



**REDINK RENTALS (RF) LIMITED**

*(Incorporated in South Africa with limited liability under registration number 2015/090404/06)*

**Issue of R29,000,000 Secured Class A Notes**

**Under its Secured Note Programme**

**Transaction No. 6 - EMHL5**

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described in this Applicable Pricing Supplement.

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum issued by Redink Rentals (RF) Limited, dated 29 May 2015. 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.

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the section of the Programme Memorandum entitled "*Terms and Conditions of the Notes*" or in the Common Terms Agreement in relation to this Transaction No. 6, dated on or about 27 March 2018. References in this Applicable Pricing Supplement to the Terms and Conditions are to the section of the Programme Memorandum entitled "*Terms and Conditions of the Notes*". References to any Condition in this Applicable Pricing Supplement are to that Condition of the Terms and Conditions.

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

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

Pricing Supplement or the annual financial statements or any other information incorporated by reference into the Programme Memorandum (as amended or restated from time to time).

The Issuer certifies that the Principal Amount of the Notes to be issued and described in this Applicable Pricing Supplement together with the aggregate Outstanding Principal Amount of all other Notes in issue at the Issue Date in respect of this Transaction No.6 - EMHL5 under the Programme ("**Transaction No. 6**") will not exceed the Transaction Limit as specified in item 61 below.

## DESCRIPTION OF THE TRANSACTION

### 1 Transaction No. 6

The Issuer makes available to the Borrower a Rand denominated term loan facility in an aggregate capital amount equal to R54,000,000 (the "**Loan Agreement**") which will be used by the Borrower to repay a portion of a loan advanced to it by its sole shareholder (the "**Shareholder**"). As security for the Borrower's obligations under the Loan Agreement –

- (a) the Borrower will cede *in securitatem debiti* to the Issuer all its right, title and interest in and to all Instalment Sale Agreements (as defined in 3 below) and its bank account(s) (the "**Borrower Security Cession**"); and
- (b) the Shareholder will pledge and cede *in securitatem debiti* to the Issuer all its right, title and interest in and to all shares in and claims on loan account against the Borrower (the "**Shareholder Pledge and Cession**").

The Shareholder will also enter into a subordination agreement with the Issuer in terms of which it will subordinate all claims it may have against the Borrower in favour of the Issuer on the terms and the conditions set out therein (the "**Subordination Agreement**")

### 2 Borrower

Emerging Markets Home Loans Five Proprietary Limited ("**EMHL5**")

- |   |  |  |
|---|--|--|
| 3 | Address, description and significant business activities of the Borrower         | <p>EMHL5's primary business activities involves the sale of immovable property to customers by entering into an instalment sale agreement with each customer (the "<b>Instalment Sale Agreements</b>")</p> <p>For additional information see:</p> <p><a href="https://chartwellgroup.co.za/">www.https://chartwellgroup.co.za/</a></p> <p>Address: Nicol Main Office Park<br/>2 Bruton Road, Bryanston<br/>Johannesburg<br/>South Africa, 2191</p>   |
| 4 | Back-up Servicer   | N/A  |
| 5 | Description of the Business Activities of the Administrator                      | <p>Redinkcapital Proprietary Limited ("<b>Redinkcapital</b>"), a boutique corporate advisory firm, provides independent transaction execution services to corporate entities and financial sponsors on debt financing strategies throughout Africa. For further information please refer to their website, "<a href="http://www.red-inc.co.za">www.red-inc.co.za</a>"</p>  |
| 6 | Description of Security to be provided to Secured Creditors of Transaction No. 6 | <p>Pursuant to the Security SPV Guarantee, dated on or about 27 March 2018 ("<b>Transaction No. 6 Security SPV Guarantee</b>"), the Security SPV undertakes in favour of each Secured Creditor of Transaction No. 6 to pay to it the full amount then owing to it by the Issuer if an Event of Default should occur under the Notes or the respective Transaction Documents in relation to Transaction No. 6.</p> <p>The liability of the Security SPV pursuant to the Transaction No. 6 Security SPV Guarantee will be limited in the aggregate to the net amount recovered by the Security SPV from the Issuer arising out of the Issuer Indemnity, dated on or about 27 March 2018 ("<b>Transaction No. 6 Issuer Indemnity</b>"), in terms of which the Issuer irrevocably and unconditionally indemnifies the Security SPV from and holds the Security SPV harmless against all and any claims arising out of, or in the enforcement of,</p> |

the Transaction No. 6 Security SPV Guarantee.

The Issuer's obligations in terms of the Transaction No. 6 Issuer Indemnity are secured by the cession in *securitatem debiti* agreement, dated on or about 27 March 2018, ("**Transaction No. 6 Security Cession Agreement**") in terms of which the Issuer cedes in *securitatem debiti* to and in favour of the Security SPV all of the Ceded Rights, where "**Ceded Rights**" means all the Issuer's rights, title and interests in and to -

- (a) the bank account opened in the name of the Issuer with Nedbank Limited, account number 1160978697, into which all monies received or to be received by the Issuer in relation to Transaction No. 6 will be deposited ("**Transaction No. 6 Transaction Account**");
- (b) all monies held from time to time in the name of or on behalf of the Issuer in the Transaction No. 6 Transaction Account;
- (c) any Permitted Investment (as defined in the Programme Memorandum) to be made by the Issuer (or the Administrator on behalf of the Issuer) with cash standing to the credit of the Transaction No. 6 Transaction Account from time to time;
- (d) the Transaction Documents (as specified in the Transaction No. 6 Security Cession Agreement),

in relation to Transaction No. 6, whether actual, prospective or contingent, direct or indirect, common law or statutory, whether a claim to payment of money or to performance of any other obligation, and whether or not the said rights and interests were within the contemplation of the parties at the Date

of Signature of the Transaction No. 6 Security Cession Agreement.

7 Transaction Documents

The documents constituting the transaction titled "Transaction No. 6 - EMHL5"), being –

- (a) the Loan Agreement;
- (b) the Borrower Security Cession;
- (c) the Shareholder Pledge and Cession;
- (d) the Subordination Agreement;
- (e) the Transaction No. 6 Security SPV Guarantee;
- (f) the Transaction No. 6 Issuer Indemnity;
- (g) the Transaction No. 6 Security Cession Agreement;
- (h) each Note (including the Terms and Conditions and Applicable Pricing Supplement in respect thereof);
- (i) the Preference Share Subscription Agreement;
- (j) the Common Terms Agreement; and
- (k) the Administration Agreement

(collectively, the "**Transaction Documents**")

**DESCRIPTION OF THE NOTES**

8	Issuer	Redink Rentals (RF) Limited
9	Status and Class of the Notes	Secured Class A Notes
10	Tranche number	1
11	Series number	6
12	Aggregate Principal Amount of this Tranche	R29,000,000
13	Issue Date	29 March 2018

14	Minimum Denomination per Note	R1,000,000
15	Issue Price	100%
16	Applicable Business Day Convention	Following Business Day
17	Determination Date	N/A
18	Interest Commencement Date	29 March 2018
19	Payment Date	The 9 <sup>th</sup> day of each calendar month
20	Repayment of Principal	The principal amount due on each Payment Date prior to the Scheduled Maturity Date will be an amount determined in accordance with the following formula –

$$X = \frac{Y}{Z} \times DA$$

where –

X = the principal amount payable in respect of the Class A Notes;

Y = the Outstanding Principal Amount in relation to the Class A Notes issued under Transaction No. 6;

Z = the Outstanding Principal Amount in relation to all the Notes issued under Transaction No. 6; and

DA = the aggregate amount of all capital payments received by the Issuer from the Borrower under the Loan Agreement,

as estimated in Annexure C.

The principal amount due on the Scheduled Maturity Date will be the equivalent of the capital amount repaid by the Borrower to the Issuer (as lender under the Loan Agreement) on the Scheduled Repayment Date (as defined in the Loan Agreement).

If the Outstanding Principal Amount has not been repaid in full on the Scheduled Maturity Date, the principal amount due on each Payment Date after the Scheduled Maturity Date will be an

amount determined in accordance with the following formula until the Outstanding Principal Amount has been repaid in full –

$$X = \frac{Y}{Z} \times DA$$

where –

X = the principal amount payable in respect of the Class A Notes;

Y = the Outstanding Principal Amount in relation to the Class A Notes issued under Transaction No. 6;

Z = the Outstanding Principal Amount in relation to all the Notes issued under Transaction No. 6; and

DA = the aggregate amount of all capital payments received by the Issuer from the Borrower under the Loan Agreement.

If not repaid in full prior to that date, the Outstanding Principal Amount (together with all accrued and unpaid interest, costs and fees) shall be repaid in full by the Issuer to the Noteholders on the Final Redemption Date.

Save as provided for in the Terms and Conditions of the Notes and in this Applicable Pricing Supplement, the Issuer shall not be entitled to redeem the Notes (in whole or in part) prior to the Scheduled Maturity Date.

After the Scheduled Maturity Date, and provided that the Outstanding Principal Amount of all the Notes has not been repaid in full on the Scheduled Maturity Date, the Issuer will have the option, on any Payment Date after the Scheduled Maturity Date to redeem the Outstanding Principal Amount of the Notes without premium or penalty.

22	Final Redemption Date	9 December 2030
23	Final Redemption Amount (principal)	100% of the Outstanding Principal Amount
24	Mandatory Redemption by the Issuer	<p>(a) If, for whatever reason (including but not limited to the occurrence of an event of default under the Loan Agreement (as set out in Annexure A hereto), the Capital Outstanding (as defined in the Loan Agreement) and all accrued and unpaid interest becomes due and payable by the Borrower to the Issuer in terms of the Loan Agreement, the Issuer shall notify the Noteholders thereof and the Outstanding Principal Amount and all accrued interest will become immediately due and payable and the Issuer shall, on the next Payment Date, redeem the Notes at their Outstanding Principal Amount together with all accrued but unpaid interest, provided that the Issuer has received the Capital Outstanding (as defined in the Loan Agreement) and all accrued interest from the Borrower.</p> <p>(b) If the net proceeds of the issuance of the Notes as contemplated in this Applicable Pricing Supplement is not advanced as the capital amount under the Loan Agreement (as contemplated in paragraph 25 below) within three Business Days of the Issue Date, the Issuer shall notify the Noteholders thereof and the Outstanding Principal Amount will become immediately due and payable and the Issuer shall, on the fourth Business Day after the Issue Date, redeem the Notes at their Outstanding Principal Amount together with all interest that the Issuer may have received in respect of the proceeds.</p>



25	Use of Proceeds	The net proceeds of the issue of this Tranche will be used to advance the capital amount under the Loan Agreement
26	Specified Currency	Rand
27	Set out the relevant description of any additional Terms and Conditions relating to the Notes and/or amendments to the Priority of Payments	See Annexure B
28	Hedge Counterparty	N/A
29	Safe Custody Agent	Nedbank Limited
30	Senior Expense Facility Provider(s)	N/A
31	Account Bank	Nedbank Limited
32	Calculation Agent, if not Redinkcapital	N/A
33	Specified Office of the Calculation Agent	No 2 Sandton Drive Sandton 2196
34	Transfer Agent, if not Redinkcapital	N/A
35	Specified Office of the Transfer Agent	No 2 Sandton Drive Sandton 2196
36	Paying Agent, if not Redinkcapital Limited	N/A
37	Specified Office of the Paying Agent	No 2 Sandton Drive Sandton 2196

#### **FLOATING RATE NOTES**

38	Interest Payment Dates	the 9th day of each calendar month and the Scheduled Maturity Date, or if such day is not a Business Day, the immediately following Business Day. The first Interest Payment Date will be 9 May 2018 or if such a day is not a Business Day, the immediately following Business Day.
39	Interest Commencement Date	29 March 2018

- |    |  |  |
|----|--|--|
| 40 | Interest Period  | <p>each period of one month from (and including) one Interest Payment Date to (but excluding) the next Interest Payment Date of each year, provided that –</p> <p>(a) the first Interest Period shall commence on (and shall include) the Issue Date and shall terminate on (but excluding) 9 May 2018; and</p> <p>(b) the last Interest Period shall terminate on the Scheduled Maturity Date or the Final Redemption Date, as the case may be, notwithstanding that such period may not be a complete one month period</p> |
| 41 | Manner in which the Interest Rate is to be determined  | Screen Rate Determination  |
| 42 | Margin/Spread for the Interest Rate  | 174 basis points to be added to the Reference Rate   |
| 43 | If ISDA Determination  |  |
|    | (a) Floating Rate Option   | N/A  |
|    | (b) Designated Maturity  | N/A  |
|    | (c) Reset Date(s)  | N/A  |
| 44 | If Screen Determination  |  |
|    | (a) Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated) | 3 month JIBAR  |
|    | (b) Rate Determination Date(s)   | The first Business Day of each Interest Period   |
|    | (c) Relevant Screen page and Reference Code  | ZAR-JIBAR-SAFEX  |
| 45 | Step-Up Interest   | <p>If –</p> <p>(a) the Capital Amount Outstanding under the Loan Agreement has not been repaid in full by the Borrower to the Issuer on the Scheduled Maturity Date; or</p>  |

- (b) the Borrower has breached a Financial Covenant (as defined in the Loan Agreement) which breach has not been remedied before the next Measurement Date (as defined in the Loan Agreement); or
- (c) an Event of Default (as defined in the Loan Agreement) occurs which, at the election of the lender under the Loan Agreement, constitutes a Step-Up Event in accordance with the Loan Agreement,

each a "**Step-Up Event**"), then the Issuer will notify the Noteholders immediately in writing thereof, and the Interest Rate will be increased by the Step-Up Multiple from the date of the occurrence of the relevant Step-Up Event until the Outstanding Principal Amount is repaid in full.

46 Step-Up Multiple 1.5 times

47 If Interest Rate to be calculated otherwise than by reference to the previous two sub-clauses above, insert basis for determining Interest Rate/Margin/Fall back provisions N/A

48 If different from the Calculation Agent, agent responsible for calculating amount of interest N/A

49 Any other terms relating to the particular method of calculating interest N/A

## GENERAL

50 Additional sale restrictions N/A

51 International Securities Numbering (ISIN) ZAG000150145

52 Stock Code RED601

53 Financial Exchange JSE Interest Rate Market

54 Dealer Redinkcapital (Pty) Ltd

55 Method of distribution Private Placement

56	Rating assigned to this Tranche of Notes (if any)	N/A
57	Rating Agency	N/A
58	Governing Law	South Africa
59	Last Day to Register	By 17h00 on the 5th day of each month
60	Books Closed Period	The Register will be closed from the 6th to the 8th day (both days inclusive) of each month in each year until the Final Redemption Date
61	Transaction Limit	R54,000,000
62	Aggregate Outstanding Principal Amount of Notes in issue in respect of Transaction No. 6, on the issue Date of this Tranche	RNil, excluding this Tranche of Notes and any other Tranche(s) of Notes to be issued on the Issue Date
63	Other provisions	<p>(a) The Issuer shall not issue any further Tranches of Notes under Transaction No. 6 save with the prior written approval of the holders of the Notes issued under this Applicable Pricing Supplement.</p> <p>(b) Whenever the consent, approval, waiver or election of the Issuer (as lender under the Loan Agreement) is required for whatever reason, the Issuer shall not be permitted to provide its consent, approval, or waiver or to exercise such election unless the prior approval of the Noteholders has been obtained by notice to the Noteholders in accordance with Condition 17.</p> <p>(c) The Issuer (as lender under the Loan Agreement) shall not agree to any amendment, cancellation or novation of the Loan Agreement or take any action or enforce any of its rights under the Loan Agreement unless the prior approval of the Noteholders has been obtained by notice to the Noteholders in accordance with Condition 17.</p> <p>(d) The Issuer (as lender under the Loan Agreement) shall notify</p>

Noteholders, in accordance with Condition 17, should it become aware of the occurrence of any event of default under the Loan Agreement (as set out in Annexure A hereto).

- (e) Whenever the consent or approval of the Security SPV under any of the Transaction Documents is required and such consent or approval relates to any of the rights of the Noteholders, such consent or approval shall not be given unless the prior approval of the Noteholders has been obtained by notice to the Noteholders in accordance with Condition 17.
- (f) Any reference in the Programme Memorandum to "Asset" or "Assets" shall be a reference to the Issuer's right, title and interest in and to the Loan Agreement.

#### 64 Additional Information

- |     |  |   |
|-----|--|---|
| (a) | number and value of assets   | N/A   |
| (b) | the seasoning of the assets  | N/A   |
| (c) | rights of recourse against the Borrower to the extent allowed in law   | <b><u>Please see Annexure A, which contains the relevant extracts from the Loan Agreement</u></b> |
| (d) | rights to substitute the assets and the qualifying criteria  | N/A   |
| (e) | the treatment of early amortisation of the assets  | N/A   |
| (f) | level of concentration of the obligors in the asset pool, identifying obligors that account for 10% or more of the asset value | N/A   |
| (g) | where there is no concentration of obligors above 10%, the general characteristics and descriptions of the obligors            | N/A   |
| (h) | risk factors   | N/A   |

65 Legal jurisdiction where the Loan South Africa Agreement was concluded

66 Eligibility Criteria N/A

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

At the date of this Applicable Pricing Supplement -

1 Paragraph 3(5)(a)

The ultimate borrower is the Issuer.

2 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.

3 Paragraph 3(5)(c)

The auditor of the Issuer is Sizwe Ntsaluba Gobodo.

4 Paragraph 3(5)(d)

As at the date of this issue:

the Issuer has R100,796,829 aggregate Outstanding Principal Amount of Notes in issue on the Issue Date of this Tranche (excluding Notes issued under this Applicable Pricing Supplement); and

it is anticipated that the Issuer will issue R200,000,000 Notes during its current financial year (including Notes issued under this Applicable Pricing Supplement).

5 Paragraph 3(5)(e)

Prospective investors in the Notes are to consider this Applicable Pricing Supplement, the Programme Memorandum and the documentation incorporated therein by reference in order to ascertain the nature of the financial and commercial risks of an investment in the Notes. In addition, prospective investors in the Notes are to consider the latest audited financial statements of the Issuer which are incorporated into the Programme Memorandum by reference and which may be requested from the Issuer.

6 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.

7 Paragraph 3(5)(g)

The Notes issued will be listed.

8 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.

9 Paragraph 3(5)(i)

The Notes are secured.

10 Paragraph 3(5)(j)

Sizwe Ntsaluba Gobodo, the auditor of the Issuer, has confirmed that nothing has come to its attention to indicate that this issue of Notes issued under the Programme will not comply in all respects with the relevant provisions of the Commercial Paper Regulations.

The Transaction Documents are available for inspection by Noteholders, during normal office hours, at the Specified Office of the Issuer.

Investor reports will be made available at [www.redinkrentals.co.za](http://www.redinkrentals.co.za).

Application is hereby made to list this Tranche of Notes, as from 29 March 2018, pursuant to the **Redink Rentals (RF) Limited** Secured Note Programme.

**REDINK RENTALS (RF) LIMITED**

By:

Director, duly authorised  Paul Lutge

By:

Director, duly authorised  Willie Swanepoel

Date: 27 March 2018

Date: 27 March 2018

8 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.

9 Paragraph 3(5)(i)

The Notes are secured.

10 Paragraph 3(5)(j)

Sizwe Ntsaluba Gobodo, the auditor of the Issuer, has confirmed that nothing has come to its attention to indicate that this issue of Notes issued under the Programme will not comply in all respects with the relevant provisions of the Commercial Paper Regulations.

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**REDINK RENTALS (RF) LIMITED**

By:   
Director, duly authorised Paul Lutge

By: \_\_\_\_\_  
Director, duly authorised  
Willie Swanepoel

Date: 27 March 2018

Date: 27 March 2018



## **ANNEXURE A– EXTRACTS FROM LOAN FACILITY AGREEMENT**

### **1 EVENTS OF DEFAULT**

Each of the events or circumstances set out in this clause 1 is an Event of Default.

#### **1.1 Non-payment**

The Borrower does not pay on the due date any amount payable pursuant to this Agreement or any other Finance Document at the place and in the currency in which it is expressed to be payable save for any non-payment which constitutes a Step-Up Event referred to in clause 6.3.1.1.

#### **1.2 Other obligations**

1.2.1 The Borrower does not comply with any provision of a Finance Document save for a breach of a Financial Covenant which constitutes a Step-Up Event referred to in clause 6.3.1.2.

1.2.2 No Event of Default under 1.2.1 will occur if the failure to comply is capable of remedy and is remedied within 10 Business Days after notice of the failure to comply is received from the Lender.

#### **1.3 Misrepresentation**

Any representation or statement made or deemed to be made by the Borrower in a Finance Document or any other document delivered by or on behalf of the Borrower under or in connection with such Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

#### **1.4 Cross default**

1.4.1 Any indebtedness of the Borrower is not paid when due nor within any originally applicable grace period.

1.4.2 Any indebtedness of the Borrower is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).

1.4.3 Any commitment for any indebtedness is cancelled or suspended by a creditor of the Borrower as a result of an event of default (however described).

1.4.4 Any creditor of the Borrower becomes entitled to declare any indebtedness of the Borrower due and payable prior to its specified maturity as a result of an event of default (however described).

#### **1.5 Insolvency**

1.5.1 The Borrower or Chartwell is or is deemed by any authority or under any law to be unable or admits inability to pay its debts as they fall due, suspends making payments on any of its indebtedness or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.

1.5.2 The Borrower or Chartwell is or is deemed by any authority or legislation to be "financially distressed" (as defined in the Companies Act).

1.5.3 A moratorium is declared in respect of any indebtedness of the Borrower or Chartwell.

## 1.6 **Insolvency and business rescue proceedings**

1.6.1 Any corporate action, legal proceedings or other procedure or step is taken in relation to -

1.6.1.1 the suspension of payments, a moratorium of any indebtedness, liquidation, winding-up, business rescue or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Borrower or Chartwell;

1.6.1.2 a composition, compromise, assignment or arrangement with any creditor of the Borrower or Chartwell;

1.6.1.3 the appointment of a liquidator, business rescue practitioner or other similar officer in respect of the Borrower or any of its assets, or Chartwell or any of its assets; or

1.6.1.4 enforcement of any Security over any assets of the Borrower or Chartwell.

1.6.2 An order is granted to authorise the entry into or implementation of any business rescue proceedings in respect of the Borrower or Chartwell.

## 1.7 **Litigation**

Any litigation, arbitration, administrative, governmental, regulatory or other investigations, proceedings or disputes are commenced against the Borrower or any of its assets.

## 1.8 **Unlawfulness**

1.8.1 It is or becomes unlawful for the Borrower to perform any of its obligations under the Finance Documents.

1.8.2 Any obligation of the Borrower under the Finance Documents is not or ceases to be legal, valid, binding or enforceable.

1.8.3 Any Finance Document ceases to be in full force and effect or is alleged by the Borrower not to be in full force and effect for any reason.

## 1.9 **Cessation of business**

The Borrower suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business.

**1.10 Audit qualification**

The auditors of the Borrower qualify materially the audited annual financial statements of the Borrower.

**1.11 Repudiation**

Any party to a Finance Document repudiates that Finance Document.

**1.12 Material adverse effect**

Any event or circumstance occurs which the Lender believes has or is reasonably likely to have a Material Adverse Effect.

**1.13 Judgment**

The Borrower has any Judgment in excess of R500,000 awarded against it unless the Borrower -

1.13.1 satisfies such Judgment in full within 10 Business Days of the date of such Judgment;

1.13.2 if such Judgment is appealable, appeals against such Judgment within the prescribed time limits and diligently prosecutes such appeal thereafter and succeeds in such appeal;

1.13.3 if such Judgment is a default judgment, applies for the rescission thereof within the prescribed time limits and diligently prosecutes such application; or

1.13.4 if such Judgment is reviewable, initiates proceedings for the review thereof within the prescribed time limits and diligently prosecutes such proceedings thereafter and succeeds in such proceedings (and having so succeeded does not satisfy the Judgment in question; provided that the entity in question does not, as a result of not having satisfied such Judgment, breach any of the provisions of this Agreement),

provided that any period afforded to the Borrower to act (or procure that the Borrower acts) in accordance with the paragraphs above, shall immediately terminate upon the occurrence of any other Event of Default.

**2 CONSEQUENCES OF AN EVENT OF DEFAULT**

2.1 If an Event of Default occurs, then, notwithstanding anything to the contrary contained anywhere else in the Finance Documents, the Lender shall, without prejudice to the Lender's other rights in terms of the Finance Documents or at law, have the right to -

2.1.1 cancel the Facility whereupon it shall immediately be cancelled; and/or

2.1.2 declare that all or part of the Loan, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable; and/or

- 2.1.3 declare that interest shall accrue on all or part of the Loan at the Default Interest Rate; and/or
- 2.1.4 require immediate specific performance by the Borrower of its obligations under the Finance Documents; and/or
- 2.1.5 claim damages suffered by the Lender as a result of the occurrence of such Event of Default; and/or
- 2.1.6 exercise all or any of its rights in terms of the Security Documents; or
- 2.1.7 elect that such Event of Default shall constitute a Step-Up Event, and that the Outstanding Balance shall accrue interest at the Step-Up Rate and that the Capital Outstanding shall be repaid by the Borrower to the Lender *mutatis mutandis* in accordance with clause 7.1.3, it being recorded that such election shall be without prejudice to the Lender's other rights under this clause 14.1 and it shall, at any time after making such election, be entitled to treat such event as an Event of Default and exercise any other remedy/ies under this clause 14.1.
- 2.2 No remedy conferred by this Agreement is intended, unless specifically stated otherwise, to be exclusive of any other remedy that is otherwise available at applicable law or otherwise. Each remedy is cumulative and in addition to every other remedy given hereunder or now or hereafter existing at applicable law or otherwise. The election of any one or more remedy/ies by the Lender will not constitute a waiver by the Lender of the right to pursue any other remedy available to it.
- 2.3 Notwithstanding anything to the contrary contained anywhere else in this Agreement, the Borrower is not entitled, under any circumstances whatsoever, to cancel or terminate this Agreement.

## **ANNEXURE B – PRIORITY OF PAYMENTS**

### **1 Pre-Enforcement Priority of Payments**

- 1.1 In relation to each Transaction, the funds standing to the credit of the relevant Transaction Account as determined on each day preceding the relevant Payment Date and the Senior Expense Reserve (if required), will be applied on each Payment Date in relation to that Transaction, in the order of priority set out below. Prior to the delivery of an Enforcement Notice in respect of that Transaction, this pre-enforcement priority of payments shall apply and payments will be made in the following order -
- 1.1.1 first, to pay or provide for the Issuer's liability or potential liability for Tax and any statutory fees, costs and expenses, attributable to the receipts or accruals made by the Issuer under that Transaction;
- 1.1.2 second, to pay or provide for *pari passu* and *pro rata* -
- 1.1.2.1 the remuneration due and payable to the Security SPV and/or the Security SPV Owner Trustee (inclusive of VAT, if any) and any fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Security SPV and/or the Security SPV Owner Trustee under the provisions of the Security Agreements and/or any of the Programme Documents, in relation to the Transaction, and/or the Notes;
- 1.1.2.2 the remuneration due and payable to the Issuer Owner Trustee (inclusive of VAT, if any) and any fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Issuer Owner Trustee under the provisions of the Security Agreements and/or any of the Programme Documents, in relation to the Transaction, and/or the Notes; and
- 1.1.2.3 all fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Issuer in relation to the Transaction, which are due and payable to third parties and incurred without breach by the Issuer of its obligations under the Programme Documents and not provided for payment elsewhere (including payment of the Rating Agency, the Safe Custody Agent, the JSE, the audit fees, legal fees, the directors of the Issuer and company secretarial expenses);
- 1.1.3 third, to pay or provide for *pari passu* and *pro rata* -
- 1.1.3.1 the fee due and payable to the Servicer (inclusive of VAT, if any) together with costs and expenses which are due and payable to the Servicer under the Servicing Agreement;
- 1.1.3.2 the fee due and payable to the Administrator (inclusive of VAT, if any) together with costs and expenses which are due and payable to the Administrator under the Administration and Agency Agreement;
- 1.1.3.3 all amounts due and payable or accrued to the Transfer Agent, Calculation Agent and Paying Agent in relation to the Transaction, in accordance with the Administration and Agency Agreement; and

- 1.1.3.4 all amounts due and payable or accrued to the Arranger and/or the Debt Sponsor in relation to the Transaction, in accordance with the Programme Agreement;
- 1.1.4 fourth, to pay or provide for any net settlement amounts and Hedge Termination Amounts due and payable to any Hedge Counterparty, in relation to the Transaction, in accordance with the Hedging Agreements (but excluding any Hedge Termination Amounts where the Hedge Counterparty is in default) and swap reinstatement payments due and payable in respect of a new Hedge Counterparty, in relation to the Transaction;
- 1.1.5 fifth, to pay or provide for *pari passu* and *pro rata*, all amounts of interest, fees and other expenses due and payable to the Class A Noteholders in respect of the Notes on each Payment Date;
- 1.1.6 sixth, to pay or provide for *pari passu* and *pro rata*, all amounts of interest, fees and other expenses due and payable to the Class B Noteholders in respect of the Notes on each Payment Date;
- 1.1.7 seventh, to pay or provide for, *pari passu* and *pro rata*, all amounts of principal due and payable to the Class A Noteholders on that Payment Date or Final Redemption Date, as the case may be;
- 1.1.8 eighth, to pay or provide for, *pari passu* and *pro rata*, all amounts of principal due and payable to the Class B Noteholders on that Payment Date or Final Redemption Date, as the case may be;
- 1.1.9 ninth, to pay or credit funds to the Senior Expense Reserve, in order to fund the Senior Expense Reserve up to the Senior Expense Reserve Required Amount;
- 1.1.10 tenth, to pay or provide for, Hedge Termination Amounts due and payable to any Hedge Counterparty in accordance with the Hedging Agreements where the Hedge Counterparty is in default;
- 1.1.11 eleventh, to pay or provide for, the Programme Management Fee (inclusive of VAT, if any) due and payable to the Programme Manager in accordance with the Programme Management Agreement;
- 1.1.12 twelfth, (if applicable) to pay or provide for, all amounts, interest and principal due and payable to the Senior Expense Facility Provider(s) in accordance with the Senior Expense Facility Agreement;
- 1.1.13 thirteenth, to pay or provide for, any other fees, interest, costs or expenses due and payable under any Tranche of Notes or any Programme Document in relation to the Transaction, which have not previously been paid;
- 1.1.14 fourteenth, to pay or provide for dividends payable to the Preference Shareholders; and
- 1.1.15 fifteenth, to pay or provide for dividends payable to the holder of the ordinary shares in the issued share capital of the Issuer.

## 2 Post-Enforcement Priority of Payments

- 2.1 In relation to each Transaction, the funds standing to the credit of the relevant Transaction Account and the Senior Expense Reserve (if required), after the delivery of an Enforcement Notice will be applied in the order of priority set out below -
- 2.1.1 first, to pay or provide for the Issuer's liability or potential liability for Tax and any statutory fees, costs and expenses, attributable to the receipts or accruals made by the Issuer under that Transaction;
- 2.1.2 second, to pay all amounts payable by the Issuer under the Issuer Indemnity;
- 2.1.3 third, to pay or provide for *pari passu* and *pro rata* -
- 2.1.3.1 the remuneration due and payable to the Security SPV and/or the Security SPV Owner Trustee (inclusive of VAT, if any) and any fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Security SPV and/or the Security SPV Owner Trustee under the provisions of the Security Agreements and/or any of the Programme Documents, in relation to the Transaction, and/or the Notes;
- 2.1.3.2 the remuneration due and payable to the Issuer Owner Trustee (inclusive of VAT, if any) and any fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Issuer Owner Trustee under the provisions of the Security Agreements and/or any of the Programme Documents, in relation to the Transaction, and/or the Notes;
- 2.1.3.3 all fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Issuer in relation to the Transaction, which are due and payable to third parties and incurred without breach by the Issuer of its obligations under the Programme Documents and not provided for payment elsewhere (including payment of the Rating Agency, the JSE, the Safe Custody Agent, audit fees, legal fees, the directors of the Issuer and company secretarial expenses);
- 2.1.4 fourth, to pay or provide for *pari passu* and *pro rata* -
- 2.1.4.1 the fee due and payable to the Servicer (inclusive of VAT, if any) together with costs and expenses which are due and payable to the Servicer under the Servicing Agreement;
- 2.1.4.2 the fee due and payable to the Administrator (inclusive of VAT, if any) together with costs and expenses which are due and payable to the Administrator under the Administration and Agency Agreement;
- 2.1.4.3 all amounts due and payable or accrued to the Transfer Agent, Calculation Agent and Paying Agent in relation to the Transaction, in accordance with the Administration and Agency Agreement; and

- 2.1.4.4 all amounts due and payable or accrued to the Arranger and/or the Debt Sponsor in relation to the Transaction, in accordance with the Programme Agreement;
- 2.1.5 fifth, to pay or provide for any net settlement amounts and Hedge Termination Amounts due and payable to any Hedge Counterparty, in relation to the Transaction, in accordance with the Hedging Agreements (but excluding any Hedge Termination Amounts where the Hedge Counterparty is in default);
- 2.1.6 sixth, to pay or provide for all amounts of interest, fees and other expenses due and payable to the Class A Noteholders in respect of the Notes;
- 2.1.7 seventh, to pay or provide for all amounts of interest, fees and other expenses due and payable to the Class B Noteholders in respect of the Notes;
- 2.1.8 eighth, to pay or provide for all amounts of principal due and payable to the Class A Noteholders in respect of the Notes;
- 2.1.9 ninth, to pay or provide for all amounts of principal due and payable to the Class B Noteholders in respect of the Notes;
- 2.1.10 tenth, to pay or provide for, the Hedge Termination Amounts due and payable to any Hedge Counterparty, in relation to the Transaction, in accordance with the Hedging Agreements where the Hedge Counterparty is in default;
- 2.1.11 eleventh, to pay or provide for, the Programme Management Fee (inclusive of VAT, if any) due and payable to the Programme Manager in accordance with the Programme Management Agreement;
- 2.1.12 twelfth, (if applicable) to pay or provide for, all amounts, interest and principal due and payable to the Senior Expense Facility Provider(s) in accordance with the Senior Expense Facility Agreement;
- 2.1.13 thirteenth, to pay or provide for, any other fees, interest, costs or charges due and payable under any Tranche of Notes or any Programme Document in relation to the Transaction, which have not previously been paid;
- 2.1.14 fourteenth, to pay or provide for dividends payable to the Preference Shareholders; and
- 2.1.15 fifteenth, to pay or provide for dividends payable to the holder of the ordinary shares in the issued share capital of the Issuer.



## **ANNEXURE C - PRINCIPAL REPAYMENT SCHEDULE**

For illustrative purposes only. Actual Principal Payments will be made in terms of clause 20 of this APS.

<b>Payment Date</b>	<b>Estimate Scheduled Principal Repayment</b>
09-May-18	R286 065,00
11-Jun-18	R283 650,00
09-Jul-18	R281 257,00
09-Aug-18	R278 885,00
10-Sep-18	R276 533,00
09-Oct-18	R274 203,00
09-Nov-18	R271 893,00
10-Dec-18	R269 603,00
09-Jan-19	R267 334,00
11-Feb-19	R265 084,00
11-Mar-19	R262 855,00
09-Apr-19	R260 645,00
09-May-19	R258 454,00
10-Jun-19	R256 283,00
09-Jul-19	R254 131,00
09-Aug-19	R251 999,00
09-Sep-19	R249 884,00
09-Oct-19	R247 789,00
11-Nov-19	R245 712,00
09-Dec-19	R243 654,00
09-Jan-20	R241 613,00
10-Feb-20	R239 591,00
09-Mar-20	R237 586,00
09-Apr-20	R235 600,00
11-May-20	R233 630,00
09-Jun-20	R231 678,00
09-Jul-20	R229 744,00
10-Aug-20	R227 826,00
09-Sep-20	R225 926,00
09-Oct-20	R224 042,00
09-Nov-20	R222 175,00
09-Dec-20	R220 325,00

<b>Payment Date</b>	<b>Estimate Scheduled Principal Repayment</b>
11-Jan-21	R218 490,00
09-Feb-21	R216 672,00
09-Mar-21	R214 871,00
09-Apr-21	R213 085,00
10-May-21	R211 314,00
09-Jun-21	R209 560,00
09-Jul-21	R207 821,00
09-Aug-21	R206 098,00
09-Sep-21	R204 389,00
11-Oct-21	R202 696,00
09-Nov-21	R201 018,00
09-Dec-21	R199 355,00
10-Jan-22	R197 706,00
09-Feb-22	R196 072,00
09-Mar-22	R194 453,00