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## APPLICABLE PRICING SUPPLEMENT

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### **REDINK RENTALS (RF) LIMITED**

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

### **Issue of R100,000,000 Secured Class A Notes**

### **Under its Secured Note Programme**

### **Transaction No. 17 – Scottfin Investments**

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 this Transaction No. 17, dated on or about 27 September 2022. References in this Applicable Pricing Supplement to the Terms and Conditions are to the section of the Programme Memorandum entitled "*Terms and Conditions of the Notes*". References to any Condition in this Applicable Pricing Supplement are to that Condition of the Terms and Conditions.

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from this Applicable Pricing Supplement which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that this Applicable Pricing Supplement contains all information required by Applicable Law and the JSE Debt Listings Requirements. The Issuer accepts full responsibility for the information contained in this Applicable Pricing Supplement, the Programme Memorandum and its annual financial statements and any amendments or supplements to the aforementioned documents, except as 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 and/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. 17 – Scottfin Investments ("**Transaction No. 17**") will not exceed the Transaction Limit as specified in paragraph 53 below.

## DESCRIPTION OF THE TRANSACTION

### 1 Transaction No. 17

The Issuer makes available to Scottfin Investments (RF) Proprietary Limited (the "**Borrower**") a Rand denominated revolving loan facility in terms of an agreement entered into between the Issuer and the Borrower dated on or about 27 September 2022 ("**Revolving Loan Facility Agreement**").

The Borrower shall apply the proceeds of each Loan advanced under the Revolving Loan Facility Agreement for the purposes of acquiring instalment sale agreements, motor vehicles (which shall be minibus taxis) and all related security.

As security for the Borrower's obligations under the Revolving Loan Facility Agreement -

- (a) the Borrower has ceded *in securitatem debiti* to the Issuer all its right, title and interest in and to the Ceded Rights (as defined therein) (the "**Borrower Security Cession**");
- (b) each of the Guarantors (as defined in the Revolving Loan Facility Agreement) has guaranteed the obligations of the Borrower to the Issuer under the Revolving Loan Facility Agreement (each an "**Obligor Guarantee**");
- (c) as security for each Guarantor's obligations under the relevant Obligor Guarantee, each Guarantor has ceded *in securitatem debiti* and pledged to the Issuer all of its right, title and interest in and to the Ceded Rights (as defined therein) ("**Guarantor Pledge and Cession**");
- (d) the Scottfin Investments SPV Owner Trust (the "**Borrower Owner Trust**") will enter into a suretyship in favour of the Issuer in terms of which it will bind itself as surety for



the obligations of the Borrower under the Revolving Loan Facility Agreement (the "**Borrower Owner Trust Suretyship**"); and

- (e) as security for the Borrower Owner Trust's obligations under the Borrower Owner Trust Suretyship, the Borrower Owner Trust will pledge all the shares it owns in the share capital of the Borrower, in favour of the Issuer (the "**Borrower Owner Trust Pledge and Cession**").

In terms of a written agreement entered into between, *inter alios*, the Borrower and Scottfin Financial Services Proprietary Limited (the "**Servicer**"), the Borrower appointed the Servicer to perform certain services as specified therein to the Borrower (the "**Servicing Agreement**").

As security for its obligations to the Borrower under the Servicing Agreement, the Servicer has ceded *in securitatem debiti* to the Borrower all its right, title and interest in and to its collections account (the "**Servicer Security Cession**").

The Borrower entered into a written sale agreement in terms of which the Sellers (as defined therein) have agreed to sell to the Borrower Participating Assets ("the **Sale Agreement**").

The Borrower entered into a written common terms agreement with the Issuer (as Lender under the Revolving Loan Facility Agreement), Scottfin Holdings Proprietary Limited and the other parties named therein, in terms of which the parties set out the terms and conditions governing the agreement between them in relation to, *inter alia*, the provisions that are common to all the Transaction Documents (as defined therein) (the "**Scottfin Common Terms Agreement**").

The Borrower entered into a written administration agreement with Redinkcapital (as defined below) in terms of which the Borrower appointed Redinkcapital as administrator in relation to the Borrower's business (the "**Borrower Administration Agreement**").

Scottfin Holdings Proprietary Limited and the McChesney Trust entered into a subordination agreement with the Issuer (as Lender under the



Revolving Loan Facility Agreement), in terms of which each of them subordinates all their claims in and against the Borrower in favour of the Issuer (as Lender under the Revolving Loan Facility Agreement) (the "**Subordination Agreement**").

- 2 Borrower Scottfin Investments (RF) Proprietary Limited
- 3 Address, description and significant business activities of the Borrower The Borrower is a ring-fenced, special purpose vehicle, specifically incorporated to, *inter alia*, enter into the Revolving Loan Agreement and use the proceeds of each Loan advanced under the Revolving Loan Facility Agreement to acquire instalment sale agreements, motor vehicles (which shall be minibus taxis) and all related security on the terms and subject to the conditions of a sale agreement entered into between, *inter alia*, the Borrower and various Sellers (as defined therein).
- 4 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](http://www.red-inc.co.za)"
- 5 Description of Security to be provided to Secured Creditors of Transaction No. 17 Pursuant to the Security SPV Guarantee, dated on or about 27 September 2022 ("**Transaction No. 17 Security SPV Guarantee**"), the Security SPV undertakes in favour of each Secured Creditor of Transaction No. 17 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. 17  
  
The liability of the Security SPV pursuant to the Transaction No 17 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 27 September 2022 ("**Transaction No. 17 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. 17 Security SPV Guarantee.  
  
The Issuer's obligations in terms of the Transaction No. 17 Issuer Indemnity are secured by the cession in *securitatem debiti* agreement, dated on or about 27 September 2022, ("**Transaction No. 17 Issuer 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 118 681 5647, into which all monies received or to be received by the Issuer in relation to Transaction No. 17 will be deposited ("**Transaction No. 17 Transaction Account**");
- (b) all monies held from time to time in the name of or on behalf of the Issuer in the Transaction No. 17 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. 17 Transaction Account from time to time;
- (d) all of the Issuer's rights under the Revolving Loan Facility Agreement, the Borrower Security Cession, the Guarantor Pledge and Cession; the Borrower Owner Trust Suretyship and the Borrower Owner Trust Pledge and Cession; and
- (e) the agreements to which the Issuer is a party (as specified in the Transaction No. 17 Issuer Security Cession Agreement),

in relation to Transaction No. 17, 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. 17 Issuer Security Cession Agreement.

## 6 Transaction Documents

The documents constituting the transaction titled "Transaction No. 17 – Scottfin Investments", being –

- (a) the Revolving Loan Facility Agreement;
- (b) the Borrower Security Cession;
- (c) the Guarantor Pledge and Cession;



- (d) the Borrower Owner Trust Deed of Suretyship;
  - (e) the Borrower Owner Trust Deed of Pledge and Cession;
  - (f) the Servicer Security Cession;
  - (g) the Subordination Agreement;
  - (h) the Sale Agreement;
  - (i) the Scottfin Common Terms Agreement;
  - (j) the Borrower Administration Agreement;
  - (k) the Transaction No. 17 Security SPV Guarantee;
  - (l) the Transaction No. 17 Issuer Indemnity;
  - (m) the Transaction No. 17 Security Cession Agreement;
  - (n) the Administration Agreement;
  - (o) the Servicing Agreement;
  - (p) the Notes described in this Applicable Pricing Supplement (including the Terms and Conditions in respect thereof) and this Applicable Pricing Supplement; and
  - (q) the Common Terms Agreement,
- (collectively, the "**Transaction Documents**")

## DESCRIPTION OF THE NOTES

7	Issuer	Redink Rentals (RF) Limited
8	Status and Class of the Notes	Secured Class A
9	Tranche number	1
10	Series number	1
11	Aggregate Principal Amount of this Tranche	R100,000,000
12	Issue Date	30 September 2022



- 13 Minimum Denomination per Note R1,000,000
- 14 Issue Price 100%
- 15 Applicable Business Day Convention Preceding Business Day
- 16 Interest Commencement Date 30 September 2022
- 17 Final Redemption Date 14 November 2025
- 18 Optional Redemption by the Issuer The Issuer may only with the prior consent of the Noteholders by Extraordinary Resolution redeem all or a portion of the Notes prior to the Final Redemption Date.
- 19 Mandatory Redemption by the Issuer
  - (a) If, for whatever reason (including but not limited to the occurrence of an event of default under the Revolving Loan Facility Agreement (as set out in Annexure A hereto)), or the occurrence of any mandatory prepayment event (howsoever described in the Revolving Loan Facility Agreement), the Loan funded by the issuance of this Tranche of Notes and all accrued and unpaid interest in respect of that Loan becomes due and payable by the Borrower to the Issuer in terms of the Revolving Loan Facility Agreement (a "**Loan Default Trigger Event**"), the Issuer shall notify the Noteholders thereof through SENS and the Outstanding Principal Amount and all accrued interest will become immediately due and payable and the Issuer shall, on the next Interest Payment Date (which date shall not be earlier than five Business Days after the occurrence of the Loan Default Trigger Event), redeem the Notes at their Outstanding Principal Amount together with all accrued but unpaid interest, provided that the Issuer has received the capital amount of the Loan and all accrued interest from the Borrower.
  - (b) If the Borrower voluntarily prepays the whole or any portion of the Loan ("**Prepaid Amount**") funded by the issuance of this Tranche of Notes ("**Loan Prepayment Trigger Event**"), the Issuer shall notify the Noteholders thereof through SENS and a portion of the Outstanding Principal Amount equal to the Prepaid Amount (and all accrued but unpaid interest) will become immediately



due and payable and the Issuer shall, on the next Interest Payment Date (which date shall not be earlier than five Business Days after the occurrence of the Loan Prepayment Trigger Event), redeem such portion of the Notes equal to the Prepaid Amount together with all accrued but unpaid interest, provided that the Issuer has received the Prepaid Amount and all accrued interest from the Borrower.

- (c) If the net proceeds of the issuance of the Notes as contemplated in this Applicable Pricing Supplement is not advanced as a Loan under the Revolving Loan Facility Agreement (as contemplated in paragraph 20 below) within three Business Days of the Issue Date (a "**No Issue Trigger Event**"), the Issuer shall notify the Noteholders thereof through SENS and the Outstanding Principal Amount will become immediately due and payable and the Issuer shall, on the date specified to the Noteholders (which date shall not be earlier than five Business Days after the occurrence of the No Issue Trigger Event), redeem the Notes at their Outstanding Principal Amount together with all interest that the Issuer may have received in respect of the proceeds.

20	Use of Proceeds	The net proceeds of the issue of this Tranche will be used to advance a Loan to the Borrower under the Revolving Loan Facility Agreement. The proceeds of the Loan may only be utilised by the Borrower towards purchasing Sale Assets (as defined in the Sale Agreement).
21	Specified Currency	Rand
22	Set out the relevant description of any additional Terms and Conditions relating to the Notes and/or amendments to the Priority of Payments	<b><u>See Annexure B</u></b>
23	Hedge Counterparty	N/A
24	Safe Custody Agent	Nedbank Limited
25	Senior Expense Facility Provider(s)	N/A
26	Account Bank	Nedbank Limited





- |    |   |   |
|----|---|---|
| 27 | Calculation Agent, if not<br>Redinkcapital    | N/A   |
| 28 | Specified Office of the<br>Calculation Agent  | Ground Floor, Silver Stream Business Park 10<br>Muswell Road South<br>Bryanston<br>2021 |
| 29 | Transfer Agent, if not<br>Redinkcapital       | N/A   |
| 30 | Specified Office of the Transfer<br>Agent     | Ground Floor, Silver Stream Business Park 10<br>Muswell Road South<br>Bryanston<br>2021 |
| 31 | Paying Agent, if not<br>Redinkcapital Limited | N/A   |
| 32 | Specified Office of the Paying<br>Agent       | Ground Floor, Silver Stream Business Park 10<br>Muswell Road South<br>Bryanston<br>2021 |

#### FLOATING RATE NOTES

- |    |  |  |
|----|--|--|
| 33 | Interest Payment Dates                                   | 14 February, 14 May, 14 August and 14 November 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.   |
| 34 | Interest Period  | <p>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 –</p> <p>(a) the first Interest Period shall commence on (and shall include) the Interest Commencement Date and shall end on (but exclude) 14 February 2023 (as adjusted in accordance with the applicable Business Day Convention); and</p> <p>(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).</p> |
| 35 | Manner in which the Interest<br>Rate is to be determined | Screen Rate Determination  |
| 36 | Margin/Spread for the Interest                           | 435 basis points to be added to the Reference Rate   |



## Rate

### 37 If ISDA Determination

- |     |                      |     |
|-----|----------------------|-----|
| (a) | Floating Rate Option | N/A |
| (b) | Designated Maturity  | N/A |
| (c) | Reset Date(s)        | N/A |

### 38 If Screen Determination

- |     |  |  |
|-----|--|--|
| (a) | Reference Rate<br>(including relevant<br>period by reference to<br>which the Interest Rate<br>is to be calculated) | 3 month JIBAR                                  |
| (b) | Rate Determination<br>Date(s)  | The first Business Day of each Interest Period |
| (c) | Relevant Screen page<br>and Reference Code   | ZAR-JIBAR-SAFEX                                |

39 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

40 If different from the Calculation Agent, agent responsible for calculating amount of interest N/A

41 Any other terms relating to the particular method of calculating interest N/A

## GENERAL

- |    |  |                                   |
|----|--|-----------------------------------|
| 42 | Additional sale restrictions                 | N/A                               |
| 43 | International Securities<br>Numbering (ISIN) | ZAG000190471                      |
| 44 | Stock Code                                   | RED171                            |
| 45 | Financial Exchange                           | JSE Interest Rate Market          |
| 46 | Dealer                                       | Redinkcapital Proprietary Limited |



47	Method of distribution	Private Placement
48	Rating assigned to this Tranche of Notes (if any)	N/A
49	Rating Agency	N/A
50	Governing Law	South Africa
51	Last Day to Register	By 17h00 on 8 February, 8 May, 8 August and 8 November of each year or, if such a day is not a Business Day, the Business Day immediately preceding each Books Closed Period
52	Books Closed Period	The Register will be closed from 9 February to 13 February (both days inclusive), 9 May to 13 May (both days inclusive), 9 August to 13 August (both days inclusive) and 9 November to 13 November (both days inclusive) in each year until the Final Redemption Date
53	Transaction Limit	R500,000,000
54	Aggregate Outstanding Principal Amount of Notes in issue in respect of Transaction No. 17, on the issue Date of this Tranche	Rnil, excluding this Tranche of Notes and any other Tranche(s) of Notes to be issued on the Issue Date
55	Other provisions	N/A
56	Additional Information	
	(a) number and value of assets	1
	(b) the seasoning of the assets	N/A
	(c) rights of recourse against the Borrower to the extent allowed in law	<b><u>Please see Annexure A, which contains the relevant extracts from the Revolving Loan Facility Agreement</u></b>
	(d) rights to substitute the assets and the qualifying criteria	N/A
	(e) the treatment of early amortisation of the assets	N/A
	(f) level of concentration of the obligors in the asset pool, identifying obligors	100%



	that account for 10% or more of the asset value	Scottfin Investments (RF) Proprietary Limited
(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 Scottfin Investments (RF) Proprietary Limited will be made available on:  <a href="https://www.redinkrentals.co.za/reporting">https://www.redinkrentals.co.za/reporting</a> .
(i)	Financial year end of Scottfin Investments (RF) Proprietary Limited	June
(j)	details of the provider(s) of material forms of credit enhancement and details of such credit enhancement	N/A
(k)	details of the provider(s) of liquidity facilities and details of the liquidity facility	N/A
(l)	risk factors	N/A
(m)	details of the provider(s) of material forms of credit enhancement and details of such credit enhancement	N/A
(n)	details of the provider(s) of liquidity facilities and details of the liquidity facility	N/A
(o)	collection frequency in respect of the underlying assets	Quarterly
(p)	maturity date of asset	14 November 2025
(q)	description of underlying physical asset	N/A



(r) implied interest cover N/A  
ratio

57 Legal jurisdiction where the South Africa  
Revolving Loan Facility  
Agreement was concluded

58 Eligibility Criteria N/A

## **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 BDO South Africa Incorporated.

4 Paragraph 3(5)(d)

As at the date of this issue:

(a) the Issuer has R1,173,432,400 aggregate Outstanding Principal Amount of Notes in issue on the Issue Date of this Tranche (excluding Notes issued under this Applicable Pricing Supplement); and

(b) 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.

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 by Noteholders, during normal office hours, at the Specified Office of the Issuer.

Investor reports and the Transaction No. 17 Security SPV Guarantee referred to in paragraph 5 above will be made available at <https://www.redinkrentals.co.za/reports>.

Application is hereby made to list this Tranche of Notes, as from 30 September 2022, pursuant to the **Redink Rentals (RF) Limited** Secured Note Programme.

**REDINK RENTALS (RF) LIMITED**

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

Date: 27 September 2022

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

Date: 27 September 2022



## **ANNEXURE A– EXTRACTS FROM REVOLVING LOAN FACILITY AGREEMENT**

### **16 EVENTS OF DEFAULT**

Each of the events or circumstances set out in 16 will constitute an Event of Default.

#### **16.1 Non-payment**

16.1.1 The Borrower does not pay on the due date any amount of interest due and payable pursuant to this Agreement or any other Transaction Document at the place and in the currency in which it is expressed to be payable, to the extent that the Borrower has funds available for that purpose in terms of the Pre-Enforcement Priority of Payments.

16.1.2 The Borrower does not pay the Loan Outstanding Balance on the Final Repayment Date, irrespective of whether or not there are funds available for that purpose in accordance with the Pre-Enforcement Priority of Payments.

#### **16.2 Other obligations**

16.2.1 An Obligor does not comply with or breaches any provision of a Transaction Document to which it is a party.

16.2.2 No Event of Default under 16.2.1 will occur if the failure to comply or breach is capable of remedy and is remedied within 10 Business Days after notice of the failure to comply is received from the Lender.

#### **16.3 Security**

16.3.1 At any time, any of the Security created or evidenced by any Security Documents is or becomes unlawful or is not, or ceases to be, first ranking or ceases to be, legal, valid, binding and enforceable or otherwise ceases to be effective.

16.3.2 Any Obligor does not comply with any provision of any Security Document to which it is a party and such failure to comply is not remedied within 10 Business Days from the earlier of (i) the date that the Obligor becomes aware of such breach or (ii) the date of receipt of a notice from the Lender requesting compliance by such Obligor.

#### **16.4 Misrepresentation**

Any representation or statement made or deemed to be made by an Obligor in any Transaction Document to which it is a party or any other document delivered by or on behalf of an Obligor, under or in connection with such Transaction Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

#### **16.5 Cross default**

16.5.1 Any indebtedness of a member of the Group is not paid when due nor within any originally applicable grace period.



16.5.2 Any indebtedness of a member of the Group is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).

16.5.3 Any commitment for any indebtedness of a member of the Group is cancelled or suspended by a creditor of such Obligor, as a result of an event of default (however described).

16.5.4 Any creditor of a member of the Group becomes entitled to declare any indebtedness of such member of the Group, due and payable prior to its specified maturity as a result of an event of default (however described).

## 16.6 **Insolvency**

16.6.1 A member of the Group is or is deemed by any authority or under any law to be unable or admits inability to pay its debts as they fall due, suspends making payments on any of its indebtedness or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.

16.6.2 A member of the Group is or is deemed by any authority or legislation to be "financially distressed" (as defined in the Companies Act).

16.6.3 A moratorium is declared in respect of any indebtedness of any member of the Group.

## 16.7 **Insolvency and business rescue proceedings**

16.7.1 Any corporate action, legal proceedings or other procedure or step is taken in relation to -

16.7.1.1 the suspension of payments, a moratorium of any indebtedness, liquidation, winding-up, business rescue or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of a member of the Group;

16.7.1.2 a composition, compromise, assignment or arrangement with any creditor of a member of the Group;

16.7.1.3 the appointment of a liquidator, business rescue practitioner or other similar officer in respect of any member of the Group or any of its respective assets; or

16.7.1.4 enforcement of any Security over any assets of a member of the Group.

16.7.2 An order is granted to authorise the entry into or implementation of any business rescue proceedings in respect of any member of the Group.

## 16.8 **Litigation**

Any litigation, arbitration, administrative, governmental, regulatory or other investigations, proceedings or disputes are commenced against an Obligor or any of their respective assets (other than in the ordinary course of business) which may





or is likely to prejudice such Obligor's ability to comply with its obligations under any Transaction Documents to which it is a party.

**16.9 Unlawfulness**

16.9.1 It is or becomes unlawful for an Obligor to perform any of its obligations under the Transaction Documents to which it is a party.

16.9.2 Any obligation of an Obligor under the Transaction Documents to which it is a party is not or ceases to be legal, valid, binding or enforceable.

16.9.3 Any Transaction Document ceases to be in full force and effect or is alleged by an Obligor not to be in full force and effect for any reason.

**16.10 Cessation of business**

An Obligor suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business.

**16.11 Audit qualification**

The auditors of an Obligor qualify materially the audited annual financial statements of such Obligor.

**16.12 Repudiation**

Any party to a Transaction Document repudiates that Transaction Document.

**16.13 Material adverse effect**

Any event or circumstance occurs which the Lender reasonably believes has or is reasonably likely to have a Material Adverse Effect.

**16.14 Judgment**

An Obligor has any Judgment in excess of R1,000,000 awarded against it unless such Obligor -

16.14.1 satisfies such Judgment in full within 10 Business Days of the date of such Judgment;

16.14.2 if such Judgment is appealable, appeals against such Judgment within the prescribed time limits and diligently prosecutes such appeal thereafter and succeeds in such appeal;

16.14.3 if such Judgment is a default judgment, applies for the rescission thereof within the prescribed time limits and diligently prosecutes such application; or

16.14.4 if such Judgment is reviewable, initiates proceedings for the review thereof within the prescribed time limits and diligently prosecutes such proceedings thereafter and succeeds in such proceedings (and having so succeeded does not satisfy the Judgment in question; provided that the entity in question does



not, as a result of not having satisfied such Judgment, breach any of the provisions of this Agreement),

provided that any period afforded to an Obligor to act (or procure that such Obligor acts) in accordance with the clauses above, shall immediately terminate upon the occurrence of any other Event of Default.

#### **16.15 Change of Control**

A change of Control occurs in relation to Halfway Group Holdings without the Lender's prior written consent, which consent shall not be unreasonably withheld.

### **17 CONSEQUENCES OF AN EVENT OF DEFAULT**

- 17.1 If an Event of Default occurs, then, notwithstanding anything to the contrary contained anywhere else in the Transaction Documents, the Lender shall, without prejudice to the Lender's other rights in terms of the Transaction Documents or at law, have the right to -
  - 17.1.1 cancel the Facility whereupon it shall immediately be cancelled; and/or
  - 17.1.2 declare that all or part of the Loans, together with accrued interest, and all other amounts accrued or outstanding under the Transaction Documents be immediately due and payable, whereupon they shall become immediately due and payable in accordance with the Post-Enforcement Priority of Payments; and/or
  - 17.1.3 require immediate specific performance by the Borrower of its obligations under the Transaction Documents; and/or
  - 17.1.4 claim damages suffered by the Lender as a result of the occurrence of such Event of Default; and/or
  - 17.1.5 exercise all or any of its rights in terms of the Security Documents.
- 17.2 No remedy conferred by this Agreement is intended, unless specifically stated otherwise, to be exclusive of any other remedy that is otherwise available under any Applicable Law or otherwise. Each remedy is cumulative and in addition to every other remedy given hereunder or now or hereafter existing at applicable law or otherwise. The election of any one or more remedy/ies by the Lender will not constitute a waiver by the Lender of the right to pursue any other remedy available to it.
- 17.3 Notwithstanding anything to the contrary contained anywhere else in this Agreement, the Borrower is not entitled, under any circumstances whatsoever, to cancel or terminate this Agreement.



## ANNEXURE B – PRIORITY OF PAYMENTS

### 1 Pre-Enforcement Priority of Payments

- 1.1 In relation to Transaction No. 17, the funds standing to the credit of the Transaction No. 17 Transaction Account (save for the subscription price paid by Scottfin Holdings for the Preference Share subscribed for by it) 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 Transaction No. 17, 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 Transaction No. 17, 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 Transaction No.17;
- 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 Transaction No. 17, 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 Transaction No.17, 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 Transaction No.17, 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 Transaction No. 17, 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 Transaction No. 17, 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 Transaction No. 17, 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 Transaction No. 17;
- 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 Transaction No. 17, 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 Transaction No. 17, after taking into account Excluded Amounts, the funds standing to the credit of the Transaction No. 17 Transaction Account (save for the subscription price paid by Scottfin Holdings for the Preference Share subscribed for by it) 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 Transaction No. 17;
- 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 Transaction No. 17, 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 Transaction No. 17, 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 Transaction No. 17, 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 Transaction No. 17, 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 Transaction No.17, 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 Transaction No. 17, 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 Transaction No. 17, 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.