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## APPLICABLE PRICING SUPPLEMENT

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### HOSPITALITY PROPERTY FUND LIMITED

*(Incorporated in the Republic of South Africa with limited liability under registration number 2009/016487/06)*

#### Issue of ZAR80,000,000 Senior Unsecured Floating Rate Notes due 15 April 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 28 March 2013, prepared by Hospitality Property Fund Limited in connection with the Hospitality 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 (including Appendix "A" headed "*Additional Terms and Conditions*") 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 and which shall be referred to hereinafter as **Senior Unsecured Notes**. The Senior Unsecured 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            | Hospitality Property Fund Limited   |
| 2. | Dealer            | FirstRand Bank Limited (acting through its Rand Merchant Bank division)           |
| 3. | Managers          | N/A   |
| 4. | Debt Sponsor      | FirstRand Bank Limited (acting through its Rand Merchant Bank division)           |
| 5. | Paying Agent      | FirstRand Bank Limited (acting through its Rand Merchant Bank division)           |
|    | Specified Address | 1 Merchant Place, Cnr Fredman Drive and Rivonia Road, Sandton, 2196, South Africa |
| 6. | Calculation Agent | FirstRand Bank Limited (acting through its Rand Merchant Bank division)           |
|    | Specified Address | 1 Merchant Place, Cnr Fredman Drive and Rivonia Road, Sandton, 2196, South Africa |
| 7. | Transfer Agent    | FirstRand Bank Limited (acting through its Rand Merchant Bank division)           |
|    | Specified Address | 1 Merchant Place, Cnr Fredman Drive and Rivonia Road, Sandton, 2196, South Africa |

## PROVISIONS RELATING TO THE NOTES

|     |   |  |
|-----|---|--|
| 8.  | Status of Notes   | Senior Unsecured   |
| 9.  | Form of Notes   | Listed Notes   |
| 10. | Series Number   | 3  |
| 11. | Tranche Number  | 1  |
| 12. | Aggregate Nominal Amount:   |  |
|     | (a) Series  | ZAR80,000,000  |
|     | (b) Tranche   | ZAR80,000,000  |
| 13. | Interest  | Interest-bearing   |
| 14. | Interest Payment Basis  | Floating Rate  |
| 15. | Automatic/Optional Conversion from one Interest/ Redemption/ Payment Basis to another | N/A  |
| 16. | Form of Notes   | The Senior Unsecured Notes in this Tranche are issued in uncertificated form and held by the CSD   |
| 17. | Issue Date  | 15 April 2013  |
| 18. | Nominal Amount per Note   | ZAR1,000,000   |
| 19. | Specified Denomination  | ZAR1,000,000   |
| 20. | Specified Currency  | ZAR  |
| 21. | Issue Price   | 100%   |
| 22. | Interest Commencement Date  | 15 April 2013  |
| 23. | Maturity Date   | 15 April 2016  |
| 24. | Applicable Business Day Convention  | Following Business Day   |
| 25. | Final Redemption Amount   | ZAR80,000,000  |
| 26. | Last Day to Register  | By 17:00 on 4 January, 4 April, 4 July and 4 October in each year until the Maturity Date  |
| 27. | Books Closed Period(s)  | The Register will be closed from 5 January to 14 January, from 5 April to 14 April, from 5 July to 14 July and from 5 October to 14 October (all dates inclusive) in each year until the Maturity Date |
| 28. | Default Rate  | N/A  |

## FIXED RATE NOTES

N/A

## FLOATING RATE NOTES

|     |                                       |   |
|-----|---------------------------------------|---|
| 29. | (a) Floating Interest Payment Date(s) | 15 January, 15 April, 15 July and 15 October, of each year until the Maturity Date with the first Floating Interest Payment Date being 15 July 2013   |
|     | (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, rounding up provision)   | N/A   |
| 30.   | Manner in which the Rate of Interest is to be determined   | Screen Rate Determination   |
| 31.   | Margin   | 270 basis points to be added to the relevant Reference Rate   |
| 32.   | If ISDA Determination  | N/A   |
| 33.   | If Screen 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 3 months  |
|   | (b) Interest Rate Determination Date(s)  | Each Floating Interest Payment Date save for the First Interest Rate Determination Date being 10 April 2013 |
|   | (c) Relevant Screen Page and Reference Code  | Reuters page or any applicable successor page   |
| 34.   | 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   |
| 35.   | Calculation Agent responsible for calculating amount of principal and interest   | N/A   |
| <b>ZERO COUPON NOTES</b>                        |  | N/A   |
| <b>PARTLY PAID NOTES</b>                        |  | N/A   |
| <b>INSTALMENT NOTES</b>                         |  | N/A   |
| <b>MIXED RATE NOTES</b>                         |  | N/A   |
| <b>INDEX-LINKED NOTES</b>                       |  | N/A   |
| <b>DUAL CURRENCY NOTES</b>                      |  | N/A   |
| <b>EXCHANGEABLE NOTES</b>                       |  | N/A   |
| <b>OTHER NOTES</b>                              |  | N/A   |
| <b>PROVISIONS REGARDING REDEMPTION/MATURITY</b> |  |   |
| 36.   | Redemption at the Option of the Issuer:  | No  |
| 37.   | Redemption at the Option of the Senior Noteholders:  | Yes (See Appendix A for additional redemption events relating to the Senior Unsecured Notes.)               |

- |     |   |     |
|-----|---|-----|
| 38. | Redemption in the event of a Change of Control at the election of Noteholders pursuant to Condition 11.5 ( <i>Redemption in the event of a Change of Control</i> ) or any other terms applicable to a Change of Control | Yes |
| 39. | Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default (if required).   | Yes |

#### GENERAL

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|-----|--|---|
| 40. | Financial Exchange   | Interest Rate Market of the JSE Limited   |
| 41. | Additional selling restrictions                                | N/A   |
| 42. | ISIN No.   | ZAG000104811  |
| 43. | Stock Code   | HPF03   |
| 44. | Stabilising manager  | N/A   |
| 45. | Provisions relating to stabilisation                           | N/A   |
| 46. | Method of distribution   | Private Placement   |
| 47. | Credit Rating assigned to the Issuer                           | BBB-(ZA) National Long Term unsecured, assigned as at October 2012 and to be reviewed and updated in October 2013 |
| 48. | Applicable Rating Agency                                       | Global Credit Rating Co. Proprietary Limited  |
| 49. | Governing law (if the laws of South Africa are not applicable) | N/A   |
| 50. | Other provisions   | <i>See Appendix "A" for Additional Terms and Conditions relating to the Senior Unsecured Notes.</i>               |

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

51. Paragraph 3(5)(a)  
The "ultimate borrower" (as defined in the Commercial Paper Regulations) is the Issuer.
52. Paragraph 3(5)(b)  
The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments under the Senior Unsecured Notes.
53. Paragraph 3(5)(c)  
The auditor of the Issuer is KPMG Inc.
54. Paragraph 3(5)(d)  
As at the date of this issue:
- (i) the Issuer has not issued Commercial Paper (as defined in the Commercial Paper Regulations); and
  - (ii) the Issuer estimates that it may issue ZAR270,000,000 of Commercial Paper during the current financial year, ending 30 June 2013.
55. 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 Senior Unsecured Notes

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

56. 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.

57. Paragraph 3(5)(g)

The Senior Unsecured Notes issued will be listed.

58. Paragraph 3(5)(h)

The funds to be raised through the issue of the Senior Unsecured Notes are to be used by the Issuer in connection with the purchase of the hotel property known as the 'Radisson Blu Gautrain Hotel'.

59. Paragraph 3(5)(i)

The obligations of the Issuer in respect of the Senior Unsecured Notes are unsecured.

60. Paragraph 3(5)(j)

KPMG Inc, the statutory auditors of the Issuer, have confirmed that nothing has come to their attention to indicate that this issue of Senior Unsecured Notes issued under the Programme will not comply in all respects with the relevant provisions of the Commercial Paper Regulations.


**Responsibility:**

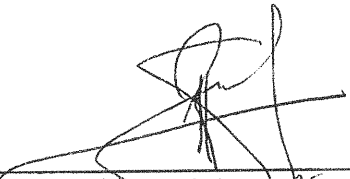
The Issuer accepts full responsibility for the information contained in this Applicable Pricing Supplement. To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case) the information contained in this Applicable Pricing Supplement is in accordance 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 listings requirements of the JSE.

Application is hereby made to list this issue of Senior Unsecured Notes on 15 April 2013.

SIGNED at ROSEBANK on this 12<sup>TH</sup> day of April 2013

For and on behalf of  
**HOSPITALITY PROPERTY FUND LIMITED**

  
Name: GERALD ALAN NELSON  
Capacity: Director  
Who warrants his/her authority hereto

  
Name: RISHWAN ASMAL  
Capacity: Director  
Who warrants his/her authority hereto

## **APPENDIX "A"**

### **ADDITIONAL TERMS AND CONDITIONS**

## ADDITIONAL TERMS AND CONDITIONS

*The following are additional terms and conditions (the **Additional Terms and Conditions**) which apply to the HPF03 Notes (the **Senior Unsecured Notes**) and which will be incorporated by reference into each Senior Unsecured Note.*

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

### 1. Undertakings

- 1.1. The Issuer shall for so long as any Senior Unsecured Note remains Outstanding, ensure that the Senior Unsecured Notes are listed on the Interest Rate Market of the JSE.
- 1.2. If a breach of the undertaking set out in paragraph 1.1 above occurs, then the Issuer shall redeem all the Senior Unsecured Notes at the Early Redemption Amount calculated in accordance with Condition 10.6 (*Early Redemption Amounts*) together with accrued interest (if any) within 15 (fifteen) Days of having received a written notice from the Noteholders to redeem the Senior Unsecured Notes in accordance with Condition 19 (*Notices*).
- 1.3. The Issuer shall ensure that transfer of the property set out in Schedule 1 hereto (*Property*) shall have been registered in the name of HPF Properties Proprietary Limited at the applicable Deeds Registry office on or before the date falling 1 month after the Issue Date.
- 1.4. Upon the occurrence of a breach of the undertaking set out in paragraph 1.3 above, the Issuer shall:
  - 1.4.1. provide written notice thereof to all Noteholders in accordance with Condition 19 (*Notices*); and
  - 1.4.2. within 15 (fifteen) Days of the notice set out in paragraph 1.4.1 above, redeem the Senior Unsecured Notes at the Early Redemption Amount calculated in accordance with Condition 10.6 (*Early Redemption Amounts*) together with accrued interest (if any).

### 2. Rating Downgrade

- 2.1. A **Rating Downgrade** shall in relation to the Senior Unsecured Notes be deemed to have occurred if the Rating previously assigned to the Issuer by any Rating Agency is, at any time while any Senior Unsecured Note remains Outstanding changed from an Investment Grade Rating to a non-Investment Grade Rating, provided that no Rating Downgrade shall have occurred if the Rating assigned to the Issuer, is substituted for an Investment Grade Rating by another Rating Agency.

- 2.2. Upon the occurrence of a Rating Downgrade:
- 2.2.1. the Issuer shall promptly give notice to the Noteholders in accordance with Condition 19 (*Notices*) specifying the nature and particulars of the Rating Downgrade; and
  - 2.2.2. the Margin to be added to the Reference Rate shall be increased by an amount equal to 25% (twenty five percent) of such Margin (the **Step-up Margin**) effective from the immediately following Interest Payment Date, provided that if the Rating Downgrade occurs during any Books Closed Period, the Step-up Margin shall be effective from the Interest Payment Date immediately after the following Interest Payment Date.
- 2.3. The Step-up Margin shall prevail until such date as the Rating assigned to the Issuer as at the Issue Date is restored (the **Rating Reset Date**).
- 2.4. With effect from the Interest Period immediately following the Rating Reset Date, the Margin shall be as set out in item 31 of the Applicable Pricing Supplement



## Property

1. The units consisting of:

- 1.1 sections 40, 41, 42, 43 and 44 as shown and more fully described on the Sectional Plan in the scheme known as Sandton Eye in respect of the land and building or buildings situate at Remaining Extent of Portion 1 of Erf 13 Sandown Township, Local Authority City of Johannesburg of which sections the total floor area according to the draft sectional plan is estimated to be in extent of 5 462 square metres; and
- 1.2 an undivided share in the common property in the said scheme apportioned to the said sections in accordance with the participation quota as endorsed on the said sectional plan,

held currently by virtue of Deed of Transfers ST 61-5/2011 and ST 61-29/2011; and

- 1.3 exclusive use areas P101, 102, 104 to 119 estimated to be in extent 721 square metres, being parking, as shown and more fully described on Sectional Plan, currently held by Notarial Deed of Exclusive Use Areas SK 781 11S,

it being recorded that:

- 1.4 the part of the property comprises 169 (one hundred and sixty nine) rooms (being the guest rooms on floors 5, 6, 7, 8 and 9 of the building) constituting 78.2% (seventy eight point two percent) of the guest rooms operated by the Radisson Blu Gautrain Hotel, together with all movables, equipment, furniture, and decorations normally in the guest rooms;
- 1.5 the undivided share in the common property includes the Plant and Equipment situated on such common property; and
- 1.6 part of the Property comprises 53 (fifty three) parking bays.

2. The units consisting of:

- 2.1 Sections 26, 39 and 45 as shown and more fully described on Sectional Plan in the scheme known as Sandton Eye in respect of the land and building or buildings situate at Remaining Extent of Portion 1 of Erf 13 Sandown Township, Local Authority City of Johannesburg of which sections the total floor area according to the draft sectional plan is estimated to be in extent of 1685 square metres in extent; and
- 2.2 an undivided share in the common property in the said scheme apportioned to the said sections in accordance with the participation quota as endorsed on the said sectional plan,

held currently by virtue of Deed of Transfers ST 61-26/2012, ST 61-29/2011 and ST 61-5/2011; and

- 2.3 exclusive use areas P93, P95 and P97 to P100 estimated to be in extent 176 square metres, being parking, as shown and more fully described on Sectional Plan, currently held by Notarial Deed of Exclusive Use Areas SK 781 11S, SK 781 11S and SK 781 11S,

it being recorded that:

- 2.4 the part of the Property described in clause 2.1 comprises 47 (forty seven) rooms (being the guest rooms on floors 4, 10 and 11 of the Building) constituting 21.8% (twenty one point eight percent) of the guest rooms operated by the Radisson Blu Gautrain Hotel in terms of the Radisson Blu Gautrain Hotel Management Agreement, together with all movables, equipment, furniture, and decorations normally in the guest rooms;
- 2.5 the undivided share in the common property described in clause 2.2 includes the Plant and Equipment situated on such common property; and
- 2.6 the part of the Property described in clause 2.3 comprises 16 (sixteen) parking bays;
3. the units consisting of:
- 3.1 sections 37 and 38 as shown and more fully described on the Sectional Plan known as Sandton Eye in respect of the land and building or buildings situate at Remaining Extent of Portion 1 of Erf 13 Sandown Township, Local Authority City of Johannesburg of which sections the floor area according to the said sectional plan is 6 228 metres in extent; and
- 3.2 an undivided share in the common property in the said scheme apportioned to the said sections in accordance with the participation quota as endorsed on the said sectional plan,

currently held by virtue of Deed of Transfer ST 61-5/2011 and ST 61-29/2011,

it being recorded that:

- 3.3 the part of the property comprises all areas, excluding the 216 (two hundred and sixteen) guest rooms; and
- 3.4 the undivided share in the common property includes the Plant and Equipment situated on such common property.