
APPLICABLE PRICING SUPPLEMENT



PAN AFRICAN RESOURCES FUNDING COMPANY LIMITED

(Incorporated in the Republic of South Africa with limited liability under registration number 2012/021237/06)

unconditionally and irrevocably guaranteed by

PAN AFRICAN RESOURCES PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with registration number 3937466)

and

EVANDER GOLD MINING PROPRIETARY LIMITED

(Incorporated in the Republic of South Africa with limited liability under registration number 2012/084164/07)

and

BARBERTON MINES PROPRIETARY LIMITED

(Incorporated in the Republic of South Africa with limited liability under registration number 1938/011761/07)

and

EVANDER GOLD MINES PROPRIETARY LIMITED

(Incorporated in the Republic of South Africa with limited liability under registration number 1963/006226/07)

and

PAN AFRICAN RESOURCES SA HOLDINGS PROPRIETARY LIMITED

(Incorporated in the Republic of South Africa with limited liability under registration number 2012/050034/07)

Issue of ZAR585,000,000 Senior Secured Notes due 13 December 2025 under its ZAR5,000,000,000 Domestic Medium Term Note Programme

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum, dated 6 December 2022, prepared by Pan African Resources Funding Company Limited in connection with the Pan African Resources Funding Company Limited ZAR5,000,000,000 Domestic Medium Term Note Programme, as amended and/or supplemented from time to time (the **Programme Memorandum**).

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the section of the Programme Memorandum headed "*Terms and Conditions of the Notes*".

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. The Notes described herein are issued on and subject to the Terms and Conditions as amended and/or supplemented by the terms and conditions contained in this Applicable Pricing Supplement. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

PARTIES

- | | | |
|----|-------------------|--|
| 1. | Issuer | Pan African Resources Funding Company Limited |
| | Registered Office | The Firs, 2nd Floor, Office 204
Cnr Biermann and Cradock Avenues
Rosebank, 2196
South Africa |
| 2. | Debt Guarantor | Bowwood and Main No. 40 (RF) Proprietary Limited |
| | Registered Office | 3rd Floor, 200 on Main,
Cnr Main and Bowwood Roads
Claremont
Western Cape
7708
South Africa |
| 3. | Guarantor(s) | Pan African Resources Plc;
Evander Gold Mining Proprietary Limited;
Barberton Mines Proprietary Limited;
Evander Gold Mines Proprietary Limited; and
Pan African Resources SA Holdings Proprietary Limited |
| | Registered Office | The Firs, 2nd Floor, Office 204
Cnr Biermann and Cradock Avenues
Rosebank, 2196
South Africa |
| 4. | Dealer | Rand Merchant Bank, a division of FirstRand Bank Limited |
| | Specified Address | 1 Merchant Place, Cnr Fredman Drive and Rivonia Road, Sandton, 2196, South Africa |
| 5. | Debt Sponsor | Questco Corporate Advisory Proprietary Limited |
| | Specified Address | Ground Floor, Block C, Investment Place, 10 th Road, Hyde Park, Johannesburg, 2196, South Africa |
| 6. | Paying Agent | Rand Merchant Bank, a division of FirstRand Bank Limited |
| | Specified Address | 1 Merchant Place, Cnr Fredman Drive and Rivonia Road, Sandton, 2196, South Africa |
| 7. | Calculation Agent | Pan African Resources Funding Company Limited |
| | Specified Address | The Firs, 2nd Floor, Office 204 |

Cnr Biermann and Cradock Avenues
Rosebank, 2196
South Africa

- | | | |
|-----|-------------------|---|
| 8. | Transfer Agent | Rand Merchant Bank, a division of
FirstRand Bank Limited |
| | Specified Address | 1 Merchant Place, Cnr Fredman Drive
and Rivonia Road, Sandton, 2196,
South Africa |
| 9. | Issuer Agent | Rand Merchant Bank, a division of
FirstRand Bank Limited |
| | Specified Address | 1 Merchant Place, Cnr Fredman Drive
and Rivonia Road, Sandton, 2196,
South Africa |
| 10. | Settlement Agent | Rand Merchant Bank, a division of
FirstRand Bank Limited |
| | Specified Address | 1 Merchant Place, Cnr Fredman Drive
and Rivonia Road, Sandton, 2196,
South Africa |

PROVISIONS RELATING TO THE NOTES

- | | | |
|-----|--|---|
| 11. | Status of Notes | Senior Second Ranking Secured |
| 12. | Form of Notes | The Notes in this Tranche are listed
Notes issued in uncertificated form and
held by the CSD |
| 13. | Series Number | 1 |
| 14. | Tranche Number | 1 |
| 15. | Aggregate Nominal Amount: | |
| | (a) Series | ZAR585,000,000 |
| | (b) Tranche | ZAR585,000,000 |
| 16. | Interest | Interest-bearing |
| 17. | Interest Payment Basis | Floating Rate |
| 18. | Automatic/Optional Conversion from one
Interest/Redemption/Payment Basis to another | N/A |
| 19. | Issue Date | 13 December 2022 |
| 20. | Nominal Amount per Note | ZAR1,000,000 |
| 21. | Specified Denomination | ZAR1,000,000 |
| 22. | Specified Currency | ZAR |
| 23. | Issue Price | 100% |
| 24. | Interest Commencement Date | 13 December 2022 |
| 25. | Maturity Date | 13 December 2025 |
| 26. | Applicable Business Day Convention | Following Business Day |
| 27. | Final Redemption Amount | 100% |
| 28. | Last Day to Register | By 17h00 on 2 March, 2 June, 2
September and 2 December, of each
year until the Maturity Date, or if such
day is not a Business Day, the
Business Day before each Books |

29. Books Closed Period(s)	<p>Closed Period</p> <p>The Register will be closed from 3 March to 12 March, 3 June to 12 June, 3 September to 12 September and 3 December to 12 December of each year until the Maturity Date (all dates inclusive), or if any early redemption occurs, 10 Days prior to the actual Redemption Date</p>
30. Default Rate	Margin plus 2%
FIXED RATE NOTES	N/A
FLOATING RATE NOTES	
31. (a) Interest Payment Date(s)	<p>13 March, 13 June, 13 September and 13 December, of each year until the Maturity Date or, if such day is not a Business Day, the Business Day on which interest will be paid, as determined in accordance with the Applicable Business Day Convention with the first Interest Payment Date being 13 March 2023, or, if such day is not a Business Day, the Business Day on which interest will be paid, as determined in accordance with the Applicable Business Day Convention</p>
(b) Interest Period(s)	<p>From and including the applicable Interest Payment Date and ending on but excluding the following Interest Payment Date, the first Interest Period commencing on and including the Interest Commencement Date and ending on the day before the next Interest Payment Date (each Interest Payment Date as adjusted in accordance with the Applicable Business Day Convention</p>
(c) Definition of Business Day (if different from that set out in Condition 1) (<i>Interpretation</i>)	N/A
(d) Minimum Rate of Interest	N/A
(e) Maximum Rate of Interest	N/A
(f) Day Count Fraction	Day Count Fraction is Actual/365
(g) Other terms relating to the method of calculating interest (e.g.: Day Count Fraction, rounding up provision)	N/A
32. Manner in which the Rate of Interest is to be determined	Screen Rate Determination (Reference Rate plus Margin)
33. Margin	Subject to paragraph 4 of Appendix 1, 360 basis points to be added to the relevant Reference Rate
34. If ISDA Determination	N/A
35. If Screen Rate Determination:	

(a) Reference Rate (including relevant period by reference to which the Rate of Interest is to be calculated)	3 Month ZAR-JIBAR, or in the event that the ZAR-JIBAR- ceases to apply, such other rate as may be determined by the Calculation Agent and notified to the Noteholders pursuant to Condition 21 (<i>Notices</i>)
(b) Interest Rate Determination Date(s)	13 March, 13 June, 13 September and 13 December (or the first Business Day of each Interest Period) of each year until the Maturity Date, with the first Interest Rate Determination Date being 9 December 2022
(c) Relevant Screen Page and Reference Code	ZAR-JIBAR-SAFEX
36. If Rate of Interest to be calculated otherwise than by ISDA Determination or Screen Rate Determination, insert basis for determining Rate of Interest/Margin/ Fallback provisions	N/A
37. Calculation Agent responsible for calculating amount of principal and interest	Pan African Resources Funding Company Limited
ZERO COUPON NOTES	N/A
PARTLY PAID NOTES	N/A
INSTALMENT NOTES	N/A
MIXED RATE NOTES	N/A
INDEX-LINKED NOTES	N/A
DUAL CURRENCY NOTES	N/A
EXCHANGEABLE NOTES	N/A
OTHER NOTES	N/A
PROVISIONS REGARDING REDEMPTION/MATURITY	
38. Redemption at the Option of the Issuer pursuant to Condition 12.3 (<i>Redemption at the Option of the Issuer</i>):	N/A
39. Redemption at the Option of the Senior Noteholders pursuant to Condition 12.4 (<i>Redemption at the Option of the Senior Noteholders</i>):	N/A
40. Redemption in the event of a Change of Control at the election of Noteholders pursuant to Condition 12.5 (<i>Redemption in the event of a Change of Control</i>) or any other terms applicable to a Change of Control	Yes
41. Redemption in the event of a failure to maintain JSE Interest Rate Market Listing and Rating at the election of the Noteholders pursuant to Condition 12.6 (<i>Redemption in the event of a failure to maintain JSE Interest Rate Market Listing and Rating</i>)	Yes
42. Redemption in the event of a breach of a Financial Covenant pursuant to Condition 12.7 (<i>Redemption in the event of a breach of a</i>	Yes

Financial Covenant)

- | | | |
|-----|--|----|
| 43. | Early Redemption Amount(s) payable on redemption for taxation reasons, at the option of the Issuer in terms of Condition 12.3 (<i>Redemption at the Option of the Issuer</i>) at the option of the Noteholders in terms of Condition 12.4 (<i>Redemption at the Option of the Senior Noteholders</i>), in the event of a Change of Control in terms of Condition 12.5 (<i>Redemption in the event of a Change of Control</i>), Condition 12.6 (<i>Redemption in the event of a failure to maintain JSE Interest Rate Market Listing and Rating</i>), Condition 12.7 (<i>Redemption in the event of a breach of a Financial Covenant</i>), Condition 12.8 (<i>Clean-Up Call Option</i>), or on Event of Default in terms of Condition 19 (<i>Events of Default</i>) (if required or if different from that set out in the relevant Conditions). | No |
|-----|--|----|

GENERAL

- | | | |
|-----|--|--|
| 44. | Financial Exchange | Interest Rate Market of the JSE |
| 45. | Additional selling restrictions | N/A |
| 46. | International Securities Identification Numbering (ISIN) | ZAG000192758 |
| 47. | Stock Code | PARS01 |
| 48. | Stabilising Manager | N/A |
| 49. | Provisions relating to stabilisation | N/A |
| 50. | Method of distribution | Bookbuild |
| 51. | Credit Rating | On 5 December 2022, GCR assigned Pan African Resources Plc a Corporate National Scale Rating of BBB+(ZA) |
| 52. | Applicable Rating Agency | Global Credit Rating Agency (GCR) |
| 53. | Governing law (if the laws of South Africa are not applicable) | N/A |
| 54. | Other provisions | See Appendix 1 headed “ <i>Additional Terms and Conditions relating to the PARS01 Notes – Sustainability-Linked Bonds</i> ”, Appendix 2 headed “ <i>Additional Terms and Conditions relating to the PARS02 Notes - Events of Default</i> ” and Appendix 3 headed “ <i>Documents Incorporated by Reference</i> ”. |
| 55. | Independent External Reviewer | IBIS Environmental Social Governance Consulting Africa Proprietary Limited |
| | (a) Specified Office | 1st Floor, Acacia House
The Avenues Office Park,
45 Homestead Rd, Rivonia,
Johannesburg, 2191 |
| | (b) Contact Details | Tel: +27 10 020 7343
Email:
petrus.gildenhuys@ibisconsulting.com
Attention: Director - IBIS ESG |

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

56. Paragraph 3(5)(a)

The “*ultimate borrower*” (as defined in the Commercial Paper Regulations) is the Issuer.

57. 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.

58. Paragraph 3(5)(c)

The auditor of the Issuer is PricewaterhouseCoopers Incorporated.

59. Paragraph 3(5)(d)

As at the Issue Date:

- (i) the Issuer has not issued (exclusive of this issue of Notes and all other Notes issuing on the same Issue Date) Commercial Paper (as defined in the Commercial Paper Regulations); and
- (ii) the Issuer estimates that it may issue ZAR300,000,000 (exclusive of this issue of Notes and all other Notes issuing on the same Issue Date) of additional Commercial Paper during the remainder of the current financial year, ending 30 June 2023.

60. Paragraph 3(5)(e)

All information that may reasonably be necessary to enable the investor to ascertain the nature of the financial and commercial risk of its investment in the Notes is contained in the Programme Memorandum and this Applicable Pricing Supplement.

61. 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.

62. Paragraph 3(5)(g)

The Notes issued will be listed.

63. Paragraph 3(5)(h)

The funds to be raised through the issue of the Notes are to be used by the Issuer for its general corporate purposes.

64. Paragraph 3(5)(i)

The obligations of the Issuer in respect of the Notes are secured and guaranteed

65. Paragraph 3(5)(j)

PricewaterhouseCoopers Incorporated, the statutory auditors of the Issuer, have confirmed that nothing has come to their attention to indicate that this issue of Notes issued under the Programme does not comply in all material respects with the relevant provisions of the Commercial Paper Regulations.

Responsibility:

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from the Programme Memorandum or this Applicable Pricing Supplement which would make any statement false or misleading, that all reasonable enquiries to ascertain such facts have been made and that the Programme Memorandum together with this Applicable Pricing Supplement, contains all information required by law and the Debt Listings Requirements of the JSE. The Issuer accepts full responsibility for the accuracy of the information contained in the Programme Memorandum, this Applicable Pricing Supplement and all documents incorporated by reference (see the section of the Programme Memorandum headed “*Documents Incorporated by*

Reference"), except as otherwise stated therein.

The JSE takes no responsibility for the contents of the Programme Memorandum read with this Applicable Pricing Supplement, the integrated annual reports, which include the annual financial statements of the Issuer and any amendments or supplements to the aforementioned documents. The JSE makes no representation as to the accuracy or completeness of the Programme Memorandum read with this Applicable Pricing Supplement, the integrated annual reports, which include the annual financial statements of the Issuer and any amendments or supplements to the aforementioned documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the aforementioned documents. The JSE's approval of the registration of the Programme Memorandum and listing of the Notes is not to be taken in any way as an indication of the merits of the Issuer or of the Notes and that, to the extent permitted by law, the JSE will not be liable for any claim whatsoever.

Programme Amount:

As at the date of this Applicable Pricing Supplement, the Issuer confirms that the authorised Programme Amount of ZAR5,000,000,000 has not been exceeded.

Material Change:

As at the date of this Applicable Pricing Supplement, and after due and careful enquiry, there has been no material change in the financial or trading position of the Issuer and its Subsidiaries since the end of the last financial year for which audited annual financial statements were published. As at the date of this Applicable Pricing Supplement, there has been no involvement by PricewaterhouseCoopers Incorporated in making the aforementioned statement.

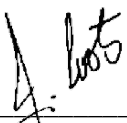
Listing:

Application is hereby made to list this issue of Notes on 13 December 2022.


SIGNED at Rosebank on this 9th day of December 2022

For and on behalf of

PAN AFRICAN RESOURCES FUNDING COMPANY LIMITED



Name: Jacobus Albertus Johannes Loots
Capacity: Director
Who warrants his/her authority hereto



Name: Gideon Petrus Louw
Capacity: Director
Who warrants his/her authority hereto

ADDITIONAL TERMS AND CONDITIONS RELATING TO THE PARS01 NOTES – SUSTAINABILITY-LINKED BONDS

*The following are the additional terms and conditions (the **Additional Terms and Conditions**) which shall apply to the PARS01 Notes (the **PARS01 Notes**) and will be incorporated by reference into the PARS01 Notes, except that all references in the Programme Memorandum to the Notes shall be deemed to be references to the PARS01 Notes. The PARS01 Notes incorporates forward-looking ESG outcomes pursuant to the sustainability-linked standards.*

1. Interpretation

Capitalised terms not defined in these Additional Terms and Conditions shall have the meanings ascribed to them in the section of the Programme Memorandum headed “*Terms and Conditions of the Notes*” and/or the Sustainability-Linked Finance Framework (defined below).

- 1.1 **Baseline** means the baseline specified in the Sustainability Performance Table below;
- 1.2 **Initial Margin** means the Margin specified in item 33 (*Margin*) of this Applicable Pricing Supplement;
- 1.3 **KPI** means key performance indicator and **KPIs** shall have the corresponding meaning;
- 1.4 **KPI Auditors** means a suitably qualified licensed firm of independent auditors or consultants licensed to practice in South Africa;
- 1.5 **KPIs** means the:
 - 1.5.1 KPI 1;
 - 1.5.2 KPI 2; and
 - 1.5.3 KPI 3,

each as verified by the Issuer in the Sustainability Certificate;
- 1.6 **KPI 1** means the energy consumption generated from renewable means at Pan African Resources plc’s South African 100% owned operations as a percentage of total energy consumption for the same operations which have been more fully described in the ‘Selection of Key Performance Indicators’ section of the Sustainability-Linked Finance Framework;
- 1.7 **KPI 2** means the land rehabilitated as a percentage of the total land rehabilitation required over the life of mine which has been more fully described in the ‘Selection of Key Performance Indicators’ section of the Sustainability-Linked Finance Framework;

- 1.8 **KPI 3** means the Total Recordable Injury Frequency Rate at Pan African Resources plc's South African operations which has been more fully described in the 'Selection of Key Performance Indicators' section of the Sustainability-Linked Finance Framework;
- 1.9 **Limited Assurance Report** means a report from the KPI Auditors, which includes, amongst other things:
- 1.9.1 the value achieved in relation to each SPT associated with its corresponding KPI (the **Realised Value**);
- 1.9.2 an indication that each Realised Value for the KPIs has been correctly calculated;
- 1.9.3 detail (of reasonable substance) of the manner in, and basis upon, which the Realised Value for the KPIs was calculated;
- 1.10 **Margin Adjustment Date** means the first day of the Interest Period following the delivery of the Sustainability Certificate, being the date on which the Step-Down Margin or the Step-Up Margin, as the case may be, will become effective in respect of the PARS01 Notes, subject to the occurrence of the Margin Adjustment Event;
- 1.11 **Margin Adjustment Event** means the notification by the Issuer through the Sustainability Certificate and supported by the Limited Assurance Report as to whether the Issuer has or has not, as the case may be, achieved the relevant SPT associated with its corresponding KPI within the applicable Target Observation Period;
- 1.12 **Margin Adjustment Notification Date** means:
- 1.12.1 31 October 2023 in respect of SPT 1; and
- 1.12.2 31 October 2024 in respect of SPT 2;
- 1.13 **Margin Adjustment Table** means, in relation to each Target Observation Period associated with its corresponding KPI, the margin adjustment value set out in the Margin Adjustment Table in paragraph 3 (*Margin Adjustment Table*) below;
- 1.14 **PTL** means either PTL 1 or PTL 2, as the case may be;
- 1.15 **PTL 1** means the relevant penalty threshold level in respect of the relevant KPI's for Target Observation Period 1, as set out in the Sustainability Performance Table below;
- 1.16 **PTL 2** means the relevant penalty threshold level in respect of the relevant KPI's for Target Observation Period 2, as set out in the Sustainability Performance Table below;
- 1.17 **SPT** means either SPT 1 or SPT 2, as the case may be;

- 1.18 **SPT 1** means the relevant sustainability performance target to be achieved in respect of the relevant KPI's for Target Observation Period 1, as set out in the Sustainability Performance Table below;
- 1.19 **SPT 2** means the relevant sustainability performance target to be achieved in respect of the relevant KPI's for Target Observation Period 2, as set out in the Sustainability Performance Table below;
- 1.20 **Step-Down Margin** means the margin adjustment specified in the Margin Adjustment Table, as may be applied in accordance with paragraph 4 (*Sustainability Margin Adjustments*) below;
- 1.21 **Step-Up Margin** means the margin adjustment specified in the Margin Adjustment Table, as may be applied in accordance with paragraph 4 (*Sustainability Margin Adjustments*) below;
- 1.22 **Sustainability Certificate** means a certificate signed in the form set out in Schedule 1 attached hereto by the Issuer that certifies whether or not the Issuer has achieved the relevant Target Observation Period associated with its corresponding KPI by no later than the Sustainability Certificate Deadline Date;
- 1.23 **Sustainability Certificate Deadline Date** means:
- 1.23.1 20 October 2023 in respect of SPT 1 (the **Sustainability Certificate Deadline Date 1**);
- 1.23.2 20 October 2024 in respect of SPT 2 (the **Sustainability Certificate Deadline Date 2**);
- 1.24 **Sustainability Coordinator** means Rand Merchant Bank, a division of FirstRand Bank Limited;
- 1.25 **Sustainability-Linked Finance Framework** means the sustainability-linked finance framework developed and adopted by the Issuer in November 2022, as amended or replaced from time to time;
- 1.26 **Sustainability Performance Table** means the table in paragraph 2 (*Sustainability Performance Table*) below outlining the relevant SPT to be achieved by the Issuer within the relevant Target Observation Periods; and
- 1.27 **Target Observation Period** means:
- 1.27.1 the financial year ending 30 June 2023 (**Target Observation Period 1**); and
- 1.27.2 the financial year ending 30 June 2024 (**Target Observation Period 2**).

2. Sustainability Performance Table

KPIs	Unit of measurement	Baseline (as at 30 June 2022)	Target Observation Period			
			Target Observation Period 1 (To be achieved on or by 30 June 2023)		Target Observation Period 2 (To be achieved on or by 30 June 2024)	
			SPT 1	PTL 1	SPT 2	PTL 2
KPI 1	Percentage (%)	0%	5%	3%	7%	4%
KPI 2	Percentage (%)	0%	N/A	N/A	8%	3%
KPI 3	Total recordable injuries per million hours worked	8.95	8.503	Baseline	8.077	Baseline

3. Margin Adjustment Table

KPIs	Price Adjustment Mechanism			
	Step-up Margin		Step-down Margin	
	PTL 1	PTL 2	SPT 1	SPT 2
KPI 1	+ 3 bps	+ 3 bps	- 3 bps	- 3 bps
KPI 2	N/A	+ 2 bps	N/A	- 2 bps
KPI 3	+ 1 bps	+ 1 bps	- 1 bps	- 1 bps

4. Sustainability Margin Adjustments

KPI 1 Adjustments

- 4.1 For any Interest Period commencing after the Margin Adjustment Notification Date following the occurrence of a Margin Adjustment Event in relation to KPI 1, the Initial Margin (subject to any adjustment pursuant to paragraphs 4.2 and 4.3 below) shall, on the Margin Adjustment Date:
- 4.1.1 be decreased by the applicable Step-Down Margin if the Realised Value equals to or exceeds the applicable SPT; or
 - 4.1.2 be increased by the applicable Step-Up Margin if (a) the Realised Value falls below the applicable PTL or (b) the Issuer fails to deliver the Sustainability Certificate and the Limited Assurance Report; or
 - 4.1.3 remain the same if the Realised Value equals or exceeds the PTL but falls below the applicable SPT.

KPI 2 Adjustments

- 4.2 For any Interest Period commencing after the Margin Adjustment Notification Date following the occurrence of a Margin Adjustment Event in relation to KPI 2, the Initial Margin (subject to the adjustment pursuant to paragraphs 4.1 above and 4.3 below) shall, on the Margin Adjustment Date:
- 4.2.1 be decreased by the applicable Step-Down Margin if the Realised Value equals to or exceeds the applicable SPT; or
 - 4.2.2 be increased by the applicable Step-Up Margin if (a) the Realised Value falls below the applicable PTL or (b) the Issuer fails to deliver the Sustainability Certificate and the Limited Assurance Report; or
 - 4.2.3 remain the same if the Realised Value equals or exceeds the PTL but falls below the applicable SPT.

KPI 3 Adjustments

- 4.3 For any Interest Period commencing after the Margin Adjustment Notification Date following the occurrence of a Margin Adjustment Event in relation to KPI 3, the Initial Margin (subject to the adjustment pursuant to paragraphs 4.1 and 4.2 above) shall, on the Margin Adjustment Date:
- 4.3.1 be decreased by the applicable Step-Down Margin if the Realised Value equals to or is less than the applicable SPT; or

- 4.3.2 be increased by the applicable Step-Up Margin if (a) the Realised Value exceeds the Baseline or (b) the Issuer fails to deliver the Sustainability Certificate and the Limited Assurance Report; or
- 4.3.3 remain the same if the Realised Value equals or falls below the Baseline but exceeds the applicable SPT.
- 4.4 The Issuer will on the occurrence of a Margin Adjustment Event notify the Dealer, Sustainability Coordinator, Debt Sponsor and Noteholders, in accordance with Condition 21 (*Notices*) and the Applicable Procedures, as soon as reasonably practicable after such occurrence or satisfaction (as applicable) and, in any event, by no later than the relevant Sustainability Certificate Deadline Date. Such notice shall be irrevocable and shall:
 - 4.4.1 specify (a) the applicable Step-Up Margin, (b) the applicable Step-Down Margin or (c) if the initial Margin will remain unchanged, as the case may be, and the applicable Margin Adjustment Date;
 - 4.4.2 be signed by two directors or authorised officers of the Issuer; and
 - 4.4.3 be accompanied by a Sustainability Certificate and Limited Assurance Report.
- 4.5 Neither the Dealer, the Sustainability Coordinator nor the Noteholders shall be obliged to monitor or inquire as to whether a Margin Adjustment Event has occurred and the Dealer and the Sustainability Coordinator shall be entitled to rely absolutely on any notice given to them by the Issuer without further enquiry or liability.

SUSTAINABILITY CERTIFICATE

From: **PAN AFRICAN RESOURCES FUNDING COMPANY LIMITED** (the **Issuer**)

To: [Noteholders]

CC: Debt Sponsor and Sustainability Coordinator

[insert date]

Dear Sirs,

1. We refer to the PARS01 Notes. This is a Sustainability Certificate as contemplated in the applicable pricing supplement dated 13 December 2022 (the **PARS01 APS**). Terms and expressions defined in the PARS01 APS shall, unless otherwise defined in this Sustainability Certificate, have the same meanings in this Sustainability Certificate, unless inconsistent with the context.
2. We confirm that as at *[insert relevant testing date]* the performance in relation to the applicable SPT for the corresponding KPI is as follows:

KPI	Unit of Measurement	Baseline	SPT [1]/[2]	PTL [1]/[2]	Realised Value	SPT Achieved, SPT not Achieved but above PTL/Baseline or SPT not Achieved and below PTL/Baseline	Applicable Margin Adjustment
KPI 1	Percentage (%)	0%					
KPI 2	Percentage (%)	0%					
KPI 3	Total recordable	8.95					

	injuries per million hours worked						
Total Margin Adjustment							

For and on behalf of

PAN AFRICAN RESOURCES FUNDING COMPANY LIMITED

 Name:
 Capacity: [•]
 Who warrants her/his authority hereto

 Name:
 Capacity: [•]
 Who warrants her/his authority hereto

ADDITIONAL TERMS AND CONDITIONS RELATING TO THE PARS02 NOTES – EVENTS OF DEFAULT

*The following are additional terms and conditions (the **Additional Terms and Conditions**) which apply to the Senior Secured Notes contemplated in this Applicable Pricing Supplement (the **Senior Secured Notes**) and which will be incorporated by reference into each Senior Secured Note and which will amend and replace Condition 19.1.1.6 (Insolvency etc.).*

In addition to the below, (i) all references to Notes Event of Default shall for the purposes of the Senior Secured Notes, be deemed to be references to Condition 19 (Events of Default), and (ii) all references to Notes Documents shall for purposes of the Senior Secured Notes, be deemed to be references to this Applicable Pricing Supplement and the Programme Memorandum.

“19.1.1.6 **Insolvency etc.**

On the happening of an Insolvency Event or a Precursor Insolvency Event where:

19.1.1.6.1 **Precursor Insolvency Event** means, in relation to any person:

- (a) that person becomes insolvent;
- (b) is unable to pay its debts generally as they become due; or
- (c) admits in writing its inability generally to pay its debts as they become due,

provided, in each case, that that event constitutes a Notes Event of Default under the Notes Documents; and

19.1.1.6.2 **Insolvency Event means**, in relation to any person:

- (a) any resolution is passed or judgment or order is made for the winding up, dissolution, administration, reorganisation or Business Rescue of that person, a moratorium is declared in relation to any indebtedness of that person or an administrator is appointed to that person;
- (b) that person:
 - (i) institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official; or
 - (ii) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights (including, but not limited to, Business Rescue), or a petition is presented for its winding-up or liquidation or Business Rescue, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (i) above,

and that results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or for the commencement of Business Rescue;

- (c) that person is dissolved (as contemplated in the Companies Act) other than pursuant to a consolidation, amalgamation or merger;
- (d) any composition, compromise, assignment or arrangement is made with any of its creditors;
- (e) the appointment of any liquidator, provisional liquidator, receiver, administrative receiver, administrator, compulsory manager, Business Rescue Practitioner or other similar officer in respect of that person or any of its assets;
- (f) that person or its assets becomes subject to the appointment of any liquidator, provisional liquidator, receiver, administrative receiver, administrator, compulsory manager, Business Rescue Practitioner or other similar officer;
- (g) any Business Rescue is commenced in relation to that person; or
- (h) any analogous procedure or step is taken in any jurisdiction.”

DOCUMENTS INCORPORATED BY REFERENCE – SUSTAINABILITY-LINKED BONDS

Capitalised terms used in this section headed “Documents Incorporated by Reference – Sustainability-Linked Bonds” shall bear the same meanings as used in the Terms and Conditions and this Applicable Pricing Supplement, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.

In addition to the documents incorporated by reference into the Programme Memorandum (see section of the Programme Memorandum headed “*Documents Incorporated by Reference*”), the following documents shall apply to the PARS01 Notes and will be incorporated by reference into the PARS01 Notes, and will form part of, this Applicable Pricing Supplement:

1. the Sustainability-Linked Finance Framework, a copy of which is available at the following link https://www.panafricanresources.com/wp-content/uploads/PAR-Sustainability-linked-finance-framework-2022_single.pdf; and
2. the second party opinion provided by the Independent External Reviewer, a copy of which is available at the following link <https://www.panafricanresources.com/wp-content/uploads/PAR-SLB-SPO-17-October-2022-Final.pdf>.