



EMIRA PROPERTY FUND LIMITED

(Incorporated in the Republic of South Africa with limited liability under registration number 2014/130842/06)

Issue of ZAR100 000 000 Senior Secured Floating Rate Listed Notes with a Stock Code EPF018

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

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum, dated 7 December 2018, prepared by Emira Property Fund Limited in connection with the Emira Property Fund Limited ZAR5,000,000,000 Domestic Medium Term Note Programme, as amended and/or supplemented from time to time (the **Programme Memorandum**).

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

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.

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

The JSE takes no responsibility for the contents of the Programme Memorandum and the annual financial statements and/or this Applicable Pricing Supplement and/or the annual report of the Issuer and any amendments or supplements to the aforementioned documents. The JSE makes no representation as to the accuracy or completeness of the Programme Memorandum, the annual financial statements and/or this Applicable Pricing Supplement and/or the annual report of the Issuer and any amendments or supplements to the aforementioned documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the aforementioned documents. The JSE's approval of the registration of the Programme Memorandum and listing of the debt securities is not to be taken in any way as an indication of the merits of the Issuer or of the Notes and that, to the extent permitted by law, the JSE will not be liable for any claim whatsoever.

PARTIES

- | | |
|--------------|--|
| 1. Issuer | Emira Property Fund Limited |
| 2. Dealer(s) | Rand Merchant Bank, a division of FirstRand Bank Limited |
| 3. Managers | N/A |

4.	Debt Sponsor	Rand Merchant Bank, a division of FirstRand Bank Limited
5.	Specified Address	1 Merchant Place Cnr Fredman Drive & Rivonia Road Sandton 2196
6.	Paying Agent	Rand Merchant Bank, a division of FirstRand Bank Limited
	Specified Address	1 Merchant Place Cnr Fredman Drive & Rivonia Road Sandton 2196
7.	Calculation Agent	Rand Merchant Bank, a division of FirstRand Bank Limited
	Specified Address	1 Merchant Place Cnr Fredman Drive & Rivonia Road Sandton 2196
8.	Transfer Agent	Rand Merchant Bank, a division of FirstRand Bank Limited
	Specified Address	1 Merchant Place Cnr Fredman Drive & Rivonia Road Sandton 2196
9.	Settlement Agent	Rand Merchant Bank, a division of FirstRand Bank Limited
	Specified Address	1 Merchant Place Cnr Fredman Drive & Rivonia Road Sandton 2196

PROVISIONS RELATING TO THE NOTES

10.	Status of Notes	Senior Secured
11.	Form of Notes	The Notes in this Tranche are Listed and are issued in uncertificated form
12.	Series Number	60
13.	Tranche Number	1
14.	Aggregate Nominal Amount of this Tranche	ZAR100 000 000
15.	Interest	Interest-bearing
16.	Interest Payment Basis	Floating Rate
17.	Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another	N/A
18.	Issue Date	13 December 2018
19.	Nominal Amount per Note	ZAR1 000 000
20.	Specified Denomination	ZAR1 000 000
21.	Specified Currency	ZAR

22.	Issue Price	ZAR100 000 000
23.	Interest Commencement Date	13 December 2018
24.	Maturity Date	13 December 2025
25.	Applicable Business Day Convention	Following Business Day
26.	Final Redemption Amount	100% of the Principal Amount of each Note
27.	Last Day to Register	by 17h00 on 1 March, 1 June, 1 September and 1 December each year, or if such day is not a Business Day, the Business Day before each Books Closed Period
28.	Books Closed Period(s)	The register will be closed from (and including) 2 March to (but excluding) 12 March, from (and including) 2 June to (but excluding) 12 June, from (and including) 2 September to (but excluding) 12 September, from (and including) 2 December to (but excluding) 12 December of each year until the Maturity Date
29.	Default Rate	N/A
30.	Set out the relevant description of any additional/other Terms and Conditions relating to the Notes (including additional covenants, if any)	See Appendix "C" for additional/amended Terms and Conditions relating to the Notes
FIXED RATE NOTES		N/A
FLOATING RATE NOTES		
31.	(a) Interest Payment Date(s)	13 December, 13 March, 13 June and 13 September of each year until the Maturity Date or, if such day is not a Business Day, the Business Day on which the interest will be paid, as determined in accordance with the applicable Business Day Convention (as specified in this Applicable Pricing Supplement)
	(b) Interest Period(s)	each period commencing on (and including) an Interest Payment Date and ending on (but excluding) the following Interest Payment Date; provided that the first Interest Period will commence on (and include) the interest commencement date and end on (but exclude) 13 March 2019 (each Interest Payment Date as adjusted in accordance with the applicable Business Day Convention)
	(c) Definition of Business Day (if different from that set out in Condition 1) (<i>Interpretation</i>)	N/A
	(d) Minimum Rate of Interest	N/A
	(e) Maximum Rate of Interest	N/A
	(f) Other terms relating to the method of calculating interest (e.g.: Day Count Fraction, rounding up provision)	Actual/365
32.	Manner in which the Rate of Interest	Screen Rate Determination

is to be determined

- | | |
|---|--|
| 33. Margin | 180 basis points to be added to the relevant Reference Rate |
| 34. If ISDA Determination: | |
| (a) Floating Rate | N/A |
| (b) Floating Rate Option | N/A |
| (c) Designated Maturity | N/A |
| (d) Reset Date(s) | N/A |
| (e) ISDA Definitions to apply | N/A |
| 35. If Screen Rate Determination: | |
| (a) Reference Rate (including relevant period by reference to which the Rate of Interest is to be calculated) | ZAR-JIBAR-SAFEX with a designated maturity of three months |
| (b) Interest Rate Determination Date(s) | The auction date for the first Interest Period being 10 December 2018, and the first Business Day of each Interest Period thereafter |
| (c) Relevant Screen Page and Reference Code | Reuters page SAFEX code 01209 or any successor page |
| 36. If Rate of Interest to be calculated otherwise than by ISDA Determination or Screen Rate Determination, insert basis for determining Rate of Interest/Margin/ Fallback provisions | N/A |
| 37. Calculation Agent responsible for calculating amount of principal and interest | Rand Merchant Bank, a division of FirstRand Bank Limited |

ZERO COUPON 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

- | | |
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| 38. Redemption at the Option of the Issuer: | No |
| If yes: | |
| (a) Optional Redemption Date(s) | N/A |
| (b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s) | N/A |
| (c) Minimum period of notice (if different from Condition 9.3 | N/A |

	<i>the Issuer</i>)	
	(d) If redeemable in part:	N/A
	Minimum Redemption Amount(s)	N/A
	Higher Redemption Amount(s)	N/A
	(e) Other terms applicable on Redemption	N/A
39.	Redemption at the option of the Senior Noteholders:	No
	If yes:	
	(a) Optional Redemption Date(s)	N/A
	(b) Optional Redemption Amount(s)	N/A
	(c) Minimum period of notice (if different from Condition 9.4 (<i>Redemption at the Option of the Senior Noteholders</i>))	N/A
	(d) If redeemable in part:	
	Minimum Redemption Amount(s)	N/A
	Higher Redemption Amount(s)	N/A
	(e) Other terms applicable on Redemption	N/A
	(f) Attach <i>pro forma</i> put notice(s)	
40.	Redemption in the event of a Change of Control at the election of Noteholders pursuant to Condition 9.6 (<i>Redemption in the event of a Change of Control</i>) or any other terms applicable to a Change of Control	Yes
41.	Redemption in the event of a failure to maintain JSE listing or credit rating at the election of Noteholders pursuant to Condition 9.7 (<i>Redemption in the event of a failure to maintain JSE listing or credit rating</i>)	Yes
42.	Early Redemption Amount(s) payable on redemption for taxation reasons in terms of Condition 9.2 (<i>Redemption for Tax Reasons</i>) or on Event of Default, as defined in Condition 16 (<i>Events of Default</i>) (if required) or if different from that set out in Condition 9.8 (<i>Early Redemption Amounts</i>).	N/A. Early Redemption Amounts are payable as per Condition 9.8 (<i>Early Redemption Amounts</i>)
	If yes:	
	(a) Amount payable; or	
	(b) Method of calculation of	

amount payable

GENERAL

43. Programme Amount	ZAR5 000 000 000. The authorised amount of the Programme has not been exceeded.
44. Financial Exchange	JSE
45. Additional selling restrictions	N/A
46. ISIN No.	ZAG000156118
47. Stock Code	EPF018
48. Stabilising manager	N/A
49. Provisions relating to stabilisation	N/A
50. The notice period required for exchanging uncertificated Notes for Individual Certificates	N/A
51. Method of distribution	Private Placement
52. Credit Rating assigned to the Notes	AA(ZA) assigned on a long term national scale as at December 2018, which may be reviewed from time to time
53. Applicable Rating Agency	Global Credit Ratings
54. Governing law (if the laws of South Africa are not applicable)	South Africa
55. Aggregate outstanding Nominal Amount of all Notes in issue on the Issue Date of this Tranche	ZAR3 800 000 000, excluding this Tranche of Notes and any other Tranche(s) of Notes to be issued on the Issue Date
56. Aggregate outstanding Nominal Amount of Notes in issue in respect of the Series on the Issue Date of this Tranche	ZARnil, excluding this Tranche of Notes and any other Tranche(s) of Notes to be issued in respect of the Series on the Issue Date
57. Aggregate Outstanding Principal Amount of Notes in issue in respect of the Group 1 Notes on the Issue Date of this Tranche	ZAR400 000 000, excluding this Tranche of Notes and any other Tranche(s) of Notes to be issued in respect of the Group 1 Notes on the Issue Date
58. Other provisions	See Appendix "C"

DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3(5) OF THE COMMERCIAL PAPER REGULATIONS IN RELATION TO THIS ISSUE OF NOTES – SEE APPENDIX "A"

SECURITY STRUCTURE - SEE APPENDIX "B"

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

As at the date of this Pricing Supplement, following due and careful enquiry, there has been no material change in the financial or trading position of the Issuer and its subsidiaries since the end of the last financial period for which either audited annual consolidated financial statements

or unaudited interim consolidated financial results have been published. No auditors have been involved in making such statement.

Application is hereby made to list this Tranche of the Notes, as from 13 December 2018 pursuant to the Emira Property Fund Limited Domestic Medium Term Note Programme. The updated Programme was registered with the JSE on 7 December 2018.

EMIRA PROPERTY FUND LIMITED

Signed at Johannesburg on behalf of Emira Property Fund Limited, on 11 December 2018



Name: G.S. Bouysse
Capacity: Director
Who warrants his/her authority thereto



Name: Udo Beyer
Capacity: Director
Who warrants his/her authority thereto

APPENDIX "A"

DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3(5) OF THE COMMERCIAL PAPER REGULATIONS IN RELATION TO THIS ISSUE OF NOTES

At the date of this Applicable Pricing Supplement:

Paragraph 3(5)(a)

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

Paragraph 3(5)(b)

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

Paragraph 3(5)(c)

The auditor of the Issuer is Ernst & Young Inc.

Paragraph 3(5)(d)

As at the date of this issue:

- (i) the amount of Notes in issue by the Issuer is ZAR3 800 000 000(excluding the EPF018 Notes); and
- (ii) it is anticipated that the Issuer will the Issuer will issue additional Notes with an estimated nominal value of ZAR165 000 000 (excluding the EPF018 Notes) during the remainder of its current financial year ended 30 June 2019, in addition to the Notes issued on the Issue Date.

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.

Paragraph 3(5)(f)

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

Paragraph 3(5)(g)

The Notes issued will be listed.

Paragraph 3(5)(h)

The funds to be raised through the issue of the Notes are to be used by the Issuer to re-finance financial indebtedness under the Group 1 Notes.

Paragraph 3(5)(i)

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

Paragraph 3(5)(j)

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

APPENDIX "B"

SECURITY STRUCTURE

All the Notes of Group 1 share in the same security.

SECURITY IN FAVOUR OF THE GROUP 1 NOTEHOLDERS

MORTGAGE BOND SPV GUARANTEE

The Mortgage Bond SPV will bind itself under an irrevocable guarantee to the Trustee, acting on behalf of the Group 1 Noteholders, pursuant to the terms and conditions stated in the Mortgage Bond SPV Guarantee. Pursuant to such Mortgage Bond SPV Guarantee, the Mortgage Bond SPV will undertake in favour of the Trustee, acting on behalf of the Group 1 Noteholders, to pay it the full amount then owing to it by an Obligor, if an Acceleration Notice is delivered following an event of default under the Group 1 Notes or a Subsidiary Guarantee. The liability of the Mortgage Bond SPV pursuant to the Mortgage Bond SPV Guarantee will be limited in the aggregate to the net amount recovered by the Mortgage Bond SPV from each Obligor arising out of each Counter-Indemnity Agreement and, if necessary, the Security Documents referred to below.

COUNTER INDEMNITY AGREEMENTS

Each Obligor which has Properties included in the Group 1 Property Portfolio will execute a Counter-Indemnity Agreement, indemnifying the Mortgage Bond SPV in respect of claims that may be made against the Mortgage Bond SPV arising out of the Mortgage Bond SPV Guarantee. An Obligor shall not be entitled to refuse to make payment under the Counter-Indemnity Agreement to the Mortgage Bond SPV by reason of the fact that the Mortgage Bond SPV has not paid the claims of the Trustee under the Mortgage Bond SPV Guarantee nor shall an Obligor be entitled to refuse to make payment by reason of the fact that the liability of the Mortgage Bond SPV in respect of any such Mortgage Bond SPV Guarantee is limited in the manner set out in the Mortgage Bond SPV Guarantee.

SECURITY

In accordance with each Mortgage Bond, each Obligor mortgages its properties in the Group 1 Property Portfolio to the Mortgage Bond SPV, as security for the obligations of that Obligor to the Mortgage Bond SPV under the relevant Counter-Indemnity Agreement or acts of guarantee executed by the Subsidiary Guarantor or given by the Mortgage Bond SPV on behalf of that Obligor. In accordance with each Security Cession, each Obligor cedes in security to the Mortgage Bond SPV, as security for its obligations under the relevant Counter Indemnity Agreement, its rights, title and interest in and to the Tenant Lease Agreements, the Lease Payments and other claims against Tenants under such Tenant Lease Agreements, the Rent Collections Accounts and all monies in such bank accounts from time to time, the Property Management Agreements, the Insurance Policies and Insurance Proceeds and the Related Security in respect of each Property (all as defined in the relevant Security Cession), to the extent that such asset is reflected in the relevant Security Cession.

THE MORTGAGE BOND SPV

Introduction

The Mortgage Bond SPV was incorporated and registered in South Africa on 16 January 2004, under registration number 2004/000792/07, under the Companies Act, 61 of 1973, as amended, as a private company with limited liability. The Mortgage Bond SPV has no subsidiaries. The shares in the Mortgage Bond SPV are held by the trustees for the time being of The Freestone Security SPV Owner Trust. The current trustees of the Owner Trust are TMF Corporate Services (South Africa) Proprietary Limited.

Registered office

The registered office of the Mortgage Bond SPV is situated at 1st Floor, 4 Merchant Place, Fredman Drive and Rivonia Road, Sandton, 2196.

Auditors

The current auditors of the Mortgage Bond SPV are KPMG Incorporated.

Activities

The activities of the Mortgage Bond SPV are to enter into, amend and perform the obligations and exercise the Mortgage Bond SPV's rights under the Mortgage Bond SPV Guarantee, the Counter-Indemnity Agreement and any other activities reasonably incidental thereto.

APPENDIX "C"

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

EVENTS OF DEFAULT

Condition 16.1 (Events of Default relating to the Senior Notes) of the Terms and Conditions set out in the Programme Memorandum is amended in relation to the Notes of this Tranche by the insertion of the following new Conditions 16.1.11, 16.1.12 and 16.1.13:

"16.1.11 *Breach of Mortgage Bond SPV Guarantee*: the Mortgage Bond SPV fails to perform any of its obligations under the Mortgage Bond SPV Guarantee, and such failure, if capable of remedy, remains unremedied for 15 Business Days after written notice thereof has been delivered by the Trustee to the Mortgage Bond SPV; or

16.1.12 *Mortgage Bond SPV Guarantee and/or other Finance Documents Unenforceable*: any obligation of the Mortgage Bond SPV under the Mortgage Bond SPV Guarantee and/or other Finance Document to which it is a party becomes unenforceable for any reason whatsoever and such unenforceability, if capable of remedy, remains unremedied for 15 Business Days after written notice thereof has been delivered by the Trustee to the Mortgage Bond SPV; or

16.1.13 *Security Unenforceable*: any security interest granted or purported to be granted by the Subsidiary Guarantor pursuant to any of the Finance Documents becomes unenforceable for any reason whatsoever and such unenforceability, if capable of remedy, remains unremedied for 15 Business Days after written notice thereof has been delivered by the Trustee to the Issuer and the Subsidiary Guarantor.

EVENTS OF DEFAULT

Condition 16.1 (Events of Default relating to the Senior Notes) of the Terms and Conditions set out in the Programme Memorandum is amended in relation to the Notes of this Tranche by the deletion of the hanging paragraph at the end of Condition 16.1 and the replacement thereof of the following Condition 16.1A:

16.1 Condition 16.1A - Steps following an Event of Default relating to the Senior Notes

16.1.1 If an Event of Default occurs in relation to the Notes of the Series:

- (a) the Calculation Agent and/or the Issuer will forthwith inform the Trustee and the JSE thereof; and
- (b) 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 16.1.1(a) or otherwise), forthwith call a meeting of the Group 1 Noteholders

16.1.2 Following the occurrence of an Event of Default, the Trustee may, and if so directed by an Extraordinary Resolution of the Group 1 Noteholders shall, give written notice (an **"Acceleration Notice"**) to the Issuer that the Group 1 Notes are, and they shall accordingly become, immediately due and payable at their Early Redemption Amount together with accrued and unpaid interest (if any) thereon to the date of payment.

THIRD PARTY RIGHTS AND OBLIGATIONS

The Terms and Conditions set out in the Programme Memorandum are amended in relation to the Notes of this Tranche by the insertion of the following additional Condition 24 (**Third party rights and obligations**):

24. Condition 24 Third party rights and obligations

- 24.1 Each Group 1 Noteholder, upon its subscription for Group 1 Notes and the issue of Group 1 Notes to it, or upon the transfer of Group 1 Notes to it, as the case may be, shall be entitled to the benefit of, and be bound by, and will be deemed to have notice of, those provisions of the Mortgage Bond SPV Guarantee which confer rights and/or impose obligations on the Group 1 Noteholders.
- 24.2 It is recorded that in terms of the Mortgage Bond SPV Guarantee, the Mortgage Bond SPV, upon signing the Mortgage Bond SPV Guarantee, is deemed to have been given notice of the Terms and Conditions of the Group 1 Notes, and the Mortgage Bond SPV shall be bound by those provisions of the Terms and Conditions of the Group 1 Notes which confer rights and/or impose obligations on the Mortgage Bond SPV.
- 24.3 Each Group 1 Noteholder, upon its subscription for Group 1 Notes and the issue of Group 1 Notes to it, or upon the transfer of Group 1 Notes to it, as the case may be, shall be entitled to the benefit of, and be bound by, and will be deemed to have notice of, all the provisions of the Trust Deed.

MEETINGS OF THE GROUP 1 NOTEHOLDERS

The Terms and Conditions set out in the Programme Memorandum are amended in relation to the Notes of this Tranche by the insertion of the following additional Condition 25:

25. Condition 25 - Meetings of the Group 1 Noteholders

Where a meeting of the Group 1 Noteholders is to be convened, in accordance with these Terms and Conditions or the trust deed of the Emira Note Trust, then the provisions of this Condition 25 shall apply.

25.1 Convening of meetings

- 25.1.1 The Issuer or the Trustee may at any time convene a meeting of the Group 1 Noteholders (a "**meeting**").
- 25.1.2 The Issuer or the Trustee will convene a meeting of the Group 1 Noteholders upon the requisition in writing of Group 1 Noteholders holding not less than 10% of the aggregate Outstanding Principal Amount of the Group 1 Notes (a "**requisition notice**").
- 25.1.3 Whenever the Issuer wishes to convene a meeting, it will forthwith give notice in writing to the Group 1 Noteholders in the manner prescribed in Condition 18 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.
- 25.1.4 Whenever the Trustee wishes or is obliged to convene a meeting it will forthwith give notice in writing to the Group 1 Noteholders and the Issuer in the manner prescribed in Condition 18, 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.
- 25.1.5 All meetings of the Group 1 Noteholders will be held in Johannesburg.
- 25.1.6 The Issuer or the Trustee may conduct a meeting of Group 1 Noteholders entirely by electronic communication (as defined in the Companies Act) or provide for participation in a meeting by electronic communication and shall provide for participation by electronic communication if so requested in writing by Group 1 Noteholders holding not less than 30% of the aggregate Outstanding Principal Amount of the Group 1 Notes. Accordingly, one or more Group 1 Noteholders, or proxies for Group 1 Noteholders, may participate by electronic communication in all or part of any Group 1 Noteholders meeting that is being held in person, so long as the electronic communication employed ordinarily enables all persons participating in that meeting to communicate concurrently with each other and without an intermediary, and to participate reasonably effectively in the meeting. Any notice of any meeting of Group 1 Noteholders at which it will be possible for Group 1 Noteholders to participate by way of electronic communication shall inform Group 1 Noteholders of the ability to so participate and shall provide any necessary information to enable Group 1

Noteholders or their proxies to access the available medium or means of electronic communication, provided that such access shall be at the expense of the Group 1 Noteholder or proxy concerned.

25.2 Requisition

25.2.1 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.

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

25.3 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.

25.4 Notice of meeting

Unless every Group 1 Noteholder who is entitled to exercise voting rights in respect of any item on the meeting agenda is present at the meeting and votes for a shorter minimum notice period, at least 15 Business 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 Group 1 Noteholder, to the Issuer and to the Trustee.

25.5 Quorum

25.5.1 A quorum at a meeting shall:

- (a) for the purposes of considering an Ordinary Resolution, consist of Group 1 Noteholders present in person or by proxy and holding in the aggregate not less than one-third of the aggregate Outstanding Principal Amount of the Group 1 Notes;
- (b) 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 any matter which is to be decided by Extraordinary Resolution of the Group 1 Noteholders, consist of Group 1 Noteholders present in person or by proxy and holding in the aggregate not less than a clear majority of the aggregate Outstanding Principal Amount of the Group 1 Notes.

25.5.2 No business will be transacted at a meeting of the Group 1 Noteholders unless a quorum is present at the time when the meeting proceeds to business.

25.5.3 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 Group 1 Noteholders 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 Group 1 Noteholders present, in person or by proxy, will constitute a quorum for the purpose of considering any resolution, including an Extraordinary Resolution.

25.6 **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 Group 1 Noteholders then present will choose one of their own to preside as chairman.

25.7 **Adjournment**

25.7.1 Subject to the provisions of this Condition 25 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.

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

25.7.3 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 Group 1 Noteholder. In the case of a meeting adjourned in terms of Condition 25.7.1, the notice will state that the Group 1 Noteholders present in person or by proxy at the adjourned meeting will constitute a quorum.

25.8 **How questions are decided**

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

25.8.2 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.

25.9 **Votes**

Voting shall only take place on a poll and not on a show of hands. On a poll every Group 1 Noteholder, present in person or by proxy, will be entitled to one vote in respect of each ZAR1.00 in Group 1 Notes held. In relation to joint Group 1 Noteholders, the vote may be exercised only by that Group 1 Noteholder whose name appears first on the Register in the event that more

than one of such Group 1 Noteholders is present, in person or by proxy, at the meeting. The Group 1 Noteholder in respect of Group 1 Notes 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 Group 1 Notes 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.

25.10 Proxies and representatives

- 25.10.1 Group 1 Noteholders, present either in person or by proxy, may vote on a poll. A Group 1 Noteholder, may by an instrument in writing (a “**proxy form**”) signed by the Group 1 Noteholder (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.
- 25.10.2 A person appointed to act as proxy need not be a Group 1 Noteholder.
- 25.10.3 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, at any time before the proxy exercises the rights of the Noteholder at the meeting or adjourned meeting at which the person named in such proxy proposes to vote.
- 25.10.4 No proxy form will be valid after the expiration of 6 months from the date named in it as the date of its execution.
- 25.10.5 Notwithstanding Condition 25.10.4, a proxy form will be valid for any adjourned meeting, unless the contrary is stated thereon.
- 25.10.6 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 Group 1 Noteholder, pursuant to which the proxy form was executed or of the authority under which the proxy form was executed or the transfer of Group 1 Notes 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.
- 25.10.7 Any Group 1 Noteholder which is a juristic person may authorise any person to act as its representative in connection with any meeting or proposed meeting of the Group 1 Noteholders, by resolution of the directors or other governing body of the juristic person. Any reference in the Terms and Conditions to a Group 1 Noteholder or any other member of the Group 1 Noteholders present in person, includes the duly authorised representative of a Group 1 Noteholder or any other member of the Group 1 Noteholders, as the case may be, which is a juristic person.

25.11 Minutes

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

25.11.2 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 Group 1 Noteholders 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.

25.12 Written resolutions

A resolution in writing submitted to the Group 1 Noteholders entitled to exercise voting rights in relation to the resolution, and signed by Group 1 Noteholders holding more than 50% in the case of a matter to be adopted by Ordinary Resolution or at least 66.67% in the case of a matter to be adopted by Extraordinary Resolution, of the outstanding Principal Amount of the Group 1 Notes, within 20 Business Days after the written resolution was submitted to such Noteholders, 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 Group 1 Noteholders. That resolution may consist of two or more documents in the same form each of which is signed by one or more of the Group 1 Noteholders. Each Group 1 Noteholder shall, promptly after signature of the resolution by it, submit a copy of the resolution as signed by it to the Issuer. Within 48 hours after adoption of the resolution, the Issuer shall notify all the Group 1 Noteholders through SENS of the results of the resolution put to the vote in writing as contemplated in this Condition 25.12.

COVENANTS

The Terms and Conditions set out in the Programme Memorandum are amended in relation to the Notes of this Tranche by the insertion of the following additional Condition 26 (Covenants):

26. Condition 26 – Covenants

- 26.1 The Issuer must ensure that the Loan to Valuation Ratio (Group 1) of the Group 1 Property Portfolio does not exceed 40% at any time, based on the most recent Open Market Valuation.
- 26.2 The Issuer must deliver a compliance certificate to the Trustee in respect of the financial covenant referred to in Condition 26.1:
 - 26.2.1 within 90 days of the last day of each financial year and half financial year of Issuer;
 - 26.2.2 at least 2 Business Days prior to the issue of further Group 1 Notes, taking account of the pro forma effect of the issue of such Notes; and
 - 26.2.3 prior to the disposal of, addition to, or substitution of, Properties in the Group 1 Property Portfolio, taking account of the pro forma effect of the disposal of, addition to, or substitution of, such Properties.
- 26.3 A compliance certificate must be signed by the financial director of the Issuer or by 2 other duly authorised directors of the Issuer.
- 26.4 The covenants shall be tested on:
 - 26.4.1 the last day of each financial year and half financial year of the Issuer;
 - 26.4.2 the date of issue of any further Group 1 Notes; or
 - 26.4.3 the date of registration in the deeds office of the disposal of, addition to, or substitution of, Properties in the Group 1 Property Portfolio,

as the case may be, in relation to each 12 month period ending on (i) that date, in the case of 26.4.1, or ii) the last day of the month preceding that date, in the case of 26.4.2 and 26.4.3, by reference to the audited consolidated financial statements of the Issuer on that date, or, if not available, then the unaudited consolidated financial statements of the Issuer on that date.
- 26.5 The Issuer is entitled to dispose of, add to, or substitute, Properties in the Group 1 Property Portfolio, subject to compliance with the following provisions:
 - 26.5.1 the Issuer must deliver a compliance certificate to the Trustee in accordance with the provisions of Condition 26.2.3, signed in accordance with the provisions of Condition 26.3, confirming compliance with the covenant referred to in Condition 26.1;
 - 26.5.2 the compliance certificate must (i) identify the Properties to be disposed of, added to, or substituted, in the Group 1 Property Portfolio, and (ii) include as an

annexure to the certificate, an updated list of the Properties that will form part of the Group 1 Property Portfolio following the disposal of, addition to, or substitution of, such Properties, and the Mortgage Bonds in respect of such Properties;

- 26.5.3 upon receipt by the Trustee of a compliance certificate in accordance with the provisions of Condition 26.5, confirming compliance with the covenant referred to in Condition 26.1, the Trustee will instruct the Mortgage Bond SPV to sign any documents required to give effect to any addition to, substitution of, or sale of, Properties in the Group 1 Property Portfolio and the release of the security in respect of the Properties to be disposed of or substituted, including the cancellation of the Mortgage Bonds in respect of such Properties.
- 26.6 The Issuer will provide the Trustee with a list of the Properties in the Group 1 Property Portfolio on or before the Issue Date. The Trustee will maintain an updated list of the Properties in the Group 1 Property Portfolio, based on the list attached to the compliance certificate provided to the Trustee by the Issuer following the disposal of, addition to, or substitution of, Properties in the Group 1 Property Portfolio.

ADDITIONAL DEFINITIONS IN RESPECT OF THE GROUP 1 NOTES

The Terms and Conditions set out in the Programme Memorandum are amended in relation to the Notes of this Tranche by the insertion of the following additional Condition 27 (Additional Definitions in respect of the Group 1 Notes):

27. CONDITION 27 – ADDITIONAL DEFINITIONS IN RESPECT OF THE GROUP 1 NOTES

Terms and expressions set out below will have the meanings set out below in the Terms and Conditions of the Notes of this Tranche:

- 27.1 **Counter-Indemnity Agreement** means, in respect of each Obligor, the counter-indemnity agreement concluded between that Obligor and the Mortgage Bond SPV, pursuant to which that Obligor indemnifies and holds the Mortgage Bond SPV harmless in respect of claims made against the Mortgage Bond SPV under the Mortgage Bond SPV Guarantee;
- 27.2 **FPI** means Freestone Property Investments (Proprietary) Limited, a private company incorporated in accordance with the laws of South Africa, registration number 2005/022554/07;
- 27.3 **Finance Documents** means:
 - 27.3.1 the Trust Deed;
 - 27.3.2 the Terms and Conditions of the Group 1 Notes;
 - 27.3.3 each Subsidiary Guarantee;
 - 27.3.4 the Security Documents; and
 - 27.3.5 any other document which is from time to time designated by the Trustee (on behalf of the Group 1 Noteholders) and the Issuer as a Finance Document,

and **Finance Document** means any of them, as the context may require;
- 27.4 **Group 1 Noteholders** means the holders of the Group 1 Notes;
- 27.5 **Group 1 Notes** means each Tranche of Notes sharing in the same security as this Tranche of Notes, and designated as a Group 1 Note in its Applicable Pricing Supplement;
- 27.6 **Group 1 Property Portfolio** means those Properties in the Property Portfolio which provide security in respect of the Group 1 Notes, listed in a schedule provided to the Trustee on the Issue Date, as such schedule may be updated from time to time, including following any disposal of, addition to or substitution of, the Properties in accordance with the provisions Condition 26 of the Group 1 Notes;
- 27.7 **Institute of Valuers** means The South African Institute of Valuers, founded in 1909, the national society of professional real estate valuers, or its successor;

- 27.8 **Loan to Valuation Ratio (Group 1)** means at any time, in respect of the Group 1 Notes, the ratio as expressed as follows:

Loan to Valuation Ratio (Group 1) = L divided by V

Where:

L = the aggregate Outstanding Principal Amount of the Group 1 Notes; and

V = the amount of the most recent Open Market Valuation of all the Properties in the Group 1 Property Portfolio;

- 27.9 **Mortgage Bond** means, in respect of each Property, a first-ranking continuing covering mortgage bond (whether a principal bond or collateral bond)(or such lower ranking continuing covering mortgage bond provided that all higher ranking mortgage bonds are or will be registered in favour of the Mortgage Bond SPV) registered in favour of the Mortgage Bond SPV over such Property (or the long term lease or sub-lease in respect of such Property, as the case may be), securing the obligations of the relevant Obligor to the Mortgage Bond SPV under the relevant Counter-Indemnity Agreement to which that Obligor is a party;
- 27.10 **Mortgage Bond SPV** means Freestone Mortgage Bond SPV Series 1 (RF) Proprietary Limited, a company duly incorporated in accordance with the laws of South Africa, registration number 2004/000792/07;
- 27.11 **Mortgage Bond SPV Guarantee** means the guarantee issued by the Mortgage Bond SPV in favour of the Trustee, on behalf of the Group 1 Noteholders, for the obligations of the Obligors under the Finance Documents;
- 27.12 **Obligors** means the (i) Issuer and (ii) each Subsidiary of the Issuer that has executed a Counter-Indemnity Agreement pursuant to which that Subsidiary indemnifies and holds the Mortgage Bond SPV harmless in respect of claims made against the Mortgage Bond SPV under the Mortgage Bond SPV Guarantee, and "**Obligor**" means any one of them, as the context requires;
- 27.13 **Open Market Valuation** means in respect of the Properties in the Group 1 Property Portfolio, the annual property valuation undertaken and prepared at the instance of the Issuer in regard to all the Properties in the Group 1 Property Portfolio, which in relation to a minimum of 1/3 of the Properties in the Group 1 Property Portfolio, shall be undertaken by a Valuer or Valuers appointed by the Issuer and conducted in accordance with the valuation methodology approved by the Institute of Valuers from time to time; provided that in respect of any 3 year period all of the Properties in the Group 1 Property Portfolio will have been valued, in accordance with the valuation methodology approved by the Institute of Valuers from time to time or such other methodology approved in writing by Valuers approved by the Issuer;
- 27.14 **Property** means a property in the Property Portfolio;
- 27.15 **Property Portfolio** means the fixed, immovable properties registered in the name of an Obligor (in each case, as sole owner or co-owner, as the case may be) or in respect of which that Obligor has registered leasehold rights, from time to time;

- 27.16 **Principal Amount** means, in relation to any Note, the nominal amount of that Note, being the amount on the Issue Date equivalent to the Specified Denomination set out in the Applicable Pricing Supplement;
- 27.17 **Secured Creditors** means the Group 1 Noteholders, represented by the Trustee;
- 27.18 **Security Cession** means:
- 27.18.1 in respect FPI, the written agreement entitled "Cession in Security" entered into between FPI and the Mortgage Bond SPV on 13 June 2006, as amended, pursuant to which FPI cedes in security to the Mortgage Bond SPV, as security for its obligations under the Counter Indemnity Agreement to which it is a party, its rights, title and interest in and to the Tenant Lease Agreements, the Lease Payments and other claims against Tenants under such Tenant Lease Agreements, the Rent Collections Accounts and all monies in such bank accounts from time to time, the Property Management Agreements, the Insurance Policies and Insurance Proceeds and the Related Security in respect of each Property (all as defined *therein*); and
- 27.18.2 in respect of each other Obligor that is party to a Counter-Indemnity Agreement, the agreement entered into between that Obligor and the Mortgage Bond SPV, pursuant to which that Obligor cedes in security to the Mortgage Bond SPV, as security for its obligations under the Counter Indemnity Agreement to which it is a party, its rights, title and interest in and to the Tenant Lease Agreements, the Lease Payments and other claims against Tenants under such Tenant Lease Agreements, the Rent Collections Accounts and all monies in such bank accounts from time to time, the Property Management Agreements, the Insurance Policies and Insurance Proceeds and the Related Security in respect of each Property (all as defined *therein*), to the extent that such asset is reflected in the relevant Security Cession;
- 27.19 **Security Documents** means:
- 27.19.1 the Mortgage Bond SPV Guarantee;
- 27.19.2 each Counter-Indemnity Agreement;
- 27.19.3 each Security Cession;
- 27.19.4 each Mortgage Bond; and
- 27.19.5 any other document which is from time to time designated by the Trustee (on behalf of the Group 1 Noteholders) and the Issuer as a Security Document;
- 27.20 **Subsidiary Guarantee** means, in respect of each Subsidiary Guarantor, the guarantee granted by that Subsidiary Guarantor for the payment obligations of the Issuer under the Group 1 Notes;
- 27.21 **Subsidiary Guarantor** means each Subsidiary of the Issuer that has executed a Subsidiary Guarantee pursuant to which that Subsidiary guarantees the payment obligations of the Issuer under the Group 1 Notes;

- 27.22 **Trustee** means the trustee for the time being of the Emira Note Trust, acting on behalf of and for the benefit of the Group 1 Noteholders, which shall initially be TMF Corporate Services (South Africa) Proprietary Limited (Registration number 2006/013631/07), a company duly registered and incorporated in accordance with the company laws of South Africa; and
- 27.23 **Valuer** means an accredited property valuer registered as such in terms of the Valuer's Act, 1982, who is independent of the Issuer and any Property Manager.

TRUSTEE

TMF Corporate Services (South Africa) Proprietary Limited (Registration number 2006/013631/07) will be appointed in terms of a trust deed between the Trustee and the Issuer, to act as trustee on behalf of and for the benefit of Group 1 Noteholders.

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 Conditions of the Group 1 Notes, including the rights and duties in terms of Condition 16.1 (Steps following an Event of Default relating to the Group 1 Notes), Condition 25 (Meetings of the Group 1 Noteholders) and Condition 26 (Covenants).

The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer or any Obligor as it may think fit to enforce the provisions of the Trust Deed, the Group 1 Notes or any other Finance Document, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Group 1 Notes or any other Finance Document, unless (i) it shall have been so directed by an Extraordinary Resolution of the Group 1 Noteholders or been so requested in writing by Group 1 Noteholders holding at least 66.67% of the aggregate Outstanding Principal Amount of the Group 1 Notes for the time being outstanding, and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

No Group 1 Noteholder shall be entitled to proceed directly against the Issuer or any Obligor which has furnished security, unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

The Trust Deed sets out provisions relating to the replacement of the Trustee, including following a resolution to this effect by the Noteholders, by a majority consisting of not less than 75% of the votes cast on a poll by the Noteholders, present in person or by proxy at a meeting convened in terms of the Terms and Conditions of the Group 1 Notes.

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 Group 1 Noteholders 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 Conditions or the Trust Deed and such report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee and the Group 1 Noteholders in the absence of manifest error.

In connection with the exercise of its functions the Trustee shall have regard to the interests of the Group 1 Noteholders 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 Group 1 Noteholders 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 Group 1 Noteholder 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 Group 1 Noteholders.

The contact details of the Trustee as follows:

TMF Corporate Services (South Africa) (Pty) Ltd

3rd Floor

200 on Main

Cnr Main and Bowwood Roads

Claremont

7708

Contact: Mandy Collis

Telephone: +27 21 657 6010

E-mail: legal.jhb@tmf-group.com

DOCUMENTS INCORPORATED BY REFERENCE

For so long as the Group 1 Notes are outstanding, the following documents listed below are deemed to be incorporated into, and to form part of, the Programme Memorandum, in addition to the documents listed in the Programme Memorandum, and will be available for inspection by Noteholders at the registered office of the Issuer following signature thereof:

- (a) the Trust Deed;
- (b) the Subsidiary Guarantee;
- (c) the Security Documents;
- (d) the audited annual financial statements of the Issuer, for the financial years ended 30 June 2016, 30 June 2017 and 30 June 2018, and for each financial year ended thereafter, together with such statements, reports and notes attached to or intended to be read with such financial statements;
- (e) the unaudited interim financial results of the Issuer for the financial half-year ended 31 December 2017, and for each financial year ended thereafter, together with such statements, reports and the notes thereto or intended to be read with such unaudited interim financial results.