
APPLICABLE PRICING SUPPLEMENT



DELTA PROPERTY FUND LIMITED

(Incorporated in the Republic of South Africa with limited liability under registration number 2002/005129/06)

Issue of ZAR362,000,000 Senior Secured Floating Rate Notes due 9 December 2016

Under its ZAR2,000,000,000 Domestic Medium Term Note Programme

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum, dated 19 July 2013, prepared by Delta Property Fund Limited in connection with the Delta Property Fund Limited ZAR2,000,000,000 Domestic Medium Term Note Programme, as amended and/or supplemented from time to time (the "**Programme Memorandum**").

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

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. The Notes described herein are issued on and subject to the Terms and Conditions as amended and/or supplemented by the Terms and Conditions contained in this Applicable Pricing Supplement. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

PARTIES

1.	Issuer	Delta Property Fund Limited
2.	Dealer	Nedbank Capital, a division of Nedbank Limited
3.	Managers	N/A
4.	Paying Agent	Rand Merchant Bank, a division of FirstRand Bank Limited
	Specified Address	1 Merchant Place, Cnr Fredman Drive and Rivonia Road, Sandton, 2196, South Africa
5.	Calculation Agent	Rand Merchant Bank, a division of FirstRand Bank Limited
	Specified Address	1 Merchant Place, Cnr Fredman Drive and Rivonia Road, Sandton, 2196, South Africa
6.	Transfer Agent	Rand Merchant Bank, a division of FirstRand Bank Limited
	Specified Address	1 Merchant Place, Cnr Fredman Drive and Rivonia Road, Sandton, 2196, South Africa

PROVISIONS RELATING TO THE NOTES

7.	Status of Notes	Senior Secured <i>See Appendix "A" for a description of the security structure</i>
8.	Form of Notes	Listed
9.	Series Number	2
10.	Tranche Number	1

11.	Aggregate Nominal Amount:	
	(a) Series	ZAR362,000,000
	(b) Tranche	ZAR362,000,000
12.	Interest	Interest-bearing
13.	Interest Payment Basis	Floating Rate
14.	Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another	N/A
15.	Form of Notes	Registered Notes: The Senior Secured Notes in this Tranche are issued in uncertificated form and held by the CSD
16.	Issue Date	9 December 2013
17.	Nominal Amount per Note	ZAR1,000,000
18.	Specified Denomination	ZAR1,000,000
19.	Specified Currency	ZAR
20.	Issue Price	100%
21.	Interest Commencement Date	9 December 2013
22.	Maturity Date	9 December 2016
23.	Applicable Business Day Convention	Modified Following Business Day
24.	Final Redemption Amount	ZAR362,000,000
25.	Last Day to Register	By 17h00 on 27 February, 29 May, 29 August and 28 November in each year until the Maturity Date
26.	Books Closed Period(s)	The Register will be closed from 28 February to 8 March, 30 May to 8 June, 30 August to 8 September and from 29 November to 8 December (all dates inclusive) in each year until the Maturity Date
27.	Default Rate	N/A
FIXED RATE NOTES		N/A
FLOATING RATE NOTES		
28.	(a) Floating Interest Payment Date(s)	9 March, 9 June, 9 September and 9 December in each year until the Maturity Date with the first Interest Rate Payment Date being 9 March 2014
	(b) Interest Period(s)	Each period beginning on (and including) one Floating Interest Payment Date and ending on (but excluding) the next Floating Interest Payment Date, with the first Interest Period beginning on (and including) the Interest Commencement Date
	(c) Definition of Business Day (if different from that set out in Condition 1) (<i>Interpretation</i>)	N/A
	(d) Minimum Rate of Interest	N/A
	(e) Maximum Rate of Interest	N/A
	(f) Other terms relating to the method of calculating interest (e.g.: Day Count Fraction,	N/A

rounding up provision)	
29. Manner in which the Rate of Interest is to be determined	Screen Rate Determination
30. Margin	150 basis points to be added to the relevant Reference Rate
31. If ISDA Determination:	N/A
32. If Screen Determination:	
(a) Reference Rate (including relevant period by reference to which the Rate of Interest is to be calculated)	3 Month JIBAR
(b) Interest Rate Determination Date(s)	9 March, 9 June, 9 September and 9 December of each year until the Maturity Date with the first Interest Rate Determination Date being 5 December 2013
(c) Relevant Screen Page and Reference Code	ZAR-JIBAR-SAFEX
33. If Rate of Interest to be calculated otherwise than by ISDA Determination or Screen Determination, insert basis for determining Rate of Interest/Margin/Fallback provisions	N/A
34. Calculation Agent responsible for calculating amount of principal and interest	Rand Merchant Bank, a division of FirstRand Bank Limited
ZERO COUPON NOTES	N/A
PARTLY PAID NOTES	N/A
INSTALMENT NOTES	N/A
MIXED RATE NOTES	N/A
INDEX-LINKED NOTES	N/A
DUAL CURRENCY NOTES	N/A
EXCHANGEABLE NOTES	N/A
OTHER NOTES	N/A
PROVISIONS REGARDING REDEMPTION/MATURITY	
35. Redemption at the Option of the Issuer:	Yes (<i>See Appendix "B" for additional redemption events relating to the Senior Secured Notes</i>).
36. Redemption at the Option of the Senior Noteholders:	No
37. Redemption in the event of a Put Event at the election of Noteholders pursuant to Condition 10.5 (<i>Redemption in the event of a Put Event</i>) -	
(a) Delisting of the Notes of this Tranche	Yes
(b) Failure to maintain a Rating	Yes

- | | | |
|-----|--|-----|
| 38. | Redemption in the event of a Change of Control at the election of Noteholders pursuant to Condition 10.7 (<i>Redemption in the event of a Change of Control</i>) | Yes |
| 39. | Redemption in the event of a breach of the Financial Covenant at the election of Noteholders pursuant to Condition 10.6 (<i>Redemption in the event of a breach of the Financial Covenant</i>) | Yes |
| 40. | Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default (if required). | Yes |

GENERAL

- | | | |
|-----|--|--|
| 41. | Financial Exchange | Interest Rate Market of the JSE Limited |
| 42. | Additional selling restrictions | N/A |
| 43. | ISIN No. | ZAG000111147 |
| 44. | Stock Code | DLTB02 |
| 45. | Stabilising manager | N/A |
| 46. | Provisions relating to stabilisation | N/A |
| 47. | Method of distribution | Private Placement |
| 48. | Credit Rating assigned to the Notes | A+ (Long-term) issued on 9 December 2013. To be reviewed annually |
| 49. | Applicable Rating Agency | Global Credit Rating Co. Proprietary Limited |
| 50. | Governing law (if the laws of South Africa are not applicable) | N/A |
| 51. | Other provisions | <i>See Appendix "B" for Additional Terms and Conditions relating to the Senior Secured Notes, Appendix "C" for a list of Secured Properties, Appendix "D" for the Debt Guarantee and Appendix "E" for Documents Incorporated by Reference.</i> |

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

- | | |
|-----|--|
| 52. | <u>Paragraph 3(5)(a)</u>
The " <i>ultimate borrower</i> " (as defined in the Commercial Paper Regulations) is the Issuer. |
| 53. | <u>Paragraph 3(5)(b)</u>
The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments under the Notes. |
| 54. | <u>Paragraph 3(5)(c)</u>
The auditor of the Issuer is BDO South Africa Incorporated. |

55. Paragraph 3(5)(d)

As at the date of this issue:

- (i) the Issuer has issued ZAR190,000,000 Commercial Paper (as defined in the Commercial Paper Regulations) (exclusive of this issue of Notes); and
- (ii) the Issuer estimates that it may issue ZAR742,000,000 of Commercial Paper during the current financial year, ending 28 February 2014.

56. Paragraph 3(5)(e)

All information that may reasonably be necessary to enable the investor to ascertain the nature of the financial and commercial risk of its investment in the Notes is contained in the Programme Memorandum and the Applicable Pricing Supplement.

57. Paragraph 3(5)(f)

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

58. Paragraph 3(5)(g)

The Notes issued will be listed.

59. Paragraph 3(5)(h)

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

60. Paragraph 3(5)(i)

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

61. Paragraph 3(5)(j)

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


Responsibility:

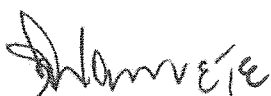
The Issuer accepts full responsibility for the information contained in this Applicable Pricing Supplement. To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case) the information contained in this Applicable Pricing Supplement is in accordance with the facts and does not omit anything which would make any statement false or misleading and all reasonable enquiries to ascertain such facts have been made. This Applicable Pricing Supplement contains all information required by law and the debt listing requirements of the JSE.

Application is hereby made to list this issue of Notes on 9 December 2013.

SIGNED at Johannesburg on this 6th day of December 2013

For and on behalf of
DELTA PROPERTY FUND LIMITED

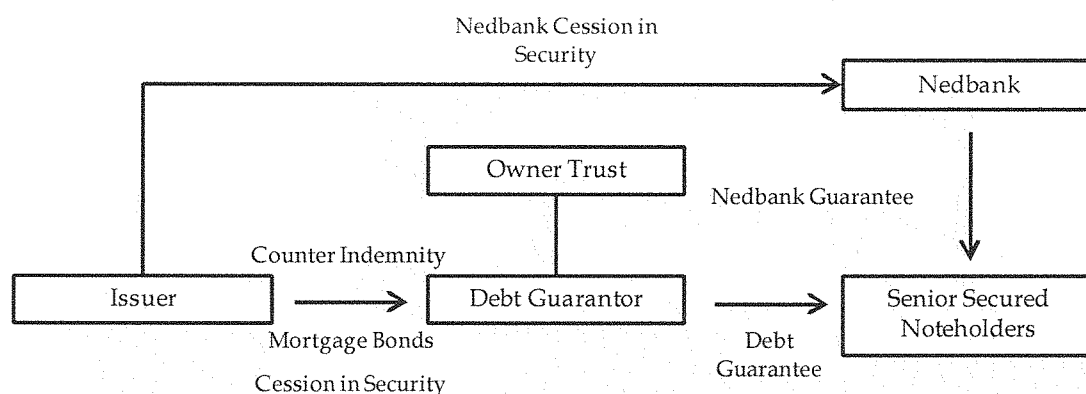

Name: BRONWYN CORBETT
Capacity: Director
Who warrants his/her authority hereto


Name: SANDILE NOMVETE
Capacity: Director
Who warrants his/her authority hereto

DESCRIPTION OF SECURITY ARRANGEMENTS

The below is a brief description of the security arrangements in respect of the Senior Secured Notes and does purport to form part of the Terms and Conditions.

Security Structure Diagram



1. Interpretation

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

- 1.1 **Cession in Security** means the cession in security concluded or to be concluded between the Issuer and the Debt Guarantor pursuant to which the Issuer cedes *in securitatem debiti* the Lease Payments, Lease Agreements, Insurance Policies and Insurance Proceeds (all as defined therein) in favour of the Debt Guarantor;
- 1.2 **Counter Indemnity** means the counter indemnity agreement concluded or to be concluded between the Issuer and the Debt Guarantor pursuant to which the Issuer indemnifies the Debt Guarantor against any loss, costs or liability which the Debt Guarantor may incur as a result of or in connection with the Debt Guarantee;
- 1.3 **Debt Guarantee** means the written guarantee granted by the Debt Guarantor in favour of the Senior Secured Noteholders pursuant to which the Debt Guarantor irrevocably guarantees the obligations of the Issuer under the Senior Secured Notes;
- 1.4 **Debt Guarantor** means Bowwood and Main No 87 Proprietary Limited, a private company incorporated under the laws of South Africa with registration number 2013/200370/07 and wholly owned by an owner trust with its main business being that of a property security company;
- 1.5 **Debt Guarantor Security** means all the security interests conferred upon the Debt Guarantor pursuant to the Cession in Security and the Mortgage Bonds;
- 1.6 **Mortgage Bonds** means the first ranking continuing covering mortgage bonds

registered or to be registered by the Issuer in favour of the Debt Guarantor over each of the Secured Properties. On the redemption or repayment of the Notes, the Mortgage Bonds will be cancelled;

- 1.7 **Nedbank** means Nedbank Limited, a public company and registered bank duly incorporated in accordance with the laws of South Africa with registration number 1951/000009/06;
- 1.8 **Nedbank Cession in Security** means the cession in security concluded or to be concluded between the Issuer and Nedbank pursuant to which the Issuer cedes *in securitatem debiti* in favour of Nedbank, the bank account into which the proceeds from the issuance of the Senior Secured Notes are to be deposited on the Issue Date, for the obligations of the Issuer under *inter alia*, a guarantee request agreement concluded between Nedbank and the Issuer in connection with the issuance of the Nedbank Guarantee;
- 1.9 **Nedbank Discharge Date** means the earlier of:
- 1.9.1 the date falling 6 (six) months after the Issue Date; and
- 1.9.2 the date on which Mortgage Bonds have been registered in favour of the Debt Guarantor in respect of each Secured Property listed in Appendix "C"; and
- 1.9.3 all of the obligations of the Issuer under the Senior Secured Notes being fully and finally discharged in accordance with the Terms and Conditions;
- 1.10 **Nedbank Guarantee** means the written guarantee granted by Nedbank in favour of the Senior Secured Noteholders pursuant to which Nedbank irrevocably guarantees the obligations of the Issuer under the Senior Secured Notes until the Nedbank Discharge Date;
- 1.11 **Secured Properties** means the immovable properties owned by the Issuer over which a mortgage bond is or is to be registered in favour of the Debt Guarantor, which are as at the Issue Date as listed in Appendix "C"; and
- 1.12 **Senior Secured Notes** means any senior secured registered notes due 9 December 2016, (Bond Code DLTB02) (Tranche 1, Series 2) issued by the Issuer in accordance with the Terms and Conditions;
- 1.13 **Senior Secured Noteholders** means the registered holders of the Senior Secured Notes as recorded in the Register and **Senior Secured Noteholder** means, as the context requires, any of them.

2. Description of Security Arrangements

- 2.1 The Senior Secured Notes constitute direct, senior, unconditional and secured indebtedness of the Issuer.
- 2.2 The obligations of the Issuer under the Senior Secured Notes will be directly guaranteed and indirectly secured as set out below.

3. **Direct Guarantees**

3.1 *Direct Guarantee by the Debt Guarantor*

In terms of the Debt Guarantee, the Debt Guarantor irrevocably guarantees the Issuer's obligations under the Senior Secured Notes.

3.2 *Direct Guarantee by Nedbank*

In terms of the Nedbank Guarantee, Nedbank irrevocably guarantees the Issuer's obligations under the Senior Secured Notes up to an amount equal to ZAR362,000,000 (Three Hundred and Sixty Two Million Rand) for the period from the Issue Date to the Nedbank Discharge Date. Nedbank will benefit from the Nedbank Cession in Security for the duration of the aforementioned period.

4. **Security**

4.1 In terms of the Counter Indemnity, the Issuer indemnifies the Debt Guarantor against claims made by the Senior Secured Noteholders against the Debt Guarantor under the Debt Guarantee.

4.2 The obligations of the Issuer under the Counter Indemnity are/shall be secured by:

4.2.1 the Mortgage Bonds; and

4.2.2 the Cession in Security.

4.3 In terms of the Nedbank Cession in Security, the Issuer cedes *in securitatem debiti* its rights and interests to and in the Bank Account (as defined therein) in favour of Nedbank.

5. **Risks relating to the Security Structure**

It should be noted that as the Debt Guarantor Security is granted in favour of the Debt Guarantor and not in favour of the Senior Secured Noteholders, the Secured Noteholders will not have a right to realise the Debt Guarantor Security directly. Instead, the Senior Secured Noteholders will first have to make a demand against the Debt Guarantor under the Debt Guarantee, with the Debt Guarantor in turn making a demand against the Issuer under the Counter Indemnity and accordingly realising the Debt Guarantor Security. This indirect claim in respect of the Debt Guarantor Security may involve a delay in realisation and settlement of the Senior Secured Noteholders' claims in respect of the Senior Secured Notes.

ADDITIONAL TERMS AND CONDITIONS

*The following are additional terms and conditions (the **Additional Terms and Conditions**) which apply to the DLTB02 Senior Secured Notes (the **Senior Secured Notes**) and which will be incorporated by reference into each Senior Secured Note.*

In addition to the below, all references in the Programme Memorandum to the Senior Notes shall be deemed to be references to the Senior Secured Notes.

1. Financial Covenants

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

1.1.1. with effect from the earlier of:

1.1.1.1. the date on which Mortgage Bonds are registered over each Secured Property listed in Appendix "C"; and

1.1.1.2. the date which falls 6 (six) months after the Issue Date,

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

1.1.2. the Interest Cover Ratio is not less than 2:1 (two to one),

(each a **Financial Covenant** and collectively, the **Financial Covenants**).

1.2. The Issuer shall be required within 90 (ninety) days after each Measurement Date to:

1.2.1. test the Financial Covenants as at each Measurement Date; and

1.2.2. provide the Dealer with a certificate signed by any two directors of the Issuer setting out each Financial Covenant together with the calculations thereof (a **Compliance Certificate**).

1.3. If a breach of the Financial Covenant (a **Financial Covenant Breach**) occurs while any Senior Secured Note remains Outstanding, then the Issuer shall within 15 (fifteen) days after the date on which the relevant Compliance Certificate is delivered pursuant to paragraph 1.2.2 above (the **Remedy Period**), take steps to remedy such Financial Covenant Breach.

1.4. Should the Issuer:

1.4.1. remedy the Financial Covenant Breach within the Remedy Period, the Financial Covenant Breach shall be deemed not to have occurred; or

1.4.2. fail to remedy the Financial Covenant Breach within the Remedy Period, the Financial Covenant Breach shall constitute an Event of Default as set out in Condition 16.1.8 with effect from the relevant Measurement Date.

1.5. In the event of any dispute in respect of any calculation relating to any Financial Covenant, such dispute shall be determined by the Issuer's independent auditors, acting as experts and not as arbitrators (taking into account the Terms and Conditions), whose determination

will, in the absence of manifest error, be final and binding on the Issuer and Senior Secured Noteholders. The cost of such independent auditors in resolving such dispute shall be borne by the Issuer.

2. General Undertaking

- 2.1. The Issuer shall ensure that a Mortgage Bond is registered in favour of the Debt Guarantor over each Secured Property listed in Appendix "C" on or before the date falling 6 (six) months after the Issue Date.
- 2.2. Upon the occurrence of a breach of the undertaking set out in paragraph 2.1 above, the Issuer shall:
 - 2.2.1. provide written notice thereof to all Senior Secured Noteholders in accordance with Condition 18 (*Notices*); and
 - 2.2.2. within 15 (fifteen) days of the notice set out in paragraph 2.2.1 above, redeem Senior Secured Notes in an amount equal to the aggregate Attributable Amount of those Secured Properties over which a Mortgage Bond has not been registered as set out in paragraph 2.1 above.
- 2.3. Any redemption of Senior Secured Notes in accordance with this paragraph 2, shall be:
 - 2.3.1. pro rata to Senior Secured Noteholders on the basis of their respective holdings of Senior Secured Notes; and
 - 2.3.2. at an Early Redemption Amount calculated in accordance with Condition 10.8 (*Early Redemption Amounts*) together with accrued interest (if any).

3. Negative Undertakings

- 3.1. The Issuer undertakes, for so long as that whilst any Senior Secured Note remains Outstanding, it shall not:
 - 3.1.1. issue any further Notes under the Programme; and/or
 - 3.1.2. allow and/or request the release of any Mortgage Bond and/or the replacement of any Mortgage Bond with a mortgage bond over any other immovable property of the Issuer,
- unless, no earlier than 2 (two) Business Days prior to the relevant issue date (in the case of paragraph 3.1.1 above) or release date (in the case of paragraph 3.1.2 above), the Issuer has delivered to the Dealer, a Compliance Certificate confirming that it is complying with the Financial Covenants as at the date of the relevant Compliance Certificate and that immediately following the relevant issue date (in the case of paragraph 3.1.1) and/or release date (in the case of paragraph 3.1.2), it will be in compliance with the Financial Covenants.

4. Interpretation

In these Additional Terms and Conditions, unless inconsistent with the context, the following expressions shall have the following meanings:

- 4.1.1. **Attributable Amount** means the amount set out opposite each Secured Property in Column II of the table below:

Column I	Column II
Secured Property	Attributable Value
Erf 29755 Kimberley	ZAR21,465,000
Erf 2380 Kimberley	ZAR24,210,000
Remaining Extent of Erf 1366, Portion 2 of Erf 1366 and Portion 3 of Erf 1366 Sunninghill Extension 61	ZAR100,500,000
Portion 1 of Erf 1366 Sunninghill Extension 61	ZAR18,005,000
Erf 1399 Sunninghill Extension 61	ZAR45,300,000
Erf 3115 Kaalfontein Extension 6	ZAR26,400,000
Erf 184 Nelspruit Extension	ZAR2,460,000
Erf 76 Nelspruit	ZAR16,102,000
Erf 113 Nelspruit and Erf 171 Nelspruit Extension	ZAR11,488,000
Erf 1327 Nelspruit Extension 7	ZAR7,854,000
Erven 5 and 6 Vintonia	ZAR6,794,000
Erven 29 and 30 Vintonia Extension 2	ZAR2,930,000
Erf 115 Nelspruit	ZAR7,988,000
Erven 4294 and 248 Nelspruit Extension	ZAR37,102,000
Remaining Extent of Erf 1770 West Acres Extension 1	ZAR6,656,000
Erf 240 Nelspruit Extension	ZAR5,840,000
Erf 241 Nelspruit Extension	ZAR15,808,000
Erf 175 Whiteriver	ZAR5,098,000
Total	ZAR362,000,000

4.1.2. **Debt Guarantor** means Bowwood and Main No 87 Proprietary Limited, a private company incorporated under the laws of South Africa with registration number 2013/200370/07;

4.1.3. **EBITDA** means in respect of each Measurement Period, the consolidated net operating income of the Issuer, for such period before taking into account:

4.1.3.1. gains or losses from exceptional or extraordinary items;

4.1.3.2. liability for income and other tax;

4.1.3.3. interest charged or received;

- 4.1.3.4. amortisations in respect of intangible assets;
 - 4.1.3.5. any profit or loss arising on a revaluation of fixed assets; and
 - 4.1.3.6. depreciation in respect of fixed assets,
- and excluding any fair value adjustments which result in no cash flow implications on a going concern basis, including but not limited to any adjustments in accordance with any accounting adjustments to rental income which differ from the cash flows in respect of such rental income;
- 4.1.4. **Financial Indebtedness** means any indebtedness for or in respect of:
 - 4.1.4.1. interest bearing moneys borrowed;
 - 4.1.4.2. any interest bearing amount raised pursuant to any note purchase facility or the issue of bonds, notes, loan stock or any similar instrument (but excluding debentures issued as part of a linked unit attaching to ordinary share in the Issuer);
 - 4.1.4.3. any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of an interest bearing borrowing;
 - 4.1.4.4. any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of that derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount shall be taken into account); and
 - 4.1.4.5. any amount raised by the issue of shares which are redeemable;
 - 4.1.5. **Interest Cover Ratio** means the ratio between EBITDA and Net Interest;
 - 4.1.6. **Loan to Value Ratio** means the ratio between the Outstandings under the Senior Secured Notes and the Secured Property Portfolio Value;
 - 4.1.7. **Measurement Date** means each Semi Annual Date;
 - 4.1.8. **Measurement Period** means each period of 6 (six) months ending on a Measurement Date;
 - 4.1.9. **Mortgage Bond** means a first ranking continuing covering mortgage bond registered or to be registered by the Issuer in favour of the Debt Guarantor over each of the Secured Properties;
 - 4.1.10. **Net Interest** means in relation to each Measurement Period, the aggregate of all interest incurred by the Issuer in respect of Financial Indebtedness (including all net payments due under all derivative transactions and all and any obligations which are of a similar nature in substance to interest but excluding any interest paid on any debentures and dividends payable on preferences shares issued by the Issuer) less the aggregate of all interest received by the Issuer;
 - 4.1.11. **Secured Properties** means the immovable properties owned by the Issuer over which a Mortgage Bond is or is to be registered in favour of the Debt Guarantor, which are as at the Issue Date as listed in Appendix "C";

- 4.1.12. **Secured Property Portfolio Value** means the market value of the Secured Properties as reflected in:
- 4.1.12.1. the most recently published annual consolidated financial statements of the Issuer, as it relates to the Semi Annual Date falling on 28 February of each year and the interim consolidated financial statements of the Issuer as it relates to the Semi Annual Date falling on 31 August of each year; or
- 4.1.12.2. only if no value is attributable to a Secured Property in the financial statements referred to in paragraph 4.1.12.1 above, a desktop valuation performed by the Issuer and provided by the Issuer to the Dealer together with the relevant Compliance Certificate;
- 4.1.13. **Semi Annual Date** means each of 28 February and 31 August of each year or such other dates which accord with the Issuer's financial half year or financial year end, as the case may be; and
- 4.1.14. **Senior Secured Noteholders** means the registered holders of the Senior Secured Notes as recorded in the Register and **Senior Secured Noteholder** means, as the context requires, any of them.

SECURED PROPERTIES

NO.	IMMOVABLE PROPERTY
1.	Erf 29755 Kimberley
2.	Erf 2380 Kimberley
3.	Remaining Extent of Erf 1366, Portion 2 of Erf 1366 and Portion 3 of Erf 1366 Sunninghill Extension 61
4.	Portion 1 of Erf 1366 Sunninghill Extension 61
5.	Erf 1399 Sunninghill Extension 61
6.	Erf 3115 Kaalfontein Extension 6
7.	Erf 184 Nelspruit Extension
8.	Erf 76 Nelspruit
9.	Erf 113 Nelspruit and Erf 171 Nelspruit Extension
10.	Erf 1327 Nelspruit Extension 7
11.	Erven 5 and 6 Vintonia
12.	Erven 29 and 30 Vintonia Extension 2
13.	Erf 115 Nelspruit
14.	Erven 4294 and 248 Nelspruit Extension
15.	Remaining Extent of Erf 1770 West Acres Extension 1
16.	Erf 240 Nelspruit Extension
17.	Erf 241 Nelspruit Extension
18.	Erf 175 Whiteriver

APPENDIX “D”

DEBT GUARANTEE

Execution Version

DEBT GUARANTEE

by

BOWWOOD AND MAIN NO 87 PROPRIETARY LIMITED

in favour of

THE SENIOR SECURED NOTEHOLDERS

BG Bowman Gilfillan

Member of Bowman Gilfillan Africa Group

CAPE TOWN DARESSALAAM JOHANNESBURG KAMPALA NAIROBI

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PARTIES:

This Guarantee is granted by:

(1) BOWWOOD AND MAIN NO 87 PROPRIETARY LIMITED;

in favour of:

(2) THE SENIOR SECURED NOTEHOLDERS.

IT IS AGREED AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1. Definitions

Unless the context dictates otherwise, the words and expressions set forth below shall bear the following meanings and cognate expressions shall bear corresponding meanings:

- 1.1.1. Agreement and Guarantee means this Debt Guarantee;
- 1.1.2. Business Day means a day (other than a Saturday or Sunday or an official public holiday in South Africa within the meaning of the Public Holidays Act, 1994) on which banks generally are open for business in Johannesburg;
- 1.1.3. Cession in Security means the Cession in Security Agreement entered into or to be entered into between the Debt Guarantor and the Issuer on or about the Signature Date pursuant to which the Issuer cedes in *securitatem debiti* its rights in and to *inter alia* Insurance Policies, Insurance Proceeds, the Lease Agreements and the Lease Payments (all as defined therein) to the Debt Guarantor as security for the obligations of the Issuer under the Counter Indemnity Agreement;
- 1.1.4. Companies Act means the Companies Act, 2008;
- 1.1.5. Constitutional Documents means in respect of any Party and as at any time, the then current and up to date memorandum and articles of association and certificate of incorporation of that Party, or the memorandum of incorporation of that Party within the meaning of the Companies Act or the equivalent thereof in respect of any person not being a person registered under the Companies Act, 1973 or the Companies Act, as applicable;
- 1.1.6. Counter Indemnity Agreement means the counter indemnity agreement concluded or to be concluded on or about the Signature Date between the Issuer and the Debt Guarantor pursuant to which the Issuer indemnifies the Debt Guarantor against any loss, costs or liability which the Debt Guarantor may incur as a result of or in connection with this Guarantee;
- 1.1.7. Debt Guarantor means Bowwood and Main No 87 Proprietary Limited, a private company incorporated under the laws of South Africa with registration number 2013/200370/07;
- 1.1.8. Delta means Delta Property Fund Limited, a public company incorporated under the laws of South Africa with registration number 2002/005129/06;

- 1.1.9. Discharge Date means the date on which all the Guaranteed Obligations have been fully paid and discharged to the satisfaction of the Senior Secured Noteholders, whether or not as a result of enforcement;
- 1.1.10. Finance Documents means:
- 1.1.10.1. the Programme Memorandum;
 - 1.1.10.2. the Terms and Conditions;
 - 1.1.10.3. the Counter Indemnity Agreement;
 - 1.1.10.4. this Guarantee;
 - 1.1.10.5. each Security Document;
 - 1.1.10.6. any other agreement and/or document designated as a "*Finance Document*" by the Issuer and the Debt Guarantor (acting on the instructions of the Senior Secured Noteholders),
- and a Finance Document means, as the context requires, any of them;
- 1.1.11. Guaranteed Obligations means all present and future liabilities and obligations at any time which the Issuer owes to the Senior Secured Noteholders under the Finance Documents to which the Issuer is a party, both actual and contingent and whether incurred solely or jointly or in any other capacity and any amounts which would be included in any of the above but for any discharge, non-provability, unenforceability or non-allowance of those amounts in any insolvency or other proceedings;
- 1.1.12. Issuer means Delta;
- 1.1.13. Mortgage Bond means a first ranking continuing covering mortgage bond registered or to be registered by the Issuer in favour of the Debt Guarantor over each of the Secured Properties;
- 1.1.14. Parties means:
- 1.1.14.1. the Debt Guarantor; and
 - 1.1.14.2. the Senior Secured Noteholders,
- and Party means, as the context requires, any one of them;
- 1.1.15. Person shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing;
- 1.1.16. Programme means the Delta Property Fund Limited ZAR2,000,000,000 Domestic Medium Term Note Programme;
- 1.1.17. Programme Memorandum means the document so entitled in respect of the Programme pursuant to the which the Issuer lists the Programme on the Interest Rate Market of the JSE Limited, provided that if the Issuer publishes a new Programme Memorandum or a supplement to the Programme Memorandum, as the case may be (as contemplated in the section of the Programme Memorandum headed "*Documents Incorporated by Reference*"),

references to Programme Memorandum shall be construed as references to the new Programme Memorandum or the Programme Memorandum as supplemented, as the case may be;

1.1.18. **Secured Properties** means the immovable properties owned by the Issuer over which a mortgage bond is or is to be registered in favour of the Debt Guarantor, which are as Signature Date as listed in Schedule 1 (*Secured Properties*);

1.1.19. **Security Documents** means:

1.1.19.1. the Cession in Security;

1.1.19.2. the Mortgage Bonds; and

1.1.19.3. any other agreement and/or document at any time designated as a "*Security Document*" by written agreement between the Issuer and the Debt Guarantor to that effect and which forms part of the Transaction Security,

and Security Document shall mean, as the context requires, any of them;

1.1.20. **Senior Secured Noteholders** means the registered holders of the Senior Secured Notes as recorded in the Register (as such term is defined in the Programme Memorandum) and Senior Secured Noteholder means, as the context requires, any of them;

1.1.21. **Senior Secured Notes** means any senior secured registered notes due 9 December 2016, (Bond Code DLTB02) (Tranche 1, Series 2) issued by the Issuer in accordance with the terms and conditions set out in the Programme Memorandum and the Applicable Pricing Supplement (as defined in the Programme Memorandum);

1.1.22. **Signature Date** means the date of the signature of the Party last signing this Guarantee in time;

1.1.23. **South Africa** means the Republic of South Africa;

1.1.24. **Tax** means any tax, levy, impost, duty or other charge or withholding of a similar nature (including, without limitation, any penalty or interest payable in connection with any failure to pay or delay in paying any of the same);

1.1.25. **Terms and Conditions or Condition** means the respective terms and conditions of the Senior Secured Notes

1.1.26. **Transaction Security** means all rights, claims, indemnities and security interests conferred upon the Debt Guarantor pursuant to the Security Documents;

1.1.27. **VAT** means value added tax levied in terms of the Value Added Tax Act, 1991; and

1.1.28. **ZAR or Rand** means the lawful currency of South Africa, being South African Rand, or any successor currency.

1.2. Interpretation

1.2.1. Any reference in this Guarantee to:

1.2.1.1. an amendment includes a supplement, novation or re-enactment and amended is to be construed accordingly;

1.2.1.2. assets includes properties, revenues and rights of every description;

1.2.1.3. authority means any government or governmental, administrative, fiscal or judicial authority, body, court, department, commission, tribunal, registry or any stated owned or controlled authority which principally performs governmental functions;

1.2.1.4. a Clause shall, subject to any contrary indication, be construed as a reference to a clause hereof;

1.2.1.5. control means, in relation to any company or similar organisation or Person, the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:

1.2.1.5.1. cast, or control the casting of, more than one-half of the maximum number of votes that might be cast at a general meeting of that Person;

1.2.1.5.2. appoint or remove all, or the majority, of the directors or other equivalent officers of that Person; or

1.2.1.5.3. give directions with respect to the operating and financial policies of that Person which the directors or other equivalent officers of that Person are obliged to comply with;

1.2.1.6. the words including and in particular are used by way of illustration or emphasis only and shall not be construed as, nor shall they take effect as, limiting the generality of any of the preceding words;

1.2.1.7. indebtedness shall be construed so as to include any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

1.2.1.8. law shall be construed as any law (including statutory, common or customary law), statute, constitution, decree, judgment, treaty, regulation, directive, by-law, order, other legislative measure, directive, requirement of any government, supranational, local government, statutory or regulatory or self-regulatory or similar body or authority or court and the common law, as amended, replaced, re-enacted, restated or reinterpreted from time to time;

1.2.1.9. a month means a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day but one in the next calendar month, except that:

1.2.1.9.1. if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the directly preceding Business Day; and

- 1.2.1.9.2. if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month;
- 1.2.1.10. the words other and otherwise shall not be construed *eiusdem generis* with any foregoing words where a wider construction is possible;
- 1.2.1.11. a regulation means any regulation, rule, official directive of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- 1.2.1.12. security interest means any mortgage, pledge, lien, charge, assignment, cession, hypothecation or security interest or any other agreement or arrangement having the effect of conferring security; and
- 1.2.1.13. a Schedule shall, subject to any contrary indication, be construed as a reference to a Schedule hereof.
- 1.2.2. Unless inconsistent with the context or save where the contrary is expressly indicated in this Guarantee:
- 1.2.2.1. if any provision in a definition is a substantive provision conferring rights or imposing obligations on any Party, notwithstanding that it appears only in an interpretation clause, effect shall be given to it as if it were a substantive provision of this Guarantee;
- 1.2.2.2. when any number of days is prescribed in this Guarantee, same shall be reckoned inclusively of the first and exclusively of the last day unless the last day falls on a day which is not a Business Day, in which case the last day shall be the next succeeding Business Day;
- 1.2.2.3. any reference in this Guarantee to an enactment is to that enactment as at the Signature Date and as amended or re-enacted from time to time;
- 1.2.2.4. any reference in this Guarantee or any other agreement or document shall be construed as a reference to this Guarantee or, as the case may be, such other agreement or document as same may have been, or may from time to time be, amended, varied, novated or supplemented;
- 1.2.2.5. except as expressly provided for in this Guarantee, no provision of this Guarantee constitutes a stipulation for the benefit of any Person who is not a Party to this Guarantee;
- 1.2.2.6. a reference to a Party includes that Party's lawful successors-in-title and permitted assigns; and
- 1.2.2.7. where any Party is required to provide any consent or approval or agree to the actions of any other Party, the request for such consent or approval or agreement shall be in writing and such consent or approval or agreement shall be in writing and shall not be unreasonably withheld or delayed.
- 1.2.3. The headings to the Clauses and Schedules of this Guarantee are for reference purposes only and shall in no way govern nor affect the interpretation of nor modify nor amplify the terms of this Guarantee nor any clause or Schedule thereof.

- 1.2.4. Unless inconsistent with the context, an expression in this Guarantee which denotes:
- 1.2.4.1. any one gender includes the other genders;
- 1.2.4.2. a natural person includes an juristic person and *vice versa*; and
- 1.2.4.3. the singular includes the plural and *vice versa*.
- 1.2.5. The Schedules to this Guarantee form an integral part thereof and words and expressions defined in this Guarantee shall bear, unless the context otherwise requires, the same meaning in such Schedules. To the extent that there is any conflict between the Schedules to this Guarantee and the provisions of this Guarantee, the provisions of this Guarantee shall prevail.
- 1.2.6. Where any term is defined within the context of any particular clause in this Guarantee, the term so defined, unless it is clear from the clause in question that the term so defined has limited application to the relevant clause, shall bear the same meaning as ascribed to it for all purposes in terms of this Guarantee, notwithstanding that that term has not been defined in any interpretation clause.
- 1.2.7. The rule of construction, in the event of ambiguity, that the contract shall be interpreted against the Party responsible for the drafting thereof, shall not apply in the interpretation of this Guarantee.
- 1.2.8. This Guarantee shall to the extent permitted by applicable law be binding on and enforceable by the administrators, trustees, permitted assigns or liquidators of the Parties as fully and effectually as if they had signed this Guarantee in the first instance and reference to any Party shall be deemed to include such Party's administrators, trustees, permitted assigns or liquidators, as the case may be.
- 1.2.9. The use of any expression in this Guarantee covering a process available under South African law such as winding-up (without limitation *eiusdem generis*) shall, if any of the Parties to this Guarantee is subject to the law of any other jurisdiction, be construed as including any equivalent or analogous proceedings under the law of such other jurisdiction.
- 1.2.10. Where figures are referred to in numerals and in words in this Guarantee, if there is any conflict between the two, the words shall prevail.

2. INTRODUCTION

- 2.1. The Debt Guarantor has agreed to guarantee to the Senior Secured Noteholders the due and full performance by the Issuer of the Guaranteed Obligations on the terms and conditions set out in this Guarantee.
- 2.2. The Issuer has agreed to enter into the Counter Indemnity Agreement in favour of the Debt Guarantor and to provide or procure the provision of the Transaction Security as security for its obligations under and in terms of the Finance Documents to which it is a party.
- 2.3. The Debt Guarantor warrants that it knows and understands the terms and conditions of the Transaction Security and the Guaranteed Obligations and agrees to be bound by such terms and conditions.

3. GUARANTEE

3.1. Guarantee and Indemnity

The Debt Guarantor hereby irrevocably and unconditionally:

- 3.1.1. guarantees to the Senior Secured Noteholders the due and punctual performance by the Issuer of the Guaranteed Obligations;
- 3.1.2. undertakes with the Senior Secured Noteholders that whenever the Issuer does not pay any amount or perform any obligation, as the case may be, when due and payable under or in connection with the Guaranteed Obligations, the Debt Guarantor shall immediately on demand of the Senior Secured Noteholders pay that amount or perform that obligation, as the case may be, as if it was the principal obligor; and
- 3.1.3. agrees with the Senior Secured Noteholders that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify the Senior Secured Noteholders immediately on demand against any cost, loss or liability it incurs as a result of the Issuer not paying any amount or performing any obligation, as the case may be, which would, but for such unenforceability, invalidity or illegality, have been payable by or due for performance by, as the case may be, it under the Guaranteed Obligations on the date when it would have been due for payment or performance, as the case may be. The amount payable by the Debt Guarantor under this indemnity will not exceed the amount it would have had to pay under this Guarantee if the amount claimed had been recoverable on the basis of a guarantee.

3.2. Ultimate Balance

This Guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by the Issuer under the Guaranteed Obligations, regardless of any intermediate payment or discharge in whole or in part of the Guaranteed Obligations.

3.3. Reinstatement

- 3.3.1. If any payment by the Issuer or any discharge, release or arrangement given by the Senior Secured Noteholders (whether in respect of the obligations of the Issuer or any security for those obligations or otherwise) is avoided or reduced for any reason (including, without limitation, as a result of insolvency, business rescue proceedings, liquidation, winding-up or otherwise):
 - 3.3.1.1. the liability of the Issuer shall continue as if the payment, discharge, avoidance or reduction had not occurred;
 - 3.3.1.2. the Senior Secured Noteholders shall be entitled to recover the value or amount of that security or payment from the Issuer, as if the payment, discharge, avoidance or reduction had not occurred; and
 - 3.3.1.3. the Senior Secured Noteholders shall be entitled to concede or compromise any claim that any such payment, security or other disposition is liable to avoidance or repayment.

3.4. Waiver of Defences

The obligations of the Debt Guarantor under this Guarantee in respect of the Guaranteed Obligations will not be affected by an act, omission, matter or thing which, but for this Clause 3.4, would reduce, release or prejudice any of its obligations under this Guarantee (without limitation and whether or not known to it or the Senior Secured Noteholders) including, without limitation:

- 3.4.1. any time, waiver or consent granted to, or composition with, the Issuer or any other person;
- 3.4.2. the release of the Issuer or any other person under the terms of any composition or arrangement with any creditor of the Issuer or such other person;
- 3.4.3. the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, execute, take up or enforce, any rights against, or security over assets of, the Issuer or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- 3.4.4. any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Issuer or any other person;
- 3.4.5. any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of the Finance Documents or any other document or security;
- 3.4.6. any unenforceability, illegality, invalidity, suspension or cancellation of any obligation of any person under this Guarantee or any other Finance Document or any other document or security;
- 3.4.7. any insolvency, liquidation, winding-up, business rescue or similar proceedings; or
- 3.4.8. this Guarantee or any other Finance Document not being executed by or binding against any other guarantor or any other party.

3.5. Immediate Recourse

The Debt Guarantor waives any right it may have of first requiring the Senior Secured Noteholders to proceed against or enforce any other rights or security or claim payment from any Person before claiming from the Debt Guarantor under this Guarantee. This waiver applies irrespective of any law or any provision of the Guarantee or the Finance Documents to the contrary.

3.6. Appropriations

Until all amounts which may be or become payable by the Issuer under or in connection with the Guaranteed Obligations have been irrevocably paid in full, the Senior Secured Noteholders (or any other trustee or agent on their behalf) may:

- 3.6.1. refrain from applying or enforcing any other moneys, security or rights held or received by the Senior Secured Noteholders (or any other trustee or agent on their behalf) in respect of those amounts, or apply and enforce the same in such manner and order as they see fit

(whether against those amounts or otherwise) and the Debt Guarantor shall not be entitled to the benefit of the same; and

- 3.6.2. hold in an interest-bearing suspense account any moneys received from the Debt Guarantor (in its capacity as such) or on account of the Debt Guarantor's liability under this Guarantee.

3.7. **Additional Security**

This Guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by the Senior Secured Noteholders. The rights of the Senior Secured Noteholders hereunder are in addition to and not exclusive of those provided by law.

4. **PAYMENT MECHANICS**

- 4.1. All payments to be made by the Debt Guarantor in terms of this Guarantee shall be:

- 4.1.1. made in Rand at or before 12h00 on the due date for payment in immediately available funds free of set-off, taxes, exchange, costs, charges, expenses or any other deductions into such account as the Senior Secured Noteholders may notify the Debt Guarantor in writing from time to time;

- 4.1.2. in the event of any payment not being made in full on its due date, such payment shall be appropriated in such manner as the Senior Secured Noteholders deem fit in their sole discretion, which appropriation will override any appropriation made by the Debt Guarantor.

- 4.2. The Debt Guarantor shall not have the right to defer, adjust or withhold any payment due to the Senior Secured Noteholders in terms of or arising out of this Guarantee or to obtain deferment of judgement for such amount or any execution of such judgement by reason of any set-off or counterclaim due to any other contractual or delictual claims or causes of whatsoever nature or howsoever arising.

- 4.3. Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not). In the event that the day for performance of any obligation to be performed in terms of this Guarantee (other than a payment obligation) should fall on a day which is not a Business Day, the relevant day for performance shall be the succeeding Business Day.

5. **REPRESENTATIONS AND WARRANTIES**

The Debt Guarantor makes the representations and warranties set out in this Clause 5 (*Representations and Warranties*) to the Senior Secured Noteholders.

5.1. **Matters Represented**

- 5.1.1. The Debt Guarantor is a limited liability company, duly incorporated in accordance with the laws of South Africa.

- 5.1.2. The Debt Guarantor has the corporate power to enter into and perform this Guarantee and the transactions contemplated hereby and has taken all necessary corporate action to authorise the entry into and performance of this Guarantee and the transactions contemplated hereby in accordance with its terms.

- 5.1.3. This Guarantee constitutes legal, valid and binding obligations on it in accordance with its terms.
- 5.1.4. The entry into and performance by the Debt Guarantor of this Guarantee and the transactions contemplated hereby do not:
- 5.1.4.1. conflict with any law or regulation or any official or judicial order;
 - 5.1.4.2. conflict with its Constitutional Documents;
 - 5.1.4.3. conflict with any agreement or document to which it is a party or which is binding upon it or any of its assets; or
 - 5.1.4.4. result in the creation or imposition of (or enforceability of) any encumbrance on any of its assets or the provisions of any agreement or document.
- 5.1.5. All authorisations, approvals, consents, licences, exemptions, filings, regulations, notarisations and other matters, official or otherwise, required in connection with the entry into and performance by the Debt Guarantor and the validity and enforceability against it of this Guarantee have been obtained or effected (or, in the case of registrations, will be so effected within any applicable required period) and, if obtained and effected, are in full force and effect and all fees (if any) payable in connection therewith, if due, have been paid and there has been no default in the performance of any of the terms or conditions thereof which is material to the effectiveness of any of the foregoing.

5.2. Repetition

The representations and warranties set out in Clause 5.1 (*Matters Represented*) shall survive the execution of this Guarantee and shall be deemed to be repeated by the Debt Guarantor in favour of the Senior Secured Noteholders on each day prior to the Discharge Date in full, in each case with reference to the facts and circumstances then subsisting as if made at each such time.

6. DURATION

The representations and warranties in Clause 5 (*Representations and Warranties*) and the undertakings in Clause 7 (*Undertakings by the Debt Guarantor*) shall come into force on the Signature Date and shall continue in force until the Discharge Date.

7. UNDERTAKINGS BY THE DEBT GUARANTOR

- 7.1. The Debt Guarantor will from time to time during the currency of this Guarantee promptly furnish the Senior Secured Noteholders with such information concerning the financial affairs of the Debt Guarantor as the Senior Secured Noteholders may reasonably require.
- 7.2. The Debt Guarantor will obtain and promptly renew from time to time, and will promptly furnish certified copies to the Senior Secured Noteholders of all such authorisations, approvals, consents, licences and exemptions as may be required under any applicable law or regulation to enable it to perform its obligations under this Guarantee or required for the validity or enforceability thereof and the Debt Guarantor shall comply with the terms of the same.

8. RENUNCIATION OF BENEFITS

The Debt Guarantor renounces, to the extent permitted under applicable law, the benefits of each of the legal exceptions of excussion, division, revision of accounts, no value received, *errore calculi*, *non causa debiti*, *non numeratae pecuniae* and cession of actions, and declares that it understands the meaning of each such legal exception and the effect of such renunciation.

9. CERTIFICATES

A certificate signed by any director or manager of any Senior Secured Noteholder (whose appointment need not be proved) as to the existence of and the amount of indebtedness by the Debt Guarantor or the Issuer, as the case may be, to the Senior Secured Noteholders, that such amount is due and payable, the amount of interest accrued thereon and as to any other fact, matter or thing related to the Debt Guarantor's or the Issuer's, as the case may be, indebtedness to the Senior Secured Noteholders under this Guarantee or the Guaranteed Obligations, as the case may be, shall be *prima facie* proof of the contents and correctness thereof for the purposes of provisional sentence, summary judgment or any other proceedings, shall be valid as a liquid document for such purpose and shall, in addition, be *prima facie* proof for purposes of pleading or trial in any action instituted by the Debt Guarantor arising herefrom.

10. SPLITTING OF CLAIMS

To the extent that a splitting of claims arises as a result of the provisions of this Guarantee, the Debt Guarantor hereby consents to such splitting of claims.

11. REMEDIES CUMULATIVE

11.1. The rights of the Senior Secured Noteholders under this Guarantee:

11.1.1. may be exercised as often as necessary;

11.1.2. are cumulative and not exclusive of their rights under general law, and

11.1.3. may be waived only in writing and specifically.

11.2. Delay in exercising or non-exercise of any such rights is not a waiver of those rights.

12. TRANSFER AGENT

12.1. The Guarantee will be deposited with, and be held by, the Transfer Agent until the date on which all of the obligations of the Issuer and the Debt Guarantor under or in respect of the Notes have been discharged in full.

12.2. The Debt Guarantor acknowledges and agrees that each Senior Secured Noteholder shall be entitled to require the Transfer Agent to produce the original of this Guarantee on request and further shall be entitled to require the Transfer Agent, which shall be obliged, to provide a copy of this Guarantee to that Senior Secured Noteholder on request. In holding the Guarantee, the Transfer Agent shall not act in any fiduciary or similar capacity for the Senior Secured Noteholders and shall not accept any liability, duty or responsibility to Senior Secured Noteholders in this regard.

13. NOTICES AND DOMICILIA

13.1. Communications in Writing

Any communication to be made under or in connection with this Guarantee shall be made in writing and, unless otherwise stated, may be made by fax, email or letter.

13.2. Addresses

The address, email address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Guarantee is:

13.2.1. in the case of the Debt Guarantor:

3rd Floor 200 on Main
Cnr Main and Bowwood Roads
Claremont
Western Cape
7708

Email: tamara@gmgtrust.co.za
Telefax No.: +27 86 242 2681
Attention: Tamara Ross-Gillespie

or any substitute address or fax number or department or officer as a Party may notify to the other Parties by not less than 5 (five) Business Days' written notice.

13.3. Domicilia

13.3.1. Each of the Parties chooses its physical address provided under or in connection with Clause 13.2 (*Addresses*) as its *domicilium citandi et executandi* at which documents in legal proceedings in connection with this Guarantee may be served.

13.3.2. Any Party may by written notice to the other Parties change its *domicilium* from time to time to another address, not being a post office box or a *poste restante*, in South Africa, provided that any such change shall only be effective on the 14th (fourteenth) day after deemed receipt of the notice by the other Parties pursuant to Clause 13.4 (*Delivery*).

13.4. Delivery

13.4.1. Any communication or document made or delivered by one person to another under or in connection with this Guarantee will:

13.4.1.1. if by way of fax, be deemed to have been received on the 1st (first) Business Day following the date of transmission provided that the fax is received in legible form;

13.4.1.2. if delivered by email, be deemed to have been received at the time of receiving a delivery notice;

13.4.1.3. if delivered by hand, be deemed to have been received at the time of delivery; and

- 13.4.1.4. if by way of courier service, be deemed to have been received on the 7th (seventh) Business Day following the date of such sending,

and provided, if a particular department or officer is specified as part of its address details provided under Clause 13.2 (*Addresses*), if such communication or document is addressed to that department or officer, unless the contrary is proved.

- 13.4.2. Any communication or document to be made or delivered to a Senior Secured Noteholder will be effective only when actually received by that Senior Secured Noteholder and then only if it is expressly marked for the attention of the department or officer specified as part of its address details provided under Clause 13.2 (*Addresses*) (or any substitute department or officer as the relevant Senior Secured Noteholder shall specify for this purpose).

- 13.4.3. Notwithstanding anything to the contrary herein contained, a written notice or communication actually received by a Party shall be an adequate written notice or communication to it, notwithstanding that it was not sent to or delivered at its chosen address, email address and/or telefax number.

13.5. **English Language**

Any notice or other document given under or in connection with this Guarantee must be in English.

14. **SOLE AGREEMENT**

The Guarantee constitutes the sole record of the agreement between the Parties in regard to the subject matter thereof.

15. **NO IMPLIED TERMS**

No Party shall be bound by any express or implied term, representation, warranty, promise or the like, not recorded in this Guarantee.

16. **AMENDMENTS AND WAIVERS**

- 16.1. No variation, amendment or consensual cancellation of this Guarantee and no extension of time, waiver or relaxation or suspension of any of the provisions or terms of this Guarantee shall be of any force or effect unless effected in accordance with the provisions of this Clause 16 (*Amendments and Waivers*).

- 16.2. Any term of this Guarantee may be varied or amended and any extension of time, waiver or relaxation or suspension of any of the provisions or terms of this Guarantee may be granted, in each case, only with the consent of all the Parties and any such variation, amendment, waiver, extension of time, relaxation or suspension will be binding on all Parties.

- 16.3. No variation, amendment or consensual cancellation of this Guarantee contemplated by this Clause 16 (*Amendments and Waivers*) shall be of any force or effect unless in writing and signed by or on behalf of the relevant Parties.

- 16.4. No oral *pactum de non petendo* shall be of any force or effect.

17. EXTENSIONS AND WAIVERS

No latitude, extension of time or other indulgence which may be given or allowed by any Party to any other Party in respect of the performance of any obligation hereunder or enforcement of any right arising from this Guarantee and no single or partial exercise of any right by any Party shall under any circumstances be construed to be an implied consent by such Party or operate as a waiver or a novation of, or otherwise affect any of that Party's rights in terms of or arising from this Guarantee or estop such Party from enforcing, at any time and without notice, strict and punctual compliance with each and every provision or term of this Guarantee.

18. FURTHER ASSURANCES

The Parties undertake at all times to do all such things, to perform all such acts and to take all such steps and to procure the doing of all such things, the performance of all such actions and the taking of all such steps as may be open to them and necessary for the putting into effect or maintenance of the terms, conditions and import of this Guarantee.

19. INDEPENDENT ADVICE

Each of the Parties acknowledges that they have been free to secure independent legal and other advice as to the nature and effect of all of the provisions of this Guarantee and that they have either taken such independent legal and other advice or dispensed with the necessity of doing so. Further, each of the Parties acknowledges that all of the provisions of this Guarantee and the restrictions therein contained are fair and reasonable in all the circumstances and are part of the overall intention of the Parties in connection with this Guarantee.

20. COUNTERPARTS

This Guarantee may be executed in any number of counterparts and by different parties thereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same Guarantee.

21. WAIVER OF IMMUNITY

The Debt Guarantor irrevocably and unconditionally waives any right it may have to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process.

22. GOVERNING LAW

This Guarantee and any non-contractual obligations arising out of or in connection with it is governed by South African law.

23. JURISDICTION

- 23.1. The Debt Guarantor hereby irrevocably and unconditionally consents and submits to the jurisdiction of the South Gauteng High Court, Johannesburg, South Africa (or any successor to that division) in regard to all matters arising from this Guarantee (including a dispute relating to the existence, validity or termination of this Guarantee, any Guaranteed Obligation or any non-contractual obligation arising out of or in connection with this Guarantee or any Guaranteed Obligation) (a Dispute).

23.2. The Debt Guarantor agrees that the South Gauteng High Court, Johannesburg, South Africa (or any successor to that division) is the most appropriate and convenient court to settle Disputes and accordingly:

23.2.1. it will not argue to the contrary;

23.2.2. it hereby waives any objection to the jurisdiction of that court on the grounds of venue or *forum non conveniens* or any similar grounds; and

23.2.3. it consents to service of process in any manner permitted by applicable law.

23.3. This Clause 23 is for the benefit of the Senior Secured Noteholders only. As a result, the Senior Secured Noteholders shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction as they see fit. To the extent allowed by law, the Senior Secured Noteholders may take concurrent proceedings in any number of jurisdictions.

24. SEVERABILITY

Each provision in this Guarantee is severable from all others, notwithstanding the manner in which they may be linked together or grouped grammatically, and if in terms of any judgment or order, any provision, phrase, sentence, paragraph or clause is found to be defective or unenforceable for any reason, the remaining provisions, phrases, sentences, paragraphs and clauses shall nevertheless continue to be of full force. In particular, and without limiting the generality of the foregoing, the Parties acknowledge their intention to continue to be bound by this Guarantee notwithstanding that any provision may be found to be unenforceable or void or voidable, in which event the provision concerned shall be severed from the other provisions, each of which shall continue to be of full force.


25. COSTS

The Debt Guarantor shall on demand pay to, or at the direction of, the Senior Secured Noteholders all costs and expenses (including legal and out-of-pocket expenses on the attorney and own client scale), charges and disbursements and fees of a like nature, including all Taxes, incurred by the Senior Secured Noteholders (whether before or after judgement) in preserving, enforcing or defending, or attempting to preserve, enforce or defend, any of their rights under this Guarantee or the Security Documents or any related documents.

- SIGNATURE PAGES FOLLOW -

SIGNED at CARE Town on this the 6th day of DECEMBER 2013.

For and on behalf of
BOWWOOD AND MAIN NO 87
PROPRIETARY LIMITED


Name: T. ROSS-GUESSE
Capacity: DIRECTOR
Who warrants his authority hereto

**SCHEDULE 1
SECURED PROPERTIES**

NO.	IMMOVABLE PROPERTY
1.	Erf 29755 Kimberley
2.	Erf 2380 Kimberley
3.	Remaining Extent of Erf 1366, Portion 2 of Erf 1366 and Portion 3 of Erf 1366 Sunninghill Extension 61
4.	Portion 1 of Erf 1366 Sunninghill Extension 61
5.	Erf 1399 Sunninghill Extension 61
6.	Erf 3115 Kaalfontein Extension 6
7.	Erf 184 Nelspruit Extension
8.	Erf 76 Nelspruit
9.	Erf 113 Nelspruit and Erf 171 Nelspruit Extension
10.	Erf 1327 Nelspruit Extension 7
11.	Erven 5 and 6 Vintonia
12.	Erven 29 and 30 Vintonia Extension 2
13.	Erf 115 Nelspruit
14.	Erven 4294 and 248 Nelspruit Extension
15.	Remaining Extent of Erf 1770 West Acres Extension 1
16.	Erf 240 Nelspruit Extension
17.	Erf 241 Nelspruit Extension
18.	Erf 175 Whiteriver

DOCUMENTS INCORPORATED BY REFERENCE

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

1. In addition to the documents incorporated by reference into the Programme Memorandum (see section of the Programme Memorandum headed "*Documents Incorporated by Reference*"):
 - 1.1. the audited annual financial statements, and notes thereto, of the Debt Guarantor in respect of its financial years, as and when such audited financial statements become available; and
 - 1.2. the Debt Guarantee dated 6 December 2013 executed by the Debt Guarantor in favour of the Noteholders,

shall be deemed to be incorporated in, and form part of, this Applicable Pricing Supplement.

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