



## SSI SCF (RF) LIMITED

(Incorporated in the Republic of South Africa with limited liability under registration number 2017/448717/06)

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### ZAR1,000,000,000 NOTE PROGRAMME

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Under this ZAR1,000,000,000 note programme (the **Programme**), SSI SCF (RF) Limited (the **Issuer**) may from time to time issue fixed rate notes, floating rate notes and/or zero coupon notes (collectively the **Notes**) denominated in ZAR and further subject to all applicable laws and the debt listings requirements of the JSE, as may be determined by the terms and conditions (the **Terms and Conditions**) set out in this Programme Memorandum, to one or more investors (the **Noteholders**) from time to time. Any other terms and conditions not contained in the Terms and Conditions that are applicable to any Notes, replacing or modifying the Terms and Conditions, will be set forth in a pricing supplement (the **Applicable Pricing Supplement**). The Issuer will use the proceeds of the Notes to acquire loans, credit sale agreements, trade supply agreements, acknowledgements of debt and/or other payment obligations as may be permitted under the Programme from time to time (collectively the **Underlying Payment Obligations**).

Capitalised terms used in this Programme Memorandum are defined in the section of the Programme Memorandum headed "*Terms and Conditions of the Notes*", unless separately defined, and/or in relation to a Tranche of Notes, in the Applicable Pricing Supplement.

As at the Programme Date, the Programme Amount is ZAR1,000,000,000. This Programme Memorandum will apply to the Notes issued under the Programme in an aggregate outstanding Nominal Amount which will not exceed ZAR1,000,000,000 unless such amount is increased by the Issuer as set out in the section of this Programme Memorandum headed "*General Description of the Programme*".

The Notes may comprise fixed rate notes, floating rate notes and/or zero coupon notes as determined by the Issuer and the relevant Dealer (as defined below) and specified in the Applicable Pricing Supplement. Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. A Tranche of Notes will be issued on, and subject to, the Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement. Notes will be issued in relation to a number of separate and distinct transactions (each a **Transaction**). Each Transaction will reference the credit risk of the Payment Guarantor (defined below). Noteholders holding Notes issued under one Transaction will have recourse only to the assets of the Issuer in relation to that Transaction and will not have recourse to any other assets of the Issuer.

The Notes will constitute unsecured, limited recourse, direct obligations of the Issuer.

The Programme Memorandum has been approved by the JSE on 23 February 2018. A Tranche of Notes may be listed on the Interest Rate Market of the JSE, subject to Applicable Laws. Claims against the BESA Guarantee Fund Trust may only be made in respect of the trading of Notes listed on the Interest Rate Market of the JSE in accordance with the debt listings requirements of the JSE and in accordance with the rules of the BESA Guarantee Fund Trust. The holders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the JSE or the BESA Guarantee Fund Trust. Unlisted Notes are not regulated by the JSE. A copy of the Applicable Pricing Supplement relating to a Tranche of Notes which is to be listed on the Interest Rate Market of the JSE will be delivered to the JSE and the CSD, on or before the Issue Date, and the Notes in that Tranche may be traded by or through members of the JSE from the date specified in the Applicable Pricing Supplement, in accordance with the Applicable Procedures. The settlement of trades on the JSE will take place in accordance with the electronic settlement procedures of the JSE and the CSD for trades done through the JSE.

The Notes may be issued on a continuing basis and be placed by one or more of the Dealer(s) specified under the section headed "*Summary of the Programme*" and any additional Dealer(s) appointed under the Programme from time to time by the Issuer, which appointment may be for a specific issue or on an ongoing basis. Reference in this Programme Memorandum to the "**relevant Dealer**" shall, in the case of Notes being (or intended to be) placed by more than 1 (one) Dealer, be to all Dealers agreeing to place such Notes.

As at the Programme Date, the Payment Guarantor is rated. The Programme, Issuer and the Notes are not rated but may after the Programme Date be rated by a Rating Agency on a national or international scale basis. A Tranche of Notes may, on or before the Issue Date, be rated by a Rating Agency on a national scale or international scale basis. Unrated Tranches of Notes may also be issued. The Applicable Pricing Supplement will reflect the Rating, if any, which has been assigned to the Issuer and/or the Notes and/or the Programme and/or a Tranche of Notes, as the case may be, as well as the Rating Agency or Rating Agencies which assigned such Rating(s).

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#### **Arranger**

CreditInnovation Proprietary Limited

#### **Dealers**

Rand Merchant Bank,  
a division of FirstRand Bank Limited  
CreditInnovation Proprietary Limited

#### **JSE Debt Sponsor**

Rand Merchant Bank,  
a division of FirstRand Bank Limited

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## IMPORTANT NOTICE

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*Capitalised terms used in this section headed "Important Notice" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.*

The Issuer certifies that to the best of its knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made as well as that this Programme Memorandum 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 this Programme Memorandum, its annual audited financial statements, any Applicable Pricing Supplements and any amendments or supplements to the aforementioned documents, except as otherwise stated therein.

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

The Issuer, having made all reasonable enquiries, confirms that this Programme Memorandum contains or incorporates all information which is material in the context of the issue and the offering of the Notes, that the information contained or incorporated in this Programme Memorandum is true and accurate in all material respects and is not misleading, that the opinion and the intentions expressed in this Programme Memorandum are honestly held and that there are no other facts, the omission of which would make this Programme Memorandum or any of such information or expression of any such opinions or intentions, misleading in any material respect.

This document is to be read and construed with any amendment or supplement thereto (this document, as amended or supplemented, the **Programme Memorandum**) in conjunction with all documents which are deemed to be incorporated herein by reference (see section of this Programme Memorandum entitled "*Documents Incorporated by Reference*") and, in relation to any Tranche or Series (both as defined herein) of Notes, should be read and construed together with the relevant Applicable Pricing Supplement. This Programme Memorandum shall be read and construed on the basis that such documents are incorporated into and form part of this Programme Memorandum.

The Arranger, the Dealer(s), the JSE Debt Sponsor or any of their respective subsidiaries or holding companies or a subsidiary of their holding companies (**Affiliates**), other professional advisers named herein and the JSE have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Arranger, the Dealer(s), the JSE Debt Sponsor, any Affiliates or other professional advisers as to the accuracy or completeness of the information contained in this Programme Memorandum or any other information provided by the Issuer. The Arranger, the Dealer(s), the JSE Debt Sponsor, any Affiliates and other professional advisers do not accept liability in relation to the information contained in the Programme Memorandum or any other information provided by the Issuer in connection with the Programme.

No person has been or is authorised to give any information or to make any representation concerning the Notes and/or the issue of the Notes not contained in or not consistent with this Programme Memorandum or any other information supplied in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger, the Dealer(s), the JSE Debt Sponsor, any Affiliates and/or any other professional adviser.

Neither this Programme Memorandum nor any other information supplied in connection with the Notes constitutes the rendering of financial or investment advice by the Issuer, the Arranger or any of the other professional advisors and is not intended to provide the basis of any credit or other evaluation,

and accordingly, should not be construed as a recommendation by the Issuer, the Arranger, the Dealer(s), the JSE Debt Sponsor, any Affiliates or any of the other professional advisers that any recipient of this Programme Memorandum or any other information supplied in connection with the Notes should purchase any Notes.

Each person contemplating the subscription for, or purchase of, any Notes should determine for itself the relevance of the information contained in this Programme Memorandum and should make its own independent investigation of the financial condition and affairs and its own appraisal of the creditworthiness of the Issuer and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience and any other factors which may be relevant to it in connection with such investment. Neither this Programme Memorandum, nor any Applicable Pricing Supplement nor any other information supplied in connection with the Programme constitutes an offer or an invitation by or on behalf of the Issuer, the Arranger, the Dealer(s), the JSE Debt Sponsor or any Affiliates to subscribe for or purchase any of the Notes in any jurisdiction in which such offer or invitation is not authorised or to any person to whom it is unlawful to make such an offer or invitation.

Neither this Programme Memorandum nor any Applicable Pricing Supplement constitutes an offer to sell or the solicitation of an offer to buy or an invitation to subscribe for or purchase any Notes. The distribution of this Programme Memorandum and any Applicable Pricing Supplement and the issue, sale or offer of Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Programme Memorandum or any Applicable Pricing Supplement or any Notes come are required by the Issuer, the Arranger, the Dealer(s), the JSE Debt Sponsor, any of their Affiliates and other professional advisers to inform themselves about, and observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Programme Memorandum or any Applicable Pricing Supplement and other offering material relating to the Notes, see the section headed "*Subscription and Sale of Notes*".

None of the Issuer, the Arranger, each Dealer, the JSE Debt Sponsor, any Affiliate or any other professional adviser represents that this Programme Memorandum may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arranger, the Dealer(s), the JSE Debt Sponsor, any of their Affiliates or other professional advisers which would permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Programme Memorandum nor any advertisement nor other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any Applicable Laws and regulations. The Dealer(s) has represented that all offers and sales by it will be made on the same terms.

**The Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the Securities Act). Notes may not be offered, sold or delivered within the United States of America or to U.S. Persons except in accordance with Regulation S under the Securities Act.**

In connection with the issue and distribution of any Tranche of Notes under the Programme, the relevant Dealer(s), if any, that is specified in the Applicable Pricing Supplement as the Stabilising Manager (or any Person acting for the Stabilising Manager) may, if specified in that Applicable Pricing Supplement and only if such stabilising is permitted by the debt listings requirements of the JSE and approved by the JSE, over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on the Stabilising Manager (or any agent of the Stabilising Manager) to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilising shall be in compliance with all Applicable Laws, regulations and rules.

The price/yield and amount of a Tranche of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

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## DOCUMENTS INCORPORATED BY REFERENCE

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

The following documents shall be deemed to be incorporated in, and to form part of, this Programme Memorandum:

- (a) all amendments and/or supplements to this Programme Memorandum prepared by the Issuer from time to time;
- (b) each Applicable Pricing Supplement relating to any Tranche of Notes issued under the Programme;
- (c) each Payment Guarantee relating to any Tranche of Notes issued under the Programme;
- (d) the letter from the Auditor of the Issuer confirming the current dormancy of the Issuer and that no liabilities of the Issuer have been created;
- (e) the published audited annual financial statements, and notes thereto, of the Issuer for further financial years, as and when such published audited financial statements become available;
- (f) the audited annual financial statements, and notes thereto, of the Payment Guarantor for the financial years ended 30 June 2015, 2016 and 2017 and the audited annual financial statements, and notes thereto, of the Payment Guarantor for further financial years, as and when such audited annual financial statements become available;
- (g) the schedule of the application by the Issuer of the King Code on Corporate Governance in South Africa 2016 (the **King IV Schedule**); and
- (h) all information pertaining to the Issuer which is relevant to the Programme and/or this Programme Memorandum which will be electronically submitted through the Stock Exchange News Service (**SENS**) or similar service established by the JSE, to SENS subscribers, if required,

save that any statement contained in this Programme Memorandum or in any of the documents incorporated by reference in and forming part of this Programme Memorandum shall be deemed to be modified or superseded for the purpose of this Programme Memorandum to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

The Issuer will, for as long as any Note remains Outstanding, provide at its registered office as set out at the end of this Programme Memorandum, without charge, a copy of all of the documents which are incorporated herein by reference, unless such documents have been modified or superseded, in which case the modified or superseding documentation will be provided, including the most recently obtained beneficial disclosure report made available by the Participant to the CSD. Requests for such documents should be directed to the Issuer at its registered office as set out at the end of this Programme Memorandum. In addition, the constitutive documents of the Issuer and the Payment Guarantor will be available at the registered office of the Issuer as set out at the end of this Programme Memorandum.

This Programme Memorandum, any amendments and/or supplements thereto, the Applicable Pricing Supplements relating to any issue of listed Notes, the audited annual financial statements of the Issuer, each Payment Guarantee and the King IV Schedule are also available for inspection on the Issuer’s website at [www.ssiscf.com](http://www.ssiscf.com). The annual audited financials of the Payment Guarantor will be available on the Payment Guarantor’s website at [www.santam.co.za/products/specialist/structured-insurance](http://www.santam.co.za/products/specialist/structured-insurance). In addition, this Programme Memorandum, any amendments and/or supplements thereto and the Applicable Pricing Supplements relating to any issue of listed Notes will be filed with the JSE which will publish such documents on its website at [www.jse.co.za](http://www.jse.co.za). This Programme Memorandum does not constitute an offer or invitation by or on behalf of the Issuer, the Arranger, the Dealer(s) or their Affiliates, the JSE Debt Sponsor or any other professional advisors to any Person in any jurisdiction to subscribe for or purchase any Notes.

The Issuer will, for so long as any Note remains Outstanding and listed on the Interest Rate Market of the JSE, publish a new Programme Memorandum or a supplement to this Programme Memorandum, as the case may be, if:

- (i) a change in the condition (financial or trading position) of the Issuer has occurred which is material in the context of the Notes so listed and the Issuer's payment obligations thereunder; or
- (ii) an event has occurred which affects any matter contained in this Programme Memorandum, the disclosure of which would reasonably be required by Noteholders and/or potential investors in the Notes; or
- (iii) any of the information contained in this Programme Memorandum becomes outdated in a material respect; or
- (iv) this Programme Memorandum no longer contains all the material correct information required by the Applicable Procedures,

provided that, in the circumstances set out in paragraphs (iii) and (iv) above, no new Programme Memorandum or supplement to this Programme Memorandum, as the case may be, is required in respect of the Issuer's or the Payment Guarantor's audited annual financial statements if such audited annual financial statements are incorporated by reference into this Programme Memorandum and such audited annual financial statements are published, as required by the Companies Act.

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## GENERAL DESCRIPTION OF THE PROGRAMME

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*Capitalised terms used in this section headed “General Description of the Programme” shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.*

The Issuer may from time to time issue one or more Tranches of Notes under the Programme, pursuant to this Programme Memorandum, provided that the aggregate Outstanding Nominal Amount of all of the Notes issued under the Programme from time to time does not exceed the Programme Amount.

A Tranche of Notes may be listed on the Interest Rate Market of the JSE, subject to Applicable Laws. If the Issuer issues a Tranche of Notes listed the JSE, the Issuer will, by no later than the last Day of the month of issue of that Tranche of Notes, inform the JSE in writing of the aggregate Nominal Amount and the Maturity Date (if any) of that Tranche of Notes.

This Programme Memorandum and any supplement thereto will only be valid for the issue of Notes in an aggregate Nominal Amount that, when added to the aggregate Nominal Amount then Outstanding of all the Notes previously or simultaneously issued under the Programme, does not exceed ZAR1,000,000,000.

From time to time the Issuer may wish to increase the Programme Amount. Subject to the Applicable Procedures, all Applicable Laws and the Programme Agreement (as defined in the section headed “*Subscription and Sale of Notes*”), the Issuer may, without the consent of Noteholders, increase the Programme Amount by delivering a notice thereof to the Noteholders in accordance with Condition 19 (*Notices*) of the Terms and Conditions, and to the Arranger, the Dealer(s), the JSE and the CSD. Upon such notice being given to the Noteholders and the conditions set out in the Programme Agreement to exercise this right having been met, all references in this Programme Memorandum (and each agreement, guarantee, deed or document relating to the Programme and/or this Programme Memorandum) to the Programme Amount will be, and will be deemed to be, references to the increased Programme Amount set out in such notice.

This Programme Memorandum will only apply to Notes issued under the Programme on or after the Programme Date.

A summary of the Programme and the Terms and Conditions appears below under the section headed “*Summary of the Programme*”.

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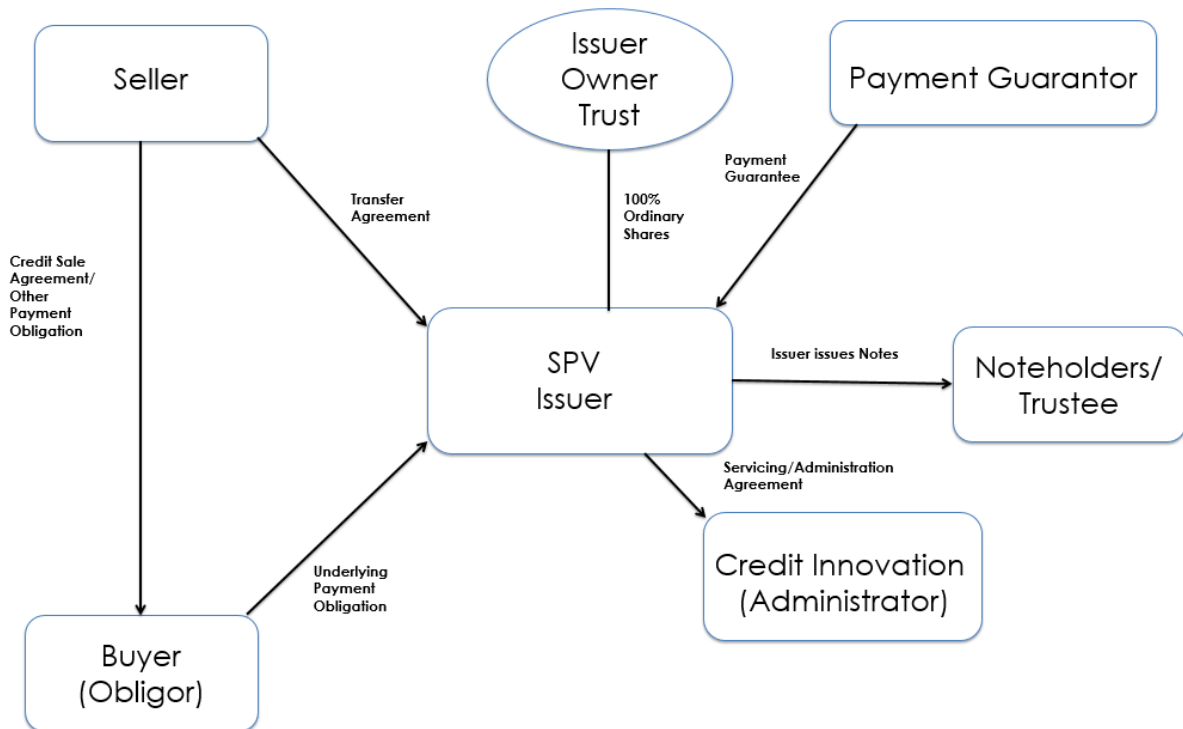
## STRUCTURE

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*Capitalised terms used in this section headed “Structure” shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.*

The following summary does not purport to be complete and is qualified in its entirety by reference to the detailed information appearing elsewhere in this Programme Memorandum and to the documents incorporated herein by reference as well as the Applicable Pricing Supplement relating to the Notes.

The structure for each Transaction can be illustrated by the following example –



Each Transaction entered into by the Issuer will be separate from all other Transactions in that each Noteholder's recourse under any particular Transaction will be limited to the assets held by the Issuer under that Transaction and the Noteholder will have no other recourse to the Issuer or any other assets of the Issuer. Under each Transaction -

- the Issuer will acquire one or more Underlying Payment Obligation(s) (eg. a loan agreement, credit sale agreement, trade supply agreement, acknowledgment of debt, promissory note and/or other payment obligation meeting the Eligibility Criteria) from a Seller on the Issue Date at a discount. Pursuant to a Transfer Agreement concluded between the Issuer and the relevant Seller, all transfers of Underlying Payment Obligations will be made on a non-recourse basis and each Underlying Payment Obligation transferred thereunder will relate to a single Obligor;
- the Issuer will finance its acquisition of the Underlying Payment Obligations through the issue of Notes which Notes will all be issued subject to the Terms and Conditions set out in this Programme Memorandum, as amended and/or supplemented by each relevant Applicable Pricing Supplement;
- the principal amount of the Notes and any interest will match the full amount repayable by the Obligor under the Underlying Payment Obligation(s);
- the Issuer will receive the benefit of the Payment Guarantee from the Payment Guarantor in relation to the full principal and interest amounts it is entitled to receive in respect of the relevant Underlying Payment Obligation for each Transaction. The principal and interest amounts



payable by the Issuer in respect of each Note issuance will reflect the credit risk of the Payment Guarantor;

- on the Redemption Date of any Note, subject to the payment of all prior ranking Transaction Creditors from the amount recovered from the Obligor in respect of the Underlying Payment Obligation(s) and any remaining proceeds from the issuance of such Notes in terms of the Priority of Payments set out in Condition 11.2 (*Enforcement of Priority of Payments*) (unless otherwise stated in the Applicable Pricing Supplement), the Issuer will pay any applicable interest on the Notes and the Redemption Amount to the relevant Noteholder. The Redemption Amount of a Note together with any interest at maturity will be equal to (i) the full amount recovered by the Issuer from the Obligor in respect of the Underlying Payment Obligations to which such Note relates or, (ii) if applicable, the combined recovery value of a portion of the Underlying Payment Obligation and the amount recovered by the Issuer under the Payment Guarantee, together representing the full amount outstanding under the Underlying Payment Obligation, at all times subject to the Priority of Payments set out in Condition 11 (*Priority of Payments*);
- if there are any surplus funds available once the Noteholders have been paid on the Redemption Date and after the Payment Guarantor has been paid any net settlement amount under the Payment Guarantee, then the Issuer will pay any surplus amounts to the Administrator as a discretionary fee; and
- if the Issuer is required to claim under the Payment Guarantee, upon payment by the Payment Guarantor to the Issuer, the Issuer will transfer the relevant Underlying Payment Obligation to the Payment Guarantor.

CreditInnovation has been appointed to assist and advise the Issuer, in its capacity as Administrator, in relation to the conduct of its business, as described above.

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## TRANSFER OF UNDERLYING PAYMENT OBLIGATIONS

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*Capitalised terms used in this section headed “Transfer of Underlying Payment Obligation” shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.*

In terms of the Programme, the Issuer will be entitled to acquire from a Seller certain Underlying Payment Obligations meeting the Eligibility Criteria, issued by the Obligor, pursuant to a Transfer Agreement. The acquisition of any Underlying Payment Obligations from a Seller will be on a non-recourse basis.

Once the Issuer has acquired an Underlying Payment Obligation, it will not deal with or otherwise encumber any such Underlying Payment Obligation other than, if the Issuer is required to claim under the Payment Guarantee, upon payment by the Payment Guarantor to the Issuer, the Issuer will transfer the relevant Underlying Payment Obligation to the Payment Guarantor. The Underlying Payment Obligation acquired under a particular Transaction will be used by the Issuer to effect payments under the Transaction Documents entered into in relation to that Transaction, all of which shall be made in accordance with the Priority of Payments specified for such Transaction.

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## PRIORITY OF PAYMENTS

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*Capitalised terms used in this section headed "Security and Priority of Payments" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.*

In relation to each Transaction, the Notes will be limited recourse obligations of the Issuer only. In relation to such Transaction, the Issuer's obligations under the Notes will not be directly secured by the assets of the Issuer.

The Priority of Payments for each Transaction sets out the priority in accordance with which the Transaction Creditors in relation to that Transaction will be paid. Amounts payable at any time to any Transaction Creditor of the Issuer in relation to a particular Transaction and bound in terms of the Priority of Payments applicable to that Transaction will only be made if, and to the extent that there are sufficient funds available for such payment (or provision for such payment), payment has been made in full to all Transaction Creditors of the Issuer in relation to that Transaction ranking higher than the first mentioned Transaction Creditor in terms of the aforementioned Priority of Payments. Prior to and subsequent to the delivery of an Enforcement Notice, the Priority of Payments pursuant to Condition 11.2 (*Enforcement of Priority of Payments*) will apply.

Payments of amounts due by the Issuer to the Noteholders and other Transaction Creditors pursuant to the relevant Transaction will be made strictly in accordance with the Priority of Payments for that Transaction insofar as same relates to such Transaction Creditors.

In relation to each Transaction, if the Issuer is required to claim under the Payment Guarantee, upon payment by the Payment Guarantor to the Issuer, the Issuer will transfer the relevant Underlying Payment Obligation to the Payment Guarantor.

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## SUMMARY OF THE PROGRAMME

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*The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Programme Memorandum and, in relation to the Terms and Conditions of any particular Tranche of Notes, the Applicable Pricing Supplement. Words and expressions defined in the Terms and Conditions shall have the same meanings in this summary.*

### PARTIES

<b>Account Bank</b>	Rand Merchant Bank, a division of FirstRand Bank Limited (registration number 1929/001225/06), a public company incorporated in accordance with the company laws of South Africa, in its capacity as such.
<b>Administrator</b>	CreditInnovation Proprietary Limited (registration number 2013/210016/07), a private company incorporated in accordance with the company laws of South Africa ( <b>CreditInnovation</b> ).
<b>Arranger</b>	CreditInnovation.
<b>Calculation Agent</b>	CreditInnovation, unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as Calculation Agent in respect of that Tranche of Notes, as indicated in the Applicable Pricing Supplement.
<b>CSD</b>	Strate Proprietary Limited (registration number 1998/022242/07), a private company with limited liability duly incorporated in accordance with the company laws of South Africa and registered as a central securities depository in terms of the Financial Markets Act or such additional, alternative or successor central securities depository as may be agreed between the Issuer and the relevant Dealer(s).
<b>Dealer(s)</b>	Rand Merchant Bank, a division of FirstRand Bank Limited (registration number 1929/001225/06) and CreditInnovation or any other Dealer appointed under the Programme from time to time, which appointment may be for a specific issue of Notes or on an ongoing basis, subject to the Issuer's right to terminate the appointment of any Dealer;
<b>Issuer</b>	SSI SCF (RF) Limited (registration number 2017/448717/06), a special purpose entity and public company with limited liability duly incorporated on 6 October 2017 in accordance with the company laws of South Africa.
<b>Issuer Owner Trust</b>	The Issuer Owner Trust, a trust <i>inter vivos</i> established pursuant to the Issuer Owner Trust Deed with the sole purpose of beneficially owning all of the ordinary shares in the issued share capital of the Issuer.
<b>JSE</b>	the JSE Limited (registration number 2005/022939/06), a public company with limited liability duly incorporated in accordance with the company laws of South Africa and a licensed financial exchange in terms of the Financial Markets Act, or any exchange which operates as a successor exchange to the JSE.
<b>JSE Debt Sponsor</b>	Rand Merchant Bank, a division of FirstRand Bank Limited (registration number 1929/001225/06), in its capacity as such, or such other entity appointed by the Issuer from time to time.
<b>Noteholder Trustee</b>	GMG Corporate Services (Africa) Proprietary Limited, a private company duly incorporated in accordance with the company laws

	of South Africa with registration number 2017/157610/07, in its capacity as initial trustee under the Noteholder Trust Deed;
<b>Obligor(s)</b>	each credit receiver in respect of an Underlying Payment Obligation that meets the Eligibility Criteria.
<b>Paying Agent</b>	Rand Merchant Bank, a division of FirstRand Bank Limited (registration number 1929/001225/06), in its capacity as such, unless the Issuer elects to appoint, in relation to a particular Tranche of Notes, another entity as Paying Agent in respect of that Tranche of Notes, as indicated in the Applicable Pricing Supplement.
<b>Payment Guarantor</b>	Santam Structured Insurance Limited (formerly RMB Structured Insurance Limited) (registration number 1952/000436/06), a public company incorporated and registered in accordance with the company laws of South Africa, or such other provider of the Payment Guarantee as may be selected by the Issuer from time to time.
<b>Transfer Agent</b>	CreditInnovation or such other entity appointed by the Issuer from time to time.
<b>GENERAL</b>	
<b>Blocked Rands</b>	Blocked Rands may be used to subscribe for, or purchase, Notes, subject to the Exchange Control Regulations.
<b>Clearing and Settlement</b>	Each Tranche of Notes which is held in the CSD will be issued, cleared and settled in accordance with the Applicable Procedures through the electronic settlement system of the CSD. The CSD acts as the approved electronic clearing house, and carries on the role of matching, clearing and facilitation of settlement of all transactions carried out on the JSE. Each Tranche of Notes which is held in the CSD will be cleared by Participants who will follow the electronic settlement procedures prescribed by the JSE and the CSD (see the section of this Programme Memorandum headed " <i>Settlement, Clearing and Transfers of Notes</i> ").
<b>Denomination</b>	Notes will be issued in such denominations as may be agreed by the Issuer and the relevant Dealer(s) and as indicated in the Applicable Pricing Supplement, save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the central bank or regulator or any laws or regulations applicable to the Notes.
<b>Description of Programme</b>	SSI SCF (RF) Limited ZAR1,000,000,000 Note Programme.
<b>Distribution</b>	Notes may be distributed by way of private placement, auction or bookbuild or any other means permitted under South African law, and in each case on a syndicated or non-syndicated basis as may be determined by the Issuer and the relevant Dealer(s) and reflected in the Applicable Pricing Supplement.
<b>Form of Notes</b>	Each Tranche of Notes which is listed on the Interest Rate Market of the JSE will be issued in uncertificated form, and will be held in the CSD. The holder of a Beneficial Interest may exchange such Beneficial Interest for Notes in certificated form represented by an Individual Certificate (see the section of this Programme Memorandum headed " <i>Form of the Notes</i> ").

<b>Governing Law</b>	The Notes will be governed by and construed in accordance with the laws of South Africa in force from time to time.
<b>Interest</b>	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate, and the method of calculating interest may vary between the Issue Date and the Maturity Date.
<b>Interest Period(s)/Interest Payment Date(s)</b>	The Interest Rate, Interest Payment Date(s) and Interest Period(s), if any, applicable to a Tranche of Notes will be specified in the Applicable Pricing Supplement.
<b>Issue and Transfer Taxes</b>	As at the Programme Date, no securities transfer tax or any similar tax is payable in respect of the issue, transfer or redemption of the Notes (see the section of this Programme Memorandum headed " <i>South African Taxation</i> "). Any future transfer duties and/or taxes that may be introduced in respect of (or may be applicable to) the transfer of Notes will be for the account of Noteholders.
<b>Issue Price</b>	Notes will be issued on a fully paid basis at their Nominal Amount or at a discount or premium to their Nominal Amount as specified in the Applicable Pricing Supplement.
<b>Limited Recourse</b>	The Notes issued under each Transaction will constitute direct, limited recourse, senior obligations of the Issuer only. The Issuer's obligations under such Notes and the Transaction Documents under that Transaction will not be directly secured by any assets of the Issuer. Each Noteholder's recourse under any particular Transaction will be limited in that should an Enforcement Event in relation to that Transaction occur, the relevant Noteholders' sole recourse will be limited to the assets held by the Issuer under that Transaction. A Noteholder will not be entitled to any other recourse against the Issuer or any other assets of the Issuer and, specifically will not be entitled to liquidate the Issuer other than the limited circumstances specified in Condition 14 ( <i>Enforcement Limited</i> ). The Issuer will receive the benefit of the Payment Guarantee from the Payment Guarantor in relation to the returns it is entitled to receive in respect of the relevant Underlying Payment Obligation for each Transaction. If the Issuer is required to claim under the Payment Guarantee, upon payment by the Payment Guarantor to the Issuer, the Issuer will transfer the relevant Underlying Payment Obligation to the Payment Guarantor.
<b>Listing</b>	This Programme has been approved by the JSE. Notes issued under the Programme may be listed on the Interest Rate Market of the JSE, subject to all Applicable Laws.
<b>Maturities of Notes</b>	Such maturity(ies) as specified in the Applicable Pricing Supplement. The Notes are not subject to any minimum or maximum maturity.
<b>Notes</b>	The limited recourse Notes to be issued by the Issuer to Noteholders under the Programme. Notes will be either Zero Coupon Notes or Fixed Rate Notes or Floating Rate Notes. All Notes will be issued on the terms and conditions set out in this Programme Memorandum in the section entitled " <i>Terms and Conditions of the Notes</i> " as amended and/or supplemented by the Applicable Pricing Supplement.

<b>Payment Guarantee</b>	The guarantee provided to the Issuer by the Payment Guarantor in relation to the Underlying Payment Obligations in respect of a specific Obligor.
<b>Priority of Payments</b>	The Issuer will, in relation to each Transaction, make payments to the Noteholders and all other Transaction Creditors under that Transaction in accordance with the defined Priority of Payments for that Transaction. The rights of such Noteholder bound in terms of the aforesaid Priority of Payments will be subordinated and ranked in accordance with priority such that a payment will only be made to a Noteholder bound in terms of the Priority of Payments if and to the extent that payments or provisions of a higher priority have been made or provided for in full. Prior to and subsequent to the delivery of an Enforcement Notice under any Transaction the Priority of Payments pursuant to Condition 11.2 ( <i>Enforcement of Priority of Payments</i> ) for that Transaction will apply.
<b>Programme Amount</b>	The Issuer may issue Notes with an aggregate face value of up to ZAR1,000,000,000, or such other amount as may be agreed between the Issuer, the Arranger and the Administrator from time to time after having obtained all necessary consents and approvals (if any).
<b>Rating</b>	<p>As at the Programme Date, the Payment Guarantor is rated. The Programme, Issuer and the Notes are not rated but may after the Programme Date be rated by a Rating Agency on a national scale or international scale basis. A Tranche of Notes may also, on or before the Issue Date, be rated by a Rating Agency on a national scale or international scale basis. Unrated Tranches of Notes may also be issued. The Rating assigned to the Issuer and/or the Programme and/or the Notes, as the case may be, as well as the Rating Agency(ies) which assigned such Rating(s), will be specified in the Applicable Pricing Supplement.</p> <p>A Rating is not a recommendation to subscribe for, buy, sell or hold Notes and may be subject to revision, suspension or withdrawal at any time by the relevant Rating Agency(ies). Any adverse change in the Rating of the Issuer and/or the Programme and/or a Tranche of Notes, as the case may be, could adversely affect the trading price of all or any of the Notes. Any amendment in the Rating of the Issuer and/or the Programme and/or a Tranche of Notes, as the case may be, after the Programme Date, will be announced on SENS.</p>
<b>Redemption</b>	<p>A Tranche of Notes will, subject to the Applicable Pricing Supplement, be redeemed on the Maturity Date, as set out in Condition 9.1 (<i>Redemption and Purchase – At Maturity</i>).</p> <p>The Issuer may redeem the Notes of any Tranche at any time prior to the Maturity Date following the occurrence of a change in law and/or for tax reasons, as set out in Condition 9.2 (<i>Optional Redemption for Tax Reasons</i>), unless otherwise set out in the Applicable Pricing Supplement.</p> <p>Pursuant to Condition 9.3 (<i>Early Redemption following an Enforcement Event</i>), should an Enforcement Notice be delivered in relation to any Transaction, the Notes issued under that Transaction in respect of which such Enforcement Notice has been delivered shall be redeemed at their respective Redemption Amounts in accordance with Condition 9.4 (<i>Procedures for Redemption</i>).</p>

<b>Selling Restrictions</b>	The distribution of this Programme Memorandum and/or any Applicable Pricing Supplement and any offering or sale of or subscription for a Tranche of Notes may be restricted by law in certain jurisdictions, and is restricted by law in the United States of America, the United Kingdom, the European Economic Area and South Africa (see the section of this Programme Memorandum headed " <i>Subscription and Sale of Notes</i> "). Any other or additional restrictions which are applicable to the placing of a Tranche of Notes will be set out in the Applicable Pricing Supplement. Persons who come into possession of this Programme Memorandum and/or any Applicable Pricing Supplement must inform themselves about and observe all applicable selling restrictions.
<b>Specified Currency</b>	Rand or, subject to all Applicable Laws and, in the case of Notes listed on the Interest Rate Market of the JSE and the debt listings requirements of the JSE, such other currency as is specified in the Applicable Pricing Supplement.
<b>Stabilisation</b>	In connection with the issue and distribution of any Tranche of Notes under the Programme, the Dealer(s), if any, that is specified in the Applicable Pricing Supplement as the Stabilising Manager (or any Person acting for the Stabilising Manager) may, if specified in that Applicable Pricing Supplement and only if such stabilising is permitted by the debt listings requirements of the JSE and approved by the JSE, over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period.
<b>Taxation</b>	A summary of the applicable tax legislation in respect of the Notes, as at the Programme Date, is set out in the section of this Programme Memorandum headed " <i>South African Taxation</i> ". The summary does not constitute tax advice. Potential investors in the Notes should, before making an investment in the Notes, consult their own professional advisers as to the potential tax consequences of, and their tax positions in respect of, an investment in the Notes.
<b>Terms and Conditions</b>	The terms and conditions of the Notes are set out in the section of this Programme Memorandum headed " <i>Terms and Conditions of the Notes</i> ". The Applicable Pricing Supplements may specify other terms and conditions (which may replace, modify or supplement the Terms and Conditions) in relation to specific terms and conditions of the Notes of any Tranche of Notes or Series of Notes issued (as the case may be).
<b>Underlying Payment Obligation</b>	In relation to any Transaction, a loan, credit sale agreement, trade supply agreement, acknowledgement of debt, promissory note and/or other payment obligation entered into with a particular Obligor which may be acquired by the Issuer under the Programme from time to time.
<b>Use of Proceeds</b>	In relation to each Transaction, the Issuer will use the issue proceeds of the Notes to (i) acquire one or more Underlying Payment Obligation from the relevant Seller and (ii) to pay any Transaction Creditors in accordance with the Priority of Payments under Condition 11 ( <i>Priority of Payments</i> ).
<b>Withholding Taxes</b>	In the event that any withholding tax or such other deduction is required by law, then the Issuer will, subject to certain exceptions as provided in Condition 15 ( <i>Taxation</i> ), pay such additional



amounts as shall be necessary in order that the net amounts received by the Noteholders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, as the case may be, in the absence of such withholding or deduction.

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## INVESTOR CONSIDERATIONS

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*Capitalised terms used in this section headed "Investor Considerations" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.*

**Prospective investors should carefully consider the following investment considerations, in addition to the matters described elsewhere in this Programme Memorandum, prior to investing in the Notes. The matters set out in this section are not necessarily exhaustive and prospective investors must form their own judgement with regard to the suitability of the investment they are making.**

### ***Limited Recourse Obligations***

The liability of the Issuer to make payment on the Notes will in each case and in relation to each particular Transaction be satisfied out of the proceeds received by the Issuer in respect of the Underlying Payment Obligations entered into with the relevant Obligor to that Transaction and the Payment Guarantee. If such amounts are insufficient to make payment of the amounts payable by the Issuer in respect of the Notes issued under that Transaction, no other assets of the Issuer will be available for payment of such deficiency. No Noteholder will have any other recourse in respect of such payments against the Issuer, other than the limited circumstances specified in Condition 14 (*Enforcement Limited*).

### ***Limited Enforcement of the Notes***

The rights of Noteholders to enforce their claims directly against the Issuer will be limited on the basis set out in the Terms and Conditions.

### ***Limited Liquidity of the Notes***

There can be no assurance that a secondary market for the Notes will develop, or, if a secondary market does develop, that it will provide the Noteholders with liquidity or that it will continue for the life of the Notes. Consequently, any purchaser of, or subscriber for, the Notes must be prepared to hold such Notes for an indefinite period of time or until redemption of the Notes.

Application has been made to register the Programme on the Interest Rate Market of the JSE. Such listing may serve to enhance liquidity in the Notes, owing to increased transparency pursuant to the disclosure requirements of the JSE.

### ***Credit Rating of the Notes***

As at the Programme Date, the Payment Guarantor is rated. The Programme, Issuer and the Notes are not rated but may after the Programme Date be rated by a Rating Agency on a national scale or international scale basis. A Tranche of Notes may, on or before the Issue Date, be rated by a Rating Agency on a national scale or international scale basis.

To the extent that any Tranche of Notes is rated, such Rating is not a recommendation to subscribe for, purchase, hold or sell Notes, inasmuch as, among other things, such Rating does not comment on the market price or suitability of the Notes for a particular investor. A Rating may be subject to suspension, reduction or withdrawal at any time by the assigning Rating Agency and any adverse change in an applicable credit rating could adversely affect the trading price for the Notes issued under the Programme.

The Rating of a Tranche of Notes by the Rating Agency addresses the expected loss to maturity posed to Noteholders by the Maturity Date of such Tranche of Notes. Such Rating by the Rating Agency does not address the likelihood of repayment of the aggregate principal of any such Notes or any portion thereof before the Maturity Date. There can be no assurance that any rating agency other than the Rating Agency will issue a rating and, if so, what such rating will be. A rating assigned to a Tranche of Notes by a rating agency that has not been requested by the Issuer to do so, may be lower than the equivalent Rating assigned by the Rating Agency, or such rating agency may assign an international scale rating which could be lower than national scale ratings assigned by the Rating Agency. In addition, there can be no assurance that a Rating will remain for any given period of time or that the Rating will not be lowered or withdrawn entirely by the assigning Rating Agency if, in its judgment, circumstances in the future warrant such action. There can be no assurance of any connection between the national scale rating and any international scale rating.

## **Warranties**

The Issuer has not undertaken or will not undertake any investigations, searches or other actions in respect of the Underlying Payment Obligations, and each will rely instead on the warranties given by the Seller in the Transfer Agreement. There can be no assurance that the Seller will have the financial resources to honour its obligations under such warranties. Such obligations are not guaranteed by, nor will they be the responsibility of, any person other than the Seller and the Issuer shall not have any contractual recourse to any other person in the event that the Seller, for whatever reason, fails to meet such obligations.

## **Priority of Payments**

The claims of all Transaction Creditors are subordinated in accordance with the Priority of Payments, and the Transaction Creditors will be entitled, notwithstanding the amount of any payments owing to them under the Transaction Documents, to receive payment of sums due and payable from the Issuer, only to the extent permitted by and in accordance with the Priority of Payments.

The subordinations envisaged by the Priority of Payments, the Terms and Conditions and the other Transaction Documents are contractual in nature, and their enforcement against the parties to the Transaction Documents and against third parties is limited accordingly. In particular, creditors of the Issuer who are not parties to the Transaction Documents may not be bound by the Priority of Payments and may, accordingly, be entitled under Applicable Law to assert a payment priority inconsistent with the ranking otherwise accorded to them in the Priority of Payments.

As described below in the paragraph “*Insolvency of the Issuer*”, the Issuer is structured as an insolvency remote, ring-fenced special purpose entity which limits the risk of external creditors who are not bound by the Priority of Payments.

## **Reliance placed on the Obligor and Payment Guarantor**

To the extent that one or more Underlying Payment Obligations and/or Payment Guarantees are entered into in relation to any Transaction, the ability of the Issuer to meet its obligations under the Notes relating to that Transaction will be dependent, in part, on receipt of payments from the relevant Obligor and/or the Payment Guarantor. If the relevant Obligor and/or Payment Guarantor defaults under its obligations to make payment in terms of any Underlying Payment Obligations or the Payment Guarantee, as the case may be, the Issuer may not be able to meet its obligations under the Notes issued in relation thereto.

## **Conflicts of Interest**

CreditInnovation and/or the Payment Guarantor and/or certain of their affiliates may act in a number of capacities in connection with the Programme and the issuance of Notes thereunder, and further may act for and on behalf of the Obligors as corporate/financial advisor or otherwise. CreditInnovation, the Payment Guarantor and each of their affiliates, acting in such capacities, will have only the duties and responsibilities expressly agreed to by such entity in the relevant capacity in which it acts and will not, by virtue of them or any of their affiliates acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to be held to a standard of care other than as is expressly provided for in relation to such capacity. CreditInnovation, the Payment Guarantor and/or their affiliates in their various capacities may enter into business dealings, including the acquisition of investment securities, from which they may derive revenues and/or profits in addition to the fees stated in the various Transaction Documents, without any duty to account therefore, and may act with respect to such business in the same manner as if the Notes had not been issued, regardless of whether such action might have an adverse effect on any Obligor in respect thereof or otherwise.

## **Insolvency of the Issuer**

The Issuer has been structured as an insolvency remote, ring-fenced special purpose vehicle, a structure which limits the risk of third party creditors who are not bound by the Transaction Documents of each Transaction. However, there may be third party creditors of the Issuer that are not contractually bound by the non-petition undertakings contained in the Transaction Documents, including the tax authorities and certain administrative creditors. A Transaction Creditor contracts with the Issuer on the basis that it will not bring an application for the winding up of the Issuer until two years after the Issuer has notified that Transaction Creditor that it has no further assets for payment of amounts purportedly outstanding or owing by it in relation to that Transaction.

If, notwithstanding the ring-fenced structure, there is an external creditor not bound to the non-petition undertakings contained in the Transaction Documents, on the winding up of the Issuer such external creditor may rank *pari passu* with or ahead of the Transaction Creditors, depending on the statutory

preference of claims in terms of the Insolvency Act, 1936, in regard to the assets of the Issuer which are not secured under the Transaction Documents.

***Suitability of Investment***

This Programme Memorandum identifies some of the information that a prospective Noteholder should consider prior to making an investment in the Notes. However, this Programme Memorandum does not purport to provide all of the information or the comprehensive analysis necessary to evaluate the economic and other consequences of investing in such Notes. Therefore, a prospective Noteholder should conduct its own thorough analysis, including its own accounting, legal and tax analysis, prior to deciding whether to invest in any Notes. Any evaluation of whether an investment in any Notes is suitable depends upon a prospective Noteholder's particular financial needs and other circumstances, as well as on the specific terms of the Notes. A prospective Noteholder should make an investment in any Notes only after it has determined that such investment is suitable for its financial investment objectives. This Programme Memorandum is not, and does not purport to be, investment advice.

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## FORM OF THE NOTES

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*Capitalised terms used in this section headed “Form of the Notes” shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.*

### **Notes issued in certificated form**

All certificated Notes will be represented by a single Individual Certificate in registered form. Notes represented by Individual Certificates will be registered in the Register in the name of the individual Noteholders of such Notes.

Subject to the Applicable Laws, title to Notes represented by Individual Certificates will be freely transferable and will pass upon registration of transfer in accordance with Condition 18.2 (*Transfer of Notes represented by Individual Certificates*) of the Terms and Conditions.

The Issuer shall regard the Register as the conclusive record of title to the Notes represented by Individual Certificates.

Payments of all amounts due and payable in respect of Notes represented by Individual Certificates will be made in accordance with Condition 10 (*Payments*) of the Terms and Conditions to the Person reflected as the registered Noteholder of such Notes in the Register at 17h00 (South African time) on the Last Day to Register, and the payment obligations of the Issuer will be discharged by proper payment to or to the order of such registered holder in respect of each amount so paid.

### **Notes issued in uncertificated form**

A Tranche of Notes which is listed on the Interest Rate Market of the JSE will, subject to Applicable Laws and Applicable Procedures, be issued in uncertificated form in terms of section 33 of the Financial Markets Act.

Notes issued in uncertificated form will not be represented by any certificate or written instrument. A Tranche of Notes issued in uncertificated form will be held by the CSD, and the relevant Noteholder will be named in the CSD register as the registered holder of that Tranche of Notes.

### **Beneficial Interests in Notes held in the CSD**

A Tranche of Notes which is listed on the Interest Rate Market of the JSE will be issued in uncertificated form and held in the CSD. A Tranche of unlisted Notes may also be held in the CSD. While a Tranche of Notes is held in the CSD, the relevant Noteholder will be named in the CSD register as the sole Noteholder of the Notes in that Tranche.

The CSD will hold each Tranche of Notes subject to the Financial Markets Act and the Applicable Procedures. All amounts to be paid in respect of Notes held in the CSD will be paid to the relevant Participant on behalf of the relevant Noteholder pursuant to the Applicable Procedures. All rights to be exercised in respect of Notes held in the CSD will be exercised by the relevant Noteholder.

The CSD maintains central securities accounts for Participants. As at the Programme Date, the Participants are Citibank N.A. South Africa Branch, FirstRand Bank Limited, Nedbank Limited, Standard Chartered Bank, Johannesburg Branch, Société Générale, Johannesburg Branch, The Standard Bank of South Africa Limited and the South African Reserve Bank.

Euroclear Bank S.A./N.V. as operator of the Euroclear System (**Euroclear**) and Clearstream Banking, société anonyme, (Clearstream Luxembourg) (**Clearstream**) may hold Notes through their respective Participant.

In relation to each Person shown in the records of the CSD or the relevant Participant, as the case may be, as the holder of a Beneficial Interest in a particular Outstanding Nominal Amount of Notes, a certificate or other document issued by the CSD or the relevant Participant, as the case may be, as to the Outstanding Nominal Amount of such Notes standing to the account of any Person shall be *prima facie* proof of such Beneficial Interest. However, the registered holder of such Notes named in the CSD register will be treated by the Issuer, the Paying Agent, the Transfer Agent and the CSD as the holder of that Outstanding Nominal Amount of such Notes for all purposes.

Subject to Applicable Laws and the Applicable Procedures, title to Beneficial Interests held by Noteholders through the CSD will be freely transferable and pass on transfer thereof by electronic book entry in the central securities accounts maintained by the CSD or relevant Participants for such Noteholders. Noteholders of Beneficial Interests vote in accordance with the Applicable Procedures.

The holder of a Beneficial Interest will only be entitled to exchange such Beneficial Interest for Notes represented by an Individual Certificate in accordance with Condition 16 (*Exchange of Beneficial Interests and Replacement of Individual Certificates*) of the Terms and Conditions.

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## PRO FORMA APPLICABLE PRICING SUPPLEMENT

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Set out below is the form of Applicable Pricing Supplement that will be completed for each Tranche of Notes issued under the Programme:



### SSI SCF (RF) LIMITED

(Incorporated in the Republic of South Africa with limited liability under registration number 2017/448717/06)

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
Under its ZAR1,000,000,000 Note Programme**

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum, dated 23 February 2018, prepared by SSI SCF (RF) Limited in connection with the SSI SCF (RF) Limited ZAR1,000,000,000 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. To the extent that certain provisions of the *pro forma* Applicable Pricing Supplement do not apply to the Notes described herein, they may be deleted in this Applicable Pricing Supplement or indicated to be not applicable.

None of the Issuer, the JSE Debt Sponsor, the Arranger, the Dealer(s), the Manager(s), the Calculation Agent, the Paying Agent, the Transfer Agent, the Administrator, the Payment Guarantor nor any other party referred to herein in any way guarantees the capital value and/or performance of the Notes.

None of the JSE Debt Sponsor, the Arranger, the Dealer(s), the Manager(s), the Calculation Agent, the Paying Agent, the Transfer Agent, the Administrator, the Payment Guarantor nor any other party referred to herein guarantees the payment of interest or the repayment of principal due on the Notes or the obligations of the Issuer.

Any reference in this Applicable Pricing Supplement to the credit ratings of various parties and/or the Notes is not a recommendation to buy, sell or hold the Notes. The rating is subject to revision, suspension or withdrawal at any time by the Rating Agency. No Rating Agency has been involved in the preparation of this Applicable Pricing Supplement.

#### PARTIES

1.	Issuer	SSI SCF (RF) Limited
2.	Dealer(s)	[ ]
3.	Manager(s)	[ ]
4.	JSE Debt Sponsor	[ ]
5.	Paying Agent	[ ]
	Specified Office	[ ]
6.	Calculation Agent	[ ]

	Specified Office	[ ]
7.	Settlement Agent	[ ]
	Specified Office	[ ]
8.	Transfer Agent	[ ]
	Specified Office	[ ]
9.	Noteholder Trustee	[ ]
10.	Payment Guarantor	[ ]

#### **PROVISIONS RELATING TO THE NOTES**

11.	Status of Notes	[Senior/Subordinated] [Secured/Unsecured]
12.	Form of Notes	[Listed] Notes, issued in [uncertificated form and held by the CSD] / [certificated form represented by an Individual Certificate(s)]
13.	Series Number	[ ]
14.	Tranche Number	[ ]
15.	Aggregate Nominal Amount:	
	(a) Series	[ ]
	(b) Tranche	[ ]
16.	Interest	[Interest-bearing/Non-interest-bearing]
17.	Interest Payment Basis	[Fixed Rate/Floating Rate/Zero Coupon]
18.	Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another	[Insert details including date for conversion]
19.	Issue Date	[ ]
20.	Nominal Amount per Note	[ ]
21.	Specified Denomination	[ ]
22.	Specified Currency	[ ]
23.	Issue Price	[ ]
24.	Interest Commencement Date	[ ]
25.	Maturity Date	[ ]
26.	Applicable Business Day Convention	[Floating Rate Business Day / Following Business Day / Modified Following Business Day / Preceding Business Day / other convention – <i>insert details</i> ]
27.	Final Redemption Amount	[ ]
28.	Last Day to Register	[ ]
29.	Books Closed Period(s)	The Register will be closed from [...] to [...] and from [...] to [...] (all dates inclusive) in each year until the Maturity Date
30.	Default Rate	[ ]

#### **FIXED RATE NOTES**

31.	(a) Fixed Rate of Interest	[ ] percent. per annum [payable [annually/semi-annually/quarterly] in arrear]
	(b) Fixed Interest Payment Date(s)	[ ] in each year up to and including the



		Maturity Date/other
	(c) Fixed Coupon Amount(s)	[ ] per [ ] in Nominal Amount
	(d) Initial Broken Amount	[ ]
	(e) Final Broken Amount	[ ]
	(f) Day Count Fraction	[ ]
	(g) Any other terms relating to the particular method of calculating interest	[ ]
<b>FLOATING RATE NOTES</b>		
32.	(a) Floating Interest Payment Date(s)	[ ]
	(b) Interest Period(s)	[ ]
	(c) Definition of Business Day (if different from that set out in Condition 1 ( <i>Interpretation</i> ))	[ ]
	(d) Minimum Rate of Interest	[ ] percent per annum
	(e) Maximum Rate of Interest	[ ] percent per annum
	(f) Other terms relating to the method of calculating interest (e.g.: Day Count Fraction, rounding up provision)	[ ]
33.	Manner in which the Rate of Interest is to be determined	[ISDA Determination]/[Screen Rate Determination (Reference Rate plus Margin)]/[other – <i>insert details</i> ]
34.	Margin	[[ ] basis points/ [ ] percent] to be added to/subtracted from the relevant ISDA Rate/Reference Rate]
35.	If ISDA Determination	
	(a) Floating Rate	[ ]
	(b) Floating Rate Option	[ ]
	(c) Designated Maturity	[ ]
	(d) Reset Date(s)	[ ]
	(e) ISDA Definitions to apply	[ ]
36.	If Screen Determination:	
	(a) Reference Rate (including relevant period by reference to which the Rate of Interest is to be calculated)	[ ]
	(b) Interest Rate Determination Date(s)	[ ]
	(c) Relevant Screen Page and Reference Code	[ ]
37.	If Rate of Interest to be calculated otherwise than by ISDA Determination or Screen Determination, insert basis for determining Rate of Interest/Margin/Fallback provisions	[ ]
38.	Calculation Agent responsible for calculating amount of principal and	[ ]

interest

### ZERO COUPON NOTES

39. (a) Implied Yield [ ]
- (b) Reference Price Percent [NACA] [NACM] [NACQ] [NACS]  
[other method of compounding]
- (c) Any other formula or basis for determining amount(s) payable [ ]

### OTHER NOTES

40. If the Notes are not Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or if the Notes are a combination of any of the foregoing, set out the relevant description and any additional Terms and Conditions relating to such Notes. [ ]

### PROVISIONS REGARDING REDEMPTION/MATURITY

41. Early Redemption Amount(s) payable on redemption for taxation reasons, at the option of the Issuer in terms of Condition 9.2 (*Optional Redemption for Tax Reasons*) or following an Enforcement Event in terms of Condition 9.3 (*Early Redemption following an Enforcement Event*) (if required or if different from that set out in the relevant Conditions). [Yes/No]
- If yes:
- (a) Amount payable; or [ ]
- (b) Method of calculation of amount payable [ ]

### GENERAL

42. Listing [ ]
43. Additional selling restrictions [ ]
44. ISIN No. [ ]
45. Stock Code [ ]
46. Stabilising manager [ ]
47. Provisions relating to stabilisation [ ]
48. Method of distribution [Auction/Bookbuild/Private Placement]
49. Rating assigned to the [ ]/[issue date and renewal date of rating to be specified]  
[Issuer]/[Programme]/[Notes]/[Payment Guarantor]
50. Rating Agency [ ]
51. Governing law (if the laws of South Africa are not applicable) [ ]
52. Exchange Control Approval (if required) [Yes/No]
53. Fees payable by Issuer [ ]
54. Other provisions See Annexure "A" for Features of the Underlying Payment Obligation  
See Annexure "B" for the Form of Payment

Guarantee

[Other Enforcement Events in addition to the Enforcement Events referred to in Condition 1 (Interpretation)] [Other covenants, provisions]

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

55. Paragraph 3(5)(a)

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

56. 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.

57. Paragraph 3(5)(c)

The Auditor of the Issuer is [insert].

58. Paragraph 3(5)(d)

As at the date of this issue:

- (i) the Issuer has [not issued]/[issued ZAR[•],000,000,000] Commercial Paper (as defined in the Commercial Paper Regulations); and
- (ii) the Issuer estimates that it may issue [ZAR[•],000,000,000] of Commercial Paper during the current financial year, ending [Insert].

59. 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 the Applicable Pricing Supplement.

60. Paragraph 3(5)(f)

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

61. Paragraph 3(5)(g)

The Notes issued will be [listed].

62. 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.

63. Paragraph 3(5)(i)

[Insert], the Auditor of the Issuer, have confirmed that [their review did not reveal anything which indicates / nothing has come to their attention to indicate] that this issue of Notes issued under the Programme will 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 which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made, as well as that the Programme Memorandum contains all information required by law and the debt listings requirements of the JSE. The Issuer accepts full responsibility for the accuracy of the information contained in the Programme Memorandum, its annual audited financial statements, this Applicable Pricing Supplement and any amendments or supplements to the aforementioned documents, except as otherwise stated therein.

As at the date of this Applicable Pricing Supplement, the Issuer confirms that the authorised Programme Amount of ZAR1,000,000,000 has not been exceeded.

Application [**is hereby**] made to list this issue of Notes [**on • ••••**].

**SIGNED** at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 20●●

For and on behalf of

**SSI SCF (RF) LIMITED**

\_\_\_\_\_  
Name:  
Capacity: Director  
Who warrants his/her authority hereto

\_\_\_\_\_  
Name:  
Capacity: Director  
Who warrants his/her authority hereto

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**FEATURES OF THE UNDERLYING PAYMENT OBLIGATION**


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**DETAILS OF THE UNDERLYING PAYMENT OBLIGATION**

- |     |   |   |
|-----|---|---|
| 1.  | Obligor   | [ ]   |
| 2.  | Seller  | [ ]   |
| 3.  | Administrator   | [ ]   |
| 4.  | Payment Guarantor   | Santam Structured Insurance Limited (formerly RMB Structured Insurance Limited) (registration number 1952/000436/06), a public company incorporated and registered in accordance with the laws of South Africa  |
| 5.  | Underlying Payment Obligation                                     | The ZAR[ <i>insert nominal value</i> ] [ <i>loan credit sale agreement/ acknowledgement of debt/ promissory note /insert other if applicable</i> ] entered into between the Obligor and the Seller which has been transferred to the Issuer pursuant to the Transfer Agreement [ <i>insert details regarding payment of principal and interest</i> ] [ <i>if there is more than one Underlying Payment Obligation, include details of all Underlying Payment Obligations and their values</i> ] |
| 6.  | Underlying Payment Obligation Maturity Date                       | [ ]   |
| 7.  | Underlying Payment Obligation Payment Periods                     | [ ] [ <i>daily/monthly/quarterly</i> ]  |
| 8.  | Rating of Underlying Payment Obligation (if applicable)           | [ ] [N/A]   |
| 9.  | Account Bank  | [ ]   |
| 10. | Legal jurisdiction where Underlying Payment Obligation is located | [South Africa/other]  |
| 11. | Collections Account   | the bank account number [•] in the name of the Issuer opened at the Account Bank in accordance with the Account Bank Agreement into which amounts received by the Issuer, in respect of the Underlying Payment Obligation and any proceeds from any claims under the Payment Guarantee, are to be paid [ <i>insert details of expected collection dates for payments under the Underlying Payment Obligation(s)</i> ]   |
| 12. | Weighted average time to maturity                                 | [N/A] [ <i>The repayment terms of the Underlying Payment Obligation will not exceed 6 (six) months and will match the terms of the Notes.</i> ][ <i>insert other details</i> ]  |
| 13. | Weighted average interest rate (if applicable)                    | [N/A] [ <i>The repayment terms of the Underlying Payment Obligation will not exceed 6 (six) months and will match the terms of the Notes.</i> ][ <i>insert other details</i> ]  |
| 14. | Set out the relevant description and any additional Terms and     | [ ]   |

## Conditions relating to the Notes

### DETAILS OF CERTAIN TRANSACTION DOCUMENTS

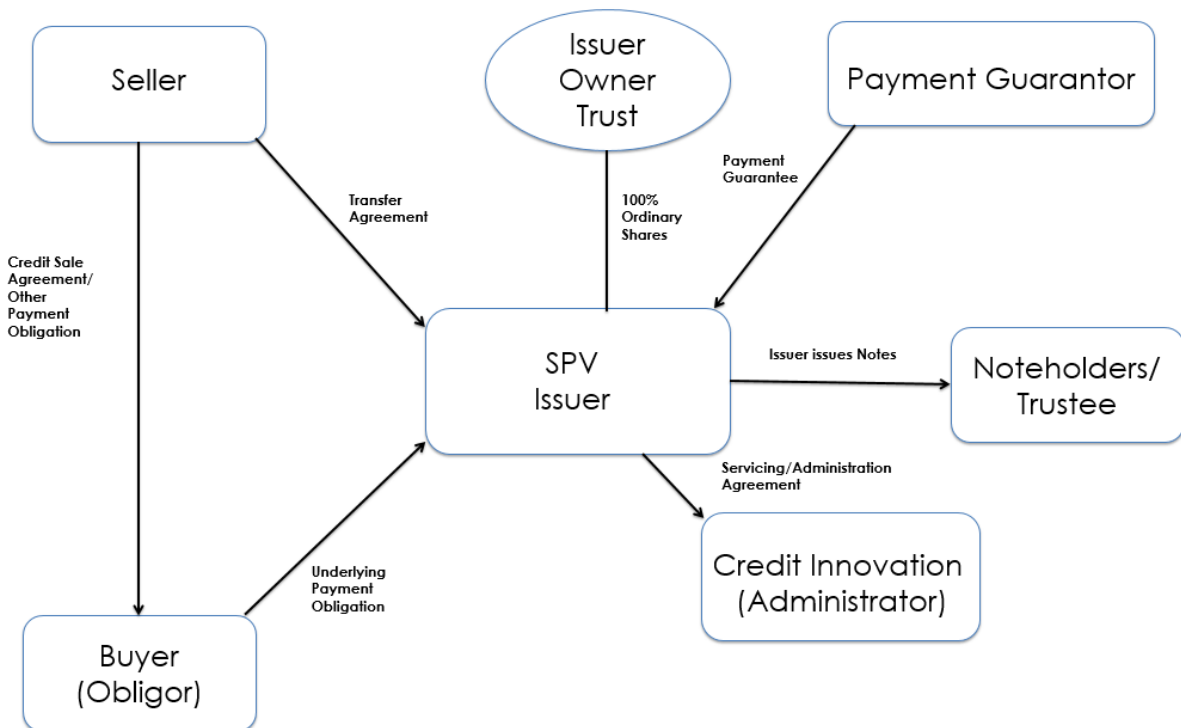
- |     |                                     |   |
|-----|-------------------------------------|---|
| 15. | Transfer Agreement                  | [ ]   |
| 16. | Account Bank Agreement confirmation | [ ]   |
| 17. | Payment Guarantee                   | the guarantee provided to the Issuer by the Payment Guarantor in relation to the Underlying Payment Obligations, in the form set out in Appendix "B" to this Applicable Pricing Supplement. <i>[A SENS announcement will be released on the date that the Payment Guarantee becomes unconditional.]</i> |

### PRIORITY OF PAYMENTS

- |     |  |     |
|-----|--|-----|
| 18. | Enforcement of Priority of Payments  | [ ] |
| 19. | Persons listed in Priority of Payments but not qualifying as Transaction Creditors | [ ] |

### DESCRIPTION OF THE UNDERLYING ASSETS

#### Structure Diagram



## 1. Description of the Structure

*The below is a brief description of the structure in respect of the Notes issued pursuant to this Tranche and does not purport to form part of the Terms and Conditions.*

### 1.1 Under this Tranche of Notes:

- 1.1.1 the Issuer acquires the Underlying Payment Obligation from the Seller on the Issue Date at a discount;
- 1.1.2 the Issuer finances its acquisition of the Underlying Payment Obligations through the proceeds it receives from the issue of the Notes which Notes are issued subject to the Terms and Conditions set out in the Programme Memorandum as supplemented by this Applicable Pricing Supplement;
- 1.1.3 the principal amount of the Notes and any interest will match the full amount repayable by the Obligor under the Underlying Payment Obligation(s);
- 1.1.4 the Issuer receives the benefit of the Payment Guarantee from the Payment Guarantor in relation to the full principal and interest amounts it is entitled to receive from the Obligor in respect of the Underlying Payment Obligation;
- 1.1.5 on the Redemption Date of the Notes, subject to the payment of all prior ranking Transaction Creditors from the amount recovered from the Obligor in respect of the Underlying Payment Obligation(s) and any remaining proceeds from the issuance of such Notes in terms of the Priority of Payment set out in Condition 11.2 (*Enforcement of Priority of Payments*) (unless otherwise stated in the Applicable Pricing Supplement), the Issuer will pay any applicable interest on the Notes and the Redemption Amount to the relevant Noteholders. The Redemption Amount of the Notes together with any interest at maturity will be equal to (i) the full amount recovered by the Issuer from the Obligor in respect of the Underlying Payment Obligation(s) to which such Note relates or, (ii) if applicable, the combined recovery value of a portion of the Underlying Payment Obligation and the amount recovered by the Issuer under the Payment Guarantee together representing the full amount outstanding under the Underlying Payment Obligation, at all times subject to the Priority of Payments set out in Condition 11 (*Priority of Payments*);
- 1.1.6 if there are any surplus funds available once the Noteholders have been paid on the Redemption Date and after the Payment Guarantor has been paid any net settlement amount under the Payment Guarantee, then the Issuer will pay any surplus amounts to the Administrator as a discretionary fee; and
- 1.1.7 if the Issuer is required to claim under the Payment Guarantee, upon payment by the Payment Guarantor to the Issuer, the Issuer will transfer the Underlying Payment Obligation to the Payment Guarantor.

## 2. Limited recourse for Noteholders

- 2.1 The Noteholder's recourse against the Issuer is limited to the assets held by the Issuer under this Tranche of Notes and the Noteholder's have no other recourse to the Issuer or any other assets of the Issuer.
- 2.2 If nothing is recovered by the Issuer pursuant to the Underlying Payment Obligation, the Issuer will be required to make a claim against the Payment Guarantor in terms of the Payment Guarantee.
- 2.3 Noteholders will be reliant on the Issuer transferring the proceeds of any successful claim received under the Payment Guarantee to effect payment in terms of the Notes.

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**FORM OF PAYMENT GUARANTEE**

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## TERMS AND CONDITIONS OF THE NOTES

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*The following are the terms and conditions of the Notes, which will be incorporated by reference into each Note and each Individual Certificate. A Tranche of Notes will be issued on, and subject to, the below Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement.*

Before the Issuer issues any Tranche of listed Notes, the Issuer shall complete, sign and deliver to the JSE and the CSD a pricing supplement based on the *pro forma* Applicable Pricing Supplement included in the Programme Memorandum setting out details of such Notes.

The Conditions of the Notes are constituted as set out below, as read together with the Noteholder Trust Deed. GMG Corporate Services (Africa) Proprietary Limited (the **Noteholder Trustee**) has been appointed in terms of a trust deed (the **Noteholder Trust Deed**) between the Noteholder Trustee and the Issuer, to act as noteholder trustee on behalf of and for the benefit of the Noteholders.

If there is any conflict or inconsistency between provisions set out in the Applicable Pricing Supplement and the provisions set out in these Terms and Conditions of the Notes, then the provisions in the Applicable Pricing Supplement will prevail.

Words and expressions used in the Applicable Pricing Supplement shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated. Any reference to legislation or a statute shall be to such legislation or statute as amended, varied or re-enacted from time to time.

### 1. Interpretation

1.1 In this Programme Memorandum, unless inconsistent with the context:

- 1.1.1 any expression which denotes any gender includes the other genders, a natural person includes an artificial or juristic person and *visa versa* and the singular includes the plural and *visa versa*;
  - 1.1.2 any reference to any statute, regulation or other legislation shall be a reference to that statute, regulation or other legislation as at the date of this Programme Memorandum as amended, re-promulgated or substituted from time to time;
  - 1.1.3 any reference to any agreement, approval, consent or document shall be a reference to that agreement, approval, consent or document as amended, novated and/or replaced from time to time; and
  - 1.1.4 the use of the word "including" followed by a specific example/s shall not be construed as limiting the meaning of the general wording preceding it and the *eiusdem generis* rule shall not be applied in the interpretation of such general wording or such specific example/s.
- 1.2 The following expressions shall bear the meanings assigned to them below and cognate expressions shall bear corresponding meanings:

**Account Bank** RMB, in its capacity as such;

**Account Bank Agreement** the written account bank agreement (as amended, novated and/or replaced from time to time) concluded between the Issuer and RMB in terms of which, *inter alia*, the Issuer appoints RMB as Account Bank;

**Accreted Value** in relation to any Underlying Payment Obligation or the Payment Guarantee that –

- (a) bears a fixed rate of interest, the present value of the outstanding cashflows receivable by the Issuer thereunder, calculated from the due date for the payment of each amount comprising such cashflow to the date on which the Accreted Value is to be determined, using the internal rate of return thereof (expressed as a nominal annual compounded annually rate, as certified by the Administrator) as the rate of

interest; and

- (b) bears a floating rate of interest, the present value of the capital outstanding and the interest due on the next interest payment date thereon, calculated from that interest payment date to the date on which the Accreted Value is to be determined, using the rate of interest for the instrument applicable to the relevant interest payment period to which such interest payment date relates (as certified by the Administrator) as the rate of interest;

<b>Administration Agreement</b>	the written administration and servicing agreement (as amended, restated and/or replaced from time to time) concluded by the Issuer and CreditInnovation in terms of which, <i>inter alia</i> , the Issuer appoints CreditInnovation as Administrator to provide for the effective operation and management of its business;
<b>Administrator</b>	CreditInnovation, in its capacity as administrator of the Issuer in terms of the Administration Agreement, or such other administrator as may be appointed by the Issuer in terms of the Administration Agreement;
<b>Agency Agreement</b>	the written agency agreement (as amended, restated and/or replaced from time to time) concluded by the Issuer, CreditInnovation and RMB in terms of which, <i>inter alia</i> , the Issuer appoints RMB as Paying Agent
<b>Applicable Laws</b>	in relation to any Person, all and any statutes and subordinate legislation and common law, regulations, ordinances and by-laws, directives, codes of practice, circulars, guidance notices, judgments and decisions of any competent authority, or any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation and other similar provisions, from time to time, compliance with which is mandatory for that Person;
<b>Applicable Pricing Supplement</b>	in relation to a Tranche of Notes, the pricing supplement completed and signed by the Issuer in relation to that Tranche of Notes, setting out the additional and/or other terms and conditions as are applicable to that Tranche of Notes, based upon the <i>pro forma</i> pricing supplement which is set out in the section of the Programme Memorandum headed " <i>Pro Forma Applicable Pricing Supplement</i> ";
<b>Applicable Procedures</b>	the rules and operating procedures for the time being of the CSD, the Participants and the debt listings requirements of the JSE and/or any other financial exchange (if applicable);
<b>Arranger</b>	CreditInnovation, in its capacity as such, and/or any other entity appointed as an Arranger for the Programme by the Issuer;
<b>Auditors</b>	the auditors of the Issuer from time to time, initially being PricewaterhouseCoopers Incorporated (registration number 1998/012055/21);
<b>Banks Act</b>	the Banks Act, 1990;
<b>Beneficial Interest</b>	in relation to a Tranche of Notes which is held in the CSD, the beneficial interest as co-owner of an undivided share of all of the Notes in that Tranche, as contemplated in section 37(1) of the Financial Markets Act, the nominal value of which beneficial interest, in relation to any number of Notes in that Tranche, is determined by reference to the proportion that the aggregate Outstanding Nominal Amount of such number of Notes bears to the aggregate

	Outstanding Nominal Amount of all of the Notes in that Tranche, as provided in section 37(3) of the Financial Markets Act;
<b>BESA Guarantee Fund Trust</b>	the guarantee fund trust established and operated by the JSE as a separate guarantee fund, in terms of sections 8(1)(h) and 17(2)(w) of the Financial Markets Act or any successor fund;
<b>Books Closed Period</b>	in relation to a Tranche of Notes, the period, as specified in the Applicable Pricing Supplement, commencing after the Last Day to Register, during which transfers of the Notes will not be registered, or such shorter period as the Issuer may decide in order to determine those Noteholders entitled to receive principal and/or interest;
<b>Business Day</b>	a day (other than a Saturday or Sunday or public holiday in South Africa within the meaning of the Public Holidays Act, 1994) on which commercial banks settle ZAR payments in Johannesburg, save further that if the Applicable Pricing Supplement so provides, “ <i>Business Day</i> ” shall include a Saturday;
<b>Calculation Agent</b>	CreditInnovation, in its capacity as such, unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as Calculation Agent in respect of that Tranche or Series of Notes, as indicated in the Applicable Pricing Supplement;
<b>Class of Noteholders</b>	the holders of a Series of Notes or, where appropriate, the holders of different Series of Notes;
<b>Class of Notes</b>	a particular Series of Notes in relation to other Series’ of Notes;
<b>Collections Account</b>	in relation to each Transaction, the individual bank account in the name of the Issuer opened at the Account Bank in accordance with the Account Bank Agreement into which amounts received by the Issuer, in respect of the issue of any Notes, the relevant Underlying Payment Obligations and any proceeds from any claims under the Payment Guarantee, are to be paid;
<b>Companies Act</b>	the Companies Act, 2008;
<b>Conditions</b>	the terms and conditions upon which any Note is issued, as set out in this Programme Memorandum in the section entitled “ <i>Terms and Conditions of the Notes</i> ”;
<b>CreditInnovation</b>	CreditInnovation Proprietary Limited (registration number 2013/210016/07), a private company with limited liability duly incorporated in accordance with the company laws of South Africa;
<b>CSD</b>	Strate Proprietary Limited (registration number 1998/022242/07), a private company with limited liability duly incorporated in accordance with the company laws of South Africa and registered as a central securities depository in terms of the Financial Markets Act or such additional, alternative or successor central securities depository as may be agreed between the Issuer and the relevant Dealer(s);
<b>CSD register</b>	an Uncertificated Securities Register as contemplated in section 1 of the Companies Act;
<b>Day</b>	a Gregorian calendar day unless qualified by the word “ <i>Business</i> ”;
<b>Day Count Fraction</b>	in relation to a Tranche of Notes (where applicable) and the calculation of an amount for any period of time (the <b>Calculation Period</b> ), the Day count fraction specified as such in the Terms and

Conditions or the Applicable Pricing Supplement and:

- (a) if **Actual/365** or **Act/365** is so specified, means the actual number of Days in the Interest Period in respect of which payment is being made divided by 365 (or, if any portion of the Interest Period falls in a leap year, the sum of (i) the actual number of Days in that portion of the Interest Period falling in a leap year divided by 366 and (ii) the actual number of Days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (b) if **Actual/Actual (ICMA)** is so specified, means:
  - 1. where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of Days in the Calculation Period divided by the product of (1) the actual number of Days in such Regular Period and (2) the number of Regular Periods in any year; and
  - 2. where the Calculation Period is longer than one Regular Period, the sum of:
    - i. the actual number of Days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of Days in such Regular Period and (2) the number of Regular Periods in any year; and
    - ii. the actual number of Days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of Days in such Regular Period and (2) the number of Regular Periods normally ending in any year;
- (c) if **Actual/Actual** or **Actual/Actual (ISDA)** is so specified, means the actual number of Days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of Days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of Days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (d) if **Actual/365 (Fixed)** is so specified, means the actual number of Days in the Calculation Period divided by 365;
- (e) if **Actual/360** is so specified, means the actual number of Days in the Calculation Period divided by 360;
- (f) if **30/360, 360/360** or **Bond Basis** is so specified, means the number of Days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

**Y<sub>1</sub>** is the year, expressed as a number, in which the first Day of the Calculation Period falls;

**Y<sub>2</sub>** is the year, expressed as a number, in which the first Day immediately following the last Day included in the Calculation Period falls;

**M<sub>1</sub>** is the calendar month, expressed as a number, in which the first Day of the Calculation Period falls;

**M<sub>2</sub>** is the calendar month, expressed as a number, in which the first Day immediately following the last Day included in the Calculation Period falls;

**D<sub>1</sub>** is the first Day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

**D<sub>2</sub>** is the Day, expressed as a number, immediately following the last Day included in the Calculation Period unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

(g) if **30E/360** or **Eurobond Basis** is so specified, means the number of Days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

**Y<sub>1</sub>** is the year, expressed as a number, in which the first Day of the Calculation Period falls;

**Y<sub>2</sub>** is the year, expressed as a number, in which the Day immediately following the last Day included in the Calculation Period falls;

**M<sub>1</sub>** is the calendar month, expressed as a number, in which the first Day of the Calculation Period falls;

**M<sub>2</sub>** is the calendar month, expressed as a number, in which the Day immediately following the last Day included in the Calculation Period falls;

**D<sub>1</sub>** is the first Day, expressed as a number, of the Calculation Period unless such number would be 31, in which case D<sub>1</sub> will be 30; and

**D<sub>2</sub>** is the Day, expressed as a number, immediately following the last Day included in the Calculation Period unless such number would be 31, in which case D<sub>2</sub> will be 30; and

(h) if **30E/360 (ISDA)** is so specified, means the number of Days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

**Y<sub>1</sub>** is the year, expressed as a number, in which the first Day of the Calculation Period falls;

**Y<sub>2</sub>** is the year, expressed as a number, in which the Day immediately following the last Day included in the Calculation Period falls;

**M<sub>1</sub>** is the calendar month, expressed as a number, in which the first Day of the Calculation Period falls;

**M<sub>2</sub>** is the calendar month, expressed as a number, in which the Day immediately following the last Day included in the Calculation Period falls;

**D<sub>1</sub>** is the first Day, expressed as a number, of the Calculation Period unless (i) that Day is the last Day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

**D<sub>2</sub>** is the Day, expressed as a number, immediately following the last Day included in the Calculation Period unless (i) that Day is the last Day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30;

<b>Dealer(s)</b>	RMB and CreditInnovation, each in its capacity as such, and any other entity appointed as Dealer by the Issuer, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer's right to terminate the appointment of any such Dealer, as indicated in the Applicable Pricing Supplement;
<b>Default Rate</b>	in relation to a Tranche of Notes, the Interest Rate applicable to such Notes or the default rate specified as such in the Applicable Pricing Supplement;
<b>Early Redemption Amount</b>	in relation to a Tranche of Notes, the amount, as set out in Condition 9.5 ( <i>Early Redemption Amounts</i> ), at which the Notes will be redeemed by the Issuer, pursuant to the provisions of Condition 9.2 ( <i>Optional Redemption for Tax Reasons</i> ) and/or Condition 9.3 ( <i>Early Redemption following an Enforcement Event</i> );
<b>Eligibility Criteria</b>	<p>the criteria with which an Underlying Payment Obligation must comply in order for the Issuer to acquire same under the Programme, being –</p> <ul style="list-style-type: none"><li>(i) that such Underlying Payment Obligation must be capable of being sold, ceded and assigned to the Issuer and must thereafter be capable of being sold, ceded and assigned by the Issuer; and</li><li>(ii) the Underlying Payment Obligation must comprise a repayment term not exceeding a period of 6 (six) months;</li></ul>
<b>Enforcement Event</b>	<p>in relation to a Note issued under any Transaction –</p> <ul style="list-style-type: none"><li>(i) the Issuer failing to make any payment due on such Note as and when due and payable and failing to claim under the Payment Guarantee within 5 (five) Business Days of such failure to pay; or</li><li>(ii) the Issuer failing to make any payment due on such Notes as and when due and payable, the Issuer claiming under the Payment Guarantee within 5 Business Days thereof (the <b>Guarantee Claim Date</b>), but the Payment Guarantor failing to make payment to the Issuer on a date falling 30 (thirty) Days from the Guarantee Claim Date; or</li><li>(iii) the Issuer failing to make any payment due on such Notes as and when due and payable, the Issuer claiming under the Payment Guarantee within 5 Business Days thereof (the <b>Guarantee Claim Date</b>) and the Payment Guarantor making payment on a date falling 30 (thirty) Days from the Guarantee Claim Date (the <b>Guarantee Payment Date</b>), but the Issuer failing to make payment due on such Notes to the Noteholder within 1 (one) Business Day of the Guarantee Payment Date; or</li><li>(iv) an Issuer Insolvency Event occurring; or</li><li>(v) such other events as may be designated as such in the relevant Applicable Pricing Supplement;</li></ul>
<b>Enforcement Notice</b>	in relation to a Transaction, a notice delivered by the Noteholder Trustee or the relevant Noteholders of that Series of Notes issued under that Transaction to the Transfer Agent, the Paying Agent, the

Issuer and the Administrator declaring the Notes issued under that Transaction to be due and payable in accordance with Condition 9.3 (*Early Redemption following an Enforcement Event*) and specifying the Redemption Date;

<b>Exchange Regulations</b>	<b>Control</b>	the Exchange Control Regulations, 1961, promulgated pursuant to the Currency and Exchanges Act, 1933;
<b>Extraordinary Resolution</b>		(i) a resolution in writing signed no later than 20 Business Days of receiving notice of the written resolution by or on behalf of the Noteholders or a Class of Noteholders holding not less than of 66.67% (sixty-six point sixty-seven percent) in Nominal Amount of the Notes Outstanding from time to time or a specific Class of Notes, as the case may be, or (ii) a resolution passed at a meeting (duly convened) of the Noteholders or Class of Noteholders, as the case may be, holding not less than 66.67% (sixty-six point sixty-seven percent) of the of the votes given on a poll or if a vote by show of hands be duly demanded then by a majority consisting of not less than 66.67% (sixty-six point sixty-seven percent) of the Persons voting at such meeting on a show of hands;
<b>Final Broken Amount</b>		in relation to a Tranche of Notes, the final broken amount specified as such in the relevant Applicable Pricing Supplement;
<b>Final Redemption Amount</b>		in relation to a Tranche of Notes, the amount of principal specified in the relevant Applicable Pricing Supplement payable in respect of such Tranche of Notes upon the Maturity Date;
<b>Financial Markets Act</b>		the Financial Markets Act, 2012;
<b>Fixed Coupon Amount</b>		in relation to a Tranche of Fixed Rate Notes (where applicable), the amount specified as such in the relevant Applicable Pricing Supplement;
<b>Fixed Interest Payment Date</b>		in relation to a Tranche of Fixed Rate Notes, the date specified as such in the Applicable Pricing Supplement;
<b>Fixed Interest Period</b>		in relation to a Tranche of Fixed Rate Notes, the period from (and including) a Fixed Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Fixed Interest Payment Date or as otherwise set out in the relevant Applicable Pricing Supplement;
<b>Fixed Rate Notes</b>		Notes which will bear interest at the Fixed Rate of Interest, as indicated in the relevant Applicable Pricing Supplement;
<b>Fixed Rate of Interest</b>		in relation to a Tranche of Notes, the fixed rate of interest specified as such in the relevant Applicable Pricing Supplement;
<b>Floating Rate Notes</b>		Notes which will bear interest at a Floating Rate as indicated in the relevant Applicable Pricing Supplement and more fully described in Condition 8.2 ( <i>Floating Rate Notes</i> );
<b>Floating Rate</b>		in relation to a Tranche of Notes, the floating rate of interest specified as such in the relevant Applicable Pricing Supplement;
<b>Form of Proxy</b>		an instrument in writing signed by a Noteholder (or, in the case of a Noteholder which is a corporation, executed under its common seal or signed on its behalf by an attorney of a duly authorised officer of the corporation or a Representative of the corporation) appointing a Proxy;

<b>Implied Yield</b>	in relation to a Tranche of Zero Coupon Notes, the yield accruing on the Issue Price of such Notes, as specified in the relevant Applicable Pricing Supplement;
<b>Income Tax Act</b>	the Income Tax Act, 1962;
<b>Individual Certificate</b>	a Note in the definitive registered form of a single certificate and being a certificate exchanged for Beneficial Interest in accordance with Condition 16 ( <i>Exchange of Beneficial Interests and Replacement of Individual Certificates</i> ) and any further certificate issued in consequence of a transfer thereof;
<b>Initial Broken Amount</b>	in relation to a Tranche of Notes, the initial broken amount specified as such in the relevant Applicable Pricing Supplement;
<b>Interest Amount</b>	in relation to a Tranche of Notes, the amount of interest payable in respect of each Nominal Amount of Fixed Rate Notes and Floating Rate Notes, as determined by the Calculation Agent in accordance with Condition 8 ( <i>Interest</i> );
<b>Interest Commencement Date</b>	in relation to a Tranche of Notes (where applicable), the first date from which interest on the Notes, other than Zero Coupon Notes, will accrue, as specified in the relevant Applicable Pricing Supplement;
<b>Interest Determination Date</b>	in relation to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;
<b>Interest Payment Date</b>	in relation to a Tranche of Notes, the Interest Payment Date(s) and/or the Redemption Date specified in the relevant Applicable Pricing Supplement or, if no express Interest Payment Date(s) is/are specified in the Applicable Pricing Supplement, the last Day of the Interest Period commencing on the preceding Interest Payment Date, or, in the case of the first Interest Payment Date, commencing on the Interest Commencement Date;
<b>Interest Period</b>	in relation to a Tranche of Notes, each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;
<b>Interest Rate and Rate of Interest</b>	in relation to a Tranche of Notes, the rate or rates of interest applicable to Notes, other than Zero Coupon Notes, as indicated in the relevant Applicable Pricing Supplement;
<b>ISDA</b>	the International Swaps and Derivatives Association Inc.;
<b>ISDA Definitions</b>	the 2006 ISDA Definitions published by ISDA (as amended, supplemented, revised or republished from time to time) as specified in the relevant Applicable Pricing Supplement;
<b>Issue Date</b>	in relation to any Note, the date on which such Note is actually issued;
<b>Issue Price</b>	in relation to any Note, the price at which such Note is to be issued as set out in the relevant Applicable Pricing Supplement issued in relation to that Note;
<b>Issuer</b>	SSI SCF (RF) Limited (registration number 2017/448717/06), a special purpose entity and public company with limited liability duly incorporated and registered in accordance with the company laws of



South Africa;

**Issuer Insolvency Event**

the occurrence of any of the following events in relation to the Issuer:

- (i) the Issuer becoming subject to a scheme of arrangement or compromise as envisaged in the Companies Act (other than a scheme of arrangement or compromise in circumstances where the Issuer is solvent or a scheme of arrangement or compromise the terms of which have been approved by the the Noteholder Trustee (acting on behalf of the Noteholders));
- (ii) the Issuer being wound-up, liquidated, de-registered or placed under business rescue, whether provisionally or finally or voluntarily or compulsorily;
- (iii) the Issuer compromising or attempting to compromise with or deferring or attempting to defer payments of debts owing by it to its creditors generally or any significant class of its creditors;
- (iv) the Issuer being or becoming insolvent or committing any act which is or if it were a natural person would be an act of insolvency as defined in the Insolvency Act, 1936;
- (v) the Issuer being deemed to be unable to pay its debts as they become due; or
- (vi) the shareholder(s) or Transaction Creditors of the Issuer meeting an order to pass a resolution providing for the Issuer to be wound-up, liquidated, de-registered or placed under business rescue or any resolution being passed to this effect;

**Issuer Owner Trust**

the Issuer Owner Trust, a trust *inter vivos* duly established in terms of the Issuer Owner Trust Deed;

**Issuer Owner Trust Deed**

the written trust deed concluded by Courchevel Proprietary Limited (registration number 2017/172621/07) (acting in its capacity as donor) and GMG Corporate Services (Africa) Proprietary Limited (registration number 2017/157610/07) on 1 November 2017, as amended, novated or replaced from time to time;

**JSE**

the JSE Limited (registration number 2005/022939/06), a public company with limited liability duly incorporated in accordance with the company laws of South Africa and a licensed financial exchange in terms of the Financial Markets Act or any exchange which operates as a successor exchange to the JSE;

**Last Day to Register**

with respect to a particular Tranche of Notes (as specified in the relevant Applicable Pricing Supplement), the last date or dates preceding a Payment Day on which the Transfer Agent, in the case of Notes in certificated form, or the CSD, in the case of Notes in uncertificated form, will accept Transfer Forms or transfers and record the transfer of Notes in the Register for that particular Tranche of Notes and whereafter the Register is closed for further transfers or entries until the Payment Day;

**Margin**

in relation to a Tranche of Notes (where applicable), the margin specified as such in the relevant Applicable Pricing Supplement;

**Maturity Date**

in relation to each Note, the legal final maturity date as set out in the relevant Applicable Pricing Supplement issued in relation thereto;

<b>Nominal Amount</b>	in relation to any Note, the total amount, excluding interest and any adjustments on account of any formula, owing by the Issuer to the Noteholder under the Note;
<b>Note</b>	in relation to each Transaction, a limited recourse, registered note issued by the Issuer in accordance with the Conditions, being either a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note;
<b>Noteholders</b>	the registered holders of the Notes as recorded in the Register;
<b>Noteholder Trustee</b>	GMG Corporate Services (Africa) Proprietary Limited (registration number 2017/157610/07), a private company duly incorporated in accordance with the company laws of South Africa, in its capacity as initial noteholder trustee under the Noteholder Trust Deed;
<b>Noteholder Trust Deed</b>	the trust deed concluded between the Noteholder Trustee and the Issuer establishing the “ <i>SSI SCF Noteholder Trust</i> ”, as amended, restated or supplemented from time to time;
<b>Obligor</b>	in relation to each Underlying Payment Obligation acquired by the Issuer, the borrower or obligor under such Underlying Payment Obligation;
<b>Optional Redemption Amount</b>	in relation to a Tranche of Notes, the optional redemption amount specified as such in the relevant Applicable Pricing Supplement;
<b>Outstanding</b>	<p>in relation to the Notes, all the Notes issued under the Programme other than:</p> <ul style="list-style-type: none"> <li>(a) those which have been redeemed in full;</li> <li>(b) those in respect of which the date for redemption in accordance with the Terms and Conditions has occurred and the redemption moneys wherefore (including all interest (if any) accrued thereon to the date for such redemption and any interest (if any) payable under the Terms and Conditions after such date) remain available for payment against presentation of Individual Certificates (if any);</li> <li>(c) those which have been purchased and cancelled as provided in Condition 9 (<i>Redemption and Purchase</i>);</li> <li>(d) those which have become prescribed under Condition 12 (<i>Prescription</i>);</li> <li>(e) those represented by mutilated or defaced Individual Certificates which have been surrendered in exchange for replacement Individual Certificates pursuant to Condition 16 (<i>Exchange of Beneficial Interests and Replacement of Individual Certificates</i>); or</li> <li>(f) (for the purpose only of determining how many Notes are Outstanding and without prejudice to their status for any other purpose) those Notes represented by Individual Certificates alleged to have been lost, stolen or destroyed and in respect of which replacement Individual Certificates have been issued pursuant to Condition 16 (<i>Exchange of Beneficial Interests and Replacement of Individual Certificates</i>),</li> </ul> <p>provided that for each of the following purposes:</p> <ul style="list-style-type: none"> <li>(a) the right to attend and vote at any meeting of the Noteholders; and</li> </ul>

	<p>(b) the determination of how many and which Notes are for the time being Outstanding for the purposes of Conditions 21 (<i>Amendment of Conditions</i>) and 20 (<i>Meetings of Noteholders</i>),</p> <p>all Notes (if any) which are for the time being held by the Issuer (subject to any Applicable Law) or by any Person for the benefit of the Issuer and not cancelled shall (unless and until ceasing to be so held), be deemed not to be Outstanding;</p>
<b>Participant</b>	a Person accepted by the CSD as a participant in terms of section 31 of the Financial Markets Act and who is approved as a Settlement Agent to perform electronic settlement of funds and scrip;
<b>Paying Agent</b>	RMB, in its capacity as issuing and paying agent of the Issuer in terms of the Agency Agreement, or such other issuing and paying agent as may be appointed in terms of the Agency Agreement;
<b>Payment Date</b>	in relation to any Note, any day which is a Business Day and upon which a payment in relation to that Note is due by the Issuer, as described in the relevant Applicable Pricing Supplement issued in relation to such Note;
<b>Payment Guarantee</b>	The guarantee provided to the Issuer by the Payment Guarantor in relation to the Underlying Payment Obligations in respect of a specific Obligor;
<b>Payment Guarantor</b>	Santam Structured Insurance Limited (formerly RMB Structured Insurance Limited) (registration number 1952/000436/06), a public company incorporated and registered in accordance with the company laws of South Africa, or such other counterparty as may be selected by the Issuer from time to time and which provides the Payment Guarantee to the Issuer;
<b>Person</b>	shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing;
<b>Priority of Payments</b>	in relation to each Transaction, the priority in which Transaction Creditors of the Issuer bound in terms of the Transaction Documents of that Transaction are to be paid, both prior to and subsequent to the delivery of an Enforcement Notice, as more fully described in Condition 11.2 ( <i>Enforcement of Priority of Payments</i> );
<b>Programme</b>	the SSI SCF (RF) Limited ZAR1,000,000,000 Note Programme under which the Issuer may from time to time issue Notes;
<b>Programme Agreement</b>	The written programme agreement (as amended and restated from time to time) concluded by the Issuer, CreditInnovation and RMB in terms of which, <i>inter alia</i> , the Issuer appoints RMB and CreditInnovation as Dealers;
<b>Programme Amount</b>	the maximum aggregate outstanding Nominal Amount of all of the Notes that may be issued under the Programme at any one point in time, being ZAR1,000,000,000 or such increased amount as is determined by the Issuer from time to time, subject to the Applicable Procedures, Applicable Laws and the Programme Agreement, as set out in the section of this Programme Memorandum headed " <i>General Description of the Programme</i> ";

<b>Programme Date</b>	the date of this Programme Memorandum being 23 February 2018;
<b>Programme Documents</b>	collectively: <ul style="list-style-type: none"> <li>(i) the memorandum of incorporation of the Issuer;</li> <li>(ii) the Issuer Owner Trust Deed;</li> <li>(iii) the Programme Agreement;</li> <li>(iv) the Agency Agreement;</li> <li>(v) the Account Bank Agreement;</li> <li>(vi) the Administration Agreement; and</li> <li>(vii) in relation to each Transaction, the Transaction Documents in relation to that Transaction;</li> </ul>
<b>Programme Memorandum</b>	this programme memorandum dated 23 February 2018 issued by the Issuer as amended, restated and supplemented from time to time, as set out herein;
<b>Proxy</b>	a person duly appointed under a Form of Proxy to act for and on behalf of a Noteholder in connection with any meeting or proposed meeting of Noteholders;
<b>Rand and ZAR</b>	the lawful currency of South Africa;
<b>Rating</b>	in relation to the Issuer and/or the Programme and/or a Tranche of Notes (where applicable), as the case may be, the rating on a national scale or international scale basis of the Issuer and/or the Programme and/or the Tranche of Notes, as the case may be, granted by the Rating Agency, specified in the relevant Applicable Pricing Supplement;
<b>Rating Agency</b>	Global Credit Rating Co. Proprietary Limited ( <b>GCR</b> ), Standard & Poor's Ratings Services ( <b>S&amp;P</b> ) or Moody's Investors Service Limited ( <b>Moody's</b> ), as the case may be, and their successors or any other rating agency of equivalent international standing, as the case may be, and as specified in the relevant Applicable Pricing Supplement (if applicable) and/or notified to Noteholders pursuant to Condition 19 ( <i>Notices</i> );
<b>Redemption Amount</b>	in relation to each Note, the Outstanding Nominal Amount of that Note;
<b>Redemption Date</b>	in relation to a Tranche of Notes, the date upon which the Notes are redeemed by the Issuer, in accordance with Condition 9 ( <i>Redemption and Purchase</i> );
<b>Reference Banks</b>	four leading banks in the South African inter-bank market selected by the Calculation Agent;
<b>Reference Price</b>	in relation to a Tranche of Notes (where applicable), the price specified as such in the relevant Applicable Pricing Supplement;
<b>Reference Rate</b>	in relation to a Tranche of Notes (where applicable), the rate specified as such in the relevant Applicable Pricing Supplement;
<b>Register</b>	the register of Noteholders kept by or on behalf of the Issuer in terms of Condition 17 ( <i>Register</i> ), including the CSD register;
<b>Regular Period</b>	(a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but

	excluding the next Interest Payment Date;
	<p>(b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “Regular Date” means the Day and the month (but not the year) on which any Interest Payment Date falls; and</p> <p>(c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “Regular Date” means the Day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;</p>
<b>Relevant Date</b>	in respect of any payment relating to the Notes, the date on which such payment first becomes due, except that, in relation to monies payable to the CSD in accordance with these Terms and Conditions, it means the first date on which (i) the full amount of such monies have been received by the CSD, (ii) such monies are available for payment to the holders of Beneficial Interests and (iii) notice to that effect has been duly given to such holders in accordance with the relevant Applicable Procedures;
<b>Relevant Screen Page</b>	in relation to a Tranche of Notes (where applicable), the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Applicable Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;
<b>Representative</b>	a Person duly authorised to act on behalf of a Noteholder, the Transfer Agent or the Paying Agent, as the case may be, who may be regarded by the Issuer (acting in good faith) as being duly authorised based upon the tacit or express representation thereof by such Representative, in the absence of express notice to the contrary from such Noteholder, the Transfer Agent and the Paying Agent;
<b>RMB</b>	Rand Merchant Bank, a division of FirstRand Bank Limited (registration number 1929/001225/06), a public company incorporated and registered in accordance with the company and banking laws of South Africa;
<b>SAFEX</b>	the South African Futures Exchange, a division of the securities exchange operated by the JSE Limited, or any successor to such division;
<b>SAFEX Call Rate</b>	the daily SAFEX overnight deposit rate for overnight deposits in Rand which appears on the Reuters screen SAFEX page as of approximately 11:00 South African time;
<b>Seller</b>	the seller of an Underlying Payment Obligation acquired by the Issuer under a Transaction;
<b>Series</b>	a Tranche of Notes together with any further Tranche or Tranches of Notes which are:

	<ul style="list-style-type: none"> <li>(i) expressed to be consolidated and form a single series; and</li> <li>(ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices;</li> </ul>
<b>Settlement Agent</b>	a Participant, approved by the CSD in terms of the Applicable Procedures to perform electronic settlement of both funds and scrip on behalf of market Participants;
<b>South Africa</b>	the Republic of South Africa;
<b>Specified Currency</b>	in relation to each Note in a Tranche of Notes, subject to all Applicable Laws, the currency specified in the relevant Applicable Pricing Supplement;
<b>Specified Denomination</b>	in relation to each Note in a Tranche of Notes, the amount specified as such in the relevant Applicable Pricing Supplement;
<b>Specified Office</b>	the office of the Transfer Agent, the Paying Agent, the Noteholder Trustee and/or the Calculation Agent as specified in the Applicable Pricing Supplement;
<b>Sub-unit</b>	with respect to any currency, the lowest amount of such currency that is available as legal tender in the country of such currency;
<b>Terms and Conditions</b>	the terms and conditions incorporated in this section headed “ <i>Terms and Conditions of the Notes</i> ” and in accordance with which the Notes will be issued;
<b>Tranche</b>	in relation to any particular Series, all Notes which are identical in all respects (including as to listing), except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices;
<b>Transaction</b>	<p>a transaction in terms of which -</p> <ul style="list-style-type: none"> <li>(i) the Issuer issues one or more Tranches of Notes in respect of a single Series to Noteholders as specified in the relevant Applicable Pricing Supplement;</li> <li>(ii) the Issuer uses the proceeds derived from the issue of such Notes to acquire one or more Underlying Payment Obligation from a Seller. Each Underlying Payment Obligation so acquired in relation to a particular Transaction will have been entered into with, or issued by, the same Obligor as referenced and referred to in the relevant Applicable Pricing Supplement issued in relation to that Transaction;</li> <li>(iii) the Issuer will receive the benefit of the Payment Guarantee from the Payment Guarantor in relation to the Obligor's payment obligations under the Underlying Payment Obligations so acquired by it;</li> <li>(iv) the Issuer uses the amounts received by it under the Underlying Payment Obligations so acquired by it (and, if necessary, the proceeds of any claim under the Payment Guarantee) to make payments on the Notes referred to in (i) and (ii) above; and</li> <li>(v) if the Issuer is required to claim under the Payment Guarantee, upon payment by the Payment Guarantor to the Issuer, the Issuer will transfer the relevant Underlying Payment Obligation to the Payment Guarantor.;</li> </ul>

<b>Transaction Creditors</b>	<p>In relation to each Transaction –</p> <ul style="list-style-type: none"> <li>(i) the Noteholders then holding Notes issued under that Transaction;</li> <li>(ii) the Payment Guarantor under the Payment Guarantee;</li> <li>(iii) the Administrator, Noteholder Trustee, Dealer(s), Transfer Agent, Paying Agent, Calculation Agent and the Issuer Owner Trust;</li> <li>(iv) Account Bank; and</li> <li>(v) the Settlement Agent, Auditors and Rating Agency (if any) in relation to that Transaction.</li> </ul>
<b>Transaction Documents</b>	<p>the documents constituting a specific Transaction being -</p> <ul style="list-style-type: none"> <li>(i) one or more Transfer Agreements (if applicable) concluded in relation to Underlying Payment Obligations referencing a particular Obligor;</li> <li>(ii) the Account Bank Agreement confirmation;</li> <li>(iii) the relevant Applicable Pricing Supplement relating to the Notes; and</li> <li>(iv) the Payment Guarantee,</li> </ul> <p>all of which shall be designated as relating to a particular Transaction by reflecting the name of the Obligor to which such Transaction relates on the cover page of such Transaction Document;</p>
<b>Transfer Agent</b>	CreditInnovation (registration number 2013/210016/07), or such other entity appointed by the Issuer as Transfer Agent, in which event that other entity will act as Transfer Agent, as specified in the Applicable Pricing Supplement;
<b>Transfer Agreement</b>	a written transfer agreement (as amended, novated and/or replaced from time to time) concluded by the Issuer and the relevant Seller in terms of which, the Seller will sell and the Issuer will acquire all the rights and obligations of a Seller under one or more Underlying Payment Obligations;
<b>Transfer Form</b>	a written form for the transfer of Notes represented by Individual Certificates, in a form approved by the Transfer Agent, and signed by the transferor and transferee;
<b>Underlying Obligation</b>	<p><b>Payment</b> in relation to any Transaction, a loan, credit sale agreement, trade supply agreement, acknowledgement of debt, promissory note and/or other payment obligation entered into with a particular Obligor to which the underlying economics of the Notes issued under such Transaction are designed to reflect; and</p>
<b>Zero Coupon Notes</b>	Notes which will be offered and sold at a discount to their Nominal Amount or at par and will not bear interest other than in the case of late payment, as indicated in the relevant Applicable Pricing Supplement.

## 2. Issue

- 2.1 The Issuer may issue Notes under any Transaction at any time whilst the aggregate Outstanding Nominal Amount of all Notes relating to that Transaction, together with all amounts payable in respect of that Transaction in terms of Condition 11.2.2 (*Enforcement Priority of Priority of Payments*), does not exceed the aggregate Accreted Value of all Underlying Payment Obligations and the Payment Guarantee relating to that Transaction as

at that point in time. All such Notes shall be issued subject to the terms and conditions set out below, as read with the relevant Applicable Pricing Supplement delivered to the JSE in relation to such Note.

- 2.2 Each Note will be issued under a particular Transaction as specified in the relevant Applicable Pricing Supplement.

### 3. Form and Denomination

#### 3.1 General

- 3.1.1 A Tranche of Notes may be listed on the Interest Rate Market of the JSE or on such other or further financial exchange(s) as may be determined by the Issuer and the Dealer(s), subject to any Applicable Laws and Applicable Procedures. The relevant Applicable Pricing Supplement will specify that a Tranche of Notes will be listed and if so, the financial exchange on which such Tranche of Notes will be listed.

#### 3.2 Registered Notes

A Tranche of Notes will be issued in certificated form or in uncertificated form, as contemplated in Condition 3.2.1 (*Notes issued in certificated form*) and Condition 3.2.2 (*Notes issued in uncertificated form*), as specified in the relevant Applicable Pricing Supplement. Each Tranche of Notes which is listed on the Interest Rate Market of the JSE and issued in uncertificated form, will be held in the CSD, as contemplated in Condition 3.2.2 (*Notes issued in uncertificated form*).

##### 3.2.1 Notes issued in certificated form

All Notes issued in certificated form will be represented by Individual Certificates.

##### 3.2.2 Notes issued in uncertificated form

A Tranche of Notes which is listed on the Interest Rate Market of the JSE will, subject to Applicable Laws and Applicable Procedures, be issued in uncertificated form in terms of section 33 of the Financial Markets Act. Notes issued in uncertificated form will be held in the CSD. Notes issued in uncertificated form will not be represented by any certificate or written instrument. A Note which is represented by an Individual Certificate may be replaced by uncertificated securities in terms of section 33 of the Financial Markets Act.

##### 3.2.3 Beneficial Interests in Notes held in the CSD

- 3.2.3.1 A Tranche of Notes which is listed on the Interest Rate Market of the JSE will be issued in uncertificated form and held in the CSD.

- 3.2.3.2 The CSD will hold Notes subject to the Financial Markets Act and the Applicable Procedures.

- 3.2.3.3 All amounts to be paid and all rights to be exercised in respect of Notes held in the CSD will be paid to and may be exercised only by the CSD for the holders of Beneficial Interests in such Notes.

- 3.2.3.4 A holder of a Beneficial Interest shall only be entitled to exchange such Beneficial Interest for Notes represented by an Individual Certificate in accordance with Condition 16 (*Exchange of Beneficial Interests and Replacement of Individual Certificates*).

##### 3.2.4 Recourse to the BESA Guarantee Fund Trust

Claims against the BESA Guarantee Fund Trust may only be made in respect of the trading of Notes listed on the Interest Rate Market of the JSE and in accordance with the rules of the BESA Guarantee Fund Trust. Unlisted Notes are not regulated by the JSE.

### 4. Title

#### 4.1 Notes issued in certificated form

- 4.1.1 Each holder of Notes represented by an Individual Certificate will be named in the Register as the registered holder of such Notes.

- 4.1.2 Title to Notes represented by an Individual Certificate will pass upon registration of transfer in the Register in accordance with Condition 18.2 (*Transfer of Notes represented by Individual Certificates*).



- 4.1.3 The Issuer, the Transfer Agent and the Paying Agent shall recognise a Noteholder as the sole and absolute owner of the Notes registered in that Noteholder's name in the Register (notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) and shall not be bound to enter any trust in the Register or to take notice of or to accede to the execution of any trust, express, implied or constructive, to which any Note may be subject.

**4.2 Notes issued in uncertificated form**

The Noteholder will be named in the CSD register as the registered holder of each Tranche of Notes which is issued in uncertificated form.

**4.3 Beneficial Interests in Notes held in the CSD**

- 4.3.1 While a Tranche of Notes is held in the CSD, the Noteholder will be named in the CSD register as the Noteholder of the Notes in that Tranche.
- 4.3.2 In relation to each Person shown in the records of the CSD or the relevant Participant, as the case may be, as the holder of a Beneficial Interest in a particular Nominal Amount of Notes, a certificate or other document issued by the CSD or the relevant Participant, as the case may be, as to the aggregate Nominal Amount of such Notes standing to the account of such Person shall be *prima facie* proof of such Beneficial Interest. However, the Noteholder as the registered holder of such Notes named in the CSD register will be treated by the Issuer, the Paying Agent, the Transfer Agent and the CSD as the holder of that aggregate Nominal Amount of such Notes for all purposes.
- 4.3.3 Beneficial Interests in Notes may be transferred only in accordance with the Applicable Procedures.
- 4.3.4 Any reference in the Terms and Conditions to the relevant Participant shall, in respect of a Beneficial Interest, be a reference to the Participant appointed to act as such by the holder of such Beneficial Interest.

**5. Status**

- 5.1 The Notes constitute unsecured, limited recourse, direct obligations of the Issuer. The rights of Noteholders against the Issuer shall be limited to the extent that each Noteholder recourse under any particular Transaction shall be entitled to enforce his rights under the Notes against the Issuer, but each Noteholder's recourse under any particular Transaction is limited to the assets held by the Issuer under that Transaction and the Noteholder has no other recourse to the Issuer or any other assets of the Issuer.
- 5.2 Under each Transaction:
- 5.2.1 the Issuer receives the benefit of the Payment Guarantee from the Payment Guarantor in relation to the returns it is entitled receive in respect of the relevant Underlying Payment Obligation for each Transaction; and
- 5.2.2 if the Issuer is required to claim under the Payment Guarantee, upon payment by the Payment Guarantor to the Issuer, the Issuer will transfer the relevant Underlying Payment Obligation to the Payment Guarantor..
- 5.3 The Notes issued under each Transaction shall at all times rank *pari passu* amongst themselves.
- 5.4 The Noteholders are not entitled to institute, or join with any person in instituting, any proceedings for the Issuer to be liquidated or for the appointment of a liquidator, business rescue practitioner or similar officer of the Issuer or any of the Issuer's assets or revenues, until two years after the Issuer has notified the Noteholders that it no longer has any further assets or right to any assets available for the payment of any sums outstanding and owing or purportedly outstanding or owing by the Issuer under, *inter alia*, the Notes.

**6. Issuer's positive and negative undertakings**

Save as provided for or envisaged by the Programme Documents or any of the Transaction Documents, the Issuer shall, for so long as any Note remains outstanding –

- 6.1 not utilise the proceeds derived from the issue of the Notes for any purpose other than those set out in the section of the Programme Memorandum entitled "*Use of Proceeds*";
- 6.2 not engage in any activity which is not directly related to the scheme contemplated by the

- Programme Documents and/or the Transaction Documents;
- 6.3 not have any subsidiaries, employees or premises;
  - 6.4 maintain separate management accounting records for the receipts and payments made by the Issuer in relation to each Transaction (as distinct from any other Transaction);
  - 6.5 not co-mingle an asset acquired or a liability incurred in relation to any particular Transaction, with an asset or liability of another Transaction;
  - 6.6 not alienate, encumber, deal with or grant any option or present or future right to acquire any of its assets or undertakings or any right, title or interest in and to such assets or undertakings, save for the purchase of any of its Notes pursuant to Condition 9.6;
  - 6.7 not permit the validity or effectiveness of any of the Programme Documents and/or the Transaction Documents or the priority of the security interest created thereby to be amended, terminated or discharged;
  - 6.8 not consent to any variation of or exercise of any powers of consent or waiver pursuant to the terms of any of the Programme Documents and/or the Transaction Documents or permit any party to any of the Programme Documents and/or the Transaction Documents or any other person whose obligations form part of the security created by the Programme Documents and/or the Transaction Documents, to be released from such obligations;
  - 6.9 not declare any dividends or otherwise distribute any amounts to its shareholders other than in accordance with the Priority of Payments;
  - 6.10 take such steps as are reasonable to enforce all its rights under the Notes and all other agreements to which it is a party;
  - 6.11 comply with all of its obligations under the Notes and all other agreements to which it is a party;
  - 6.12 keep proper books of account;
  - 6.13 at all times maintain its tax residence in South Africa;
  - 6.14 subject to the Priority of Payments for each Transaction, pay its debts and obligations generally as and when they fall due;
  - 6.15 use its reasonable commercial efforts to recover all amounts owing to it under the Payment Guarantee and all the Underlying Payment Obligations in relation to each Transaction;
  - 6.16 do all such things as are necessary to maintain its corporate existence; and
  - 6.17 in respect of Notes which have been listed on the JSE, use all reasonable endeavours to obtain and maintain a listing of the Notes on the JSE. If, however, it is unable to do so (having used such reasonable endeavours) or if the maintenance of such listing is believed by the Issuer to be unduly onerous on the Issuer and the Issuer is satisfied that the interests of Noteholders would not thereby be materially prejudiced, the Issuer shall instead use all reasonable endeavours promptly to obtain and thereafter to maintain a listing of the Notes on such other financial exchange(s) as it may decide.

## **7. Accounts**

In terms of the Transaction Documents and pursuant to each Transaction, the Issuer is obliged to open and maintain an individual Collections Account. The Issuer shall, in terms of the Account Bank Agreement, open the relevant Collections Account with the Account Bank. Any moneys standing to the credit of the relevant Collections Account from time to time shall earn interest at the SAFEX Call Rate, which interest shall be retained in the relevant Collections Account and shall be distributed on each Payment Date, together with all other monies standing to the credit of that Collections Account, in accordance with the Priority of Payments.

## **8. Interest**

### **8.1 Fixed Rate Notes**

- 8.1.1 Each Fixed Rate Note bears interest on its Outstanding Nominal Amount from (and including) the Interest Commencement Date specified in the Applicable Pricing Supplement at the rate(s) per annum equal to the Fixed Rate of Interest so specified, payable in arrears on the Fixed Interest Payment Dates in each year up to and including the Maturity Date.

- 8.1.2 The first payment of interest will be made on the next Fixed Interest Payment Date following the Interest Commencement Date.
- 8.1.3 Except as provided in the relevant Applicable Pricing Supplement, the amount of interest payable per Note on each Fixed Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount, provided that:
- 8.1.3.1 if an Initial Broken Amount is specified in the relevant Applicable Pricing Supplement, then the first Interest Amount shall equal the Initial Broken Amount specified in the relevant Applicable Pricing Supplement; and
- 8.1.3.2 if a Final Broken Amount is specified in the relevant Applicable Pricing Supplement, then the final Interest Amount shall equal the Final Broken Amount.
- 8.1.4 If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Fixed Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, as specified in the relevant Applicable Pricing Supplement, and rounding the resultant figure to the nearest Sub-unit of Rand, half such Sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

## **8.2 Floating Rate Notes**

### **8.2.1 Interest Payment Dates**

Each Floating Rate Note bears interest on its Outstanding Nominal Amount from (and including) the Interest Commencement Date specified in the relevant Applicable Pricing Supplement, and such interest will be payable in arrears on the Interest Payment Date(s) in each year specified in the relevant Applicable Pricing Supplement. Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

### **8.2.2 Rate of Interest**

The Rate of Interest payable from time to time in respect of the Floating Rate Notes will be determined in the manner specified in the relevant Applicable Pricing Supplement.

### **8.2.3 Minimum and/or Maximum Rate of Interest**

If the relevant Applicable Pricing Supplement specifies a minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of any such Interest Period determined in accordance with the above provisions is less than such minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such minimum Rate of Interest. If the relevant Applicable Pricing Supplement specifies a maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of any such Interest Period determined in accordance with the above provisions is greater than such maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such maximum Rate of Interest.

### **8.2.4 Determination of Rate of Interest and Calculation of Interest Amount**

The Calculation Agent, in the case of Floating Rate Notes will at, or as soon as is practicable after, each time at which the Rate of Interest is to be determined, determine the Rate of Interest and calculate the Interest Amount payable in respect of each Floating Rate Note in respect of each Specified Denomination for the relevant Interest Period, and the Calculation Agent shall notify the Issuer of the Rate of Interest for the relevant Interest Period as soon as is practicable after calculating the same. Each Interest Amount shall be calculated by applying the Rate of Interest to the Specified Denomination, multiplying such sum by the applicable Day Count Fraction and rounding the resultant figure to the nearest Sub-unit of Rand, half a Sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

## 8.2.5 **Interest Determination, Screen Rate Determination including Fallback Provisions**

Where ISDA Determination is specified in the relevant Applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the relevant Applicable Pricing Supplement) the Margin (if any). For the purposes of this sub-paragraph, **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by such agent as is specified in the relevant Applicable Pricing Supplement under an interest rate swap transaction if that agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the most recent ISDA Definitions and under which:

- 8.2.5.1 the Floating Rate Option is as specified in the relevant Applicable Pricing Supplement;
- 8.2.5.2 the Designated Maturity is the period specified in the relevant Applicable Pricing Supplement; and
- 8.2.5.3 the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on ZAR-JIBAR-SAFEX, the first Day of that Interest Period; or (ii) in any other case, as specified in the relevant Applicable Pricing Supplement.

8.2.6 For the purposes of the above sub-paragraph **Floating Rate, Floating Rate Option, Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions specified in the Applicable Pricing Supplement.

8.2.7 Where Screen Rate Determination is specified in the relevant Applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject to the provisions below, be either:

- 8.2.7.1 if the Relevant Screen Page is available:
  - 8.2.7.1.1 the offered quotation (if only one quotation appears on the screen page); or
  - 8.2.7.1.2 the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage per annum) for the Reference Rate which appears on the Relevant Screen Page as at 11h00 (or as otherwise specified in the relevant Applicable Pricing Supplement) (Johannesburg time) on the Interest Determination Date in question plus or minus (as indicated in the relevant Applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent. If 5 (five) or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations; or

8.2.7.2 if the Relevant Screen Page is not available or if, in the case of 8.2.7.1.1 above, no such offered quotation appears or, in the case of 8.2.7.1.2 above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph, the Calculation Agent shall request the principal Johannesburg office of each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 11h00 (Johannesburg time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent; or

8.2.7.3 if the Rate of Interest cannot be determined by applying the provisions of (a) and (b) above, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks offered, at approximately 11h00 (Johannesburg time) on the relevant Interest Determination

Date, deposits in an amount approximately equal to the nominal amount of the Notes of the relevant Series, for a period equal to that which would have been used for the Reference Rate to prime banks in the Johannesburg inter-bank market plus or minus (as appropriate) the Margin (if any). If fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the Rate of Interest for the relevant Interest Period will be determined by the Calculation Agent as the arithmetic mean (rounded as provided above) of the rates for deposits in an amount approximately equal to the Nominal Amount of the Notes of the relevant Series, for a period equal to that which would have been used for the Reference Rate, quoted at approximately 11h00 (Johannesburg time) on the relevant Interest Determination Date, by the Reference Banks plus or minus (as appropriate) the Margin (if any). If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

- 8.2.8 If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the Applicable Pricing Supplement as being other than ZAR-JIBAR-SAFEX, the Rate of Interest in respect of such Notes will be determined as provided in the Applicable Pricing Supplement.

8.2.9 **Notification of Rate of Interest and Interest Amount**

The Issuer will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the JSE and the CSD and/or every other relevant exchange or authority as soon as possible after their determination but in any event no later than the 3<sup>rd</sup> (third) Business Day before the relevant Interest Payment Date. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to the JSE, the CSD and/or every other relevant exchange or authority and to the Noteholders in accordance with Condition 19 (*Notices*).

8.2.10 **Certificates to be Final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 8.2 (*Floating Rate Notes*), by the Calculation Agent shall (in the absence of wilful deceit, bad faith or manifest error or proven error) be binding on the Issuer and all Noteholders and in the absence as aforesaid no liability to the Issuer or the Noteholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

8.3 **Accrual of Interest**

- 8.3.1 Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date of its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue at the Default Rate specified in the relevant Applicable Pricing Supplement until whichever is the earlier of (a) the date on which all amounts due in respect of such Note have been paid, or, in respect of uncertificated Notes, the date on which the full amount of the money payable has been received by the CSD and/or the Participants and notice to that effect has been given to Noteholders in accordance with Condition 19 (*Notices*) or (b) the day falling seven Days after the Noteholder Trustee or the Paying Agent has notified Noteholders of receipt of all sums due in respect of all the Notes up to the seventh Day (except to the extent that there is failure in the subsequent payment to the relevant Noteholders under the Conditions).

- 8.3.2 If payment of interest on an Interest Payment Date is improperly withheld or refused, the Interest will continue to accrue at the Default Rate specified in the relevant Applicable Pricing Supplement until whichever is the earlier of (a) the date on which all amounts due in respect of such Interest Payment have been paid, or, in respect of uncertificated Notes, the date on which the full amount of the money payable has been received by the

CSD and/or the Participants and notice to that effect has been given to Noteholders in accordance with Condition 19 (*Notices*) or (b) the day falling seven Days after the Noteholder Trustee or the Paying Agent has notified Noteholders of receipt of all sums due in respect of all the Notes up to the seventh Day (except to the extent that there is failure in the subsequent payment to the relevant Noteholders under the Conditions).

#### 8.4 **Business Day Convention**

If any Interest Payment Date (or other date), which is specified in the relevant Applicable Pricing Supplement to be subject to adjustment in accordance with a Business Day Convention, would otherwise fall on a Day that is not a Business Day, then, if the Business Day Convention specified is:

- 8.4.1 the **Floating Rate Business Day Convention**, such Interest Payment Date (or other date) shall be postponed to the next Day which is a Business Day unless it would thereby fall into the next calendar month, in which event: (i) such Interest Payment Date (or other date) shall be brought forward to the first preceding Business Day and (ii) each subsequent Interest Payment Date (or other date) shall be the last Business Day in the month which falls the number of months, or other period specified as the Interest Period in the relevant Applicable Pricing Supplement, after the preceding applicable Interest Payment Date (or other date) has occurred; or
- 8.4.2 the **Following Business Day Convention**, such Interest Payment Date (or other date) shall be postponed to the next Day which is a Business Day; or
- 8.4.3 the **Modified Following Business Day Convention**, such Interest Payment Date (or other date) shall be postponed to the next Day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other such date) shall be brought forward to the first preceding Business Day; or
- 8.4.4 the **Preceding Business Day Convention**, such Interest Payment Date (or other date) shall be brought forward to the first preceding Business Day.

#### 9. **Redemption and Purchase**

##### 9.1 **At Maturity**

Unless previously redeemed or purchased and cancelled, each Note shall be redeemed by the Issuer at its Redemption Amount (together with interest accrued thereon if such Note is an Interest Bearing Note) on the Maturity Date in respect thereof. No Issuer shall be obliged to redeem any Notes in whole or in part prior to the Maturity Date, except as provided for below.

##### 9.2 **Optional Redemption for Tax Reasons**

Notes may be redeemed at the option of the Issuer at any time (in the case of Notes other than Floating Rate Notes or Fixed Rate Notes having an Interest Rate then determined on a floating or fixed basis) or on any Interest Payment Date (in the case of Floating Rate Notes or Fixed Rate Notes), on giving not less than 30 (thirty) Days nor more than 60 (sixty) Days' notice to the Noteholder Trustee and the Noteholders prior to such redemption, in accordance with Condition 19 (*Notices*) (which notice shall be irrevocable, certified by 2 (two) authorised directors of the Issuer and include particulars of the relevant change pursuant to Condition 9.2.1 (*Redemption and Purchase – Optional Redemption for Tax Reasons*) below), if the Issuer, immediately prior to the giving of such notice, is of the reasonable opinion that:

- 9.2.1 as a result of any change in, or amendment to, the laws or regulations of South Africa or any political sub-division of, or any authority in, or of, South Africa having power to tax, or any change or amendment which becomes effective after the relevant Issue Date, the Issuer is or would be required to pay additional amounts as provided or referred to in Condition 15 (*Taxation*); and
- 9.2.2 the requirement cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 (ninety) Days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Notes may be redeemed by the Issuer in accordance with this Condition 9.2 in whole or in part. A redemption in part may be effected

by the Issuer, notwithstanding that such partial redemption may not entirely avoid such obligation to pay additional amounts as provided for or referred to in Condition 15 (*Taxation*).

### 9.3 **Early Redemption following an Enforcement Event**

Should an Enforcement Notice be delivered in relation to any Transaction, the Notes issued under that Transaction in respect of which such Enforcement Notice has been delivered, shall be redeemed at their respective Redemption Amounts together with any interest (if applicable) in accordance with Condition 9.4 (*Procedures for Redemption*).

### 9.4 **Procedures for Redemption**

9.4.1 In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by Individual Certificates, and in accordance with the Applicable Procedures in the case of Redeemed Notes which are uncertificated, and in each case not more than 3 (three) Business Days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**).

9.4.2 In the case of Redeemed Notes represented by Individual Certificates, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 19 (*Notices*) not less than 2 (two) Business Days prior to the date fixed for redemption. The aggregate Nominal Amount of Redeemed Notes represented by Individual Certificates shall bear the same proportion to the aggregate Nominal Amount of all Redeemed Notes as the aggregate Nominal Amount of Individual Certificates outstanding bears to the aggregate Nominal Amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned Nominal Amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination and the aggregate Nominal Amount of Redeemed Notes which are uncertificated shall be equal to the balance of the Redeemed Notes. No exchange of the relevant uncertificated Notes will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this subparagraph.

9.4.3 Holders of Redeemed Notes shall surrender the Individual Certificates, if any, representing the Notes in accordance with the provisions of the notice given to them by the Issuer as contemplated above. Where only a portion of the Notes represented by such Individual Certificates are redeemed, the Transfer Agent shall deliver new Individual Certificates to the Noteholders, as the case may be, in respect of the balance of the Notes.

9.4.4 Payments in respect of the redemption of the Notes shall be made in accordance with Condition 10 (*Payments*) and, in relation to Notes held in the CSD in uncertificated form, shall take place in accordance with the Applicable Procedures relating to the redemption of debt securities.

### 9.5 **Early Redemption Amounts**

For the purpose of Condition 9.2 (*Optional Redemption for Tax Reasons*) and/or Condition 9.3 (*Early Redemption following an Enforcement Event*), the Notes will be redeemed at the Early Redemption Amount plus interest (if any), calculated as follows:

9.5.1 in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or

9.5.2 in the case of Notes (other than Zero Coupon Notes) with a Final Redemption Amount which is or may be less or greater than the Issue Price, at the amount specified in, or determined in the manner specified in, the relevant Applicable Pricing Supplement or, if no such amount or manner is so specified in the relevant Applicable Pricing Supplement, at their Nominal Amount; or

9.5.3 in the case of Zero Coupon Notes, at an amount (the **Amortised Face Amount**) equal to the sum of: (i) the Reference Price; and (ii) the product of the Implied Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable; or

9.5.4 such other amount or method of calculation of the amount payable as is provided in the

relevant Applicable Pricing Supplement.

Where such calculation is to be made for a period which is not a whole number of years, it shall be calculated on the basis of actual Days elapsed divided by 365 (three hundred and sixty five), or such other calculation basis as may be specified in the Applicable Pricing Supplement.

#### 9.6 **Purchases**

The Issuer may at any time purchase Notes (in the open market or in privately negotiated transactions with any Noteholders) at any price in the open market or otherwise. Such Notes may, subject to Applicable Law, be held, resold, or at the option of the Issuer, surrendered to the Transfer Agent for cancellation;

#### 9.7 **Cancellation**

All Notes which are redeemed in full will forthwith be cancelled. Further, all Notes so cancelled shall be held by the Issuer and shall not be reissued or resold. Where only a portion of Notes represented by an Individual Certificate are cancelled, the Transfer Agent shall deliver an Individual Certificate to such Noteholder in respect of the balance of the Notes.

#### 9.8 **Late Payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 9 (*Redemption and Purchase*) or upon its becoming due and repayable as provided in Condition 13 (*Enforcement Events*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 9.5.3 as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of: (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and (ii) 5 (five) Days after the date on which the full amount of the monies payable has been received by the CSD, and notice to that effect has been given to the Noteholder in accordance with Condition 19 (Notices).

#### 9.9 **Applicable Procedures**

The redemption and partial redemption of Beneficial Interests shall take place in accordance with the Applicable Procedures and the Financial Markets Act.

### 10. **Payments**

#### 10.1 **General**

10.1.1 All amounts payable on the Notes shall be paid by the Issuer in Rand in South Africa.

10.1.2 Payments of principal and/or interest on an Individual Certificate shall be made to the registered holder of such Note, as set forth in the Register on the close of business on the Last Day to Register (as specified in the relevant Applicable Pricing Supplement). In addition to the above, in the case of a final redemption payment, the holder of the Individual Certificate shall be required, on or before the Last Day to Register prior to the Maturity Date, to surrender such Individual Certificate at the offices of the Transfer Agent.

Payments of principal and/or interest in respect of uncertificated Notes shall be made to the CSD or the Participants, as shown in the CSD register on the Last Day to Register pursuant to the Applicable Procedures, and the Issuer will be discharged of its payment obligations by proper payment to the CSD or the Participants, in respect of each amount so paid. Each of the Persons shown in the records of the CSD and the Participants, as the case may be, shall look solely to the CSD or the Participant, as the case may be, for his share of each payment so made by the Issuer to the registered holder of such uncertificated Notes.

10.1.3 Payment will be subject in all cases to any fiscal or other laws, directives and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 15 (*Taxation*).



## 10.2 **Method of Payment**

- 10.2.1 Payments will be made in Rand by credit or transfer, by means of electronic settlement, to the Noteholder.
- 10.2.2 Payments will be subject in all cases to any fiscal or other laws, directives and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 15 (*Taxation*).
- 10.2.3 If the Issuer is prevented or restricted directly or indirectly from making any payment by electronic funds transfer in accordance with the preceding paragraph (whether by reason of strike, lockout, fire, explosion, floods, riot, war, accident, act of God, embargo, legislation, shortage of or breakdown in facilities, civil commotion, unrest or disturbances, cessation of labour, government interference or control or any other cause or contingency beyond the control of the Issuer), such inability shall not constitute an Enforcement Event in relation to that Transaction and the Issuer shall make such payment by cheque marked "*not transferable*" (or by such number of cheques as may be required in accordance with applicable banking law and practice to make payment of any such amounts). Such payments by cheque shall be sent by post to the address of the Noteholder as set forth in the Register or, in the case of joint Noteholders, the address set forth in the Register of that one of them who is first named in the Register in respect of that Note.
- 10.2.4 Each such cheque shall be made payable to the relevant Noteholder or, in the case of joint Noteholders, the first one of them named in the Register. Cheques may be posted by ordinary post, provided that neither the Issuer, the Paying Agent, the CSD nor CSD Participant shall be responsible for any loss in transmission and the postal authorities shall be deemed to be the agent of the Noteholders for the purposes of all cheques posted in terms of this Condition 10.2.
- 10.2.5 In the case of joint Noteholders with respect to Notes in certificated form, payment by electronic funds transfer will be made to the account of the Noteholder first named in the Register. Payment by electronic transfer to the Noteholder first named in the Register shall discharge the Issuer of its relevant payment obligations under the Notes.

## 10.3 **Payment Day**

If the date for payment of any amount in respect of any Note is not a Business Day in the relevant place of payment, the applicable Business Day Convention shall apply and the holder shall not be entitled to further interest or other payment in respect of any delay in payment, or if the Business Day Convention is not applicable, the holder thereof shall not be entitled to payment until the next following Business Day, and the holder shall not be entitled to further interest or other payment in respect of such delay.

## 10.4 **Interpretation of Principal and Interest**

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- 10.4.1 any additional amounts which may be payable with respect to principal under Condition 15 (*Taxation*);
- 10.4.2 the Final Redemption Amount of the Notes or the Early Redemption Amount of the Notes, as the case may be; and
- 10.4.3 the Optional Redemption Amount(s) (if any), as specified in the Applicable Pricing Supplement, of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 15 (*Taxation*).

## 11. **Priority of Payments**

- 11.1 In relation to each Transaction, the Issuer shall make all payments to Noteholders and other Transaction Creditors of the Issuer in relation to that Transaction in the order and priority set out below. The rights of each such Transaction Creditor of that Transaction bound in terms of the Priority of Payments shall be subordinated and ranked in accordance with the said priority. Prior to and subsequent to the delivery of an Enforcement Notice for that

Transaction, the Priority of Payments pursuant to Condition 11.2 (*Enforcement of Priority of Payments*) of that Transaction shall apply.

## **11.2 Enforcement of Priority of Payments**

Unless otherwise stated in the Applicable Pricing Supplement, on each Payment Date in relation to each Transaction, the Issuer shall apply all receipts and recoveries made in relation to that Transaction in the following order of priority and in each case if and only to the extent that payments of a higher priority have been made or provided for in full -

- 11.2.1 first, in payment of amounts payable by the Issuer in respect of taxation attributable to the receipts or accruals made by the Issuer under that Transaction;
- 11.2.2 second, *pari passu* and pro rata, in payment of or provision for payment of amounts payable to –
  - 11.2.2.1 the Payment Guarantor (excluding net settlement amounts) under the Payment Guarantee;
  - 11.2.2.2 the Arranger and Dealer(s) in terms of the Programme Agreement;
  - 11.2.2.3 the Calculation Agent, Paying Agent and Transfer Agent in terms of the Agency Agreement;
  - 11.2.2.4 the Administrator in terms of the Administration Agreement;
  - 11.2.2.5 the Account Bank in terms of the Account Bank Agreement;
  - 11.2.2.6 the Settlement Agent, Auditors and Rating Agency (if any);
  - 11.2.2.7 the directors of the Issuer;
  - 11.2.2.8 maintain the corporate status of the Issuer and the Issuer Owner Trust;
  - 11.2.2.9 the Administrator, for corporate expenses paid by the Administrator on the Issuer's behalf in terms of the Administration Agreement; and
  - 11.2.2.10 the Noteholder Trustee in terms of the Noteholder Trust Deed;
- 11.2.3 third, *pari passu* and pro rata, in payment of or provision for payment of the interest payable on the Notes (if any) issued under such Transaction;
- 11.2.4 fourth, *pari passu* and pro rata, in payment of or provision for payment of amounts payable in respect of the Redemption Amount payable on the Notes issued under that Transaction;
- 11.2.5 fifth, *pari passu* and pro rata, in payment of any net settlement amounts payable under the Payment Guarantee; and
- 11.2.6 sixth, *pari passu* and pro rata, and subject always to the availability of any surplus funds, any surplus funds will be paid to the Administrator as a discretionary fee for services rendered under the Administration Agreement.

## **12. Prescription**

The Notes will become void unless presented for payment of principal within a period of three years after their Redemption Date.

## **13. Enforcement Events**

- 13.1 Prior to an Enforcement Event arising, if the Issuer fails to make any payment due on any Notes issued under any Transaction when due and payable, and such non-payment is due to the Obligor failing to make any payment due under the relevant Underlying Payment Obligation, the Issuer must make a claim under the Payment Guarantee on the Guarantee Claim Date. The Issuer shall, on the Guarantee Claim Date, notify the JSE, the CSD, the Participant and the Noteholder Trustee of such claim.
- 13.2 Subject to the Priority of Payments under Condition 11 (*Priority of Payments*), on receiving the proceeds from the Payment Guarantor pursuant to the Payment Guarantee, the Issuer is required to make any payment due under the Notes issued under any Transaction, within 1 (one) Business Day of the Guarantee Payment Date.
- 13.3 If an Enforcement Event occurs in relation to any Transaction, the Administrator and/or the Issuer shall, as soon as becoming aware thereof, inform the Noteholder Trustee, the

Noteholders and JSE thereof.

- 13.4 Upon the happening of an Enforcement Event in relation to any Transaction, any relevant Noteholder in its discretion may or the Noteholder Trustee will (if so requested by the Noteholders of at least 50.1% (fifty point one percent) in Nominal Amount of the Notes Outstanding), by the delivery of an Enforcement Notice declare the Notes issued under that Transaction to be immediately due and payable in accordance with Condition 9.3 (*Early Redemption following an Enforcement Event*).

#### 14. Enforcement Limited

- 14.1 Subject to Condition 14.2, in relation to each Transaction the rights of the Transaction Creditors of the Issuer, including Noteholders, bound in terms of the Priority of Payments of that Transaction shall be limited to the extent that –
- 14.1.1 such Transaction Creditors shall not institute, or join with any person in instituting, any proceedings for the Issuer to be wound-up, liquidated or placed under business rescue, or for the appointment of a liquidator, business rescue practitioner or similar officer of the Issuer or of any or all of the Issuer's assets, until two years after the Issuer informs Noteholders (and other Transaction Creditors) that they have no further assets or rights to any assets available for payment of any sums purportedly or claimed to be outstanding and owing by the Issuer under the Notes;
- 14.1.2 such Transaction Creditors shall not levy or enforce any attachment or execution or take any proceedings with the levying of or enforce any attachment or execution upon or against any of the assets of the Issuer;
- 14.1.3 the liability of the Issuer to each such Transaction Creditor from time to time shall be limited to the lesser of –
- 14.1.3.1 the indebtedness of the Issuer to such Transaction Creditor; and
- 14.1.3.2 the aggregate of the actual amount available for distribution by the Issuer to such Transaction Creditor in accordance with the Priority of Payments,
- and the payment of such amount that is available for distribution to the Transaction Creditors in accordance with the Priority of Payments shall constitute a complete discharge of the Issuer's liability to such Transaction Creditors; and
- 14.1.4 such Transaction Creditors shall not exercise or seek to exercise or take any proceedings for the exercise of the *exceptio non adimpleti contractus* or any right of set-off or counter payment against the Issuer.
- 14.2 Nothing contained in Condition 14.1 shall limit the levying or enforcing of any attachment or execution or taking any proceedings with respect to the levying of or enforcing of any attachment or execution upon or against the assets of the Issuer in accordance with the provisions of the Transaction Documents in relation to that Transaction.
- 14.3 To the extent that any Transaction Creditor of the Issuer bound to the Priority of Payments in relation to that Transaction receives or recovers any amount other than in accordance with the Priority of Payments specified in that Transaction in respect of sums due to it by the Issuer (whether by set-off or otherwise), such Transaction Creditor is obliged to pay such amount prior or subsequent to the occurrence of an Enforcement Event in relation to that Transaction, to the Issuer who in each case shall pay over such monies, *mutatis mutandis*, in accordance with the relevant Priority of Payments.

#### 15. Taxation

- 15.1 All payments of principal and interest in respect of the Notes by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of South Africa or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law.
- 15.2 In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, as the case may be, in the absence of such withholding or deduction, except that no such additional amounts shall be payable

with respect to any Note:

- 15.2.1 held by or on behalf of a Noteholder who is liable for such taxes or duties in respect of such Note by reason of his having some connection with South Africa other than the mere holding of such Note or the receipt of principal or interest in respect thereof; or
- 15.2.2 presented for payment by or on behalf of, or held by, a Noteholder who could lawfully avoid (but has not so avoided) such withholding or deduction by complying with any statutory requirements in force at the present time or in the future by making a declaration of non-residence or other similar claim or filing for exemption to which it is entitled to the relevant tax authority or the Paying Agent (the effect of which is not to require the disclosure of the identity of the relevant Noteholder); or
- 15.2.3 where such withholding or deduction is in respect of taxes levied or imposed on interest or principal payments only by virtue of the inclusion of such payments in the taxable income (as defined in section 1 of the Income Tax Act) or taxable capital gain (as defined in paragraph 1 of Schedule 8 to the Income Tax Act) of any Noteholder; or
- 15.2.4 where (in the case of payment of principal and/or interest which is conditional on surrender and/or presentation of the relevant Individual Certificate in accordance with the Terms and Conditions) the relevant Individual Certificate is surrendered and/or presented more than 30 (thirty) Days after the Relevant Date, except to the extent that the Noteholder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth Day; or
- 15.2.5 held by or on behalf of a Noteholder who is a foreign person (i.e. non-resident for tax purposes) and who does not qualify for any of the exemptions to the withholding tax on interest (levied in terms of section 50B of the Income Tax Act, as may be amended from time to time), in terms of section 50D of the Income Tax Act; or
- 15.2.6 if such withholding or deduction arises through the exercise by revenue authorities of special powers in respect of tax defaulters.
- 15.3 Any reference in these Terms and Conditions to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under these Terms and Conditions or under any undertakings given in addition to, or in substitution for, these Terms and Conditions.

## 16. Exchange of Beneficial Interests and Replacement of Individual Certificates

### 16.1 Exchange of Beneficial Interests

- 16.1.1 The holder of a Beneficial Interest in Notes may, in terms of the Applicable Procedures and subject to section 42 of the Financial Markets Act, by written notice to the holder's nominated Participant (or, if such holder is a Participant, the CSD), request that such Beneficial Interest be exchanged for Notes in definitive form represented by an Individual Certificate (the **Exchange Notice**). The Exchange Notice shall specify (i) the name, address and bank account details of the holder of the Beneficial Interest and (ii) the Day on which such Beneficial Interest is to be exchanged for an Individual Certificate; provided that such Day shall be a Business Day and shall fall not less than 30 (thirty) Days after the Day on which such Exchange Notice is given.
- 16.1.2 The holder's nominated Participant will, following receipt of the Exchange Notice, through the CSD, notify the Transfer Agent that it is required to exchange such Beneficial Interest for Notes represented by an Individual Certificate. The Transfer Agent will, as soon as is practicable but within 14 (fourteen) Days after receiving such notice, in accordance with the Applicable Procedures, procure that an Individual Certificate is prepared, authenticated and made available for delivery, on a Business Day falling within the aforementioned 14 (fourteen) Day period, to the holder of the Beneficial Interest at the Specified Office of the Transfer Agent; provided that joint holders of a Beneficial Interest shall be entitled to receive only one Individual Certificate in respect of that joint holding, and the delivery to one of those joint holders shall be delivery to all of them.
- 16.1.3 In the case of the exchange of a Beneficial Interest in Notes issued in uncertificated form:
  - 16.1.3.1 the CSD will surrender (through the CSD system) such uncertificated Notes to the Transfer Agent at its Specified Office; and

16.1.3.2 the Transfer Agent will obtain the release of such uncertificated Notes from the CSD in accordance with the Applicable Procedures.

16.1.4 An Individual Certificate shall, in relation to a Beneficial Interest in any number of Notes issued in uncertificated form of a particular aggregate Nominal Amount standing to the account of the holder thereof, represent that number of Notes of that aggregate Nominal Amount, and shall otherwise be in such form as may be agreed between the Issuer and the Transfer Agent; provided that if such aggregate Nominal Amount is equivalent to a fraction of the Specified Denomination or a fraction of any multiple thereof, such Individual Certificate shall be issued in accordance with, and be governed by, the Applicable Procedures.

## 16.2 **Replacement**

If any Individual Certificate is worn out, mutilated, defaced, stolen, destroyed or lost it may be replaced at the Specified Office of the Transfer Agent, on payment by the claimant of such costs and expenses as may be incurred in connection therewith and the provision of such indemnity as the Issuer and the Transfer Agent may reasonably require. Worn out, mutilated or defaced Individual Certificates must be surrendered at the Specified Office of the Transfer Agent before replacements will be issued.

## 16.3 **Death and sequestration or liquidation of Noteholder**

Any Person becoming entitled to Notes as a consequence of the death, sequestration or liquidation of the holder of such Notes may, upon producing evidence to the satisfaction of the Issuer that he holds the position in respect of which he proposes to act under this Condition 16.3, or of his title as the Issuer and the Transfer Agent shall require, be registered himself as the holder of such Notes or, subject to the Applicable Procedures, this Condition 16.3 and Condition 18.2 (*Transfer of Notes represented by Individual Certificates*), may transfer such Notes. The Issuer and (if applicable) the CSD and the relevant Participant shall be entitled to retain any amount payable upon the Notes to which any Person is so entitled until such Person shall be registered as aforesaid or until such time such Notes are duly transferred.

## 16.4 **Costs**

The costs and expenses of the printing, issue and delivery of each Individual Certificate and all taxes and governmental charges that may be imposed in relation to such Individual Certificate and/or the printing, issue and delivery of such Individual Certificate shall be borne by the holder of the Notes represented by that Individual Certificate. Separate costs and expenses relating to the provision of Individual Certificates and/or the transfer of Notes may be levied by other Persons, such as a Participant, under the Applicable Procedures, and such costs and expenses shall not be borne by the Issuer. The costs and expenses of the delivery of Certificates and all taxes or governmental charges or insurance charges that may be imposed in relation to such mode of delivery shall be borne by the Noteholder.

## 17. **Register**

17.1 The Register of Noteholders in respect of Notes in certificated form shall –

17.1.1 be kept at the Specified Office of the Transfer Agent and a copy thereof shall be made available for inspection at the registered office of the Issuer (as set out at the end of the Programme Memorandum) or such other Person as may be appointed for the time being by the Issuer to maintain the Register;

17.1.2 contain the names, addresses and bank account numbers of the registered Noteholders;

17.1.3 show the total Nominal Amount of the Notes held by Noteholders;

17.1.4 show the dates upon which each of the Noteholders was registered as such;

17.1.5 show the serial numbers of the Individual Certificates and the dates of issue thereof;

17.1.6 be open for inspection at all reasonable times during business hours on Business Days by any Noteholder or any person authorised in writing by a Noteholder; and

17.1.7 be closed during the Books Closed Period.

17.2 The Transfer Agent shall alter the Register in respect of any change of name, address or account number of any of the Noteholders of which it is notified.

- 17.3 Except as provided for in these Terms and Conditions or as required by law, the Issuer –
- 17.3.1 shall, in respect of Notes, only recognise a Noteholder as the owner of the Notes registered in that Noteholder's name as per the Register; and
- 17.3.2 shall not be bound to enter any trust in the Register or to take notice of or to accede to the execution of any trust (express, implied or constructive) to which any Individual Certificate may be subject.
- 17.4 The CSD register maintained by the CSD in respect of Notes in uncertificated form in accordance with Applicable Laws and the Applicable Procedures will form part of the Register.
- 18. Transfer of Notes**
- 18.1 Transfer of Beneficial Interests in Notes held in the CSD**
- 18.1.1 Beneficial Interests may be transferred only in accordance with the Applicable Procedures through the CSD.
- 18.1.2 Transfers of Beneficial Interests to and from clients of Participants occur by way of electronic book entry in the securities accounts maintained by the Participants for their clients, in accordance with the Applicable Procedures.
- 18.1.3 Transfers of Beneficial Interests among Participants occur through electronic book entry in the central securities accounts maintained by the CSD for the Participants, in accordance with the Applicable Procedures.
- 18.2 Transfer of Notes represented by Individual Certificates**
- 18.2.1 In order for any transfer of Notes represented by an Individual Certificate to be recorded in the Register, and for such transfer to be recognised by the Issuer:
- 18.2.1.1 the transfer of such Notes must be embodied in a Transfer Form;
- 18.2.1.2 the Transfer Form must be signed by the registered Noteholder of such Notes and the transferee, or any Representatives of that registered Noteholder or transferee; and
- 18.2.1.3 the Transfer Form must be delivered to the Transfer Agent at its Specified Office together with the Individual Certificate representing such Notes for cancellation.
- 18.2.2 Notes represented by an Individual Certificate may only be transferred, in whole or in part, in amounts of not less than the Specified Denomination (or any multiple thereof).
- 18.2.3 Subject to this Condition 18.2, the Transfer Agent will, within 3 (three) Business Days of receipt by it of a valid Transfer Form (or such longer period as may be required to comply with any Applicable Laws and/or Applicable Procedures), record the transfer of Notes represented by an Individual Certificate (or the relevant portion of such Notes) in the Register, and authenticate and deliver to the transferee at the Transfer Agent's Specified Office or, at the risk of the transferee, send by mail to such address as the transferee may request, a new Individual Certificate in respect of the Notes transferred reflecting the outstanding Nominal Amount of the Notes transferred.
- 18.2.4 Where a Noteholder has transferred a portion only of Notes represented by an Individual Certificate, the Transfer Agent will authenticate and deliver to such Noteholder at the Transfer Agent's Specified Office or, at the risk of such Noteholder, send by mail to such address as such Noteholder may request, at the risk of such Noteholder, a new Individual Certificate representing the balance of the Notes held by such Noteholder.
- 18.2.5 The transferor of any Notes represented by an Individual Certificate will be deemed to remain the owner thereof until the transferee is registered in the Register as the holder thereof.
- 18.2.6 Before any transfer of Notes represented by an Individual Certificate is registered in the Register, all relevant transfer taxes (if any) must have been paid by the transferor and/or the transferee and such evidence must be furnished as the Issuer and the Transfer Agent may reasonably require as to the identity and title of the transferor and the transferee.
- 18.2.7 No transfer of any Notes represented by an Individual Certificate will be registered whilst the Register is closed as contemplated in Condition 17 (*Register*).

- 18.2.8 If a transfer of any Notes represented by an Individual Certificate is registered in the Register, the Transfer Form and cancelled Individual Certificate will be retained by the Transfer Agent.
- 18.2.9 In the event of a partial redemption of Notes, unless otherwise required the Transfer Agent shall not be required, to register the transfer of any Notes during the period beginning on the tenth Day before the date of the partial redemption and ending on the date of the partial redemption (both inclusive).

## 19. Notices

- 19.1 Notices to Noteholders shall be valid if mailed to their registered addresses appearing in the Register. Any such notice shall be deemed to have been given on the 7th (seventh) Day after the Day on which it is mailed.
- 19.2 All notices to the holders of Notes represented by Individual Certificates shall be in writing and shall be sent by registered mail to the respective addresses of those Noteholders appearing in the Register or delivered by hand to the respective addresses of those Noteholders appearing in the Register. Each such notice shall be deemed to have been received by the relevant Noteholder on the date on which such notice is sent by registered mail (if such notice is sent by registered mail).
- 19.3 Notwithstanding the provisions of Condition 19.1, for so long as all of the Notes in a Tranche are held in their entirety in the CSD, they may be substituted for the notice contemplated in Condition 19.1, by the delivery of the relevant notice to the CSD, the Participants and the relevant financial exchange for communication by them to the holders of Beneficial Interests in such Notes in accordance with the Applicable Procedures. Each such notice will be deemed to have been received by the holders of Beneficial Interests on the Day of delivery of such notice to the CSD.
- 19.4 Notwithstanding the provisions of Conditions 19.1 to 19.3 and in respect of listed Notes, notices relating to the dissemination of information by the Issuer (save for any notices relating to the amendment of any Condition in terms of Condition 21 (*Amendment of Conditions*)) may be announced via SENS.
- 19.5 Any notice to the Issuer shall be deemed to have been received by the Issuer, if delivered to the registered office of the Issuer, on the date of delivery, and if sent by registered mail, on the seventh Day after the Day on which it is sent. The Issuer may change its registered office upon prior written notice to Noteholders specifying such new registered office.
- 19.6 For so long as any of the Notes are uncertificated, notice may be given by any holder of an uncertificated Note to the Issuer via the relevant Settlement Agent in accordance with the Applicable Procedures, in such manner as the Issuer and the relevant Participants may approve for this purpose.

## 20. Meetings of Noteholders / Consent Process

- 20.1 In relation to each Transaction, the provisions with regard to meetings of Noteholders as set out in this Condition 20 shall apply, *mutatis mutandis*, to meetings of all Noteholders and to any separate meetings of any Class of Noteholders.
- 20.2 **Convening Meetings**
- 20.2.1 The Issuer, the Administrator or the Noteholder Trustee, may at any time convene a meeting of Noteholders or any Class of Noteholders.
- 20.2.2 In relation to each Transaction, the Issuer, the Administrator or the Noteholder Trustee shall convene a meeting upon the requisition in writing of the holders of at least 10% (ten percent) of the aggregate votes exercisable by Noteholders or relevant Class of Noteholders in relation to that Transaction at any point in time upon and being given written notice (**Requisition Notice**) of the nature of the business for which the meeting is to be held. The Issuer, the Administrator or the Noteholder Trustee shall notify each other of receipt of such notice forthwith. Any Requisition Notice may consist of several documents in like form and shall be signed by one or more of the requisitionists.
- 20.2.3 If the Issuer, the Administrator or the Noteholder Trustee, as the case may be, does not cause a meeting to be held within a reasonable period of time after the deposit with the company secretary of the Issuer of a Requisition Notice, requisitionists who together hold not less than 10% (ten percent) of the aggregate nominal Amount Outstanding of the

Notes for the time being may themselves convene the meeting, provided that such meeting shall be held within 60 sixty Business Days from the date of delivery of the Requisition Notice and shall be convened as nearly as possible in the same manner as meetings which may be convened by the Issuer, the Administrator or the Noteholder Trustee. Notice of such meeting shall be given to the Issuer, the Administrator and the Noteholder Trustee.

- 20.2.4 Should the Issuer at any time, and in relation to any Transaction, wish to convene a meeting, it (or the Administrator) shall forthwith give written notice to the Noteholder Trustee and the Noteholders or relevant Class of Noteholders in relation to that Transaction as specified in Condition 20.4 (*Notice of Meetings*).
- 20.2.5 Should the Noteholder Trustee at any time wish to convene a meeting, it shall forthwith give written notice to the Noteholders or relevant Class of Noteholders in relation to that Transaction and the Issuer and the Administrator, as specified in Condition 20.4 (*Notice of Meetings*).
- 20.2.6 All meetings of Noteholders or relevant Class of Noteholders shall be held in Johannesburg (unless otherwise provided in the Issuer's constitutive documents).

### 20.3 Notices / Consent Notices

- 20.3.1 Unless all Noteholders or all the holders of a relevant Class of Noteholders are present at the meeting and vote to waive the minimum notice period, a minimum of at least 15 (fifteen) Business Days written notice shall be given specifying the place, day, time and record date of the proposed meeting and the nature of the business to be transacted thereat, shall be given by the Noteholder Trustee, the Administrator or the Issuer, as the case may be, to each Noteholder or relevant Class of Noteholders in relation to that Transaction. The notice shall also specify the percentage of voting rights that will be required for the proposed resolution to be adopted and the form of the proposed resolution, and shall include a statement to the effect that Noteholders may appoint proxies (who need not also be Noteholders) and that the participants at the meeting need to provide satisfactory identification. Such notice is required to be given in accordance with Condition 19 (*Notices*).
- 20.3.2 In the case of a written resolution, the notice to Noteholders or a class of Noteholders must include the proposed resolutions to be passed, the record date, any restrictions on voting as provided for in this Programme Memorandum, the last date on which a Noteholder may submit its written vote as well as the address where the vote must be submitted.

### 20.4 Quorum

- 20.4.1 At any meeting, in relation to each Transaction, one or more Noteholders or relevant Class of Noteholders present in person or by Proxy and holding in aggregate not less than 25% (twenty five percent) of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the meeting shall form a quorum for the transaction of business.
- 20.4.2 No business shall be transacted at a meeting of Noteholders or any Class of Noteholders unless a quorum is present at the time when the meeting commences.
- 20.4.3 If, within one hour from the time fixed for a meeting, a quorum is not present (i) for the meeting to take place, then the meeting shall stand adjourned for one week, or (ii) for the matter to be considered, then the meeting shall be postponed to a later time in the meeting unless there is no other business on the agenda for the meeting, in which case the meeting shall stand adjourned for one week.
- 20.4.4 The Chairman may extend the one hour limit for a reasonable period on the grounds that (a) exceptional circumstances affecting weather or transportation have generally impeded or are generally impeding the ability of the Noteholders to be present at the meeting or (b) one or more particular Noteholders, having been delayed, have communicated an intention to attend the meeting, and those Noteholders, together with others in attendance, would satisfy the quorum requirements for the meeting or the matter to be considered. The Issuer is not required to give further notice of a meeting that has been postponed or adjourned unless the location of the meeting has changed. If at the time appointed for a postponed meeting to begin or an adjourned meeting to



resume, the requirements for a quorum have not been satisfied, the Noteholders present in person or by proxy will be deemed to constitute a quorum.

**20.5 Chairman**

The chairman of the meeting shall be appointed by the Noteholder Trustee.

**20.6 Adjournment**

20.6.1 A meeting, or the consideration of any matter at the meeting, may be adjourned from time to time without further notice, on a motion supported by Persons entitled to exercise, in aggregate, the majority of the voting rights held by all of the Persons who are present at the meeting at the time and that are entitled to be exercised on at least one matter remaining on the agenda of the meeting or on the matter under consideration. Such adjournment may be to a fixed time and place or until further notice (in such case, the notice must then be provided to the Noteholders timeously).

20.6.2 A meeting may not be adjourned beyond the earlier of (i) the date falling 120 Business Days after the record date or (ii) the date falling 60 Business Days after the date on which the adjournment occurred.

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

**20.7 Powers of a meeting**

20.7.1 In relation to each Transaction, every director, secretary of and attorney to the Issuer, the Administrator, the Noteholder Trustee and every other person authorised in writing by the Issuer, the Administrator or the Noteholder Trustee may attend and speak at meetings of Noteholders or any Class of Noteholders in relation to such Transaction, but shall not be entitled to vote, other than as a Proxy or duly authorised Representative of a Noteholder.

20.7.2 In relation to each Transaction, subject to this Condition 20, a meeting of Noteholders shall have the power, in addition to all powers specifically conferred elsewhere in these Conditions to –

20.7.2.1 by Extraordinary Resolution –

20.7.2.1.1 bind Noteholders to any compromise or arrangement; and

20.7.2.1.2 of a particular Class of Noteholders, to agree to any variation or modification of any of the rights of that Class of Noteholders,

in each case subject to the written consent of the Issuer.

20.7.3 In relation to each Transaction, the Noteholder Trustee shall be entitled, before carrying out the directions of Noteholders in terms of this Condition 20 to require that It be indemnified against all expenses and liability which may be incurred and that it be provided, so far as the Noteholder Trustee may reasonably require, with sufficient monies to enable it to meet the expense of giving effect to such directions.

**20.8 Votes**

20.8.1 At a meeting, a resolution put to the vote shall be decided by a poll unless, before or on the declaration of the result of the poll, a vote by show of hands is demanded by the chairman or any of the Noteholders present in person or by Proxy.

20.8.2 Unless a show of hands is demanded, a declaration by the chairman that on poll a resolution has been carried, or carried by a particular majority, or lost, shall be conclusive evidence of that fact, without proof of the number of votes cast in favour of or against such resolution.

20.8.3 A polled vote must be held on a particular matter to be voted on at a meeting if a demand for a vote is made by (i) at least five persons having the right to vote on the matter either in person or as Proxy of the Noteholder or (ii) a person who is, or persons who together are, entitled to exercise at least 10% of the voting rights entitled to be voted on that matter.

20.8.4 In the case of an equality of votes, whether on a poll or a show of hands, the chairman shall not be entitled to have a casting vote in addition to his deliberative vote, (if any).

- 20.8.5 On a show of hands, every Noteholder or relevant Class of Noteholders present in person shall have one vote.
- 20.8.6 On a poll, every Noteholder or relevant Class of Noteholders present in person or by Proxy shall have one vote for every ZAR1,000,000 (one million Rand) of the amount owing to that Noteholder in terms of the Transaction Documents as at the date of the relevant meeting.
- 20.8.7 Joint holders shall have one vote on a show of hands and one vote on a poll for each ZAR1,000,000 of the amount owing to that Noteholder in terms of the Transaction Documents as at the date thereof and the votes may be exercised only by that holder present whose name appears first on the Register of the Issuer in the event that one or more of such joint holders is present at the meeting in person or by Proxy.
- 20.8.8 A Noteholder in respect of uncertificated Notes shall vote at any such meeting on behalf of the holders of Beneficial Interests in such Notes in accordance with the instructions to the CSD from the holders of the Beneficial Interests conveyed through the Settlement Agents in accordance with the Applicable Procedures.

## 20.9 **Proxies and Representatives**

- 20.9.1 On a poll, votes may be cast either in person or by Proxy in the form annexed to the notice convening the meeting, signed by the holder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney of a duly authorised officer of the corporation.
- 20.9.2 A person appointed to act as Proxy need not be a Noteholder.
- 20.9.3 The Form of Proxy shall be deposited at the registered office of the Issuer or at the office where the Register of the Issuer is kept or at such other office as the Issuer may determine, not less than 24 hours before the time appointed for the holding of the meeting or adjourned meeting, as the case may be, failing which the Proxy shall be invalid.
- 20.9.4 No Form of Proxy shall be valid after the expiration of six months from the date named in it as its date of execution.
- 20.9.5 A Proxy shall have the right to demand or join in the demanding of a poll.
- 20.9.6 Notwithstanding Condition 20.9.5 a Form of Proxy shall be valid for any adjourned meeting, unless the contrary is stated thereon.
- 20.9.7 A vote given in accordance with the terms of the Form of Proxy shall be valid notwithstanding the previous death or incapacity of the principal, the revocation of the Proxy or the authority under which the Proxy was executed or the transfer of the Notes in respect of which the Proxy was given, provided that no written notice of such death, incapacity or revocation shall have been received by the Issuer at the office of the Transfer Agent more than, and that transfer has been given effect to less than, twelve hours before the commencement of the relevant meeting at which the Form of Proxy is to be used.

## 20.10 **Minutes**

- 20.10.1 In relation to each Transaction, the Noteholder Trustee shall cause minutes of all resolutions and proceedings at meetings to be duly entered in the minute books of the Issuer.
- 20.10.2 Any such minutes, if purporting to be signed by the chairman of the meeting at which such resolutions were passed or proceedings held or by the chairman of the next succeeding meeting, shall be receivable in evidence without any further proof, and until the contrary is proved, that a meeting of Noteholders in respect of the proceedings to which the minutes relate, was duly held and convened and all resolutions passed thereat, or proceedings held, were duly passed and held.

## 20.11 ***Mutatis mutandis application***

The provisions of this Condition 20 (*Meetings of Noteholders*) shall apply *mutatis mutandis* to the calling and conduct of meetings on an individual Tranche, Series or Class of Noteholders, as the case may be.

## **21. Amendment of Conditions**

- 21.1 The Noteholder Trustee may agree, without the consent of Noteholders or the relevant Class of Noteholders, as the case may be, to any amendment to these Conditions which, in the opinion of the Noteholder Trustee, is of a technical nature or is made to correct a manifest error or to comply with mandatory provisions of the Applicable Law, provided that the JSE is provided with such amended documents immediately after the Noteholders have been notified of such modification or amendment. Any such amendment will be binding on Noteholders and such amendment will be notified to Noteholders in accordance with Condition 19 (*Notices*) as soon as practicable thereafter and, while the Notes are listed on the JSE, to the JSE.
- 21.2 In respect of an amendment to these Conditions and/or the relevant Payment Guarantee that is not a technical nature, such amendment may be made only with the prior authorisation of an Extraordinary Resolution of the Noteholders, or the relevant Class of Noteholders, as the case may be. The Issuer will call a meeting of all Noteholders, or the relevant Class of Noteholder, as the case may be, and such meeting or meetings will be regulated by the provisions set out in Condition 20 (*Meetings of Noteholders*). No proposed amendments will be made to these Conditions and/or the relevant Payment Guarantee until such amendment has been approved by an Extraordinary Resolution at such meeting or meetings.
- 21.3 While the Notes are listed on the JSE, the Issuer shall first obtain conditional formal approval from the JSE on the notice to the Noteholders or relevant Class of Noteholders, as the case may be, incorporating such proposed amendments in compliance with the JSE debt listing requirements prior to delivery of such notice to Noteholders.

## **22. The Noteholder Trustee**

The Noteholder Trust Deed contains provisions for the indemnification of the Noteholder Trustee and for its relief from responsibility, including relieving it from taking proceedings unless indemnified and/or secured and/or prefunded to its satisfaction. The Noteholder Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit. The Noteholder Trustee may rely without liability to Noteholders on a report, confirmation or certificate or any advice of any accountants, financial advisers or investment bank, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Noteholder Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Noteholder Trustee shall be obliged to accept and be entitled to rely on any such report, confirmation or certificate or advice where the Issuer procures delivery of the same pursuant to its obligation to do so under any provision of these Terms and Conditions or the Noteholder Trust Deed and such report, confirmation or certificate or advice shall be binding on the Issuer, the Noteholder Trustee and the Noteholders in the absence of manifest error.

## **23. Entitlement of the Noteholder Trustee**

In connection with the exercise of its functions (including but not limited to those referred to in this Condition 23) the Noteholder Trustee shall have regard to the interests of the Noteholders as a class and, in particular but without limitation, shall not have regard to the consequences of the exercise of its trusts, powers or discretions for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory, and the Noteholder Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Bondholders.

## **24. Enforcement**

Subject to Condition 14 (*Enforcement Limited*), the Noteholder Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer or any other person as it may think fit to enforce the provisions of the Noteholder Trust Deed or the Notes, but it shall not be bound to take any such proceedings or any other action in relation to the Noteholder Trust Deed or the Notes, unless (i) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by Noteholders holding at least one-quarter of the aggregate Principal Amount of the Notes for the time being outstanding, and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No

Noteholder shall be entitled to proceed directly against the Issuer unless the Noteholder Trustee, having become bound so to proceed, fails so to do within a reasonable period and that failure is continuing.

**25. Further Issues**

The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further Notes having terms and conditions the same as any of the other Notes issued under the Programme or the same in all respects, save for the amount and date of the first payment of interest thereon, the Issue Price and the Issue Date, so that the further Notes shall be consolidated to form a single Series with the Outstanding Notes.

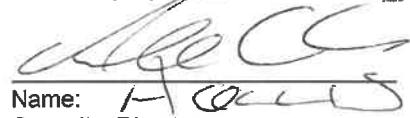
**26. Governing Law**

These Terms and Conditions and all rights and obligations to the Notes are governed by the laws of South Africa in force from time to time.


SIGNED at Cape Town on this 23<sup>rd</sup> day of February 2018.

For and on behalf of

**SSI SCF (RF) LIMITED**



Name: H. Coetzee  
Capacity: Director  
Who warrants his/her authority hereto

  
Name: J. Roux  
Capacity: Director  
Who warrants his/her authority hereto

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## USE OF PROCEEDS

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*Capitalised terms used in this section headed “Use of Proceeds” shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.*

The proceeds derived from the issue of each Note in relation to each Transaction will be used by the Issuer (i) to acquire an Underlying Payment Obligation and (ii) to pay any Transaction Creditors in accordance with the Priority of Payments under Condition 11 (*Priority of Payments*).

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## DESCRIPTION OF THE ISSUER

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*Capitalised Terms used in this section headed “Description of the Issuer” shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context*

### **Introduction**

The Issuer is a special purpose, public company with limited liability incorporated on 6 October 2017 in South Africa under registration number 2017448717/06. The Issuer's entire issued share capital is beneficially owned by the Issuer Owner Trust. The initial trustee of the Issuer Owner Trust is GMG Corporate Services (Africa) Proprietary Limited. The Issuer has no subsidiaries.

### **Directors**

The board of directors of the Issuer will comprise 4 (four) directors, initially being —

- Jofrie Gilbert Bower;
- Amanda Collis;
- Jan Harm Thomas Reyneke; and
- Jansen Harper.

### **Activities**

The Issuer has been established for the specific purpose of -

- acquiring and holding Underlying Payment Obligations;
- entering into the Payment Guarantee in relation to the Underlying Payment Obligations; and
- issuing Notes to fund the acquisition of Underlying Payment Obligations.

Accordingly, the Issuer's memorandum of incorporation has been limited to provide that the Issuer will carry on no other business save as specifically provided for in the Issuer's memorandum of incorporation.

As at the date of this Programme Memorandum, the Issuer has not traded and has no assets or liabilities other than ZAR100 (one hundred Rand) constituted by its issued share capital.

The Issuer will register for tax with the South African Revenue Service with a 30 December financial year-end.

### **Company Secretary**

Name: GMG Corporate Services (Africa) Proprietary Limited  
Address: 2<sup>nd</sup> Floor, Bridge House, Boundary Terraces, Mariendahl Lane, Newlands, 7700, Cape Town, South Africa  
Contact Details: +27 10 001 8020 •  
Attention: Ms A Collis

### **Auditors**

The Issuer has appointed PricewaterhouseCoopers Inc. as its Auditors for the time being.

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## DESCRIPTION OF THE NOTEHOLDER TRUSTEE

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*Capitalised terms used in this section headed "Description of the Noteholder Trustee" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.*

GMG Corporate Services (Africa) Proprietary Limited has been appointed in terms of a trust deed between the Noteholder Trustee and the Issuer, to act as trustee for the benefit of the Noteholders.

Pursuant to the Noteholder Trust Deed, the Noteholder Trustee is entitled to exercise the rights conferred on it and is obliged to perform the duties imposed on the Noteholder Trustee in terms of the Conditions of the Notes, including the rights and duties in terms of Condition 13 (*Enforcement Events*), Condition 20 (*Meetings of Noteholders*) and Condition 24 (*Enforcement*).

The Noteholder Trust Deed sets out provisions relating to the replacement of the Noteholder Trustee, including following an Extraordinary Resolution for the removal of the Initial Noteholder Trustee (as defined in the Noteholder Trust Deed) and the subsequent appointment of a new Noteholder Trustee by the Noteholders, of at least 66.67% in Nominal Amount of Notes Outstanding (whether by way of a resolution at a properly convened meeting of Noteholders or in writing).

As described in the section of this Programme Memorandum headed "*General Information*", a copy of the Noteholder Trust Deed is available for inspection by Noteholders at the registered office of the Issuer and the offices of the Noteholder Trustee.

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## DESCRIPTION OF THE ADMINISTRATOR

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*Capitalised terms used in this section headed “Description of the Administrator” shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.*

**The following is a description of certain of the salient features of the Administration Agreement and does not purport to be complete and, accordingly, is qualified in its entirety by reference to the Administration Agreement.**

### ***Business Activities of the Administrator***

The business activities of the Administrator include structuring, implementing, managing and administering supply chain finance structures. The Administrator primarily structures flexible solutions for its clients in pursuit of achieving one or more of the following:

- creating opportunities for growth by optimizing cash-flow objectives for both suppliers and buyers;
- improving cash-flow forecasting capabilities;
- supporting advanced treasury and working capital strategies;
- strengthening supplier and buyer relationships; and
- reducing embedded risks and costs in the supply chain.

The Administrator’s servicing capabilities enable its clients to rapidly expand into growth markets and increase sales volume while controlling and minimising financial risk.

### ***Appointment and removal of the Administrator***

In terms of the Administration Agreement and subject to the conditions contained therein, the Issuer has appointed CreditInnovation as the Administrator and CreditInnovation has accepted such appointment.

Pursuant to the Administration Agreement, the Issuer and/or the Administrator shall at any time be entitled to terminate the appointment of the Administrator on not less than 20 (twenty) Business Days notice to the other, provided that the Issuer or the Administrator (as the case may be) shall only be entitled to terminate such appointment if a replacement Administrator (acceptable to the Issuer) has been appointed.

Subject to the terms and conditions contained in the Administration Agreement, should

- the Administrator breach any provision of the Administration Agreement which is not remedied within the time period contained therein;
- the Administrator cease to be controlled by the person and/or entities that control it at the date of the Administration Agreement, without the consent of the Issuer;
- the Administrator be liquidated or be or become insolvent or commit any act which is or, if it were a natural person, would be an act of insolvency as defined in the Insolvency Act, 1936;
- the Administrator have any application or other proceedings brought against it in terms of which it is sought to be deregistered, wound-up, liquidated or placed under business rescue;
- the Administrator have any judgment or similar award (**Judgment**) awarded against it and fail to satisfy such Judgment within 30 (thirty) days after becoming aware thereof; or if such Judgment is appealable, fail to appeal against such Judgment or ultimately fail in such appeal; or if such Judgment is a default, fail to apply for rescission thereof or ultimately fail in such application; or if such Judgment is reviewable, fail to initiate proceedings for review thereof or ultimately fail in such proceedings;
- the Administrator be deemed to be unable to pay its debts in terms of the Companies Act;
- the Administrator compromise or attempt to compromise with, or defer or attempt to defer payment of debts owing by it to its creditors generally;
- the Administrator alienate or encumber the whole or a major portion of its assets (other than in the ordinary course of the Administrator’s business);



- the Administrator cease to carry on its business in a normal and regular manner or materially change the nature of its business; or
  - the performance of the Administrator's obligations in terms of this Agreement become illegal,
- the Issuer shall be entitled to summarily or at any time thereafter cancel the Administrator's appointment.

***Role and Duties of the Administrator***

The Administrator has been appointed to administer the Issuer generally and to assist and advise the Issuer in relation to the administration and running of the Programme.

In terms of the Administration Agreement, the Administrator will, *inter alia*, -

- perform certain administrative and advisory functions in relation to the Issuer, its business, the Notes and the Noteholders;
- manage the acquisition of Underlying Payment Obligations and the entering into of the Payment Guarantee by the Issuer;
- manage the collections, arrears and foreclosure procedure in respect of receipts due under the Underlying Payment Obligations and the Payment Guarantee;
- give certain representations, undertakings and warranties to the Issuer in relation to the Administrator's skills and experience and general ability to perform such administrative and advisory functions; and
- indemnify the Issuer against all loss, cost or expense incurred by the Issuer as a result of the negligence of the Administrator, its directors, employees or sub-contractors in connection with the services provided by the Administrator in terms of the Administration Agreement.

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## DESCRIPTION OF THE PAYMENT GUARANTOR

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*Capitalised terms used in this section headed “Description of the Payment Guarantor” shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.*

### **Introduction**

Santam Structured Insurance Limited (the **Payment Guarantor**) is a public company with limited liability incorporated in South Africa under registration number 1952/000436/06. As at the Programme Date, the Payment Guarantor owns 60% (sixty percent) of the issued share capital of CreditInnovation.

### **Directors**

As at the Programme Date, the board of directors of the Payment Guarantor comprises 8 (eight) directors, being:

- L Lambrechts (Chairman); and
- HD Nel (Non-Executive);
- QM Matthew (Non-Executive);
- JDV Melville (Non-Executive);
- PVC Smith (Non-Executive Independent);
- DN Edwards (Non-Executive)
- G Arroyo (Chief Executive Officer); and
- R Le Roux (Executive).

### **Business Activities of the Payment Guarantor**

The business activities of the Payment Guarantor include specialist insurance in developing individually designed financial and insurance solutions, With a portfolio of on and offshore insurance licenses and highly specialized skill sets. The Payment Guarantor creates tailored financial solutions aimed at optimizing capital structures and enhancing profitability for it clients.

The Payment Guarantor combines insurance, underwriting and financial knowledge to harness synergies and drive the following six business pillars:

- structuring;
- strategic investments;
- underwriting solutions;
- risk finance;
- credit insurance; and
- supply chain finance.

### **Role of the Payment Guarantor**

The Payment Guarantor will provide a Payment Guarantee to the Issuer in relation to the Underlying Payment Obligations in respect of a specific Obligor.

### **Litigation**

Save as disclosed herein, the Payment Guarantor neither is nor has been involved in any legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Payment Guarantor is aware) which may have or have had a material effect on the financial position of the Payment Guarantor.

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## SETTLEMENT, CLEARING AND TRANSFER OF NOTES

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*Capitalised terms used in this section headed "Settlement, Clearing and Transfer of Notes" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.*

### **Notes listed on the Interest Rate Market of the JSE and/or held in the CSD**

Each Tranche of Notes which is listed on the Interest Rate Market of the JSE in uncertificated form will be held in the CSD. A Tranche of unlisted Notes may also be held in the CSD.

### **Clearing systems**

Each Tranche of Notes listed on the Interest Rate Market of the JSE will be issued, cleared and settled in accordance with the Applicable Procedures for the time being of the JSE and the CSD through the electronic settlement system of the CSD. Such Notes will be cleared by Participants who will follow the electronic settlement procedures prescribed by the JSE and the CSD.

The CSD has, as the operator of an electronic clearing system, been appointed by the JSE to match, clear and facilitate the settlement of transactions concluded on the JSE. Subject as aforesaid each Tranche of Notes which is listed on the Interest Rate Market of the JSE will be issued, cleared and transferred in accordance with the Applicable Procedures and the Terms and Conditions, and will be settled through Participants who will comply with the electronic settlement procedures prescribed by the JSE and the CSD. The Notes may be accepted for clearance through any additional clearing system as may be agreed between the JSE, the Issuer and the Dealer(s).

### **Participants**

The CSD maintains accounts for Participants. As at the Programme Date, the Participants which are approved as Settlement Agents to perform electronic settlement of funds and scrip, are Citibank N.A. South Africa Branch; FirstRand Bank Limited; Nedbank Limited; Standard Chartered Bank, Johannesburg Branch; Société Générale, Johannesburg Branch; The Standard Bank of South Africa Limited and the South African Reserve Bank. Euroclear Bank S.A./N.V., as operator of the Euroclear System, and Clearstream Banking, société anonyme (Clearstream Luxembourg) will settle offshore transfers in the Notes through their Participants.

### **Settlement and clearing**

Participants will be responsible for the settlement of scrip and payment transfers through the CSD, the JSE and the South African Reserve Bank.

While a Tranche of Notes is held in the CSD, the Noteholder will be named in the CSD register as the Noteholder of the Notes in that Tranche. All amounts to be paid in respect of Notes held in the CSD will be paid to the relevant Participants on behalf of the relevant Noteholder pursuant to the Applicable Procedures. All rights to be exercised in respect of Notes held in the CSD will be exercised by the relevant Noteholder.

In relation to each Person shown in the records of the CSD or the relevant Participant, as the case may be, as the holder of a Beneficial Interest in a particular Outstanding Nominal Amount of Notes, a certificate or other document issued by the CSD or the relevant Participant, as the case may be, as to the Outstanding Nominal Amount of such Notes standing to the account of such Person shall be *prima facie* proof of such Beneficial Interest. However, the Noteholder as the registered holder of such Notes named in the CSD register will be treated by the Issuer, the Paying Agent, the Transfer Agent and the CSD as the holder of that aggregate Nominal Amount of such Notes for all purposes.

Payments of all amounts in respect of a Tranche of Notes which is listed on the Interest Rate Market of the JSE and/or held in uncertificated form will be made to the CSD, which in turn will transfer such funds, via the Participants, to the holders of Beneficial Interests. Each of the Persons reflected in the records of the CSD or the relevant Participant, as the case may be, as the holders of Beneficial Interests in Notes shall look solely to the CSD or the relevant Participant, as the case may be, for such Person's share of each payment so made by (or on behalf of) the Issuer to the registered Noteholder of such Notes.

Payments of all amounts in respect of a Tranche of Notes which is listed on the Interest Rate Market of the JSE and/or held in uncertificated form will be recorded by the CSD, distinguishing between interest and principal, and such record of payments by the CSD, shall be *prima facie* proof of such payments.

***Transfers and exchanges***

Subject to the Applicable Laws and the Applicable Procedures, title to Beneficial Interest held by Noteholders through the CSD will be freely transferable and pass on transfer thereof by electronic book entry in the securities accounts maintained by the CSD or relevant Participants for such Noteholders.

Beneficial Interests may be exchanged for Notes represented by Individual Certificates in accordance with Condition 18.2 (*Transfer of Notes represented by Individual Certificates*).

***Records of payments, trust and voting***

Neither the Issuer nor the Paying Agent will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, Beneficial Interests, or for maintaining, supervising or reviewing any records relating to Beneficial Interests. Neither the Issuer nor the Paying Agent nor the Transfer Agent will be bound to record any trust in the Register or to take notice of or to accede to the execution of any trust (express, implied or constructive) to which any Note may be subject. Holders of Beneficial Interests vote in accordance with the Applicable Procedures.

***BESA Guarantee Fund Trust***

Claims against the BESA Guarantee Fund Trust may only be made in respect of the trading of the Notes listed on the Interest Rate Market of the JSE and in accordance with the rules of the BESA Guarantee Fund Trust.

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## SUBSCRIPTION AND SALE OF NOTES

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*Capitalised terms used in this section headed “Subscription and Sale of Notes” shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.*

Each Dealer has in terms of the programme agreement dated 23 February 2018, as may be amended, supplemented or restated from time to time (the **Programme Agreement**), agreed with the Issuer a basis upon which it may from time to time agree to subscribe for Notes or procure the subscription of the Notes.

### **Selling restrictions**

#### **South Africa**

Each Dealer has (or will have) represented, warranted and agreed that it (i) will not offer Notes for subscription, (ii) will not solicit any offers for subscription for or sale of the Notes, and (iii) will itself not sell or offer the Notes in South Africa in contravention of the Companies Act, Banks Act, Exchange Control Regulations and/or any other Applicable Laws and regulations of South Africa in force from time to time.

Prior to the issue of any Tranche of Notes under the Programme, each Dealer who has (or will have) agreed to place that Tranche of Notes will be required to represent and agree that it will not make an “offer to the public” (as such expression is defined in the Companies Act, and which expression includes any section of the public) of Notes (whether for subscription, purchase or sale) in South Africa. This Programme Memorandum does not, nor is it intended to, constitute a prospectus prepared and registered under the Companies Act.

*Offers not deemed to be offers to the public:*

Offers for subscription for, or sale of, Notes are not deemed to be offers to the public if:

- (a) made only to certain investors contemplated in section 96(1)(a) of the Companies Act; or
- (b) the total contemplated acquisition cost of Notes, for any single addressee acting as principal, is equal to or greater than ZAR1,000,000, or such higher amount as may be promulgated by notice in the Government Gazette of South Africa pursuant to section 96(2)(a) of the Companies Act.

Information made available in this Programme Memorandum should not be considered as “advice” as defined in the Financial Advisory and Intermediary Services Act, 2002.

#### **United States**

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Prior to the issue of any Tranche of Notes under the Programme, each Dealer who has (or will have) agreed to place that Tranche of Notes will be required to represent and agree that:

- (a) the Notes in that Tranche have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons except in certain transactions exempt from the registration requirements of the Securities Act;
- (b) it has not offered, sold or delivered any Notes in that Tranche and will not offer, sell or deliver any Notes in that Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 (forty) Days after completion of the distribution, as determined and certified by the Dealer(s) or, in the case of an issue of such Notes on a syndicated basis, the relevant Lead Manager, of all Notes of the Series of which that Tranche of Notes is a part, within the United States or to, or for the account or benefit of, U.S. Persons;
- (c) it will send to each Dealer to which it sells any Notes in that Tranche during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of such Notes within the United States or to, or for the account or benefit of, U.S. Persons; and

- (d) it, its Affiliates and any Persons acting on its or any of its Affiliates behalf have not engaged and will not engage in any directed selling efforts in the United States (as defined in Regulation S under the Securities Act) with respect to the Notes in that Tranche and it, its Affiliates and any Persons acting on its or any of its Affiliates' behalf have complied and will comply with the offering restrictions requirements of Regulation S.

Until 40 (forty) Days after the commencement of the offering of a Series of Notes, an offer or sale of such Notes within the United States by any Dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an exemption from registration under the Securities Act.

### **European Economic Area**

Prior to the issue of any Tranche of Notes under the Programme, each Dealer who has (or will have) agreed to place that Tranche of Notes will be required to represent and agree that, in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each a **Relevant Member State**), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of any of such Notes to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of any of such Notes to the public in that Relevant Member State:

- (a) in the period beginning on the date of publication of a prospectus in relation to those Notes which has been approved by the competent authority in that Relevant Member State in accordance with the Prospectus Directive and/or, where appropriate, published in another Relevant Member State and notified to the competent authority in that Relevant Member State in accordance with Article 18 of the Prospectus Directive and ending on the date which is 12 (twelve) months after the date of such publication;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 100 or, if the relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal Persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “*offer of Notes to the public*” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “*Prospectus Directive*” means Directive 2003/71/EC (and amendments thereto including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression “*2010 PD Amending Directive*” means Directive 2010/73/EU.

### **United Kingdom**

Prior to the issue of any Tranche of Notes under the Programme, each Dealer who has (or will have) agreed to place that Tranche of Notes will be required to represent and agree that:

- (a) in relation to any of the Notes in that Tranche which have a maturity of less than one year, (i) it is a Person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any of such Notes other than to Persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of such Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act, 2000 (the **FSMA**) by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any of

the Notes in that Tranche under circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any of the Notes in that Tranche in, from or otherwise involving the United Kingdom.

**General**

Prior to the issue of any Tranche of Notes under the Programme, each Dealer who has (or will have) agreed to place that Tranche of Notes will be required to agree that:

- (a) it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in each jurisdiction in which it purchases, subscribes or procures the subscription for, offers or sells Notes in that Tranche or has in its possession or distributes the Programme Memorandum and will obtain any consent, approval or permission required by it for the purchase, subscription, offer or sale by it of Notes in that Tranche under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, subscription, offers or sales; and
- (b) it will comply with such other or additional restrictions as the Issuer and such Dealer agree and as are set out in the Applicable Pricing Supplement.

Neither the Issuer nor any of the Dealer(s) represent that Notes may at any time lawfully be subscribed for or sold in compliance with any applicable registration or other requirements in any jurisdiction or pursuant to any exemption available thereunder nor assumes any responsibility for facilitating such subscription or sale.

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## **SOUTH AFRICAN TAXATION**

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*Capitalised terms used in this section headed “South African Taxation” shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.*

***The comments below are intended as a general guide to the relevant tax laws of South Africa as at the Programme Date. The contents of this section headed “South African Taxation” do not constitute tax advice and do not purport to describe all of the considerations that may be relevant to a prospective subscriber for or purchaser of any Notes. Prospective subscribers for or purchasers of any Notes should consult their professional advisers in this regard.***

### **Securities Transfer Tax**

The issue, transfer and redemption of the Notes will not attract securities transfer tax under the Securities Transfer Tax Act, 2007 (the **STT Act**) because the Notes do not constitute “securities” as defined in the STT Act. Any future transfer duties and/or taxes that may be introduced in respect of (or applicable to) the transfer of Notes will be for the account of holders of the Notes.

### **Value-Added Tax**

No value-added tax (**VAT**) is payable on the issue or transfer of the Notes. The issue, sale or transfer of the Notes constitute “*financial services*” as defined in section 2 of the Value-Added Tax Act, 1991 (the **VAT Act**). In terms of section 2 of the VAT Act, the issue, allotment, drawing, acceptance, endorsement or transfer of ownership of a debt security as well as the buying and selling of derivatives constitute a financial service, which is exempt from VAT in terms of section 12(a) of the VAT Act.

However, commissions, fees or similar charges raised for the facilitation of the issue, allotment, drawing, acceptance, endorsement or transfer of ownership of Notes constitute “*debt securities*” as defined in section 2(2)(iii) of the VAT Act will be subject to VAT at the standard rate (currently 14 percent), except where the recipient is a non-resident as contemplated below.

Services (including exempt financial services) rendered to non-residents who are not in South Africa when the services are rendered, are subject to VAT at the zero rate in terms of section 11(2)(l) of the VAT Act.

### **Income Tax**

Under current taxation law effective in South Africa, a “*resident*” (as defined in section 1 of the Income Tax Act) is subject to income tax on his/her worldwide income. Accordingly, all Noteholders who are “*residents*” of South Africa will generally be liable to pay income tax, subject to available deductions, allowances and exemptions, on any income (including income in the form of interest) earned in respect of the Notes. Non-residents of South Africa are subject to income tax on all income derived from a South African source (subject to domestic exemptions or relief in terms of an applicable double taxation treaty).

Interest income is derived from a South African source if that amount:

- (a) is incurred by a person that is a South African tax resident, unless the interest is attributable to a foreign permanent establishment of that resident; or
- (b) is derived from the utilisation or application in South Africa by any person of any funds or credit obtained in terms of any form of “*interest-bearing arrangement*”.

The Notes will constitute an “*interest-bearing arrangement*”. The Issuer is tax resident in South Africa as at the Programme Date. Accordingly, unless the Notes are attributable to a permanent establishment of the Issuer outside of South Africa, the interest paid to the Noteholders will be from a South African source and subject to South African income tax unless such income is exempt under section 10(1)(h) of the Income Tax Act (see below).



Under section 10(1)(h) of the Income Tax Act, any amount of interest that is received or accrued by or to a Noteholder who, or which, is not a resident of South Africa during any year of assessment is exempt from income tax, unless:

- (a) that person is a natural person who was physically present in South Africa for a period exceeding 183 days in aggregate during the twelve month period preceding the date on which the interest is received by, or accrues to, that person; or
- (b) the debt from which the interest arises is effectively connected to a permanent establishment of that person in South Africa.

If a Noteholder does not qualify for the exemption under Section 10(1)(h) of the Income Tax Act, an exemption from, or reduction of any South African income tax liability may be available under an applicable double taxation treaty.

Furthermore, certain entities may be exempt from income tax. Purchasers are advised to consult their own professional advisers as to whether the interest income earned on the Notes will be exempt under section 10(1)(h) of the Income Tax Act or under an applicable double taxation treaty.

Under section 24J of the Income Tax Act, broadly speaking, any discount or premium to the principal amount of a Note is treated as part of the interest income on the Note. Interest income which accrues (or is deemed to accrue) to a Noteholder is deemed, in accordance with section 24J of the Income Tax Act, to accrue on a day-to-day basis until that Noteholder disposes of the Note or until maturity unless an election has been made by the Noteholder, which is a company, if the Noteholder is entitled under Section 24J(9) of the Income Tax Act to make such election, to treat its Notes as trading stock on a mark-to-market basis. This day-to-day basis accrual is determined by calculating the yield to maturity (as defined in Section 24J of the Income Tax Act) and applying this rate to the capital involved for the relevant tax period. The premium or discount is treated as interest for the purposes of the exemption under section 10(1)(h) of the Income Tax Act.

Section 24JB deals with the fair value taxation of financial instruments for certain types of taxpayers. Noteholders should seek advice as to whether these provisions may apply to them.

To the extent the disposal of the Note gives rise to a gain or a loss, the normal principles are to be applied in determining whether such gain or loss should be subject to income tax in terms of the Income Tax Act.

### **Capital Gains Tax**

Capital gains and losses of residents of South Africa on the disposal of Notes are subject to capital gains tax unless the Notes are purchased for re-sale in the short term as part of a scheme of profit making, in which case the proceeds will be subject to income tax. Any discount or premium on acquisition which has already been treated as interest for income tax purposes under section 24J of the Income Tax Act will not be taken into account when determining any capital gain or loss. In terms of section 24J(4A) of the Income Tax Act an adjusted loss on transfer or redemption will, to the extent that it has previously been included in the taxable income of the holder (as interest), be allowed as a deduction from the taxable income of the holder when it is incurred during the year of assessment in which the transfer or redemption takes place, and accordingly will not give rise to a capital loss.

Capital gains tax under the Eighth Schedule to the Income Tax Act will not be levied in relation to Notes disposed of by a Person who is not a resident of South Africa unless the Notes disposed of are attributable to a permanent establishment of that Person through which a trade is carried on in South Africa during the relevant year of assessment.

Purchasers are advised to consult their own professional advisers as to whether a disposal of Notes will result in a liability to capital gains tax.

### **Withholding Tax**

A final withholding tax on interest is levied at the rate of 15%, applying to interest payments made from a South African source to foreign persons (i.e. non-residents) subject to certain exemptions (see below). South Africa is also a party to double taxation treaties that may

provide full or partial relief from the withholding tax on interest, provided that certain requirements are met.

The available exemptions apply in respect of the instrument giving rise to the interest, to the foreign person receiving the interest, or to the person liable for the interest (i.e. the Issuer).

Regarding the exemptions applicable in respect of the instrument, an amount of interest is exempt if it is paid to a foreign person in terms of “*listed debt*”, being debt listed on a “*recognised exchange*”, as defined in terms of paragraph 1 of the Eighth Schedule to the Income Tax Act. The Notes may be listed on a recognised exchange. Thus, to the extent that the Notes remain listed on that exchange (and to the extent that that exchange remains a recognised exchange), any interest paid to a foreign person in respect of the Notes will be exempt from the withholding tax on interest. If the Notes are not listed on a recognised exchange, then the interest paid to a foreign person will not be exempt from the withholding tax on interest unless another exemption is applicable.

Regarding the exemptions applicable in respect of the foreign person receiving the interest, an amount of interest is exempt if–

- (a) that foreign person is a natural person who was physically present in South Africa for a period exceeding 183 days in aggregate during the twelve month period preceding the date on which the interest is paid;
- (b) the debt claim in respect of which that interest is paid is effectively connected with a permanent establishment of that foreign person in South Africa, if that foreign person is registered as a taxpayer in terms of Chapter 3 of the Tax Administration Act, 2011; and
- (c) The foreign person submits a declaration confirming their exemption to the person liable for the payment of the interest before payment of the interest is made.

If a foreign person does not qualify for the above exemption, then any interest paid to that foreign person will not be exempt from the withholding tax on interest unless another exemption is applicable.

Regarding the exemptions applicable in respect of the person liable for the interest, none of these will be applicable in respect of the Issuer. Thus, if the exemptions in respect of listed debt and foreign persons above are not applicable, then any interest paid to a foreign person will not be exempt from the withholding tax.

### **Definition of Interest**

The references to “*interest*” above means “*interest*” as understood in South African tax law. The statements above do not take account of any different definitions of “*interest*” or “*principal*” which may prevail under any other law or which may be created by the Terms and Conditions or any related documentation.

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## **SOUTH AFRICAN EXCHANGE CONTROL**

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*Capitalised terms used in this section headed “South African Exchange Control” shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.*

*The information below is intended as a general guide to the position under the Exchange Control Regulations as at the Programme Date. The Exchange Control Regulations are subject to change at any time without notice. The contents of this section headed “South African Exchange Control” do not constitute exchange control advice and do not purport to describe all of the considerations that may be relevant to a prospective subscriber for or purchaser of any Notes. Prospective subscribers for or purchasers of any Notes should consult their professional advisers in this regard.*

### **Non-South African resident Noteholders and emigrants from the Common Monetary Area**

Dealings in the Notes and the performance by the Issuer of its obligations under the Notes and the applicable Terms and Conditions may be subject to the Exchange Control Regulations.

#### **Emigrant Blocked Rands**

Blocked Rands may be used for the subscription for or purchase of Notes. Any amounts payable by the Issuer in respect of the Notes subscribed for or purchased with Blocked Rands may not, in terms of the Exchange Control Regulations, be remitted out of South Africa or paid into any non-South African bank account.

#### **Emigrants from the Common Monetary Area**

Any Individual Certificates issued to Noteholders who are emigrants from the Common Monetary Area will be endorsed “*non-resident*”. Such restrictively endorsed Individual Certificates shall be deposited with an authorised foreign exchange dealer controlling such emigrant’s blocked assets.

In the event that a Beneficial Interest in Notes is held by an emigrant from the Common Monetary Area through the CSD, the securities account maintained for such emigrant by the relevant Participant will be designated as a “*non-resident*” account.

Any payments of interest and/or principal due to a Noteholder who is an emigrant from the Common Monetary Area will be deposited into such emigrant Noteholder’s Blocked Rand account, as maintained by an authorised foreign exchange dealer. Interest payments are freely transferable and may be credited to the emigrant’s non-resident Rand account. Capital amounts in respect of principal are not freely transferable from the Common Monetary Area and may only be dealt with in terms of the Exchange Control Regulations.

#### **Non-residents of the Common Monetary Area**

Any Individual Certificates issued to Noteholders who are not resident in the Common Monetary Area will be endorsed “*non-resident*”. In the event that a Beneficial Interest in Notes is held by a non-resident of the Common Monetary Area through the CSD, the securities account maintained for such Noteholder by the relevant Participant will be designated as a “*non-resident*” account.

It will be incumbent on any such non-resident Noteholder to instruct the non-resident’s nominated or authorised dealer in foreign exchange as to how any funds due to such non-resident in respect of Notes are to be dealt with. Such funds may, in terms of the Exchange Control Regulations, be remitted abroad only if the relevant Notes are acquired with foreign currency introduced into South Africa or Rand from a non-resident Rand account and provided that the relevant Individual Certificate has been endorsed “*non-resident*” or the relevant securities account has been designated as a “*non-resident*” account, as the case may be.

The Issuer is domiciled and incorporated in South Africa and as such is not required to obtain exchange control approval.

For purposes of this section, **Common Monetary Area** means South Africa, Lesotho, Namibia, and Swaziland.

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## GENERAL INFORMATION

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*Capitalised terms used in this section headed "General Information" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.*

### **Authorisation**

All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of South Africa as at the Programme Date have been given for the establishment of the Programme and the issue of Notes and for the Issuer to undertake and perform its obligations under the Programme Memorandum and the Notes.

### **Listing**

The Programme Memorandum was approved by the JSE on or about 23 February 2018. Notes to be issued under the Programme may be listed on the Interest Rate Market of the JSE or any other financial exchange.

### **Auditors**

PricewaterhouseCoopers Inc. will act as auditors of the financial statements of the Issuer.

### **Material Change**

As at the Programme Date, and after due and careful inquiry, there has been no material change in the financial or trading position of the Issuer since the date of the Issuer's latest audited financial statements. As at the Programme Date, there has been no involvement by PricewaterhouseCoopers Inc. in making the aforementioned statement.

### **Litigation**

Save as disclosed herein, the Issuer neither is nor has been involved in any legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), within at least the previous 12 (twelve) months, which may have or have had a material effect on the financial position of the Issuer.

### **Documents Available**

The documents incorporated by reference as referred to in the section of this Programme Memorandum entitled "*Documents Incorporated by Reference*" above and the following documents listed below shall be made available for inspection during normal office hours at the offices of the Noteholder Trustee and at the registered office of the Issuer as set out at the end of this Programme Memorandum:

- the memorandum of incorporation of the Issuer;
- the trust deed constituting the Issuer Owner Trust;
- the Noteholder Trust Deed;
- the financial statements of the Issuer in respect of each financial year, once published; and
- each of the Transaction Documents,

all as amended, novated and/or replaced from time to time, save that any statement contained in this Programme Memorandum or in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Programme Memorandum to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

#### **ISSUER**

##### **SSI SCF (RF) Limited**

(registration number 2017/448717/06)

7<sup>th</sup> Floor Building 3 Alice Lane  
Cnr Alice Lance and 5<sup>th</sup> Street  
Sandton  
Johannesburg  
2196  
P O Box 652659  
Benmore, 2010  
South Africa

Contact: Mr J Harper

#### **ARRANGER**

##### **CreditInnovation Proprietary Limited**

(registration number 2013/210016/07)

7<sup>th</sup> Floor Building 3 Alice Lane  
Cnr Alice Lance and 5<sup>th</sup> Street  
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2196  
P O Box 652659  
Benmore, 2010  
South Africa

Contact: Mr J Harper

#### **DEALERS**

**Rand Merchant Bank,  
a division of FirstRand Bank Limited**  
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Contact: Ms L Cunningham-Scott

**CreditInnovation Proprietary Limited**  
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South Africa

Contact: Mr J Harper

#### **CALCULATION AGENT, TRANSFER AGENT AND ADMINISTRATOR**

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Contact: Mr J Harper

#### **PAYING AGENT AND ACCOUNT BANK**

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P O Box 786273  
Sandton, 2146  
South Africa

Contact: Ms L Cunningham-Scott

**NOTEHOLDER TRUSTEE**

**GMG Corporate Services (Africa) Proprietary Limited**  
(registration number 2017/157610/07)

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Newlands, 7700  
Cape Town  
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Postnet Suite 270  
Private Bag X1005  
Claremont  
Western Cape  
7735

Contact: Ms A Collis/Mr J Reyneke

**PAYMENT GUARANTOR**

**Santam Structured Insurance Limited**  
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**JSE DEBT SPONSOR**

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Contact: Ms S Lunney

**LEGAL ADVISORS TO THE ISSUER,  
ARRANGER AND DEALER(S)**

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Contact: Mr C van Heerden

**AUDITORS TO THE ISSUER**

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