
APPLICABLE PRICING SUPPLEMENT



REDINK RENTALS (RF) LIMITED

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

Issue of R60,000,000 Secured Class A Notes

Under its Secured Note Programme

Transaction No. 16 – Tower Investments (Smart Tread Financing Agreement)

On 30 November 2022, the Issuer signed an amended and restated Applicable Pricing Supplement in relation to the Class A Notes issued under stock code RED162 (the "**Previous Applicable Pricing Supplement**"). The Issuer wishes to amend certain provisions in the Previous Applicable Pricing Supplement and according wishes to execute a second amended and restated Applicable Pricing Supplement. With effect from the date of signature of this second amended and restated Applicable Pricing Supplement, this second amended and restated Applicable Pricing Supplement shall supersede and replace the Previous Applicable Pricing Supplement.

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

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum issued by Redink Rentals (RF) Limited, dated 29 May 2015. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the section of the Programme Memorandum entitled "*Terms and Conditions of the Notes*" or in the Common Terms Agreement in relation to Transaction No. 16, dated 18 December 2020. References in this Applicable Pricing Supplement to the Terms and Conditions are to the section of the Programme Memorandum entitled "*Terms and Conditions of the Notes*". References to any Condition in this Applicable Pricing Supplement are to that Condition of the Terms and Conditions.

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

The JSE takes no responsibility for the contents of the Programme Memorandum, this Applicable Pricing Supplement or the annual financial statements of the Issuer and any amendments or supplements to the aforesaid documents. The JSE makes no representation as to the accuracy or completeness of the Programme Memorandum, this Applicable Pricing Supplement or the annual financial statements of the Issuer and any amendments or supplements to the aforesaid documents and the JSE expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the aforesaid documents. The JSE's approval of the registration of the Programme Memorandum and the listing of the Notes on the Interest Rate Market of the JSE 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.

The Issuer certifies that the Principal Amount of the Notes to be issued and described in this Applicable Pricing Supplement together with the aggregate Outstanding Principal Amount of all other Notes in issue at the Issue Date in respect of this Transaction No. 16 – Tower Investments (Smart Tread Financing Agreement) ("**Transaction No. 16**") will not exceed the Transaction Limit as specified in item 60 below.

DESCRIPTION OF THE TRANSACTION

- | | | |
|---|--|--|
| 1 | Transaction No. 16 | Acquisition by the Issuer from Tower Investments Proprietary Limited (" Tower Investments " or " Seller ") of all its rights in and to the Sale Assets (as defined below) in terms of the sale agreement entered into between the Issuer and the Seller dated 18 December 2020 (the " Sale Agreement "). On 28 December 2020, the Issuer purchased Sale Assets (as defined below) for a purchase price equal to R20,000,000. |
| 2 | Seller | Tower Investments |
| 3 | Address, description and significant business activities of the Seller | Tower Investments' primary business activities involves providing operating rental solutions and turnkey financial solutions for customers wishing to acquire various forms of equipment. It further deploys expert asset finance and cash flow solutions to the South African market by utilizing a combination of in-house facilities and strategic partnership arrangements. In addition, Tower Investments provides rental managed services eliminating the need for sourcing, procuring, servicing, maintaining and comprehensively insuring equipment needs on behalf its customer base. Tower Investments manages, on behalf of our customers, various asset based rental schemes in which we have been assigned the sourcing, procurement and complete |

management responsibility for all assets relating to each scheme.

For additional information see: www.tsys.co.za

Address: 98 Armstrong Avenue,
Block 2, Ground Floor,
La Lucia Ridge, Durban
4051

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|---|---|---|
| 4 | Servicer | Tower Investments in terms of a servicing agreement entered into between Tower Investments and the Issuer dated 18 December 2020 (the " Servicing Agreement ") |
| 5 | Back-up Servicer | N/A |
| 6 | Description of the Business Activities of the Administrator | Redinkcapital Proprietary Limited (" Redinkcapital "), a boutique corporate advisory firm, provides independent transaction execution services to corporate entities and financial sponsors on debt financing strategies throughout Africa. For further information please refer to their website, " www.red-inc.co.za " |
| 7 | Description of Sale Assets to be acquired | <p>All of the Seller's right, title and interest in and to –</p> <ul style="list-style-type: none">(a) the written inventory financing agreement entered into between the Seller and Smart Tread Trading Proprietary Limited (the "Borrower"), dated 10 December 2020 as amended (the "Credit Agreement");(b) the Eligible Accounts Payable and the Goods (as defined in the Credit Agreement);(c) the Credit Agreement Collateral;(d) the Credit Agreement Collateral Documents; and(e) the Underlying Documents concluded in relation to the Credit Agreement, <p>but excluding the Excluded Obligations/Amounts.</p> |

Please see Annexure A, which contains

the relevant extracts from the Sale Agreement and Annexure C, which includes the relevant extracts from the Sale Supplement

- 8 Description of Security to be provided to Secured Creditors of Transaction No. 16
- Pursuant to the Security SPV Guarantee, dated on or about 18 December 2020 ("**Transaction No. 16 Security SPV Guarantee**"), the Security SPV undertakes in favour of each Secured Creditor of Transaction No. 16 to pay to it the full amount then owing to it by the Issuer if an Event of Default should occur under the Notes or the respective Transaction Documents in relation to Transaction No. 16.

The liability of the Security SPV pursuant to the Transaction No. 16 Security SPV Guarantee will be limited in the aggregate to the net amount recovered by the Security SPV from the Issuer arising out of the Issuer Indemnity, dated on or about 18 December 2020 ("**Transaction No. 16 Issuer Indemnity**"), in terms of which the Issuer irrevocably and unconditionally indemnifies the Security SPV from and holds the Security SPV harmless against all and any claims arising out of, or in the enforcement of, the Transaction No. 16 Security SPV Guarantee.

The Issuer's obligations in terms of the Transaction No. 16 Issuer Indemnity are secured by the cession in *securitatem debiti* agreement, dated on or about 18 December 2020, ("**Transaction No. 16 Security Cession Agreement**") in terms of which the Issuer cedes *in securitatem debiti* to and in favour of the Security SPV all of the Ceded Rights, where "**Ceded Rights**" means all the Issuer's rights, title and interests in and to -

- (a) the bank account opened in the name of the Issuer with Nedbank Limited, account number 1186815531, into which all monies received or to be received by the Issuer in relation to Transaction No. 16 will be deposited ("**Transaction No. 16 Transaction Account**");
- (b) all monies held from time to time in

the name of or on behalf of the Issuer in the Transaction No. 16 Transaction Account;

- (c) any Permitted Investment (as defined in the Programme Memorandum) to be made by the Issuer (or the Administrator on behalf of the Issuer) with cash standing to the credit of the Transaction No. 16 Transaction Account from time to time;
- (d) the Sale Agreement;
- (e) the Sale Assets (as set out above);
- (f) the guarantee by Lombard Insurance Limited in favour of the Seller in terms of which Lombard Insurance Limited guarantees the payment obligations of the Borrower to the Seller under the Credit Agreement ("**Lombard Insurance Guarantee**") as such guarantee may be extended from time to time, which guarantee has been assigned by the Seller to the Issuer; and
- (g) the cession *in securitatem debiti* agreements entered into between the Borrower and the Seller in terms of which the Borrower cedes in favour of the Seller, all its right, title and interest in and to its bank accounts (as described therein) and all funds standing to the credit of such bank accounts as security for the Borrower's obligations to the Seller under the Credit Agreement which have been assigned by the Seller to the Issuer (the "**Seller Security Cession Agreement**"),

in relation to Transaction No. 16, whether actual, prospective or contingent, direct or indirect, common law or statutory, whether a claim to payment of money or to performance of any other obligation, and whether or not the said rights and interests were within the contemplation of the parties at the Date of Signature of the Transaction No. 16 Security Cession Agreement.

The Borrower registered a general notarial

bond ("**GNB**") over all its moveable assets in favour of the Seller as security for the Borrower's obligations to the Seller under the Credit Agreement. Simultaneously with the registration of the GNB, the Seller ceded its rights under the GNB in favour of the Issuer as security for all the Seller's obligations to the Issuer under the Sale Agreement.

9 Transaction Documents

The documents constituting the transaction titled "Transaction No. 16 – Tower Investments, being –

- (a) the Transaction No. 16 Security SPV Guarantee;
- (b) the Transaction No. 16 Issuer Indemnity;
- (c) the Transaction No. 16 Security Cession Agreement;
- (d) the Lombard Insurance Guarantee;
- (e) the Seller Security Cession Agreement;
- (f) the cession of the GNB in favour of the Issuer;
- (g) the Notes described in this Applicable Pricing Supplement (including the Terms and Conditions in respect thereof) and this Applicable Pricing Supplement;
- (h) the Sale Agreement;
- (i) the Servicing Agreement;
- (j) the Preference Share Subscription Agreement;
- (k) the Common Terms Agreement; and
- (l) the Administration Agreement,

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

DESCRIPTION OF THE NOTES

10	Issuer	Redink Rentals (RF) Limited
11	Status and Class of the Notes	Secured Class A Notes

12	Tranche number	1
13	Series number	16
14	Aggregate Principal Amount of this Tranche	R60,000,000
15	Issue Date	7 December 2021
16	Minimum Denomination per Note	R1,000,000
17	Issue Price	100%
18	Applicable Business Day Convention	Following Business Day
19	Determination Date	the last day of each calendar month
20	Interest Commencement Date	7 December 2021
21	Final Redemption Date	7 December 2023
22	Final Redemption Amount	100% of nominal amount
23	Mandatory Redemption in part by the Issuer	<p>(a) If, for whatever reason (including but not limited to the occurrence of an event of default under the Credit Agreement), the Credit Agreement funded by the issuance of this Tranche of Notes is terminated early or no further Eligible Accounts Payable are accepted or purchased thereunder, the Issuer shall notify the Noteholders thereof and the Outstanding Principal Amount and all accrued interest will become immediately due and payable and the Issuer shall redeem the Notes in accordance with Condition 7.2 of the Terms and Conditions.</p> <p>(b) If the net proceeds of the issuance of the Notes as contemplated in this Applicable Pricing Supplement is not utilised to pay the purchase price for the Sale Assets (as contemplated in paragraph 25 below) within three Business Days of the Issue Date, the Issuer shall notify the Noteholders thereof and the Outstanding Principal Amount will become immediately due and payable and the Issuer shall, on the fourth Business Day after the Issue Date or as otherwise required in terms of the JSE Debt Listings Requirements, redeem the Notes at their Outstanding</p>

Principal Amount together with all interest that the Issuer may have received in respect of the proceeds.

- (c) If, for whatever reason the Lombard Insurance Guarantee is no longer in place or ceases to be legal, valid and binding or is not extended, the Issuer shall notify the Noteholders thereof and the Outstanding Principal Amount and all accrued interest will become immediately due and payable and the Issuer shall redeem the Notes in accordance with Condition 7.2 of the Terms and Conditions.
- (d) If for whatever reason the Issuer receives any proceeds from Lombard Insurance Limited as a result of a claim by the Issuer under the Lombard Insurance Guarantee ("**Insurance Proceeds**"), the Issuer shall not later than 10 calendar days after receipt of the Insurance Proceeds, utilise such proceeds to redeem the Notes at their Outstanding Principal Amount together with all accrued but unpaid interest.

24	Step-Up Date	N/A
25	Use of Proceeds	The net proceeds of the issue of this Tranche will be used to redeem the existing Notes issued under Transaction No. 16
26	Specified Currency	Rand
27	Set out the relevant description of any additional Terms and Conditions relating to the Notes and/or amendments to the Priority of Payments	<u>See Annexure B</u> In addition, the definition of Excluded Obligations/Amounts for purposes of the Priority of Payments, shall include any amount required to be paid by the Servicer as agent on behalf of the Issuer
28	Hedge Counterparty	N/A
29	Safe Custody Agent	Nedbank Limited
30	Senior Expense Facility Provider(s)	N/A
31	Account Bank	Nedbank Limited
32	Calculation Agent, if not Redinkcapital	N/A

33	Specified Office of the Calculation Agent	Ground Floor, Silver Stream Business Park 10 Muswell Road South Bryanston 2021
34	Transfer Agent, if not Redinkcapital	N/A
35	Specified Office of the Transfer Agent	Ground Floor, Silver Stream Business Park 10 Muswell Road South Bryanston 2021
36	Paying Agent, if not Redinkcapital Limited	N/A
37	Specified Office of the Paying Agent	Ground Floor, Silver Stream Business Park 10 Muswell Road South Bryanston 2021

FLOATING RATE NOTES

38	Payment Date(s)	7 March, 7 June, 7 September and 7 December and the Final Redemption Date, or if such day is not a Business Day, the Business Day on which the interest will be paid as determined in accordance with the applicable Business Day Convention referred to in item 18 above.
39	Interest Period	Each period of three months from (and including) one Interest Payment Date to (but excluding) the next Interest Payment Date of each year, provided that – (a) the first Interest Period shall commence on (and shall include) the Interest Commencement Date and shall end on (but exclude) the immediately following Interest Payment Date (each Interest Payment Date as adjusted in accordance with the applicable Business Day Convention); and (b) the last Interest Period shall end on (but exclude) the Final Redemption Date, notwithstanding that such period may not be a complete three month period (each Interest Payment Date as adjusted in accordance with the applicable Business Day Convention).

40	Manner in which the Interest Rate is to be determined	Screen Rate Determination
41	Margin/Spread for the Interest Rate	550 basis points to be added to the Reference Rate
42	Margin for the Step-Up Rate	N/A
43	If ISDA Determination	
	(a) Floating Rate Option	N/A
	(b) Designated Maturity	N/A
	(c) Reset Date(s)	N/A
44	If Screen Determination	
	(a) Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated)	3 month JIBAR
	(b) Rate Determination Date(s)	The first Business Day of each Interest Period
	(c) Relevant Screen page and Reference Code	ZAR-JIBAR-SAFEX
45	If Interest Rate to be calculated otherwise than by reference to the previous two sub-clauses above, insert basis for determining Interest Rate/Margin/Fall back provisions	N/A
46	If different from the Calculation Agent, agent responsible for calculating amount of interest	N/A
47	Any other terms relating to the particular method of calculating interest	N/A
48	Non-payment of interest	Should the Issuer fail to pay interest due and payable on any Interest Payment Date as a result of a lack of funds, such failure shall not constitute an Event of Default and the unpaid interest shall be due and payable on the next Interest Payment Date, provided that should the Issuer fail to pay all accrued but unpaid interest on the Final Redemption Date, such failure shall constitute an Event of Default.

GENERAL

49	Additional selling restrictions	N/A
50	International Securities Numbering (ISIN)	ZAG000182023
51	Stock Code	RED162
52	Financial Exchange	JSE Interest Rate Market
53	Dealer	Redinkcapital (Pty) Ltd
54	Method of distribution	Private Placement
55	Rating assigned to this Tranche of Notes (if any)	N/A
56	Rating Agency	N/A
57	Governing Law	South Africa
58	Last Day to Register	By 17h00 on 1 March, 1 June, 1 September and 1 December of each year, or if such day is not a Business Day, the Business Day immediately preceding each Books Closed Period.
59	Books Closed Period	The Register will be closed from 2 March to 6 March (both days inclusive), 2 June to 6 June (both days inclusive), 2 September to 6 September (both days inclusive) and 2 December to 6 December (both days inclusive) in each year until the Final Redemption Date.
60	Transaction Limit	R200,000,000
61	Aggregate Outstanding Principal Amount of Notes in issue under Transaction No. 16 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	Legal or Arbitration proceedings	The Issuer is not aware of any legal or arbitration proceedings, including any proceedings that are pending or threatened, that may have or have had a material effect of the Issuer's financial position within the past 12 months
63	Compliance with legislation and memorandum of incorporation	The Issuer confirms that it is – (a) in compliance with the provisions of the Companies Act 71 of 2008, specifically

		relating to its incorporation; and
	(b)	acting in conformity with the provisions of its memorandum of incorporation and any other relevant constitutional documents
64	Material change statement	The Issuer confirms that no material change in its financial or trading position has occurred since the end of its last financial year for which audited financial statements were published. This statement has not been reviewed and reported on by the Issuer's auditors
65	Other provisions	N/A
66	Additional Information	
	(a)	number and value of assets 1 (one) Sale Asset with an aggregate nominal value of R60,000,000
	(b)	the seasoning of the assets N/A
	(c)	rights of recourse against the Seller to the extent allowed in law, including a list of material representations and warranties given to the Issuer relating to the assets See clause 9 of the Sale Agreement <u>Please see Annexure A, which contains the relevant extracts from the Sale Agreement</u>
	(d)	rights to substitute the assets and the qualifying criteria N/A
	(e)	the treatment of early amortisation of the assets N/A
	(f)	level of concentration of the obligors in the asset pool, identifying obligors that account for 10% or more of the asset value 100% Smart Tread Trading Proprietary Limited (registration number 2019/498770/07)
	(g)	where there is no concentration of obligors above 10%, the general characteristics and descriptions of the obligors N/A
	(h)	Financial statements The annual financial statements of Smart Tread Trading Proprietary Limited are available on -

<https://www.redinkrentals.co.za>

(i)	financial year end of Smart Tread Trading Proprietary Limited	March
(j)	risk factors	N/A
(k)	collection frequency in respect of the underlying assets	60 – 90 days
(l)	maturity date of asset	9 December 2022
(m)	description of underlying physical asset	N/A
(n)	implied interest cover ratio	N/A
67	Legal jurisdiction where the Sale Assets are situated	South Africa
68	Eligibility Criteria	<p>The general criteria that each Credit Agreement must satisfy in order to qualify for acquisition by the Issuer –</p> <ol style="list-style-type: none"> 1 the rights and obligations of the Seller under the Credit Agreement are legal, valid and binding and the Seller is entitled to enforce its rights and obligations thereunder; 2 the sale and transfer by the Seller of its right, title and interest in and to the Credit Agreement does not breach the provisions of such Credit Agreement; 3 the Seller may cede and/or assign its rights under the Credit Agreement without the consent of the Supplier; 4 payments due under the Credit Agreement are not subject to set-off, counterclaim, withholding or reduction; 5 the Credit Agreement has not been amended or modified, except in writing, and copies of all such amendments and modifications, if any, are reflected in or attached to the Credit Agreement; and 6 the Credit Agreement is not subject to the provisions of the National Credit Act, 2007 and the Consumer Protection Act,

2008.

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

At the date of this Applicable Pricing Supplement -

1 Paragraph 3(5)(a)

The ultimate borrower is the Issuer.

2 Paragraph 3(5)(b)

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

3 Paragraph 3(5)(c)

The auditor of the Issuer is RSM South Africa Incorporated.

4 Paragraph 3(5)(d)

As at the date of this issue:

the Issuer has R980,466,388 aggregate Outstanding Principal Amount of Notes in issue on the Issue Date of this Tranche (excluding Notes issued under this Applicable Pricing Supplement); and

it is anticipated that the Issuer will issue R500,000,000 Notes during its current financial year (including Notes issued under this Applicable Pricing Supplement).

5 Paragraph 3(5)(e)

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

6 Paragraph 3(5)(f)

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

7 Paragraph 3(5)(g)

The Notes issued will be listed.

8 Paragraph 3(5)(h)

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

existing Notes in issue.

9 Paragraph 3(5)(i)

The Notes are secured.

10 Paragraph 3(5)(j)

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

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

Investor reports and the Transaction No. 16 Security SPV Guarantee referred to in par 8(c) will be made available at <https://www.redinkrentals.co.za/reports>.

Application is hereby made to list this Tranche of Notes, as from 7 December 2021, pursuant to the **Redink Rentals (RF) Limited** Secured Note Programme.

REDINK RENTALS (RF) LIMITED

By: 

Director, duly authorised
Kurt van Staden
Date: 01 June 2023

By: 

Director, duly authorised
Paul Lutge
Date: 1 June 2023

ANNEXURE A– EXTRACTS FROM SALE AGREEMENT

9 SELLER'S WARRANTIES

9.1 The Seller gives the Issuer the warranties (collectively, the "**Seller Warranties**" and each being a "**Seller Warranty**") set out in clause 9.2 on the basis that -

9.1.1 notwithstanding that the Issuer is or should be aware that any Seller Warranty is or may be incorrect, this Agreement is entered into by the Issuer relying on the Seller Warranties each of which is deemed conclusively to be both a material representation inducing the Issuer to enter into this Agreement and an essential contractual undertaking by the Seller to ensure that such Seller Warranty is true and correct;

9.1.2 each such Seller Warranty shall conclusively be deemed to be material;

9.1.3 insofar as any Seller Warranty is promissory or related to a future event, such Seller Warranty shall be deemed conclusively to have been given as at the due date for fulfilment of the promise or the happening of such event, as the case may be;

9.1.4 each such Seller Warranty shall be a separate and independent warranty and shall not be limited by reference to, or inference from, the terms of any other Seller Warranty or any other provision of this Agreement; and

9.1.5 each such Seller Warranty shall unless the context clearly states or indicates a contrary intention, be given as at the Signature Date, each Transfer Date and every day thereafter that this Agreement is in force.

9.2 The Seller warrants, represents and undertakes in favour of the Issuer that -

corporate warranties

9.2.1 it is a company duly incorporated and validly existing under and in accordance with the laws of South Africa;

9.2.2 it has the legal capacity and the power to own its assets and to carry on its business as it is presently being conducted;

9.2.3 it has -

9.2.3.1 the legal capacity and the power to enter into and perform under; and

9.2.3.2 taken all necessary actions (whether corporate, internal or otherwise) to authorise its entry into and performance under,

this Agreement;

9.2.4 the obligations expressed to be assumed by it under this Agreement are legal, valid and are binding on, and enforceable against, it;

- 9.2.5 the entering into of this Agreement and/or the performance of its obligations under this Agreement does not, and will not, -
- 9.2.5.1 contravene any applicable laws; and/or
- 9.2.5.2 contravene any provision of its memorandum of incorporation; and/or
- 9.2.5.3 contravene, violate, cause a default and/or breach of the terms of, and/or otherwise conflict with any contract, agreement, indenture, mortgage or other instrument of any kind to which it is a party or by which it may be bound or which is binding upon its assets;
- 9.2.6 all authorisations, consents, approvals, resolutions, licenses, exemptions, filings and registrations which are required or necessary under all applicable laws -
- 9.2.6.1 to enable it to lawfully enter into, exercise its rights and comply with its obligations under this Agreement; and
- 9.2.6.2 to make this Agreement admissible in evidence in South Africa,
- have been obtained or effected and are, and will for the duration of this Agreement remain, in full force and effect;
- 9.2.7 it shall promptly inform the Issuer, in writing, of any occurrence of which it may become, or may reasonably have been expected to become, aware and which might materially adversely affect its ability to perform its obligations under of this Agreement;
- 9.2.8 no litigation, arbitration or administrative proceedings before any court, arbitral body or governmental agency or authority which would affect the ability of the Seller to comply with its obligations under this Agreement, are pending or, to the best of the Seller's knowledge and belief, threatened against the Seller or any of its assets;
- 9.2.9 it is not (nor would it with the giving of notice or the lapse of time or the satisfaction or non-satisfaction of any other condition or any combination thereof be) in breach of, or in default under, this Agreement;
- 9.2.10 it is solvent and in a position to pay its debts and meet its other obligations as and when they fall due in the normal course of business and it has not committed any act which, if the Seller was a natural person, would be an act of insolvency as defined in the Insolvency Act, 1936;
- 9.2.11 there have been no applications, steps, proceedings or orders for its deregistration, whether provisional or final and the Seller shall forthwith notify the Issuer in writing should any such applications, steps, proceedings or orders be brought or taken;
- 9.2.12 the sale of any Sale Asset to the Issuer pursuant to this Agreement will not be voidable under the Insolvency Act, 1936 or is not and would not be deemed by a South African court to be a voidable preference, and that this Agreement

has been entered into by the Seller and the Issuer in good faith and not with the intent to defraud creditors;

9.2.13 it is acting as principal and is not entering into this Agreement as agent for any other party; and

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

Sale Asset warranties

9.2.15 at each Transfer Date and in relation to those Sale Assets sold, ceded and assigned to the Issuer with effect from such Transfer Date -

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

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

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

9.2.15.4 each of the Sale Assets sold, ceded and assigned to the Issuer on such relevant Transfer Date complies with the Eligibility Criteria and the Seller, having made all reasonable enquiries, is not aware of any fact or circumstance which would or is likely to result in any such Sale Asset ceasing to comply with the Eligibility Criteria;

9.2.15.5 the Seller is not in breach of any of its obligations in terms of any of the Sale Assets sold, ceded and assigned to the Issuer on the Transfer Date and, having made all reasonable enquiries, the Seller is not aware of any failure by the Debtor or the Supplier or any Security Provider to comply with their obligations under or in connection with any Sale Asset;

9.2.15.6 the particulars of each Sale Asset contained in the relevant Sale Supplement are complete, true and accurate as reflected on the Seller's computer systems or otherwise in its possession or under its control in respect of such Sale Asset; and

9.2.15.7 the Seller has since the creation of each Sale Asset kept full and accurate accounts, books and records showing clearly all transactions, payments,

receipts and proceedings relating to that Sale Asset, including the outstanding balance from time to time;

- 9.2.15.8 each Credit Agreement -
 - 9.2.15.8.1 fully and correctly reflects the terms of the agreement set out therein;
 - 9.2.15.8.2 was completed in full prior to the signature thereof by the parties thereto;
 - 9.2.15.8.3 constitutes a legal, valid and binding agreement between the parties thereto on the terms and conditions set out in such agreement;
 - 9.2.15.8.4 is in compliance with all applicable laws; and
 - 9.2.15.8.5 has not been varied or supplemented in any material way whatsoever (other than as reflected in the agreement) and is and continues to be valid, enforceable and binding in accordance with its terms;
- 9.2.15.9 all of the Credit Agreement Collateral given by the Supplier and/or Security Provider in terms of the Credit Agreement Collateral Documents in respect of each Sale Asset is legal, valid and enforceable in accordance with its terms and has been validly transferred to the Issuer in terms of this Agreement and will, subsequent to such transfer, remain legal, valid, binding and enforceable by the Issuer against the Supplier and/or relevant Security Provider in terms of the Credit Agreement Collateral Documents; and
- 9.2.15.10 full legal title in and ownership of all the Sale Assets sold, ceded and assigned to the Issuer on such Transfer Date will, on the Transfer Date, be transferred to the Issuer in terms of clauses 3 and 7 and the Issuer will become the sole legal and beneficial owner thereof, the Seller will not, after such Transfer Date, retain any title therein or ownership thereof and will not, after such Transfer Date, assert or seek or attempt to assert any right or claim in that regard.
- 9.3 In the event that -
 - 9.3.1 any of the Seller Warranties is breached (to the extent that any Sale Asset designated as a Sale Asset complying with the Eligibility Criteria is not in fact an Eligible Sale Asset upon the relevant Transfer Date); or
 - 9.3.2 any of the Seller Warranties is breached in any manner which results in the Issuer not acquiring good, marketable and unencumbered title to any Sale Asset, on the Transfer Date,

the purchase by the Issuer of all Sale Assets which was effected in accordance with clause 3 on a Transfer Date in respect of a Sale Asset, upon which such Seller Warranties were so breached, shall be voidable at any time thereafter at the instance of the Issuer, by written notice to the Seller. Upon delivery of such notice

to the Seller, the Seller shall be obliged to repay to the Issuer the full purchase price in respect thereof, less the amount of any principal and interest collections in respect thereof and, upon such payment -

- 9.3.3 the sale and purchase of such Sale Assets shall, *ipso facto*, be of no effect *ab initio*;
- 9.3.4 all ownership in and rights, benefits and interest relating to the relevant Sale Assets shall be deemed to have remained vested in the Seller at all times following the relevant Transfer Dates, in respect of the Sale Assets;
- 9.3.5 neither the Issuer nor the Seller shall have any further claim against the other for anything done hereunder or arising hereout in relation to such Sale Assets; and
- 9.3.6 the Issuer shall cease to hold the data and the Underlying Documents relating to such Sale Assets and shall deliver such data and Underlying Documents to the Seller or its nominee.

10 BREACH

Should any party breach any provision of this Agreement and fail to remedy such breach within 10 Business Days after receiving written notice requiring such remedy, then (irrespective of the materiality of such breach or provision) the other party shall be entitled, as its remedy, to either –

- 10.1 claim immediate specific performance of all of the defaulting party's obligations then due; or
- 10.2 cancel this Agreement; and
- 10.3 claim damages.

ANNEXURE B – PRIORITY OF PAYMENTS

1 Pre-Enforcement Priority of Payments

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

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

2 Post-Enforcement Priority of Payments

- 2.1 In relation to each Transaction, after taking into account Excluded Amounts, the funds standing to the credit of the relevant Transaction Account and the Senior Expense Reserve (if required), after the delivery of an Enforcement Notice will be applied in the order of priority set out below -
 - 2.1.1 first, to pay or provide for the Issuer's liability or potential liability for Tax and any statutory fees, costs and expenses, attributable to the receipts or accruals made by the Issuer under that Transaction;

- 2.1.2 second, to pay all amounts payable by the Issuer under the Issuer Indemnity;
- 2.1.3 third, to pay or provide for *pari passu* and *pro rata* -
 - 2.1.3.1 the remuneration due and payable to the Security SPV and/or the Security SPV Owner Trustee (inclusive of VAT, if any) and any fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Security SPV and/or the Security SPV Owner Trustee under the provisions of the Security Agreements and/or any of the Programme Documents, in relation to the Transaction, and/or the Notes;
 - 2.1.3.2 the remuneration due and payable to the Issuer Owner Trustee (inclusive of VAT, if any) and any fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Issuer Owner Trustee under the provisions of the Security Agreements and/or any of the Programme Documents, in relation to the Transaction, and/or the Notes;
 - 2.1.3.3 all fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Issuer in relation to the Transaction, which are due and payable to third parties and incurred without breach by the Issuer of its obligations under the Programme Documents and not provided for payment elsewhere (including payment of the Rating Agency, the JSE, the Safe Custody Agent, audit fees, legal fees, the directors of the Issuer and company secretarial expenses);
- 2.1.4 fourth, to pay or provide for *pari passu* and *pro rata* -
 - 2.1.4.1 if applicable, the fee due and payable to the Servicer (inclusive of VAT, if any) together with costs and expenses which are due and payable to the Servicer under the Servicing Agreement;
 - 2.1.4.2 the fee due and payable to the Administrator (inclusive of VAT, if any) together with costs and expenses which are due and payable to the Administrator under the Administration and Agency Agreement;
 - 2.1.4.3 all amounts due and payable or accrued to the Transfer Agent, Calculation Agent and Paying Agent in relation to the Transaction, in accordance with the Administration and Agency Agreement; and
 - 2.1.4.4 all amounts due and payable or accrued to the Arranger and/or the Debt Sponsor in relation to the Transaction, in accordance with the Programme Agreement;
- 2.1.5 fifth, to pay or provide for *pari passu* and *pro rata* –
 - 2.1.5.1 any net settlement amounts and Hedge Termination Amounts due and payable to any Hedge Counterparty, in relation to the Transaction, in accordance with the Hedging Agreements (but excluding any Hedge Termination Amounts where the Hedge Counterparty is in default); and
 - 2.1.5.2 all amounts of interest and principal due and payable to the relevant Noteholders in respect of the Notes;

- 2.1.6 sixth, to pay or provide for, the Hedge Termination Amounts due and payable to any Hedge Counterparty, in relation to the Transaction, in accordance with the Hedging Agreements where the Hedge Counterparty is in default;
- 2.1.7 seventh, to pay or provide for, the Programme Management Fee (inclusive of VAT, if any) due and payable to the Programme Manager in accordance with the Programme Management Agreement;
- 2.1.8 eighth, (if applicable) to pay or provide for, all amounts, interest and principal due and payable to the Senior Expense Facility Provider(s) in accordance with the Senior Expense Facility Agreement;
- 2.1.9 ninth, to pay or provide for, any other fees, interest, costs or charges due and payable under any Tranche of Notes or any Programme Document in relation to the Transaction, which have not previously been paid;
- 2.1.10 tenth, to pay or provide for dividends payable to the Preference Shareholders; and
- 2.1.11 eleventh, to pay or provide for dividends payable to the holder of the ordinary shares in the issued share capital of the Issuer.

ANNEXURE C - EXTRACTS OF SALE SUPPLEMENT

ACQUISITION OF SALE ASSETS DATED 18 DECEMBER 2020

- 1 We refer to the sale agreement entered into between Tower Investments Proprietary Limited ("**Seller**") and Redink Rentals (RF) Limited ("**Issuer**") on or about 18 December 2020 (the "**Sale Agreement**").
- 2 **Sale Assets:** all the Seller's right, title and interest in and to the –
 - 2.2 Credit Agreement (as defined in the Sale Agreement), as amended, including but not limited to the Eligible Accounts Payable and the Goods;
 - 2.3 Credit Agreement Collateral including but not limited to the Seller's rights under the Guarantee (as defined in the Sale Agreement);
 - 2.4 Credit Agreement Collateral Documents,
but excluding the Excluded Obligations/Amounts.
- 3 **Excluded Obligations/Amounts:** the liabilities, obligations and fees as described in clause 1.4.12 of the Sale Agreement.
- 4 **Transfer Date:** 28 December 2020.
- 5 **Purchase price of the Sale Assets:** R20,000,000.
- 6 **Borrower:** Smart Tread Trading Proprietary Limited (registration number 2019/498770/07).