

## **APPLICABLE PRICING SUPPLEMENT**

### **Brandcorp (Proprietary) Limited**

*(Incorporated with limited liability in South Africa under registration number 2007/014063/07)*

#### **Issue of R375 000 000 Senior Secured Floating Rate Listed Notes**

#### **Under its R2 000 000 000 Domestic Medium Term Note Programme**

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

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum issued by Brandcorp (Proprietary) Limited dated 15 September 2010, as amended. 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 Terms and Conditions. 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 Applicable Pricing Supplement are to that Condition of the Terms and Conditions.

#### **DESCRIPTION OF THE NOTES**

1.	Issuer	Brandcorp (Proprietary) Limited
2.	Status of the Notes	Senior Notes
3.	Security	Secured
		See Appendix "C" for a description of the security structure
4.	Listed/Unlisted	Listed
5.	Series number	1
6.	Tranche number	1
7.	Aggregate Principal Amount of this Tranche	R375 000 000
8.	Interest/Payment Basis	Floating Rate
9.	Issue Date	17 September 2010

10.	Minimum Denomination per Note	R1 000 000
11.	Specified Denomination (Principal Amount per Note)	R1 000 000
12.	Issue Price(s)	100% of the Principal Amount of each Note
13.	Applicable Business Day Convention, if different to that specified in the Terms and Conditions	Following Business Day
14.	Interest Commencement Date(s)	17 September 2010
15.	Step-Up Date	N/A
16.	Final Redemption Date	30 September 2014
17.	Specified Currency	ZAR
18.	Additional Business Centre	N/A
19.	Maturity Amount	100% of the Principal Amount of each Note
20.	Set out the relevant description of any additional/amended Terms and Conditions relating to the Notes	See Appendix "D" for additional/amended Terms and Conditions relating to the Notes
<b>FIXED RATE NOTES</b>		N/A
21.	Fixed Interest Rate	N/A
22.	Interest Payment Date(s)	N/A
23.	Interest Period(s)	N/A
24.	Initial Broken Amount	N/A
25.	Final Broken Amount	N/A
26.	Step-Up Rate	N/A
27.	Any other items relating to the particular method of calculating interest	N/A

**FLOATING RATE NOTES**

- |  |   |
|--|---|
| 28. Interest Payment Date(s)   | 30 <sup>th</sup> day of March, June, September and December of each year, or if such day is not a Business Day the immediately succeeding day that is a Business Day  |
| 29. Interest Period(s)   | From (and including) each Interest Payment Date to (but excluding) the following Interest Payment Date, provided that the first Interest shall be from (and including) the Interest Commencement Date to (but excluding) 30 December 2010 |
| 30. Manner in which the Interest Rate is to be determined  | Screen Rate Determination   |
| 31. Margin/Spread for the Interest Rate  | 5.0 % per annum to be added to the relevant Reference Rate  |
| 32. Margin/Spread for the Step-Up Rate   | N/A   |
| 33. If Screen Determination  |   |
| (a) Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated)   | An interpolated rate between 3 month JIBAR and 6 month JIBAR for the first Interest Period, and for each Interest Period thereafter 3 month JIBAR   |
| (b) Rate Determination Date(s)   | The first day of each Interest Period, namely the 30 <sup>th</sup> day of March, June, September and December of each year, or if such day is not a Business Day the immediately succeeding day that is a Business Day                    |
| (c) Relevant Screen page and Reference Code  | SAFEY Page (or the SAFEX nominated successor screen for JIBAR) under the caption "YIELD   |
| 34. If Interest Rate to be calculated otherwise than by reference to Screen Rate Determination, insert basis for determining Interest Rate/Margin/Fall back provisions | N/A   |
| 35. Any other terms relating to the particular method of calculating interest  | N/A   |

**ZERO COUPON NOTES** N/A

36. (a) Implied Yield N/A
- (b) Reference Price N/A
- (c) Equivalent Discount Rate N/A
- (d) Spread to Reference Rate N/A
- (e) Maturity Date N/A
- (f) Day Count N/A
- (g) Any other formula or basis for determining amount payable N/A

**INDEXED NOTES**

37. (a) Type of Indexed Notes N/A
- (b) Index/Formula by reference to which Interest Amount/Final Redemption Amount is to be determined N/A
- (c) Manner in which the Interest Amount/Final Redemption Amount is to be determined N/A
- (d) Interest Period N/A
- (e) Interest Payment Date(s) N/A
- (f) If different from the Calculation Agent, agent responsible for calculating amount of principal and interest N/A
- (g) Provisions where calculation by reference to Index and/or Formula is impossible or impracticable N/A

**OTHER NOTES**

38. If the Notes are not Fixed Rate Notes or Floating Rate Notes, or if the Notes are a N/A

combination of the above and some other Note, set out the relevant description of any additional Terms and Conditions relating to such Notes

**PROVISIONS      REGARDING      REDEMPTION/  
MATURITY**

39. Redemption at the option of the Issuer in terms of Condition 8.4: if yes: Yes

(a) Optional Redemption Date(s)

Any Interest Payment Date after the Issue Date if there is a Change of Control

Any Interest Payment Date after 30 September 2012, in circumstances other than a Change of Control

For the purposes of this Condition 8.4, a "**Change of Control**" shall be deemed to have occurred:

(i) at each time that any person or persons Acting in Concert, at any time, directly or indirectly, acquire Control of the Issuer or a Restricted Subsidiary, as the case may be. **Acting in Concert** and **Control** bear the meaning ascribed to such terms in Condition 8.6; or

(ii) if the Issuer or a Restricted Subsidiary, as the case may be, disposes of all or substantially all of its assets (whether by way of a sale of business or by way of a sale of assets (including shares)) whether in a single transaction or a series of related transactions; or

(iii) if there is any other exit by the current private equity consortium, whether by way of a disposal of assets of the Issuer, a disposal of the whole or part of the business of the Issuer, a merger of the Issuer with another entity or some of other form of realisation of shareholders investment (in each case whether by way of a single transaction or a series of related transactions related to such exit by the current private equity consortium).

- (b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s), if **there is a Change of Control**
- For the Interest Payment Dates from 30 September 2010 to 30 September 2012 (both dates inclusive):
- the Principal Amount of the Note being redeemed, plus the Present Value of the Margin
- For the Interest Payment Dates from 1 October 2012 to 30 September 2014 (both dates inclusive), the lower of:
- (i) the Principal Amount of the Note being redeemed multiplied by 101%; and
- (ii) the Optional Redemption Amounts in the relevant periods referred to in paragraph 39 (c) below.
- For the purposes of this Condition 8.4:
- Present Value of Margin = Sum (Margin x Discount Factor)
- Where
- Margin = Interest payments from the Call Date to the Final Redemption Date
- Discount Factor =  $1/((1+i)^t)$
- Where
- i = the nominal annual compound annual rate from a South African Bank's swap curve relating to the period from the Call Date to each relevant Interest Payment Date
- t = (future Interest Payment Date - Call Date)/ 365
- Call Date = the Optional Redemption Date on which the Issuer exercises the Issuer's option to redeem the Notes in terms of Condition 8.4
- (c) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s), in **circumstances other than a Change of Control**
- The Principal Amount of the Note being redeemed, multiplied by the following percentages in each of the following periods (in each period, both dates inclusive):
- 1 October 2012 to 31 March 2013 – 104%

1 April 2013 to 30 September 2013 – 103%

1 October 2013 to 31 March 2014 – 102%

1 April 2014 to 30 September 2014 – 101%;

provided that additional refinancing fees will be payable by the Issuer, and added to the above redemption amounts, in the event of the early redemption of the Notes at the option of the Issuer funded from funding available in the local or international market at that time (by way of borrowings or the issue of shares);

provided further that such additional refinancing fees will not be payable by the Issuer in the event of the early redemption of the Notes at the option of the Issuer if there is (i) a Change of Control (as defined in paragraph 39(a) above), including a redemption funded from borrowings, the issue of shares or any other source relating to such a Change of Control (ii) a disposal of assets of the Issuer, or (iii) a redemption funded from internally generated cash flows.

The additional refinancing fees will be calculated as follows: the Principal Amount of the Note being redeemed, multiplied by the following percentages in each of the following periods:

1 October 2012 to 30 September 2013 – 2%

1 October 2013 to 30 September 2014 – 2%

(d) Minimum period of notice 30 days

(e) If redeemable in part:

Minimum Redemption Amount(s) N/A

Higher Redemption Amount(s) N/A

(f) Other terms applicable on Redemption N/A

40. Redemption at the option of the holders of the Senior Notes (Put Option) Control in terms of Condition 8.5: If yes No

(a) Optional Redemption Date(s) (Put)	N/A
(b) Optional Redemption Amount(s) (Put) and method, if any, of calculation of such amount(s)	N/A
(c) Minimum period of notice	N/A
(d) If redeemable in part:	N/A
Minimum Redemption Amount(s)	N/A
Higher Redemption Amount(s)	N/A
(e) Other terms applicable on Redemption	N/A
41. Redemption at the option of the holders of the Senior Notes upon a Change of Control in terms of Condition 8.6	Yes
42. Early Redemption Amount(s) payable on redemption for Taxation reasons in terms of Condition 8.3 or Optional Redemption following a Change of Control in terms of Condition 8.6 or early redemption following an Event of Default : if yes	Yes
Early Redemption Amount and method, if any, of calculation of such amount	<p>i) Early Redemption Amount calculated as per Condition 8.7 – in the case of Redemption for Taxation reasons in terms of Condition 8.3</p> <p>ii) Early Redemption Amount calculated as per Condition 8.7 – in the case of early redemption following an Event of Default in terms of Condition 12</p> <p>iii) Early Redemption Amount shall be calculated as set out below in the case of Optional Redemption following a Change of Control in terms of Condition 8.6:</p> <p>For the Interest Payment Dates from 30 September 2010 to 30 September 2012 (both dates inclusive):</p> <p>the Principal Amount of the Note being redeemed, plus the Present Value of the Margin</p>



For the Interest Payment Dates from 1 October 2012 to 30 September 2014 (both dates inclusive), the lower of:

(i) the Principal Amount of the Note being redeemed multiplied by 101%; and

(ii) the Optional Redemption Amounts in the relevant periods referred to in paragraph 39 (c) above.

For the purposes of Condition 8.6:

Present Value of Margin = Sum (Margin x Discount Factor)

Where

Margin = Interest payments from the Call Date to the Final Redemption Date

Discount Factor =  $1/((1+i)^t)$

Where

i = the nominal annual compound annual rate from a South African Bank's swap curve relating to the period from the Call Date to each relevant Interest Payment Date

t = (future Interest Payment Date - Call Date) / 365

Call Date = the first Interest Payment Date following the expiry of the Election Period in terms of Condition 8.6, on which date Notes to be redeemed in terms of Condition 8.6 shall be redeemed

#### GENERAL

43.	Additional selling restrictions	N/A
44.	International Securities Numbering (ISIN)	ZAG000080789
45.	Stock Code	BCP1
46.	Financial Exchange	Listed
47.	Dealer(s)	Absa Capital, a division of Absa Bank Limited
48.	If syndicated, names of Lead Manager(s)	N/A

49.	Method of distribution	Private placement
50.	Rating assigned to this Tranche of Notes (if any)	N/A
51.	Rating Agency, if any	N/A
52.	Governing Law	South Africa
53.	Last Day to Register	By 17h00 on the Business Day preceding the Books Closed Period
54.	Books Closed Period	the 5 days prior to each Interest Payment Date and Redemption Date
55.	Calculation Agent	Absa Capital, a division of Absa Bank Limited
56.	Specified Office of the Calculation Agent	15 Alice Lane, Sandton, 2196
57.	Transfer Agent	Absa Capital, a division of Absa Bank Limited
58.	Specified Office of the Transfer Agent	15 Alice Lane, Sandton, 2196
59.	Stabilisation Manager, if any	N/A
60.	Programme Amount	R2 000 000 000
61.	Aggregate Outstanding Principal Amount of Notes in issue on the Issue Date of this Tranche	R0, excluding this Tranche of Notes and any other Tranche(s) of Notes to be issued on the Issue Date
62.	Other provisions	N/A

REPORT OF THE INDEPENDENT AUDITORS – SEE APPENDIX "A"

DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3 (5) OF THE COMMERCIAL PAPER REGULATIONS – SEE APPENDIX "B"

SECURITY STRUCTURE - SEE APPENDIX "C"

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

Responsibility:

The Issuer accepts responsibility for the information contained in this Applicable Pricing Supplement.

Application is hereby made to list this Tranche of the Notes, with effect from 17 September 2010, pursuant to the Brandcorp (Proprietary) Limited Domestic Medium Term Note Programme.

**BRANDCORP (PROPRIETARY) LIMITED**

By: \_\_\_\_\_

Director, duly authorised

Date: 16<sup>th</sup> September 2010

By: \_\_\_\_\_

Director, duly authorised

Date: 16 September 2010.

**APPENDIX "A"****REPORT OF THE INDEPENDENT AUDITORS OF THE ISSUER**

The following is the text of the letter to the Issuer by the auditors appointed for this purpose by the Issuer, confirming that the issue of the Notes referred to in the Applicable Pricing Supplement complies in all respects with the provisions of the Commercial Paper Notice promulgated in Government Notice No. 2172 (Government Gazette 16167 of 14 December 1994) pursuant to the provisions of the Banks Act, 1990.

**"Independent assurance report on the compliance by Brandcorp (Proprietary) Limited (the "issuer" or "company") with the relevant provisions of the Commercial Paper Regulations (Government Notice 2172 in Government Gazette 16167 dated 14 December 1994)**

Brandcorp (Proprietary) Limited established a R2 000 000 000 Domestic Medium Term Note Programme (the "Programme") in terms of which the Issuer may issue secured/unsecured registered notes ("the Notes") denominated in South African Rand from time to time. The Issuer wishes to issue Tranche 1 of Series 1 ZAR 375 000 000 Senior Secured Floating Rate Notes due 30 September 2014 and issue Tranche 1 of Series 2 ZAR 375 000 000 Senior Secured Floating Rate Notes due 30 September 2015 ((the "Notes") under the Programme (the "Issue").

We have been engaged to perform a limited assurance engagement to report on whether the Issue, as set out in the Programme Memorandum dated 15 September 2010 (the "Programme Memorandum") and the Applicable Pricing Supplements dated 16 September 2010 (the "Applicable Pricing Supplements") (the Programme Memorandum and Applicable Pricing Supplements collectively referred to as the "Placing Documents"), comply, in all material respects, with the provisions of the Banks Act 94 of 1990, Designation of an activity not falling within the meaning of "The Business of a Bank" (Commercial Paper), published under Government Notice 2172 (Government Gazette 16167) dated 14 December 1994 (the "Notice").

**Management's Responsibility for the Placing Documents**

Management is responsible for preparation of the Placing Documents and the compliance of the Issue with the provisions of the Notice.

**Assurance Provider's Responsibility**

Our responsibility is to report to the Company, based on our work performed, that nothing has come to our attention to indicate that the Issue as set out in the Placing Documents does not comply in all material respects with the relevant provisions of the Notice.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000: *Assurance Engagements other than Audits or Reviews of Historical Financial Information*. This Standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance whether any matters come to our attention to indicate that the Issue as set out in the Placing Documents does not comply in all material respects with the relevant provisions of the Notice.

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. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material non-compliance with the provisions of the Notice.

**Summary of work performed**

Set out below is a summary of the procedures performed in order to obtain sufficient appropriate evidence regarding compliance of the Issue with the provisions of the Notice:

- Inspected the Placing Documents and obtained representation from management regarding compliance of the Issue with the provisions of the Notice; and
- We compared the Placing Documents with the disclosure requirements of the Notice.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

**Other Matter**

The Placing Documents are required to contain a statement about the Issuer's going concern status and confirmation that the issuer can in all circumstances reasonably be expected to meet its commitments, thereby reflecting the adequacy of the liquidity and solvency of the Issuer. The Notice does not require us to perform procedures on this statement, other than inspecting that it is contained in the Placing Documents. Accordingly, we do not express any assurance on the going concern status or the liquidity and solvency of the Issuer.

**Conclusion**

Based on our work described in this report, nothing has come to our attention to indicate that the Issue as set out in the Placing Documents does not comply in all material respects with the provisions of the Notice.

**Restriction on Use and Distribution**

The Placing Documents have only been prepared for the purpose of the Issue and may not be suitable for another purpose.

Our report is intended solely for your information and for the purpose described above and should not be distributed to or used by other parties.

**Grant Thornton**

137 Daisy Street

Sandown

Sandton, 2196

Date: 16 September 2010"

**APPENDIX "B"****Disclosure Requirements in terms of paragraph 3(5) of the Commercial Paper Regulations**

At the date of this Applicable Pricing Supplement:

Paragraph 3(5)(a)

The ultimate borrower is the Issuer.

Paragraph 3(5)(b)

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

Paragraph 3(5)(c)

The auditor of the Issuer is Grant Thornton.

Paragraph 3(5)(d)

As at the date of this issue:

- (a) the Issuer has not issued any Notes; and
- (b) it is not anticipated that the Issuer will issue additional Notes during the remainder of its current financial year, in addition Tranche 1 of Series 1 and Tranche 1 of Series 2 issued in terms of the Programme.

Paragraph 3(5)(e)

Prospective investors in the Notes are to consider this Applicable Pricing Supplement, the Programme Memorandum and the documentation incorporated therein by reference in order to ascertain the nature of the financial and commercial risks of an investment in the Notes.

Paragraph 3(5)(f)

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

Paragraph 3(5)(g)

The Notes issued will be listed, as stated in the Applicable Pricing Supplement.

Paragraph 3(5)(h)

The funds to be raised through the issue of the Notes are to be used by the Issuer to refinance existing debt, make acquisitions and repay interest and/or capital on shareholders loans.

Paragraph 3(5)(i)

The Notes are secured on the basis set out in Appendix "C" to the Applicable Pricing Supplement.

Paragraph 3(5)(i)

Grant Thornton, the auditors of the Issuer, have confirmed that nothing has come to their attention to indicate that this issue of Notes issued under the Programme will not comply in all respects with the relevant provisions of the Commercial Paper Regulations. See Appendix "A" to the Applicable Pricing Supplement.

**BRANDCORP (PROPRIETARY) LIMITED**

By: \_\_\_\_\_

Director, duly authorised

Date: \_\_\_\_\_

By: \_\_\_\_\_

Director, duly authorised

Date: \_\_\_\_\_

## **APPENDIX "C"**

### **SECURITY STRUCTURE**

All Notes of this Series share in the same security. For so long as the Notes of this Series are in issue, each Noteholder of any other Series of Senior Secured Notes in issue under the Programme, upon its subscription for such Notes and the issue of such Notes to it, or upon the transfer of such Notes to it, as the case may be, shall be entitled to share equally and rateably with the Notes of this Series in the security granted to the Notes of the Series by the Issuer or any other Restricted Group Company.

### **SECURITY BY BRANDCORP IN FAVOUR OF THE SENIOR SECURED NOTEHOLDERS, HEDGING PROVIDER AND GBF LENDER**

### **SECURITY SPV GUARANTEE**

The Security SPV will bind itself under a Security SPV Guarantee to Senior Secured Creditors, as security for the obligations of the Issuer to Senior Secured Creditors under the GBF Agreement, the Senior Secured Notes and the Hedging Agreements. The GBF Provider will have a first ranking guarantee payable from the proceeds of stock and debtors granted as security by the Issuer to the Security SPV. The Controlling Class will have (i) a second ranking guarantee payable from the proceeds of stock and debtors granted as security by the Issuer and others as described below to the Security SPV and (ii) a first ranking guarantee payable from the proceeds of all other assets, other than stock and debtors, granted as security by the Issuer and others as described below to the Security SPV. Pursuant to such Security SPV Guarantee, the Security SPV will undertake in favour of each Senior Secured Creditor to pay it the full amount then owing to it by the Issuer, if an Acceleration Notice is delivered following an Event of Default under the Notes of that Series or following an event of default under the relevant Hedging Agreement or GBF Agreement. The liability of the Security SPV pursuant to the Security SPV Guarantee will, however, be limited in the aggregate to the net amount recovered by the Security SPV from the Issuer arising out of the Indemnity and, if necessary, the Security Documents referred to below.

### **ISSUER INDEMNITY**

The Issuer will give an Indemnity to the Security SPV in respect of claims that may be made against the Security SPV arising out of the Security SPV Guarantee. The Issuer shall not be entitled to refuse to make payment under the Indemnity to the Security SPV by reason of the fact that the Security SPV has not paid the claims of the Secured Creditors under the Security SPV Guarantee nor shall the Issuer be entitled to refuse to make payment by reason of the fact that the liability of the Security SPV in respect of any such Security SPV Guarantee is limited in the manner set out in the Security SPV Guarantee.

### **SECURITY DOCUMENTS**

In accordance with the Security Documents, the Issuer agrees to mortgage, cede and pledge, as the case may be, its right, title and interest in and to insurances contracts, insurance proceeds, debts, material agreements, intellectual property, bank account rights and movable assets, all on the terms and as described in such Security Documents, to the Security SPV, as security for the obligations of the Issuer to the Security SPV under the Indemnity.



In accordance with the Security Documents, the Parent binds itself under a guarantee to the Security SPV, as security for the obligations of the Issuer to the Security SPV under the Indemnity. The Parent agrees to cede and pledge, its right, title and interest in and to its shares in, and claims against, the Issuer and its bank account rights, all on the terms and as described in such Security Documents, to the Security SPV, as security for the Parent's obligations under the guarantee.

In accordance with the Security Documents, the trustees for the time being of the Brandcorp B Preference Share Trust and the trustees for the time being of the B1 Preference Share Trust, bind each of the trusts under a guarantee to the Security SPV, as security for the obligations of the Issuer to the Security SPV under the Indemnity. The trustee of each trust agrees to cede and pledge, its right, title and interest in and to its preference shares in the Issuer, all on the terms and as described in such Security Documents, to the Security SPV, as security for its obligations under the relevant guarantee.

In terms of the GBF Agreement, the GBF Lender will be granted a limited first-ranking security cession over current accounts held at the GBF Lender. To the extent that the utilisation of overdraft and other direct facilities (as defined in the GBF Agreement) results in the total utilisation of all the facilities made available under the GBF Agreement being in excess of R200 000 000 (such amount above R200 000 000 referred to as the "Excess"), the GBF Lender is entitled to apply netting and set-off, by setting off the positive cash balances in the bank accounts held with the GBF Lender from to time against the Excess, but only up to a maximum of R100 000 000 (one hundred million Rand).

The GBF Lender's exposure under the GBF Agreement, inclusive of all instruments issued in terms of the GBF Agreement, may not exceed R200 000 000 (on a net basis) or R300 000 000 (on a gross basis).

In terms of the GBF Agreement, on the occurrence of an event of default under such agreement, the GBF Lender will not immediately exercise its rights pursuant to such event of default, but will first offer to cede the outstanding amount under the GBF Agreement to the Senior Secured Noteholders. The GBF Lender will, within 3 Business Days of the occurrence of the event of default, deliver a written notice to the Security Agent (on behalf of the Senior Secured Noteholders) offering to cede the outstanding amount under the GBF Agreement to each Senior Secured Noteholder (in a percentage equal its pro rata share of the outstanding amount) at face value, on the date specified in the offer notice (which date shall not be earlier than 30 calendar days after the occurrence of an event of default which is capable of remedy or earlier than 10 Business Days after the occurrence of an event of default which is not capable of remedy (as defined in the GBF Agreement), each a "GBF Offer Date"). If any Senior Secured Noteholder fails to accept the offer, the Security Agent shall repeat the offer process to those Senior Secured Noteholders who have accepted the offer until the offer has been accepted in full or a portion of the offer remains which has not been accepted by any Noteholder. If one or more of the Senior Secured Noteholders have not accepted the offer in full by the relevant GBF Offer Date, the GBF Lender will be entitled to exercise its remedies in relation to such event of default.

## **THE SECURITY SPV**

### **Introduction**

The Security SPV was incorporated and registered in South Africa on 13 July 2007, under registration number 2007/019741/07, under the Companies Act, as a private company with limited liability. The issued share capital of the Security SPV comprises 1 ordinary share of R1,00 par value, held by the Major Owner Trust. The Security SPV has no subsidiaries. The current trustees of the Major Owner Trust are Maitland Trust Limited.

### **Directors**

The directors of the Security SPV are Philippa Mary Stratten and Kurt Wade Van Staden.

### **Registered office**

The registered office of the Security SPV is situated at Maitland Trust Limited, 1st Floor, 32 Fricker Road, Illovo, 2196.

### **Auditors**

The current auditors of the Security SPV are Grant Thornton.

### **Activities**

The activities of the Security SPV are to enter into, amend and perform the obligations and exercise the Security SPV's rights under the Security SPV Guarantee, the Indemnity and the Security Documents.

## **SECURITY BY RENTTECH IN FAVOUR OF THE NOTEHOLDERS AND HEDGING PROVIDER**

### **RENTTECH GUARANTEE**

The Renttech Guarantor (namely Renttech South Africa (Proprietary) Limited) will bind itself under a Renttech Guarantee to Senior Secured Noteholders and Hedge Providers, in terms of which the Renttech Guarantor guarantees the obligations of the Issuer to Senior Secured Noteholders and Hedge Providers under the Senior Secured Notes and each Hedging Agreement.

The documents listed below are deemed to be incorporated into, and to form part of, this Applicable Pricing Supplement:

- (a) the audited annual financial statements of Renttech South Africa, for the last 3 financial years prior to the Issue Date, together with such statements, reports and notes attached to or intended to be read with such financial statements;
- (b) the audited annual financial statements of Renttech South Africa, together with such statements, reports and notes attached to or intended to be read with such financial statements, in respect of all financial years of Renttech South Africa after the Issue Date.

The documents listed in paragraphs (a) above are available for inspection by investors, during normal office hours, at the Specified Offices of the Issuer and the Debt Sponsor. The documents listed in paragraphs (b) above will, as and when such documents are approved and become available, be available for inspection, by investors, during normal office hours, at the Specified Offices of the Issuer and the Debt Sponsor. This documents listed in paragraphs (a) above are, and, when they become available, the documents listed in paragraphs (b) above will also be, available for inspection by investors on the Issuer's website, [www.brandcorp.co.za](http://www.brandcorp.co.za).

### **RENTTECH SECURITY SPV GUARANTEE**

The Renttech Security SPV will bind itself under a Renttech Security SPV Guarantee to Senior Secured Noteholders and Hedge Providers, as security for the obligations of the Renttech Guarantor under the Renttech Guarantee. The Controlling Class will have a first ranking guarantee payable from the proceeds of all assets granted as security by the Renttech Guarantor and others as described below to the Renttech Security SPV. Pursuant to such Renttech Security SPV Guarantee, the Renttech Security SPV will undertake in favour of each member of the Controlling Class to pay it the full amount then owing to it by the Renttech Guarantor, if an Acceleration Notice is delivered following an Event of Default under the Notes of that Series or following an event of default under the relevant Hedging Agreement. The liability of the Renttech Security SPV pursuant to the Renttech Security SPV Guarantee will, however, be limited in the aggregate to the net amount recovered by the Renttech Security SPV from the Renttech Guarantor arising out of the Renttech Indemnity and, if necessary, the Renttech Security Documents referred to below.

### **RENTTECH INDEMNITY**

The Renttech Guarantor will give a Renttech Indemnity to the Renttech Security SPV in respect of claims that may be made against the Renttech Security SPV arising out of the Renttech Security SPV Guarantee.

The Renttech Guarantor shall not be entitled to refuse to make payment under the Renttech Indemnity to the Renttech Security SPV by reason of the fact that the Renttech Security SPV has not paid the claims of the Secured Creditors under the Renttech Security SPV Guarantee nor shall the Renttech Guarantor be entitled to refuse to make payment by reason of the fact that the liability of the Renttech Security SPV in respect of any such Renttech Security SPV Guarantee is limited in the manner set out in the Renttech Security SPV Guarantee.

#### **RENTTECH SECURITY DOCUMENTS**

In accordance with the Renttech Security Documents, the Renttech Guarantor agrees to mortgage, cede and pledge, as the case may be, its right, title and interest in and to, its shares in and claims against, Renttech (Proprietary) Limited and other Subsidiaries, and its right, title and interest in and to insurances contracts, insurance proceeds, debts, material contracts, supply agreements, security cession granted to it by Renttech Trading (Proprietary) Limited and Renttech (Proprietary) Limited, Transaction Documents (as defined therein), intellectual property, bank account rights and movable assets, all on the terms and as described in such Security Documents, to the Renttech Security SPV, as security for the obligations of the Renttech Guarantor to the Renttech Security SPV under the Renttech Indemnity.

In accordance with the Renttech Security Documents, the Parent (namely Brandcorp Holdings (Proprietary) Limited) binds itself under a guarantee to the Renttech Security SPV, as security for the obligations of the Renttech Guarantor to the Security SPV under the Renttech Indemnity. The Parent agrees to cede and pledge, its right, title and interest in and to its shares in, and claims against, Renttech Holdings (Proprietary) Limited, all on the terms and as described in such Renttech Security Documents, to the Security SPV, as security for the Parent's obligations under the guarantee. The Parent's liability is limited to the proceeds of the enforcement of security for such guarantee.

In accordance with the Renttech Security Documents, Renttech Holdings (Proprietary) Limited binds itself under a guarantee to the Renttech Security SPV, as security for the obligations of the Renttech Guarantor to the Security SPV under the Renttech Indemnity. Renttech Holdings (Proprietary) Limited agrees to cede and pledge, its right, title and interest in and to its shares in, and claims against, Renttech South Africa (Proprietary) Limited and Renttech Trading (Proprietary) Limited, its bank account rights and its rights under certain Transaction Documents (as defined therein) to which it is a party, all on the terms and as described in such Renttech Security Documents, to the Security SPV, as security for the its obligations under the guarantee.

In accordance with the Renttech Security Documents, Renttech Trading (Proprietary) Limited agrees to cede and pledge, as the case may be, its right, title and interest in and to, its debts, bank account rights and supply agreements entered into by Renttech Trading (Proprietary) Limited with its customers, all on the terms and as described in such Renttech Security Documents, to Renttech South Africa (Proprietary) Limited, as security for the obligations of Renttech Trading (Proprietary) Limited under supply agreements for the rental, leasing and sale of equipment by Renttech South Africa (Proprietary) Limited to Renttech Trading (Proprietary) Limited.

In accordance with the Renttech Security Documents, Renttech (Proprietary) Limited agrees to cede and pledge, as the case may be, its right, title and interest in and to, its debts, bank account rights and supply agreements entered into by Renttech (Proprietary) Limited with its customers, all on the terms and as

described in such Renttech Security Documents, to Renttech South Africa (Proprietary) Limited, as security for the obligations of Renttech (Proprietary) Limited under supply agreements for the rental, leasing and sale of equipment by Renttech South Africa (Proprietary) Limited to Renttech (Proprietary) Limited.

## **THE SECURITY SPV**

### **Introduction**

The Renttech Security SPV was incorporated and registered in South Africa on 28 July 2009, under registration number 2009/014477/07, under the Companies Act, as a private company with limited liability. The issued share capital of the Security SPV comprises 100 ordinary share of R1,00 par value each, held by the Dynamo Security SPV Owner Trust. The Renttech Security SPV has no subsidiaries. The current trustees of the Dynamo Security SPV Owner Trust are Ironwood Trustees (Proprietary) Limited.

### **Director**

The director of the Renttech Security SPV is Richard William Douglas Glyn.

### **Registered office**

The registered office of the Renttech Security SPV is situated at 323 Lynwood Road, Menlo Park, 0081.

### **Auditors**

The current auditors of the Renttech Security SPV are LSG Integrated.

### **Activities**

The activities of the Renttech Security SPV are to enter into, amend and perform the obligations and exercise the Renttech Security SPV's rights under the Renttech Security SPV Guarantee, the Renttech Indemnity and the Renttech Security Documents.

**APPENDIX "D"****ADDITIONAL/AMENDED TERMS AND CONDITIONS RELATING TO THE NOTES OF THE SERIES****OPTIONAL REDEMPTION IN RESPECT OF A CHANGE IN CONTROL**

Condition 8 (Redemption and purchases) of the Terms and Conditions set out in the Programme Memorandum is amended in relation to the Notes of this Tranche by the deletion of Condition 8.6.4 and the replacement thereof of the following Condition 8.6.4, in order to include Restricted Subsidiaries as part of the Change In Control provisions:

8. Condition 8 (Redemption and purchases)

8.6 Condition 8.6 Optional Redemption in respect of a Change in Control

8.6.1 For the purposes of this Condition 8.6

(a) "Acting in Concert" means a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition of shares by any of them, either directly or indirectly, to obtain or consolidate Control of the Issuer or a Restricted Subsidiary, as the case may be;

(b) a "Change of Control" shall be deemed to have occurred:

(i) at each time that any person or persons Acting in Concert, at any time, directly or indirectly, acquire Control of the Issuer or a Restricted Subsidiary, as the case may be;

(ii) if the Issuer or a Restricted Subsidiary, as the case may be, disposes of all or substantially all of its assets (whether by way of a sale of business or by way of a sale of assets (including shares)) whether in a single transaction or a series of related transactions; or

(iii) if there is any other exit by the current private equity consortium, whether by way of a disposal of assets of the Issuer, a disposal of the whole or part of the business of the Issuer, a merger of the Issuer with another entity or some of other form of realisation of shareholders investment (in each case whether by way of a single transaction or a series of related transactions related to such exit by the current private equity consortium).

(c) "Control" means:

(i) the holding, directly or indirectly, of more than 50% of the issued share capital of the Issuer or a Restricted Subsidiary, as the case may be, (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital), or

- (ii) the power to cast, or control the casting of, such number of the shares in the issued share capital of the Issuer carrying more than 50% of the total number of votes that may be cast at a general meeting of the members of the Issue or a Restricted Subsidiary, as the case may be; or
  - (ii) the power to appoint, or control the appointment, of the majority of the board of directors of the Issuer or a Restricted Subsidiary, as the case may be;
- (d) **"Election Period"** means, in relation to a Change of Control, the period ending 45 days after the date on which the occurrence of that Change of Control is notified by the Issuer to the Noteholders.

**NEGATIVE PLEDGE**

Condition 11 (Negative Pledge) of the Terms and Conditions set out in the Programme Memorandum is amended in relation to the Notes of this Tranche by the deletion of Condition 11 and the replacement thereof of the following Condition 11, in order to include Restricted Group Companies as part of the negative pledge:

**11. Condition 11 Negative pledge**

- 11.1 This Condition 11 shall apply only to Senior Secured Notes. Subject to the remaining provisions of this Condition 11, after the Programme Date for as long as any Senior Secured Notes remain outstanding the Issuer undertakes not to, and to procure that each Restricted Group Company shall not, create, or permit the creation of, any Encumbrance (as defined below) over any of its present or future businesses, undertakings, assets or revenues to secure any present or future Indebtedness (as defined below) of the Issuer or Restricted Group Company, as the case may be, without at the same time securing the Senior Secured Notes equally and rateably with such Indebtedness or providing such other security as may be approved by Special Resolution of the Noteholders of those Senior Secured Notes. The Issuer or Restricted Group Company, as the case may be, shall be entitled but not obliged to form, or procure the formation of, a trust or trusts or appoint, or procure the appointment of, an agent or agents to hold any such rights of security for the benefit or on behalf of such Senior Secured Noteholders.
- 11.2 The provisions set out in Condition 11.1 shall not apply to:
- 11.2.1 any Encumbrance created over any asset owned, acquired, developed or constructed by the Issuer or Restricted Group Company, as the case may be, after the Programme Date (including any Encumbrance over the shares or other ownership interests in, or securities of, any company or other person, acquired or subscribed for by the Issuer or Restricted Group Company, after the Programme Date, or the assets of such other company or person), if such Encumbrance was created for the sole purpose of financing or refinancing that asset by the Issuer or Restricted Group Company, as the case may be; provided that the Indebtedness so secured shall not exceed the *bona fide* arm's length market value (on or about the date of creation of such Encumbrance) of that asset or the cost of the acquisition, development or construction of that asset by the Issuer or Restricted Group Company, as the case may be, (including all interest and other finance charges, adjustments due to changes in circumstances and other charges reasonably incidental to such cost, whether contingent or otherwise) and where such market value and such cost both apply, the higher of the two;
- 11.2.2 the first covering mortgage bond for R46 000 000.00 (forty six million Rand) registered over Erven 103, 104, 105 and 106 Reuven Extension 1, with total extent of 1,9283 hectares ("the Matus Property"), in favour of Nedbank Limited and a cession in security by the Issuer in favour of Nedbank Limited of all the Issuer's right, title and interest in and to payment of the proceeds of the insurance policy in respect of the Matus Property, each as security for an existing term loan facility availed to the Issuer under and in terms



of an agreement concluded between Nedbank and the Issuer on or about 11 December 2009, as may be amended from time to time, with a current outstanding balance of R24 655 208,00 (twenty four million six hundred and fifty five thousand two hundred and eight Rand) expiring 7 (seven) years from date of drawdown, being 11 December 2009 ;

- 11.2.3 any Encumbrance created over or with respect to any netting or set-off arrangement entered into by the Issuer or Restricted Group Company, as the case may be, in the ordinary course of its banking arrangements for the purposes of netting credit and debit balances;
- 11.2.4 any Encumbrance created by operation of law in the ordinary course of the business of the Issuer or Restricted Group Company, as the case may be;
- 11.2.5 any statutory Encumbrance;
- 11.2.6 any Encumbrance over or affecting any asset acquired by the Issuer or Restricted Group Company, as the case may be, after the Programme Date if:
  - 11.2.6.1 the asset was subject to that Encumbrance prior to the date of acquisition of that asset and the Encumbrance was not created in contemplation of the acquisition of that asset by the Issuer or Restricted Group Company, as the case may be; and
  - 11.2.6.2 the principal amount secured by that asset has not increased in contemplation of or since the acquisition of that asset by the Issuer or Restricted Group Company, as the case may be;
- 11.2.7 any Encumbrance arising in the ordinary course of trade of the Issuer or Restricted Group Company, as the case may be;
- 11.2.8 any Encumbrance to secure inter-company Indebtedness incurred between the Issuer or Restricted Group Company, as the case may be, and any member of the Group, provided that the holder of such Encumbrance may not cede or assign its rights in terms thereof to any other person;
- 11.2.9 any other Encumbrance, provided that the aggregate value of all of the assets of the Issuer or Restricted Group Company, as the case may be, which is subject to such other Encumbrance does not, at any time, exceed 10% of the aggregate value of all of the assets of the Issuer or Restricted Group Company, as the case may be, such value and such assets being determined by reference to the then most recent audited balance sheet of the Issuer or Restricted Group Company, as the case may be, and, for purposes of this Condition 11.2.10, a report by the auditors of the Issuer that, in their opinion, (i) the amounts shown in a certificate provided by the Issuer or Restricted Group Company, as the case may be (showing the assets of the relevant part and those assets expressed as a percentage of the total assets of the Issuer or Restricted Group Company, as the case may be) have been correctly extracted from the accounting records of the Issuer or Restricted Group Company, as the case may be, and (ii) the

percentage of the assets of the relevant part to the total assets of the Issuer or Restricted Group Company, as the case may be,, has been correctly calculated shall, in the absence of manifest error, be *prima facie* evidence of the matters to which it relates;

11.2.10 any Encumbrance created over stock and/or receivables of the Issuer or Restricted Group Company, as the case may be, to secure Indebtedness under general banking facilities, and the Indebtedness secured by such Encumbrance is limited in the aggregate to R200 000 000; or

11.2.11 any extension or renewal of any Encumbrance contemplated in Conditions 11.2.1 to 11.2.10 inclusive.

11.3 For purposes of this Condition 11:

11.3.1 **"Encumbrance"** means any mortgage, cession of rights, charge, lien, pledge, assignment, hypothecation, preferential right, or other security interest or arrangement creating real rights of security, but expressly excluding any guarantee, indemnity, suretyship or other arrangement creating personal rights of security;

11.3.2 **"Indebtedness"** means any present or future indebtedness which is in the form of, or represented by, bonds, notes, debentures, loan stock or other securities which are, with the consent of the person issuing same, for the time being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other established securities market and having an original maturity of more than one year from the date of its issue.

## EVENTS OF DEFAULT

Condition 12.1 (Events of Default relating to the Senior Notes) of the Terms and Conditions set out in the Programme Memorandum is amended in relation to the Notes of this Tranche by the insertion of the following additional sub-Conditions:

### Condition 12.1 Events of Default relating to the Senior Notes

12.1.7. *Breach of Covenants*: the Issuer fails to comply with any of its obligations in terms of the Covenants in Condition 26 under or in respect of the Notes in the Series, and such failure remains unremedied for 5 Business Days after written notice thereof has been delivered by any Noteholder to the Issuer; or

12.1.8. *Breach of Security Documents or Hedging Agreements*: the Issuer fails to perform any of its obligations under or in respect of the Security Documents or the Hedging Agreements, and such failure remains unremedied for 5 Business Days after written notice thereof has been delivered by any Noteholder to the Issuer; or

12.1.9. *Breach of Subordination Agreement*: any party (other than the Security SPV or the Noteholders) fails to perform any of its obligations in terms of the Subordination Agreement, and such failure remains unremedied for 5 Business Days after written notice thereof has been delivered by any Noteholder to the Issuer; or

12.1.10. *Security Unenforceable*: any security interests created in favour of the Security SPV pursuant to any of the Security Documents become unenforceable for any reason whatsoever (or be reasonably claimed by the Security SPV not to be in full force and effect); or

12.1.11. *Guarantor Cross-default or security enforced*:

If any Indebtedness for Borrowed Money (as defined below) of a Guarantor becomes due and repayable before its scheduled due date for payment by reason of an event of default (however described); or

a Guarantor fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment (as extended by any originally applicable grace period); or

any security given by a Guarantor for any Indebtedness for Borrowed Money becomes enforceable by reason of default in relation thereto and steps are taken to enforce such security; or

if default is made by a Guarantor in making any payment due under any guarantee and/or indemnity (at the expiry of any originally applicable grace period) given by it in relation to any Indebtedness for Borrowed Money of any other person;

provided that in each case no event shall constitute an Event of Default unless the Indebtedness for Borrowed Money, either alone or when aggregated with other Indebtedness for Borrowed Money, equals or exceeds R10 000 000 (or its equivalent in any other currency).

For the purposes of this Condition 12.1.11, "**Indebtedness for Borrowed Money**" means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (i) money borrowed, or (ii) any bonds, notes, debentures, debenture stock or loan stock.

For the purposes of this Condition 12.1.11, any indebtedness which is in a currency other than South African Rand shall be translated into South African Rand at the spot rate for the sale of South African Rand against the purchase of the relevant currency quoted by the Calculation Agent on the date of such Event of Default; or

12.1.12. *Guarantor Judgment*: any final judgment in respect of a claim of more than R10 000 000 in respect of a Guarantor, or its equivalent in any other currency, is given by a court of competent jurisdiction against a Guarantor, or against the assets or revenues of a Guarantor, and is not discharged or contested with 10 Business Days of the final judgment being granted; or

if such judgement is appealable, fails to appeal against such judgement within the time limits prescribed by law or fails to diligently prosecute such appeal thereafter or ultimately fails in such appeal; and/or

if such judgement is a default judgment, fails to apply for the rescission thereof within the time limits prescribed by law or fails to diligently prosecute such application thereafter or ultimately fails in such application; and/or

if such judgement is reviewable, fails to initiate proceedings for the review thereof within the time limits prescribed by law or fails to diligently prosecute such proceedings thereafter or ultimately fails in such proceedings; or

12.1.13. *Attachment of assets of a Guarantor*: any attachment in execution of a judgment in respect of a claim for more than R10 000 000 is levied against any undertaking or asset of a Guarantor and such attachment or execution is not set aside or lifted with 20 days after it came to the attention of a Guarantor; or

12.1.14. *Breach of Guarantor Security Documents*: a Guarantor fails to perform any of its obligations under or in respect of the Guarantor Security Documents, and such failure remains unremedied for 5 Business Days after written notice thereof has been delivered by any Noteholder to the relevant Guarantor; or

12.1.15. *Guarantor Security Unenforceable*: any security interests created pursuant to any of the Guarantor Security Documents become unenforceable for any reason whatsoever (or be reasonably claimed by the holder of that security not to be in full force and effect) ; or

12.1.16. *Restricted Group Company Insolvency*: an Insolvency Event occurs in respect of a Restricted Group Company.

For the purposes of this Condition 12.1.16, "**Insolvency Event**" means the occurrence of any of the following events: (i) any third party takes any steps or proceedings against a Restricted Group Company (other than a frivolous or vexatious application or an application which is discharged or stayed within 21 days) or an order is made, for (a) the compulsory, provisional or final winding-up, liquidation, compromise, administration order, curatorship, judicial management, business rescue, dissolution or administration of a

Restricted Group Company; or (b) the appointment of an administrator, trustee, liquidator, judicial manager, business rescue practitioner or similar officer over any or all of the assets or revenues of a Restricted Group Company; or (c) the removal of a Restricted Group Company from the register of companies; or (ii) a Restricted Group Company compromising with or taking any procedural step attempting to compromise with its creditors generally (or any significant class of creditors) or deferring or taking any procedural step attempting to defer payment of debts owing by it to its creditors generally (or any significant class of creditors) (except a deferral provided for in terms of the Terms and Conditions of the Notes); or (iii) a Restricted Group Company committing an act which would be an act of insolvency, in terms of the Insolvency Act, 1936, if committed by a natural person; or (iv) a Restricted Group Company is unable to pay its debts as they fall due or is deemed to be unable to pay its debts in terms of the Companies Act; or (v) the members or creditors of a Restricted Group Company convening a meeting in order to pass a resolution providing for a Restricted Group Company to be wound-up, liquidated, deregistered or placed under judicial management or business rescue, or any resolution being passed to this effect (in each case other than for purposes of a solvent reconstruction or amalgamation in which a Restricted Group Company remains the debtor under the Notes).

## EVENTS OF DEFAULT

Condition 12.2 (Steps following an Event of Default relating to the Senior Notes) of the Terms and Conditions set out in the Programme Memorandum is amended in relation to the Notes of this Tranche by the deletion of Condition 12.2 and the replacement thereof of the following Condition 12.2:

### 12.2 Condition 12.2 Steps following an Event of Default relating to the Series of Senior Secured Notes

12.2.1 If an Event of Default occurs in relation to the Series of Senior Secured Notes:

12.2.1.1 the Calculation Agent and/or the Issuer will forthwith inform the Security Agent thereof; and

12.2.1.2 the Security Agent will, as soon as such Event of Default comes to its notice (whether as a result of having been informed by the Calculation Agent and/or the Issuer thereof pursuant to Condition 12.2.1.1 or otherwise), forthwith call a meeting of the Controlling Class.

12.2.2 If an Event of Default occurs in relation to the Series of Senior Notes, all the Senior Secured Notes will become immediately due and payable if, at such meeting of the Controlling Class referred to in Condition 12.2.1.2, the Controlling Class so decide, by Special Resolution.

12.2.3 If the Controlling Class decide that the Senior Secured Notes will become immediately due and payable as contemplated in Condition 12.2.2, the Controlling Class will notify the Issuer and the Security Agent accordingly.

12.2.4 If the Controlling Class decide that the Senior Secured Notes will become immediately due and payable as contemplated in Condition 12.2.2, the Security Agent will, by written notice to the Issuer (an "**Acceleration Notice**"), declare the Senior Secured Notes and any amounts owing under any Hedging Agreement, to be immediately due and payable, and require the Outstanding Principal Amount of the Senior Secured Notes, together with any accrued interest thereon, and the amounts owing under any Hedging Agreement, to be forthwith paid or repaid. The Issuer shall forthwith do this, failing which the Security Agent shall take all necessary steps, including legal proceedings, to enforce the rights of the Senior Secured Noteholders and other members of the Controlling Class set out in, and the security given therefor in terms of, these Terms and Conditions, the Hedging Agreements and the Security Documents.

12.2.5 The Security Agent will not be required to take any steps to ascertain whether any Event of Default has occurred or to monitor or supervise the observance and performance by the Issuer of its obligations under these Terms and Conditions and the other Finance Documents and until the Security Agent has actual knowledge or has been served with express notice thereof it will be entitled to assume that no such Event of Default has taken place.

## MEETINGS OF THE CONTROLLING CLASS

The Terms and Conditions set out in the Programme Memorandum are amended in relation to the Notes of this Tranche by the insertion of the following additional Condition 23:

### 23. Condition 23 - Meetings of the Controlling Class

Where a meeting of the Controlling Class is required to be convened, in accordance with these Terms and Conditions, or the Security SPV Guarantee, or a Renttech Guarantee, or the Renttech Security SPV Guarantee, then the provisions of this Condition 23 shall apply. All references in this Condition 23 to the Notes is a reference to the Senior Secured Notes and to the Noteholders is a reference to the Senior Secured Noteholders.

#### 23.1 Convening of meetings

23.1.1 The Issuer or the Security Agent may at any time convene a meeting of the Controlling Class (a "**meeting**").

23.1.2 The Issuer or the Security Agent will convene a meeting of the Controlling Class upon the requisition in writing of members of the Controlling Class holding not less than 20% of the aggregate Outstanding Principal Amount of the Controlling Class (a "**requisition notice**").

23.1.3 Whenever the Issuer wishes to convene a meeting, it will forthwith give notice in writing to the Noteholders in the manner prescribed in Condition 16, to the Security Agent and to the other members of the Controlling Class in accordance with the provisions for the giving of notices in terms of the relevant Finance Document, of the place, day and hour of the meeting, the nature of the business to be transacted at the meeting and the resolutions to be proposed and considered at the meeting.

23.1.4 Whenever the Security Agent wishes or is obliged to convene a meeting it will forthwith give notice in writing to the Noteholders and the Issuer in the manner prescribed in Condition 16 and to the other members of the Controlling Class in accordance with the provisions for the giving of notices in terms of the relevant Finance Document, of the place, day and hour of the meeting, the nature of the business to be transacted at the meeting and the resolutions to be proposed and considered at the meeting.

23.1.5 All meetings of the Controlling Class will be held in Johannesburg.

#### 23.2 Requisition

23.2.1 A requisition notice will state the nature of the business for which the meeting is to be held and the resolutions to be proposed and considered at the meeting and will be deposited at the Specified Office of the Issuer or the Security Agent, as the case may be.

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

### 23.3 Convening of meetings by requisitionists

If the Issuer or the Security Agent, as the case may be, does not convene a meeting to be held within 30 days of the deposit of a requisition notice, the requisitionists may themselves convene the meeting, but the meeting so convened will be held within 90 days from the date of such deposit and will be convened as nearly as possible in the same manner as that in which meetings may be convened by the Issuer. Whenever the requisitionists are about to so convene any such meeting, requisitionists shall forthwith give notice of the meeting to the Issuer and the Security Agent.

### 23.4 Notice of meeting

23.4.1 Unless the holders of at least 90% of the aggregate Outstanding Principal Amount of the Controlling Class, agree in writing to a shorter period, at least 21 days' written notice, specifying the place, day and time of the meeting, the nature of the business for which the meeting is to be held and the resolutions to be proposed and considered at the meeting, will be given to each Noteholder, to the other members of the Controlling Class, to the Issuer and to the Security Agent.

23.4.2 The accidental omission to give such notice to any Noteholder, or to the other members of the Controlling Class, to the Issuer or to the Security Agent, as the case may be, or the non-receipt of any such notice, will not invalidate the proceedings at a meeting.

### 23.5 Quorum

23.5.1 A quorum at a meeting shall:

23.5.1.1 for the purposes of considering an Ordinary Resolution, consist of (i) Noteholders present in person or by proxy and holding in the aggregate not less than one-third of the aggregate Outstanding Principal Amount of the Controlling Class, and (ii) the other members of the Controlling Class (other than Noteholders);

23.5.1.2 for the purposes of considering a Special Resolution, consist of (i) Noteholders present in person or by proxy and holding in the aggregate not less than a clear majority of the aggregate Outstanding Principal Amount of the Controlling Class, and (ii) the other members of the Controlling Class (other than Noteholders).

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

23.5.3 If, within 15 minutes from the time appointed for the meeting, a quorum is not present, the meeting will, if it was convened on the requisition of the Controlling Class be dissolved. In every other case the meeting will stand adjourned to the same day in the third week thereafter, at the same time and place, or if that day is not a Business Day, the next succeeding Business Day. If at such adjourned meeting a quorum is not present the Noteholders and other members of the Controlling Class present, in person



or by proxy, will constitute a quorum for the purpose of considering any resolution, including a Special Resolution.

#### 23.6 **Chairman**

The chairman of the meeting shall be appointed by the Security Agent. If the Security Agent or the person appointed by the Security Agent to preside as chairman of the meeting is not present within 10 minutes of the time appointed for the holding of the meeting, the Noteholders then present will choose one of their own number to preside as chairman.

#### 23.7 **Adjournment**

23.7.1 Subject to the provisions of this Condition 23, the chairman may, with the consent of, and will on the direction of, the meeting adjourn the meeting from time to time and from place to place.

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

23.7.3 At least 14 days' written notice of the place, day and time of an adjourned meeting will be given by the Issuer or the Security Agent, as the case may be, to the Issuer, the Security Agent, each Noteholder and to the other members of the Controlling Class. In the case of a meeting adjourned in terms of Condition 23.6.3, the notice will state that the Noteholders and the other members of the Controlling Class present in person or by proxy at the adjourned meeting will constitute a quorum.

#### 23.8 **How questions are decided**

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

23.8.2 In the case of an equality of votes, the chairman will not be entitled to a casting vote in addition to the vote, if any, to which he is entitled.

#### 23.9 **Votes**

Voting shall only take place on a poll and not on a show of hands. On a poll (i) every Noteholder, present in person or by proxy, will be entitled to that proportion of the total votes which the aggregate Outstanding Principal Amount of the Notes held by such Noteholder bears to the aggregate Outstanding Principal Amount of the Controlling Class and (ii) and every Hedge Provider present in person or by proxy, will be entitled to that proportion of the total votes which the aggregate indebtedness owing by the Issuer to each Hedge Provider (being the marked-to-market of the value of the obligations owing under the relevant hedging transactions at the relevant time) bears to the aggregate Outstanding Principal Amount of the Controlling Class. In relation to joint Noteholders, the vote may be exercised only by that Noteholder whose name appears first on the Register in the event that more than one of such Noteholders is present, in person or by proxy, at the meeting. The Noteholder in respect of Notes held in the Central Securities Depository in uncertificated form shall vote at any such

meeting on behalf of the holders of Beneficial Interests in such Notes in accordance with the instructions to the Central Securities Depository's Nominee from the holders of Beneficial Interests conveyed through the Participants in accordance with the Applicable Procedures.

**23.10 Proxies and representatives**

- 23.10.1 Noteholders or any other member of the Controlling Class, present either in person or by proxy, may vote on a poll. A Noteholder or any other member of the Controlling Class, may by an instrument in writing (a "**proxy form**") signed by the Noteholder or other member of the Controlling Class, as the case may be, (or his duly authorised agent) or, in the case of a juristic person, signed on its behalf by a duly authorised officer of the juristic person, appoint any person (a "**proxy**" or "**proxies**") to act on his or its behalf in connection with any meeting or proposed meeting.
- 23.10.2 A person appointed to act as proxy need not be a Noteholder or any other member of the Controlling Class.
- 23.10.3 The proxy form will be deposited at the Specified Office of the Issuer or at the Specified Office of the Transfer Agent, as the case may be, not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such proxy proposes to vote.
- 23.10.4 No proxy form will be valid after the expiration of 6 months from the date named in it as the date of its execution.
- 23.10.5 Notwithstanding Condition 23.10.4, a proxy form will be valid for any adjourned meeting, unless the contrary is stated thereon.
- 23.10.6 A vote given in accordance with the terms of a proxy form will be valid notwithstanding the previous death or incapacity of the principal or revocation or amendment of the proxy form or of any of the instructions of the Noteholder or any other member of the Controlling Class, as the case may be, pursuant to which the proxy form was executed or of the authority under which the proxy form was executed or the transfer of Notes or other Finance Document or in respect of which the proxy was given, provided that no intimation in writing of such death, incapacity, revocation or amendment shall have been received by the Issuer at its Specified Office or the Transfer Agent at its Specified Office, as the case may be, more than, and that the transfer has been given effect to less than, 12 hours before the commencement of the meeting or adjourned meeting at which the proxy is to be used.
- 23.10.7 Any Noteholder or any other member of the Controlling Class which is a juristic person may authorise any person to act as its representative in connection with any meeting or proposed meeting of the Controlling Class, by resolution of the directors or other governing body of the juristic person. Any reference in the Terms and Conditions to a Noteholder or any other member of the Controlling Class present in person, includes the duly authorised representative of a Noteholder or any other member of the Controlling Class, as the case may be, which is a juristic person.

23.11      **Minutes**

- 23.11.1      The Issuer will cause minutes of all resolutions and proceedings of meetings to be duly entered in the minute books of the Issuer.
- 23.11.2      Any such minutes as aforesaid, if purporting to be signed by the chairman of the meeting at which such resolutions were passed or proceedings held or by the chairman of the next succeeding meeting, will be receivable in evidence without any further proof, and until the contrary is proved, a meeting the Controlling Class in respect of the proceedings of which minutes have been so made will be deemed to have been duly held and convened and all resolutions passed thereat, or proceedings held, to have been duly passed and held.

## **MATTERS FOR DECISION BY THE CONTROLLING CLASS AND APPOINTMENT OF THE SECURITY AGENT**

The Terms and Conditions set out in the Programme Memorandum are amended in relation to the Notes of this Tranche by the insertion of the following additional Condition 24:

### **24. Condition 24 – Matters for Decision by the Controlling Class**

- 24.1 Any decision in relation to (i) the steps to be taken following an Event of Default relating to the Senior Secured Notes, including delivery of an Acceleration Notice or making a demand under the Renttech Guarantee, the Security SPV Guarantee, the Renttech Security SPV Guarantee or a Guarantor Guarantee, or (ii) the steps to be taken following an event of default relating to a Hedging Agreement, or (iii) any proposed amendment to, cancellation of, waiver in respect of, or discharge or release from, the Security Documents, a Renttech Guarantee, the Renttech Security Documents, a Guarantor Guarantee or the Guarantor Security Documents, or (iv) any proposed amendment to those Terms and Conditions which confer rights and/or impose obligations on the Security Agent, Security SPV, the Renttech Security SPV, a Guarantor Security SPV, or a Hedge Provider, or (v) any proposed amendment to the Common Provisions, shall be taken by Special Resolution of the Controlling Class.
- 24.2 Any decision in relation to any other matter affecting the Controlling Class shall be taken by Ordinary Resolution of the Controlling Class.
- 24.3 Appointment and duties of the Security Agent
- 24.3.1 Each member of the Controlling Class irrevocably appoints the Security Agent to act as its agent under and in connection with the Finance Documents.
- 24.3.2 Each member of the Controlling Class irrevocably authorises the Security Agent to:
- 24.3.2.1 perform the duties and to exercise the rights, powers and discretions that are specifically given to the Security Agent under the Finance Documents, together with any other incidental rights, powers and discretions; and
- 24.3.2.2 execute each Finance Document expressed to be executed by the Security Agent.
- 24.3.3 The Security Agent has only those duties which are expressly specified in the Finance Documents. Those duties are solely of a mechanical and administrative nature.
- 24.4 No fiduciary duties
- Except as specifically provided in a Finance Document, nothing in the Finance Documents makes the Security Agent a trustee or fiduciary for any other person.
- 24.5 Individual position of the Security Agent

If it is also a Senior Secured Noteholder or a Hedge Provider, the Security Agent has the same rights and powers under the Finance Documents as any other Senior Secured Noteholder or Hedge Provider and may exercise those rights and powers as though it were not the Security Agent. The Security Agent may:

- 24.5.1 carry on any business with a member of the Group or its related entities (including acting as an agent or a trustee for any other financing); and
- 24.5.2 retain any profits or remuneration it receives under the Finance Documents or in relation to any other business it carries on with a member of the Group or its related entities.

#### 24.6 Reliance

The Security Agent may:

- 24.6.1 rely on any notice or document believed by it to be genuine and correct and to have been signed by, or with the authority of, the proper person;
- 24.6.2 rely on any statement made by any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify;
- 24.6.3 assume, unless the context otherwise requires, that any communication made by a member of the Group is made on behalf of and with the consent and knowledge of each member of the Group;
- 24.6.4 engage, pay for and rely on professional advisers selected by it; and
- 24.6.5 act under the Finance Documents through its personnel and agents.

#### 24.7 Instructions by the Controlling Class

- 24.7.1 Subject to Condition 24.8, the Security Agent is indemnified by the members of the Controlling Class in accordance with Condition 24.10, if it acts on the instructions of the Controlling Class in accordance with Conditions 24.1 and 24.2, as the case may be, in the exercise of any right, power or discretion or any matter. Any such instructions given by the Controlling Class will be binding on all the members of the Controlling Class. In the absence of instructions, the Security Agent may act as it considers to be in the best interests of all the members of the Controlling Class.
- 24.7.2 The Security Agent may assume that unless it has received notice to the contrary, any right, power, authority or discretion vested in the Controlling Class has not been exercised.
- 24.7.3 The Security Agent may refrain from acting in accordance with the instructions of the Controlling Class until it has received security satisfactory to it, whether by way of payment in advance or otherwise, against any liability or loss which it may incur in complying with the instructions.

- 24.7.4 The Security Agent is not authorised to act on behalf of any member of the Controlling Class (without first obtaining that member's consent) in any legal or arbitration proceedings in connection with any Finance Document.
- 24.8 Exclusion of liability
- The Security Agent is not liable or responsible to any member of the Controlling Class for any action taken or not taken by it in connection with any Finance Document, unless caused by its gross negligence or wilful misconduct.
- 24.9 Information
- 24.9.1 The Security Agent must promptly forward to the person concerned the original or a copy of any document which is delivered to the Security Agent by a party to a Finance Document for that person.
- 24.9.2 Except where a Finance Document specifically provides otherwise, the Security Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another party.
- 24.9.3 Except as provided above, the Security Agent has no duty:
- 24.9.3.1 either initially or on a continuing basis to provide any Senior Secured Noteholder or Hedge Provider with any credit or other information concerning the risks arising under or in connection with the Finance Documents (including any information relating to the financial condition or affairs of any member of the Group or its related entities or the nature or extent of recourse against any party or its assets) whether coming into its possession before, on or after the Issue Date; or
- 24.9.3.2 unless specifically requested to do so by any Senior Secured Noteholder or Hedge Provider in accordance with a Finance Document, to request any certificate or other document from any member of the Group.
- 24.9.4 In acting as the Security Agent, the agency division of the Security Agent is treated as a separate entity from its other divisions and departments. Any information acquired by the Security Agent which, in its opinion, is acquired by it otherwise than in its capacity as the Security Agent may be treated as confidential by the Security Agent and will not be treated as information possessed by the Security Agent in its capacity as such.
- 24.9.5 The Security Agent is not obliged to disclose to any person any confidential information supplied to it by or on behalf of a member of the Group solely for the purpose of evaluating whether any waiver or amendment is required in respect of any term of the Finance Documents.

## 24.10 Indemnities

Without limiting the liability of any member of the Group under the Finance Documents, each member of the Controlling Class hereby indemnifies the Security Agent for that member's Pro Rata Share of any loss or liability incurred by the Security Agent in acting as the Security Agent (unless the Security Agent has been reimbursed by a member of the Group under a Finance Document), except to the extent that the loss or liability is caused by the Security Agent's gross negligence or wilful misconduct.

## 24.11 Compliance

The Security Agent may refrain from doing anything (including disclosing any information) which might, in its opinion, constitute a breach of any law or regulation or be otherwise actionable at the suit of any person, and may do anything which, in its opinion, is necessary or desirable to comply with any law or regulation.

## 24.12 Resignation of the Security Agent

24.12.1 The Security Agent may resign and appoint any of its Affiliates as successor Security Agent by giving notice to the Senior Secured Noteholders, Hedge Providers and the Issuer, in which event the remaining provisions of this Condition shall not apply.

24.12.2 The Security Agent may resign by giving notice to the Senior Secured Noteholders, Hedge Providers and the Company or the Controlling Class may terminate the appointment of the Security Agent. In each case the Controlling Class may appoint a successor Security Agent.

24.12.3 If a successor Security Agent has not been appointed under Clause 24.12.2 above within 30 days after notice of resignation or termination was given, the Security Agent may appoint a successor Security Agent.

24.12.4 The person(s) appointing a successor Security Agent must, if practicable, consult with the Issuer prior to the appointment.

24.12.5 The resignation of the Security Agent or the termination of the appointment of the Security Agent and the appointment of any successor Security Agent will both become effective only when the successor Security Agent notifies the current Security Agent, Senior Secured Noteholders, Hedge Providers and the Issuer that it accepts its appointment. On giving the notification, the successor Security Agent will succeed to the position of the Security Agent and the term **Security Agent** will mean the successor Security Agent.

24.12.6 The departing Security Agent must, at its own cost, make available to the successor Security Agent such documents and records and provide such assistance as the successor Security Agent may reasonably request for the purposes of performing its functions as the Security Agent under the Finance Documents.

24.12.7            Upon its resignation becoming effective, this Condition will continue to benefit the departing Security Agent in respect of any action taken or not taken by it in connection with the Finance Documents while it was the Security Agent, and, subject to Clause 24.12.6 above, it will have no further obligations under any Finance Document.

24.13            Security Agent fee

The Issuer will pay the Security Agent a fee in the manner agreed to from time to time with the Security Agent.



### THIRD PARTY RIGHTS AND OBLIGATIONS

The Terms and Conditions set out in the Programme Memorandum are amended in relation to the Notes of this Tranche by the insertion of the following additional Condition 25 (**Third party rights and obligations**):

#### 25. Condition 25 Third party rights and obligations

- 25.1 Each Noteholder of the Series, upon its subscription for Notes of the Series and the issue of Notes of the Series to it, or upon the transfer of Notes of the Series to it, as the case may be, shall be bound by those provisions of the Security SPV Guarantee, the Renttech Security SPV Guarantee and the Renttech Guarantee which confer rights and/or impose obligations on the Senior Secured Noteholders and by the other terms of the Common Provisions. Copies of the Security SPV Guarantee, the Renttech Security SPV Guarantee and the Renttech Guarantee are available for inspection by investors, during normal office hours, at the Specified Offices of the Issuer.
- 25.2 It is recorded that in terms of the Security SPV Guarantee, the Security SPV, upon signing the Security SPV Guarantee, is deemed to have notice of the Terms and Conditions of the Senior Secured Notes, and the Security SPV shall be bound by those provisions of the Terms and Conditions of the Senior Secured Notes which confer rights and/or impose obligations on the Security SPV.
- 25.3 It is recorded that in terms of the Security SPV Guarantee, the Security Agent, upon signing the Security SPV Guarantee, is deemed to have notice of the Terms and Conditions of the Senior Secured Notes, accepts its appointment as Security Agent on the terms set out in Conditions 24.3 to 34.13 and shall be bound by those provisions of the Terms and Conditions of the Senior Secured Notes which confer rights and/or impose obligations on the Security Agent.
- 25.4 The Issuer undertakes that for so long as the Notes of the Series are in issue, the terms of each Hedging Agreement that will participate in the same security as that granted in favour of the holders of the Initial Notes, will be amended such that each Hedge Provider will, upon the execution of the Hedging Agreement to which it is a party, or upon the transfer of such Hedging Agreement to it, as the case may be, be bound by those terms of the Common Provisions which confer rights and/or impose obligations on a Hedge Provider.
- 25.5 It is recorded that in terms of the Renttech Security SPV Guarantee, the Renttech Security SPV, upon signing the Renttech Security SPV Guarantee, is deemed to have notice of the Terms and Conditions of the Senior Secured Notes, and the Renttech Security SPV shall be bound by those provisions of the Terms and Conditions of the Senior Secured Notes which confer rights and/or impose obligations on the Renttech Security SPV.
- 25.6 For so long as the Notes of this Series are in issue, each Noteholder of any other Series of Senior Secured Notes in issue under the Programme, upon its subscription for such Notes and the issue of such Notes to it, or upon the transfer of such Notes to it, as the case may be,

shall be entitled to share equally and rateably with the Notes of the Series in the security granted to the Notes of the Series by the Issuer or any other Restricted Group Company.

- 25.7 The Issuer undertakes that for so long as the Notes of the Series are in issue, the Terms and Conditions of any other Series of Senior Notes in issue under the Programme that will participate in the same security as that granted in favour of the holders of the Initial Notes, will be amended to incorporate the Common Provisions, such that each Noteholder of such other Series of Senior Notes will, upon its subscription for such Notes and the issue of such Notes to it, or upon the transfer of such Notes to it, as the case may be, be bound by the Common Provisions.

## COVENANTS

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

### 26. Condition 26 Covenants

#### 26.1 Financial Indebtedness

- 26.1.1 If the Fixed Charge Cover Ratio is at least 2.00 times, at the end of the Measurement Period, calculated when the Issuer or any other Restricted Group Company wishes to incur additional Financial Indebtedness, after adjusting the Fixed Charge Cover Ratio giving the pro forma effect of such incurrence of additional Financial Indebtedness, then there is no limitation on the incurrence by the Issuer or any other Restricted Group Company of additional Financial Indebtedness at that time.
- 26.1.2 If the Fixed Charge Cover Ratio is lower than 2.00 times, at the end of the Measurement Period, calculated when the Issuer or any other Restricted Group Company wishes to incur additional Financial Indebtedness, after adjusting the Fixed Charge Cover Ratio giving the pro forma effect of such incurrence of additional Financial Indebtedness, then the Issuer shall not, and shall procure that such other Restricted Group Company shall not, incur such additional Financial Indebtedness at that time. This restriction does not apply to the incurrence of any additional Financial Indebtedness:
- 26.1.2.1 under the GBF Agreement; provided that the aggregate outstandings under the GBF Agreement do not exceed R200 000 000 (on a net basis) or R300 000 000 (on a gross basis);
- 26.1.2.2 to finance the purchase or improvement of property and equipment of a type which is usual for a business of such nature, up to an aggregate amount of R20 000 000;
- 26.1.2.3 in addition to that referred to in the other sub paragraphs of this Condition 26.1, which in aggregate does not exceed R20 000 000;
- 26.1.2.4 to refinance any existing debt; or
- 26.1.2.5 expressly permitted in writing by a Special Resolution of the Controlling Class.
- 26.1.3 If any restriction on the incurrence of additional Financial Indebtedness is triggered in terms of Condition 26.1.2, and, thereafter, the Issuer or any other Restricted Group Company wishes to incur additional Financial Indebtedness, such restriction shall fall away if the Fixed Charge Cover Ratio at that time is again at least 2.00 times. If there is any subsequent restriction on the incurrence of additional Financial Indebtedness in terms of Condition 26.1.2, the permitted baskets of additional Financial Indebtedness in terms of Conditions 26.1.2.1 to 26.1.2.4 will be calculated afresh, from the date of

that subsequent restriction (provided that the aggregate outstandings under the GBF Agreement do not at any time exceed R200 000 000 (on a net basis) or R300 000 000 (on a gross basis)).

- 26.1.4 The Fixed Charge Cover Ratio will be calculated using the audited consolidated financial statements of the Parent, if available, failing which the unaudited consolidated management accounts of the Parent, for the relevant Measurement Period.

## 26.2 **Restricted Payments**

- 26.2.1 If the Fixed Charge Cover Ratio is at least 2.00 times, at the end of the Measurement Period, calculated when the Issuer or any other Restricted Group Company wishes to make a Restricted Payment, then such Restricted Payment may be made, provided that the Issuer and each other Restricted Group Company utilise, in aggregate, no more than 50% of Parent Consolidated PAT plus the proceeds of share issuances for the relevant Measurement Period to make the Restricted Payment (or such higher percentage expressly permitted in writing by a Special Resolution of the Controlling Class).
- 26.2.2 If the Fixed Charge Cover Ratio is lower than 2.00 times, at the end of the Measurement Period, calculated when the Issuer or any other Restricted Group Company wishes to make a Restricted Payment, then the Issuer shall not, and shall procure that such other Restricted Group Company shall not, make such Restricted Payment at that time. This restriction does not apply to:
- 26.2.2.1 Restricted Payments by the Issuer and Restricted Group Companies which in aggregate do not exceed R75 000 000 calculated from the Issue Date until the date that this Tranche of Notes is redeemed in full;
- 26.2.2.2 payment of fees and expenses incurred in terms of the Shareholders Agreement (over and above debt raising fees and expenses incurred in relation to the issue of Notes of the Series) which in aggregate do not exceed R5 000 000 calculated from the Issue Date until the date that this Tranche of Notes is redeemed in full;
- 26.2.2.3 the (i) redemption, purchase, retirement or repayment of any shares held by shareholders holding a minority interest in the Issuer or other Restricted Group Company, or (ii) other acquisition of shares held by shareholders holding a minority interest in the Issuer or other Restricted Group Company, which in the case of (i) and (ii) in aggregate do not exceed R75 000 000 calculated from the Issue Date until the date that this Tranche of Notes is redeemed in full;
- 26.2.2.4 a Restricted Payment by the Issuer or another Restricted Group Company to a Restricted Group Company; or
- 26.2.2.5 any Restricted Payment expressly permitted in writing by a Special Resolution of the Controlling Class.

- 26.2.3 Notwithstanding anything to the contrary set out above, there is no restriction on the Issuer or any other Restricted Group Company making a Restricted Payment utilising the proceeds of any sale of shares or further advances under subordinated loan agreements.
- 26.2.4 The Fixed Charge Cover Ratio will be calculated using the audited consolidated financial statements of the Parent, if available, failing which the unaudited consolidated management accounts of the Parent, for the relevant Measurement Period.
- 26.3 **Transactions with Affiliates**
- 26.3.1 The Issuer shall, and undertakes to procure that other Restricted Group Companies shall, not enter into a transaction with an Affiliate unless:
- 26.3.1.1 such related party transaction is on terms no more or less favourable to the other party to the relevant transaction as could reasonably be expected to be obtained in a comparable arm's length transaction with a person that is not an Affiliate of such counterparty;
- 26.3.1.2 in the case of a transaction above R5 000 000, a majority of disinterested directors has approved the transaction; and
- 26.3.1.3 in the case of a transaction above R10 000 000, a fairness opinion has been issued by an accounting, appraisal or investment banking firm of international standing.
- 26.3.2 The restrictions in Condition 26.3.1 shall not apply to transactions between the Issuer and other Restricted Group Companies, if the Issuer's obligations to the Controlling Class are guaranteed by the relevant Restricted Group Company.
- 26.4 **Acquisitions**
- 26.4.1 The Issuer shall not, and shall procure that each Restricted Group Company shall not, (i) acquire or subscribe for shares or other ownership interests in, or securities of, any company or other person, or (ii) acquire any business, or (iii) enter into any amalgamation, unbundling, merger, consolidation or reconstruction. This restriction does not apply to:
- 26.4.1.1 any transaction if the Consolidated Net Worth after the proposed transaction is equal to or greater than the Consolidated Net Worth prior to the proposed transaction, based on the pro-forma consolidated balance sheet of the Parent as if the proposed transaction were completed;
- 26.4.1.2 the acquisition of the assets and liabilities of Burncrete (Proprietary) Limited, provided that such acquisition is funded from the proceeds of the issue of the Notes set aside for this purpose, which in aggregate do not exceed R105 250 000;

26.4.1.3 a Minority Investment, which investment may be made subject to compliance with the provisions of Condition 26.2; or

26.4.1.4 any transaction expressly permitted in writing by a Special Resolution of the Controlling Class.

#### 26.5 **Dividend Payments from Subsidiaries**

The Issuer will procure that each Restricted Group Company, that is a wholly-owned Subsidiary of another Restricted Group Company, will not limit its ability to pay dividends in cash or in specie to its shareholder.

#### 26.6 **Business Activities**

The Issuer will not, and will procure that Restricted Group Companies will not, enter into any new business other than business which the Group has experience or knowledge in.

#### 26.7 **Disposals of Assets**

26.7.1 Subject to the Security Documents and the Renttech Security Documents, the Issuer and each Restricted Group Company may, either in a single transaction or a series of transactions and whether related or not and whether voluntarily or involuntarily, dispose of all or any part of its assets, provided that:

26.7.1.1 the disposal is at a fair value (ie a value as could reasonably be expected to be obtained in an arm's length transaction);

26.7.1.2 the disposal proceeds must be applied, within 6 months of the relevant disposal, in repayment of the Notes held by the Controlling Class pursuant to the exercise by the Issuer of its right of Optional Redemption in terms of Condition 8.4, in repayment of the outstandings under the GBF Agreement, for capital expenditure or for the investment in any other asset comparable or superior as to type, value, quality and title.

26.7.2 If the disposal proceeds are not applied, within 6 months of the relevant disposal, for the purposes referred to in Condition 26.7.1.2, then the Issuer shall offer to redeem the Notes held by the Controlling Class, in an amount equal to so much of the disposal proceeds in respect of the relevant asset disposed of as exceeds R50 000 000 (the "**Excess Disposal Proceeds**"), in accordance with the remaining provisions of this Condition 26.7.

26.7.3 Within 10 Business Days of the expiry of the 6 month period referred to in Condition 26.7.2, the Issuer shall, by delivering a written notice (the "**Prepayment Offer Notice**") to each Noteholder of the Controlling Class to that effect, offer to redeem the Notes held by each such Noteholder, on the date for redemption specified in the Prepayment Offer Notice (which shall not be later 30 Business Days after the expiry of the 6 month period referred to in Condition 26.7.2)(the "**Prepayment Offer**

**Redemption Date"**), in an amount equal to its Pro Rata Share of the Excess Disposal Proceeds.

- 26.7.4 Each Noteholder of the Controlling Class shall, within 10 Business Days of receipt of the Prepayment Offer Notice, notify the Issuer in writing whether it wishes to accept the offer, in whole or in part. If a Noteholder fails to notify the Issuer of the acceptance of the offer in accordance with the provisions of this Condition 26.7.4, such Noteholder shall be regarded as not having accepted the offer.
- 26.7.5 The Issuer shall, on the Prepayment Offer Redemption Date, redeem the Notes of those Noteholders who have accepted the offer in accordance with the provisions of Condition 26.7.4. Notes redeemed pursuant to this Condition 26.7.5 will be redeemed at their Early Redemption Amount referred to in Condition 8.7, together with accrued unpaid interest (if any) from (and including) the immediately preceding Interest Payment Date to (but excluding) the date of redemption.
- 26.7.6 The restrictions in Condition 26.7.1 do not apply to any disposal:
- 26.7.6.1 of trading stock made on arm's length terms in the ordinary course of trading;
- 26.7.6.2 of any asset (not being a business or shares) on arm's length terms in exchange for any other asset comparable or superior as to type, value, quality and title;
- 26.7.6.3 which constitutes a Change of Control of the Issuer or a Restricted Subsidiary for the purposes of Condition 8.6.4, which disposal may be made subject to compliance with the provisions of Conditions 8.6;
- 26.7.6.4 of obsolete or redundant vehicles, plant and equipment, for cash on arm's length terms;
- 26.7.6.5 constituted by a security interest which is permitted under Condition 11 (Negative Pledge).
- 26.7.7 Notwithstanding anything to the contrary contained in this Condition 26.7, if the Issuer exercises its right of Optional Redemption, in whole and not in part only, in terms of Condition 8.4:
- 26.7.7.1 the provisions of this Condition 26.7 shall not apply; and
- 26.7.7.2 the Issuer and each Restricted Subsidiary, shall be entitled to dispose of all or substantially all of its assets whether in a single transaction or a series of related transactions, without any approval of the Controlling Class and any Security held in this regard shall be released upon the redemption in full of the Senior Secured Notes and repayment in full of the other Senior Secured Creditors.

**26.8 Sale and Leaseback Transactions**

26.8.1 The Issuer shall not, and shall procure that no Restricted Group Company shall, dispose of any of its assets to a third party on terms where any such asset is or may be required to be leased to or re-acquired or acquired by a Restricted Group Company, in circumstances where the transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset. This restriction does not apply to:

26.8.1.1 a transaction in terms of which the Restricted Group Company could have incurred the Financial Indebtedness in terms of the Financial Indebtedness Covenant in Condition 26.1 and the asset could have been given as security in terms of the Condition 11 (Negative Pledge);

26.8.1.2 the gross sale proceeds are at least equal to the fair market value of the asset, as determined by the directors acting in good faith; and

26.8.1.3 the disposal of the asset is permitted, and the proceeds of such disposal are applied, in accordance with Condition 26.8 (Disposals of Assets).

26.8.2 The restrictions in Condition 26.8.1 do not apply to any such disposal of assets by a Restricted Group Company to another Restricted Group Company.

**26.9 Information Undertakings**

On 31 March and 30 September each year, commencing on 31 March 2011, the Issuer shall deliver to the Security Agent on behalf of the Senior Secured Noteholders, a certificate, signed by 2 directors of the Issuer, together with the latest available audited consolidated annual financial statements of the Parent and the latest available unaudited consolidated management accounts of the Parent, confirming (i) that no further Financial Indebtedness has been incurred during the previous 6 months and that no Restricted Payment has been made during such period, or, (i) to the extent that the Issuer has incurred Financial Indebtedness or made Restricted Payments during the previous 6 month period, a statement to that effect, setting out the Financial Indebtedness incurred or the Restricted Payment made, together with the calculation of the Fixed Charge Cover Ratio at the date of incurrence of that Financial Indebtedness or making of that Restricted Payment and the relevant financial statements of the Parent used for the purposes of making that calculation.



## ADDITIONAL DEFINITIONS IN RESPECT OF THIS SERIES OF NOTES

1. Terms and expressions set out below will have the meanings set out below in the Terms and Conditions of the Notes of the Tranche referred to in this Applicable Pricing Supplement:
  - 1.1 **Affiliate** means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company;
  - 1.2 **Consolidated EBIT** means, in relation to a Measurement Period, the aggregate of:
    - 1.2.1 the consolidated operating profits (excluding the results from discontinued operations) before finance costs and tax for that Measurement Period;
 

adjusted by:

      - 1.2.1.1 excluding any material items which represent gains or losses arising on:
        - 1.2.1.1.1 restructurings of the activities of an entity and reversals of any provisions for the costs of restructuring;
        - 1.2.1.1.2 disposals of non-current assets;
        - 1.2.1.1.3 the disposal of assets associated with discontinued operations;
        - 1.2.1.1.4 reversals of any provision;
      - 1.2.1.2 excluding any unrealised gains or losses on any derivative instrument (other than any derivative instrument which is accounted for on a hedge accounting basis) which is reported through the income statement;
      - 1.2.1.3 excluding non-cash items; and
      - 1.2.1.4 excluding debt raising costs;
  - 1.3 **Consolidated EBITDA** means, in relation to a Measurement Period, Parent Consolidated EBIT for that Measurement Period after adding back any depreciation and amortisation (other than any depreciation and amortisation of any Unrestricted Subsidiary) and excluding any charge for impairment or any reversal of any previous charge made in the period;
  - 1.4 **Consolidated Finance Costs** means, in relation to a Measurement Period, all finance costs (whether paid, payable or added to principal) incurred by the Parent during that period calculated on a consolidated basis, adjusted by:
    - 1.4.1 excluding all the finance costs (whether paid, payable or added to principal) incurred by any Unrestricted Subsidiary;
    - 1.4.2 excluding any accrued interest on subordinated shareholder loans ;
  - 1.5 **Consolidated Net Worth** means at any time the aggregate of:

- 1.5.1 the amount paid up or credited as paid up on the issued share capital of the Parent; and
- 1.5.2 the net amount standing to the credit (or debit) of the consolidated reserves of the Group;
- 1.6 **Consolidated PAT** means, in relation to a Measurement Period, the aggregate of:
  - 1.6.1 the consolidated operating profits (excluding the results from discontinued operations) after finance costs and tax for that Measurement Period;
    - adjusted by:
      - 1.6.1.1 excluding any material items which represent gains or losses, together with any related provisions for taxes on such gains or losses, arising on:
        - 1.6.1.1.1 restructurings of the activities of an entity and reversals of any provisions for the costs of restructuring;
        - 1.6.1.1.2 disposals of non-current assets;
        - 1.6.1.1.3 the disposal of assets associated with discontinued operations;
        - 1.6.1.1.4 reversals of any provision;
      - 1.6.1.2 excluding any unrealised gains or losses, together with any related provisions for taxes on such gains or losses, on any derivative instrument (other than any derivative instrument which is accounted for on a hedge accounting basis) which is reported through the income statement;
      - 1.6.1.3 excluding non-cash items, together with any related provisions for taxes on such non-cash items; and
      - 1.6.1.4 excluding debt raising costs, together with any related provisions for taxes on such debt raising costs;
- 1.7 **Covenants** means the covenants referred to in Condition 26;
- 1.8 **Common Provisions** means (i) those Terms and Conditions of the Initial Notes which confer rights and/or impose obligations on the Senior Secured Noteholders and/or Hedge Providers, namely the provisions set out in Appendix "C", Condition 11 (Negative Pledge), Condition 12.1 (Events of Default relating to Senior Secured Notes), Condition 12.2 (Steps following an Event of Default relating to the Series of Senior Secured Notes), Condition 23 (Meetings of the Controlling Class), Condition 24 (Matters for Decision by the Controlling Class and Appointment of the Security Agent), Condition 25 (Third Party Rights and Obligations), Condition 26 (Covenants) and the Additional Definitions of the Applicable Pricing Supplements in respect of the Initial Notes, and (ii) those provisions of the Security SPV

Guarantee, the Renttech Security SPV Guarantee and the Renttech Guarantee, which confer rights and/or impose obligations on the Senior Secured Noteholders and/or Hedge Providers;;

**1.9 Controlling Class** means:

1.9.1 the Senior Secured Noteholders; and

1.9.2 each Hedge Provider;

**1.10 Distribution** means, in relation to the Issuer or a Restricted Group Company, to:

1.10.1 declare, make or pay any dividend, charge, fee or other distribution (whether in cash or in kind) on or in respect of its shares or share capital (or any class of its share capital);

1.10.2 repay or distribute any share premium account;

1.10.3 pay any management, advisory or other fee or royalty to or to the order of its shareholders;

1.10.4 pay any principal or interest in respect of amounts due (whether in respect of an inter-company loan or otherwise) to or to the order of its shareholders; or

1.10.5 redeem, purchase, retire or repay any of its shares or share capital (or any instrument convertible into shares or share capital) or resolve to do so;

**1.11 Finance Documents** means collectively and individually any of:

1.11.1 the Senior Secured Notes;

1.11.2 the GBF Agreement;

1.11.3 the Hedging Agreements;

1.11.4 the Security Documents; and

1.11.5 any other document which is from time to time designated by the Security Agent (on behalf of the Senior Secured Noteholders and the Hedge Providers) and the GBF Lender as a Finance Document;

**1.12 Financial Indebtedness** means any indebtedness for or in respect of:

1.12.1 moneys borrowed or credit provided;

1.12.2 any acceptance credit facility (including any dematerialised equivalent);

1.12.3 any note purchase facility, bond, note, debenture, loan stock or other similar instrument;

1.12.4 any suspensive sale or instalment credit transaction;

- 1.12.5 any agreement treated as a finance or capital lease in accordance with GAAP;
- 1.12.6 receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- 1.12.7 any derivative transaction protecting against or benefiting from fluctuations in any rate or price (and, except for non-payment of an amount, the then mark to market value of the derivative transaction will be used to calculate its amount);
- 1.12.8 any counter-indemnity obligation in respect of any guarantee, indemnity, bond, letter of credit or any other instrument issued by a bank or financial institution;
- 1.12.9 any redeemable preference share;
- 1.12.10 any other transaction (including any forward sale or purchase agreement) which has the commercial effect of a borrowing; and/or
- 1.12.11 any guarantee, indemnity or similar assurance against financial loss of any person in respect of any item referred to in the above clauses;
- 1.13 **Fixed Charge Cover Ratio** means the historical ratio of pro-forma Consolidated EBITDA to pro forma Consolidated Finance Costs, at the end of the relevant Measurement Period;
- 1.14 **GBF Agreement** means the general banking facility agreement entered into on or about 15 September 2010 between the GBF Lender and the Issuer, in terms of which the GBF Lender grants to the Issuer (and any Restricted Subsidiary whose obligations under the facility are guaranteed by the Issuer), a revolving capital facility and ancillary facilities, in aggregate up to R200 000 000, to fund the Issuer's (and such Restricted Subsidiary's) working capital, overdraft, letters of credit and foreign exchange contract requirements from time to time, including the issuing of guarantees, on the terms and conditions set out therein, as amended, novated and/or substituted from time to time in accordance with its terms;
- 1.15 **GBF Lender** means the lender under the GBF Agreement from time to time, and which shall initially be Nedbank;
- 1.16 **Group** means the Parent and its Subsidiaries;
- 1.17 **Guarantor** means the Parent, the Renttech Guarantor and each other Restricted Group Company that guarantees or otherwise directly or indirectly provides credit support for the obligations of the Issuer to Senior Secured Creditors;
- 1.18 **Guarantor Guarantee** means a guarantee issued or to be issued by a Guarantor that directly or indirectly provides credit support for the obligations of the Issuer to Senior Secured Creditors, as amended, novated and/or substituted from time to time in accordance with its terms;
- 1.19 **Guarantor Security Documents** means the agreements which create or evidence the security granted by a Guarantor;

- 1.20 **Hedge Provider** means the derivative counterparty which is a party to a Hedging Agreement and bound by those terms of the Common Provisions which confer rights and/or impose obligations on the Hedge Providers;
- 1.21 **Hedging Agreement** means any interest rate swap, forward rate agreement or other hedging transaction or agreement, any option with respect to such transaction or agreement, or any combination of such transactions or agreements or other similar arrangements entered into by the Issuer and a Hedge Provider, in relation to the Senior Secured Notes, as amended, novated and/or substituted from time to time in accordance with its terms;
- 1.22 **Holding Company** means a holding company within the meaning of section 1 of the Companies Act;
- 1.23 **Indemnity** means the indemnity agreement dated 15 August 2007 between the Issuer and the Security SPV, pursuant to which the Issuer indemnifies and holds the Security SPV harmless in respect of claims made against the Security SPV under, amongst others, the Security SPV Guarantee, as amended, novated and/or substituted from time to time in accordance with its terms;
- 1.24 **Initial Notes** means Tranche 1 of Series 1 of Senior Secured Notes issued in terms of the Programme and Tranche 1 of Series 2 of Senior Secured Notes issued in terms of the Programme;
- 1.25 **Material Subsidiary** means:
- 1.25.1 a Subsidiary of the Parent whose gross assets equal or exceed 10% or more of the gross assets of the Group as a whole;
- 1.25.2 a Subsidiary of the Parent whose Consolidated EBITDA equals or exceeds 10% or more of the Consolidated EBITDA of the Group as a whole;
- 1.26 **Measurement Period** means a period of 12 months ending on the last day of the month preceding the date on which the relevant ratio is calculated;
- 1.27 **Minority Investment** means, in relation to the Issuer or a Restricted Group Company, the acquisition of, or subscription for, shares or other ownership interests in or securities of, any company or other person, which is not, or does not become, a Subsidiary;
- 1.28 **Ordinary Resolution of the Controlling Class** means a resolution passed at a properly constituted meeting of the Controlling Class, by a majority of the votes cast at a poll by the members of the Controlling Class, present in person or by proxy;
- 1.29 **Outstanding Principal Amount of the Controlling Class** means the aggregate Outstanding Principal Amount of the Senior Secured Notes at the relevant time and the indebtedness owing by the Issuer to each Hedge Provider at the relevant time, being the marked-to-market of the value of the obligations owing under the relevant hedging transactions at the relevant time;

- 1.30 **Parent** means Brandcorp Holdings (Proprietary) Limited, registration number 2007/014072/07, a company incorporated in accordance with the laws of South Africa;
- 1.31 **Parent Consolidated EBIT** means, in relation to a Measurement Period, the Consolidated EBIT of the Parent, adjusted by excluding the Consolidated EBIT of any Unrestricted Subsidiary;
- 1.32 **Parent Consolidated PAT** means, in relation to a Measurement Period, the Consolidated PAT of the Parent, adjusted by:
- 1.32.1 excluding the Consolidated PAT of any Unrestricted Subsidiary; and
- 1.32.2 excluding any accrued interest on subordinated shareholder loans ;
- 1.33 **Pro Rata Share** means, in relation to a Senior Secured Note, the ratio which the Outstanding Principal Amount of that Senior Secured Note bears to the Outstanding Principal Amount of all the Senior Secured Notes;
- 1.34 **Renttech Guarantee** means the guarantee issued by the Renttech Guarantor in favour of the Senior Secured Noteholders and Hedge Providers as security for the obligations of the Issuer under the Senior Secured Notes and each Hedging Agreement , as amended, novated and/or substituted from time to time in accordance with its terms;
- 1.35 **Renttech Guarantor** means Renttech South Africa (Proprietary) Limited, a limited liability company incorporated and existing under the laws of South Africa with registration number 2008/0129015/07;
- 1.36 **Renttech Indemnity** means the indemnity agreement dated 18 September 2009 between the Renttech Guarantor and the Renttech Security SPV, pursuant to which the Renttech Guarantor indemnifies and holds the Renttech Security SPV harmless in respect of claims made against the Renttech Security SPV under, amongst others, the Renttech Security SPV Guarantee, as amended, novated and/or substituted from time to time in accordance with its terms;
- 1.37 **Renttech Security Documents** has the meaning ascribed to it in the Renttech Security Documents General Amendment Agreement;
- 1.38 **Renttech Security Documents General Amendment Agreement** means the agreement entered into on or about 16 September 2010 between Absa Capital (as Lender), Absa Capital (as Hedge Provider), Renttech South Africa (Proprietary) Limited (as Borrower), Rivawiz Investments (Proprietary) Limited (as Security SPV), Renttech Holdings (Proprietary) Limited, Brandcorp Holdings (Proprietary) Limited, Renttech (Proprietary) Limited, Renttech Trading (Proprietary) Limited, Mr HG van Zyl, Brandcorp (Proprietary) Limited and Absa Capital (as Security Agent), relating to the amendment of the Renttech Security Documents arising from the refinancing of the existing loan arrangements and to provide security to the Senior Secured Noteholders and Hedge Providers;

- 1.39 **Renttech Security SPV** means Rivawiz Investments (Proprietary) Limited, a limited liability company incorporated and existing under the laws of South Africa with registration number 2009/014477/07;
- 1.40 **Renttech Security SPV Guarantee** means the guarantee issued by the Renttech Security SPV in favour of the Senior Secured Noteholders and Hedging Providers as security for the obligations of the Renttech Guarantor to such Senior Secured Noteholders and Hedging Providers in terms of the Renttech Guarantee, which guarantee ranks prior to all other guarantees issued by the Renttech Security SPV, as amended, novated and/or substituted from time to time in accordance with its terms;
- 1.41 **Restricted Payment** means, in relation to the Issuer or a Restricted Group Company:
- 1.41.1 a Distribution; or
- 1.41.2 a Minority Investment;
- 1.42 **Restricted Subsidiary** means any Material Subsidiary that is not an Unrestricted Subsidiary;
- 1.43 **Restricted Group Company** means the Parent, the Issuer and each Restricted Subsidiary;
- 1.44 **Security** means the security granted in favour of the Security SPV by the Issuer and others, created pursuant to the Security Documents and the security granted in favour of the Renttech Security SPV by Renttech South Africa and others, created pursuant to the Renttech Security Documents;;
- 1.45 **Security Documents** has the meaning ascribed to it in the Security Documents General Amendment Agreement;
- 1.46 **Security Documents General Amendment Agreement** means the agreement entered into on or about 16 September 2010 between the GBF Lender, Absa Capital (as Hedge Provider), Absa Capital (as Facility Agent), Absa Bank Limited (as Lender), Nedbank Limited (as Lender), Nedbank Limited (as RCF Lender), Absa Capital (as Hedging Bank), the Issuer, the Security SPV, the Parent, Ethos Private Equity Fund V, the trustees for the time being of the Brandcorp Founder Investor Primary Trust, the trustees for the time being of the Brandcorp Founder Investor Secondary Trust, the trustees for the time being of the Brandcorp B Preference Share Trust, the trustees for the time being of the B1 Preference Share Trust, Deutsche Investitions-Ind Entwicklungsgesellschaft mbH, Sphere 1 GP (Proprietary) Limited and Absa Capital (as Security Agent), relating to the amendment of the Security Documents arising from the refinancing of the existing loan arrangements and to provide security to the Senior Secured Creditors;
- 1.47 **Security Agent** means the entity which from time to time shall perform the functions and have the rights and responsibilities granted to the "Security Agent" in terms of the Senior Secured Notes and the Hedging Agreements, and which shall initially be Absa Capital;

- 1.48 **Security SPV** means Newshelf 897 (Proprietary) Limited, a limited liability company incorporated and existing under the laws of South Africa with registration number 2007/019741/07;
- 1.49 **Security SPV Guarantee** means the guarantee issued by the Security SPV in favour of the Senior Secured Creditors as security for the obligations of the Issuer under the Senior Secured Notes, each Hedging Agreement and the GBF Agreement, which guarantee ranks prior to all other guarantees issued by the Security SPV, as amended, novated and/or substituted from time to time in accordance with its terms;
- 1.50 **Senior Secured Creditors** means:
- 1.50.1 the Senior Secured Noteholders;
- 1.50.2 each Hedge Provider; and
- 1.50.3 the GBF Provider;
- 1.51 **Senior Secured Noteholders** means the holders of the Senior Secured Notes;
- 1.52 **Senior Secured Notes** means:
- 1.52.1 the Initial Notes; and
- 1.52.2 the Senior Notes of every other Series of Senior Notes issued in terms of the Programme, which participate in the same Security as that granted in favour of the holders of the Initial Notes and incorporate the Common Provisions;
- 1.53 **Shareholders Agreement** means means an agreement dated in or around August 2008, between Ethos, the Primary Trust, the Secondary Trust, the trustees for the time being of the Brandcorp Empowerment Trust in its capacity as the general partner of the Brandcorp Empowerment Trust Funding Partnership, DEG, Sphere, Brandcorp (Proprietary) Limited, Brandcorp Holdings (Proprietary) Limited, Bradley David Taurog, Colin Stanley Datnow, Harold Barney Marcus and Jeffrey David Goldberg pursuant to which the shareholders of the Issuer regulate their inter-relationship, as amended and supplemented by the Funding Agreement, as amended, novated and/or substituted from time to time in accordance with its terms;
- 1.54 **Special Resolution of the Controlling Class** means a resolution passed at a properly constituted meeting of the Controlling Class, by 75% of the votes cast at a poll by the members of the Controlling Class, present in person or by proxy;
- 1.55 **Subordination Agreement** means has the meaning ascribed to it in the Security Documents General Amendment Agreement;
- 1.56 **Subsidiary** means a subsidiary within the meaning of section 1 of the Companies Act; and



- 1.57        **Unrestricted Subsidiary** means any Subsidiary of the Parent that has not guaranteed or otherwise directly or indirectly provided credit support for the obligations of the Issuer to Senior Secured Creditors.