



1 RF LIMITED

Urban Ubomi 1 (RF) Limited

(Incorporated with limited liability in South Africa under registration number 2019/504294/06)

Issue of ZAR65 000 000 Secured Class C Floating Rate Notes

Under its ZAR2 500 000 000 Mortgage Backed Securities Programme

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

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum executed by Urban Ubomi 1 (RF) Limited dated 12 March 2021, as amended and restated from time to time. 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 headed "*Glossary of Definitions*". References in this Applicable Pricing Supplement to the Terms and Conditions are to the section of the Programme Memorandum headed "*Terms and Conditions of the Notes*". References to any Condition in this 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 which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made as well as that the Programme Memorandum contains all information required by law and the JSE Debt and Specialist Securities Listings Requirements. The Issuer accepts full responsibility for the accuracy of the information contained in the Programme Memorandum, the Applicable Pricing Supplements and the annual financial statements and any amendments to the aforementioned documents, except as otherwise stated therein.

Standard Bank acts in a number of different capacities in relation to the transactions envisaged in the Transaction Documents. Standard Bank and its Affiliates may have a lending relationship with any party to the Transaction Documents and their respective Affiliates from time to time and may have performed, and in the future may perform, banking, investment banking, advisory, consulting and other financial services for any such parties and/or entities, for which Standard Bank and its Affiliates may receive customary advisory and transaction fees and expenses reimbursement. In addition, in the ordinary course of its business activities, Standard Bank and its Affiliates may make loans or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such loans, investments and securities activities may involve securities and/or instruments of any party to the Transaction Documents or their respective Affiliates (including the Notes). Standard Bank and its Affiliates may hedge their credit exposure to any party to the Transaction Documents or their respective Affiliates in a manner consistent with their customary risk management policies.

The JSE takes no responsibility for the contents of the Programme Memorandum and the annual financial statements and/or any Applicable Pricing Supplements and/or the annual report of the Issuer and any amendments or supplements to the aforementioned documents. The JSE makes no representation as to the accuracy or completeness of the Programme Memorandum, the annual financial statements and/or any

Applicable Pricing Supplements and/or the annual report of the Issuer and any amendments or supplements to the aforementioned documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the aforementioned documents. The JSE's approval of the registration of the Programme Memorandum and listing of the debt securities is not to be taken in any way as an indication of the merits of the Issuer or of the debt securities and that, to the extent permitted by law, the JSE will not be liable for any claim whatsoever.

DESCRIPTION OF THE NOTES

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| 1. | Issuer | Urban Ubomi 1 (RF) Limited |
| 2. | Security SPV | Urban Ubomi 1 Security SPV (RF) Proprietary Limited |
| 3. | Status | Secured |
| 4. | Class | Class C Notes |
| 5. | Series number | 5 |
| 6. | Tranche number | 1 |
| 7. | Designated Ranking | N/A |
| 8. | Listed/Unlisted | Listed |
| 9. | Aggregate Principal Amount of this Tranche | ZAR65 000 000 |
| 10. | Issue Date(s) | 01 April 2026 |
| 11. | Specified Denomination per Note | ZAR1 000 000 |
| 12. | Issue Price(s) | 100% |
| 13. | Applicable Business Day Convention | Following Business Day |
| 14. | Interest Commencement Date(s) | Issue Date |
| 15. | Scheduled Maturity Date | Coupon Step-Up Date |
| 16. | Coupon Step-Up Date, if applicable | 15 May 2028 |
| 17. | Final Redemption Date | 15 May 2043 |
| 18. | Final Redemption Amount | As per Condition 7 |
| 19. | Refinancing Period | N/A |
| 20. | Use of Proceeds | The net proceeds of the issue of this Tranche, together with the net proceeds from the issue of all other Tranches of Notes issued on the same Issue Date and the borrowing of the Subordinated Loan referred to in this Pricing |

Supplement (if applicable), will be used by the Issuer to redeem existing Notes in issue.

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| 21. Pre-Funding Amount, if any | N/A |
| 22. Pre-Funding Period, if applicable | N/A |
| 23. Specified Currency | Rand |
| 24. Set out the relevant description of any additional Terms and Conditions relating to the Notes (including additional covenants, if any) | N/A |

FIXED RATE NOTES

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| 25. Fixed Interest Rate | N/A |
| 26. Interest Payment Date(s) | N/A |
| 27. Interest Period(s) | N/A |
| 28. Initial Broken Amount | N/A |
| 29. Final Broken Amount | N/A |
| 30. Any other items relating to the particular method of calculating interest | N/A |

FLOATING RATE NOTES

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| 31. Interest Payment Date(s) | 15 February , 15 May , 15 August and 15 November of each year until the Final Redemption Date, with the first Interest Payment Date being 15 May 2026 (or, if any such day is not a Business Day, the Business Day on which the interest will be paid, as determined in accordance with the applicable Business Day Convention, as specified in this Applicable Pricing Supplement) |
| 32. Interest Period(s) | From (and including) each Interest Payment Date to (but excluding) the following Interest Payment Date (in each case subject to the applicable Business Day Convention in relation to the Interest Payment Dates), provided that the first Interest Period will be from (and including) the Issue Date to but excluding 15 May 2026 (each Interest Payment Date as |

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| | | adjusted in accordance with the applicable Business Day Convention) |
| 33. | Manner in which the Interest Rate is to be determined | Screen Rate Determination |
| 34. | Margin/Spread for the Interest Rate | 3.55% per annum to be added to the relevant Reference Rate (up to the Scheduled Maturity Date) |
| 35. | Margin/Spread for the Coupon Step-Up Rate | 4.62% to be added to the relevant Reference Rate |
| 36. | If Screen Determination | |
| | (a) Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated) | 3-month ZAR-JIBAR-SAFEX |
| | (b) Rate Determination Date(s) | The first day of each Interest Period, save that the first Rate Determination Date is 25 March 2026 |
| | (c) Relevant Screen Page and Reference Code | Reuters Screen SFXMM page as at 11h00 South African time on the relevant Rate Determination Date or any successor rate |
| | (a) ZARONIA Fallback Rate (See Schedule 3- Condition 6.7.2(a)(i)) | Applicable |
| | (b) Benchmark Discontinuation (See Schedule 3- Condition 6.7) | Applicable |
| | (c) SARB Policy Rate Spread Adjustment (See Schedule 3- Condition 6.7.9(l)(ii)(A)) | Applicable |
| 37. | If Interest Rate to be calculated otherwise than by reference to the previous 2 sub-clauses above, insert basis for determining Interest Rate/Margin/Fall back provisions | N/A |
| 38. | If different from the Administrator, agent responsible for calculating amount of principal and interest | N/A |
| 39. | Any other terms relating to the particular method of calculating interest | N/A |

OTHER NOTES

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| 40. | If the Notes are not Fixed Rate Notes or Floating Rate Notes, or if the Notes are a combination of the | N/A |
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above and some other Note, set out the relevant description and any additional Terms and Conditions relating to such Notes

GENERAL

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| 41. Additional selling restrictions | N/A |
| 42. International Securities Identification Number (ISIN) | ZAG000223371 |
| 43. Stock Code | UU1C05 |
| 44. Financial Exchange | JSE |
| 45. Dealer(s) | Standard Bank |
| 46. Method of distribution | Private Placement |
| 47. Rating assigned to the Issuer/the Programme/this Tranche of Notes (if any) | BBB ⁺ _{(za)(sf)} |
| 48. Rating Agency | Global Credit Rating Co |
| 49. Governing Law | South Africa |
| 50. Last Day to Register | By 17h00 on 9 February, 9 May, 9 August and 9 November until the Final Redemption Date, being 17h00 on the calendar day preceding the Books Closed Period, or, if such day is not a Business Day, the immediately preceding day that is a Business Day |
| 51. Books Closed Period | The register will be closed from 10 February to 14 February, 10 May to 14 May, 10 August to 14 August and 10 November to 14 November (all dates inclusive) in each year until the Final Redemption Date |
| 52. Calculation Agent | Tuhf Capital Services |
| 53. Specified Office of the Calculation Agent | Per the Programme Memorandum |
| 54. Paying Agent | Standard Bank |
| 55. Specified Office of the Paying Agent | Per the Programme Memorandum |
| 56. Transfer Agent | Standard Bank |
| 57. Specified Office of the Transfer Agent | Per the Programme Memorandum |

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| 58. | Debt Sponsor | Standard Bank |
| 59. | Issuer's Settlement Agent | Standard Bank |
| 60. | Specified Office of the Issuer's Settlement Agent | Per the Programme Memorandum |
| 61. | Stabilisation Manager, if any | N/A |
| 62. | Programme Amount | ZAR2 500 000 000. The authorised amount of the Programme has not been exceeded |
| 63. | Aggregate Outstanding Principal Amount of Notes in issue on the Issue Date of this Tranche | ZAR1 222 000 000 |
| 64. | Liquidity Facility | N/A |
| 65. | Amount of Subordinated Loan to be borrowed simultaneously with this Tranche | ZARnil |
| 66. | Aggregate Principal Amount of all other Tranches of Notes to be issued simultaneously with this Tranche | ZARnil |
| 67. | Additional Events of Default, if any | N/A |
| 68. | Cut-Off Date | N/A |
| 69. | Arrears Reserve Required Amount | <p>If there are Class A notes outstanding then the required amount to be funded on the Issue Date and on each subsequent Interest Payment Date up until the Class A Notes are redeemed in full will be 3.05% of the Class A Notes as at the most recent Issue Date. If there are no Class A Notes outstanding and there are Class B Notes outstanding then the required amount to be funded on each Interest Payment Date up until the Class B Notes are redeemed in full will be 3.05% of the Class B Notes as at the most recent Issue Date. If there are no Class A Notes or Class B Notes outstanding then the required amount will reduce to zero.</p> <p>The Arrears Reserve Required Amount as at this Issue Date is ZAR 99 380 844</p> |
| 70. | Description of the underlying assets | See the section of the Programme Memorandum headed " <i>Sale Agreement</i> ", in the sub-section headed " <i>Eligibility Criteria</i> " |
| 71. | Number and value of assets in the pool | See Schedule 2 |
| 72. | Seasoning of the assets | See Schedule 2 |

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| 73. | Level of over collateralisation, if any | 1.08x this Tranche of Notes and any other Tranche(s) of Notes Outstanding on the Issue Date |
| 74. | How often payments are collected in respect of underlying assets | Monthly |
| 75. | Percentage of Notes held by the Originator on the Issue Date | N/A |
| 76. | Revolving Period, if applicable | N/A |
| 77. | Issue Period | N/A |
| 78. | Payment Date (for the Priority of Payments) | The same date as the Interest Payment Dates |
| 79. | First Determination Date (for the Priority of Payments) | 30 April 2026 |
| 80. | Class A Principal Lock-Out | N/A |
| 81. | Portfolio Covenants | <p>81.1 The weighted average current LTV Ratio must not exceed 65%.</p> <p>81.2 The proportion of the aggregate Asset Portfolio by outstanding loan amount with a current LTV Ratio greater than 70% must not exceed 25%.</p> <p>81.3 The weighted average number of months from the loan commencement date for the Asset Portfolio is not less than 12 months.</p> <p>81.4 The weighted average margin of the Asset Portfolio is not less than 300bps over the Prime Rate and/or the equivalent bps over 3m JIBAR.</p> <p>81.5 The proportion of the aggregate Asset Portfolio by outstanding loan amount representing the top 3 Borrowers cannot exceed 22%.</p> <p>81.6 The proportion of the aggregate Asset Portfolio by outstanding loan amount representing the top 4 Borrowers cannot exceed 27%.</p> <p>81.7 The proportion of the aggregate Asset Portfolio by outstanding loan amount representing the top 5 Borrowers cannot exceed 32%</p> |

81.8 The proportion of the aggregate Asset Portfolio by outstanding loan amount representing the top 6 Borrowers cannot exceed 36%.

81.9 The proportion of the aggregate Asset Portfolio by outstanding loan amount representing the top 7 Borrowers cannot exceed 47%.

82. Other provisions, if any

The section of the Programme Memorandum headed Priority of Payments is deleted and replaced with the new Priority of Payments set out in Schedule 5 to this Applicable Pricing Supplement.

The section of the Programme Memorandum headed Glossary of Definitions is amended by the insertion of the replacement definitions and the additional definitions set out in Schedule 6 to this Applicable Pricing Supplement.

REPORT OF THE INDEPENDENT AUDITORS – see Schedule 1

POOL DATA – see Schedule 2



Application is hereby made to list this Tranche of the Notes on the Interest Rate Market of the JSE Interest Rate Market, as from 01 April 2026, pursuant to the Urban Ubomi 1 (RF) Limited ZAR2 500 000 000 Mortgage Backed Securities Programme

The Programme was registered with the JSE on 12 March 2021.

As at the date of the Applicable Pricing Supplement, following due and careful enquiry, carried out without the involvement of the Issuer's auditors, the board of directors of the Issuer is satisfied that there has been no material change in the financial or trading position of the Issuer since the date of the Issuer's audited annual financial statements dated 31 March 2025.

As at the date of the Applicable Pricing Supplement, neither the Issuer nor the Security SPV is engaged in any legal or arbitration proceedings, including any proceedings that are pending or threatened, of which the Issuer or Security SPV is aware, that may have or have had in the recent past, being the previous 12 months, a material effect on the Issuer's or the Security SPV's financial position.

URBAN UBOMI 1 (RF) LIMITED (Issuer)

By:  By: 

Name: Kurt Wade van Staden Name: Ilona Roodt

Director, duly authorised Director, duly authorised

Date: 27 March 2026 Date: 27 March 2026

REPORT OF THE INDEPENDENT AUDITORS



Private Bag X6
Gallo Manor 2052
South Africa

Deloitte & Touche
Registered Auditors
Financial Services Team - FIST
Deloitte
5 Magwa Crescent
Waterfall City
Waterfall
DoceX 10 Johannesburg

Tel: +27 (0)11 806 5200
www.deloitte.com

The Board of Directors
Urban Ubomi 1 RF Limited
12th Floor, West Wing
Libridge Building
25 Ameshoff Street
Braamfontein
2001
(the "Issuer")

LIMITED ASSURANCE REPORT OF THE INDEPENDENT AUDITOR REGARDING THE CONDUCT OF THE PROPOSED SECURITISATION SCHEME OF THE ISSUER IN ACCORDANCE WITH THE REQUIREMENTS OF THE SECURITISATION EXEMPTION NOTICE

We have performed our limited assurance engagement in respect of the conduct of the proposed securitisation scheme by the Issuer.

The subject matter comprises the conduct of the proposed securitisation scheme as set out in the Programme Memorandum dated 12 March 2021 (the Programme Memorandum).

For purposes of our limited assurance engagement the terms of the relevant provisions of the Securitisation Exemption Notice (Government Notice 2, Government Gazette 30628 of 1 January 2008) issued by the Registrar of Banks (the Notice), as required by paragraphs 15(1)(a) and 16(2)(a)(vii) of the said Notice comprises the criteria by which the Issuer's compliance is to be evaluated.

This limited assurance report is intended only for the specific purpose of assessing compliance of the proposed securitisation scheme with the Notice as required by Paragraph 15(1)(a) and 16(2)(a)(vii) of the said Notice.

Directors' responsibility

The directors, and where appropriate, those charged with governance are responsible for the conduct of the proposed securitisation scheme as set out in the Programme Memorandum, in accordance with the relevant provisions of the Notice.

The responsible party is responsible for:

- ensuring that the securitisation scheme is conducted in accordance with the Notice; and
- Designing, establishing and maintaining internal controls to ensure that the securitisation transactions are conducted in accordance with the Notice.



National Executive: *LL Bam Chief Executive Officer *TMM Jordan Deputy Chief Executive Officer; Clients & Industries *MJ Jarvis Chief Operating Officer *AF Mackie Audit & Assurance *N Sing Risk Advisory DP Ndlovu Tax & Legal *MR Verster Consulting *JK Mazzocco People & Purpose MG Dicks Risk Independence & Legal *KL Hodson Financial Advisory *B Nyembe Responsible Business & Public Policy *R Redfearn Chair of the Board

A full list of partners and directors is available on request

* Partner and Registered Auditor

B-BBEE rating: Level 1 contribution in terms of the DTI Generic Scorecard as per the amended Codes of Good Practice

Auditor's responsibility

Our responsibility is to express our limited assurance conclusion to the Issuer's directors on the compliance of the conduct of the proposed securitisation scheme, as set out in the Programme Memorandum, with the relevant provisions of the Notice.

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other Than Audits or Reviews of Historic Financial Information*. That standard requires us to comply with ethical requirements and to plan and perform our limited assurance engagement to obtain sufficient appropriate evidence on which to base our limited assurance conclusion.

We do not accept any responsibility for any reports previously given by us on any financial information used in relation to the Programme Memorandum beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Quality control

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independence and Other Ethical Requirements

We have complied with the independence and other ethical requirements of Parts A and B of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Summary of work performed

We have performed our procedures on the conduct of the proposed securitisation scheme as documented in the Programme Memorandum prepared by the Issuer.

Our procedures were determined having taken into account the specific considerations included in the relevant provisions of the Notice.

Our evaluation included performing such procedures as we considered necessary which included:

- Review of the Programme Memorandum.
- Review of other transaction documentation that we considered necessary in arriving at and expressing our conclusion.

Our limited assurance engagement does not constitute an audit or review of any of the underlying information conducted in accordance with International Standards on Auditing or International Standards on Review Engagements and accordingly, we do not express an audit opinion or review conclusion.

We believe that our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

In a limited assurance engagement, the evidence gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the conduct of the proposed securitisation scheme, as set out in the Programme Memorandum, will comply with the relevant provisions of the Notice in all material respects.

Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the entity has not conducted the Securitisation Scheme, in all material respects, in accordance with the Notice.

Restriction on use and distribution

Our report is made solely to addressees, for the purpose of assessing the conduct of the proposed Securitisation Scheme by the Issuer with the Notice.

Deloitte & Touche

Deloitte & Touche
Registered Auditors
Per Stephen Munro
Partner
18 March 2021

SCHEDULE 2

POOL DATA

| | |
|----------------------|----------------------|
| | UU1 |
| Total Portfolio | 1 294 136 762 |
| Number of Loans | 219 |
| Interest Only Loans | 17% |
| WA Seasoning | 49 |
| WA Margin over JIBAR | 6,51% |
| WA LTV | 59,02% |

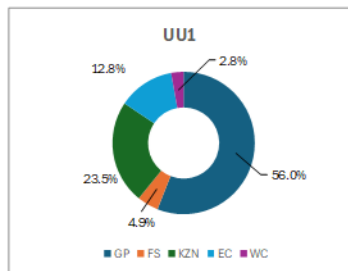
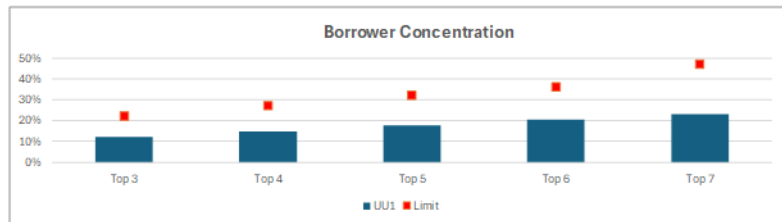
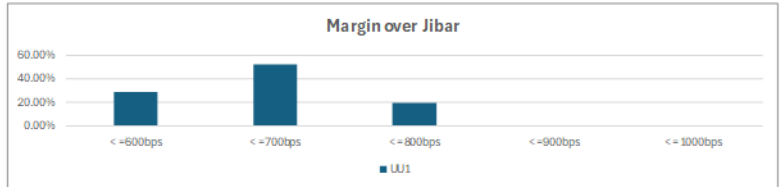
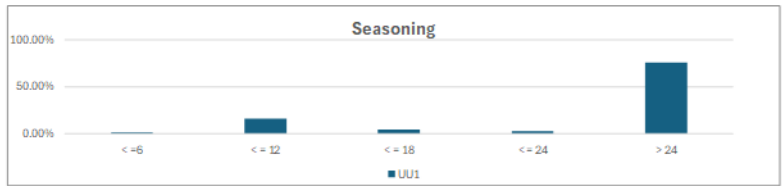
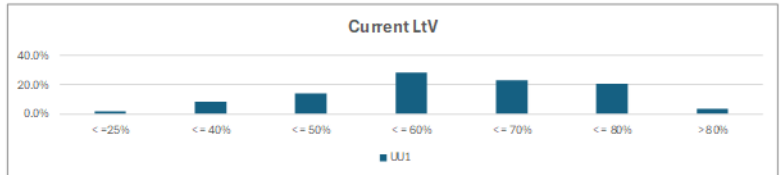
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|--------------------|--|-------------|
| Current Ltv | | UU1 |
| <=25% | | 1.9% |
| <= 40% | | 8.3% |
| <= 50% | | 14.2% |
| <= 60% | | 28.0% |
| <= 70% | | 22.9% |
| <= 80% | | 20.8% |
| >80% | | 3.8% |
| | | 100% |
| Max | | |

| | | |
|------------------|--|---------------|
| Seasoning | | UU1 |
| <=6 | | 1.36% |
| <= 12 | | 15.89% |
| <= 18 | | 4.01% |
| <= 24 | | 2.99% |
| >24 | | 75.74% |
| | | 100.0% |

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| Margin over Jibar | | UU1 |
| <=600bps | | 28.40% |
| <=700bps | | 52.15% |
| <=800bps | | 19.21% |
| <=900bps | | 0.24% |
| <=1000bps | | 0.00% |
| | | 100% |
| Min | | 4.56% |
| Max | | 9.00% |

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| Borrower Concentration | | UU1 |
| 22% | Top 3 | 12.01% |
| 27% | Top 4 | 14.94% |
| 32% | Top 5 | 17.84% |
| 36% | Top 6 | 20.49% |
| 47% | Top 7 | 23.09% |

| | | |
|-----------------------------------|--|----------------|
| Geographical Concentration | | UU1 |
| GP | | 56.0% |
| FS | | 4.9% |
| KZN | | 23.5% |
| EC | | 12.8% |
| WC | | 2.8% |
| | | 100.00% |



SCREEN RATE DETERMINATION

The Programme Memorandum is supplemented with the additional Condition, to be inserted as Condition 6.7, which will read as follows:

6.7 Benchmark Discontinuation:

6.7.1 Application of Benchmark Discontinuation Provisions

If Screen Rate Determination is specified as applicable in the Applicable Pricing Supplement and Benchmark Discontinuation is specified as applicable in the Applicable Pricing Supplement, then notwithstanding the provisions of Condition 6.2 (Interest on Floating Rate Notes), if the Issuer (in consultation with the Calculation Agent) determines (acting in good faith and in a commercially reasonable manner) that a Benchmark Event and its related Benchmark Event Date has occurred in relation to an Original Reference Rate for any Series of Notes when any Interest Rate (or any component part thereof) remains to be determined by reference to that Original Reference Rate, then, with effect from the Benchmark Replacement Date, the Adjusted Replacement Reference Rate determined in accordance with the provisions of this Condition 6.7 will replace the Original Reference Rate to determine the relevant Interest Rate (or the relevant component part thereof) and the Interest Amounts in respect of all Interest Periods commencing on or after the Benchmark Replacement Date (subject to any subsequent application of this Condition 6.7 with respect to the Replacement Reference Rate).

6.7.2 Determination of Replacement Reference Rate

- (a) The Reference Rate that will replace the Original Reference Rate (the Replacement Reference Rate) pursuant to this Condition 6.7 shall be:
 - (i) if the Original Reference Rate (or a component thereof) is JIBAR and ZARONIA Fallback Rate is specified as applicable in the Applicable Pricing Supplement, the Compounded Daily ZARONIA; or
 - (ii) in any other case, the first of the following Reference Rates determined by the Issuer (in consultation with the Calculation Agent), with effect from the Benchmark Event Date and by not later than the Replacement Reference Rate Determination Cut-off Date, in the following order of application and precedence:
 - (A) first, the Supervisor Recommended Reference Rate;
 - (B) second, if the Issuer (in consultation with the Calculation Agent) determines that there is no Supervisor Recommended Reference Rate, the Administrator Recommended Reference Rate; and
 - (C) third, if the Issuer (in consultation with the Calculation Agent) determines that there is no Administrator Recommended Reference Rate, the Alternative Reference Rate.
- (b) If:
 - (i) Condition 6.7.2(a)(ii) applies;

- (ii) no Replacement Reference Rate and (if any) the applicable Adjustment Spread is determined and notified to the Calculation Agent pursuant to this Condition 6.7 prior to the relevant Rate Determination Date occurring immediately after the Replacement Reference Rate Determination Cut-off Date; and
- (iii) there are no fallback provisions provided for in Condition 6.2.4(c) (Screen Rate Determination) and/or the Applicable Pricing Supplement for the purposes of determining the Interest Rate on such Rate Determination Date in relation to the Original Reference Rate,

the Interest Rate applicable to the next succeeding Interest Period shall be equal to the Interest Rate last determined in relation to the Notes in respect of the immediately preceding Interest Period (or alternatively, if there has not been a first Interest Payment Date, the Interest Rate for the next succeeding Interest Period shall be the initial Interest Rate) (the Final Fallback Rate); *provided that*:

- (A) where a different Margin or Maximum Interest Rate or Minimum Interest Rate is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Interest Rate or Minimum Interest Rate relating to the relevant Interest Period shall be substituted in place of the Margin or Maximum Interest Rate or Minimum Interest Rate relating to that last preceding Interest Period; and
- (B) this Condition 6.7.2(b) and the Final Fallback Rate shall apply to the relevant Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 6.7.

6.7.3

Adjustment Spread

- (a) If any Replacement Reference Rate is determined in accordance with Condition 6.7.2(a)(ii) (*Determination of Replacement Reference Rate*), the Issuer (in consultation with the Calculation Agent) shall, with effect from the Benchmark Event Date and by not later than the Replacement Reference Rate Determination Cut-off Date determine (acting in good faith and in a manner which is commercially reasonable and (if any) substantially consistent with market practice in domestic debt capital markets transactions which reference the Original Reference Rate and taking into account the requirements of the definition of "*Adjustment Spread*") whether an Adjustment Spread should be applied to such Replacement Reference Rate and, if the Issuer (in consultation with the Calculation Agent) so determines (which may include consultation with an Independent Adviser (if appointed)) that an Adjustment Spread should be so applied, determine the Adjustment Spread (which may be expressed as a specified quantum or a formula or methodology for determining the applicable Adjustment Spread) in accordance with the requirements of the definition of "*Adjustment Spread*", which Adjustment Spread shall be applied to such Replacement Reference Rate for each subsequent determination of an Interest Rate (or a relevant component part thereof) by reference to such Replacement Reference Rate. If the Issuer is unable to determine the quantum of, or a formula or methodology for determining the Adjustment Spread, then the Replacement Reference Rate will apply without an Adjustment Spread.
- (b) No Adjustment Spread shall be applied to the Final Fallback Rate.

Benchmark Amendments

- (a) If any Replacement Reference Rate is determined in accordance with Condition 6.7.2(a)(ii) (*Determination of Replacement Reference Rate*) and/or (if applicable) any Adjustment Spread is determined in accordance with Condition 6.7.3 (*Adjustment Spread*) and the Issuer (in consultation with the Calculation Agent) determines (acting reasonably and in good faith):
- (i) that technical, operational and/or operational amendments, variations and/or modifications to these Terms and Conditions and/or the Applicable Pricing Supplement are necessary to ensure the proper operation of the applicable Replacement Reference Rate and/or the applicable Adjustment Spread, including, without limitation, changes to:
- (A) the definition or determination of Interest Periods and/or Rate Determination Dates;
- (B) the timing and frequency of determining rates and making payments of interest;
- (C) rounding of amounts or tenors; and
- (D) any other administrative provisions related to the calculation or application of interest,
- (E) to reflect the adoption of the applicable Replacement Reference Rate and/or the applicable Adjustment Spread in a manner substantially consistent with market practice (or, if the Issuer (in consultation with the Calculation Agent) decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer (in consultation with the Calculation Agent) determines that no market practice for use of the applicable Replacement Reference Rate and/or the applicable Adjustment Spread exists, in such other manner as the Issuer (in consultation with the Calculation Agent) determines is reasonably necessary) (such amendments, variations and/or modifications, the “**Benchmark Amendments**”); and
- (F) the terms of the Benchmark Amendments,

then the Issuer shall, subject to the Issuer having to give notice thereof to the Noteholders, the Calculation Agent and the Paying Agent in accordance with Condition 6.7.5 (*Notice and Implementation of Benchmark Replacement*), without any requirement for the consent or approval of Noteholders, the Calculation Agent or the Paying Agent amend, vary or modify these Terms and Conditions and/or the Applicable Pricing Supplement to give effect to such Benchmark Amendments with effect from the Benchmark Replacement Date.

- (b) Any Benchmark Amendments shall constitute technical and/or administrative amendments for the purposes of Condition 18 (Amendment of the Terms and Conditions) and the Issuer shall comply with:
- (i) the requirements of Condition 18 (Amendment of the Terms and Conditions) in giving effect to such Benchmark Amendments; and

- (ii) if the Notes are for the time being listed or admitted to trading on any Financial Exchange, the relevant debt listings requirements applicable to such Benchmark Amendments.

6.7.5

Notice and Implementation of Benchmark Replacement

- (a) The applicable Replacement Reference Rate, Adjustment Spread (if any) and Benchmark Amendments (if any) shall take effect on the Benchmark Replacement Date and after delivery of a Benchmark Replacement Notice in accordance with Condition 6.7.5(b).
- (b) The Issuer shall deliver a written notice (the Benchmark Replacement Notice) to the Noteholders in accordance with Condition 17 (Notices), the Calculation Agent (or any other party specified in the Applicable Pricing Supplement as being responsible for calculating the Interest Rate) and the Paying Agent, which Benchmark Replacement Notice shall:
 - (i) specify:
 - (A) the Benchmark Event and its related Benchmark Event Date;
 - (B) the Benchmark Cessation Effective Date;
 - (C) the Replacement Reference Rate;
 - (D) the applicable Adjustment Spread (if any);
 - (E) the terms of any Benchmark Amendments (if any);
 - (F) the Benchmark Replacement Date; and
 - (G) the Independent Adviser appointed by the Issuer (if any); and
 - (ii) be accompanied by a certificate signed by two of the Issuer's authorised signatories confirming:
 - (A) that a Benchmark Event and its related Benchmark Event Date has occurred;
 - (B) the Replacement Reference Rate;
 - (C) the applicable Adjustment Spread (if any);
 - (D) the terms of any Benchmark Amendments (if any); and
 - (E) the Benchmark Replacement Date,

in each case determined in accordance with this Condition 6.7 and certifying that such Benchmark Amendments are necessary to give effect to any application of this Condition 6.7.

- (c) A Benchmark Replacement Notice shall be irrevocable.

6.7.6 **Binding Determinations**

Any determination, decision or election made by the Issuer (or, if applicable, the Independent Adviser) pursuant to this Condition 6.7, including, without limitation, the determination of the occurrence of a Benchmark Event and its related Benchmark Event Date, the selection or determination of the Replacement Reference Rate and/or the Adjustment Spread, the determination of the Benchmark Replacement Date and/or the Benchmark Cessation Effective Date and the determination of any Benchmark Amendments, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Calculation Agent (or any other party specified in the Applicable Pricing Supplement as being responsible for calculating the Interest Rate), the Paying Agent and the Noteholders. The Calculation Agent (or any other party specified in the Applicable Pricing Supplement as being responsible for calculating the Interest Rate) and the Paying Agent will be entitled to conclusively rely on any determinations made by the Independent Adviser and will have no liability for such actions taken at the direction of the Issuer and/or the Independent Adviser pursuant to this Condition 6.7.

6.7.7 **Survival of Original Reference Rate Provisions**

- (a) Without prejudice to the obligations of the Issuer under this Condition 6.7, the Original Reference Rate and the fallback provisions provided for in Condition 6.2.4(c) (Screen Rate Determination) will continue to apply unless and until a Benchmark Event and its related Benchmark Event Date has occurred and the Noteholders and the Calculation Agent have been notified of the Replacement Reference Rate, the applicable Adjustment Spread, any Benchmark Amendments and the Benchmark Replacement Date, in each case, in accordance with Condition 6.7.5 (*Notice and Implementation of Benchmark Replacement*).
- (b) If, following the occurrence of a Benchmark Event and its related Benchmark Event Date and in relation to the determination of the Interest Rate on the relevant Rate Determination Date, no Replacement Reference Rate and (if any) the applicable Adjustment Spread is determined and notified to the Noteholders and Calculation Agent in accordance with Condition 6.7.5 (*Notice and Implementation of Benchmark Replacement*), then, unless Condition 6.7.2 (*Determination of Replacement Reference Rate*) applies, the Original Reference Rate will continue to apply for the purposes of determining such Interest Rate on such Rate Determination Date, with the effect that the fallback provisions provided for in Condition 6.2.4 (c) (Screen Rate Determination) will (if applicable) continue to apply to such determination.
- (c) Condition 6.7.7(b) shall apply to the determination of the Interest Rate on the relevant Rate Determination Date only and the Interest Rate applicable to any subsequent Interest Period(s) is subject to the subsequent operation of, and to adjustment as provided in, this Condition 6.7.

6.7.8 **Independent Adviser**

- (a) The Issuer may, at its sole discretion and expense, appoint an Independent Adviser to make any or all of the determinations, decisions or elections required under this Condition 6.7, including:
 - (i) the occurrence of a Benchmark Event and the related Benchmark Event Date;
 - (ii) the determination of the Replacement Reference Rate; and

- (iii) the determination of the Adjustment Spread or a formula or methodology for determining the applicable Adjustment Spread.
- (b) If an Independent Adviser is appointed, the Issuer shall notify the Noteholders of such appointment in the Benchmark Replacement Notice.
- (c) Any determination, decision or election made by the Independent Adviser shall be deemed to be a determination by the Issuer for the purposes of this Condition 6.7, unless the Issuer notifies the Noteholders otherwise prior to the Benchmark Replacement Date.
- (d) If no Independent Adviser is appointed, or if the Independent Adviser fails to make a determination within a reasonable period as determined by the Issuer, the Issuer (in consultation with the Calculation Agent) shall make such determinations itself, acting in good faith and in a manner which is commercially reasonable and (if any) substantially consistent with market practice in domestic debt capital markets transactions which reference the Original Reference Rate.
- (e) An Independent Adviser appointed pursuant to this Condition 6.7 shall act in good faith and in a commercially reasonable manner as an independent expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Calculation Agent (or any other party responsible for determining the Interest Rate, and acting independently of the Issuer, as specified in the Applicable Pricing Supplement), the Paying Agent or the Noteholders for any determination, decision or election made by it or for any advice given to the Issuer in connection with any determination, decision or election made by the Issuer pursuant to this Condition 6.7.

6.7.9

Definitions

In this Condition 6.7:

- (a) **Adjusted Replacement Reference Rate** means:
 - (i) in the case of Condition 6.7.2 (*Determination of Replacement Reference Rate*), the ZARONIA Fallback Rate; or
 - (ii) in the case of Condition 6.7.2 (*Determination of Replacement Reference Rate*), the sum of the Replacement Reference Rate determined by the Issuer in accordance with Condition 6.7.2 (*Determination of Replacement Reference Rate*) and (if any) the Adjustment Spread applicable to the Replacement Reference Rate determined by the Issuer in accordance with Condition 6.7.3 (*Adjustment Spread*).
- (b) **Adjustment Spread** means, in respect of a Replacement Reference Rate determined in accordance with Condition 6.7.2 (*Determination of Replacement Reference Rate*), either a spread (which may be positive, negative or zero), or the formula or methodology for calculating a spread, in each case to be applied to the Supervisor Recommended Reference Rate, the Administrator Recommended Reference Rate or the Alternative Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the relevant circumstances, any economic prejudice or benefit (as applicable) to the Noteholders as a result of the replacement of the Original Reference Rate with the Supervisor Recommended Reference Rate, the Administrator Recommended Reference Rate or the Alternative Reference Rate (as applicable), and is the spread, formula or methodology which:

- (i) in the case of a Supervisor Recommended Reference Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Supervisor Recommended Reference Rate by the Supervisor;
 - (ii) in the case of an Administrator Recommended Reference Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Administrator Recommended Reference Rate by the Administrator or the Supervisor of the Administrator;
 - (iii) in the case of an Alternative Reference Rate or (where paragraphs 6.7.9(b)(i) and 6.7.9(b)(ii) above do not apply) in the case of a Supervisor Recommended Reference Rate or an Administrator Recommended Reference Rate (as applicable), the Issuer (in consultation with the Calculation Agent), acting in good faith and in a commercially reasonable manner, determines (which may include consultation with an Independent Adviser (if appointed)) is customarily applied in domestic debt capital markets transactions which reference the Original Reference Rate to produce an industry accepted replacement rate for the Original Reference Rate, where the Original Reference Rate has been replaced by the Supervisor Recommended Reference Rate, the Administrator Recommended Reference Rate or the Alternative Reference Rate (as applicable);
 - (iv) if the Issuer (in consultation with the Calculation Agent), acting in good faith and in a commercially reasonable manner, determines (which may include consultation with an Independent Adviser (if appointed)) that no such spread is customarily applied as contemplated in 6.7.9(b)(iii) above and paragraphs 6.7.9(b)(i) and 6.7.9(b)(ii) above do not apply, the Issuer (in consultation with the Calculation Agent), acting in good faith and in a commercially reasonable manner, determines (which may include consultation with an Independent Adviser (if appointed)) is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where the Original Reference Rate has been replaced by the relevant Supervisor Recommended Reference Rate, Administrator Recommended Reference Rate or Alternative Reference Rate (as applicable); or
 - (v) if no such industry standard is recognised or acknowledged as contemplated in paragraph 6.7.9(b)(iv) above, the Issuer (in consultation with the Calculation Agent), in its discretion and acting in good faith and in a commercially reasonable manner, determines to be appropriate, which may include consultation with an Independent Adviser (if appointed) and shall take into account the requirements of this definition of "Adjustment Spread".
- (c) **Administrator** means, in respect of any Original Reference Rate, the administrator for that rate or benchmark or, if there is no administrator, the provider of that rate or benchmark, and, in each case, any successor administrator or, as applicable, any successor administrator or provider.
- (d) **Administrator Recommended Reference Rate** means in respect of an Original Reference Rate, a successor to or replacement of that Original Reference Rate which is formally recommended by the Administrator of that Original Reference Rate.
- (e) **Alternative Reference Rate** means, in circumstances where there is no Supervisor Recommended Reference Rate or Administrator Recommended Reference Rate as at a Rate Determination Date, an alternative rate to the Original Reference Rate which

the Issuer (in consultation with the Calculation Agent) (acting in good faith, in a commercially reasonable manner and by reference to such sources and available information as it deems appropriate taking into account prevailing market practices, any recommendations by any relevant industry body(ies) or working group established for the domestic debt capital markets and any applicable regulatory guidance) determines has replaced the Original Reference Rate in customary market usage in the domestic debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) for debt securities denominated in ZAR and of a comparable duration to the relevant Interest Period or, if the Issuer (in consultation with the Calculation Agent) determines that there is no such rate, such other rate which the Issuer (in consultation with the Calculation Agent) determines in its discretion (acting in good faith and in a commercially reasonable manner) is most comparable to the Original Reference Rate.

(f) **Benchmark Amendments** has the meaning given to it in Condition 6.7.4 (*Benchmark Amendments*).

(g) **Benchmark Event** means:

(i) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or

(ii) the Administrator of the Original Reference Rate publicly announces that it has ceased or will, by a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor Administrator has been appointed that will continue publication of the Original Reference Rate); or

(iii) the Supervisor of the Administrator of the Original Reference Rate publicly announces that the Original Reference Rate has been or will, by a specified date, be permanently or indefinitely discontinued; or

(iv) the Supervisor of the Administrator of the Original Reference Rate publicly announces that the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes; or

(v) the Supervisor of the Administrator of the Original Reference Rate publicly announces that the Original Reference Rate will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or

(vi) the Supervisor of the Administrator of the Original Reference Rate makes a public announcement or publishes information stating that the Original Reference Rate is no longer or, as of a specified future date will no longer be, representative of the underlying market or economic reality that it is intended to measure and that representativeness will not be restored (as determined by such Supervisor); or

(vii) it has or will prior to the next Rate Determination Date become unlawful or otherwise prohibited for the Calculation Agent, the Paying Agent or the Issuer to calculate any payments due to be made to any Noteholder using the Original Reference Rate.

(h) **Benchmark Event Date** means, in respect of an Original Reference Rate and a related Benchmark Event, the date which is the later of:

(i) the date of the occurrence of the relevant Benchmark Event; and

- (ii) notwithstanding paragraph 6.7.9(h)(i) above, where the relevant Benchmark Event is a public announcement or statement within paragraphs 6.7.9(g)(ii), 6.7.9(g)(iii), 6.7.9(g)(iv), 6.7.9(g)(v) or 6.7.9(g)(vi), of the definition of “Benchmark Event” and the relevant specified future date in the public announcement or statement is more than six months after the date of that public announcement or statement, the date falling six months prior to such specified future date.
- (i) **Benchmark Cessation Effective Date** means the earliest to occur on or after the relevant Benchmark Event Date of the following events with respect to the Original Reference Rate:
- (i) in the case of the Benchmark Event under paragraph 6.7.9(g)(ii), 6.7.9(g)(vi) or 6.7.9(g)(vii) of the definition of “Benchmark Event”, the date of the occurrence of such Benchmark Event;
- (ii) in the case of the Benchmark Event under paragraph 6.7.9(g)(ii) of the definition of “Benchmark Event”, the date of the cessation of the publication of the Original Reference Rate;
- (iii) in the case of the Benchmark Event under paragraph 6.7.9(g)(iii) of the definition of “Benchmark Event”, the date of the permanent discontinuation of the Original Reference Rate;
- (iv) in the case of the Benchmark Event under paragraph 6.7.9(g)(iv) of the definition of “Benchmark Event”, the date on which the Original Reference Rate is prohibited from being used; and
- (v) in the case of the Benchmark Event under paragraph 6.7.9(g)(v) of the definition of “Benchmark Event”, the date on which the Original Reference Rate becomes subject to restrictions or adverse consequences.
- (j) **Benchmark Replacement Date** means the date specified as such by the Issuer in the Benchmark Replacement Notice, being a date not earlier than the earlier of:
- (i) 5 Business Days following the date of delivery of the Benchmark Replacement Notice (or such shorter period as the Issuer determines (acting reasonably and in good faith) is practicable in the circumstances); and
- (ii) the Benchmark Cessation Effective Date.
- (k) **Benchmark Replacement Notice** means has the meaning given to it in Condition 6.7.5(b) (*Notice and Implementation of Benchmark Replacement*).
- (l) **Compounded Daily ZARONIA** means, with respect to an Interest Period commencing after the Benchmark Replacement Date, the rate of return of a daily compound interest investment (with ZARONIA as the Reference Rate for the calculation of interest) as calculated by the Calculation Agent on the Rate Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005% being rounded upwards:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{ZARONIA}_{i-5 \text{ JBD}} \times n_i}{D} \right) - 1 \right] \times \frac{365}{d}$$

where:

d is the number of calendar days in the relevant Interest Period;

d₀ is the number of Johannesburg Business Days in the relevant Interest Period;

i is, in relation to any Interest Period, a series of whole numbers from 1 to **d₀**, each representing the relevant Johannesburg Business Day in chronological order from (and including) the first Johannesburg Business Day in the relevant Interest Period to (and including) the last Johannesburg Business Day in such Interest Period;

Rate Determination Date means, for the purpose of this definition only, the Johannesburg Business Day falling five Johannesburg Business Days before the relevant Interest Payment Date;

n_i, for any Johannesburg Business Day "**i**" in the relevant Interest Period, means the number of calendar days from (and including) such Johannesburg Business Day "**i**" up to (but excluding) the following Johannesburg Business Day;

ZARONIA_{i - 5 JBD}, means, in respect of any Johannesburg Business Day "**i**" falling in the relevant Interest Period, the ZARONIA Reference Rate for the Johannesburg Business Day (being a Johannesburg Business Day falling in the relevant ZARONIA Observation Period) falling five Johannesburg Business Days prior to the relevant Johannesburg Business Day "**i**",

provided that:

- (i) if, for any reason, the Compounded Daily ZARONIA needs to be determined for a period other than an Interest Period, the Compounded Daily ZARONIA is to be determined as if that period were an Interest Period starting on (and including) the first day of that period and ending on (but excluding) the last day of that period; and
- (ii) if, in respect of any Johannesburg Business Day, ZARONIA is not available on the SARB's Website, such Reference Rate shall be:
 - (A) the SARB Policy Rate prevailing at close of business on the relevant Johannesburg Business Day as adjusted, if SARB Policy Rate Spread Adjustment is specified as applicable in the Applicable Pricing Supplement, by the SARB Policy Rate Spread as specified in the Applicable Pricing Supplement; or
 - (B) subject to this Condition 6.7, if such SARB Policy Rate is not available, the ZARONIA rate published on the SARB's Website for the first preceding Johannesburg Business Day on which the ZARONIA rate was published on the SARB's Website,
- (iii) and if the aggregate of such Reference Rate and the ZARONIA Fallback Adjustment Spread is less than zero, such Reference Rate for such Johannesburg Business Day shall be deemed to be such a rate that the aggregate of such Reference Rate and the ZARONIA Fallback Adjustment Spread is zero, and in each case, "ZARONIA_{i - 5 JBD}" shall be interpreted accordingly.

- (m) **Final Fallback Rate** has the meaning given to it in Condition 6.7.2(b) (*Determination of Replacement Reference Rate*).
- (n) **Independent Adviser** means an independent financial institution or financial adviser of recognised standing and with appropriate experience in the domestic capital markets, selected and appointed by the Issuer in accordance with Condition 6.7.8 (*Independent Adviser*).
- (o) **JIBAR** means the Johannesburg Interbank Average Rate (being the South African Rand wholesale funding rate known as JIBAR) administered by the SARB (or a successor Administrator).
- (p) **Johannesburg Business Day** or **JBD** means any day (other than a Saturday, a Sunday or a public holiday) on which commercial banks are open for general business in Johannesburg, South Africa.
- (q) **Maximum Interest Rate**, if applicable, bears the meaning assigned to such term in the Applicable Pricing Supplement.
- (r) **Minimum Interest Rate**, if applicable, bears the meaning assigned to such term in the Applicable Pricing Supplement.
- (s) **Original Reference Rate** means the Reference Rate originally specified in the Applicable Pricing Supplement for the purposes of determining the relevant Interest Rate (or any component part thereof) in respect of the Notes (provided that if, following one or more Benchmark Events and the related Benchmark Event Date(s), such Reference Rate originally specified in the Applicable Pricing Supplement for the purposes of determining the relevant Interest Rate (or any component part thereof) in respect of the Notes (or any Replacement Reference Rate which has replaced it) has been replaced by a (or a further) Replacement Reference Rate and a Benchmark Event and its related Benchmark Event Date subsequently occurs in respect of such Replacement Reference Rate, the term Original Reference Rate shall include any such Replacement Reference Rate).
- (t) **Publication Time** means at or about 10.00 a.m. (Johannesburg time) or any amended publication time for the final intraday refix of ZARONIA specified by the SARB, as the administrator of ZARONIA (or any successor administrator of ZARONIA);
- (u) **Replacement Reference Rate** has the meaning given to it in Condition 6.7.2(a) (*Determination of Replacement Reference Rate*).
- (v) **Replacement Reference Rate Determination Cut-off Date** means the date, after the Benchmark Event Date, that is no later than 5 Business Days prior to the Rate Determination Date relating to the first Interest Period commencing after the relevant Benchmark Cessation Effective Date.
- (w) **SARB Policy Rate** means, in respect of any relevant day (including any day "i"), the repo rate (or any successor rate) which is the main policy rate of the SARB as determined and set by the monetary policy committee of the SARB and published by the SARB from time to time, in effect on that day.
- (x) **SARB's Website** means the website of the SARB currently at <http://www.resbank.co.za>, any successor website of the SARB (or a successor administrator of ZARONIA) or any successor source.

- (y) **Supervisor** means, in respect of an Original Reference Rate:
- (i) the central bank, supervisor, regulator or other supervisory authority that is responsible for supervising (i) that Original Reference Rate, and/or (ii) the Administrator of that Original Reference Rate; or
 - (ii) any working group or committee officially endorsed or convened by, chaired or co-chaired by or constituted at the request of any such central bank, supervisor, or regulator or other supervisory authority or a group of the aforementioned central bank, supervisors, regulators or other supervisory authorities.
- (z) **Supervisor Recommended Reference Rate** means, in respect of an Original Reference Rate, a successor to or replacement of that Original Reference Rate which is formally recommended by the Supervisor of that Original Reference Rate.
- (aa) **ZARONIA** means the South African Overnight Index Average administered by the SARB (or a successor Administrator) (known as ZARONIA).
- (bb) **ZARONIA Fallback Adjustment Spread** means the term adjusted ZARONIA spread (which may be positive, negative or zero) relating to JIBAR as at the ZARONIA Fallback Adjustment Spread Fixing Date, for a period corresponding to the duration of the relevant Interest Period, provided by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time as the provider of term adjusted ZARONIA and the spread) (“BISL”) on the Fallback Rate (ZARONIA) Screen (or by other means), or provided to, and published by, authorised distributors, where “Fallback Rate (ZARONIA) Screen” means the Bloomberg Screen corresponding to the Bloomberg ticker for the fallback for JIBAR accessed via the Bloomberg Screen <FBAK> <GO> Page (or, if applicable, accessed via the Bloomberg Screen <HP> <GO>) or any other published source designated by BISL.
- (cc) **ZARONIA Fallback Adjustment Spread Fixing Date** means the first date on which a Benchmark Event Date occurs with respect to JIBAR (or if that date is not a Johannesburg Business Day, the next following Johannesburg Business Day).
- (dd) **ZARONIA Fallback Rate** means, for an Interest Period and in respect of a Rate Determination Date (as defined in the definition of “Compounded Daily ZARONIA”), the rate determined by the Calculation Agent to be the Compounded Daily ZARONIA for that Interest Period and Rate Determination Date plus the relevant ZARONIA Fallback Adjustment Spread.
- (ee) **ZARONIA Observation Period** means, in respect of the relevant Interest Period, the period from (and including) the date falling 5 (five) Johannesburg Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on (and include) the Interest Commencement Date) and ending on (but excluding) (a) the date falling 5 (five) Johannesburg Business Days prior to the Interest Payment Date for such Interest Period (and the last Interest Period shall end on (but exclude) the Redemption Date), or (b) the date falling 5 (five) Johannesburg Business Days prior to such earlier date, if any, on which the Notes become due and payable.
- (ff) **ZARONIA Reference Rate** means, in respect of any Johannesburg Business Day, a reference rate equal to the daily ZARONIA rate for such Johannesburg Business Day as provided by the SARB as the Administrator of ZARONIA (or any successor Administrator of ZARONIA), on the SARB’s Website, in each case at the Publication Time on the Johannesburg Business Day immediately following such Johannesburg Business Day, and if the aggregate of such ZARONIA Reference Rate and the

ZARONIA Fallback Adjustment Spread is less than zero, the ZARONIA Reference Rate for such Johannesburg Business Day shall be deemed to be such a rate that the aggregate of the ZARONIA Reference Rate and the ZARONIA Fallback Adjustment Spread is zero.

SOCIAL BOND

SUSTAINABILITY USE OF PROCEEDS DEBT SECURITIES

The Notes will be classified as sustainability use of proceeds debt securities and listed on the sustainability segment of the Interest Rate Market of the JSE:

TUHF's Sustainable Bond Framework (the **Framework**) is found at- https://www.tuhf.co.za/wp-content/uploads/2024/05/TUHF_Sustainable-finance-framework-2024-v1-002.pdf

The Framework has been independently assessed by IBIS Environmental Social Governance Consulting Africa Proprietary Limited (**IBIS**) (<https://ibisconsulting.com>), a leading independent ESG and corporate governance research, ratings and analytics firm. IBIS has issued a second party opinion, which can be found at the following link (https://www.tuhf.co.za/wp-content/uploads/2024/05/TUHF-Sustainable-Finance-Framework_SPO_FINAL_30042024.pdf), confirming that the Framework adheres to (i) the sustainability-linked standards, including the United Nation's Sustainable Development Goals 1, 7, 8, 11 and 13 and is aligned with international best practice, and (ii) adheres to the use of proceeds standards, such as the guidelines published by the International Capital Market Association (**ICMA**) including the:

- Green Bond Principles of June 2023;
- Social Bond Principles of June 2023; and
- Sustainability Bond Guidelines of 2021.

IBIS [now trading as SLR Consulting (South Africa) Proprietary Limited (**SLR**)] issued a supplementary letter dated 8 September 2025, which can be found at the following link (<https://www.tuhf.co.za/wp-content/uploads/2025/09/TUHF-UU1-Post-Issuance-Assurance-Statement-2025.pdf>), confirming that based on their review of the Framework against the updated principles published by ICMA in June 2025 and the updates to the Loan Market Association principles in March 2025, respectively, as listed below:

- Green Bond Principles (June 2025 edition);
- Social Bond Principles (June 2025 edition);
- Green Loan Principles (March 2025 edition); and
- Social Loan Principles (March 2025 edition),

that the existing Framework remains aligned with the 2025 editions of the respective principles.

SLR's address and contact details are as follows:

Suite 1-Building D
Monte Circle
178 Montecasino Boulevard
Fourways
Johannesburg

Gauteng

2191

Tel: +27 11 467 0945

Email: petrus.gildenhuis@slrsconsulting.com

Attention: Director Reporting and Assurance

SLR is independent of both the Arranger and Dealer and the Issuer, its directors, senior management and advisers as required by the Debt and Specialist Securities Listings Requirements.

The Notes (i) incorporate forward-looking ESG outcomes pursuant to the sustainability-linked standards, and (ii) are aligned with the core components pursuant to the sustainability-linked standards.

The proceeds of these Notes are intended to be directed towards:

- Financing or refinancing that involves the construction or investment in affordable housing
- Financing and refinancing of loans to previously disadvantaged individuals based on broad-based black economic empowerment principles for investment in rental properties
- Financing or re-financing of any project that aims to increase access by small-scale and other enterprises, to financial services
- Financing or re-financing of any project that promotes the formalization and growth of micro, small and medium sized enterprises

These are aligned with the relevant investment categories and eligibility criteria in Section 2.1 of the Framework.

Section 4 in the Framework sets out that the proceeds of the Notes will be managed through the Issuer's internal accounting systems, ensuring that Eligible Loans financed by the Issuer's Green, Social and Sustainable Bonds/Loans are appropriately identified.

The proceeds of the Notes will be allocated to loans based on the selection and evaluation process presented in section 3 of the Framework. The loans must first meet the eligibility criteria set out in the table in item 2.1 in the Framework.

Section 5 of the Framework indicates that the Issuer will report annually on the use of proceeds and the impact of funding raised through the sustainability framework, in adherence with the use of proceeds standards until the proceeds of the issue of the Notes have been fully allocated. These reports will be made available on the Issuer's website (<https://www.tuhf.co.za/investors/>).

Investors should make their own independent evaluation of all risk factors and ensure that they (i) fully understand the nature of the Notes and the extent of their exposure to risks, and (ii) consider the suitability of the Notes as an investment in the light of their own circumstances and financial position.

The Issuer's approach to sustainability is set out in section 1.2 of the Framework. The indicative impact indicators are set out in section 5.2 of the Framework.

In accordance with section 6 of the Framework, the Issuer will confirm the following verification:

- An independent party with experience and a track record in issuing second-party opinions will review the Issuer's Framework.
- The Issuer will request, on an annual basis, a limited assurance report of the allocation of funds raised in terms of the Framework to eligible assets, by an independent third-party external auditor.
- The performance of the key intended impacts and verification thereof will be reported in the annual ESG report, following the last day of the Financial Year of the Issuer.

PRIORITY OF PAYMENTS

This section should be read in conjunction with the detailed information contained elsewhere in this Programme Memorandum. Words used in this section headed "Priority of Payments" shall bear the same meanings as used in the section headed "Glossary of Definitions", and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.

Pre-Enforcement Priority of Payments

1. On each Payment Date until the Security SPV has given notice to the Issuer pursuant to an Event of Default, monies standing to the credit of the Transaction Account on the immediately preceding Determination Date and all monies standing to the credit of the Capital Reserve and the Arrears Reserve on the immediately preceding Determination Date and, to the extent that such monies are insufficient, all monies advanced under the Liquidity Facility (if any) (save that such monies shall only be applied for the purposes set out in the Liquidity Facility Agreement), shall, after making payment of or providing for amounts owing in respect of the Excluded Items, be transferred from the Transaction Account, the Capital Reserve and the Arrears Reserve in accordance with written payment instructions, signed by the Administrator. Such amounts shall be applied to the extent to which funds are available in the Transaction Account and, if applicable, the Capital Reserve and the Arrears Reserve, in making payments or provisions in accordance with the Pre-Enforcement Priority of Payments set out below on the basis that any creditor which ranks subsequent to any other creditors in the Pre-Enforcement Priority of Payments will not be paid unless and until all the creditors which rank prior to it in the Pre-Enforcement Priority of Payments have been paid all the amounts then due and payable to them by the Issuer (each clause below being referred to as a successive "item" in the Pre-Enforcement Priority of Payments):
 - 1.1 first, to pay or provide for the Issuer's liability or potential liability for Tax;
 - 1.2 second, to pay or provide for *pari passu* and pro rata:
 - 1.2.1 the remuneration due and payable to the Security SPV (inclusive of VAT, if any) and any fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Security SPV under the provisions of the Security Agreements and/or any of the Transaction Documents and/or the Notes; and
 - 1.2.2 the remuneration due and payable to the Owner Trustee (inclusive of VAT, if any) and any fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by such trustee under the provisions of the Owner Trust Deed, the Security Agreements and/or any of the Transaction Documents and/or the Notes;
 - 1.3 third, to pay or provide for *pari passu* and pro rata all fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Issuer, which are due and payable or expected to become due and payable by the Issuer on or after such Interest Payment Date (prior to the next Interest Payment Date) to:
 - 1.3.1 the Account Bank in accordance with the Bank Agreement; and
 - 1.3.2 third parties,

and incurred without breach by the Issuer of its obligations under the Transaction Documents and not provided for payment elsewhere (including payment of the Rating Agency (in the event of Rated

Notes), the JSE, audit fees, any fees, premiums or commissions due upon the execution of any Derivative Contract and company secretarial expenses);

- 1.4 fourth, to pay or provide for *pari passu* and pro rata:
 - 1.4.1 the Servicing Fee due and payable to the Servicer on such Interest Payment Date (inclusive of VAT, if any) together with costs and expenses which are due and payable or expected to become due and payable to the Servicer under the Servicing Agreement prior to the next Interest Payment Date;
 - 1.4.2 the Back-Up Servicing Fee due and payable to the Back-Up Servicer on such Interest Payment Date (inclusive of VAT, if any) together with costs and expenses which are due and payable or expected to become due and payable to the Back-Up Servicer under the Servicing Agreement prior to the next Interest Payment Date; and
 - 1.4.3 the Administrator Fee due and payable to the Administrator on such Interest Payment Date (inclusive of VAT, if any) together with costs and expenses which are due and payable or expected to become due and payable to the Administrator under the Administration Agreement prior to the next Interest Payment Date;
- 1.5 fifth, to pay or provide for *pari passu* and pro rata any net settlement amounts and Derivative Termination Amounts due and payable to any Derivative Counterparty in accordance with the Derivative Contracts (but excluding any Derivative Termination Amounts where the Derivative Counterparty is in default);
- 1.6 sixth, to pay all amounts due and payable under the Liquidity Facility other than in respect of principal;
- 1.7 seventh, to pay or provide for *pari passu* and pro rata:
 - 1.7.1 for all amounts due and payable in respect of the Class A1 Notes other than in respect of principal on the Class A1 Notes;
 - 1.7.2 all amounts due and payable in respect of the Class A2 Notes other than in respect of principal on the Class A2 Notes; and
 - 1.7.3 all amounts due and payable in respect of the Class A3 Notes other than in respect of principal on the Class A3 Notes;
- 1.8 eighth, subject to a Class B Interest Deferral Event not having occurred on or prior to that Interest Payment Date, to pay or provide for all amounts due and payable in respect of the Class B Notes other than in respect of principal on the Class B Notes;
- 1.9 ninth, subject to a Class C Interest Deferral Event not having occurred on or prior to that Interest Payment Date, to pay or to provide for all amounts due and payable in respect of the Class C Notes other than in respect of principal on the Class C Notes;
- 1.10 tenth, subject to a Class D Interest Deferral Event not having occurred on or prior to that Interest Payment Date, to pay or to provide for all amounts due and payable in respect of the Class D Notes other than in respect of principal on the Class D Notes;
- 1.11 eleventh, to repay all principal amounts outstanding under the Liquidity Facility as at the immediately preceding Determination Date up to an amount equal to the Potential Redemption Amount;

- 1.12 twelfth, provided that a Stop-Lending Trigger Event has not occurred, to fund the advance by the Issuer of Redraws and Re-Advances up to an amount equal to the Potential Redemption Amount less the sum of the amounts applied under item 1.11 above;
- 1.13 thirteenth, provided that a Stop-Lending Trigger Event has not occurred, to fund the advance by the Issuer of Further Advances and, during the Revolving Period only, to fund the purchase by the Issuer of Additional Assets, equal to the greater of zero and up to the lower of:
 - 1.13.1 the Potential Redemption Amount, less the sum of the amounts applied under items 1.11 to 1.12 above; and
 - 1.13.2 the aggregate amount of Repayments and Prepayments received during the immediately preceding Collection Period, less amounts applied under items 1.11 to 1.12 above;
- 1.14 fourteenth, during the Revolving Period only, to set aside cash in terms of paragraph 2 below in the Capital Reserve equal to the Potential Redemption Amount less the sum of the amounts applied under items 1.11 to 1.13 above;
- 1.15 fifteenth, if there are Class A Notes outstanding on such Interest Payment Date, to allocate an amount equal to the greater of zero and the Potential Redemption Amount less the sum of the amounts applied under items 1.11 to 1.14 above to be applied in redeeming the Notes (in the manner set out in paragraph 3 below);
- 1.16 sixteenth, if there are Class A Notes outstanding to credit the Arrears Reserve up to the Arrears Reserve Required Amount;
- 1.17 seventeenth, if a Class B Interest Deferral Event has occurred on or prior to such Interest Payment Date, to pay interest due and payable in respect of the Class B Notes;
- 1.18 eighteenth, if there are no Class A Notes outstanding on such Interest Payment Date but there are Class B Notes outstanding, to allocate an amount equal to the greater of zero and the Potential Redemption Amount less the sum of the amounts applied under items 1.11 to 1.15 above to be applied in redeeming the remaining Notes (in the manner set out in paragraph 4 below);
- 1.19 nineteenth, if there are no Class A Notes outstanding to credit the Arrears Reserve up to the Arrears Reserve Required Amount;
- 1.20 twentieth, if a Class C Interest Deferral Event has occurred on or prior to such Interest Payment Date, to pay interest due and payable in respect of the Class C Notes;
- 1.21 twenty-first, if there are no Class B Notes outstanding on such Interest Payment Date, to allocate an amount equal to the greater of zero and the Potential Redemption Amount less the sum of the amounts applied under items 1.11 to 1.15 and 1.18 above to be applied in redeeming the remaining Notes (in the manner set out in paragraph 5 below);
- 1.22 twenty second, if a Class D Interest Deferral Event has occurred on or prior to such Interest Payment Date, to pay interest due and payable in respect of the Class D Notes;
- 1.23 twenty third, if there are no Class C Notes outstanding on such Interest Payment Date, to allocate an amount equal to the greater of zero and the Potential Redemption Amount less the sum of the amounts applied under items 1.11 to 1.15, 1.18 and 1.21 above to be applied in redeeming the Class D Notes (in the manner set out in paragraph 6 below);

- 1.24 twenty-fourth, to pay or provide for *pari passu* and pro rata the Derivative Termination Amounts due and payable to any Derivative Counterparty under the Derivative Contracts where the Derivative Counterparty is in default;
 - 1.25 twenty-fifth, if the Issuer fails to exercise the call option to redeem all the Notes on the Latest Coupon Step-Up Date, in accordance with the terms and conditions of the Notes, to allocate all remaining cash in redeeming the Notes (in the manner set out in paragraph 3 below) on each Interest Payment Date from and including the Latest Coupon Step-Up Date;
 - 1.26 twenty-sixth, to pay or provide for *pari passu* and pro rata any net settlement amounts and Derivative Termination Amounts due and payable to any Subordinated Derivative Counterparty in accordance with the Subordinated Derivative Contracts;
 - 1.27 twenty-seventh, to pay amounts due and payable in respect of the Subordinated Loan;
 - 1.28 twenty-eighth, to pay or provide for the dividend due and payable to the Preference Shareholder, net of Taxes; and
 - 1.29 twenty-ninth, while any obligations (whether actual or contingent) remain outstanding to Secured Creditors, to invest the surplus, if any, in Permitted Investments and, only once all the obligations (whether contingent or otherwise) to Secured Creditors have been discharged in full, to pay the surplus, if any, to the ordinary shareholders of the Issuer by way of dividends, net of Taxes.
2. If the amount allocated for the purchase of Additional Assets in terms of item 1.13 of the Pre-Enforcement Priority of Payments is not fully utilised since insufficient Additional Assets are purchased by the Issuer, then such unutilised cash shall be paid into the Capital Reserve, provided that the balance in the Capital Reserve does not exceed ZAR10 000 000 for two consecutive Interest Payment Dates.
 3. The amount allocated for redemption of the Notes under items 1.15 of the Pre-Enforcement Priority of Payments will be divided into the Class A Redemption Amount, the Class B Redemption Amount, the Class C Redemption Amount and the Class D Redemption Amount. The Class A Redemption Amount will be allocated firstly to the Class A1 Notes and then pro rata to the Class A2 Notes and the Class A3 Notes provided that no amount shall be allocated to the Class A3 Notes if a Class A Principal Lock-Out in respect of the Class A3 Notes applies.
 4. The amount allocated for redemption of the Notes under item 1.18 of the Pre-Enforcement Priority of Payments will be divided into the Class B Redemption Amount, the Class C Redemption Amount and the Class D Redemption Amount.
 5. The amount allocated for redemption of the Notes under item 1.21 of the Pre-Enforcement Priority of Payments will be divided into the Class C Redemption Amount. and the Class D Redemption Amount.
 6. The amount allocated for redemption of the Notes under item 1.23 of the Pre-Enforcement Priority of Payments will be allocated in full to the Class D Redemption Amount.

Post-Enforcement Priority of Payments

1. After the Security SPV has given notice to the Issuer pursuant to an Event of Default, declaring the Notes to be due and payable, no Additional Assets may be purchased, no Redraws, Re-Advances or Further Advances may be advanced and the Security SPV shall, after making payment of or providing for Excluded Items, use the money received in respect of the Participating Assets including proceeds of the enforcement of the Security and monies standing to the credit of the Transaction Account, the Capital Reserve and the Arrears Reserve to make payments in the following order of priority pursuant to and in accordance with, and as more fully set out in, the Servicing Agreement and on the basis that a Secured

Creditor and the Preference Shareholder which ranks subsequent to any other creditors in the Post-Enforcement Priority of Payments will not be paid unless and until all creditors which rank prior to it in the Post-Enforcement Priority of Payments have been paid all the amounts then due and payable to them by the Issuer:

- 1.1 first, to pay or provide for the Issuer's liability or possible liability for all Taxes, provided that this item shall fall away from the Post-Enforcement Priority of Payments in the event of the Issuer being liquidated, whether provisionally or finally, voluntarily or compulsorily;
- 1.2 second, to pay or provide for *pari passu* and pro rata:
 - 1.2.1 the remuneration due and payable to the trustees of the Owner Trust (inclusive of VAT, if any) and any costs, fees, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Owner Trust under the provisions of the Owner Trust Deed, the Security Agreements and/or any of the Transaction Documents and/or the Notes; and
 - 1.2.2 the remuneration due and payable to the Security SPV (inclusive of VAT, if any) and any costs, fees, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Security SPV under the provisions of the Security Agreements and/or any of the Transaction Documents and/or the Notes;
- 1.3 third, to pay or provide for *pari passu* and pro rata all fees, costs, charges, liabilities and expenses incurred by the Issuer and which are due and payable or expected to become due and payable on or after such Interest Payment Date (prior to the next Interest Payment Date) by the Issuer to:
 - 1.3.1 the Account Bank in terms of the Bank Agreement; and
 - 1.3.2 third parties,and incurred without breach by the Issuer of its obligations under the Transaction Documents and not provided for payment elsewhere (including payment of the Rating Agency (in the event of Rated Notes), the JSE, the fees of the directors of the Issuer, audit fees and company secretarial expenses);
- 1.4 fourth, to pay or provide for *pari passu* and pro rata:
 - 1.4.1 the Servicing Fee due and payable to the Servicer on such Interest Payment Date (inclusive of VAT, if any) together with costs and expenses which are payable or expected to become due and payable to the Servicer under the Servicing Agreement prior to the next Interest Payment Date; and
 - 1.4.2 the Back-Up Servicing Fee due and payable to the Back-Up Servicer on such Interest Payment Date (inclusive of VAT, if any) together with costs and expenses which are payable or expected to become due and payable to the Back-Up Servicer under the Servicing Agreement prior to the next Interest Payment Date; and
 - 1.4.3 the Administrator Fee due and payable to the Administrator on such Interest Payment Date (inclusive of VAT, if any) together with costs and expenses which are due and payable or expected to become due and payable to the Administrator under the Administration Agreement prior to the next Interest Payment Date;
- 1.5 fifth, to pay or provide for *pari passu* and pro rata any net settlement amounts and Derivative Termination Amounts due and payable to any Derivative Counterparty in accordance with the

Derivative Contracts (but excluding any Derivative Termination Amounts where the Derivative Counterparty is in default);

- 1.6 sixth, to pay interest, principal and all other amounts due and payable under the Liquidity Facility;
 - 1.7 seventh, to pay *pari passu* and pro rata:
 - 1.7.1 interest, principal and all other amounts due and payable in respect of the Class A1 Notes;
 - 1.7.2 interest, principal and all other amounts due and payable in respect of the Class A2 Notes;
and
 - 1.7.3 interest, principal and all other amounts due and payable in respect of the Class A3 Notes;
 - 1.8 eighth, to pay interest, principal and all other amounts due and payable in respect of the Class B Notes;
 - 1.9 ninth, to pay or provide for *pari passu* and pro rata the Derivative Termination Amounts due and payable to any Derivative Counterparty under the Derivative Contracts where the Derivative Counterparty is in default;
 - 1.10 tenth, to pay, interest, principal and all other amounts due and payable in respect of the Class C Notes;
 - 1.11 eleventh, to pay, interest, principal and all other amounts due and payable in respect of the Class D Notes;
 - 1.12 twelfth, to pay or provide for *pari passu* and pro rata any net settlement amounts and Derivative Termination Amounts due and payable to any Subordinated Derivative Counterparty in accordance with the Subordinated Derivative Contracts;
 - 1.13 thirteenth, to pay interest, principal and all other amounts due and payable in respect of the Subordinated Loan;
 - 1.14 fourteenth, to pay or provide for the dividend due and payable to the Preference Shareholder, net of Taxes; and
 - 1.15 fifteenth, to pay the surplus, if any, to the ordinary shareholders of the Issuer by way of dividends.
2. In regard to the Notes, any reference in the Priority of Payments to a pro rata allocation of funds in respect of principal payments shall be determined with reference to the then Outstanding Principal Amount of the relevant Class of Notes.

GLOSSARY OF DEFINITIONS

1. Terms and expressions set out below shall have the meanings set out in the Terms and Conditions of the Notes and the other Transaction Documents, unless such term is separately defined in the Applicable Pricing Supplements or the Transaction Documents or the context otherwise requires.
 - 1.1 **Class A Redemption Amount** means if there are no Class A Notes outstanding then zero, otherwise:
 - 1.1.1 on each Interest Payment Date falling during a Class B Principal Lock-Out, an amount equal to the Redemption Amount;
 - 1.1.2 on each Interest Payment Date where no Class B Principal Lock-Out applies, an amount equal to the Redemption Amount, multiplied by a fraction, the numerator of which is the Outstanding Principal Amount of the Class A Notes and the denominator of which is the sum of the aggregate Outstanding Principal Amount of the Class A Notes and the Class B Notes, such that the allocation of the Redemption Amount will maintain the ratio of the aggregate Outstanding Principal Amount of the Class A Notes to the aggregate Outstanding Principal Amount of the Class A Notes and the Class B Notes, as such ratio existed immediately prior to such application of funds; or
 - 1.1.3 on the Latest Final Redemption Date or on any prior date after the Participating Assets have been exhausted where there is a Principal Deficiency having taken account of any credit balance in the Arrears Reserve, then the aggregate Principal Amount payable on redemption of the Class A Notes shall be the aggregate Outstanding Principal Amount of the Class A Notes less the Adjusted Principal Deficiency (to the extent that such Adjusted Principal Deficiency has not been written off against the Class D Notes, the Class C Notes and the Class B Notes);
 - 1.2 **Class B Interest Deferral Event** means the first occurrence on which there are Class A Notes outstanding and where the Principal Deficiency on the immediately preceding Interest Payment Date after the application of funds in accordance with the Priority of Payments exceeds the then aggregate Outstanding Principal Amount of the Class C Notes and the Class D Notes on such Interest Payment Date;
 - 1.3 **Class B Principal Lock-Out** shall occur on any Interest Payment Date on which, if prior to the allocation of the Redemption Amount in accordance with the Priority of Payments, there are Class A Notes outstanding, and:
 - 1.3.1 the Interest Payment Date is prior to the Latest Coupon Step Up Date;
 - 1.3.2 where, if after the allocation of the Redemption Amount in accordance with the Priority of Payments as determined on the immediately preceding Determination Date, the sum of the aggregate Outstanding Principal Amount of the Class B Notes, the Class C Notes and the Class D Notes as a percentage of the sum of the aggregate Outstanding Principal Amount of all the Notes is not at least twice that same percentage as at the most recent Issue Date during the Issue Period;
 - 1.3.3 where the sum of the aggregate Outstanding Principal Amount of all the Notes is less than 10% of the aggregate Outstanding Principal Amount of all the Notes as at the most recent Issue Date during the Issue Period;

- 1.3.4 where a Principal Deficiency exists on the immediately preceding Interest Payment Date;
- 1.3.5 where the aggregate Principal Balances of Non-Performing Assets exceeds 10% of the then aggregate Principal Balances of the Participating Assets, in each case as at the immediately preceding Determination Date;
- 1.3.6 where the aggregate Outstanding Principal Amount of the Class B Notes, the Class C Notes and the Class D Notes is less than twice the Principal Balance of the largest Participating Asset or group of Participating Asset in the name of a single Borrower as at the immediately preceding Determination Date; or
- 1.3.7 where the Arrears Reserve is not funded at the Arrears Reserve Required Amount at item 1.16 in the Pre-Enforcement Priority of Payments, as at the immediately preceding Interest Payment Date;
- 1.4 **Class B Redemption Amount** means if there are no Class B Notes outstanding then zero, otherwise:
- 1.4.1 on each Interest Payment Date falling during a Class B Principal Lock-Out, zero;
- 1.4.2 on each Interest Payment Date where no Class B Principal Lock-Out applies and a Class C Principal Lock-Out applies, an amount equal to the Redemption Amount less the Class A Redemption Amount; or
- 1.4.3 on the Latest Final Redemption Date or on any prior date after the Participating Assets have been exhausted where there is a Principal Deficiency having taken account of any credit balance in the Arrears Reserve, then the aggregate principal amount payable on redemption of the Class B Notes shall be the aggregate Outstanding Principal Amount of the Class B Notes less the Adjusted Principal Deficiency (to the extent that such Adjusted Principal Deficiency has not been written off against the Class D Notes and the Class C Notes);
- 1.5 **Class C Interest Deferral Event** means the first occurrence on which there are Class B Notes outstanding and where the Principal Deficiency on the immediately preceding Interest Payment Date after the application of funds in accordance with the Priority of Payments exceeds the then aggregate Outstanding Principal Amount of the Class D Notes on such Interest Payment Date;
- 1.6 **Class C Principal Lock-Out** shall occur on any Interest Payment Date on which, if prior to the allocation of the Redemption Amount in accordance with the Priority of Payments, there are Class B Notes outstanding, and:
- 1.6.1 the Interest Payment Date is prior to the Latest Coupon Step Up Date;
- 1.6.2 where, if after the allocation of the Redemption Amount in accordance with the Priority of Payments as determined on the immediately preceding Determination Date, the sum of the aggregate Outstanding Principal Amount of the Class C Notes and the Class D Notes as a percentage of the sum of the aggregate Outstanding Principal Amount of all the Notes is not at least twice that same percentage as at the most recent Issue Date during the Issue Period;
- 1.6.3 where the sum of the aggregate Outstanding Principal Amount of all the Notes is less than 10% of the aggregate Outstanding Principal Amount of all the Notes as at the most recent Issue Date during the Issue Period;
- 1.6.4 where a Principal Deficiency exists on the immediately preceding Interest Payment Date;

- 1.6.5 where the aggregate Principal Balances of Non-Performing Assets exceeds 10% of the then aggregate Principal Balances of the Participating Assets, in each case as at the immediately preceding Determination Date;
- 1.6.6 where the aggregate Outstanding Principal Amount of the Class C Notes and the Class D Notes is less than twice the Principal Balance of the largest Participating Asset or group of Participating Asset in the name of a single Borrower as at the immediately preceding Determination Date; or
- 1.6.7 where the Arrears Reserve is not funded at the Arrears Reserve Required Amount at item 1.19 in the Pre-Enforcement Priority of Payments, as at the immediately preceding Interest Payment Date;
- 1.7 **Class C Redemption Amount** means if there are no Class C Notes outstanding then zero, otherwise:
- 1.7.1 on each Interest Payment Date falling during a Class C Principal Lock-Out, zero;
- 1.7.2 on each Interest Payment Date where no Class C Principal Lock-Out applies and a Class D Principal Lock-Out applies, an amount equal to the Redemption Amount less Class A Redemption Amount and the Class B Redemption Amount; or
- 1.7.3 on the Latest Final Redemption Date or on any prior date after the Participating Assets have been exhausted where there is a Principal Deficiency having taken account of any credit balance in the Arrears Reserve, then the aggregate principal amount payable on redemption of the Class C Notes shall be the aggregate Outstanding Principal Amount of the Class C Notes less the Adjusted Principal Deficiency (to the extent that such Adjusted Principal Deficiency has not been written off against the Class D Notes);
- 1.8 **Class D Interest Deferral Event** means the first occurrence on which there are Class C Notes outstanding and where there is a Principal Deficiency on the immediately preceding Interest Payment Date after the application of funds in accordance with the Priority of Payments;
- 1.9 **Class D Notes** means the Class D Notes of the Issuer specified in the Applicable Pricing Supplements;
- 1.10 **Class D Principal Lock-Out** shall occur on any Interest Payment Date on which, if prior to the allocation of the Redemption Amount in accordance with the Priority of Payments, there are Class C Notes outstanding;
- 1.11 **Class D Redemption Amount** means, if there are no Class D Notes outstanding or a Class D Principal Lock-Out applies then zero, otherwise:
- 1.11.1 on each Interest Payment Date where no Class D Principal Lock-Out applies, an amount equal to the Redemption Amount less the Class A Redemption Amount, the Class B Redemption Amount and the Class C Redemption Amount; or
- 1.11.2 on the Latest Final Redemption Date or on any prior date after the Participating Assets have been exhausted where there is a Principal Deficiency having taken account of any credit balance in the Arrears Reserve, then the aggregate principal amount payable on redemption of the Class D Notes shall be the aggregate Outstanding Principal Amount of the Class D Notes less the Adjusted Principal Deficiency;

1.12 **Interest Deferral Event** means a Class B Interest Deferral Event, a Class C Interest Deferral Event or a Class D Interest Deferral Event;