



**REDINK RENTALS (RF) LIMITED**

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

**Issue of R20,589,116 Secured Class A Notes**

**Under its Secured Note Programme**

**Transaction No. 5 –Tower Investments (Zululand Rental Agreements)**

On 28 November 2022, the Issuer signed an amended and restated Applicable Pricing Supplement in relation to the Class A Notes issued under stock code RED501 (the "**Previous Applicable Pricing Supplement**"). The Issuer wishes to amend certain provisions in the Previous Applicable Pricing Supplement and accordingly wishes to execute a second amended and restated Applicable Pricing Supplement. With effect from the date of signature of this second amended and restated Applicable Pricing Supplement, this second amended and restated Applicable Pricing Supplement shall supersede and replace the Previous Applicable Pricing Supplement

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 Transaction No. 5, dated 29 November 2017. 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 will not exceed the Transaction Limit as specified in item 59 below.

#### **DESCRIPTION OF THE TRANSACTION**

- |   |  |   |
|---|--|---|
| 1 | Transaction No. 5  | Acquisition by the Issuer from Tower Investments Proprietary Limited of all its rights in and to the Sale Assets (as defined below)   |
| 2 | Seller   | Tower Investments Proprietary Limited   |
| 3 | Address, description and significant business activities of the Seller | Tower Investments Proprietary Limited primary business activities involves providing operating rental solutions and turnkey financial solutions for customers wishing to acquire various forms of equipment. It further deploys expert asset finance and cash flow solutions to the South African market by utilizing a combination of in-house facilities and strategic partnership arrangements. In addition, Tower Investments provides rental managed services eliminating the need for sourcing, procuring, servicing, maintaining and comprehensively insuring equipment needs on behalf its customer base. Tower Investments manages, on behalf of our customers, various asset based rental schemes in which we have been assigned the sourcing, procurement and complete management responsibility for all assets relating to each scheme. |

For additional information:  
[www.tsys.co.za](http://www.tsys.co.za)

Address: Suite 4A, 100 on Armstrong Avenue, La Lucia Ridge, 4001

- |   |  |   |
|---|--|---|
| 4 | Servicer   | Tower Investments Proprietary Limited   |
| 5 | Back-up Servicer   | N/A   |
| 6 | Description of the Business Activities of the Administrator                      | Redinc Capital Proprietary Limited (" <b>Redink Capital</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> "  |
| 7 | Description of Sale Assets to be acquired  | <p>All right, title and interest in and to –</p> <ul style="list-style-type: none"><li>(a) certain Rental Agreements and Underlying Documents, other than in respect of the Seller's right, title and interest in and to the Excluded Amounts/Claims;</li><li>(b) the Receivables;</li><li>(c) the Goods (if applicable), including the right to receive the Insurance Proceeds upon the occurrence of an event of default during the Term of the Rental Agreement as set out in the Master Sale Agreement; and</li><li>(d) the Rental Collateral (if applicable);<br/><br/>but excluding</li><li>(e) all Excluded Obligations/ Amounts;</li></ul> <p><b><u>Please see Annexure A, which contains the relevant extracts from the Sale Agreement and Annexure C, which includes the relevant extracts from the Sale Notice</u></b></p> |
| 8 | Description of Security to be provided to Secured Creditors of Transaction No. 5 | Pursuant to the Security SPV Guarantee, dated on or about 29 November 2017 (" <b>Transaction No. 5 Security SPV Guarantee</b> "), the Security SPV undertakes in favour of each Secured Creditor of Transaction   |

No. 5 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. 5

The liability of the Security SPV pursuant to the Transaction No. 5 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 29 November 2017 ("**Transaction No. 5 Issuer Indemnity**"), 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, the Transaction No. 5 Security SPV Guarantee.

The Issuer's obligations in terms of the Transaction No. 5 Issuer Indemnity are secured by the cession in *securitatem debiti* agreement, dated on or about 29 November 2017, ("**Transaction No. 5 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 1158056303, into which all monies received or to be received by the Issuer in relation to Transaction No. 5 will be deposited ("**Transaction No. 5 Transaction Account**");
- (b) all monies held from time to time in the name of or on behalf of the Issuer in the Transaction No. 5 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. 5 Transaction Account from time to time;

- (d) the Transaction Documents (as set out below) in relation to Transaction No. 5;
- (e) the Sale Assets (as set out above),

in relation to Transaction No. 5, 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 Security Agreement.

In addition to the Transaction No. 5 Security Cession Agreement referred to above, Constantia Insurance Company Limited provided a performance guarantee in favour of the Issuer to the amount of R1,227,287.04.

## 9 Transaction Documents

The documents constituting the transaction titled "Transaction No. 5 - Tower Investments (Zululand Rental Agreements)", being –

- (a) the Transaction No. 5 Issuer Indemnity;
- (b) the Transaction No. 5 Security SPV Guarantee;
- (c) the Transaction No. 5 Security Cession Agreement;
- (d) each Note;
- (e) the Master Sale Agreement;
- (f) the Preference Share Subscription Agreement;
- (g) the Common Terms Agreement;
- (h) the Servicing Agreement; and

(i) the Administration Agreement

## DESCRIPTION OF THE NOTES

10	Issuer	Redink Rentals (RF) Limited
11	Status and Class of the Notes	Secured Class A Notes
12	Tranche number	1
13	Series number	5
14	Aggregate Principal Amount of this Tranche	R20,589,116
15	Issue Date	4 December 2017
16	Minimum Denomination per Note	R1,000,000
17	Issue Price	100%
18	Applicable Business Day Convention	Following Business Day
19	Determination Date	the last day of each calendar month
20	Interest Commencement Date	4 December 2017
21	Final Redemption Date	5 December 2024
22	Final Redemption Amount	100% of nominal amount
23	Mandatory Redemption in part by the Issuer	If for whatever reason the Issuer receives any proceeds in relation to the Sale Assets, the Issuer shall not later than 10 calendar days after receipt of the proceeds, utilise such proceeds to redeem the Notes at their Outstanding Principal Amount together with all accrued but unpaid interest.
24	Use of Proceeds	The net proceeds of the issue of this Tranche will be used to purchase Sale Assets as described under paragraph 7 above
25	Specified Currency	Rand
26	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 In addition, the definition of Excluded Amounts for purposes of the Priority of Payments, shall include any amount required to be paid by the Servicer as agent on behalf of the Issuer.

27	Hedge Counterparty	N/A
28	Safe Custody Agent	Nedbank Limited
29	Senior Expense Facility Provider(s)	N/A
30	Account Bank	Nedbank Limited
31	Calculation Agent, if not Redink Capital	N/A
32	Specified Office of the Calculation Agent	Ground Floor, Silver Stream Business Park, 10 Muswell Road South, Bryanston, 2021
33	Transfer Agent, if not Redink Capital	N/A
34	Specified Office of the Transfer Agent	Ground Floor, Silver Stream Business Park, 10 Muswell Road South, Bryanston, 2021
35	Paying Agent, if not Redink Capital	N/A
36	Specified Office of the Paying Agent	Ground Floor, Silver Stream Business Park, 10 Muswell Road South, Bryanston, 2021

**FLOATING RATE NOTES**

37	Payment Date(s)	5 March, 5 June, 5 September and 5 December, or if such a day is not a Business Day, the immediately following Business Day, provided that the first Payment Date shall be 5 March 2018
38	Interest Commencement Date	4 December 2017
39	Interest Period	<p>each period of three months from (and including) 5 March to (but excluding) 5 June , from (and including) 5 June to (but excluding) 5 September, from (and including) 5 September to (but excluding) 5 December of each year, from (and including) 5 December to (but excluding) 5 March 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 5 March 2018; and</p> <p>(b) the last Interest Period shall terminate on the Final Redemption Date, notwithstanding that such period</p>

may not be a complete three month period

40	Manner in which the Interest Rate is to be determined	Screen Rate Determination
41	Margin/Spread for the Interest Rate	500 basis points to be added to the Reference Rate
42	If ISDA Determination	
	(a) Floating Rate Option	N/A
	(b) Designated Maturity	N/A
	(c) Reset Date(s)	N/A
43	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
44	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
45	If different from the Calculation Agent, agent responsible for calculating amount of interest	N/A
46	Any other terms relating to the particular method of calculating interest	N/A
47	Non-payment of interest	Should the Issuer fail to pay interest due and payable on any Interest Payment Date as a result of a lack of funds, such failure shall not constitute an Event of Default and the unpaid interest shall be due and payable on the next Interest Payment Date, provided that should the Issuer fail to pay all accrued but unpaid interest on the Final Redemption Date, such failure shall constitute an Event of Default.



**GENERAL**

48	Additional selling restrictions	N/A
49	International Securities Numbering (ISIN)	ZAG000148677
50	Stock Code	RED501
51	Financial Exchange	JSE Interest Rate Market
52	Dealer	Redinc Capital (Pty) Ltd
53	Method of distribution	Private Placement
54	Rating assigned to this Tranche of Notes (if any)	N/A
55	Rating Agency	N/A
56	Governing Law	South Africa
57	Last Day to Register	By 17h00 on 28 February, 31 May, 30 August and 30 November of each year.
58	Books Closed Period	The Register will be closed from 1 March to 4 March (both days inclusive), 1 June to 4 June (both days inclusive), 1 September to 4 September (both days inclusive) and 1 December to 4 December (both days inclusive) in each year until the Final Redemption Date.
59	Transaction Limit	R100,000,000
60	Aggregate Outstanding Principal Amount of Notes in issue on the issue Date of this Tranche	R98,494,505, excluding this Tranche of Notes and any other Tranche(s) of Notes to be issued on the Issue Date
61	Other provisions	N/A
62	Additional Information	
	(a) number and value of assets	1 (one) Sale Asset with an aggregate gross rental value of R24,545,741.56
	(b) the seasoning of the assets	N/A
	(c) rights of recourse against the originator to the extent allowed in law, including a list of material representations and	See clause 6 of the Master Sale Agreement

	warranties given to the Issuer relating to the assets	<b><u>Please see Annexure A, which contains the relevant extracts from the Master Sale 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	100% Zululand Bus Services CC
	(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
63	Legal jurisdiction where the Sale Assets are situated	South Africa
64	Eligibility Criteria	<p>The general criteria that each Rental Agreement must satisfy in order to qualify for acquisition by the Issuer include the following -</p> <ol style="list-style-type: none"> <li>1 the Seller has sole and exclusive legal title to the Rental Agreement and is entitled to enforce its rights and obligations thereunder;</li> <li>2 the sale and transfer by the Seller of its right, title and interest in and to the Rental Agreement and the Goods does not breach the provisions thereof;</li> <li>3 the Rental Agreement may be sold and transferred without the consent of the Customer under such agreement;</li> <li>4 the Rental Agreement constitutes an unconditional, irrevocable valid, binding and enforceable obligation of the Customer to pay such amounts as are due and payable from time to time thereunder in accordance with the terms thereof;</li> </ol>

- 5 payments or instalments due thereunder are not subject to set-off, counterclaim, withholding or reduction;
- 6 the Rental Payments under the Rental Agreement are required to be paid periodically over the term of such agreement;
- 7 unless this requirement is otherwise waived by the Issuer in writing, the Rental Agreement is denominated in Rand;
- 8 the Rental Agreement has not been modified, except in writing, and copies of all such amendments and modifications, if any, are reflected in or attached to the relevant agreement; and
- 9 the Rental Agreement is not subject to the provisions of the National Credit Act, 2005.

In addition to the above criteria, with respect to -

**Goods subject of the Rental Agreement -**

- 1 there is no obligation on the Seller under the Rental Agreement to repair or maintain the Goods or to render technical support or other services in respect of the Goods;
- 2 unless the Seller notifies the Issuer in writing otherwise and/or the Issuer waives this requirement in writing, in the Seller's reasonable opinion, the Term of the Rental Agreement does not exceed the expected life of such Goods;
- 3 upon sale and cession on the Transfer Date, ownership of Goods subject of the Rental Agreement will pass to the Issuer;
- 4 as at the Transfer Date, the Goods shall be covered by a

comprehensive casualty insurance up to its full insurable value; and

- 5 as at the Transfer Date, the Goods was not situated on any leased premises, or if so situated, the Rental Agreement obliges the Customer to notify the landlord of such premises in writing (or the Seller has notified the landlord of the premises in writing by registered mail) that the ownership of such Goods does not vest in the landlord's tenant

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

The following disclosures were made by the Issuer on the Issue Date:

- 1 Paragraph 3(5)(a)

The ultimate borrower was 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 was Sizwe Ntsaluba Gobodo.

- 4 Paragraph 3(5)(d)

As at the date of this issue:

the Issuer had R98,494,505 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 was anticipated that the Issuer will issue R100,000,000 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 on the Issue Date were listed.

8 Paragraph 3(5)(h)

The funds raised through the issue of the Notes was used by the Issuer for its general corporate purposes and / or to refinance the amounts outstanding under existing Notes in issue.

9 Paragraph 3(5)(i)

The Notes are secured.

10 Paragraph 3(5)(j)


Sizwe Ntsaluba Gobodo, the then auditor of the Issuer, confirmed that nothing came to its attention to indicate that this issue of Notes issued under the Programme did 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 was made to list this Tranche of Notes, as from 4 December 2017, pursuant to the **Redink Rentals (RF) Limited** Secured Note Programme.

**REDINK RENTALS (RF) LIMITED**

By:   
\_\_\_\_\_  
Director, duly authorised  
KW van Staden

Date: 21 November 2023

By:   
\_\_\_\_\_  
Director, duly authorised  
Paul Lutge

Date: 21 November 2023

## **ANNEXURE A– EXTRACTS FROM MASTER SALE AGREEMENT**

### **1 REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS BY THE SELLER**

#### **1.1 Representations and Warranties**

The Seller represents, warrants and undertakes in favour of the Issuer as at the Signature Date and each Transfer Date in respect of the Sale Assets sold by the Seller to the Issuer on that date, that -

*corporate warranties*

- 1.1.1 it is a company with limited liability duly incorporated in accordance with the laws of the RSA;
- 1.1.2 it has the legal capacity and the power to own its assets and to carry on its business as it is presently being conducted;
- 1.1.3 it has –
  - 1.1.3.1 the legal capacity and the power to enter into and perform under; and
  - 1.1.3.2 taken all necessary actions (whether corporate, internal or otherwise) to authorise its entry into and performance under,
- 1.1.4 this Agreement and the other Transaction Documents to which it is a Party;
- 1.1.4 the obligations express to be assumed by it under this Agreement and the other Transaction Documents to which it is a party are legal, valid and binding on, and enforceable against, it;
- 1.1.5 the entering into of this Agreement and the other Transaction Documents to which it is a party and/or the performance of its obligations under this Agreement and the other Transaction Documents to which it is a party does not, and will not, –
  - 1.1.5.1 contravene any Applicable Laws; and/or
  - 1.1.5.2 contravene any provision of its memorandum of incorporation; and/or
  - 1.1.5.3 contravene, violate, cause a default and/or breach of the terms of, and/or otherwise conflict with any contract, agreement, indenture, mortgage or other instrument of any kind to which it is a Party or by which it may be bound or which is binding upon its assets;
- 1.1.6 all authorisations, consents, approvals, resolutions, licences, exemptions, filings and registrations which are required or necessary under all Applicable Laws to enable it to lawfully enter into, exercise its rights and comply with its obligations under this Agreement and the other Transaction Documents to which it is a party have been obtained or effected and are, and will for the duration of this Agreement and the other Transaction Documents to which it is a party remain, in full force and effect;
- 1.1.7 no litigation, arbitration or administrative proceedings before any court, arbitral body or governmental agency or authority which would affect the

ability of the Seller to comply with its obligations in terms of this Agreement, are pending or, to the best of the Seller's knowledge and belief, threatened against the Seller or any of its assets;

1.1.8 it is solvent and in a position to pay its debts and meet its other obligations as and when they fall due in the normal course of business and it has not committed any act which, if the Seller was a natural person, would be an act of insolvency as defined in the Insolvency Act;

1.1.9 there has been no application, steps, proceedings or orders for its deregistration, whether provisional or final and the Seller shall forthwith notify the Issuer and the Administrator in writing should any such applications, steps, proceedings or orders be brought or taken;

1.1.10 the sale of any Sale Asset to the Issuer pursuant to this Agreement will not be voidable under the Insolvency Act or is not and would not be deemed by a South African court to be a voidable preference, and this agreement has been entered into by the Seller and the Issuer in good faith and not with the intent to defraud creditors;

1.1.11 it has disclosed to the Issuer, in writing, all facts and circumstances which are, or which may reasonably be regarded to be, material to the Issuer as acquirer of the Sale Assets in acquiring the Sale Assets in terms of this Agreement;

*Sale Asset warranties*

1.1.12 it has full power and authority to enter into and perform its obligations under the Sale Assets Agreement and the Rental Collateral and/or Credit Agreement Collateral and to exercise its rights thereto;

1.1.13 it has or will have title and full power and authority to sell the Sale Assets as provided in this Agreement and, the Sale Assets are the exclusive property of the Seller, free of all encumbrances and rights of set-off, counterclaim or option;

1.1.14 the Seller is the sole legal and beneficial owner of all right, title and interest in and to each of the Sale Assets sold, ceded and assigned to the Issuer on such Transfer Date, all of which will validly be transferred to the Issuer in terms of this Agreement and the Issuer will become the sole legal and beneficial owner of the Sale Assets sold on that date;

1.1.15 none of the Sale Assets (or any portion or part thereof) sold, ceded and assigned to the Issuer on such Transfer Date is subject to any lien, pledge, hypothec, mortgage, notarial or other bond, servitude, cession in security or other encumbrance of whatsoever nature nor does any third party have any right whatsoever in or to any of such Sale Assets (or any portion or part thereof);

1.1.16 no person or entity is a party to any agreement (other than a Transaction Document) in terms of which such person or entity will or may acquire any option, preferential or other right of any kind to acquire, claim delivery, ownership or transfer or the use, possession or enjoyment of any of the Sale Assets (or any portion or part thereof) sold, ceded and assigned to the Issuer on such Transfer Date;

- 1.1.17 the Seller is not in breach of any of its obligations in terms of any of the Sale Assets sold, ceded and assigned to the Issuer on such Transfer Date and, having made all reasonable enquiries, the Seller is not aware of any failure by any Customer to comply with its obligations in terms of any Sale Assets Agreement;
- 1.1.18 the particulars of each Sale Asset contained in the relevant Sale Notice are complete, true and accurate as reflected on the Seller's computer systems or otherwise in its possession or under its control in respect of such Sale Asset;
- 1.1.19 the Seller has since the creation of each Sale Asset kept full and accurate accounts, books and records showing clearly all transactions, payments, receipts and proceedings relating to that Sale Asset, including the outstanding balance from time to time;
- 1.1.20 all financial and other information furnished by the Seller to the Issuer or the Security SPV whether in terms of or pursuant to this Agreement or otherwise, is at the date of such furnishing true, correct and not misleading in any way whatsoever;
- 1.1.21 each Sale Assets Agreement -
  - 1.1.21.1 fully and correctly reflects the terms of the agreement set out therein;
  - 1.1.21.2 was completed in full prior to the signature thereof by the parties thereto;
  - 1.1.21.3 constitutes a legal, valid and binding agreement between the parties thereto on the terms and conditions set out in such agreement;
  - 1.1.21.4 is in compliance with all Applicable Laws; and
  - 1.1.21.5 has not been varied or supplemented in any material way whatsoever (other than as reflected in the agreement) and is and continues to be valid, enforceable and binding in accordance with its terms;
  - 1.1.21.6 all of the Rental Collateral and/or Credit Agreement Collateral given to the Seller in respect of each Sale Asset is legal, valid and enforceable in accordance with its terms and have been validly transferred to the Issuer in terms of this Agreement and will, subsequent to such transfer, remain legal, valid, binding and enforceable by the Issuer against the relevant security provider;
- 1.1.22 no Customer in terms of any Sale Assets Agreement shall have any right to defer or withhold any payment or deduct any amount (whether by set-off or otherwise) from any monies due by such Customer in terms of any Sale Assets Agreement;
- 1.1.23 the Sale Assets Agreement entered into with the Customer does not fall within the ambit of the NCA or the Customer falls within that category of persons contemplated in the NCA which results in the Sale Assets Agreement falling outside the ambit of the NCA;



- 1.1.24 the Seller has not made any representations or warranties to the Customer in relation to the taxation or accounting treatment of the Sale Assets Agreement;
- 1.1.25 no litigation or other dispute proceeding has been notified or threatened in relation to the Sale Assets Agreement or any Rental Collateral or Credit Agreement Collateral of which the Seller is aware;
- 1.1.26 there has been no default or event of default (howsoever described in the Sale Assets Agreement) in relation to the Sale Assets Agreement or any Rental Collateral or Credit Agreement Collateral pertinent thereto of which the Seller is aware;
- 1.1.27 the Sale Assets Agreement and Rental Collateral or Credit Agreement Collateral are in all respects legal, valid and binding and enforceable against the Customer in accordance with its terms and will have been duly completed and signed by or on behalf of the parties thereto, who are fully aware of all the terms, conditions and stipulations thereof;
- 1.1.28 the Goods have been or will be delivered to the Customer and the Customer has accepted the Goods (subject to the terms and conditions of the Sale Assets Agreement);
- 1.1.29 except as otherwise disclosed, no guarantee has been given or representation has been made by the Seller to the Customer in respect of the suitability or otherwise of the Goods subject to a Sale Assets Agreement or any part thereof;
- 1.1.30 the Goods have been insured to at least the full value of such Goods including SASRIA under a separate insurance policy against such risks of loss, damage or destruction as property of the nature of those Goods is ordinarily insured (including, in the case of motor vehicles, full comprehensive motor vehicle insurance) and such insurance is current and valid;
- 1.1.31 the Goods or their use does not and shall not constitute any infringement of any trade mark, patent, design, copyright or other intellectual property right;
- 1.1.32 the Goods comply with all criteria and standards required in terms of all relevant legislation pertaining to the Goods and the use thereof and where applicable, all Applicable Laws relating to the importation of the Goods have been fully and properly complied with;
- 1.1.33 if the Sale Assets Agreement has a Residual Value, the market value of the Goods will exceed the book value of those Goods as disclosed in the Sale Assets Agreement at all times and on expiry of the Term of that Sale Assets Agreement;
- 1.1.34 if applicable, the Seller shall, for the duration of the Sale Assets Agreement, comply with its maintenance obligations under the Sale Assets Agreement;
- 1.1.35 it has complied with all the verification and identification procedures as required in terms of the Financial Intelligence Centre Act, 2001 and regulations thereto (as amended from time to time);

- 1.1.36 a landlord's waiver has been executed in respect of Goods situated on premises or property which the Customer rents from a third party;
- 1.1.37 all facts and circumstances material to the transaction known to the Seller as at the Transfer Date and not known to the Issuer and which would be reasonably likely to be material to the Issuer and/or to the Purchase Price have been disclosed to the Issuer, (including but not limited to the details required to be delivered to the Issuer in terms of clause 4.1.3);
- 1.1.38 to the best of its knowledge, all documentation executed by or on behalf of a Customer has been properly executed by person(s) that *prima facie* are duly authorised thereto and, where necessary, is properly registered and stamped; and
- 1.1.39 the Sale Assets comply with the Eligibility Criteria, as set out in Annexure C or Annexure D (of the Sale Agreement), as the case may be.

## 1.2 **Undertakings by the Seller**

The Seller will not, without the Issuer's prior consent -

- 1.2.1 do anything which would result in any waiver, set-off or reduction arising in respect of the Customer's (or any provider of any Rental Collateral or Credit Agreement Collateral) obligations under any Sale Assets Agreement or any Rental Collateral or Credit Agreement Collateral forming the subject of any Sale Notice accepted by the Issuer insofar as they relate to the Sale Assets; or
- 1.2.2 do anything to modify the Sale Assets Agreement or any Rental Collateral or Credit Agreement Collateral in any way insofar as they relate to the Sale Assets.

## 1.3 **Indemnity by the Seller/Repurchase Obligations of the Seller**

- 1.3.1 Subject to 1.4, the Seller shall indemnify the Issuer, upon first written demand, against any loss, liability, expense and/or any costs incurred by the Issuer arising out of the non-performance of or breach of any obligation of the Seller under this Agreement or the Sale Assets Agreement and/or a breach by the Seller of any of the representations, warranties and undertakings contained in this clause 1 and elsewhere in this Agreement.
- 1.3.2 The Issuer undertakes to notify the Seller in writing of any event referred to in 1.3.1 in respect of which it has a claim against the Seller under the above indemnity. The Seller shall be entitled (but not obliged), in its sole discretion, and within five Business Days of receipt of the Issuer's notice and, upon written notice to the Issuer, to elect to repurchase the relevant Sale Asset ("**Affected Asset**") if the event referred to in 1.3.1 relates to a Sale Asset or Sale Assets Agreement, upon the following terms and conditions -
  - 1.3.2.1 the consideration payable by the Seller to the Issuer on any such repurchase of an Affected Asset ("**Repurchase Price**") shall be equal to -

- 1.3.2.1.1 the Present Value of the Receivables under the relevant Sale Assets Agreement;
- 1.3.2.1.2 plus the Present Value of the Residual Value of the Goods as at the date of receipt of the Repurchase Price by the Issuer;
- 1.3.2.1.3 plus all costs and expenses which the Issuer may have incurred including, but not limited to, costs of storage, repairs, repossession, refurbishing, sale and legal costs on the scale as between an attorney and his own client; or
- 1.3.2.1.4 subject to the prior written consent of the Security SPV, such lesser amount as may be agreed between the Parties at the time;
- 1.3.2.2 the Seller shall pay the Repurchase Price to the Issuer not later than three Business Days after it has notified the Issuer of its election to repurchase the Affected Asset; and
- 1.3.2.3 upon receipt of the Repurchase Price, the Issuer shall deliver the Sale Assets Agreement and the Rental Collateral or Credit Agreement Collateral in respect of the Affected Asset to the Seller and the Issuer's right, title and interest in and to the Sale Assets Agreement and the Rental Collateral or Credit Agreement Collateral in question, together with ownership in the Goods subject of the Rental Agreement (if any), shall be deemed to have been ceded and transferred back to the Seller upon such delivery, provided that the non-delivery of the documents shall not affect the validity of the aforesaid cession of the Issuer's right, title and interest in and to the Affected Asset and/or the Sale Assets Agreement and/or the Rental Collateral or the Credit Agreement Collateral in question, if the Seller elects in its discretion not to require the same and/or does not receive the same for any reason whatsoever.
- 1.3.3 If any Customer alleges that it has any claim against the Seller and/or the Issuer arising under or in connection with any Sale Assets Agreement sold by the Seller to the Issuer in terms of this Agreement and/or it withholds any payment owing under any Sale Assets Agreement sold to the Issuer, the Issuer shall have the right to require the Seller to repurchase such Sale Assets Agreement upon the terms and subject to the provisions referred to in 1.3.2.
- 1.4 Notwithstanding anything to the contrary contained in this Agreement, neither Party shall be liable to the other Party for any indirect or consequential loss or damage, including without limitation, loss of profit, revenue, anticipated savings, business transactions or goodwill or other Sale Assets Agreements unless such indirect or consequential loss or damage resulted from the wilful misconduct or fraud on the part of the other Party.

## **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, after taking into account Excluded Amounts, 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 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 principal due and payable to the Noteholders on that Payment Date or Final Redemption Date, as the case may be;
- 1.1.7 seventh, 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;
- 1.1.8 eighth, 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;
- 1.1.9 ninth, 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;
- 1.1.10 tenth, (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;
- 1.1.11 eleventh, 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;
- 1.1.12 twelfth, to pay or provide for dividends payable to the Preference Shareholders; and
- 1.1.13 thirteenth, 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, after taking into account Excluded Amounts, 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 *pari passu* and *pro rata* -
  - 2.1.5.1 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);
- 2.1.5.2 all amounts of interest and principal due and payable to the relevant Noteholders in respect of the Notes;
- 2.1.5.3 the Seller's Claim in respect of the Residual Value to the Seller;
- 2.1.6 sixth, to pay or provide for, the Residual Value Differential to the Seller;
- 2.1.7 seventh, 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;
- 2.1.8 eighth, 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;
- 2.1.9 ninth, (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;
- 2.1.10 tenth, 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;
- 2.1.11 eleventh, to pay or provide for dividends payable to the Preference Shareholders; and
- 2.1.12 twelfth, to pay or provide for dividends payable to the holder of the ordinary shares in the issued share capital of the Issuer.

## **ANNEXURE C - EXTRACTS OF SALE NOTICE (RENTALS AGREEMENTS)**

We refer to the Rental Agreement No TI00050 dated 28 November 2017 entered into between **the Seller** and Zululand Bus Services CC (registration number 2011/097524/23) ("**the Customer**"), *the right, title and interest in and to which (including in respect of the Goods subject thereof) has been ceded to Tower Investments, (the "Rental Agreement")*.

1.4 the **Rental Collateral Security** for the Sale Assets are:

- The suretyship dated on or about 28 November 2017 given by Mduduzi Wilfred Sithole, ID No: 790109 5316 081, ("the surety") in favour of the Seller, its successors-in-title, cessionaries and/or assigns and/or anyone who takes transfer of rights under the suretyship or its successors or assigns ("the Beneficiary"), in connection with the obligations and indebtedness of whatsoever nature and howsoever arising (whether same are existing, future and/or contingent) of Zululand Bus Services CC (registration number 2011/097524/23) ("the Lessee/Rentor/User"), for an amount not exceeding R35,882,971.74;
- The TradeLiner Capital Goods Policy No. 217110280 between the Seller, its successors-in-title, cessionaries and/or assigns and/or anyone who takes transfer of rights under the policy or its successors or assigns ("the Beneficiary"), in connection with the obligations and indebtedness of Zululand Bus Services CC (registration number 2011/097524/23) ("the Lessee/Rentor/User") and Coface South Africa Insurance Company (registration number 2005/013754/06) (the "Insurer");

1.9 **Excluded Amounts:** none;

1.11 **Goods:**

- Bus 1: MAN HB2 Automatic with Lion Explorer Body - 66 Seater, including Retarder (Vin no: AAMHB21682PX35455 ; Engine no: 20446015574609);
- Bus 2: MAN HB2 Automatic with Lion Explorer Body - 66 Seater, including Retarder (Vin no: AAMHB21684PX35463 ; Engine no: 20446015914609);
- Bus 3: MAN HB2 Automatic with Lion Explorer Body - 66 Seater, including Retarder (Vin no: AAMHB21692PX35689 ; Engine no: 20446635224677);
- Bus 4: MAN HB2 Automatic with Lion Explorer Body - 66 Seater, including Retarder (Vin no: AAMHB21693PX35694 ; Engine no: 20446635524677);
- Bus 5: MAN HB2 Automatic with Lion Explorer Body - 66 Seater, including Retarder (Vin no: AAMHB21694PX35695 ; Engine no: 20446635754677);
- Bus 6: MAN HB2 Automatic with Lion Explorer Body - 66 Seater, including Retarder (Vin no: AAMHB21696PX35798 ; Engine no: 20446865394692); and
- Bus 7 MAN HB2 Automatic with Lion Explorer Body - 66 Seater, including Retarder (Vin no: AAMHB21718PX36307 ; Engine no: 20447885844798).