

Offering Circular dated 18 April 2013

CPV POWER PLANT NO. 1 BOND SPV (RF) LIMITED

(Incorporated in South Africa with limited liability under registration number 2012/176922/06)

Bond Offering

ZAR1,000, 000, 000 11 % Fixed Rate Senior Unsecured Registered Bonds
due 30 June 2029

Lead Manager, Bookrunner and Debt Sponsor



Attorneys to the Lead Manager and the Issuer



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Due 30 June 2029

A total amount of ZAR1, 000, 000, 000 11% Fixed Rate Senior Unsecured Registered Bonds with minimum authorised denominations on the Issue Date of ZAR1,000,000 each (the "**Bonds**") will be issued by the Issuer on 29 April 2013 (the "**Issue Date**"), subject to the terms and conditions (the "**Terms and Conditions**") incorporated into this Offering Circular in the section headed "**Terms and Conditions of the Bonds**". Capitalised terms used below are defined in the section of this Offering Circular headed "**Terms and Conditions of the Bonds**".

Unless previously redeemed, or purchased by the Issuer and cancelled, the Issuer shall redeem the Bonds in Instalment Amounts on Instalment Dates, with a Final Redemption Date of 30 June 2029.

For as long as the Bonds are in issue, interest on the Bonds is payable semi-annually in arrears on 30 June and 31 December of each calendar year, subject to adjustment in terms of the business day convention as provided in the Terms and Conditions (each such day an "**Interest Payment Date**"), commencing with the Interest Payment Date falling on 30 June 2013. Interest on the Bonds will be calculated on the basis of a fixed rate determined in accordance with Condition 8 of the Bonds.

Payments in respect of the Bonds will be made without withholding or deduction for Taxes unless such withholding or deduction is required by law, in which event the Issuer will be required to pay additional amounts in relation thereto, subject to customary exceptions, as described in Condition 11.2.

The Bonds will be listed on the Interest Rate Market of the JSE under stock code number CPV01. The application to list the Bonds was granted by the JSE on 29 April 2013 and the Bonds may be traded by or through members of the JSE from 29 April 2013 in accordance with the rules and operating procedures for the time being of the JSE. The clearing and settlement of trades on the JSE shall take place in accordance with the electronic clearing and settlement procedures of the JSE and Strate Limited.

The Bonds are expected, on issue, to be assigned a rating of Baa2.za by the Rating Agency.

A credit rating is not a recommendation to subscribe for, buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the Rating Agency.

Particular attention is drawn to the section headed "Risk Factors".

Capitalised terms used in this Offering Circular are defined in the section of this Offering Circular headed "**Terms and Conditions of the Bonds**" unless separately defined in this Offering Circular. Expressions defined in this Offering Circular will bear the same meanings in supplements to this Offering Circular which do not themselves contain their own definitions.

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from this Offering Circular which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that this Offering Circular contains all information required by Applicable Law and the JSE Debt Listings Requirements. The Issuer accepts full responsibility for the accuracy of the information contained in this Offering Circular and the annual financial report and any amendments to the annual financial report or any supplements from time to time, except as otherwise stated therein.

The JSE assumes no responsibility or liability of whatsoever nature for the correctness of any of the statements made or opinions expressed or information contained in or incorporated by reference into this Offering Circular. The admission of any Bonds to the list of debt securities maintained by the JSE and the listing of such Bonds on the JSE is not to be taken as an indication of the merits of the Issuer or the Bonds. The JSE assumes no responsibility or liability of whatsoever nature for the contents of this Offering Circular or the annual report any other information incorporated by reference into this Offering Circular (as amended or restated from time to time), and the JSE makes no representation as to the accuracy or completeness of this Offering Circular, the annual report or any other information incorporated by reference into this Offering Circular (as amended or restated from time to time). The JSE expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of this Offering Circular or the annual report any other information incorporated by reference into this Offering Circular (as amended or restated from time to time).

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference. This Offering Circular shall be read and construed on the basis that such documents are incorporated into and form part of this Offering Circular. Any reference in this section to the Offering Circular shall be read and construed as including such documents incorporated by reference.

*No person is authorised to give any information or to make any representation concerning the issue of the Bonds other than the information and representations contained in this Offering Circular. Nevertheless, if any such information is given or representation made, it must not be relied upon as having been authorised by the JSE, the Issuer, the Debt Sponsor, the Lead Manager, the Bookrunner, or any of their respective subsidiary or holding companies or a subsidiary of their holding company ("**Affiliates**") or any of their advisers. Neither the delivery of this Offering Circular nor any offer, sale, allotment or solicitation made in connection with the offering of the Bonds shall, in any circumstances, create any implication or constitute a representation that there has been no change in the affairs of the Issuer since the date hereof or that the information contained in this Offering Circular is correct at any time subsequent to the Issue Date. The JSE, Debt Sponsor, Lead Manager, the Bookrunner, and other advisers of the Issuer have not separately verified the information contained in this Offering Circular. Accordingly, none of the Debt Sponsor, the Lead Manager, the Bookrunner, nor any of their respective Affiliates or advisers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Offering Circular or any other information supplied in*

connection with the Offering Circular. Each person receiving this Offering Circular acknowledges that such person has not relied on the JSE, the Debt Sponsor, the Lead Manager, the Bookrunner, or any other person affiliated with the Debt Sponsor, the Lead Manager, the Bookrunner, or any of the advisers of the Issuer, in connection with its investigation of the accuracy of such information or its investment decision.

Neither this Offering Circular nor any other information supplied in connection with the Bonds is intended to provide the basis of any credit or other evaluation, or should be considered as a recommendation by the JSE, the Issuer, the Debt Sponsor, the Lead Manager, the Bookrunner, or any of advisers, that any recipient of this Offering Circular or any other information supplied in connection with the Offering Circular should subscribe for or purchase any Bonds. Each person contemplating making an investment in the Bonds must make its own investigation and analysis of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer, and the terms of the offering and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience, and any other factors which may be relevant to it in connection with such investment. The JSE, the Debt Sponsor, the Lead Manager and Bookrunner do not undertake to review the financial condition or affairs of the Issuer nor to advise any investor or potential investor in the Bonds of any information coming to the attention of the JSE, the Debt Sponsor, the Lead Manager or Bookrunner.

None of the Issuer, the Debt Sponsor, the Lead Manager or the Bookrunner, makes any representation or warranties as to the settlement procedures of the Central Securities Depository or the JSE.

This Offering Circular does not constitute an offer or an invitation by or on behalf of the Issuer, the Debt Sponsor, the Lead Manager, the Bookrunner or any other party to a Transaction Document to the public to subscribe for or purchase any of the Bonds.

The distribution of this Offering Circular and the offering of the Bonds in certain jurisdictions may be restricted by law. No representation is made by the Issuer, the Debt Sponsor, the Lead Manager, the Bookrunner or any of their advisers, or any other party to a Transaction Document that this Offering Circular may be lawfully distributed, or that the Bonds may be lawfully offered, in compliance with any applicable legislation or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder and none of them assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Debt Sponsor, the Lead Manager, the Bookrunner or any other party to a Transaction Document or any of their advisers, which would permit a public offering of the Bonds or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, the Bonds may not 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 under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular comes are required by the Issuer, the Debt Sponsor, the Lead Manager, the Bookrunner and the other parties to the Transaction Documents and any of their advisers to inform themselves about and to observe any such restrictions.

The Bonds to be issued have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")). The Bonds will be offered and sold only in offshore transactions outside the United

States in accordance with Regulation S and, subject to certain exceptions, may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons. In addition, there are restrictions on the distribution of this Offering Circular in South Africa and the United Kingdom.

The terms of this Offering Circular, if sent to persons resident in jurisdictions outside South Africa, may be affected by the laws of the relevant jurisdiction. Such persons should inform themselves about and observe any applicable legal requirements in any such jurisdiction. It is the responsibility of any such person wishing to subscribe for or purchase the Bonds to satisfy itself as to the full observance of the laws of the relevant jurisdiction therewith. If and to the extent that this Offering Circular is illegal in any jurisdiction, it is not made in such jurisdiction and this document is sent to persons in such jurisdiction for information purposes only.

References in this Offering Circular to "Rands", "ZAR" or "R" are to the lawful currency for the time being of South Africa.

In connection with this issue, the Issuer may, in its discretion and to the extent approved by the JSE and permitted by applicable laws and regulations, appoint a stabilising manager to over-allot or effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail for a limited period after the Issue Date. However, there may be no obligation on the Stabilisation Manager to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period.

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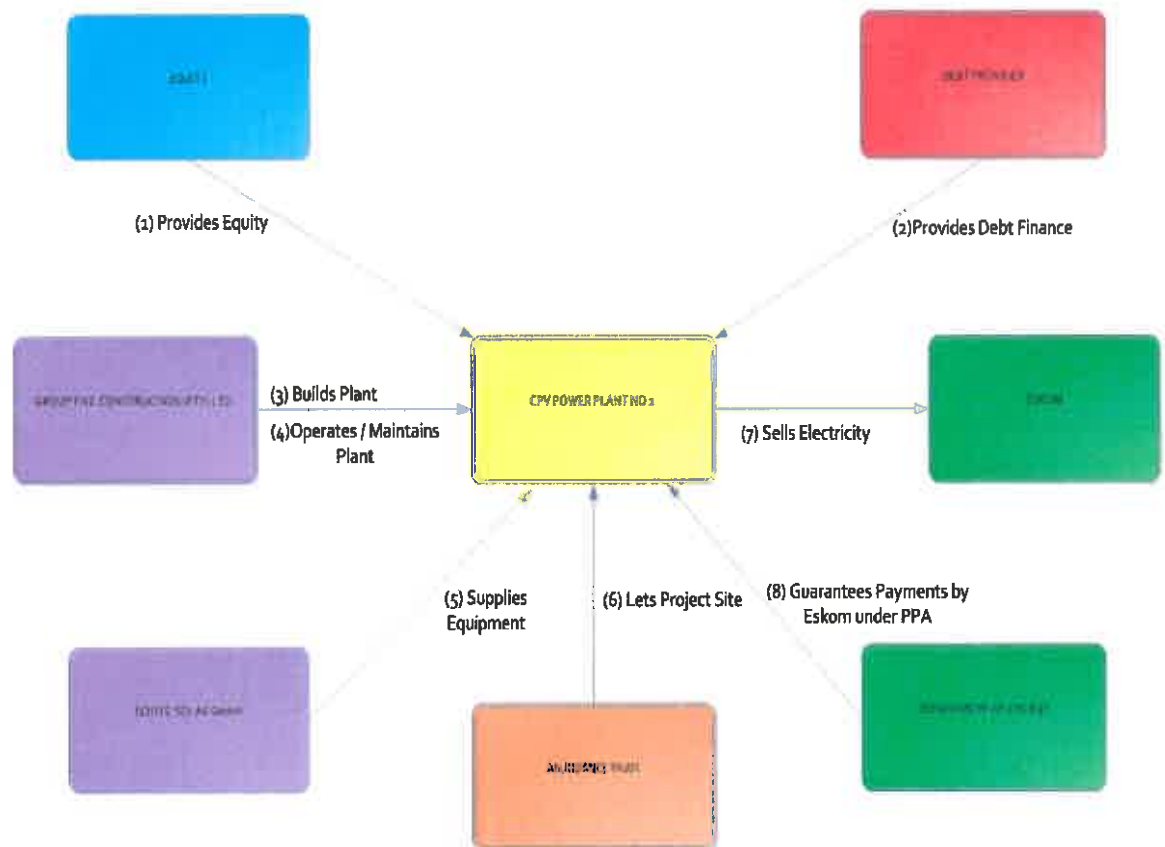
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TRANSACTION OVERVIEW

Capitalised terms and expressions used in this section but not otherwise defined in this section shall bear the meanings ascribed to such terms in the section entitled "Terms and Conditions of the Bonds"

TOUWSRIVIER BOND STRUCTURE

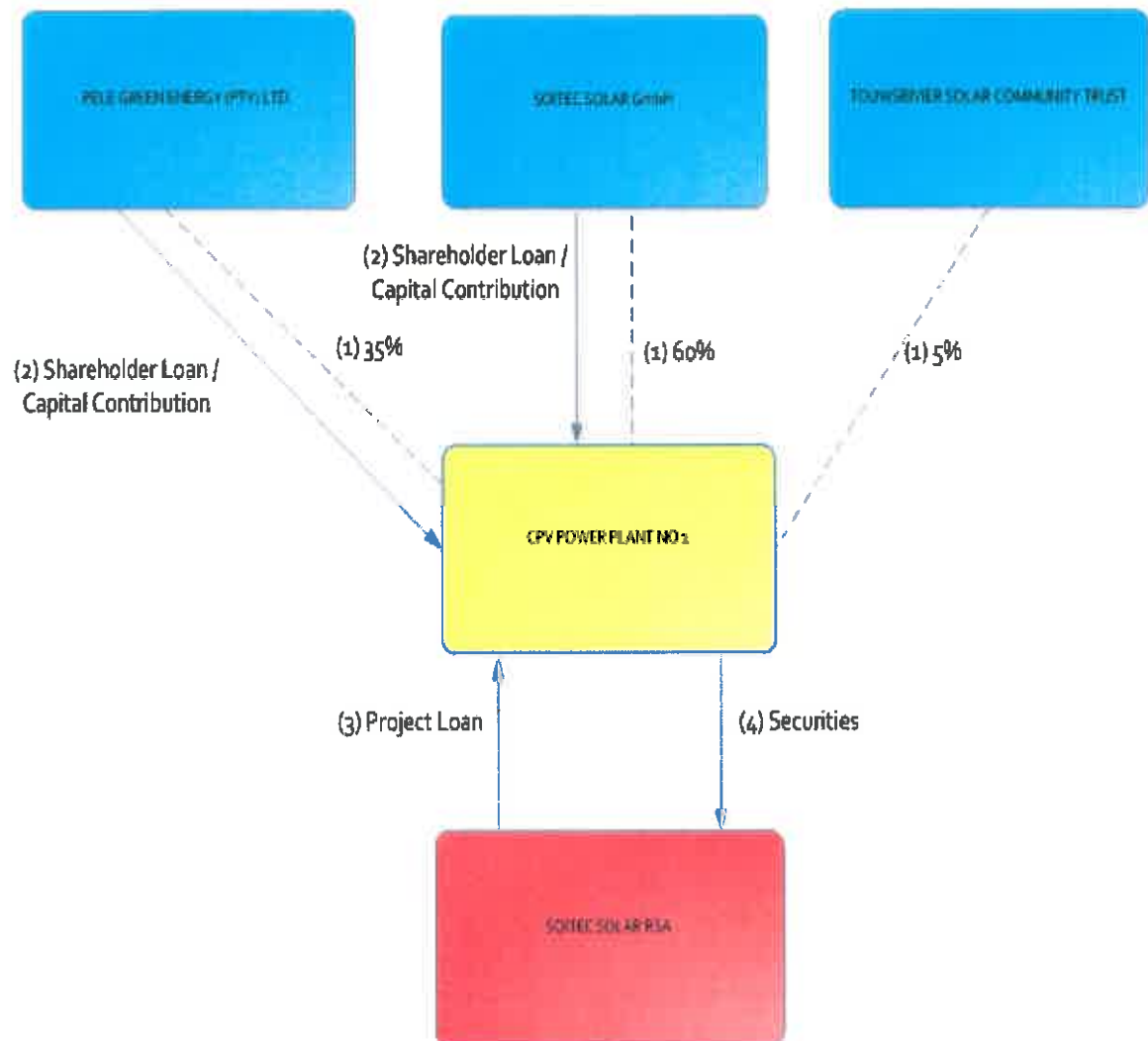
Overall project structure



Notes:

- The Parent has been established as the project company to undertake the Project.
- The sponsor shareholders (more fully described below) will fund 30% of the total project costs by way of equity (shareholder loan/capital contribution). [See (1)]
- The debt provider will fund 70% of the total project costs by way of senior debt facility. [See (2)]
- Group Five will build the solar plant and provide operation and maintenance services during the operation of the plant. [See (3) and (4)]
- Soitec Solar GmbH will supply the concentrated photovoltaic equipment for the plant. [See (5)]

- The Abundance Trust, as owner of the project site, will let the project site to the Parent. [See (6)]
- The Parent will sell the electricity generated by the plant to Eskom for a period of 20 years from the commencement of commercial operation of the plant. [See (7)]
- The Department of Energy will guarantee the payments by Eskom to the Parent under the Power Purchase Agreement. [See (8)]

Current funding structure

Notes:

- The shares in the Parent will be held by the following shareholders:

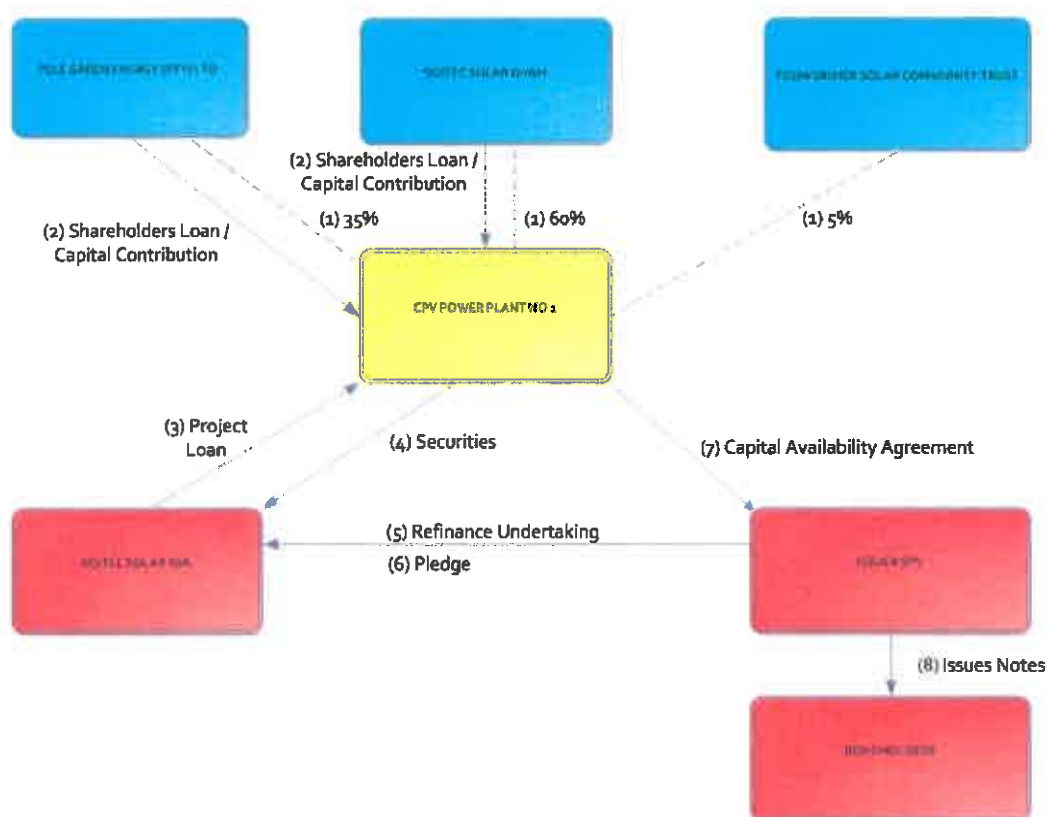
- Soitec Solar GmbH, as to 60%;
- Pele Green Energy, as to 35%;
- Touwsrivier Solar Community Trust, as to 5%.

[See (1)]

- 30% of the project costs will be funded by Soitec Solar GmbH (as to 65%) and Pele Green Energy (as to 35%). The funding will be available by way of capital contribution (1% of total shareholder's commitment) and subordinated shareholder loan (99% of total shareholder's commitment). [See (2)].
- 70% of the project costs will be funded by Soitec Solar RSA by way of a senior debt facility in terms of the Project Loan Agreement ("**Project Loan**"). [See (3)]
- The Project Loan will be secured by typical project finance securities (the "**Project Securities**") including:
 - (i) cession of receivables (e.g. under Power Purchase Agreement) of the Parent;
 - (ii) general notarial and special notarial bonds in respect of the movable assets of the Parent;
 - (iii) cession and pledges of shares in the Parent (including cession of shareholder loans).

[See (4)]

Listing date



Notes:

- The Issuer (Wholly Owned Subsidiary of the Parent) will issue unsecured Bonds to Bondholders. [See (8)]
- The Issuer will undertake to refinance the Project Loan once the Reversion Event occurs. The "Reversion Event" occurs when the construction of the plant has progressed to the extent that the plant reaches 18MW capacity. This will be determined in accordance with testing procedures substantially similar to the testing procedures for completion of the entire plant. [See (5)]
- As security for the Refinance Undertaking, the Issuer will pledge to Soltec Solar RSA the South African government bonds or treasury bills acquired with the proceeds received from the subscription for the Bonds. [See (6)]
- The Parent will undertake to cover by way of an availability fee the shortfall between the interest payable to the Bondholders under the Bonds and the return received from the South African government bonds or treasury bills in which the proceeds received from the subscription for the Bonds are invested in accordance with the Investment Mandate pending the Reversion Event in terms of the Capital Availability Agreement. [See (7)]

Notes:

- Pursuant to the Refinance Undertaking, on the Reversion Event, the Issuer will:
 - (a) take cession and delegation of all rights and obligations under the Project Loan and accordingly will become the lender under the Project Loan [See (3)]
 - (b) take over, and become the holder of, the Project Securities; [See (4)]
 - (c) pay to Soitec Solar RSA an amount equal to all outstandings under the Project Loan.
- If the Reversion Event does not occur on or prior to the Last COD, this will be regarded as a mandatory redemption event under the Bonds. In this event:
 - (a) all Bonds must be redeemed;
 - (b) the refinance undertaking is automatically withdrawn;
 - (c) the pledge held by Soitec Solar RSA of the South African government bonds or treasury bills acquired with the proceeds received from the subscription for the Bonds to the Bondholders will be released.
- On completion of the plant, the Issuer will be obliged to redeem the Bonds early in part if the capacity of the plant does not achieve the full capacity of 36 MW. The amount of the redemption will be based on the cost savings of the Parent in constructing the Plant pursuant to the buy-down mechanism (see below under summary of the Optimization Agreement).

List of Project Agreements

Project documents	
Power purchase agreement	An agreement between the Parent and Eskom regulating the construction of the Plant by the Parent and the purchase by Eskom of the electrical energy produced by the Plant, dated 5 November 2012.
Implementation agreement	An agreement between the Parent and the Department of Energy regulating the rights and obligations of the Parent in relation to economic development obligations, the payment of the development fee, the refinancing of the Project and the Project Site, dated 5 November 2012.
Distribution agreement	An agreement between Eskom and the Parent regulating the connection of the Plant to the national grid and use of such grid by the Parent to export electrical energy produced by the Plant, dated 2 November 2012.

Self-build agreement	An agreement between the Parent and Eskom regulating the construction of a certain portion of the connection from the Plant to the national grid.
Authority Direct Agreement	An agreement between the Parent, the lender under the Project Loan Agreement, Eskom and the Department of Energy in terms of which the Issuer is entitled under certain circumstances to replace the Parent as contracting party under the Power Purchase Agreement and Implementation Agreement, to be signed prior to the Reversion Event.
Distribution Direct Agreement	An agreement between the Parent, the lender under the Project Loan Agreement, Eskom and the Department of Energy in terms of which the Issuer is entitled under certain circumstances to replace the Parent as contracting party under the Distribution Agreement, to be signed prior to the Reversion Event.
Land use agreement	
Notarial lease agreement	An agreement between the Parent and the lessor of the Project Site in terms of which the Parent leases the Project Site for an initial period of 28 years from financial close of the Project, dated 27 August 2010.
Contractor documents	
BOP&I Agreement	A balance of plant and implementation agreement between the Parent and Group Five regulating the engineering, construction and testing of the Plant by Group Five, dated 11 July 2012, as amended.
Equipment supply agreement	An agreement between the Parent and Soitec Solar GmbH regulating the supply by Soitec Solar GmbH of CPV equipment for installation in the Plant, dated 11 December 2012, as amended.
Optimization agreement	<p>An agreement between the Parent, Group Five and Soitec Solar GmbH regulating the (i) testing and optimization of the Plant by Group Five and Soitec Solar GmbH, (ii) delay liquidated damages payable, (iii) the allocation of liability for any failure of the Plant, and (iv) the security to be provided by Group Five and Soitec Solar GmbH in relation to the Project, dated 11 July 2012, as amended.</p> <p>In terms of the Optimization Agreement:</p> <ul style="list-style-type: none"> • if Group Five does not adhere to the project schedule, it will be liable to pay delay liquidated damages of 0.06% of the fixed price under the BoP&I Agreement (the "Fixed Price") per day of delay, subject to a maximum liability of 10% of the Fixed Price; and • if Soitec Solar GmbH does not adhere to the delivery schedule, it will

	<p>be liable to pay delay liquidated damages of 0.06% of the purchase price under the Equipment Supply Agreement (the "Purchase Price") per day of delay, subject to a maximum liability of 10% of the Purchase Price.</p> <p>Buy-down mechanism (reducing the Purchase Price):</p> <ul style="list-style-type: none"> • if as at the date on which the Reversion Event occurs the actual tested capacity of the CPV equipment installed in the Plant at that date ("Actual Power") is less than the intended capacity of such CPV equipment calculated in terms of the Optimization Agreement ("Design Power"), the Purchase Price will be adjusted such that the Parent's return on funds invested is equivalent to its return had the intended capacity been achieved. Such adjustment will require (i) Soitec Solar GmbH to reimburse the Parent part of the Purchase Price paid to Soitec Solar GmbH as at the date on which the Reversion Event occurs, and (ii) a reduction of the balance of the Purchase Price payable to Soitec Solar GmbH by the Parent; • if as at the date of acceptance testing under the Optimization Agreement (the "Acceptance Testing Date") the Actual Power of all the CPV equipment installed in the Plant is less than the Design Power, the Purchase Price will again be adjusted such that the Parent's return on funds invested is equivalent to its return had the intended capacity been achieved. Such adjustment may require (i) Soitec Solar GmbH to reimburse the Parent part of the Purchase Price, or (ii) if the Actual Power of installed CPV equipment has improved relative to the Design Power since the date on which the Reversion Event occurred, an increase in the payments to be made by the Parent to Soitec Solar GmbH (provided that the aggregate payments made by the Parent to Soitec Solar GmbH will never exceed the Purchase Price).
Securities under the optimization agreement	<p>Security to be provided by Group Five to the Parent:</p> <ul style="list-style-type: none"> • <i>early works security</i>: a guarantee for a maximum of R5 000 000, as security for the early works payment to be made by the Parent under the BoP&I Agreement in case of a termination of the BoP&I Agreement or Optimization Agreement; • <i>advance payment bond</i>: a guarantee to be provided by no later than the date of issue of the notice to proceed under the BoP&I Agreement, as security for the advance payment to be made by the Parent under the BoP&I Agreement in case of a termination of the

	<p>BoP&I Agreement or Optimization Agreement; and</p> <ul style="list-style-type: none"> <i>delay bond</i>: a delay liquidated damages bond for 5% of the Fixed Price, to be provided on the date on which the Reversion Event occurs as security for the payment of delay liquidated damages. <p>Security to be provided by Soitec Solar GmbH to the Parent on the date on which the Reversion Event occurs:</p> <ul style="list-style-type: none"> <i>performance bond</i>: a performance bond of 5% of the aggregate of the Fixed Price and the Purchase Price, as security for the proper performance by Group Five and Soitec Solar GmbH of their respective obligations under the BoP&I Agreement and Equipment Supply Agreement; and <i>delay bond</i>: a delay liquidated damages bond of 5% of the Purchase Price as security for the payment of delay liquidated damages.
O&M Agreement	An agreement between the Parent and Group Five regulating the operation and maintenance of the Plant by Group Five, dated 11 July 2012, as amended.
Security under the O&M Agreement	A guarantee for 6 times the aggregate monthly fee payable under the O&M Agreement, to be provided by Group Five as security for the due performance of its obligations under the O&M Agreement. This guarantee will be issued on the commencement of commercial operation of the Plant for a period of five years and, on expiry, will be replaced with another guarantee on the same terms.
Equity documents	
Subscription agreements	<p>With effect from financial close (16 November 2012):</p> <ul style="list-style-type: none"> Soitec Solar GmbH subscribes for an additional 180 ordinary shares in the Parent; Pele Green Energy subscribes for 175 ordinary shares in the Parent; and the Touwsrivier Solar Community Trust subscribes for 25 ordinary shares in the Parent. <p>Pursuant to these subscriptions, the shareholding of the Parent as at financial close (16 November 2012) was:</p>

	<ul style="list-style-type: none"> • Soitec Solar GmbH, 60%; • Pele Green Energy, 35%; and • the Touwsrivier Solar Community Trust, 5%.
Shareholders agreement	<p>An agreement between the Parent, Soitec Solar GmbH, Pele Green Energy and the Touwsrivier Solar Community Trust regulating the relationship between (i) the Parent and Soitec Solar GmbH, Pele Green Energy and the Touwsrivier Solar Community Trust, and (ii) between Soitec Solar GmbH, Pele Green Energy and the Touwsrivier Solar Community Trust (the "Shareholders").</p> <p>In particular, the shareholder agreement regulates the funding of the Parent:</p> <ul style="list-style-type: none"> • Soitec Solar GmbH and Pele Green Energy must provide initial funding of 30.63% of the Project costs in a ratio of 65%, 35%; and • if the Parent is unable to obtain future funding from its own resources, banks or third parties, the Shareholders may elect whether to provide a portion of the required funding <i>pro rata</i> to their shareholding.
Senior finance documents	
Project Loan Agreement	<p>An agreement concluded or to be concluded prior to the Issue Date between the Parent and Soitec Solar RSA in terms of which Soitec Solar RSA advances funds to the Parent for the construction of the Plant.</p> <p>The interest rate payable on the advanced funds will be 10.75% per annum.</p>
Pledge and cession agreements	<p>Agreements between (i) the Touwsrivier Solar Community Trust and Soitec Solar RSA, (ii) Pele Green Energy and Soitec Solar RSA, and (iii) Soitec Solar GmbH and Soitec Solar RSA dated 27 August 2012, 31 August 2012 and 4 March 2013 respectively.</p> <p>Each of the Touwsrivier Solar Community Trust, Pele Green Energy and Soitec Solar GmbH pledges and cedes to Soitec Solar RSA their shares in the Parent (including all future shares held in the Parent, dividends, proceeds and voting rights), as security for the Parent's obligations under the project loan agreement.</p>
Limited guarantees	<p>Guarantees given by the Touwsrivier Solar Community Trust, Pele Green Energy and Soitec Solar GmbH to Soitec Solar RSA dated 20 August</p>

	<p>2012, 14 August 2012 and 4 March 2013 respectively.</p> <p>Each of the Touwsrivier Solar Community Trust, Pele Green Energy and Soitec Solar GmbH guarantees to Soitec Solar RSA the due and punctual performance by the Parent of its obligations under the Project Loan Agreement and related agreements.</p>
Shareholder subordination agreement	An agreement dated 13 August 2012 between the Parent, Soitec Solar RSA and the Shareholders in terms of which the Shareholders subordinate their current and future claims against the Parent in favour of Soitec Solar RSA's rights against the Parent under the Project Loan Agreement.
Borrower cession agreement	An agreement dated 7 August 2012 between the Parent and Soitec Solar RSA in terms of which the Parent cedes to Soitec Solar RSA its rights in account monies, revenues, Project documents, debtors, insurances and authorisations, as security for the Parent's obligations under the Project Loan Agreement.
General notarial bond	A general notarial bond to be executed by the Parent in favour of Soitec Solar RSA in respect of all the moveable assets of the Parent, as security for the Parent's obligations under the Project Loan Agreement.
Special notarial bond	A special notarial bond to be executed by the Parent in favour of Soitec Solar RSA in respect of certain moveable assets of the Parent, as security for the Parent's obligations under the Project Loan Agreement.
Mortgage bond	A mortgage bond to be registered by the Parent in favour of Soitec Solar RSA over the Parent's rights in the lease agreement, as security for the Parent's obligations under the Project Loan Agreement.
Group Five direct agreements	Agreements between the Parent, Soitec Solar RSA and Group Five in terms of which Soitec Solar RSA is entitled under certain circumstances to (i) cure any breach of the Parent under the BoP&I Agreement, Optimization Agreement or O&M Agreement, or (ii) replace the Parent as contracting party in the BoP&I Agreement, Optimization Agreement or O&M Agreement, dated 24 July 2012.
Soitec Solar GmbH direct agreement	An agreement between the Parent, Soitec Solar RSA and Soitec Solar GmbH in terms of which Soitec Solar RSA is entitled under certain circumstances to (i) cure any breach of the Parent under the Equipment Supply Agreement and the Optimization Agreement, or (ii) replace the Parent as contracting party in the Equipment Supply Agreement and Optimization Agreement, dated 4 March 2013.

Capital Agreement	Availability	An agreement between the Parent and the Issuer in terms of which the Parent undertakes to cover by way of an availability fee the shortfall between the interest payable to the Bondholders under the Bonds and the return received from the South African government bonds or treasury bills in which the proceeds received from the subscription for the Bonds are invested in accordance with the Investment Mandate pending the Reversion Event, to be concluded on or prior to the Issue Date.
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DOCUMENTS INCORPORATED BY REFERENCE

The documents listed below are deemed to be incorporated into, and to form part of, this Offering Circular and are available for inspection by Bondholders, or other prospective investors, without charge, during normal office hours after the Issue Date, at the Specified Offices of the Issuer or in the data room of the Issuer, which data room may be accessed at

<https://dataroom.ansarada.com/Touwsrivierproject/LoginUserProfile.asp> (the "**Data Room**"):

- (a) the audited annual financial statements of the Issuer, together with such statements, reports and notes attached to or intended to be read with such financial statements, for all the financial years of the Issuer;
- (b) the Calculation Agent Agreement;
- (c) the Transfer Agent Agreement;
- (d) the Trust Deed;
- (e) the Refinance Undertaking;
- (f) the Pledge;
- (g) the Offering Circular and any supplement or amendment to this Offering Circular circulated by the Issuer from time to time;
- (h) the Project Documents;
- (i) the Investment Mandate;
- (j) the Capital Availability Agreement;
- (k) the constitutional documents of the Issuer, as amended from time to time;
- (l) the most recently obtained monthly beneficial disclosure report made available by the relevant Participants to the Central Securities Depository;
- (m) all documentation made available in the Data Room; and
- (n) all information pertaining to the Issuer which is relevant to the Bonds which is electronically disseminated on the Stock Exchange News Service of the JSE ("**SENS**") to SENS subscribers.

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

The Offering Circular and any amendments or supplements thereto will be made available on the website of the JSE (www.jse.co.za).

SUMMARY

The information set out below is a summary of the principal features of the Bonds. This summary should be read in conjunction with, and is qualified in its entirety by, the detailed information contained elsewhere in this Offering Circular.

Transaction parties

Such parties may be replaced or additional parties may be appointed in accordance with the provisions of the Transaction Documents.

Issuer: CPV Power Plant No. 1 Bond SPV (RF) Limited, a public company duly incorporated in accordance with the company laws of South Africa with registration number 2012/176922/06.

Debt Sponsor: Standard Bank.

Transfer Agent: Standard Bank.

Calculation Agent: Standard Bank.

Issuer's Settlement Agent: Standard Bank.

Auditor: PricewaterhouseCoopers Inc or such other firm of auditors as may be selected by the Issuer from time to time.

Central Securities Depository: Strate Limited (Registration number 1998/022242/06) or any additional or alternate depository approved by the Issuer and the JSE.

Description of the Bonds

Bonds: 11% Fixed Rate Senior Unsecured Registered Bonds due 30 June 2029.

Size of issuance: Bonds with an aggregate Principal Amount of ZAR1, 000, 000, 000.

Terms and Conditions: The terms and conditions of the Bonds are set out below in this Offering Circular under the section "*Terms and Conditions of the Bonds*".

Currency: Rand, the lawful currency of South Africa.

Denomination of Bonds:	ZAR1,000,000 each. Bonds may only be subscribed for, purchased or transferred in integral multiples of ZAR1,000,000.
Form of Bonds:	Registered form, as described below in this Offering Circular in the section " <i>Form of the Bonds</i> ".
Status of the Bonds:	The Bonds constitute direct, unconditional, unsubordinated and (subject to the negative pledge) unsecured obligations of the Issuer and will rank equally among themselves and at least equally with all other existing and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Interest Rate and Interest Payment Dates:	From and including the Issue Date, interest will be payable semi-annually in arrears on the 30 June and 31 December of each year (each such day an Interest Payment Date), subject to adjustment in terms of the business day convention as provided in the Terms and Conditions, at a rate per annum equal to 11%, commencing with the Interest Payment Date falling on 30 June 2013.
Redemption:	<p>Unless previously redeemed, or purchased and cancelled, the Issuer shall redeem the Bonds (i) in Instalment Amounts on Instalment Dates, as described in Condition 9.1, or (ii) if the capacity of the Plant, after completion thereof, does not achieve the full capacity of 36 MW, in Instalment Amounts on Instalment Dates, as described in Condition 9.2, in each case with a Final Redemption Date of 30 June 2029.</p> <p>Save for (i) mandatory early redemption if the Reversion Event does not occur on or prior to the Last COD (as described in Condition 9.4), and (ii) early redemption following an Event of Default, early redemption of the Bonds will only be permitted for Tax reasons as described in Condition 9.3.</p>
Rating Agency:	Moody's Investors Service Limited

Negative Pledge and other undertakings:	Condition 6 of the Terms and Conditions provides for a negative pledge and other undertakings in favour of the holders of the Bonds.
Cross Default:	Bonds will have the benefit of a cross-default to debt of the Parent above the threshold specified in Condition 12.
Issue Price:	100% of the Principal Amount of the Bonds.
Listing:	An application has been made to list the Bonds on the Interest Rate Market of the JSE under stock code number CPV01 and ISIN number ZAG000104894. The application was granted on 29 April 2013 and the Bonds may be traded by and through members of the JSE from 29 April 2013.
Credit Rating:	The Rating Agency is expected, on issue, to assign a long-term national scale credit rating of Baa2.za to the Bonds.
Payment:	<p>The Bonds will be cleared and settled in accordance with the Applicable Procedures of the JSE and the Central Securities Depository. Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme will settle offshore transfers, if any, through their Participant.</p> <p>Participants will follow the electronic settlement procedures prescribed by the Applicable Procedures of the Central Securities Depository when making interest and principal payments. The Applicable Procedures are available on request from the Central Securities Depository.</p> <p>Principal and interest payments to the Bondholders will be made by electronic transfer.</p>
Purchase of Bonds:	The Issuer may purchase Bonds in the open market or otherwise.
Method of Transfer:	The method of transfer is by registration for transfer of Bonds to occur through the Register and by electronic book entry in the securities accounts of Participants or the Central Securities Depository, as the case may be, for transfers of Beneficial Interests in the Bonds, in all

cases subject to the restrictions described in this Offering Circular. The Bonds will be fully paid up on the Issue Date and will be freely transferable.

Register:

The register will be maintained by the Transfer Agent.

Register Closed:

The register of Bondholders will be closed prior to each Interest Payment Date and Redemption Date for the periods described in Condition 15, in order to determine those Bondholders entitled to receive payments.

Tax Status:

A summary of applicable current South African Tax legislation appears under the section "*South African Taxation*". The section does not constitute tax advice and investors should consult their professional advisers.

Securities Transfer Tax:

In terms of current South African legislation as at the Issue Date, no securities transfer tax is payable by the Issuer on the original issue of, or on the registration of transfer of, the Bonds, on the basis that the Bonds will not comprise a "security" as defined in section 1 of the Securities Transfer Tax Act, 2007. Any future securities transfer tax that may be introduced will be for the account of Bondholders.

Withholding Tax:

Under current taxation law in South Africa, all payments made under the Bonds to resident and non-resident Bondholders will be made free of withholding or deduction for or on account of any Taxes, duties, assessments or governmental charges. From a date to be specified in relevant legislation, withholding tax on interest in respect of certain debt instruments (which could include any Bonds issued) may be applicable to certain persons, who are regarded as non-resident for tax purposes in South Africa. The withholding tax will be levied at a rate of 15%, but could be reduced by the relevant double taxation treaties. There are exemptions, which include interest paid in respect of any debt instrument listed on a recognised exchange. The JSE Limited would qualify as such an exchange, and therefore, subject to any legislative changes, the interest paid on the Bonds will not be subject to interest withholding tax. In the event that such

withholding or deduction is required by law, the Issuer will be obliged to pay additional amounts in relation thereto, subject to customary exceptions, as described in Condition 11.

Blocked Rand:

Blocked Rand may be used for the subscription for or purchase of Bonds, subject to South African Exchange Control Regulations, 1961, promulgated under the Currency and Exchanges Act, 1933.

Selling Restrictions:

The distribution of this Offering Circular and the placing of the Bonds may be restricted by law in certain jurisdictions and are restricted by law in the United States of America, the United Kingdom, each member of the European Economic Area and South Africa. Persons who come into possession of this Offering Circular must inform themselves about and observe any such restrictions. This Offering Circular does not constitute, and may not be used for the purposes of, an offer of, or an invitation by or on behalf of anyone to subscribe for or purchase any of the Bonds.

Governing Law:

The Bonds will be governed by and construed in accordance with the laws of South Africa.

RISK FACTORS

*The Issuer believes that the factors outlined below may affect its ability to fulfil its obligations under the Bonds. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risks associated with the Bonds are also described below. The value of the Bonds could decline due to any of these risks, and investors may lose some or all of their investment. **Certain additional risks affecting the business of the Issuer and the Parent are discussed in the section of this Offering Circular headed "Description of the Issuer and the Parent".***

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Bonds, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Bonds may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it, or which it may not currently be able to anticipate. Accordingly, the Issuer does not represent that the statements below regarding the risks of holding any Bonds are exhaustive.

Prospective investors should also read the detailed information set out elsewhere in this Offering Circular as well as all documents incorporated by reference, including in particular the annual financial statements and integrated report of the Issuer, and consult with their legal and other professional advisors, to reach their own views prior to making any investment decision.

References below to a numbered "Condition" shall be to the relevant Condition under the Terms and Conditions.

Risks Relating to the Issuer

No Operating History

Although all persons involved in the management of the Issuer and the Parent have had long experience in their respective fields of specialization, it has to be considered that the Issuer has no operating and performing history upon which prospective investors can evaluate the Issuer's performance. As a recently formed enterprise, the Issuer will be subject to the typical risks attendant upon any new business with a limited operating history, including limitations as to capital and operating resources.

Risks Relating to the Bonds

The Bonds may not be a suitable investment for all investors

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

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such an investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including Bonds with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

In making any decision to subscribe for the Bonds, potential investors should rely on their own examination and due diligence of the Issuer, the Parent, the Bonds and the Project, and not upon any view or recommendation expressed by or on behalf of the Lead Manager and Bookrunner. The Lead Manager and Bookrunner has not acted as financial advisor to any person in respect of the Bonds, nor has the Lead Manager and Bookrunner made any due diligence or other investigation of the Issuer, the Parent, the Bonds or the Project on behalf of investors.

There may not be an active trading market for the Bonds

Bonds issued under the Offering Circular will be new securities which may not be widely distributed and for which there is currently no active trading market. If the Bonds are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer.

The Bonds may be redeemed prior to maturity

In the event that the Issuer is obliged to increase the amounts payable in respect of any Bonds due to any withholding or deduction for or on account of, any Taxes, the Issuer may redeem all outstanding affected Bonds in accordance with the Terms and Conditions.

In addition, where the Terms and Conditions provide that the Bonds are redeemable at the Issuer's option in certain other circumstances, the Issuer may choose to redeem the Bonds at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Bonds.

Because Bonds listed on the JSE may be held by the Central Securities Depository, investors will have to rely on its procedures for transfer, payment and communication with the Issuer

While the Bonds are held in the Central Securities Depository, investors will be able to trade their Beneficial Interests in such Bonds only through the Central Securities Depository.

While Bonds are held in the Central Securities Depository the Issuer will discharge its payment obligations under such Bonds by making payments to or to the order of the Central Securities Depository's Nominee (as the registered holder of such Bonds), for distribution to the holders of Beneficial Interests in such Bonds. A holder of a Beneficial Interest in Bonds must rely on the procedures of the Central Securities Depository and Participants to receive payments under such Bonds. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, Beneficial Interests.

Holders of Beneficial Interests in such Bonds will not have a direct right to vote in respect of such Bonds.

Risks related to Bonds generally

Modification and waivers

The Terms and Conditions contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

Change of law

No assurance can be given as to the impact of any possible judicial decision or change to South African law or other Applicable Law or administrative practice after the Issue Date.

Legal investment considerations may restrict certain Investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Bonds are legal investments for it, (2) Bonds can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules.

This is not a capital guaranteed product. In a worst case scenario, investors could lose their entire investment. Bondholders should be aware that there are a number of risks associated with this product. Therefore investors should make an investment decision on this product only after careful consideration with their advisers as to the suitability of this product in the light of their particular financial circumstances. This Offering Circular does not constitute, and may not be used for the purposes of, an offer of, or an invitation by or on behalf of anyone to subscribe or purchase any of the Bonds.

Risk Related to Project Finance

Project Risks

Claim risk

Soitec Solar GmbH (formerly Concentrix Solar GmbH) received a claim (the "**Claim**") from a bank (the "**Bank**") for payment of a financial advisory fee amounting to ZAR24 675 000. The Claim is made under a

mandate letter for the provision of certain advisory and equity arranging services by the Bank to Soitec Solar GmbH and the Parent (the "**Mandate**").

The Mandate provides that Soitec Solar GmbH, the Parent and their affiliates jointly and severally indemnify the Bank against *inter alia* any and all expenses resulting from the Mandate.

Soitec Solar GmbH and the Parent have entered into a written indemnity agreement in terms of which Soitec Solar GmbH indemnifies the Parent against all claims, costs and expenses which may arise as a result of the Claim.

Moody's rating

The Parent has engaged with the rating agency Moody's to get a rating of the Bonds based on the structure of the Project as lined out herein. The rating was completed on 21 December 2013 and the outcome of the public rating of the Bonds is a Baa2 (low medium investment grade). Please also refer to the rating document made available by Moody's on its website which may be accessed at www.moodys.com.

The rating that Moody's has undertaken covers a large variety of risks, amongst others credit risk of the involved parties, construction risk and operating risk, which have resulted in the above mentioned rating.

Finance documentation risk

The financing of construction projects such as the Project involve risks, including the following:

- inadequacy of financing documentation; and
- a potential shortfall between the amount repayable under the finance documentation and the value of related securities in the event that the security is called upon.

Either of the foregoing could give rise to the Parent being unable to fulfil its obligations under the finance documentation or the Issuer not recovering funds advanced pursuant to the Project Loan Agreement. However, a fatal flaw analysis of the material finance documents was performed by DLA Cliffe Dekker Hofmeyr. Subsequent to performing such analysis, DLA Cliffe Dekker Hofmeyr issued a fatal flaw report dated 20 February 2013 in respect of the financing documentation (the "**Fatal Flaw Report**"). In response to the Fatal Flaw Report, Webber Wentzel issued a response document dated 26 February 2013 addressing the potential concerns raised in the Fatal Flaw Report (the "**Response Document**"). Both the Fatal Flaw Report and the Response Document are found in the Data Room. Potential investors are recommended to familiarise themselves with the content of the Fatal Flaw Report and the Response Document to enable them to evaluate the finance documentation risk.

Construction risk

The construction of utility-scale CPV plants such as the Plant involves many risks, including the following:

- adverse weather and geological conditions that could delay construction of the Plant;

- catastrophic events such as fires, earthquakes, explosions, floods or other natural disasters, terrorist acts or other similar occurrences that could result in personal injury, loss of life, environmental danger or severe damage to or destruction of the Plant, or suspension of construction;
- failure to receive equipment on time or at all;
- challenges by various stakeholders that oppose solar energy development on the Project Site;
- failure of third parties to perform their obligations, including the counterparties to the Project Documents;
- shortages of materials or skilled labour or labour disputes;
- permitting, regulatory and environmental problems (including permitting problems relating to rare, endangered or threatened plant and animal species); and
- engineering problems.

Any of the foregoing events could give rise to construction delays and cost overruns. The BoP&I Agreement, Optimization Agreement and Equipment Supply Agreement (each as defined below) provide for delay liquidated damages in the event of construction delays for which Soitec Solar GmbH and Group Five are responsible. In terms of the Project Documents (as defined below), the Parent may be granted extensions of time and/or be entitled to monetary relief in the event of delays caused by a System Event, Compensation Event, Force Majeure (each as defined below) and Unforeseeable Conduct (as defined in the Power Purchase Agreement (as defined below)). However, not all construction delays and cost overruns may be sufficiently covered under the Project Documents.

Land availability risk

The Parent's ability to construct and operate the Plant depends *inter alia* on the Parent land-use rights in respect of the Project Site and the adjacent land on which the grid connection lines from the Plant to the national grid are, or will be, installed. Any failure by the Parent to obtain, or maintain, the required land-use rights could adversely affect both the construction and operation of the Plant.

The Parent has entered into a long-term notarial lease agreement with the registered owner of the Project Site and has procured servitude rights in respect of land on which the grid connection lines are, or will be, installed. The Parent has procured the land-use consents (such as consent use approval) required for the use of the Project Site for the purposes of the Plant. The Parent is in negotiations with Transnet Limited for a general servitude in respect of certain land owned by Transnet on which certain connections between the CPV systems will be installed.

Operations risk

The operation of utility-scale solar plants such as the Plant involves many risks including the following:

- breakdown or failure of power generation and other equipment;

- catastrophic events, such as fires, earthquakes, tornadoes, landslides and other similar events beyond our control;
- technical performance below expected levels;
- insurance, real estate taxes and inflation;
- operator error or failure to perform;
- serial design or manufacturing defects;
- failure to comply with permit conditions;
- inability to operate within limitations that may be imposed by governmental permits or current or future land use, environmental or other regulatory requirements;
- disputes with the lessor of the Project Site or adjacent landowners;
- changes in law, including changes in governmental permit requirements;
- government or utility exercise of eminent domain power or similar events; and
- existence of liens, encumbrances and other imperfections in title affecting real estate interests.

The occurrence of any of the foregoing events could significantly reduce or eliminate revenues expected to be received by the Parent, significantly increase the costs of operating the Plant, require substantial capital expenditure, reduce the electrical output of one or more CPV systems, cause personal injury or loss of life to operator personnel or others, give rise to damages claims against the Parent and/or result in the termination of the Power Purchase Agreement.

Group Five (as defined below) will provide a limited production ratio guarantee for the full period of the O&M Agreement (as defined below) (15 years). After a period of 5 years after the Commercial Operation Date (as defined in the Power Purchase Agreement), Group Five may terminate the O&M Agreement before the expiry of the full 15 year period if the Plant has an acceptable track record (as determined in accordance with the O&M Agreement) for a consecutive period of 2 years. Should the limited production ratio guarantee not cover the loss of revenue suffered by the Parent as a result of the production shortage, or in the event of the limited production ratio guarantee expiring or being terminated, the Parent may not have sufficient funds to meet its obligations under the Project Loan Agreement (as defined below), which will result in the Issuer not having sufficient funds to make the corresponding distribution in respect of the Bond.

The Parent will have insurance to protect against operations risks. However, the Parent is unable to assure the Issuer that the insurance in place on the Commercial Operation Date will be available in future at commercially reasonable rates or that the insurance proceeds will be adequate to cover the loss caused by the event concerned. This may result in the Parent not having sufficient funds to meet its obligations under the Project Loan Agreement, and accordingly the Issuer may not be able to make the corresponding distribution in respect of the Bond.

Authorisation risk

The Parent's ability to construct and operate the Plant depends *inter alia* on all required environmental consents ("**Environmental Consents**") and the licence to generate and sell electricity granted by NERSA ("**NERSA Licence**") being in place and maintained over the period of operation of the Plant.

The Project received the NERSA Licence and all Environmental Consents which are required for the construction and operation of the Plant.

Various Environmental Consents and the NERSA Licence are subject to certain conditions and requirements that relate to the construction and operation of the Plant. Non-compliance with such conditions and requirements, and with other applicable laws, may result in penalties or fines or the curtailment or cessation of construction or operation. If the Parent fails to comply with such conditions and requirements, and with other applicable laws, construction or operation could be delayed or interrupted.

Risk of failure/defect of equipment

The Parent will benefit from (i) a limited warranty against defects for CPV modules (which warranty endures for a 24 month period commencing on the date of delivery of each relevant module), (ii) a limited warranty against defects and non-conformity with product specifications of other equipment comprising the Product (as defined in the Equipment Supply Agreement) (which warranty endures for a 24 month period commencing on the Commercial Operation Date), and (iii) a limited CPV module power output warranty (which warranty endures for a 25 year period commencing on the date of delivery of each relevant module).

However, there can be no assurance that a supplier will be able to fulfil its warranty obligations, or that the warranty claim sufficiently compensates the Parent for all losses. If the Parent seeks warranty protection and a supplier is unwilling or unable to perform its obligation under the warranty, whether as a result of its financial condition or otherwise, or if the terms of the warranty has expired or a liability limit has been reached, the Parent may suffer a loss or reduction of warranty protection for the affected equipment, and, consequently, the Parent may experience a loss in revenue or increased costs. If either occurs, the Parent may be unable to fulfil its obligations under the Project Loan Agreement, which will result in the Issuer being unable to make the corresponding distribution in respect of the Bond.

Resource risk

The direct normal irradiation ("DNI") which is the solar resource utilized by the Plant is variable. Changes in solar irradiation are observed between the seasons and from one year to the next. Both effects can lead to a change in the produced electricity of the plant and hence have an impact on cash in flow.

The solar irradiation used for the calculation of the power output of the Plant by a qualified, independent consultant is based on historical data derived from the analysis of weather data from satellites and correlated with on ground measurement data available from the Aquila pilot plant located close to the site of the Plant. Due to the short time line of direct irradiation measurements the calculation of historical DNI data can contain inaccuracies.

As this data is backward looking it can only be an indication of the irradiation and hence power production over the Bond payback period. Potential effects such as climate change or other environmental effects influencing the DNI at the location of the Plant cannot be taken into account.

Concentrix technology risk

The solar energy generation equipment market is at an early stage of development and the penetration rate of the CPV technology developed and promoted by Soitec Solar GmbH within this market is uncertain. If CPV technology proves unsuitable for the industrial development of solar energy under competitive financial conditions, or if the development of the market for solar energy using CPV technology is not as brisk as Soitec Solar GmbH expects, this may have a negative impact on the Issuer's profitability. A number of factors could curb the development of the market for solar energy using CPV technology, such as:

- the cost of electricity generated by systems using CPV technology compared with the cost of electricity generated using conventional energy sources, such as fossil fuels or nuclear energy, or other renewable energy sources such as wind power;
- the existence, content and significance of government aid and public policies to support the development of the renewable energies industry in general and solar energy in particular;
- the performance and reliability of systems using CPV technology compared with systems using other conventional or renewable energy sources;
- the success and penetration of other renewable energy generation systems such as hydropower, wind power, geothermal energy, biomass or thin film photovoltaic technology.

The technology utilized in the Plant is a concentrating solar technology (the "**Concentrix Technology**") from Soitec Solar GmbH. Soitec Solar GmbH is an experienced provider of concentrator solar technologies. The sustainability of its product is based on the principal of utilization of standard materials and production techniques that are substantially tested and have a significant track record. The modules utilized in the Plant have received the IEC 62108 certificate which is proof of the successful passing of a number of tests including aging and physical stress tests. Those tests provide a good indication of the durability and longevity of the product in an operating environment. However, the operating track record of

the Concentrix Technology is approximately 5 years and therefore direct proof of performance over the life time of the Plant cannot be provided.

Hatch Africa Limited issued a technical due diligence report (the "**Technical Risk Report**") pursuant to an analysis of the technical and related risks in respect of the Plant. The scope of the analysis included design, technology, equipment, acceptance testing, the construction schedule and securities and obligations. The Technical Risk Report is found in the Data Room. Potential investors are recommended to familiarise themselves with the content of the Technical Risk Report to enable them to evaluate the finance documentation risk

Economic Development matrix risk

Under the Implementation Agreement, the Parent has an obligation to comply with prescribed economic development obligations. Any failure to comply with such penalties may result in the Parent incurring penalties and the cancellation of the Power Purchase Agreement. Should this occur, this may result in the Parent not having sufficient funds to meet its obligations under the Project Loan Agreement, and accordingly the Issuer may not be able to make the corresponding distribution in respect of the Bond.

Force Majeure risk

A force majeure event is an event beyond the control of a party, including *inter alia* natural disasters, riot and civil commotion, failures by government or other responsible authorities to provide works or services, war, civil war, armed conflict or terrorism, unforeseen environmental liabilities, nuclear, biological or chemical contamination of the Plant and/ or Project Site and a compensation event under the Implementation Agreement ("**Force Majeure**").

Should a party to be unable perform all or a material part of its obligations under the Power Purchase Agreement due to a Force Majeure event, such party will be relieved from liability for such inability. A party affected by an event of Force Majeure must take all reasonable steps to mitigate the consequences of a Force Majeure event and resume performance of its obligations affected by the Force Majeure event as soon as practicable, before such party will be relieved from liability under the Power Purchase Agreement.

If the Force Majeure event occurs (i) prior to the Scheduled COD, the Scheduled COD will be postponed by such time as is reasonable for such a Force Majeure event, taking into account the likely effect of the delay; (ii) after the Scheduled COD but prior to the Commercial Operation Date (provided the Last COD has not yet occurred), the Last COD will be postponed by such time as is reasonable for such Force Majeure event, taking into account the likely effect of the delay.

The Parent will however not be entitled to enforce the Force Majeure clause in the Power Purchase Agreement in respect of any Force Majeure event for which it is entitled to bring a claim under any insurance policy or would have been entitled had it complied with its obligations under the Power Purchase Agreement relating to insurance.

If, during any 12 month period commencing on 1 April, the cumulative duration of Force Majeure events or their consequences, each of which event lasts 24 hours or longer, exceeds 60 or more days, the Parent will be entitled to an extension of the Term (as defined in the Power Purchase Agreement) and/or other

relief from Eskom Holdings Limited (the "**Buyer**") as will place the Parent in the same overall economic position as it would have been in but for such Force Majeure event, provided that any compensation does not take a monetary form and the total extension of the Term does not exceed 10 years.

As a result of the provisions of the Power Purchase Agreement regarding Force Majeure, the risks relating to Force Majeure are reduced, however a residual risk remains including that, to the extent that such risk is covered by any insurance policy or should have been insured in terms of the Power Purchase Agreement, the Parent may not be entitled to relief for Force Majeure.

Party related risks

(1) Compensation Event

(a) under the Power Purchase Agreement

A compensation event under the Power Purchase Agreement constitutes any material breach by the Buyer of any of its obligations under the Power Purchase Agreement (save for any breach that constitutes a Government Default (as defined below)), including any failure to make any payments due and payable on the due date for payment, to the extent in each case that the breach is not caused or contributed to by the Parent or any contractor or by Force Majeure, a System Event or Unforeseeable Conduct (as defined in the Power Purchase Agreement) ("**PPA Compensation Event**").

If, as a direct result of the occurrence of a PPA Compensation Event under the Power Purchase Agreement the Parent is (i) unable to achieve the Commercial Operation Date by the Scheduled COD; (ii) unable to comply with its obligations under the Power Purchase Agreement and/or (iii) the Parent incurs costs or loses revenue, then the Parent is entitled to apply for relief (i) from its obligations under the Power Purchase Agreement from any rights of the Buyer arising under the Termination for Seller Default clause, (ii) to claim compensation under the Power Purchase Agreement and/or (iii) if the PPA Compensation Event comprises the failure of the Buyer to make due payment enforce the Implementation Agreement.

Should a PPA Compensation Event occur, provided that the Parent has complied with various notification obligations in terms of the Power Purchase Agreement, then the Last COD will be postponed by such time as is reasonable for such a PPA Compensation Event, taking into account the likely effect of the delay. In the event of an additional cost being incurred by the Parent as a result of Capital Expenditure (as defined in the Power Purchase Agreement) being incurred by the Parent at any time, the Buyer may compensate the Parent for the actual estimated change in Project costs as adjusted to reflect the actual costs reasonably incurred either (i) in one lump-sum payment, (ii) in equal monthly instalments for the remainder of the Term. In the event of a payment of compensation not resulting in Capital Expenditure being incurred by the Parent (but which reflects a change in the costs being incurred by the Parent) after the Commercial Operation Date and/or the revenue lost by the Parent, the Buyer must compensate the Parent by an adjustment to the Commercial Energy Payment (as defined in the Power Purchase Agreement).

In the event of a PPA Compensation Event, (i) the Buyer must grant the Parent such relief from its obligation under this Agreement as is reasonable for such a PPA Compensation Event; and/or (ii) the Parent shall be entitled to enforce the Implementation Agreement, if the PPA Compensation Event arises

out of the failure of the Buyer to make a due payment as detailed in clause 8.3 of the Power Purchase Agreement.

However should the Parent not comply with its notification obligations under the Power Purchase Agreement then the Parent shall not be entitled to any extension of time, compensation, or relief from its obligations under this Agreement in respect of the period for which the information is delayed. Any payment of compensation for loss of revenue will be calculated in accordance with the provisions of the Power Purchase Agreement

As a result of the provisions of the Power Purchase Agreement regarding a PPA Compensation Event, the risks relating to a PPA Compensation Event are reduced, however a residual cost overrun risk remains including that (i) inadequate insurance coverage under the insurance policy may result (ii) disallowance of a claim under the insurance policy may result; and (iii) the Parent may experience cash flow problems due to the Buyer electing to pay compensation by way of instalments.

(b) A compensation event under the Implementation Agreement:

A compensation event under the Implementation Agreement is (i) a material breach by the Department of Energy of any of its obligations under the Implementation Agreement (excluding a Government Default) and only to the extent that such breach is not contributed to by the Parent or any contractor engaged in relation to the Project ("**IA Compensation Event**") (PPA Compensation Event and IA Compensation Event, together referred to as a "**Compensation Event**")

If, as a direct result of the occurrence of an IA Compensation Event (i) the Parent is unable to comply with its obligations under the Implementation Agreement; and/or (ii) the Parent incurs costs or loses revenue, then the Parent is entitled to apply for relief from its obligations under the Implementation Agreement and/or to claim compensation under the Implementation Agreement. In the case of an additional cost being incurred or revenue being lost by the Parent, including Capital Expenditure incurred by the Parent at any time, the Department of Energy may compensate the Parent for the actual estimated change in Project costs as adjusted to reflect the actual costs reasonably incurred or actual revenue lost by the Parent either: (i) in one lump-sum payment, or (ii) in equal monthly instalments for the remainder of the Term. The Department of Energy must grant the Parent such relief from its obligations under the Implementation Agreement, as is reasonable for such an IA Compensation Event.

As a result of the provisions of the Implementation Agreement regarding an IA Compensation Event, the risks relating to an IA Compensation Event are reduced, however a residual cost overrun risk remains including that the Parent may experience cash flow problems due to the Buyer electing to pay compensation by way of instalments.

(2) Government Default

Under the Implementation Agreement, a government default occurs in the event of (i) an expropriation or nationalisation of a material part of the Project and/or shares of the Parent by the Buyer or other responsible authority; or (ii) a failure by the Department of Energy to honour any valid and proper request by the Parent for payment in accordance with the DOE's obligations relating to governmental support ("**Government Default**"). Should a Government Default occur which is not remedied by the Department of

Energy within a prescribed period after receipt of notice from the Parent, the Parent may request compensation for such default and terminate the Implementation Agreement. Should the Implementation Agreement be terminated by the Parent, the Power Purchase Agreement will terminate simultaneously. On termination of the Implementation Agreement for Government Default, the Department of Energy must pay the Parent an amount calculated as follows (the "**Compensation Formula**"):

- Debt (as defined in the Implementation Agreement); **plus**
- the Expected Equity Value (as defined in the Implementation Agreement) as at the date of termination; **minus** (to the extent that the aggregate of the above is a positive amount)
- all credit balances on any bank accounts held by or on behalf of the Parent, (ii) the value of any right of the Parent or the lenders under the relevant financing agreements relating to the Project ("**Lenders**") to receive insurance proceeds or proceeds under letters of credit, (iii) any such proceeds actually received by the Parent or the Lenders as a result of the Government Default, and (iv) sums due and payable from the contractors and other third parties; **minus**
- amounts payable by the Lenders to the Parent in connection with the early termination of hedging arrangements as a result of prepayment of amounts under the financing agreements relating to the Project; **minus**
- the realisable market value of any other assets and rights of the Parent or the Lenders in respect of the Project, subject to prescribed exclusions.

The Department of Energy will further have the option to take over ownership of the Plant or nominate a third party to do so. Should the Department of Energy elect to take over ownership of the Plant, the purchase price will be calculated in accordance with the Compensation Formula, provided that the realisable market value of the other assets and rights of the Parent or the Lenders in respect of the Project purchased by the Department of Energy will not be deducted.

As a result of the provisions of the Implementation Agreement regarding Government Default, the risks relating to Government Default are reduced, but residual risk remains including relating to loss of revenue and capital investment, depending on the manner of application of the Compensation Formula.

(3) Unforeseeable Conduct

Under the Power Purchase Agreement, subject to prescribed exclusions, unforeseeable conduct ("**Unforeseeable Conduct**") occurs in the event that the Buyer, Distributor (as defined in the Power Purchase Agreement) or Eskom acting through its transmission division ("**NTC**") or any responsible authority takes any action (including the introduction, application or change of any law) or fails to carry out its obligations in law, that:

- has an impact on the rate per MWh payable by the Buyer for electricity generated by the Project;
- or

- results in one or more changes to the Codes (as defined in the Power Purchase Agreement) that has a material financial impact on the Project; or
- has another effect which is directly borne by (i) the Project and not other similar projects, (ii) the Parent and not other persons, or (iii) parties undertaking projects similar to the Projects and not other persons; **and**
- the Parent was not entitled to any other relief in terms of the Power Purchase Agreement; **and**
- was not foreseen by the Parent on or prior to the signature date of the Power Purchase Agreement or, if foreseen, the impact on the Project was not foreseen; **and**
- could not reasonably have been foreseen by any person in the position of the Parent on or before the signature date of the Power Purchase Agreement or, if it could reasonably have been foreseen, the impact on the Project could not reasonably have been foreseen.

Should Unforeseeable Conduct occur which adversely affects the general economic position of the Parent, the Parent will be entitled to such compensation and/or relief from the Buyer as will place the Parent in the same economic position as it would have been in but for such Unforeseeable Conduct. Should Unforeseeable Conduct occur which beneficially affects the general economic position of the Parent, the Parent must pay such benefit to the Buyer such that the Parent is in the same economic position as it would have been had the materially beneficial Unforeseeable Conduct not occurred.

However, neither party will be entitled to any relief or compensation unless the economic consequences of the Unforeseeable Conduct exceed 0.5% of the sum of all Early Operating Energy Payments, Deemed Energy Payments and Commercial Energy Payments (each as defined in the Power Purchase Agreement) made to the Parent in the preceding 12 month period.

The party claiming the Unforeseeable Conduct (the "**Claiming Party**") must give notice to the other party, which other party must be afforded an opportunity to remedy the Unforeseeable Conduct such that the Parent is restored to the general economic position it was in prior to the Unforeseeable Conduct.

Should the Buyer be required to compensate the Parent as a result of Unforeseeable Conduct, the Buyer will be entitled to pay such compensation by way of a lump-sum payment, or in instalments with applicable interest. If the Parent is the Claiming Party, it must use all reasonable endeavours to minimise and mitigate the effects of any Unforeseeable Conduct.

As a result of the provisions of the Power Purchase Agreement regarding Unforeseeable Conduct, the risks relating to Unforeseeable Conduct are reduced, however a residual cost overrun risk remains including that (i) particular conduct will not comply with, or will fall within one of the exclusions from, the definition of Unforeseeable Conduct, thereby excluding the Parent from claiming compensation, or (ii) the Parent may experience cash flow problems due to the Buyer electing to pay compensation by way of instalments.

(4) General

The Parent may fail to comply with its obligations under the Power Purchase Agreement or Implementation Agreement. This may result in penalties or fines, or the termination of the Power Purchase Agreement. Any failure by the Parent to comply with its obligations under the Power Purchase Agreement and/or Implementation Agreement constitutes an event of default under the Project Loan Agreement, in which event the Issuer has certain rights against the Parent, including the right to demand the Parent to remedy the default and/or certain step-in rights. Such step-in rights include the right to nominate another project operator. An event of default by the Parent under the Project Loan Agreement may result in the Issuer being unable to make distributions in respect of the Bond.

System Event risk

A system event under the Power Purchase Agreement is (i) any delay in the connection of the Plant to the distribution system (the "**System**") beyond 18 months after the date on which the last of the Budget Quote Conditions (as defined in the budget quote dated 14 May 2012, relating to the construction of the Eskom connection works to connect the Plant to the distribution system) has been fulfilled ("**Pre-COD System Event**"); or (ii) any constraint, unavailability, interruption, curtailment, breakdown, inoperability or failure of or disconnection from the whole or any part of the System ("**Post-COD System Event**") that is not caused by any natural force or event or an act or omission of the Parent or a contractor or termination of the Distribution Agreement or transmission agreement by the Distributor or the NTC (as the case may be) due to breach of either such agreement by the Parent (a "**System Event**").

If, (i) before the Commercial Operation Date, a Pre-COD System Event occurs that delays the achievement of the Commercial Operation Date beyond the Scheduled COD, or (ii) after the Commercial Operation Date, a Post-COD System Event occurs that materially affects the ability of the Parent to perform any of its obligations or exercise any of its rights under the Power Purchase Agreement, the Parent will be entitled to (i) apply for relief from any rights of termination the Buyer may have under the Power Purchase Agreement and (ii) payment of Deemed Energy Payments (as defined in the Power Purchase Agreement), provided that the Parent complies with the notice and other requirements under the Power Purchase Agreement in relation to such System Events.

In the event of a Pre-COD System Event, (i) the Last COD will be postponed by one day for every day by which the Commercial Operation Date is delayed by such Pre-COD System Event, (ii) the Parent will be entitled to Deemed Energy Payments for the period by which the Commercial Operation Date has been delayed by the Pre-COD System Event, and (iii) the Buyer may not exercise any rights it may have to terminate the Power Purchase Agreement due to a failure by the Parent to achieve the Commercial Operation Date by the last COD as a result of such System Event.

In the event of a Post-COD System Event, (i) the Parent will be entitled to Deemed Energy Payments for the period that the System Event continues, and (ii) the Buyer may not exercise any rights it may have to terminate the Power Purchase Agreement due to a failure by the Parent to comply with the provisions of the Power Purchase Agreement as a result of such System Event.

The Parent may only bring claims for a System Event under the Power Purchase Agreement if it endures (other than as a result of curtailment) for longer than the Allowed Grid Unavailability Period (as defined in the Power Purchase Agreement).

As a result of the provisions of the Power Purchase Agreement regarding System Events, the risks relating to System Events are reduced, however a residual time overrun risk remains including that (i) a particular delay relating to the System will not qualify as a System Event, or (ii) a System Event will be shorter than the Allowed Grid Unavailability Period, thus delaying construction and reducing the power generated by the Plant, but not entitling the Parent to an extension of time or Deemed Energy Payments.

Corrupt Acts risk

If the Parent is convicted of (or admits to) corrupt acts, and such acts were committed with the knowledge of a director of the Parent (related party), it results in immediate termination of the Power Purchase Agreement. In such event, the Parent will no longer be able to meet its obligations under the Project Loan Agreement, which will result in the Issuer being unable to make the corresponding distribution in respect of the Bond.

Insurance Risk

The Parent is not able to insure against all potential risks and may become subject to higher insurance premiums. Although the Parent will maintain insurance consistent with industry standards (subject to availability on commercially reasonable terms) to protect against certain operating and other risks, not all risks are insured or insurable (for example, losses as a result of force majeure, natural disasters, terrorist attacks or sabotage or environmental contamination may not be available at all or on commercially reasonable terms), or a dispute may develop over insured risks. In addition, there can be no assurance that such insurance coverage will be available in the future on commercially reasonable terms or at commercially reasonable rates. If certain operating risks occur, or if there is a total or partial loss of the CPV equipment or the Plant, there can be no assurance that the proceeds of the applicable insurance policies will be adequate to cover lost revenues, increased expenses or the cost of repair or replacement. In such event, the Parent will no longer be able to meet its obligations under the Project Loan Agreement, which will result in the Issuer being unable to make the corresponding distribution in respect of the Bond.

Tax risk

The structure of the agreements of the Project is intended to reflect tax payments as simulated in the financial model of the Project. It is however possible that nature and timing of tax payments will differ from the simulation in the financial model which may impact the financial performance of the Project.

FORM OF THE BONDS

Bonds Issued in uncertificated form

Bonds will be listed on the JSE.

Bonds issued in uncertificated form will not be represented by any certificate or written instrument.

All transactions in uncertificated securities as contemplated in the Securities Services Act will be cleared and settled in accordance with the Applicable Procedures. All the provisions relating to Beneficial Interests in the Bonds held in the Central Securities Depository will apply to Bonds issued in uncertificated form.

Beneficial Interests

The Central Securities Depository will hold the Bonds issued in uncertificated form, subject to the Securities Services Act and the Applicable Procedures. Bonds issued in uncertificated form, will be registered in the name of the Central Securities Depository's Nominee, and the Central Securities Depository's Nominee will be named in the Register as the sole Bondholder of such Bonds.

Accordingly, and except where the contrary is provided in the Conditions, all amounts to be paid and all rights to be exercised in respect of the Bonds issued in uncertificated form, will be paid to and may be exercised only by the Central Securities Depository's Nominee for the holders of Beneficial Interests in such Bonds.

The Central Securities Depository maintains central securities accounts only for Participants. As at the Issue Date, the Participants are Absa Bank Limited, Citibank NA, FirstRand Limited, Nedbank Limited, Standard Bank and the South African Reserve Bank.

The Participants are in turn required to maintain securities accounts for their clients. The clients of Participants may include the holders of Beneficial Interests in the Bonds or their custodians. The clients of Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Bonds held by them in the Central Securities Depository only through their Participants.

In relation to each person shown in the records of the Central Securities Depository or the relevant Participant, as the case may be, as the holder of a Beneficial Interest in a particular Principal Amount of Bonds, a certificate or other document issued by the Central Depository or the relevant Participant, as the case may be, as to the Principal Amount of such Bonds standing to the account of such person shall be *prima facie* proof of such Beneficial Interest.

Transfers of Beneficial Interests in the Central Securities Depository to and from clients of the Participants occur by electronic book entry in the central securities accounts of the clients of the Participants. Transfers among Participants of Bonds held in the Central Securities Depository system occur through electronic book entry in the Participants' central security accounts with the Central Securities Depository. Beneficial Interests may be transferred only in accordance with the Conditions and the rules and operating procedures for the time being of the Central Securities Depository, Participants and the JSE.

Beneficial Interests in the Bonds may be exchanged, without charge by the Issuer, for Bonds in definitive registered form only in accordance with Condition 13.1. Such Certificates will not be issuable in bearer form. The Bonds represented by the Certificates will be registered in the name of the individual Bondholders in the Register of Bondholders maintained by the Transfer Agent. The Issuer shall regard the Register as the conclusive record of title to the Bonds. The Central Securities Depository's Nominee shall be recognised by the Issuer as the owner of the Bonds issued in uncertificated form and registered holders of Certificates shall be recognised by the Issuer as the owners of the Bonds represented by such Certificates.

The Issuer shall regard the Register as the conclusive record of title to the Bonds.

Certificates

The Bonds represented by Certificates will be registered in the name of the individual Bondholders in the Register of Bondholders.

Payments of interest and principal in respect of Bonds represented by Certificates will be made in accordance with Condition 10 to the person reflected as the registered holder of such Certificates in the Register at 17h00 (South African time) on the Last Day to Register, and the Issuer will be discharged by proper payment to or to the order of the registered holder of the Certificate in respect of each amount so paid.

The BESA Guarantee Fund Trust

The holders of Bonds that are not listed on the Interest Rate Market of the JSE will have no recourse against the BESA Guarantee Fund Trust. Claims against the BESA Guarantee Fund Trust may only be made in respect of the trading of Bonds listed on the Interest Rate Market of the JSE and in accordance with the rules of the BESA Guarantee Fund Trust. Unlisted Bonds are not regulated by the JSE.

TERMS AND CONDITIONS OF THE BONDS

The Terms and Conditions set out below will be deemed to be incorporated by reference into each Certificate, if any, evidencing any Bonds.

CPV POWER PLANT NO. 1 BOND SPV (RF) LIMITED

(incorporated in South Africa with limited liability under registration number 2012/176922/06)

(the "Issuer")

Issue of ZAR1, 000, 000, 000 11 per cent Senior Unsecured Registered Bonds due 30 June 2029

- a.) The issue of ZAR1, 000, 000, 000 11 per cent Senior Unsecured Registered Bonds due 30 June 2029 (the "**Bonds**") was authorised by a resolution of the board of the Issuer passed on or about 11 April 2013.
- b.) The terms and conditions of the Bonds ("**Terms and Conditions**") are constituted as set out below, as read together with the Trust Deed.
- c.) GMG Trust Company SA (Pty) Ltd (the "**Trustee**") has been appointed in terms of a trust deed (the "**Trust Deed**") between the Trustee and the Issuer (as defined below), to act as trustee for the benefit of Bondholders.

1. Interpretation

Terms and expressions set out below shall have the meanings set out below in these Terms and Conditions, unless such term is separately defined in these Terms and Conditions or the context otherwise requires:

- 1.1 "**Applicable Law**" means in relation to a person, all and any:
 - 1.1.1 statutes and subordinate legislation;
 - 1.1.2 treaties, regulations, ordinances, decrees and directives;
 - 1.1.3 by-laws;
 - 1.1.4 codes of practice, circulars, guidance notices, judgements and decisions of any competent authority;
 - 1.1.5 any present or future common law; and
 - 1.1.6 other similar provisions, from time to time;
- 1.2 "**Applicable Procedures**" means the rules and operating procedures for the time being of the Central Securities Depository, Settlement Agents and the JSE, as the case may be;
- 1.3 "**Banks Act**" means the Banks Act, 1990;

- 1.4 **"Beneficial Interest"** means in relation to a Bond, an interest as beneficial owner of a Bond held in uncertificated form, in accordance with the Securities Services Act;
- 1.5 **"Bonds"** means the 11 per cent senior unsecured registered bonds, in an aggregate Principal Amount of ZAR1, 000, 000, 000, with a minimum denomination on the Issue Date of ZAR1,000,000 each, issued by the Issuer under these Terms and Conditions and for the time being outstanding;
- 1.6 **"Bondholder"** or **"holder"** means the person in whose name a Bond is registered in the Register;
- 1.7 **"Books Closed Period"** means the period during which the Transfer Agent will not record any transfer of Bonds in the Register, as determined in accordance with Condition 15.2;
- 1.8 **"Business Day"** means a day (other than a Saturday, Sunday or official South African public holiday within the meaning of the Public Holidays Act, 1994, as amended), which is a day on which commercial banks settle ZAR payments in Johannesburg;
- 1.9 **"Calculation Agent"** means or such other person with whom the Issuer has entered into a Calculation Agent Agreement;
- 1.10 **"Calculation Agent Agreement"** means the agreement concluded between the Issuer and the Calculation Agent, in terms of which the Calculation Agent agrees to provide calculation services to the Issuer;
- 1.11 **"Capital Availability Agreement"** means the capital availability agreement between the Issuer and the Parent to be concluded on or prior to the Issue Date;
- 1.12 **"Central Securities Depository"** means Strate Limited (registration number 1998/022242/06), or its nominee, a central securities depository operating in terms of the Securities Services Act, or any additional or alternate depository approved by the Issuer;
- 1.13 **"Central Securities Depository's Nominee"** means any Wholly Owned Subsidiary of the Central Securities Depository approved by the Registrar (as defined in the Securities Services Act) for purposes of, and as contemplated in, section 40 of the Securities Services Act and any reference to "Central Securities Depository's Nominee" shall, whenever the context permits, be deemed to include a reference to its successor operating in terms of the Securities Services Act;
- 1.14 **"Certificate"** means as contemplated in these Terms and Conditions, a single individual certificate for Bonds, registered in the name of the relevant Bondholder;
- 1.15 **"Companies Act"** means the Companies Act, 2008;
- 1.16 **"Condition"** means a numbered term or condition of the Bonds forming part of these Terms and Conditions (and reference to a particular numbered Condition shall be construed as a reference to the corresponding condition in these Terms and Conditions);

- 1.17 **"CPV"** refers to "concentrated photovoltaic" solar energy;
- 1.18 **"Enforcement Notice"** a written notice delivered pursuant to Condition 12.2.2 of these Terms and Conditions following an Event of Default under the Bonds;
- 1.19 **"Event of Default"** means in relation to any Bonds, any of the events specified as such in Condition 12 of these Terms and Conditions;
- 1.20 **"Extraordinary Resolution"** means a resolution passed at a properly constituted meeting of Bondholders by a majority consisting of not less than 66,67% of the votes cast at a poll by Bondholders, present in person or by proxy;
- 1.21 **"Financial Indebtedness"** means any present or future indebtedness (whether being principal, interest or other amounts), for or in respect of (i) moneys borrowed or raised, or (ii) liabilities under any acceptance or acceptance credit, or (iii) any bonds, notes, debentures, loan stock or other debt securities; or (iv) or any guarantees or indemnities given for indebtedness of another person;
- 1.22 **"Final Redemption Date"** means 30 June 2029;
- 1.23 **"Group"** means the Parent and its Subsidiaries from time to time;
- 1.24 **"Group Five"** means Group Five Construction Proprietary Limited, a private company duly incorporated in accordance with the company laws of South Africa with registration number 1974/003166/07;
- 1.25 **"IFRS"** means International Financial Reporting Standards and the interpretation of those standards as adopted by the International Accounting Standards Board;
- 1.26 **"Instalment Amount"** means each of the equal, semi-annual amounts in respect of principal payable in respect of the Bonds, referred to in Condition 9.1 and 9.2;
- 1.27 **"Instalment Date"** means each of the dates on which an Instalment Amount is paid on the Bonds, as described in Condition 9.1 and 9.2;
- 1.28 **"Interest Amount"** means each of the semi-annual amounts in respect of interest payable in respect of the Bonds, referred to in Condition 8.1.3, as read with Conditions 9.1 and 9.2;
- 1.29 **"Interest Commencement Date"** means in relation to each Bond, the Issue Date;
- 1.30 **"Interest Payment Date(s)"** means 30 June and 31 December of each year, commencing with the Interest Payment Date falling on 30 June 2013;
- 1.31 **"Interest Period"** means each period in respect of which interest accrues on the Bonds, commencing on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date, and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date;

- 1.32 **"Interest Rate"** means the rate of 11 per cent per annum calculated by reference to the Principal Amount of a Bond;
- 1.33 **"Interest Rate Market of the JSE"** the separate platform or sub-market of the JSE designated as the *"Interest Rate Market"* and on which (i) securities which were listed on BESA, prior to its merger with the JSE on 22 June 2009, may continue to be listed and (ii) debt securities (as defined in the JSE Debt Listings Requirements) may be listed, subject to all Applicable Laws;
- 1.34 **"Investment Mandate"** means the irrevocable investment mandate granted by the Issuer to Trident Capital (Pty) Ltd (Registration No 2005/013727/07) in terms of which the proceeds of the issue of the Bonds are to be invested for and on behalf of the Issuer in South African government bonds or treasury bills;
- 1.35 **"Issue Date"** means 29 April 2013;
- 1.36 **"Issuer"** means CPV Power Plant No. 1 Bond SPV (RF) Limited, a public company incorporated in accordance with the laws of South Africa, registration number 2012/176922/06;
- 1.37 **"JSE"** means the JSE Limited (Registration Number 2005/022939/06), licensed as an exchange in terms of the Securities Services Act, or any exchange which operates as a successor exchange to the JSE in terms of the Securities Services Act;
- 1.38 **"JSE Debt Listings Requirements"** means all listings requirements promulgated by the JSE from time to time for the Interest Rate Market from time to time;
- 1.39 **"Last COD"** has the meaning ascribed to such expression in the Power Purchase Agreement, which in the ordinary course would, but subject to certain factors and conditions outlined in the Power Purchase Agreement, fall on 20 December 2015;
- 1.40 **"Last Day to Register"** means the Business Day preceding the Books Closed Period;
- 1.41 **"Moody's"** means Moody's Investors Service Limited;
- 1.42 **"Offering Circular"** means the offering circular executed by the Issuer, incorporating the Terms and Conditions of the Bonds, as amended or supplement from time to time;
- 1.43 **"Ordinary Resolution"** means a resolution passed at a properly constituted meeting of Bondholders, by a majority of the votes cast at a poll by Bondholders, present in person or by proxy;
- 1.44 **"Parent" or "CPV Power Plant No. 1 (RF) Proprietary Limited"** means CPV Power Plant No. 1 Proprietary Limited, a private company duly incorporated in accordance with the company laws of South Africa with registration number 2009/019989/07;

- 1.45 **"Participant"** a person that holds in custody and administers securities or an interest in securities and that has been accepted by the Central Securities Depository as a participant in terms of the Securities Services Act;
- 1.46 **"Pele Green Energy"** means Pele Green Energy Proprietary Limited, a private company duly incorporated in accordance with the company laws of South Africa with registration number 2010/005109/07;
- 1.47 **"Plant"** means the solar plant under development by the Parent, located at Touwsrivier, Western Cape, South Africa;
- 1.48 **"Pledge"** means the pledge and cession by the Issuer in favour of Soitec Solar RSA of the South African government bonds or treasury bills acquired with the Bond issue proceeds;
- 1.49 **"Principal Amount"** means in relation to a Bond, the nominal amount of that Bond for the time being outstanding (taking account of the aggregate amounts of principal redeemed in respect of that Bond);
- 1.50 **"Project"** means the financing, ownership, investigation, surveying, design, engineering, procurement, construction, installation, testing, commissioning, operation and maintenance of the Plant;
- 1.51 **"Project Documents"** means:
- 1.51.1 the Project Loan Agreement;
- 1.51.2 the power purchase agreement, being an agreement between the Parent and Eskom SOC Ltd ("**Eskom**") regulating the construction of the Plant by the Parent and the purchase by Eskom of the electrical energy produced by the Plant, dated 5 November 2012 (the "**Power Purchase Agreement**");
- 1.51.3 the implementation agreement, being an agreement between the Parent and the Department of Energy regulating the rights and obligations of the Parent in relation to economic development obligations, the payment of the development fee, the refinancing of the Project and the Project Site, dated 5 November 2012 (the "**Implementation Agreement**");
- 1.51.4 the distribution agreement, being an agreement between Eskom and the Parent regulating the connection of the Plant to the national grid and use of such grid by the Parent to export electrical energy produced by the Plant, dated 2 November 2012 (the "**Distribution Agreement**");
- 1.51.5 the self-build agreement, being an agreement between the Parent and Eskom regulating the construction of a certain portion of the connection from the Plant to the national grid, dated 2 November 2012

- 1.51.6 the authority direct agreement, being an agreement between the Parent, the lender under the Project Loan Agreement, Eskom and the Department of Energy in terms of which the Issuer is entitled under certain circumstances to replace the Parent as contracting party in the Power Purchase Agreement and Implementation Agreement (as described in paragraphs 1.51.2 and 1.51.3 respectively), to be signed prior to the Reversion Event;
- 1.51.7 the distribution direct agreement, being an agreement between the Parent, the lender under the Project Loan Agreement, Eskom and the Department of Energy in terms of which the Issuer is entitled under certain circumstances to replace the Parent as contracting party under the Distribution Agreement, to be signed prior to the Reversion Event;
- 1.51.8 the notarial lease agreement being an agreement between the Parent and the lessor of the Project Site in terms of which the Parent leases the Project Site for an initial period of 28 years from financial close of the Project, dated 27 August 2010;
- 1.51.9 the balance of plant and implementation Agreement, being an agreement between the Parent and Group Five regulating the engineering, construction, testing of the Plant by Group Five, dated 11 July 2012 (the "**BoP&I Agreement**"), as amended by (i) the addendum to and reinstatement of the BoP&I Agreement dated 7 August 2012, (ii) the second addendum to and reinstatement of the BoP&I Agreement dated 15 November 2012, and (iii) the third addendum to the BoP&I Agreement dated 15 December 2012;
- 1.51.10 the equipment supply agreement, being an agreement between the Parent and Soitec Solar GmbH regulating the supply by Soitec Solar GmbH of CPV equipment for installation in the Plant, dated 11 December 2012 (the "**Equipment Supply Agreement**"), as amended by the addendum to the Equipment Supply Agreement dated 29 January 2013;
- 1.51.11 the Optimization Agreement, being an agreement between the Parent, Group Five and Soitec Solar GmbH regulating (i) the testing and optimization of the Plant by Group Five and Soitec Solar GmbH, (ii) delay liquidated damages payable, (iii) the allocation of liability for any failure of the Plant, and (iv) the security to be provided by Group Five and Soitec Solar GmbH in relation to the Project, dated 11 July 2012 (the "**Optimization Agreement**"), as amended by (i) the addendum to and reinstatement of the Optimization Agreement dated 7 August 2012, (ii) the second addendum to and reinstatement of the Optimization Agreement dated 15 November 2012, and (iii) the third addendum to the Optimization Agreement dated 15 December 2012;
- 1.51.12 the security to be granted under the Optimization Agreement, including:
 - 1.51.12.1 early works security, being a guarantee for a maximum of R5 000 000, as security for the early works payment to be made by the Parent under the BoP&I

Agreement in case of a termination of the BoP&I Agreement or Optimization Agreement;

- 1.51.12.2 an advance payment bond, being a guarantee to be provided by no later than the date of issue of the notice to proceed under the BoP&I Agreement, as security for the advance payment to be made by the Parent under the BoP&I Agreement in case of a termination of the BoP&I Agreement or Optimization Agreement; and
- 1.51.12.3 a delay bond, being a delay liquidated damages bond for 5% of the fixed price under the BoP&I Agreement, to be provided as at the date of the Reversion Event as security for the payment of delay liquidated damages;
- 1.51.13 the security to be provided by Soitec Solar GmbH to the Parent as at the date of the Reversion Event, including:
 - 1.51.13.1 a performance bond of 5% of the aggregate of the fixed price under the BoP&I Agreement and the purchase price under the Equipment Supply Agreement, as security for the proper performance by Group Five and Soitec Solar GmbH of their respective obligations under the BoP&I Agreement and Equipment Supply Agreement; and
 - 1.51.13.2 a delay bond, being a delay liquidated damages bond of 5% of the purchase price under the Equipment Supply Agreement as security for the payment of delay liquidated damages;
- 1.51.14 the Operations and Maintenance Agreement, being an agreement between the Parent and Group Five regulating the operation and maintenance of the Plant by Group Five, dated 11 July 2012 (the "**O&M Agreement**"), as amended by (i) the addendum to and reinstatement of the O&M Agreement dated 7 August 2012, (ii) the second addendum to and reinstatement of the O&M Agreement dated 15 November 2012, and (iii) the third addendum to the O&M Agreement dated 19 December 2012;
- 1.51.15 a guarantee for six times the aggregate monthly fee payable under the O&M Agreement, to be provided by Group Five as security for the due performance of its obligations under the O&M Agreement. This guarantee will be issued on the commencement of commercial operation of the Plant for a period of five years and, on expiry, will be replaced with another guarantee on the same terms;
- 1.51.16 the security to be provided to Soitec Solar RSA, including:
 - 1.51.16.1 the pledge and cession agreements, being agreements between (i) the Touwsrivier Solar Community Trust and Soitec Solar RSA, (ii) Pele Green Energy and Soitec Solar RSA, and (iii) Soitec Solar GmbH and Soitec Solar RSA, in terms of which each of the Touwsrivier Solar Community Trust, Pele Green Energy and Soitec Solar GmbH pledges and cedes to Soitec Solar RSA

their shares in the Parent (including all future shares held in the Parent, dividends, proceeds and voting rights), as security for the Parent's obligations under the project loan agreement, dated 27 August 2012, 31 August 2012 and 4 March 2013 respectively, as amended by the addenda to the pledge and cession agreements to be concluded on or prior to the Issue Date;

- 1.51.16.2 the limited guarantees given by the Touwsrivier Solar Community Trust, Pele Green Energy and Soitec Solar GmbH to Soitec Solar RSA in terms of which each of the Touwsrivier Solar Community Trust, Pele Green Energy and Soitec Solar GmbH guarantees to Soitec Solar RSA the due and punctual performance by the Parent of its obligations under the Project Loan Agreement and related agreements, dated 20 August 2012, 14 August 2012 and 4 March 2013 respectively, as amended by the addenda to the guarantees to be concluded on or prior to the Issue Date;

- 1.51.16.3 the shareholder subordination agreement, being an agreement between the Parent, Soitec Solar RSA, Soitec Solar GmbH, Pele Green Energy and the Touwsrivier Solar Community Trust in terms of which Soitec Solar GmbH, Pele Green Energy and the Touwsrivier Solar Community Trust subordinated their current and future claims against the Parent in favour of Soitec Solar RSA's rights against the Parent under the Project Loan Agreement, dated 13 August 2012, as amended by the addendum thereto to be concluded on or prior to the Issue Date;

- 1.51.16.4 the borrower cession agreement, being an agreement between the Parent and Soitec Solar RSA in terms of which the Parent cedes to Soitec Solar RSA its rights in account monies, revenues, certain Project Documents, debtors, insurances and authorisations (as security for the Parent's obligations under the Project Loan Agreement), dated 7 August 2012, as amended by the addendum thereto to be concluded on or prior to the Issue Date;

- 1.51.16.5 the general notarial bond, being the general notarial bond to be executed by the Parent in favour of Soitec Solar RSA in respect of all the moveable assets of the Parent (as security for the Parent's obligations under the Project Loan Agreement);

- 1.51.16.6 the special notarial bond, being the special notarial bond to be executed by the Parent in favour of Soitec Solar RSA in respect of certain moveable assets of the Parent (as security for the Parent's obligations under the Project Loan Agreement);

- 1.51.16.7 the mortgage bond, being the mortgage bond to be registered by the Parent in favour of Soitec Solar RSA over the Parent's rights in the lease agreement (as security for the Parent's obligations under the Project Loan Agreement); and

- 1.51.17 the Group Five Direct Agreements, being the agreements between the Parent, Soitec Solar RSA and Group Five in terms of which Soitec Solar RSA is entitled under certain circumstances to (i) cure any breach of the Parent under the BoP&I Agreement, the Optimization Agreement or the O&M Agreement, or (ii) replace the Parent as contracting party in the BoP&I Agreement, Optimization Agreement or O&M Agreement, dated 24 July 2012;
- 1.51.18 the Soitec Solar GmbH Direct Agreement, being the agreement between the Parent, Soitec Solar RSA and Soitec Solar GmbH in terms of which Soitec Solar RSA is entitled under certain circumstances to (i) cure any breach of the Parent under the Equipment Supply Agreement and the Optimization Agreement, or (ii) replace the Parent as contracting party in the Equipment Supply Agreement and Optimization Agreement, dated 4 March 2013;
- 1.51.19 any other document which the Trustee, the Issuer and the Parent agree is a Project Document;
- 1.52 **"Project Loan Agreement"** means the facility agreement concluded or to be concluded prior to the Issue Date between the Parent and Soitec Solar RSA in terms of which Soitec Solar RSA advances funds to the Parent for the construction of the Plant;
- 1.53 **"Project Site"** means the site on which the Plant will be constructed;
- 1.54 **"R" or "Rand" or "ZAR"** means the lawful currency of South Africa, being South African Rand, or any successor currency;
- 1.55 **"Rand Equivalent"** means, with respect to any monetary amount in a currency other than Rand, at any time for the determination thereof, the amount of Rand obtained by converting such foreign currency involved in such computation into Rand at the spot rate for the purchase of Rand with the applicable foreign currency, as quoted by the Calculation Agent on the date two Business Days prior to such determination;
- 1.56 **"Rating Agency"** means Moody's and/or such other rating agency or agencies, if any, appointed by the Issuer to assign a rating to the Issuer or to any Bonds issued by the Issuer;
- 1.57 **"Redemption Date"** means each date on which any Bonds are to be redeemed, partially or finally, as the case may be, pursuant to these Terms and Conditions;
- 1.58 **"Refinance Undertaking"** means the agreement between the Issuer and Soitec Solar RSA in terms of which the Issuer agrees to take cession and delegation of all rights and obligations of Soitec Solar RSA under the Project Loan Agreement upon the occurrence of the Reversion Event;
- 1.59 **"Register"** means the register of Bondholders maintained by the Transfer Agent;

- 1.60 **"Relevant Date"** means the date on which a payment first becomes due and payable in accordance with these Terms and Conditions, except that in relation to moneys payable to the Central Securities Depository's Nominee in accordance with these Terms and Conditions, the claim in respect of any payment under the Bonds will prescribe 3 years after the date on which (i) the full amount of such moneys have been received by the Central Securities Depository's Nominee, (ii) such moneys are available for payment to the holders of Beneficial Interests, and (iii) notice to that effect has been duly given to such holders in accordance with the Applicable Procedures;
- 1.61 **"Reversion Event"** occurs when the construction of the Plant has progressed to the extent that the Plant reaches 18MW capacity, as determined in accordance with testing procedures substantially similar to the testing procedures for completion of the entire Plant;
- 1.62 **"Scheduled COD"** means 20 June 2014, provided that such date may be extended or amended in accordance with the provisions of the Power Purchase Agreement;
- 1.63 **"Securities"** means any securities as defined in the section 1 of the Companies Act including, without limitation, shares, or options, warrants or other rights to subscribe for or purchase or acquire shares;
- 1.64 **"Securities Services Act"** means the Securities Services Act, 2004;
- 1.65 **"Security Interest"** means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;
- 1.66 **"Settlement Agents"** means those Participants which are approved by the JSE in terms of the Applicable Procedures of the JSE, as settlement agents to perform electronic settlement of funds and scrip on behalf of market participants;
- 1.67 **"Soltec Solar RSA"** means Soitec Solar RSA Proprietary Limited, a private company duly incorporated in accordance with the company laws of South Africa with registration number 2011/009128/07;
- 1.68 **"South Africa"** means the Republic of South Africa;
- 1.69 **"Specified Office"** in relation to each of the Issuer, the Trustee, the Calculation Agent, the Transfer Agent, the registered office of such entity or, once listed, the address of the office specified in respect of such entity at the end of the Offering Circular, or such other address as is notified by such entity (or, where applicable, a successor to such entity) to the Bondholders in accordance with these Terms and Conditions;
- 1.70 **"Standard Bank"** means The Standard Bank of South Africa Limited, a company incorporated in accordance with the laws of South Africa, registration number 1962/000738/06;

- 1.71 **"Subscription Agreement"** means the subscription agreement entered into or to be entered into between the Issuer, the Parent and the Lead Manager, relating to the procuring of subscriptions for the Bonds, dated on or about the date of this Offering Circular;
- 1.72 **"Subsidiary"** bears the meaning assigned thereto in the Companies Act;
- 1.73 **"Tax Redemption Date"** bears the meaning assigned thereto in Condition 9.3.1;
- 1.74 **"Tax Redemption Notice"** bears the meaning assigned thereto in Condition 9.3.1;
- 1.75 **"Taxes"** means all present and future taxes, levies, imposts, duties, charges, fees, deductions and withholdings imposed or levied by any governmental, financial or other competent authority in South Africa or any other jurisdiction from which any payment is made (and including any penalty payable in connection with any failure to pay, or delay in paying, any of the same) and **"Tax"** and **"Taxation"** shall be construed accordingly;
- 1.76 **"Terms and Conditions"** or **"Conditions"** means the terms and conditions of the Bonds set out in this debt instrument;
- 1.77 **"Transaction Documents"** means:
- 1.77.1 the Offering Circular;
 - 1.77.2 the Terms and Conditions of the Bonds;
 - 1.77.3 the Investment Mandate;
 - 1.77.4 the Capital Availability Agreement;
 - 1.77.5 the Trust Deed;
 - 1.77.6 the Refinance Undertaking;
 - 1.77.7 the Pledge;
 - 1.77.8 the Calculation Agent Agreement;
 - 1.77.9 the Transfer Agent Agreement; and
 - 1.77.10 any other document which the Trustee, the Issuer and the Parent agree is a Transaction Document;
- 1.78 **"Transfer Agent"** means Standard Bank or such other person with whom the Issuer has entered into a Transfer Agent Agreement;
- 1.79 **"Transfer Agent Agreement"** means the agreement concluded between the Issuer and the Transfer Agent, in terms of which the Transfer Agent agrees to provide bond registry services to the Issuer;

- 1.80 **"Transfer Form"** in relation to the transfer of a Bond as contemplated in these Terms and Conditions, means a form of transfer in the usual form or in such other form approved by the Transfer Agent;
- 1.81 **"Trust Deed"** means the trust deed constituting the trust established by the Issuer for the benefit of Bondholders, called the CPV Power Plant No. 1 Bond SPV Bond Trust;
- 1.82 **"Trustee"** means the trustee for the time being of the CPV Power Plant No. 1 Bond SPV Trust, which shall initially be GMG Trust Company SA (Pty) Ltd, a company duly registered and incorporated in accordance with the company laws of South Africa;
- 1.83 **"Wholly Owned Subsidiary"** bears the meaning assigned thereto in the Companies Act.
- 1.84 In these Terms and Conditions:
- 1.84.1 one gender includes a reference to the others;
- 1.84.2 the singular includes the plural and *vice versa*;
- 1.84.3 natural persons include juristic persons and vice versa;
- 1.84.4 **"person"** means any individual, company, partnership, joint venture, association, trust, unincorporated organisation or government or any agency or political subdivision thereof;
- 1.84.5 any agreement or instrument is a reference to that agreement or instrument as amended, supplemented, varied, novated, restated or replaced from time to time, and **amended** or **amendment** will be construed accordingly;
- 1.84.6 a provision of law is a reference to that provision as amended or re-enacted, and includes any subordinate legislation;
- 1.84.7 a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, being of a type with which any person to which it applies is accustomed to comply) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- 1.84.8 **assets** includes present and future properties, revenues and rights of every description;
- 1.84.9 **disposal** means a sale, transfer, grant, lease or other disposal (whether voluntary or involuntary);
- 1.84.10 **indebtedness** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent, excluding double-counting;

- 1.84.11 an **authorisation** includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration or notarisation;
- 1.84.12 "**outstanding**" means, in relation to the Bonds, all the Bonds issued other than (i) those which have been redeemed in accordance with these Terms and Conditions, (ii) those in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys (including all interest accrued on such Bonds to the date for such redemption and any interest payable under Condition 8 after such date) have been duly paid to the relevant Bondholder or on its behalf or to the Trustee and remain available for payment against presentation and surrender of Bonds, (iii) those which have become void or those in respect of which claims have become prescribed under Condition 19, (iv) Bonds, the Certificates in respect of which have been mutilated or defaced Bonds and which Certificates have been surrendered in exchange for replacement Bonds pursuant to Condition 14, (v) (for the purpose only of determining how many Bonds are outstanding and without prejudice to their status for any other purpose) those Bonds alleged to have been lost, stolen or destroyed and in respect of which replacement Bonds have been issued pursuant to Condition 14, (vi) those which have been purchased and cancelled as provided in Condition 9.6; provided that for the purposes of (a) ascertaining the right to attend and vote at any meeting of the Bondholders, (b) the determination of how many Bonds are outstanding for the purposes of Conditions 12 and 18 and (c) the exercise of any discretion, power or authority which the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Bondholders, those Bonds (if any) which are beneficially held by, or are held on behalf of, the Issuer and not yet cancelled shall be deemed not to remain outstanding;
- 1.84.13 days is a reference to calendar days, unless expressly stated otherwise;
- 1.84.14 a party or any other person includes that person's permitted successor, transferee, assignee, cessionary and/or delegate;
- 1.84.15 a time of day is a reference to South African time;
- 1.84.16 if any provision in a definition is a substantive provision conferring rights or imposing obligations on any party, effect must be given to it as if it were a substantive provision in the body of the agreement, notwithstanding that it is contained in the interpretation clause;
- 1.84.17 headings are inserted for the sake of convenience only and do not in any way affect the interpretation of these Terms and Conditions;
- 1.84.18 the use of the word **including** followed by specific examples will not be construed as limiting the meaning of the general wording preceding it, and the *eiusdem generis* rule must not be applied in the interpretation of such general wording or such specific examples; and

- 1.84.19 an accounting term not otherwise defined has the meaning assigned to it in accordance with IFRS.

2. Issue

An aggregate Principal Amount of ZAR1 000, 000, 000 Bonds will be issued by the Issuer.

3. Form and Denomination

- 3.1 The Bonds are fixed rate senior unsecured Bonds with a minimum denomination on the Issue Date of ZAR1,000,000 each.
- 3.2 The Bonds will be issued in the form of registered Bonds, represented by (i) Certificates registered in the name, and for the account of, the relevant Bondholder or (ii) no Certificate, and held in uncertificated form in the Central Securities Depository in terms of section 37 of the Securities Services Act, and registered in the name, and for the account of, the Central Securities Depository's Nominee. The Central Securities Depository will hold the Bonds subject to the Securities Services Act and the Applicable Procedures.

4. Title

- 4.1 Title to the Bonds will pass upon registration of transfer in the Register in accordance with Condition 14. The Issuer and the Transfer Agent 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 held in uncertificated form may in terms of existing law and practice, be transferred through the Central Securities Depository by way of book entry in the securities accounts of Participants. Such transfers will not be recorded in the Register and the Central Securities Depository's Nominee will continue to be reflected in the Register as the Bondholder in respect of the Bonds held in uncertificated form, notwithstanding such transfers.
- 4.3 Any reference in these Terms and Conditions to the relevant Participant shall, in respect of Beneficial Interests, be a reference to the Participant appointed to act as such by a holder of such Beneficial Interest.

5. Status of Bonds

The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 6) unsecured obligations of the Issuer and will rank equally among themselves and at least equally with all other existing and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

6. Undertakings

6.1 Comply with obligations

The Issuer undertakes that it will comply with the obligations imposed on it in terms of the Transaction Documents to which it is a party.

6.2 Positive undertakings

The Issuer undertakes that it will:

6.2.1 (Project Documents) procure that the Parent does not:

6.2.1.1 cancel or amend any Project Document;

6.2.1.2 grant a waiver in respect of any Project Document;

6.2.1.3 discharge or release any person from their obligations under any Project Document if that person has not performed its obligations in full;

6.2.1.4 novate or assign any Project Document; or

6.2.1.5 cede any of its rights or delegate any of its obligations under any Project Document;

without the prior approval of Bondholders, holding at least 66,67% of the Principal Amount of the Bonds, if such event, in the reasonable opinion of such Bondholders, is likely to have a material adverse effect on the ability of the Parent to meet its payment obligations under the Project Loan Agreement;

6.2.2 (Accounting Records) prepare proper and adequate accounting records and lodge returns in accordance with IFRS or such other accounting standard as may be approved by the Trustee and the Companies Act;

6.2.3 (Accounts) provide to the Trustee its audited financial statements for each financial year within 180 days of the end of that year;

6.2.4 (other Information) promptly give to the Trustee such information relating to the financial condition or operations of the Issuer and the Parent as the Trustee may from time to time reasonably request, except for such information the disclosure of which would contravene Applicable Law or render the Issuer or the Parent in breach of any confidentiality obligation;

6.2.5 (Taxes) pay all Taxes (other than Taxes disputed by the Issuer in good faith) when due;

6.2.6 (Event of Default) notify the Trustee of the occurrence of any Event of Default, as soon as it becomes aware of it;

- 6.2.7 **(separate entity)** always hold itself out as an entity which is separate from any other entity or group of entities, and correct any misunderstanding known to the Issuer regarding its separate identity; and
- 6.2.8 **(notification to Rating Agency)** notify the Rating Agency of the occurrence of any of the following:
 - 6.2.8.1 should the Trustee be requested to give its consent to anything in relation to the Transaction Documents and the response of the Trustee to such request;
 - 6.2.8.2 should a supplement to the Offering Circular be issued by the Issuer;
- 6.2.9 **(maintain records)** maintain records in such a manner that it is possible, at any point in time, to determine from such records the assets of the Issuer.
- 6.3 **Negative undertakings**

The Issuer undertakes that it will not, except as permitted under any Transaction Document or otherwise with the prior written consent of the Trustee:

 - 6.3.1 **(negative pledge)** create or permit to subsist any Security Interest (unless arising by operation of law) upon the whole or any part of its assets, present or future, save for any Security Interest upon its assets pursuant to the Transaction Documents;
 - 6.3.2 **(disposal of assets)** transfer, sell, exchange, realise, alienate, lend, part with or otherwise dispose of, or deal with, or grant any right of first refusal, option or present or future right to acquire any of its assets or any interest, right, title or benefit therein, save as in accordance with any Transaction Document;
 - 6.3.3 **(winding-up, liquidation or business rescue)** cause itself to be voluntarily wound-up or liquidated or placed under the supervision of a business rescue practitioner, without the prior authorisation of an Extraordinary Resolution of the Bondholders;
 - 6.3.4 **(restrictions on activities)** engage in any activity which is not in terms of or necessarily incidental to any of the activities which the Transaction Documents provide or envisage that the Issuer will engage in;
 - 6.3.5 **(shares)** issue any further shares or repurchase shares;
 - 6.3.6 **(distributions)** authorise the payment of, or pay, any dividend or other distribution to its shareholders;
 - 6.3.7 **(no payment)** make or attempt or purport to make any payment in respect of a Bond or other amount owing prior to the date on which the payment is due for payment in terms of the Transaction Documents;

- 6.3.8 (borrowings) raise or incur any obligation, whether as principal or surety, for the payment or repayment of money, whether present or future, actual or contingent, other than as envisaged in the Transaction Documents;
- 6.3.9 (other financial accommodation) grant any guarantee or other assurance whatsoever against financial loss or allow any such guarantee or assurance to be outstanding in connection with any money borrowed or raised by any person other than as part of the Issuer's business;
- 6.3.10 (general acts) do any of the following things:
 - 6.3.10.1 register any transfer of shares in its issued share capital;
 - 6.3.10.2 amend its memorandum of incorporation;
 - 6.3.10.3 engage any employees;
 - 6.3.10.4 have or acquire any subsidiaries;
 - 6.3.10.5 occupy premises;
 - 6.3.10.6 consolidate, merge or amalgamate with any other person or entity;
- 6.3.11 (Transaction Documents)
 - 6.3.11.1 cancel or amend any Transaction Documents;
 - 6.3.11.2 grant a waiver in respect of any Transaction Document;
 - 6.3.11.3 discharge or release any person from their obligations under any Transaction Document if that person has not performed its obligations in full;
 - 6.3.11.4 novate or assign any Transaction Document;
 - 6.3.11.5 cede any of its rights or delegate any of its obligations under any Transaction Document;
- 6.3.12 (other transactions) enter into any document, agreement or arrangement other than in terms of the Transaction Documents.

7. Calculation Agent and Transfer Agent

- 7.1 The Issuer is entitled to vary or terminate the appointment of the Calculation Agent and/or the Transfer Agent and/or to appoint additional or other agents.
- 7.2 There will at all times be a Calculation Agent and a Transfer Agent with a Specified Office. The Transfer Agent and the Calculation Agent act solely as the agents of the Issuer and do

not assume any obligation towards or relationship of agency or trust for or with any Bondholders.

8. Interest

8.1 Interest on Bonds

8.1.1 Interest Rate

Each Bond will bear interest on its Principal Amount, at the rates per annum equal to the Interest Rate, from and including the Interest Commencement Date.

8.1.2 Interest Payment Dates

The interest due in respect of each Interest Period will be payable in arrears on the Interest Payment Date in respect of such Interest Period. The first payment of interest will be made on the Interest Payment Date following the Interest Commencement Date. If any Interest Payment Date falls upon a day which is not a Business Day, the provisions of Condition 10.3 shall determine the date of payment of interest due upon such Interest Payment Date.

8.1.3 Calculation of Interest Amount

8.1.4 The Issuer will pay interest in respect of the Bonds in instalments on the Interest Payment Dates and in the Interest Amounts specified in Condition 9.1 below, which Interest Amounts shall be allocated to each Bondholder in the proportion which the aggregate Principal Amount of the Bonds for the time being outstanding held by such Bondholder bears to the aggregate Principal Amount of all the Bonds for the time being outstanding.

8.1.5 If the Plant, after completion thereof, does not achieve the full capacity of 36MW, then the Issuer will pay interest in respect of the Bonds in instalments on the Interest Payment Dates and in the Interest Amounts specified in Condition 9.2 below, which Interest Amounts shall be allocated to each Bondholder in the proportion which the aggregate Principal Amount of the Bonds for the time being outstanding held by such Bondholder bears to the aggregate Principal Amount of all the Bonds for the time being outstanding

8.1.6 If interest is required to be calculated for a period of other than 6 months, such interest shall be calculated by the Calculation Agent on the basis of a 365 day year and the actual number of days elapsed in such period.

8.2 Accrual of Interest

Each Bond will cease to bear interest where such Bond is redeemed or repaid pursuant to Condition 9 or Condition 12, from the due date for redemption or repayment thereof unless, upon due presentation thereof, payment of principal is improperly withheld or refused, in

which event interest will continue to accrue at the rate specified in Condition 8.1.1 (both before and after judgment) on the amounts due in terms of such Bond until the day on which such sums due are received by or on behalf of the relevant holder.

8.3 **Publication of Interest Amount by the Calculation Agent**

The Calculation Agent will, in relation to the Bonds, at least 2 Business Days before each Interest Payment Date, cause the aggregate Interest Amount payable for the relevant Interest Period in respect of the Bonds to be notified to the Bondholders (in the manner set out in Condition 16), the Issuer and the JSE.

8.4 **Calculations final and limitation of liability**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained by the Calculation Agent pursuant to the exercise or non-exercise by it of its powers, duties and discretions under these Terms and Conditions, will, in the absence of wilful deceit, negligence, bad faith, or manifest error, be binding on the Issuer and the Bondholders, and the Calculation Agent will not have any liability to the Issuer or the Bondholders in connection therewith.

9. **Redemption and purchases**

9.1 **Redemption in Instalments**

Unless previously redeemed, or purchased and cancelled as specified below, each Bond shall, subject to the Terms and Conditions, be redeemed by the Issuer in instalments on the Instalment Dates and in the Instalment Amounts specified below, which Instalment Amounts shall be allocated to each Bondholder in the proportion which the aggregate Principal Amount of the Bonds for the time being outstanding held by such Bondholder bears to the aggregate Principal Amount of all the Bonds for the time being outstanding:

<i>Interest Payment Date/ Installment Date in:</i>	<i>Capital balance</i>	<i>Capital Repayment (Installment Amount)</i>	<i>Interest Payment (Interest Amount)</i>	<i>Total Instalment</i>
30-Jun-13	1,000,000,000.00	-	18,684,931.51	18,684,931.51
31-Dec-13	1,000,000,000.00	-	55,000,000.00	55,000,000.00
30-Jun-14	1,000,000,000.00	-	55,000,000.00	55,000,000.00
31-Dec-14	1,000,000,000.00	-	55,000,000.00	55,000,000.00
30-Jun-15	985,231,428.00	14,768,572.00	55,000,000.00	69,768,572.00

31-Dec-15	969,650,584.53	15,580,843.46	54,187,728.54	69,768,572.00
30-Jun-16	953,212,794.68	16,437,789.85	53,330,782.15	69,768,572.00
31-Dec-16	935,870,926.38	17,341,868.30	52,426,703.71	69,768,572.00
30-Jun-17	917,575,255.33	18,295,671.05	51,472,900.95	69,768,572.00
31-Dec-17	898,273,322.37	19,301,932.96	50,466,639.04	69,768,572.00
30-Jun-18	877,909,783.10	20,363,539.27	49,405,032.73	69,768,572.00
31-Dec-18	856,426,249.17	21,483,533.93	48,285,038.07	69,768,572.00
30-Jun-19	833,761,120.87	22,665,128.30	47,103,443.70	69,768,572.00
31-Dec-19	809,849,410.51	23,911,710.36	45,856,861.65	69,768,572.00
30-Jun-20	784,622,556.09	25,226,854.43	44,541,717.58	69,768,572.00
31-Dec-20	758,008,224.67	26,614,331.42	43,154,240.58	69,768,572.00
30-Jun-21	729,930,105.02	28,078,119.65	41,690,452.36	69,768,572.00
31-Dec-21	700,307,688.79	29,622,416.23	40,146,155.78	69,768,572.00
30-Jun-22	669,056,039.67	31,251,649.12	38,516,922.88	69,768,572.00
31-Dec-22	636,085,549.85	32,970,489.82	36,798,082.18	69,768,572.00
30-Jun-23	601,301,683.09	34,783,866.76	34,984,705.24	69,768,572.00
31-Dec-23	564,604,703.66	36,696,979.43	33,071,592.57	69,768,572.00
30-Jun-24	525,889,390.36	38,715,313.30	31,053,258.70	69,768,572.00
31-Dec-24	485,044,734.82	40,844,655.53	28,923,916.47	69,768,572.00
30-Jun-25	441,953,623.23	43,091,111.59	26,677,460.42	69,768,572.00
31-Dec-25	396,492,500.51	45,461,122.73	24,307,449.28	69,768,572.00
30-Jun-26	348,531,016.03	47,961,484.48	21,807,087.53	69,768,572.00
31-Dec-26	297,931,649.91	50,599,366.12	19,169,205.88	69,768,572.00
30-Jun-27	244,549,318.65	53,382,331.26	16,386,240.75	69,768,572.00
31-Dec-27	188,230,959.18	56,318,359.48	13,450,212.53	69,768,572.00
30-Jun-28	128,815,089.93	59,415,869.25	10,352,702.75	69,768,572.00
31-Dec-28	66,131,347.87	62,683,742.06	7,084,829.95	69,768,572.00
30-Jun-29	0.00	66,131,347.87	3,637,224.13	69,768,572.00

9.2 Mandatory early redemption in part, followed by redemption in instalments

- 9.2.1 If the Plant, after completion thereof, does not achieve the full capacity of 36MW, then the aggregate Principal Amount of the Bonds outstanding shall, subject to the Terms and Conditions, be redeemed by the Issuer in instalments on the Instalment Dates and in the Instalment Amounts specified below, which Instalment Amount shall be allocated to each Bondholder in the proportion which the aggregate Principal Amount of the Bonds for the time being outstanding held by such Bondholder bears to the aggregate Principal Amount of all the Bonds for the time being outstanding:

<i>Interest Payment Date/ Instalment Date in:</i>	<i>Capital balance</i>	<i>Capital Repayment (Instalment Amount)</i>	<i>Interest Payment (Interest Amount)</i>	<i>Total Instalment</i>
30-Jun-13	1,000,000,000.00	-	18,684,931.51	18,684,931.51
31-Dec-13	1,000,000,000.00	-	55,000,000.00	55,000,000.00
30-Jun-14	1,000,000,000.00	-	55,000,000.00	55,000,000.00
31-Dec-14	1,000,000,000.00	-	55,000,000.00	55,000,000.00 + B x (1-C)
30-Jun-15	985,231,428.00	14,768,572.00 x C	55,000,000.00 x C	69,768,572.00 x C
31-Dec-15	969,650,584.53	15,580,843.46 x C	54,187,728.54 x C	69,768,572.00 x C
30-Jun-16	953,212,794.68	16,437,789.85 x C	53,330,782.15 x C	69,768,572.00 x C
31-Dec-16	935,870,926.38	17,341,868.30 x C	52,426,703.71 x C	69,768,572.00 x C
30-Jun-17	917,575,255.33	18,295,671.05 x C	51,472,900.95 x C	69,768,572.00 x C
31-Dec-17	898,273,322.37	19,301,932.96 x C	50,466,639.04 x C	69,768,572.00 x C
30-Jun-18	877,909,783.10	20,363,539.27 x C	49,405,032.73 x C	69,768,572.00 x C
31-Dec-18	856,426,249.17	21,483,533.93 x C	48,285,038.07 x C	69,768,572.00 x C
30-Jun-19	833,761,120.87	22,665,128.30 x C	47,103,443.70 x C	69,768,572.00 x C
31-Dec-19	809,849,410.51	23,911,710.36 x C	45,856,861.65 x C	69,768,572.00 x C
30-Jun-20	784,622,556.09	25,226,854.43 x C	44,541,717.58 x C	69,768,572.00 x C
31-Dec-20	758,008,224.67	26,614,331.42 x C	43,154,240.58 x C	69,768,572.00 x C
30-Jun-21	729,930,105.02	28,078,119.65 x C	41,690,452.36 x C	69,768,572.00 x C

31-Dec-21	700,307,688.79	29,622,416.23 x C	40,146,155.78 x C	69,768,572.00 x C
30-Jun-22	669,056,039.67	31,251,649.12 x C	38,516,922.88 x C	69,768,572.00 x C
31-Dec-22	636,085,549.85	32,970,489.82 x C	36,798,082.18 x C	69,768,572.00 x C
30-Jun-23	601,301,683.09	34,783,866.76 x C	34,984,705.24 x C	69,768,572.00 x C
31-Dec-23	564,604,703.66	36,696,979.43 x C	33,071,592.57 x C	69,768,572.00 x C
30-Jun-24	525,889,390.36	38,715,313.30 x C	31,053,258.70 x C	69,768,572.00 x C
31-Dec-24	485,044,734.82	40,844,655.53 x C	28,923,916.47 x C	69,768,572.00 x C
30-Jun-25	441,953,623.23	43,091,111.59 x C	26,677,460.42 x C	69,768,572.00 x C
31-Dec-25	396,492,500.51	45,461,122.73 x C	24,307,449.28 x C	69,768,572.00 x C
30-Jun-26	348,531,016.03	47,961,484.48 x C	21,807,087.53 x C	69,768,572.00 x C
31-Dec-26	297,931,649.91	50,599,366.12 x C	19,169,205.88 x C	69,768,572.00 x C
30-Jun-27	244,549,318.65	53,382,331.26 x C	16,386,240.75 x C	69,768,572.00 x C
31-Dec-27	188,230,959.18	56,318,359.48 x C	13,450,212.53 x C	69,768,572.00 x C
30-Jun-28	128,815,089.93	59,415,869.25 x C	10,352,702.75 x C	69,768,572.00 x C
31-Dec-28	66,131,347.87	62,683,742.06 x C	7,084,829.95 x C	69,768,572.00 x C
30-Jun-29	0.00	66,131,347.87 x C	3,637,224.13 x C	69,768,572.00 x C

Whereas

B = the aggregate Principal Amount of the Bonds outstanding

C = (actual capacity of the Plant/ full capacity of the Plant)

9.3 Early redemption for tax reasons at the option of the Issuer

9.3.1 The Bonds may be redeemed at the option of the Issuer, in whole and not in part, on the occasion of the next payment due under the Bonds (the "**Tax Redemption Date**"), on giving not less than 20 days notice (a "**Tax Redemption Notice**") to the Trustee and the Bondholders prior to such redemption, in accordance with Condition 16 (which notice shall be irrevocable), if the Issuer is of the reasonable opinion that:

9.3.1.1 on the occasion of the next payment due under the Bonds, the Issuer has or will become obliged to deduct or withhold from any payment of principal or interest on the Bonds any amounts as provided for or referred to in Condition 11 as a result of any change in, or amendment to, the laws or regulations of South Africa or any other Applicable Law or any political subdivision of, or any authority in, or

of, South Africa having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date; and

9.3.1.2 such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

9.3.2 From the date of publication of any notice of redemption pursuant to this Condition 9.3, the Issuer shall make available at its Specified Office, for inspection by any holder of Bonds so redeemed, a certificate signed by 2 authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers to the effect that the Issuer has or will become obliged to make such deduction or withholding as a result of such change or amendment.

9.3.3 If the Issuer gives a Tax Redemption Notice, each Bondholder will have the right to elect that his Bonds shall not be redeemed and that the provisions of Condition 11 shall not apply in respect of any payment of interest to be made on such Bonds which falls due after the relevant Tax Redemption Date, whereupon no additional amounts shall be payable in respect thereof pursuant to Condition 11 and payment of all amounts of such interest on such Bonds shall be made subject to the deduction or withholding of any South African taxation required to be withheld or deducted. To exercise such right, the holder of the relevant Bond must complete, sign and deposit at the Specified Office of the Transfer Agent a duly completed and signed notice of election, in the form for the time being current, obtainable from the Specified Office of the Transfer Agent together with the relevant Bonds on or before the day falling 10 days prior to the Tax Redemption Date.

9.3.4 Bonds redeemed for tax reasons pursuant to this Condition 9.3 will be redeemed at their Principal Amount, together with accrued unpaid interest (if any) from (and including) the immediately preceding Payment Date to (but excluding) the date of redemption.

9.3.5 Any Tax Redemption Notice shall be irrevocable. Any such notice shall specify the Tax Redemption Date which shall be a Business Day.

9.4 **Mandatory early redemption in full**

If the Reversion Event does not occur on or prior to the Last COD, the Bonds will be redeemed at their Principal Amount, together with accrued unpaid interest (if any), on the immediately following Interest Payment Date.

9.5 Mandatory Redemption following delivery of an Enforcement Notice

Upon the delivery of an Enforcement Notice (following the occurrence of an Event of Default), the Bonds will be immediately due and payable, and the Bonds will be redeemed in accordance with Condition 12.

9.6 Purchases

The Issuer 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 shall be held, resold or at the option of the Issuer, cancelled.

9.7 Cancellation

All Bonds which are redeemed in full will forthwith be cancelled. All Bonds so cancelled and the Bonds purchased and cancelled pursuant to Condition 9.6, shall be held by the Issuer and cannot be re-issued or resold. Where a portion of the Bonds represented by a Certificate are cancelled, the Transfer Agent shall deliver a Certificate to such Bondholder in respect of the balance of the Bonds. The Issuer shall notify the Central Securities Depository and the JSE, of any cancellation or partial redemption of the Bonds so that such entity can record the reduction in the aggregate Principal Amount of the Bonds in issue.

10. Payment

10.1 Method of payment

- 10.1.1 Payments of interest and principal in respect of Bonds held in uncertificated form in the Central Securities Depository will be made to the Central Securities Depository's Nominee, as the registered holder of such Bonds, 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 Central Securities Depository or the relevant Participants, as the case may be, as the holders of Beneficial Interests shall look solely to the Central Securities Depository or the relevant Participant, as the case may be, for such persons share of each payment so made by the Issuer to, or for the order of, the registered holder of the Bond held in uncertificated form. 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 held in the Central Securities Depository in uncertificated form shall be recorded by the Central Securities Depository's Nominee, as the registered holder of the Bonds, distinguishing between interest and principal, and such record of payments by the registered holder of the Bonds shall be *prima facie* proof of such payments. Payments of interest and principal in respect of Bonds represented by Certificates shall be made to the person reflected as the registered holder of the Certificate in the Register on the Last Day to Register.

- 10.1.2 The Issuer shall pay the interest and principal payable in respect of each Bond, in immediately available and freely transferable funds, in Rand by electronic funds transfer, to the bank account of the Bondholder as set forth in the Register at 17h00 (South African 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. If several persons are entered into the Register as joint Bondholders, then without affecting the previous provisions of this condition, payment to any one of them of any moneys payable on or in respect of the Bond shall be an effective and complete discharge by the Issuer of the amount so paid, notwithstanding any notice (express or otherwise) which the Issuer may have of the right, title, interest or claim of any other person to or in any Bond or interest therein.
- 10.1.3 If the Issuer is prevented or restricted directly or indirectly from making any payment by electronic funds transfer in accordance with the preceding paragraph (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 Business Days of such inability arising. Upon receipt of such notice any Bondholder may request the Issuer in writing to make payment of any such amounts by way of cheque (or by such number of cheques as may be required in accordance with applicable banking law and practice). Such notice shall specify the address of the payee entitled to payment in respect of the Bond, and if the Bondholder so desires, a request to make such cheque available for collection during business hours by a Bondholder or its duly authorised representative at the registered office of the Issuer.
- 10.1.4 All moneys so payable by cheque shall, save if the Bondholder requests that the cheque be made available for collection as set out above (unless such cheque is not so collected within 2 Business Days of being made available for collection), be sent by post within 2 Business Days of the receipt by the Issuer of the notice from a Bondholder referred to in the preceding paragraph to:
- 10.1.4.1 the address of that Bondholder as set forth in the Register at 17h00 (South African time) on the relevant Last Day to Register; or
- 10.1.4.2 in the case of joint Bondholders, the address set forth in the Register of that one of them who is first named in the Register in respect of that Bond.

The Issuer shall not be responsible for any loss in transmission of cheques posted in terms of this Condition 10.1 and the postal authorities shall be deemed to be the agent of the Bondholders for the purposes of all cheques posted in terms of this Condition 10.1.

10.1.5 Only Bondholders, or, in the case of joint Bondholders, the one of them who is first named in the Register in respect of that Bond, reflected in the Register at 17h00 (South African time) on the relevant Last Day to Register will be entitled to payments of interest and/or principal in respect of Bonds.

10.1.6 Payments will be subject in all cases to any Taxation or other laws, directives and regulations applicable to such payment in the place of payment without prejudice to Condition 11.

10.1.7 Payment of all amounts other than interest and principal in respect of the Bonds, will be made as provided in these Conditions.

10.2 **Surrender of Certificates**

10.2.1 On or before the Last Day to Register prior to any Redemption Date, the holder of a Certificate, in respect of a Bond to be redeemed (in part or in whole, as the case may be) shall deliver to the Transfer Agent the Certificates to be redeemed. This will enable the Transfer Agent to endorse the partial redemption thereon or, in the case of final redemption, to cancel the relevant Certificates.

10.2.2 Should the holder of a Certificate refuse or fail to surrender the Certificate for endorsement or cancellation on or before a Redemption Date, the amount payable to him in respect of such redemption, including any accrued interest, shall be retained by the Issuer for such Bondholder, at the latter's risk, until the Bondholder surrenders the necessary Certificate, and interest shall cease to accrue to such Bondholder from the Redemption Date in respect of the amount redeemed.

10.2.3 Documents required to be presented and/or surrendered to the Transfer Agent in accordance with these Terms and Conditions will be so presented and/or surrendered at the Specified Office of the Transfer Agent.

10.2.4 In the case of the Bonds held in uncertificated form in the Central Securities Depository, redemptions in part will be handled in accordance with the Applicable Procedures.

10.3 **Payment Date**

Notwithstanding anything to the contrary contained in these Terms and Conditions, if the date for payment of any amount payable in respect of any Bond is not a Business Day, then such date for payment shall be the following Business Day. The Bondholder shall not be entitled to further interest or other payment in respect of such delayed payment.

11. **Taxation**

11.1 All payments (whether in respect of principal, interest or otherwise) in respect of the Bonds will be made without withholding or deduction for or on account of any Taxes, unless such withholding or deduction is required by Applicable Law.

11.2 If any such withholding or deduction is required by Applicable Law in respect of Taxes imposed or levied on any payments (whether in respect of principal, interest or otherwise) in respect of any Bonds, the Issuer will, subject to the Issuer's rights to redeem such Bonds in terms of Condition 9.3, make such payments after such withholding or deduction has been made and will account to the relevant authorities for the amount so required to be withheld or deducted. The Issuer will pay such 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 principal 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, except that no such additional amounts shall be payable with respect to any Bond:

11.2.1 held by or on behalf of a Bondholder which would not be liable or subject to the withholding or deduction by complying with any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or

11.2.2 where such withholding or deduction is in respect of Taxes levied or imposed on interest or principal payments only by virtue of the inclusion of such payments in the Taxable Income or Taxable Gains (each as defined below) of any Bondholder; or

11.2.3 where (in the case of any payment of principal or interest which is conditional on surrender of the relevant Certificate in accordance with these Terms and Conditions) the relevant Certificate is surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant Bondholder would have been entitled to an additional amount on presenting the Certificate for payment on such thirtieth day; or

11.2.4 if such withholding or deduction arises through the exercise by revenue authorities of special powers in respect of Tax defaulters.

11.3 For the purposes of this Condition 11:

11.3.1 "**Taxable Income**" means any "taxable income" as defined in section 1 of the Income Tax Act;

11.3.2 "**Taxable Gain**" means any "taxable capital gain" as defined in paragraph 1 of Schedule 8 to the Income Tax Act; and

11.3.3 "**Income Tax Act**" means the South African Income Tax Act, 1962.

12. Events of Default

12.1 Events of Default relating to the Bonds

An Event of Default in relation to the Bonds shall arise if any of the following events occurs and is continuing:

- 12.1.1 *Non-payment:* the Issuer fails to pay any amount of principal, interest or any other amount in respect of any Bonds on the due date for payment thereof and such failure remains unremedied for 3 Business Days after written notice thereof has been delivered by the Trustee on behalf of any Bondholder to the Issuer; or
- 12.1.2 *Breach of other obligations:* the Issuer fails to perform any of its other obligations under or in respect of the Bonds (including the positive and negative undertakings) or the other Transaction Documents, and such failure remains unremedied for 10 Business Days after written notice thereof has been delivered by the Trustee on behalf of any Bondholder to the Issuer; or
- 12.1.3 *Judgement:* any final judgement or arbitration award ("**Judgement**") is given by a court of competent jurisdiction or arbitrator against the Issuer or, in respect of a claim of more than ZAR10,000,000, or its equivalent in any other currency, against the Parent or against the assets or revenues of the Issuer or the Parent and is not discharged or contested with 10 Business Days of the final judgment being granted; or
- 12.1.3.1 if such judgement is appealable, fails to appeal against such judgement within the time limits prescribed by law or fails to diligently prosecute such appeal thereafter or ultimately fails in such appeal; and/or
- 12.1.3.2 if such judgement is a default judgment, fails to apply for the rescission thereof within the time limits prescribed by law or fails to diligently prosecute such application thereafter or ultimately fail in such application; and/or
- 12.1.3.3 if such judgement is reviewable, fails to initiate proceedings for the review thereof within the time limits prescribed by law or fails to diligently prosecute *such proceedings thereafter or ultimately fails in such proceedings; or*
- 12.1.4 *Insolvency:* an Insolvency Event occurs in respect of the Issuer or the Parent.
- For the purposes of this Condition 12.1.4, "**Insolvency Event**" means the occurrence of any of the following events:
- 12.1.4.1 an order is made, for (a) the compulsory, provisional or final winding-up, liquidation, compromise, administration order, curatorship, business rescue, dissolution or administration of the Issuer or the Parent; or (b) the appointment of an administrator, trustee, liquidator, business rescue practitioner or similar officer over any or all of the assets or revenues of the Issuer or the Parent; or (c) the removal of the Issuer or the Parent from the register of companies; or
- 12.1.4.2 the Issuer or the Parent seeks the appointment of an administrator, liquidator (whether provisional or final), business rescue practitioner or other similar official for it or for all or substantially all its assets or estate (in each case other than for purposes of a solvent reconstruction or amalgamation in which the Issuer remains the debtor under the Bonds); or

- 12.1.4.3 the Issuer or the Parent takes any proceedings or other step with a view to the general readjustment, rescheduling or deferral of its indebtedness (or any part thereof which it would otherwise be unable to pay when due) or proposes to take any such step; or
- 12.1.4.4 the Issuer or the Parent compromising with or taking any procedural step attempting to compromise with its creditors generally (or any significant class of creditors) or deferring or taking any procedural step attempting to defer payment of debts owing by it to its creditors generally (or any significant class of creditors) (except a deferral provided for in terms of these Terms and Conditions) or proposing or seeking to make or makes a general assignment or any arrangement or composition with or for the benefit of its creditors or a moratorium is agreed or declared in respect of or affecting all or a material part of its indebtedness; or
- 12.1.4.5 the Issuer or the Parent committing an act which would be an act of insolvency, in terms of the Insolvency Act, 1936, if committed by a natural person; or
- 12.1.4.6 the Issuer or the Parent is unable (or admits inability) to pay its debts generally as they fall due or is deemed to be unable to pay its debts or is (or admits to being) otherwise insolvent or stops, suspends or threatens to stop or suspend payment of all or a material part of its indebtedness; or
- 12.1.4.7 the board or members of the Issuer or the Parent convening a meeting in order to consider the passing of a resolution providing for the Issuer or the Parent to be wound-up, liquidated, deregistered or placed under business rescue, or any resolution being passed to this effect (in each case other than for purposes of a solvent reconstruction or amalgamation in which the Issuer remains the debtor under the Bonds); or
- 12.1.4.8 the Issuer or the Parent causes or is subject to any event with respect to it which, under the Applicable Laws of any jurisdiction, has an analogous effect to any of the events specified in 12.1.4.1 to 12.1.4.7 above.
- 12.1.5 *Attachment of assets:* any attachment in execution of a judgment is levied against any undertaking or asset of the Issuer or any attachment in execution of a judgment in respect of a claim for more than ZAR10,000,000 is levied against any undertaking or asset of the Parent and, in each case, such attachment or execution is not set aside or lifted with 15 Business Days after it came to the attention of the Issuer or the Parent; or
- 12.1.6 *Cross-default or security enforced in respect of the Parent:*
- 12.1.6.1 if any Financial Indebtedness of the Parent is declared to be or becomes due and repayable before its stated maturity by reason of an event of default (however described); or

- 12.1.6.2 the Parent fails to make any payment in respect of any Financial Indebtedness on the due date for payment (as extended by any originally applicable grace period); or
- 12.1.6.3 any security given by the Parent for any Financial Indebtedness becomes enforceable by reason of default in relation thereto and steps are taken to enforce such security; or
- 12.1.6.4 if default is made by the Parent in making any payment due under any guarantee and/or indemnity (at the expiry of any originally applicable grace period) given by it in relation to any Financial Indebtedness of any other person;

provided that in each case no event shall constitute an Event of Default unless the Financial Indebtedness or other relative liability either alone or when aggregated with other Financial Indebtedness and/or other relative liabilities which shall have occurred, equals or exceeds ZAR10,000,000 (or its equivalent in any other currency).

- 12.1.7 *Breach of Project Documents:* any party to the Project Documents fails to perform any of its obligations under any Project Document, and such failure has, or is reasonably likely to have, a material adverse effect on the ability of the Parent to meet its payment obligations under the Project Loan Agreement; or
- 12.1.8 *Security Unenforceable:* any Security Interest granted or purported to be granted by the Parent pursuant to the Project Loan Agreement becomes unenforceable for any reason whatsoever (or is reasonably claimed by the holder of that security not to be in full force and effect); or
- 12.1.9 *Breach of Capital Availability Agreement:* any party to the Capital Availability Agreement fails to perform any of its obligations under the Capital Availability Agreement, and such failure remains unremedied for 10 Business Days after written notice thereof has been delivered by the Trustee on behalf of any Bondholder to the Issuer; or
- 12.1.10 *Breach of Investment Mandate:* any party to the Investment Mandate fails to perform any of its obligations under the Investment Mandate, and such failure remains unremedied for 10 Business Days after written notice thereof has been delivered by the Trustee on behalf of any Bondholder to the Issuer; or
- 12.1.11 *Breach of Refinance Undertaking or Pledge:* any party to the Refinance Undertaking or Pledge fails to perform any of its obligations under the Refinance Undertaking or Pledge (as the case may be), and such failure remains unremedied for 10 Business Days after written notice thereof has been delivered by the Trustee on behalf of any Bondholder to the Issuer; or
- 12.1.12 *Change of ownership:*

After the Issue Date, the Issuer ceases to be a Wholly Owned Subsidiary of the Parent.

For the purposes of Condition 12.1.3, 12.1.5 and 12.1.6, any indebtedness which is in a currency other than South African Rand shall be translated into the Rand Equivalent on the date of such Event of Default.

12.2 Steps following an Event of Default

12.2.1 If an Event of Default occurs in relation to the Bonds:

12.2.1.1 the Calculation Agent and/or the Issuer will forthwith inform the Bondholders, the Trustee and the JSE thereof; and

12.2.1.2 the Trustee will, as soon as such Event of Default comes to its notice (whether as a result of having been informed by the Calculation Agent and/or the Issuer thereof pursuant to Condition 12.2.1.1 or otherwise), forthwith call a meeting of the Bondholders.

12.2.2 If any Event of Default has occurred and is continuing, then the Trustee at its discretion may, and if so directed by an Extraordinary Resolution of the Bondholders or in writing by Bondholders holding at least one-quarter of the aggregate Principal Amount of the Bonds for the time being outstanding, it shall, give written notice (the "**Enforcement Notice**") to the Issuer that the Bonds are, and they shall accordingly become immediately due and payable at their outstanding Principal Amount together with accrued interest (if any) thereon to the date of payment.

13. Exchange of Beneficial Interests and replacement of Bonds

13.1 Exchange

13.1.1 The holder of a Beneficial Interest in Bonds may, in terms of the Applicable Procedures and subject to section 44 of the Securities Services Act, by written notice to the holder's nominated Participant (or, if such holder is a Participant, the Central Securities Depository), request that such Beneficial Interest be exchanged for Bonds in definitive form represented by a Certificate (the "**Exchange Notice**"). The Exchange Notice shall specify (i) the name, address and bank account details of the holder of the Beneficial Interest and (ii) the day on which such Beneficial Interest is to be exchanged for a Certificate; provided that such day shall be a Business Day and shall fall not less than 30 (thirty) days after the day on which such Exchange Notice is given ("**Exchange Date**").

13.1.2 The holder's nominated Participant will, following receipt of the Exchange Notice, through the Central Securities Depository, notify the Transfer Agent that it is required to exchange such Beneficial Interest for Bonds represented by a Certificate. The Transfer Agent will, as soon as is practicable but within 14 days after receiving such notice, in accordance with the Applicable Procedures, procure that a Certificate is prepared,

authenticated and made available for delivery, on a Business Day falling within the aforementioned 14 day period, to the holder of the Beneficial Interest at the Specified Office of the Transfer Agent; provided that joint holders of a Beneficial Interest shall be entitled to receive only one Certificate in respect of that joint holding, and delivery to one of those joint holders shall be delivery to all of them.

13.1.3 In the case of the exchange of a Beneficial Interest in Bonds issued in uncertificated form:

13.1.3.1 the Central Securities Depository's Nominee shall, prior to the Exchange Date, surrender (through the Central Securities Depository system) such uncertificated Bonds to the Transfer Agent at its Specified Office; and

13.1.3.2 the Transfer Agent will obtain the release of such uncertificated Bonds from the Central Securities Depository in accordance with the Applicable Procedures.

13.1.4 A Certificate shall, in relation to a Beneficial Interest in any number of Bonds issued in uncertificated form of a particular aggregate Principal Amount standing to the account of the holder thereof, represent that number of Bonds of that aggregate Principal Amount, and shall otherwise be in such form as may be agreed between the Issuer and the Transfer Agent; provided that if such aggregate Principal Amount is equivalent to a fraction of the minimum denomination of the Bonds or a fraction of any multiple thereof, such Certificate shall be issued in accordance with, and be governed by, the Applicable Procedures.

13.2 **Costs**

Certificates shall be provided (whether by way of issue or delivery) by the Issuer without charge, save as otherwise provided in these Terms and Conditions. The costs and expenses of delivery of Certificates by a method other than ordinary post (if any) and, if the Issuer shall so require, Taxes or governmental charges or insurance charges that may be imposed in relation to such mode of delivery, shall be borne by the Bondholder.

13.3 **Replacement**

If any Certificate is mutilated, defaced, stolen, destroyed or lost it may be replaced at the office of the Transfer Agent on payment by the claimant of such costs and expenses as may be incurred in connection therewith and against the furnishing of such indemnity as the Transfer Agent may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

13.4 **Death and sequestration or liquidation of Bondholder**

Any person becoming entitled to Bonds in consequence of the death, sequestration or liquidation of the relevant Bondholder may, upon producing evidence to the satisfaction of the Issuer that he holds the position in respect of which he proposes to act under this

paragraph or of his title, require the Transfer Agent to register such person as the holder of such Bonds or, subject to the requirements of this Condition, to transfer such Bonds to such person.

14. Transfer of Bonds

- 14.1 Beneficial Interests in the Bonds may be transferred in terms of the Applicable Procedures through the Central Securities Depository.
- 14.2 The Central Securities Depository maintains accounts only for its Participants. Beneficial Interests which are held by Participants (which are also Settlement Agents) may be held directly through the Central Securities Depository. Participants are in turn required to maintain securities accounts for their clients. Beneficial Interests which are not held by Participants may be held by clients of Participants indirectly through such Participants.
- 14.3 Transfers of Beneficial Interests to and from clients of Participants occur, in terms of existing law and practice, by way of electronic book entry in the securities accounts maintained by the Participants for their clients. Transfers of Beneficial Interests among Participants occur through electronic book entry in the central securities accounts maintained by the Central Securities Depository for the Participants. Such transfers of Beneficial Interests will not be recorded in the Register and the Central Securities Depository's Nominee will continue to be reflected in the Register as the Bondholder in respect of the Beneficial Interests notwithstanding such transfers. Beneficial Interests may be transferred only in accordance with these Terms and Conditions, and the Applicable Procedures.
- 14.4 In order for any transfer of Bonds to be recorded in the Register, and for such transfer to be recognised by the Issuer:
 - 14.4.1 the transfer of such Bonds must be embodied in the Transfer Form;
 - 14.4.2 the Transfer Form must be signed by the registered Bondholder and the transferee, or any authorised representative of that registered Bondholder and/or transferee; and
 - 14.4.3 the Transfer Form must be delivered to the Transfer Agent at its Specified Office together with the relevant Certificate, if any, for cancellation.
- 14.5 Transfers of Bonds recorded in the Register will only be in a denomination equal to or greater than the minimum denomination of the Bonds. The transfer of Bonds recorded in the Register may be transferred in whole or in part.
- 14.6 Subject to the preceding provisions of this Condition 14, the Transfer Agent will, within 3 Business Days of receipt by it of a valid Transfer Form (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), record the transfer of Bonds in the Register, and authenticate and deliver to the transferee at the Transfer Agent's Specified Office or, at the risk of the transferee, send by mail to such address as the transferee may request, a new Certificate, if applicable, in respect of such

Bonds reflecting the same Principal Amount as the Bonds transferred. Where a Bondholder has transferred part only of his holding of Bonds represented by a Certificate, the Transfer Agent will authenticate and deliver to such Bondholder at the Transfer Agent's Specified Office or, at the risk of such Bondholder, send by mail to such address as such Bondholder may request, a new Certificate in respect of the balance of the Bonds held by such Bondholder.

- 14.7 The transferor of any Bonds will be deemed to remain the owner thereof until the transferee is registered in the Register as the holder thereof.
- 14.8 Before any transfer of any Bonds is registered, all relevant transfer Taxes (if any) must have been paid by the transferor and/or the transferee and such evidence must be furnished as the Transfer Agent reasonably requires as to the identity and title of the transferor and the transferee.
- 14.9 No transfer of any Bonds will be registered while the Register is closed as contemplated in Condition 15.2.
- 14.10 If a transfer of any Bonds is registered, the Transfer Form and cancelled Certificate, if any, will be retained by the Transfer Agent.

15. Register

- 15.1 The Register will be kept at the Specified Office of the Transfer Agent. The Register will contain the name, address and bank account details of the registered Bondholders. The Register will set out the Principal Amount of the Bonds issued to any Bondholder and will show the date of such issue and the date upon which the Bondholder became registered as such. The Register will show the serial numbers of the Certificates issued. The Register will be open for inspection during the normal business hours of the Transfer Agent to any Bondholder or any person of proven identity authorised in writing by any Bondholder. The Issuer and the Transfer Agent will not be bound to enter any trust into the Register or to take any notice of or to accede to the execution of any trust (express, implied or constructive) to which any Bond may be subject.
- 15.2 The Register will be closed during the 5 days preceding each Interest Payment Date and Redemption Date, as the case may be, from 17h00 (South African time) on the Last Day to Register. All periods referred to for the closure of the Register may be shortened by the Issuer from time to time, upon notice thereof to the Bondholders in accordance with Condition 16.
- 15.3 The Transfer Agent will alter the Register in respect of any change of name, address or bank account number of any of the Bondholders of which it is notified in accordance with Condition 16.

16. Notices

- 16.1 Subject to Condition 16.2, all notices (including all demands or requests under these Terms and Conditions) to the Bondholders will be valid if mailed by registered post or delivered by hand to their addresses appearing in the Register or published in a leading English language daily newspaper of general circulation in South Africa. Each such notice will be deemed to have been given on the day of first publication or delivery by hand or on the 14th day after the day on which it is mailed, as the case may be.
- 16.2 For so long as the Bonds are held in their entirety by the Central Securities Depository, notice as contemplated in Condition 16.1 may be substituted with the delivery of the relevant notice to the Central Securities Depository's Nominee, the Participants and the JSE for communication by them to the holders of Beneficial Interests in the Bonds, in accordance with the Applicable Procedures.
- 16.3 Where any provision of these Terms and Conditions requires notice to be given to the Bondholders of any matter other than a meeting of Bondholders, such notice will be given *mutatis mutandis* as set out in Condition 16.1 and Condition 16.2, respectively, subject to compliance with any other time periods prescribed in the provision concerned.
- 16.4 All notices (including all communications, demands and/or requests under these Terms and Conditions) to be given by any Bondholder to the Issuer, the Calculation Agent or the Transfer Agent, as the case may be, will be in writing and given by delivering the notice, by hand or by registered post, together with a certified copy of the relevant Certificate, if any, to the Specified Office of the Issuer, the Calculation Agent or the Transfer Agent, as the case may be, and marked for the attention of the chief executive officer. Any notice to the Issuer, the Calculation Agent or the Transfer Agent, as the case may be, will be deemed to have been received by the Issuer, the Calculation Agent or the Transfer Agent, as the case may be, on the second Business Day after being delivered by hand to the Specified Office of the Issuer, the Calculation Agent or the Transfer Agent, as the case may be, or on the 14th day after the day on which it is mailed by registered post to the Specified Office of the Issuer, the Calculation Agent or the Transfer Agent, as the case may be.
- 16.5 Whilst any of the Bonds are held in uncertificated form, notices to be given by any holder of a Beneficial Interest to the Issuer shall be given by such holder through such holder's relevant Participant in accordance with the Applicable Procedures.
- 16.6 Any notices to Bondholders, including of meetings and any amendments to these Terms and Conditions, shall be published on SENS.

17. Amendment of these Terms and Conditions

- 17.1 The Trustee may agree, without the consent of the Bondholder, to any amendment to these Terms and Conditions which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the Applicable Law. Any such

amendment will be binding on Bondholders and such amendment will be notified to Bondholders in accordance with Condition 16 as soon as practicable thereafter.

- 17.2 In respect of an amendment that is not of a formal, minor or technical nature, such amendment may be made only with the prior authorisation of an Extraordinary Resolution of the Bondholders, in accordance with Condition 18.13. The Issuer will call a meeting of all of the Bondholders. Such meeting or meetings will be regulated by the provisions set out in Condition 18. No proposed amendment will be made to these Terms and Conditions until such amendment has been approved by Extraordinary Resolution at such meeting and, while the Bonds are listed on the JSE, made in accordance with the JSE Debt Listings Requirements.

18. Meetings of Bondholders

Where a meeting of the Bondholders is to be convened, in accordance with these Terms and Conditions or the Trust Deed, then the provisions of this Condition 18 shall apply.

18.1 Convening of meetings

- 18.1.1 The Issuer or the Trustee may at any time convene a meeting of the Bondholders (a "meeting").
- 18.1.2 The Issuer or the Trustee will convene a meeting of the Bondholders upon the requisition in writing of members of the Bondholders holding not less than 20% of the aggregate Principal Amount of the Bonds for the time being outstanding (a "requisition notice").
- 18.1.3 Whenever the Issuer wishes to convene a meeting, it will forthwith give notice in writing to the Bondholders in the manner prescribed in Condition 16 and to the Trustee in accordance with the provisions of the Trust Deed of the place, day and hour of the meeting, the nature of the business to be transacted at the meeting and the resolutions to be proposed and considered at the meeting.
- 18.1.4 Whenever the Trustee wishes or is obliged to convene a meeting it will forthwith give notice in writing to the Bondholders and the Issuer in the manner prescribed in Condition 16, of the place, day and hour of the meeting, the nature of the business to be transacted at the meeting and the resolutions to be proposed and considered at the meeting.
- 18.1.5 All meetings of the Bondholders will be held in Johannesburg.

18.2 Requisition

- 18.2.1 A requisition notice will state the nature of the business for which the meeting is to be held and the resolutions to be proposed and considered at the meeting and will be deposited at the Specified Office of the Issuer or the Trustee, as the case may be.

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

18.3 Convening of meetings by requisitionists

If the Issuer or the Trustee, as the case may be, does not convene a meeting to be held within 20 days of the deposit of a requisition notice, the requisitionists may themselves convene the meeting, but the meeting so convened will be held within 60 days from the date of such deposit and will be convened as nearly as possible in the same manner as that in which meetings may be convened by the Issuer. Whenever the requisitionists are about to so convene any such meeting, requisitionists shall forthwith give notice of the meeting to the Issuer and the Trustee.

18.4 Notice of meeting

- 18.4.1 Unless the holders of at least 90% of the aggregate Principal Amount of the Bonds for the time being outstanding, agree in writing to a shorter period, at least 15 days' written notice, specifying the place, day and time of the meeting, the nature of the business for which the meeting is to be held and the resolutions to be proposed and considered at the meeting, will be given to each Bondholder, to the Issuer and to the Trustee.

- 18.4.2 The accidental omission to give such notice to any Bondholder, to the Issuer or to the Trustee, as the case may be, or the non-receipt of any such notice, will not invalidate the proceedings at a meeting.

18.5 Quorum

- 18.5.1 A quorum at a meeting shall:

- 18.5.1.1 for the purposes of considering an Ordinary Resolution, consist of Bondholders present in person or by proxy and holding in the aggregate not less than one-third of the aggregate Principal Amount of the Bonds for the time being outstanding;

- 18.5.1.2 for the purposes of considering a resolution in respect of the dismissal of the Trustee and approval of the appointment of any new Trustee in accordance with the provisions of the Trust Deed or an Extraordinary Resolution, consist of Bondholders present in person or by proxy and holding in the aggregate not less than a clear majority of the aggregate Principal Amount of the Bonds for the time being outstanding; provided that at any meeting the business of which includes any of the matters specified in the proviso to Condition 18.13, the quorum shall be one or more persons present in person holding Bonds or being proxies or representatives and holding in the aggregate not less than three-quarters in Principal Amount of the Bonds for the time being outstanding.

18.5.2 No business will be transacted at a meeting of the Bondholders unless a quorum is present at the time when the meeting proceeds to business.

18.5.3 If, within 15 minutes from the time appointed for the meeting, a quorum is not present, the meeting will, if it was convened on the requisition of the Bondholders, be dissolved. In every other case the meeting will stand adjourned to the same day in the third week thereafter, at the same time and place, or if that day is not a Business Day, the next succeeding Business Day. If at such adjourned meeting a quorum is not present the Bondholders present, in person or by proxy, will constitute a quorum for the purpose of considering any resolution, including an Extraordinary Resolution; provided that at any adjourned meeting at which is to be proposed an Extraordinary Resolution for the purpose of effecting any of the modifications specified in the proviso to Condition 18.13, the quorum shall be one or more persons so present holding Bonds or being proxies or representatives and holding in the aggregate not less than one-half in Principal Amount of the Bonds for the time being outstanding

18.6 **Chairman**

The chairman of the meeting shall be appointed by the Trustee. If the Trustee or the person appointed by the Trustee to preside as chairman of the meeting is not present within 10 minutes of the time appointed for the holding of the meeting, the Bondholders then present will choose one of their own number to preside as chairman.

18.7 **Adjournment**

18.7.1 Subject to the provisions of this Condition 18, the chairman may, with the consent of, and will on the direction of, the meeting adjourn the meeting from time to time and from place to place.

18.7.2 No business will be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

18.7.3 At least 14 days written notice of the place, day and time of an adjourned meeting will be given by the Issuer or the Trustee, as the case may be, to the Issuer, the Trustee and each Bondholder. In the case of a meeting adjourned in terms of this Condition 18.7.3, the notice will state that the Bondholders present in person or by proxy at the adjourned meeting will constitute a quorum.

18.8 **How questions are decided**

18.8.1 At a meeting, a resolution put to the vote will be decided on a poll.

18.8.2 In the case of an equality of votes, the chairman will not be entitled to a casting vote in addition to the vote, if any, to which he is entitled.

18.9 **Votes**

Voting shall only take place on a poll and not on a show of hands. On a poll every Bondholder, present in person or by proxy, will be entitled to that proportion of the total votes which the aggregate Principal Amount of the Bonds for the time being outstanding held by such Bondholder bears to the aggregate Principal Amount of all the Bonds for the time being outstanding held by Bondholders present in person or by proxy at the meeting. In relation to joint Bondholders, the vote may be exercised only by that Bondholder whose name appears first on the Register in the event that more than one of such Bondholders is present, in person or by proxy, at the meeting. The Bondholder in respect of Bonds held in the Central Securities Depository in uncertificated form shall vote at any such meeting on behalf of the holders of Beneficial Interests in such Bonds in accordance with the instructions to the Central Securities Depository's Nominee from the holders of Beneficial Interests conveyed through the Participants in accordance with the Applicable Procedures.

18.10 **Proxies and representatives**

- 18.10.1 Bondholders, present either in person or by proxy, may vote on a poll. A Bondholder, may by an instrument in writing (a "**proxy form**") signed by the Bondholder (or his duly authorised agent) or, in the case of a juristic person, signed on its behalf by a duly authorised officer of the juristic person, appoint any person (a "**proxy**" or "**proxies**") to act on his or its behalf in connection with any meeting or proposed meeting.
- 18.10.2 A person appointed to act as proxy need not be a Bondholder.
- 18.10.3 The proxy form will be deposited at the Specified Office of the Issuer or at the Specified Office of the Transfer Agent, as the case may be, not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such proxy proposes to vote.
- 18.10.4 No proxy form will be valid after the expiration of 6 months from the date named in it as the date of its execution.
- 18.10.5 Notwithstanding Condition 18.10.4, a proxy form will be valid for any adjourned meeting, unless the contrary is stated thereon.
- 18.10.6 A vote given in accordance with the terms of a proxy form will be valid notwithstanding the previous death or incapacity of the principal or revocation or amendment of the proxy form or of any of the instructions of the Bondholder, pursuant to which the proxy form was executed or of the authority under which the proxy form was executed or the transfer of Bonds or in respect of which the proxy was given, provided that no intimation in writing of such death, incapacity, revocation or amendment shall have been received by the Issuer at its Specified Office or the Transfer Agent at its Specified Office, as the case may be, more than, and that the transfer has been given effect to less than, 12 hours before the commencement of the meeting or adjourned meeting at which the proxy is to be used.

- 18.10.7 Any Bondholder which ~~is~~ a juristic person may authorise any person to act as its representative in connection with any meeting or proposed meeting of the Bondholders, by resolution of the directors or other governing body of the juristic person. Any reference in these Terms and Conditions to a Bondholder or any other member of the Bondholders present in person, includes the duly authorised representative of a Bondholder or any other member of the Bondholders, as the case may be, which is a juristic person.

18.11 **Minutes**

- 18.11.1 The Issuer will cause minutes of all resolutions and proceedings of meetings to be duly entered in the minute books of the Issuer.

- 18.11.2 Any such minutes as aforesaid, if purporting to be signed by the chairman of the meeting at which such resolutions were passed or proceedings held or by the chairman of the next succeeding meeting, will be receivable in evidence without any further proof, and until the contrary is proved, a meeting the Bondholders in respect of the proceedings of which minutes have been so made will be deemed to have been duly held and convened and all resolutions passed thereat, or proceedings held, to have been duly passed and held.

18.12 **Written resolutions**

A resolution in writing signed by the requisite majority of Bondholders shall be as valid and effective as if it had been passed at a meeting duly convened and constituted and shall be deemed (unless a statement to the contrary is made in that resolution) to have been passed on the last day on which that resolution is signed by any one or more of the Bondholders. That resolution may consist of two or more documents in the same form each of which is signed by one or more of the Bondholders.

18.13 **Powers of Bondholders by Extraordinary Resolution**

A meeting of Bondholders shall, subject to the Terms and Conditions, in addition to the powers given above, but without prejudice to any powers conferred on other persons by the Trust Deed, have power exercisable by Extraordinary Resolution:

- 18.13.1 to sanction any proposal by the Issuer or the Trustee for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Bondholders against the Issuer or against any of their property whether such rights shall arise under the Trust Deed or otherwise;
- 18.13.2 to assent to any modification of the Trust Deed or the Terms and Conditions that relate to the rights appertaining to the Bonds which shall be proposed by the Issuer or the Trustee;

- 18.13.3 to authorise anyone to concur in and do all such things as may be necessary to carry out and to give any authority, direction or sanction which under the Trust Deed or the Terms and Conditions is required to be given by Extraordinary Resolution;
 - 18.13.4 to appoint any persons (whether Bondholders or not) as a committee or committees to represent the interests of the Bondholders and to confer upon such committee or committees any powers or discretions which the Bondholders could themselves exercise by Extraordinary Resolution;
 - 18.13.5 to approve the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under the Bonds; and
 - 18.13.6 to discharge or exonerate the Trustee from any liability in respect of any act or omission for which it may become responsible under the Trust Deed or the Bonds;
- provided that* the special quorum provisions contained in the proviso to Condition 18.5.1.2 and, in the case of an adjourned meeting, in the proviso to Condition 18.5.3, shall apply in relation to any Extraordinary Resolution for the purpose of Condition 18.13.5 or for the purpose of making any modification to the provisions contained in the Trust Deed or the Bonds which would have the effect of:
- 18.13.6.1 changing the Instalment Dates or Instalment Amounts or the dates on which interest is payable in respect of the Bonds;
 - 18.13.6.2 modifying the circumstances in which the Issuer or Bondholders are entitled to redeem the Bonds pursuant to Condition 9.2 or 9.3;
 - 18.13.6.3 reducing or cancelling the Principal Amount of, or interest on, the Bonds or reducing the amount payable on redemption of the Bonds or reducing the interest rate, or to modify the basis for calculating the interest payable in respect of the Bonds; or
 - 18.13.6.4 modifying the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution; or
 - 18.13.6.5 amending this proviso.

19. No voting rights on Bonds held by the Issuer

Neither the Issuer nor the Parent will have any voting rights in respect of Bonds which are beneficially held by or on behalf of the Issuer or the Parent.

20. Prescription

Any claim for payment of principal and/or interest in respect of the Bonds will prescribe 3 years after the Relevant Date.

21. The Trustee

- 21.1 The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including relieving it from taking proceedings unless indemnified and/or secured and/or prefunded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit. The Trustee may rely without liability to Bondholders on a report, confirmation or certificate or any advice of any accountants, financial advisers or investment bank, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee shall be obliged to accept and be entitled to rely on any such report, confirmation or certificate or advice where the Issuer procures delivery of the same pursuant to its obligation to do so under any provision of these Terms and Conditions or the Trust Deed and such report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee and the Bondholders in the absence of manifest error.
- 21.2 Each Bondholder, upon its subscription for Bonds and the issue of Bonds to it, or upon the transfer of Bonds to it, as the case may be, shall be bound by those provisions of the Trust Deed which confer rights and/or impose obligations on the Bondholders.
- 21.3 It is recorded that in terms of the Trust Deed, the Trustee shall be bound by those provisions of the Terms and Conditions of the Bonds which confer rights and/or impose obligations on the Trustee.

22. Entitlement of the Trustee

In connection with the exercise of its functions (including but not limited to those referred to in this Condition 22) the Trustee shall have regard to the interests of the Bondholders as a class and, in particular but without limitation, shall not have regard to the consequences of the exercise of its trusts, powers or discretions for individual Bondholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory, and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Bondholders.

23. Enforcement

The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Deed or the Bonds, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed or the Bonds, unless (i) it shall have been so directed by an Extraordinary Resolution of the Bondholders or so requested in writing by Bondholders holding at least one-quarter of the aggregate Principal Amount of the Bonds for the time being outstanding, and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Bondholder shall be entitled to proceed directly against the Issuer.

24. Administration of Project Documents and Transaction Documents

The Issuer undertakes:

- 24.1 to administer the Project Documents and any Transaction Documents to which it is a party from time to time in accordance with the respective terms of such Project Documents and Transaction Documents, including, following the Reversion Event and the cession and delegation of the rights and obligations under the Project Loan Agreement to the Issuer, the advance of funds to the Parent in terms of the Project Loan Agreement;
- 24.2 to exercise any right or remedy that the Issuer may have under any Project Documents and Transaction Documents to which it is a party from time to time in accordance with the respective terms of such Project Documents and Transaction Documents, including, without limitation, the rights of the Issuer to take proceedings against the other parties to such Project Documents or Transaction Documents following an event of default (however described) under any such Project Documents or Transaction Documents (without regard to any relationship which the Issuer might have with such party to such Project Documents and/or Transaction Documents);
- 24.3 that it will not, without the prior authorisation of an Extraordinary Resolution of the Bondholders or without the prior written consent of Bondholders holding not less than 66,67% of the aggregate Principal Amount of the Bonds for the time being outstanding:
 - 24.3.1 grant a waiver in respect of any Transaction Document or Project Document;
 - 24.3.2 discharge or release any person from their obligations under any Transaction Document or Project Document if that person has not performed its obligations in full; or
 - 24.3.3 authorise any breach by any person of any Project Document or Transaction Document.

25. Right of Bondholders to nominate director

- 25.1 Should an event of default under the Project Loan Agreement occur, the Bondholders shall have the power, exercisable by Ordinary Resolution, to nominate a person for appointment as an additional director to the board of the Issuer.
- 25.2 Should the Bondholders exercise their right, referred to in Condition 25.1, to nominate a person for appointment as an additional director to the board of the Issuer, the Issuer undertakes that it will procure that all necessary resolutions and documentation are signed to ensure the appointment of such person as a director.

26. Governing law

The Bonds and these Terms and Conditions are governed by, and will be construed in accordance with, the laws of South Africa.

SIGNED at Berlin this 18th day of April 2013

For and on behalf of
CPV POWER PLANT NO. 1 BOND SPV (RF) LIMITED
(Registration Number 2012/176922/06)


Name:

Capacity: Director

Who warrants his authority hereto


Name:

Capacity: Director

Who warrants his authority hereto

USE OF PROCEEDS

Upon receipt of the proceeds of the Bond issue, the Issuer will procure that all such funds are invested in South African government bonds or treasury bills, pursuant to the terms of the Investment Mandate. These South African government bonds or treasury bills (together with other secured property (as defined in the Pledge)) are to be pledged and ceded to Soitec Solar RSA in terms of the Pledge, as security for the due performance of the obligations of the Issuer under the Refinance Undertaking.

Upon the occurrence of the Reversion Event on or prior to the Last COD and against payment by the Issuer to Soitec Solar RSA of all amounts due and payable to Soitec Solar RSA as at that date, the Issuer will acquire the rights and obligations of Soitec Solar RSA under the Project Loan Agreement.

Upon the non-occurrence of the Reversion Event on or prior to the Last COD, the Pledge will be released, the Refinance Undertaking will be automatically withdrawn and all Bonds will be redeemed by the Issuer.

Any breach of the Pledge, the Refinance Undertaking, the Capital Availability Agreement or the Investment Mandate will constitute an Event of Default under Condition 12 of the Terms and Conditions, and will entitle Bondholders to trigger a redemption of the Bonds.

DESCRIPTION OF THE ISSUER AND THE PARENT

THE ISSUER

1. Introduction

The Issuer was incorporated in South Africa on 28 September 2012 under the Companies Act and is registered as a public company under registration number 2012/176922/06, with limited liability. The authorised share capital of the Issuer comprises 4000 ordinary shares. The issued share capital of the Issuer comprises 120 ordinary shares with a stated capital of R300 held by the Parent. The Issuer has no subsidiaries. All references in this Offering Circular and any documents signed by the Issuer to "*CPV Power Plant No. 1 Bond SPV (RF) Limited*" are to Comocel (RF) Limited, pending acceptance by the Companies and Intellectual Property Commission of the documents filed to change the Issuer's name to "*CPV Power Plant No. 1 Bond SPV (RF) Limited*" or such other name as may be approved by the Companies and Intellectual Property Commission.

2. Directors

The directors of the Issuer are Holger Janke, Douglas Lorimer, Kurt van Staden and Dirk Steyn. The Issuer thus has 4 directors, only one of whom is nominated by the Soitec Solar RSA and 3 of whom are independent directors. The requirement for 3 independent directors will be entrenched in the Issuer's MOI as soon as reasonably possible after the Issue Date.

Holger Janke

Holger Janke is the VP Project Finance of Soitec's Solar Energy business unit and is responsible for structuring and financing projects globally. He has a Joint Masters Degree in Mechanical Engineering and Business Administration. For over 10 years he held different commercial positions in the power plant business of ABB and ALSTOM: thereof two years as Commercial Manager of a turbine manufacturing unit at ALSTOM in Belfort, France, and two years as Director of the commercial project execution for turnkey power plants at ALSTOM. Thereafter he held the position as Commercial Director of the Energy Division of an international engineering consultancy

Douglas Lorimer

Douglas Lorimer studied Business Science with honours in Information Systems at the University of Cape Town, and qualified as a Fellow of the Institute of Actuaries in the United Kingdom in 2007. He is a Fellow of the Actuarial Society of South Africa.

He presently advises non-bank financial institutions investing into infrastructure assets in South Africa, before which he worked as a project finance transactor and quantitative analyst at Absa Capital. Prior to moving to Absa Capital, Douglas was the executive committee member responsible for banking and lending products, processes, the banking system and management information systems at RMB Private Bank. He has also worked as an actuarial analyst and IT specialist in a Life Insurer.

Kurt van Staden

Kurt joined Maitland in 2004 and is the Senior Manager for Institutional Clients. He is responsible for overseeing the provision of fiduciary and administration services to companies, trusts and investment structures. The services are provided to special purpose vehicles used for securitizations, structured finance transactions and hedge fund structures. Most of these structures are listed on either the Main Board or the Interest Rate Market of the JSE. Prior to joining Maitland, Kurt was head of Legal and Compliance for an asset management company. Kurt has BJuris, LLB, MBA degrees and he is currently completing his Executive MBA.

Dirk Steyn

Fixed Income Manager: Mergence Investment Managers

M.Sc. Financial Mathematics - University of Cape Town
B.Eng. Electronic Engineering - University of Stellenbosch
B.Sc. Mathematics and Physics - University of Stellenbosch

1999 –	
2005	Business Intelligence Consultant, Accenture, Reading UK
2006	M.Sc. Financial Mathematics
2007 -	Quantitate Analyst; Mergence Investment Managers
2008	Risk Manager; Mergence Investment Managers
2008 -	Fixed Income Manager; Mergence Investment Managers
2012	
2011 -	

Dirk's is responsible for implementing and managing over R 3 billion of fixed income asset at Mergence Investment Managers. Over the last sixed years, since joining Mergence, he has fulfilled various roles in the investment process including Quantitate Analyst, Risk Manager and Fixed Income Analyst. Dirk is a member of the Mergence Risk Management and Investment Committees. And specifically on our unlisted and credit fund a Chairman of the Risk Committee and member of the Investment team

3. Registered office

The registered office of the Issuer is situated at 9th Floor, Convention Tower, Heerengracht, Cape Town, 8001.

4. Company secretary

The company secretary of the Issuer is Leana Jansen van Vuuren with her office situated at 9th Floor, Convention Tower, Heerengracht, Cape Town, 8001.

5. Auditor

The current auditor of the Issuer is PricewaterhouseCoopers Inc (Practice Number 906670), with its office at No.1 Waterhouse Place, Century City, Cape Town, 7441.

6. Activities

The activities of the Issuer will be restricted by the Transaction Documents and will be limited to (i) the issue of the Bonds; (ii) the pledging of the proceeds of the Bond issue in terms of the Pledge; (iii) the acquiring of the right, title and interest in and to the Project Loan Agreement upon the occurrence of the Reversion Event; (iv) the exercise of related rights and powers; and (v) other activities referred to in this Offering Circular and the Transaction Documents, or reasonably incidental to such activities.

The Issuer is a newly established ring-fenced special purpose company and has no employees. The Issuer has accordingly not applied the principles and practices of the King Report on Governance for South Africa 2009 and the King Code of Governance Principles (the "**Codes**"). Nevertheless, the Issuer's board of directors endorses the Codes and recognises the need to conduct its affairs with integrity and accountability, and will consider appropriate application of the principles and practices of the Codes.

As at the date of this Offering Circular, save as disclosed herein, the Issuer has no borrowings or indebtedness in the nature of borrowing nor any contingent liabilities or guarantees.

The Issuer has not traded at all since the date of its establishment and registration and no transactions have occurred during this period.

THE PARENT

1. Introduction

The Parent was incorporated in South Africa on 16 October 2009, under registration number 2009/019989/07, under the Companies Act as a private company with limited liability. The issued share capital of the Parent comprises 500 share(s) with a stated capital of R500, held by Soitec Solar GmbH (60%), Pele Green Energy (35%) and the Touwsrivier Solar Community Trust (5%). The Parent has no subsidiaries, other than the Issuer.

2. Directors

The directors of the Parent are Holger Janke, Jose Beriot, Hansjörg Lerchunmuller, Gqi Raoleka and Obakeng Moloabi.

3. Registered office

The registered office of the Parent is at 9th Floor, Convention Tower, Heerengracht, Foreshore, Cape Town, 8001.

4. Auditor

The current auditor of the Parent is PricewaterhouseCoopers Inc (Practice Number 906670), with its office at No.1 Waterhouse Place, Century City, Cape Town, 7441.

5. Activities

The business of the Parent will be to conduct the activities described in the Transaction Overview.

Other than as described in this Offering Circular, the Parent has not carried out any trading or business activities since its incorporation or incurred any liabilities other than in connection with the operations of the Project (including the entering into of the Project Documents).

TRUSTEE

GMG Trust Company SA (Pty) Ltd has been appointed in terms of a trust deed between the Trustee and the Issuer, to act as trustee for the benefit of the Bondholders.

Pursuant to the Trust Deed, the Trustee is entitled to exercise the rights conferred on the Trustee and is obliged to perform the duties imposed on the Trustee in terms of the Terms and Conditions, including the rights and duties in terms of Condition 12.2 (Steps following an Event of Default) and Condition 18 (Meetings of the Bondholders).

The Trust Deed sets out provisions relating to the replacement of the Trustee, including following a resolution to this effect by the Bondholders, by a majority consisting of not less than 75% of the votes cast on a poll by the Bondholders, present in person or by proxy at a meeting convened in terms of the Terms and Conditions.

As described in the section of this Offering Circular headed "Documents Incorporated by Reference", a copy of the Trust Deed is available for inspection by Bondholders at the Specified Office of the Issuer and the Debt Sponsor.

SETTLEMENT, CLEARING AND TRANSFERS

Bonds held in the Central Securities Depository

Clearing systems

The Bonds held in uncertificated form, will be cleared through the Central Securities Depository which, as the operator of an electronic clearing system, has been appointed by the JSE to match, clear and facilitate the settlement of transactions concluded on the JSE. Such Bonds will be issued, cleared and transferred in accordance with the Applicable Procedures and the Conditions. Such Bonds will be settled through Participants who will comply with the electronic settlement procedures prescribed by the JSE and the Central Securities Depository. The Bonds may be accepted for clearance through any additional clearing system as may be agreed between the JSE and the Issuer.

Participants

As at the Issue Date, the Participants which are approved by the JSE, in terms of the rules of the JSE, as settlement agents to perform electronic settlement of funds and scrip are the South African Reserve Bank, Absa Bank Limited, Citibank N.A., FirstRand Bank Limited, Nedbank Limited and Standard Bank. Euroclear Bank S.A./N.V., as operator of the Euroclear System and Clearstream Banking société anonyme will settle offshore transfers through their South African Participant.

Settlement and clearing

Bonds issued in uncertificated form

Bonds issued in uncertificated form will not be represented by any certificate or written instrument.

All transactions in uncertificated securities as contemplated in the Securities Services Act will be cleared and settled in accordance with the Applicable Procedures. All the provisions relating to Beneficial Interests in the Bonds held in the Central Securities Depository will apply to Bonds issued in uncertificated form.

Beneficial Interests

The Central Securities Depository will hold the Bonds issued in uncertificated form, subject to the Securities Services Act and the Applicable Procedures. The Bonds issued in uncertificated form, will be registered in the name of the Central Securities Depository's Nominee, and the Central Securities Depository's Nominee will be named in the Register as the sole Bondholder of such Bonds.

Accordingly, and except where the contrary is provided in the Conditions, all amounts to be paid and all rights to be exercised in respect of the Bonds held in uncertificated form, will be paid to and may be exercised only by the Central Securities Depository's Nominee for the holders of Beneficial Interests in such Bonds.

The Central Securities Depository maintains central securities accounts only for Participants.

The Participants are in turn required to maintain securities accounts for their clients. The clients of Participants may include the holders of Beneficial Interests in the Bonds or their custodians. The clients of Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Bonds held by them in the Central Securities Depository only through their Participants.

In relation to each person shown in the records of the Central Securities Depository or the relevant Participant, as the case may be, as the holder of a Beneficial Interest in a particular Principal Amount of Bonds, a certificate or other document issued by the Central Securities Depository or the relevant Participant, as the case may be, as to the Principal Amount of such Bonds standing to the account of such person shall be *prima facie* proof of such Beneficial Interest.

Payments of interest and principal in respect of Bonds held in uncertificated form, and registered in the name of the Central Securities Depository's Nominee, will be made in accordance with Condition 10 to the Central Securities Depository's Nominee, or such other registered holder of the uncertificated Bonds as shown in the Register, and the Issuer will be discharged by proper payment to or to the order of the registered holder of the Certificate in respect of each amount so paid. The registered holder of such uncertificated Bonds will in turn transfer such funds, via the Participants, to the holders of Beneficial Interests.

Each of the persons shown in the records of the Central Securities Depository and the relevant Participant, as the case may be, as the holders of Beneficial Interests will look solely to the Central Securities Depository's Nominee or the relevant Participant, as the case may be, for such person's share of such payment so made by the Issuer to, or to the order of, the registered holder of such Bonds.

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.

Transfers and exchanges

Transfers of Beneficial Interests in the Central Securities Depository to and from clients of the Participants occur by electronic book entry in the central securities accounts of the clients of the Participants. Transfers among Participants of Bonds held in the Central Securities Depository system occur through electronic book entry in the Participants' central security accounts with the Central Securities Depository. Beneficial Interests may be transferred only in accordance with the Conditions and the rules and operating procedures for the time being of the Central Securities Depository, Participants and the JSE.

The Issuer shall regard the Register as the conclusive record of title to the Bonds.

Beneficial Interests may be exchanged for Bonds represented by the Certificates in accordance with Condition 13.1.

Certificates

The Bonds represented by a Certificate will be registered in the name of the individual Bondholders in the Register of Bondholders.

Bonds represented by a Certificate may be transferred only in accordance with the Conditions.

Payments of interest and principal in respect of Bonds represented by the Certificates will be made in accordance with Condition 10 to the person reflected as the registered holder of such Certificates in the Register at 17h00 (South African time) on the Last Day to Register, and the Issuer will be discharged by proper payment to or to the order of the registered holder of the Certificate in respect of each amount so paid.

SOUTH AFRICAN TAXATION

1. Securities Transfer Tax

No securities transfer tax will be payable, in terms of the South African Securities Transfer Tax Act, 2007, in respect of either the issue of the Bonds or on the subsequent transfer of the Bonds on the basis that the Bonds will not comprise a "security" as defined in section 1 of the Securities Transfer Tax Act.

2. Income Tax

2.1 Nature of any original issue discount or premium

2.1.1 Any original issue discount to the face value of the Bonds will be treated as interest for tax purposes and will be deemed to accrue to the Bondholder on a day-to-day basis until maturity or until such time as such Bondholder disposes of its beneficial interest in the Bond. The amount to be included in the Bondholder's taxable income is normally calculated on a yield to maturity basis.

2.1.2 Any original issue premium will be added to the face value of the Bonds to determine the initial amount which will be used to determine the interest which is deemed, under Section 24J of the Income Tax Act, 1962, to have been incurred or to have accrued in respect of the Bonds.

2.2 Position in respect of the current tax year

Under current taxation law in South Africa:

- (a) a person ordinarily resident in South Africa will, subject to any available exemptions, be taxed on their worldwide income; and
- (b) a person not ordinarily resident in South Africa will be exempt from tax in South Africa on any interest received or accrued on the Bonds, unless that person:
 - (i) is a natural person who was physically present in South Africa for a period exceeding 183 days in aggregate in the tax year; or
 - (ii) at any time during this tax year carried on business through a permanent establishment in South Africa.

3. Capital gains

3.1 Any subsequent disposal of the Bonds by a Bondholder who is resident in South Africa prior to their redemption may be subject to capital gains tax, where applicable.

- 3.2 Capital gains are taxable at normal tax rates, but in the case of a natural person only 33.3% of the gain is taxable, and in the case of companies and trusts, 66.6% of the capital gain is taxable.

Bondholders who are not tax resident in South Africa will generally not be subject to capital gains tax (if any) on the disposal of Bonds unless the Bonds are assets of a trading permanent establishment of such non-resident located in South Africa.

4. **Withholding Tax**

Under current taxation law in South Africa, all payments made under the notes to resident and non-resident Bondholders will be made free of withholding or deduction for or on account of any Taxes, duties, assessments or governmental charges. From a date to be specified in relevant legislation, withholding tax on interest in respect of certain debt instruments (which could include any Bonds issued) may be applicable to certain persons, who are regarded as non-resident for tax purposes in South Africa. The withholding tax will be levied at a rate of 15%, but could be reduced by the relevant double taxation treaties. There are exemptions, which include interest paid in respect of any debt instrument listed on a recognised exchange. The JSE Limited would qualify as such an exchange, and therefore, subject to any legislative changes, the interest paid on the Bonds will not be subject to interest withholding tax.

EXCHANGE CONTROL

The comments below are intended as a general guide to the current position under the Exchange Control Regulations, 1961 as promulgated under the Currency and Exchanges Act, 1933 (the "Regulations") and are not a comprehensive statement of the Regulations. The information below is not intended as advice and it does not purport to describe all of the considerations that may be relevant to a prospective subscriber for, or purchaser of any Bonds. Prospective subscribers for, or purchasers of any Bonds who are non-South African residents or who are emigrants from the Common Monetary Area are urged to seek further professional advice in regard to the subscription for, or purchase of any Bonds.

Non-South African Resident Bondholders and Emigrants from the Common Monetary Area

Dealings in the Bonds and the performance by the Issuer of its obligations under the Bonds, may be subject to the Regulations.

Blocked Rand

Blocked Rand may be used for the subscription for or purchase of Bonds. Any amounts payable by the Issuer in respect of the Bonds subscribed for or purchased with Blocked Rand may not, in terms of the Regulations, be remitted out of South Africa or paid into any non-South African bank account.

Emigrants from the Common Monetary Area

Any Certificates issued to Bondholders who are emigrants from the Common Monetary Area will be endorsed "emigrant". Such restrictively endorsed Certificates will be deposited with an authorised foreign exchange dealer controlling such emigrant's blocked assets.

In the event that a Beneficial Interest in Bonds is held by an emigrant from the Common Monetary Area through the Central Securities Depository and its relevant Participants, the securities account of such emigrant will be designated as an "emigrant" account.

Any payments of interest and/or principal due to an emigrant Bondholder will be deposited into such emigrant's Blocked Rand account, as maintained by an authorised foreign exchange dealer. The amounts are not freely transferable from the Common Monetary Area and may only be dealt with in terms of the Regulations.

Non-residents of the Common Monetary Area

Any Certificates issued to Bondholders who are not resident in the Common Monetary Area will be endorsed "non-resident". In the event that a Beneficial Interest in Bonds is held by a non-resident of the Common Monetary Area through the Central Securities Depository and its relevant Participants, the securities account of such Bondholder will be designated as a "non-resident" account.

It will be incumbent on any such non-resident to instruct the non-resident's nominated or authorised dealer in foreign exchange as to how any funds due to such non-resident in respect of Bonds are to be dealt with. Such funds may, in terms of the Regulations, be remitted abroad only if the relevant Bonds are acquired

with foreign currency introduced into South Africa and provided that the relevant Certificate or securities account is designated "non-resident".

For the purposes of these paragraphs: the **Common Monetary Area** comprises South Africa, the Republic of Namibia, the Kingdom of Lesotho and the Kingdom of Swaziland; **Blocked Rand** means funds which may not be remitted out of South Africa or paid into a non-South African resident's bank account. The relevant legislation relating to Blocked Rand is the Regulations promulgated under the Currency and Exchanges Act, 1933.

SUBSCRIPTION AND SALE

The Lead Manager has, pursuant to the Subscription Agreement, agreed on behalf of the Issuer to solicit offers for subscription for the Bonds. The Lead Manager is entitled to terminate the Subscription Agreement in certain circumstances prior to the issue of the Bonds. The Issuer has agreed to indemnify the Lead Manager against certain liabilities in connection with the placing of and subscription for the Bonds.

The Bonds will be placed in terms of a private placement and delivered to subscribers on the Issue Date (the "**Closing Date**") through the settlement system of the JSE. The Lead Manager may, however, procure subscriptions in respect of the Bonds before the Closing Date. Such transactions will be for settlement on the Closing Date and will be subject to the condition that the Subscription Agreement is not terminated before the time on which such transactions are to be settled on the Closing Date. If the Subscription Agreement is terminated before that time for any reason, the transactions in the Bonds shall also terminate and, save as set out in the Subscription Agreement, no party thereto shall have any claim against any other party as a result of such termination.

Republic of South Africa

The Lead Manager has represented and agreed that it will not solicit any offers for subscription for or sale of the Bonds, and will itself not sell Bonds, in South Africa, in contravention of the Companies Act, the Banks Act, 1990, the Exchange Control Regulations and/or any other Applicable Laws of South Africa in force from time to time. In particular, without limitation, the Offering Circular does not, nor is it intended to, constitute a registered prospectus (as that term is defined in the Companies Act) and the Lead Manager has represented and agreed that it will not make "an offer to the public" (as that term is defined in the Companies Act) of any of the Bonds (whether for subscription or sale) and any regulations promulgated thereunder. Bonds will not be offered for subscription to any single addressee acting as principal for an amount of less than ZAR1 000 000.

United States of America

The Bonds have not been and will not be registered under the United States Securities Act, 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account of or benefit of, U.S. persons except in certain transactions exempt from and not subject to the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Lead Manager has represented and agreed that:

- (i) the Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account of or benefit of, U.S. persons except pursuant

to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;

- (ii) it has not offered, sold or delivered any Bonds and will not offer, or sell or deliver, any Bonds within the United States except in accordance with Rule 903 of Regulation S under the Securities Act or pursuant to an available exemption from the registration requirements of the Securities Act; and
- (iii) it, its affiliates and any persons acting on its or any of its affiliates' behalf have not engaged and will not engage in any directed selling efforts with respect to the Bonds and it, its affiliates and any persons acting on its or any of its affiliates' behalf have complied and will comply with the offering restrictions requirements of Regulation S.

United Kingdom

The Lead Manager has represented and agreed that:

- (i) it has not offered or sold, and prior to the expiry of a period six months from the Issue Date and it will not offer or sell, any Bonds to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations, 1995 of the United Kingdom;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ("FSMA")) received by it in connection with the issue or sale of the Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the prospectus directive (each, a **"Relevant Member State"**), the Issuer and the Lead Manager has represented and agreed that, with effect from and including the date on which the prospectus directive is implemented in that Relevant Member State (the **"Relevant Implementation Date"**), it has not made, and will not make an offer of Bonds to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of Bonds to the public in that Relevant Member State:

- (i) in the period beginning on the date of publication of a prospectus in relation to those Bonds which prospectus has been approved by the competent authority in that Relevant Member State in accordance with the prospectus directive and/or, where appropriate, published in another Relevant Member State and notified to the competent authority in that Relevant Member State in accordance with Article 18 of the prospectus directive and ending on the date which is 12 months after the date of such publication;
- (ii) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (iii) any time to fewer than 100 natural or legal persons (other than qualified investors defined in the prospective directive) subject to obtaining the prior consent of the relevant dealer or dealers nominated by the Issuer for any such offer; or
- (iv) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the prospectus directive, or pursuant to any applicable national law of any Relevant Member State.

For the purposes of this provision, the expression an "offer of Bonds to the public" in relation to any Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds, as the same may be varied in that Member State by any measure implementing the prospectus directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

General

The Lead Manager has agreed that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, subscribes or procures subscriptions for, offers or sells Bonds or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer or sale by it of Bonds under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales.

Neither the Issuer nor the Lead Manager represents that Bonds may at any time lawfully be subscribed for or sold in compliance with any applicable registration or other requirements in any jurisdiction or pursuant to any exemption available thereunder or assumes any responsibility for facilitating such subscription or sale

DISCLOSURE IN TERMS OF THE COMMERCIAL PAPER REGULATIONS

Disclosure Requirements in terms of paragraph 3(5) of the Commercial Paper Regulations, published in terms of the Banks Act, under Government Notice number 2172 in Government Gazette number 16167, dated 14 December 1994

Paragraph 3(5)(a)

The ultimate borrower will be the Issuer.

Paragraph 3(5)(b)

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

Paragraph 3(5)(c)

The auditor of the Issuer is PricewaterhouseCoopers Inc (Practice Number 906670), with its office at No.1 Waterhouse Place, Century City, Cape Town, 7441.

Paragraph 3(5)(d)

As at the date of this issue:

- (a) the Issuer has not issued any other commercial paper; and
- (b) it is not anticipated that the Issuer will issue additional commercial paper during the remainder of its current financial year.

Paragraph 3(5)(e)

Investors are referred to the sections of the Offering Circular dealing with Risk Factors and the Description of the Issuer and the Parent.

Paragraph 3(5)(f)

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

Paragraph 3(5)(g)

The Bonds will be listed.

Paragraph 3(5)(h)

The funds to be raised through the issue of the Bonds are to be used by the Issuer as described in the section of the Offering Circular "Use of Proceeds".

Paragraph 3(5)(i)

The Bonds are unsecured.


Offering Circular [exe]

Paragraph 3(5)(i)

PricewaterhouseCoopers Inc, the statutory auditors of the Issuer, have confirmed that nothing has come to their attention to cause them to believe that this Issue of Bonds does not comply in all material respects with the relevant provisions of the Commercial Paper Regulations.


SIGNED at Berlin this 18th day of April 2013

For and on behalf of
CPV POWER PLANT NO. 1 BOND SPV (RF) LIMITED
(Registration Number 2012/176922/06)


Name: Volker Junke
Capacity: Director
Who warrants his authority hereto

SIGNED at Tlovelo this 18th day of April 2013

For and on behalf of
CPV POWER PLANT NO. 1 BOND SPV (RF) LIMITED
(Registration Number 2012/176922/06)


Name: KW van Staden
Capacity: Director
Who warrants his authority hereto

GENERAL INFORMATION

Authorisations

All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of South Africa have been given for the issue of the Bonds and for the Issuer to undertake and perform its obligations under the Bonds. No exchange control approval is required for the issue of the Bonds.

Listing

An application has been made to list the Bonds on the Interest Rate Market of the JSE under stock code number CPV01 and ISIN number ZAG000104894. The application for listing was granted with effect from 29 April 2013.

Clearing systems

The Bonds have been accepted for clearance through the Central Securities Depository, which forms part of the clearing system of the JSE and may be accepted for clearance through any additional clearing system as may be agreed between the JSE and the Issuer.

Participants

As at the Issue Date, the Participants who are Participants recognised by the JSE are the South African Reserve Bank, Absa Bank Limited, Citibank NA, FirstRand Bank Limited, Nedbank Limited and Standard Bank. Euroclear Bank S.A./N.V., as operator of the Euroclear System and Clearstream Banking société anonyme will settle offshore transfers through their South African Participants.

Material Change

As at the date of this Offering Circular and following due and careful enquiry, carried out without the involvement of the auditors, the board of directors of the Issuer is satisfied that there has been no material change in the financial or trading position of the Issuer since the date of its incorporation.

Litigation

The Issuer (whether as defendant or otherwise) is not engaged in any legal, arbitration, administration or other proceedings the results of which might have or have had a significant effect on the financial position or the operations of the Issuer, nor is it aware of any such proceedings being threatened or pending.

Auditors

PricewaterhouseCoopers Inc (Practice Number 906670) are the present auditors of the Issuer, with its office at No.1 Waterhouse Place, Century City, Cape Town, 7441.

Offering Circular [exa]


Signed atBernin..... on behalf of CPV Power Plant No. 1 Bond SPV (RF) Limited on
18 April 2013

Director

A handwritten signature in dark ink, appearing to be 'M. J. ...', written over a horizontal line.

Signed atLilao..... on behalf of CPV Power Plant No. 1 Bond SPV (RF) Limited on
18 April 2013

Director

A handwritten signature in dark ink, appearing to be 'K. S. ...', written over a horizontal line.

CORPORATE INFORMATION

ISSUER

CPV POWER PLANT NO. 1 BOND SPV (RF) LIMITED

(Registration number 2012/176922/06)

9th Floor

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Telephone: +4976121410843

LEAD MANAGER, BOOKRUNNER AND DEBT SPONSOR THE STANDARD BANK OF SOUTH AFRICA LIMITED, acting through its Corporate and Investment Banking division

(Registration number 1962/000738/06)

Standard Bank Centre

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Johannesburg, 2001

Contact: Ms Megan McDonald

Email: megan.mcdonald@standardbank.co.za

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CALCULATION AGENT AND TRANSFER AGENT

THE STANDARD BANK OF SOUTH AFRICA LIMITED, acting through its Corporate and Investment Banking division

(Registration number 1962/000738/06)

Standard Bank Centre

5th Floor, 3 Simmonds Street

Johannesburg, 2001

Contact: Mr Clement Dua Danso

Email: Clement.DuaDanso@standardbank.co.za

Telephone: +27 11 636 1324

SETTLEMENT AGENT

THE STANDARD BANK OF SOUTH AFRICA LIMITED, acting through its Corporate and Investment Banking division

(Registration number 1962/000738/06)

Standard Bank Centre

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Johannesburg, 2001

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ATTORNEYS TO THE LEAD MANAGER AND ISSUER

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AUDITORS TO THE ISSUER AND PARENT

PRICEWATERHOUSECOOPERS INC

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TRUSTEE OF THE CPV POWER PLANT NO. 1 BOND SPV BOND TRUST**GMG TRUST COMPANY SA (PTY) LTD**

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