "Acting in Concert" means a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition of shares in the Issuer by any of them, either directly or indirectly, to obtain or consolidate Control of the Issuer;
- (ii) a "Change of Control" shall be deemed to have occurred at each time (whether or not approved by the senior management or board of directors of the Issuer) that any person ("Relevant Person") or persons Acting in Concert or any person or persons acting on behalf of any such person(s), at any time directly or indirectly acquires Control of the Issuer; provided that a Change of Control shall not be deemed to have occurred if the shareholders of the Relevant Person are also, or immediately prior to the event which would otherwise constitute a Change of Control were, all of the shareholders of the Issuer;
- (iii) "Change of Control Period" means, in relation to a Change of Control of the Issuer, the period ending 90 (ninety) days after the date on which that Change of Control of the Issuer is publicly announced;
- (iv) "Control" of the Issuer means (A) the holding beneficially of more than 50% (fifty percent) of the issued share capital of the Issuer (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital), or (B) the power to cast, or control the casting of, the votes of such number of the shares in the issued share capital of the Issuer carrying more than 50% (fifty percent) of the total number of votes that may be cast at a general meeting of the members of the Issuer;
- (v) "Fitch" means Fitch Ratings Limited (or (if applicable) any South African subsidiary or associated company of Fitch Ratings Limited) and its successors in title;



- (vi) **"Investment Grade Rating"** means a national scale rating of **"BBB-"** by Fitch or its equivalent for the time being, or better;
- (vii) a **"Negative Rating Event"** shall, in relation to Bonds that are unrated and/or where no rating is assigned to the Issuer by a Rating Agency, be deemed to have occurred if (A) the Issuer does not on or before the 45th (forty fifth) Business Day after the commencement of the Change of Control Period seek, and use all reasonable endeavours to obtain from a Rating Agency, a rating in respect of the Bonds or the Issuer, or (B) if it does so seek and use such endeavours, it has not at the expiry of the Change of Control Period and as a result of such Change of Control obtained an Investment Grade Rating in respect of such Bonds or the Issuer; and
- (viii) a **"Rating Downgrade"** shall, in relation to Bonds that are rated or where the Issuer has been assigned a rating by a Rating Agency, be deemed to have occurred in respect of a Change of Control if within the Change of Control Period the rating previously assigned to such Bonds or, the Issuer by any Rating Agency is (A) withdrawn other than for the reason that the Rating Agency no longer offers such rating(s), or (B) changed from an Investment Grade Rating to a non-Investment Grade Rating (i.e. BB+ by Fitch or its equivalent for the time being, or worse), or (C) if the rating assigned to such Bonds or the Issuer is at the relevant time already below an Investment Grade Rating, lowered one full rating category (for example, **"BB+"** to **"BB"** by Fitch or such similar lower or equivalent rating).

### 7.3 **Redemption for tax reasons**

If the Issuer, immediately prior to the giving of the notice referred to below in this Condition 7.3, is of the reasonable opinion that:

- (a) as a result of any change in or amendment to the laws or regulations of South Africa or any political subdivision of, or any authority in, or of, South Africa having power to tax becoming effective after the date of this Offering Circular, the Issuer is or would be required to pay additional amounts as provided or referred to in Condition 10; and
- (b) such requirement cannot be avoided by the Issuer taking reasonable measures available to it,

then the Issuer may at its option, having given not less than 30 (thirty) and not more than 60 (sixty) days' notice to Bondholders (which notice shall be irrevocable), redeem all the Bonds, but not some only, at their Principal Amount (together with interest accrued to such Redemption Date) provided that no notice of redemption shall be given earlier than 90 (ninety) days before the earliest date on which the Issuer would incur the obligation to pay such additional amounts where a payment in respect of the Bonds is due.

### 7.4 **Procedure for redemption**

Payments in respect of the redemption of the Bonds shall be made in accordance with Condition 9 and, in relation to Bonds represented by the Global Certificate held in the CSD, the Applicable Procedures relating to the redemption of debt securities, and the Individual Certificate.

Bondholders shall surrender their Certificates in respect of Bonds held by them to the Transfer Secretary at least 10 (ten) days prior to the Redemption Date.

### 7.5 **Purchases**

The Issuer or any of its affiliates may at any time purchase Bonds at any price in the open market or otherwise. In the event of the Issuer purchasing Bonds, such Bonds may (subject to restrictions of any applicable law) be held, resold or, at the option of the Issuer, surrendered to the Transfer Secretary for cancellation.

### 7.6 **Cancellation**

Subject to the provisions of Condition 7.5, all Bonds which are redeemed by the Issuer will forthwith be cancelled. All Bonds so cancelled shall be held by the Transfer Secretary and cannot be re-issued or resold.

## 8. **INTEREST**

- 8.1 The Bonds shall bear interest at the Interest Rate from and including the Issue Date, to but excluding the Redemption Date.
- 8.2 Interest in respect of each Interest Period, shall be payable in arrears on the Interest Payment Date immediately succeeding such Interest Period. If any Interest Payment Date falls upon a day which is not a Business Day,

the interest payable upon such Interest Payment Date shall be payable upon the first following day that is a Business Day, provided that for the purposes of determining an Interest Period, no adjustment shall be made to such Interest Payment Date.

8.3 Each Bond will cease to bear interest from the Redemption Date unless, upon due presentation thereof, payment of principal is improperly withheld or refused.

8.4 In the event that the Issuer fails to punctually make payment of any amounts owing in accordance with these Terms and Conditions, the amounts so owing shall continue to bear interest at the Interest Rate in accordance with these Terms and Conditions.

**8.5 Calculation of interest**

The amount of interest payable per Bond in respect of each Interest Period shall be calculated by multiplying the applicable Interest Rate by the Principal Amount of such Bond and then dividing such product by two. If interest is required to be calculated for a period other than a full fixed interest period, such interest shall be calculated on the basis of the actual number of days elapsed divided by 365, irrespective of the number of days in a year.

**9. PAYMENT**

9.1 The Principal Amount and interest on the Bonds shall be paid by the Paying Agent for and on behalf of the Issuer in ZAR.

9.2 Payments of interest and principal in respect of Bonds represented by the Global Certificate will be made to the CSD's Nominee, as the registered holder of the Global Certificate, which in turn will transfer such funds, via the Participants, to the holders of Beneficial Interests. Each of the persons reflected in the records of the CSD or the relevant Participant(s), as the case may be, as the holders of Beneficial Interests shall look solely to the CSD or the relevant Participant(s), as the case may be, for such person's share of each payment so made by the Issuer to, or for the order of, the registered holder of the Global Certificate. The Issuer will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of, Beneficial Interests, or for maintaining, supervising or reviewing any records relating to such Beneficial Interests. Payments of interest and principal in respect of Bonds represented by the Global Certificate shall be recorded by the CSD's Nominee, as the registered holder of the Global Certificate, distinguishing between interest and principal, and such record of payments by the registered holder of the Global Certificate shall be *prima facie* proof of such payments. Payments of interest and principal in respect of Bonds represented by Individual Certificates shall be made to the person reflected as the registered holder of the Individual Certificate in the Register on the Last Day to Register.

9.3 Payments of interest and/or the Principal Amount in respect of each Bond shall be paid by the Paying Agent, for and on behalf of the Issuer by electronic funds transfer to the account of the relevant Bondholder as set forth in the Register at 16h00 Johannesburg time on the Last Day to Register preceding the relevant Interest Payment Date or Redemption Date, as the case may be, or, in the case of joint Bondholders, the account of that one of them who is first named in the Register in respect of that Bond, provided that no payment in respect of the redemption of such Bond shall be made by the Issuer until 10 (ten) days after the date on which the Global Certificate or Individual Certificate, as the case may be, in respect of the Bond to be redeemed has been surrendered to the Transfer Secretary.

9.4 If the Paying Agent, acting on behalf of the Issuer, is prevented or restricted directly or indirectly from making any payment by electronic funds transfer in accordance with Condition 9.3 (whether by reason of strike, lockout, fire, explosion, floods, riot, war, accident, act of God, embargo, legislation, shortage of or breakdown in facilities, civil commotion, unrest or disturbances, cessation of labour, Government interference or control or any other cause or contingency beyond the control of the Issuer), such inability shall not constitute an Event of Default and the Issuer shall give notice to the Bondholders within 3 (three) Business Days of such inability arising. Upon receipt of such notice any Bondholder may request, in writing, setting out a postal address, that the Issuer make payment of any such amounts by way of cheque if allowed by law or banking practice. The Paying Agent, acting on behalf of the Issuer, shall deliver any such cheque to such Bondholder within 5 (five) Business Days of receiving such request.