

CAPITAL HARVEST FINANCE (RF) LIMITED
*(Incorporated in South Africa as a company with limited liability
under registration number 2021/867674/06)*

ZAR10,000,000,000 Asset-Backed Note Programme

Programme Memorandum

Under this asset-backed note programme (the "**Programme**"), Capital Harvest Finance (RF) Limited (the "**Issuer**") may issue limited recourse, secured registered notes (the "**Notes**"), denominated in South African Rand, on the terms and conditions (the "**Terms and Conditions**") contained in the section of this Programme Memorandum entitled "*Terms and Conditions of the Notes*".

Capitalised terms used below are defined in the section of this Programme Memorandum entitled "*Terms and Conditions of the Notes*" unless separately defined in this Programme Memorandum or any Applicable Pricing Supplement.

This Programme Memorandum has been approved by and registered with the Cape Town Stock Exchange ("**CTSE**"). Listed and/or unlisted Notes may be issued under the Programme. With respect to Notes not listed on the CTSE or on any other Financial Exchange, the placement of such unlisted Notes may be reported through the Central Securities Depository, in which event the settlement of trades of such Notes will take place in accordance with the electronic settlement procedures of the Central Securities Depository and the Applicable Pricing Supplement will be delivered to the Central Securities Depository. With respect to Notes not listed on the CTSE or on any other Financial Exchange, and not to be settled through the electronic settlement procedures of the Central Securities Depository, no Applicable Pricing Supplement will be delivered to the CTSE or such other Financial Exchange, as the case may be, or to the Central Securities Depository.

A Tranche of Notes may be listed on the CTSE or on such other Financial Exchange as may be determined by the Issuer and the Arranger, subject to any Applicable Laws. With respect to a Tranche of Notes to be listed on the CTSE, the Applicable Pricing Supplement relating to that Tranche will be delivered to the CTSE and the Central Securities Depository before the Issue Date, and the Notes may be traded by or through members of the CTSE from the date specified in the Applicable Pricing Supplement. The trading of Notes listed on the CTSE or on any other Financial Exchange will take place in accordance with the rules and operating procedures for the time being of the CTSE or such other Financial Exchange. The settlement of trades on the CTSE will take place in accordance with the electronic settlement procedures of the CTSE and the Central Securities Depository.

Each Tranche of Notes will be subject to the Terms and Conditions of the Notes, provided that the Applicable Pricing Supplement relating to a Tranche of Notes may specify additional terms and conditions (which may supplement and/or clarify the Terms and Conditions). Details of each Tranche of Notes and the additional terms and conditions specific to that Tranche of

Arranger and Debt Issuer Agent

Attorneys to the Arranger and Issuer



Notes, including the Principal Amount, the Interest Rate, the Issue Date and the Legal Final Maturity Date, will be specified in the Applicable Pricing Supplement.

The Programme is not rated. Certain Tranches of Notes issued under the Programme may be rated by a Rating Agency on a national scale and/or global scale basis. Unrated Tranches of Notes may also be issued and Tranches of Notes may be issued that are assigned a Rating (if any) by a different Rating Agency to the Rating Agency that assigned a Rating to any Tranche of Notes in issue. Any amendment to or change in the Rating assigned to a Tranche of Notes will be electronically disseminated to the Noteholders (to the extent that Notes are listed on the CTSE) in accordance with the operating procedures of the CTSE) and on a similar service established by such other Financial Exchange on which a Tranche of Notes may be listed. 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.

The Notes will be obligations solely of the Issuer. The Notes will not be obligations of, or the responsibility of, or guaranteed by the Arranger, the Originator, the Sellers, the Servicer, the Administrator, the other parties to the Transaction Documents or, save to the extent of the net amount recovered from the Issuer pursuant to the Issuer Indemnity and from the property realised pursuant to the other Security Documents (and then subject to the payment of higher ranking creditors in the Priority of Payments), the Security SPV, or any of their respective affiliates. No liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes will be accepted by the Arranger, the Originator, the Sellers, the Servicer, the Administrator, the other parties to the Transaction Documents or, save to the extent of the net amount recovered from the Issuer pursuant to the Issuer Indemnity and from the property realised pursuant to the other Security Documents, the Security SPV, or any of their respective affiliates. For an overview of the Programme and the roles and duties of the various parties, see the section of this Programme Memorandum entitled "*Overview of Programme*".

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

*This Programme Memorandum is to be read in conjunction with all documents which are deemed to be incorporated herein by reference. 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 Issuer, having made all reasonable enquiries, confirms that this Programme Memorandum, when read together with each Applicable Pricing Supplement, issued in relation to this Programme Memorandum and documents that are deemed incorporated herein and therein ("**Supporting Documentation**") contains or incorporates all information which is material in the context of the issue and offering of the Notes, that the information contained or incorporated in this Programme Memorandum, read together with the Supporting Documentation, is true and accurate in all material respects and is not misleading and that there are no facts the omission of which would make this Programme Memorandum, read together with the Supporting Documentation, misleading in any material respect.*

The CTSE takes no responsibility for the contents of this Programme Memorandum, any Applicable Pricing Supplement, the Issuer's annual financial statements and any amendments or supplements to the aforesaid documents. The CTSE makes no representation as to the accuracy or completeness of this Programme Memorandum, any Applicable Pricing Supplement, the Issuer's annual financial statements 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 this Programme Memorandum, any Applicable Pricing Supplement, the Issuer's annual financial statements and any amendments or supplements to the aforementioned documents. The CTSE's approval of the registration of this Programme Memorandum and the listing of the Notes on the CTSE, 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 Applicable Law, the CTSE will not be liable for any claim whatsoever.

Information contained in this Programme Memorandum with respect to the Originator, the Sellers, the Servicer, the Administrator, the other parties to the Transaction Documents and the Security SPV has been obtained from each of them for information purposes only and the Issuer assumes no responsibility for such information. The delivery of this Programme Memorandum shall not create any implication that there has been no change in the affairs of the Originator, the Sellers, the Servicer, the Administrator, the other parties to the Transaction Documents or the Security SPV since the date hereof or that the information contained or referred to herein is correct as at any time subsequent to its date.

No person is authorised to give any information or to make any representation concerning the issue of the Notes other than those contained in this Programme Memorandum. Nevertheless, if any such information is given or representation made, it must not be relied upon as having been authorised by the Issuer, the Arranger, the Originator, the Sellers, the other parties to the Transaction Documents, the Security SPV or any of their respective affiliates or advisers. Neither the delivery of this Programme Memorandum nor any offer, sale, allotment or solicitation made in connection with the offering of the Notes shall, in any circumstances, create any implication or constitute a representation that there has been no change in the affairs of the Issuer since the date hereof or that the information contained in this Programme Memorandum is correct at any time subsequent to the date of this Programme Memorandum.

The Arranger, the Originator, the Sellers and advisors have not separately verified the information contained in this Programme Memorandum. Accordingly, neither the Arranger, the Originator, the Sellers, the other parties to the Transaction Documents or the Security SPV nor any of their respective affiliates or advisors makes any representation, express or implied, or accepts any responsibility with respect to the accuracy or completeness of any of the information in this Programme Memorandum or any other information supplied in connection with the Programme. Each person receiving this Programme Memorandum acknowledges that such person has not relied on the Arranger, the Originator, the Sellers, the Security SPV or any other person affiliated with such a person in connection with its investigation of the accuracy of such information or its investment decision.

Neither this Programme Memorandum nor any other information supplied in connection with the Notes is intended to provide the basis of any credit or other evaluation, or should be considered as a recommendation by the Arranger, the Issuer, the Originator or the Sellers that any recipient of this Programme Memorandum or any other information supplied in connection with the Programme should subscribe for or purchase any Notes. Each person contemplating making an investment in the Notes must make its own investigation and analysis of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the terms of the offering 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. The Arranger, the Originator and the Sellers do not undertake to review the financial condition or affairs of the Issuer or to advise an investor or potential investor in the Notes of any information coming to their attention.

This Programme Memorandum does not constitute an offer or an invitation by or on behalf of the Arranger, the Issuer, the Originator or the Sellers to any person to subscribe for or purchase any of the Notes. The distribution of this Programme Memorandum and the offering of the Notes in certain jurisdictions may be restricted by law. No representation is made by the Arranger, the Issuer, the Originator or the Sellers that this Programme Memorandum may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any Applicable Laws or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder and none of them assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Arranger, the Issuer, the Originator, the Sellers or the Security SPV which would permit a public offering of the Notes or distribution of this Programme Memorandum in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Programme Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any Applicable Laws. Persons into whose possession this Programme Memorandum comes, are required by the Arranger, the Issuer, the Originator and the Sellers to inform themselves about and to observe any such restrictions.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"). Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to any US persons. In addition there are restrictions on the distribution of this Programme Memorandum in South Africa, the United Kingdom and the European Economic Area. For a more complete description of certain restrictions on the offering, sale and delivery of Notes and distribution of this Programme Memorandum, see the section of this Programme Memorandum entitled "Subscription and Sale" below.

The terms of this Programme Memorandum, if sent to persons resident in jurisdictions outside South Africa, may be affected by the laws of the relevant jurisdiction. Such persons should

inform themselves about and observe any applicable legal requirements in any such jurisdiction. It is the responsibility of any such person wishing to subscribe for or purchase the Notes to satisfy itself as to the full observance of the laws of the relevant jurisdiction therewith. If and to the extent that this Programme Memorandum is illegal in any jurisdiction, it is not made in such jurisdiction and this document is sent to persons in such jurisdiction for information purposes only.

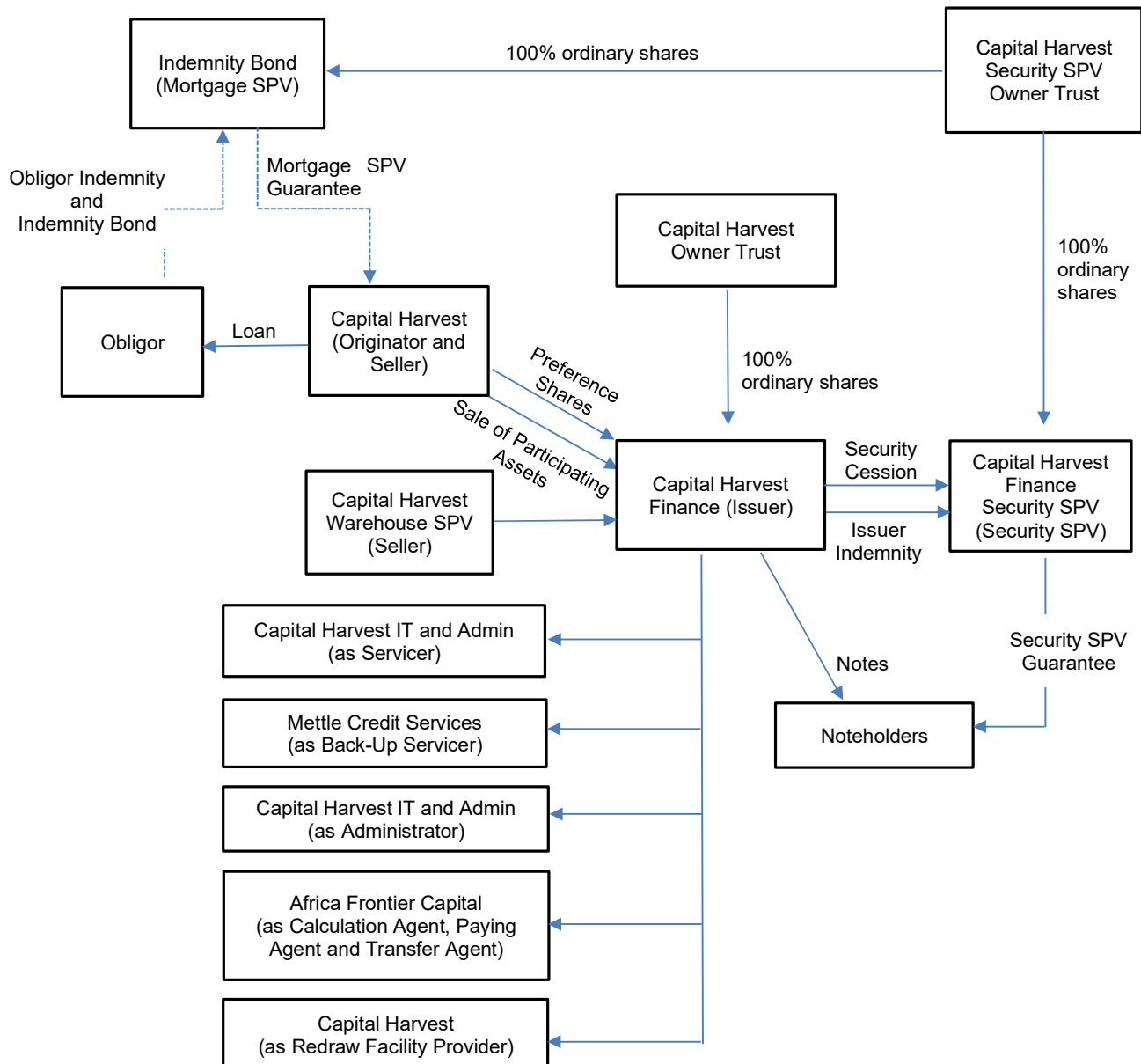
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OVERVIEW OF THE PROGRAMME

Words used in this section entitled "Overview of the Programme" shall bear the same meanings as used in the section entitled "Terms and Conditions of the Notes", and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.

A general description of the Programme is set out below. The general description does not purport to be complete and is taken from, and is qualified by, the remainder of this Programme Memorandum and, in relation to any particular Tranche of Notes, the Applicable Pricing Supplement.



A brief overview of the Programme is as follows -

- 1 Capital Harvest carries on the business of originating Participating Assets against the security of, *inter alia*, Indemnity Bonds registered over the properties of Obligors and other Security Providers in favour of the Mortgage SPV and other security provided by Obligors and Security Providers in favour of Capital Harvest.
- 2 Prior to the Initial Issue Date, Capital Harvest sold a portfolio of assets to Capital Harvest Warehouse SPV.
- 3 On the Initial Issue Date, Capital Harvest and Capital Harvest Warehouse SPV, as Sellers, will each sell an initial portfolio of Participating Assets to the Issuer. After the Initial Issue Date, Capital Harvest and Capital Harvest Warehouse SPV may sell Additional Participating Assets to the Issuer from time to time. The Issuer may purchase such Participating Assets provided that (i) they meet the Eligibility Criteria, (ii) following such acquisition the Portfolio Covenants will be satisfied, and (iii) an un-remedied Stop-Purchase Event has not occurred. Each of the Sellers will sell the Participating Assets to the Issuer on a non-recourse basis.
- 4 The Issuer will issue Notes to various Noteholders from time to time and shall use the proceeds of those Notes and/or any advance in terms of the Junior Loan Agreement from time to time, to pay to the relevant Seller the purchase price of the Participating Assets acquired from such Seller. The Issuer may also use the proceeds of an issuance of Notes to fund the Liquidity Reserve up to the Liquidity Reserve Required Amount.
- 5 Capital Harvest IT and Admin, as Servicer, will perform the administration, servicing, collections and management of the Participating Assets on behalf of the Issuer.
- 6 Capital Harvest IT and Admin, as Administrator, will manage the day-to-day operations of the Issuer, including performing all calculations that need to be performed in relation to the Transaction Documents, administering the Priority of Payments and ensuring that the Issuer exercises its rights and performs its obligations under the Transaction Documents.
- 7 Africa Frontier Capital, as Calculation Agent, will, *inter alia*, approve the Priority of Payments, monitor the Financial Covenants, Portfolio Covenants and perform such calculation duties as referred to in the Terms and Conditions and the other Transaction Documents. Africa Frontier Capital, as Paying Agent and Transfer Agent will perform such paying agent duties and transfer agent duties as required by the Terms and Conditions and as set out in the Agency Agreement.
- 8 The Redraw Facility Provider will provide the Redraw Facility to the Issuer in terms of the Redraw Facility Agreement in order for the Issuer to fund Redraws, Re-advances and Further Advances, to the extent that Available Funds are insufficient to fund Redraws, Re-advances and Further Advances. The Issuer will use collections received in respect of the Participating Assets and/or the proceeds of an advance under the Junior Loan Agreement and/or the proceeds from the sale of Participating Assets to repay the Redraw Facility, subject to the applicable Priority of Payments. The Issuer is not under any obligation to advance any Redraws, Re-advances or Further Advances. Upon a request from an Obligor and subject to the terms and conditions of the relevant Loan Agreement, the Issuer may, in its discretion and during the Revolving Period only, advance Redraws, Re-advances and Further Advances subject to certain conditions. For further details see the section of this Programme Memorandum entitled "*Structural Features*".

- 9 The Junior Loan Provider will, pursuant to the Junior Loan Agreement, provide a junior loan facility to the Issuer which will provide first loss credit enhancement in respect of the Notes issued on the Initial Issue Date equal to the Junior Loan Facility Amount. The proceeds of advances under the Junior Loan Agreement may be used to fund the Arrears Reserve up to the Arrears Reserve Required Amount, the Liquidity Reserve up to the Liquidity Reserve Required Amount and/or to (partly) fund the purchase price of Participating Assets from time to time and/or to repay the Redraw Facility and/or to maintain the Capital Structure Covenants. In the event that further Notes are issued by the Issuer after the Initial Issue Date, the Issuer may request the Junior Loan Provider to make a further advance under the Junior Loan Agreement in order to maintain the Capital Structure Covenants.
- 10 The Issuer may enter into Hedging Agreements to hedge all or part of the Issuer's potential interest rate exposure from time to time.
- 11 The Security SPV has been incorporated for the purposes of holding and realising Security for the benefit of the Secured Creditors (including Noteholders) subject to the Post-Enforcement Priority of Payments. The Security SPV will execute the Security SPV Guarantee in favour of Noteholders and other Secured Creditors.
- 12 The Issuer will indemnify the Security SPV in terms of the Issuer Indemnity in respect of claims that may be made against the Security SPV arising out of the Security SPV Guarantee. The Issuer's obligations under the Issuer Indemnity will be secured in terms of the Security Cession.

DOCUMENTS INCORPORATED BY REFERENCE

Words used in this section entitled "Documents Incorporated by Reference" shall bear the same meanings as used in the section entitled "Terms and Conditions of the Notes", and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.

The documents listed below are deemed to be incorporated in, and to form part of, this Programme Memorandum -

- (i) the audited annual financial statements of the Issuer for each financial year ending on 31 May, together with such statements, reports and notes attached to or intended to be read with such financial statements in respect of all financial years of the Issuer after the date of this Programme Memorandum, as and when such are approved and become available;
- (ii) each Applicable Pricing Supplement;
- (iii) any other supplement and/or amendment to this Programme Memorandum circulated by the Issuer from time to time; and
- (iv) all other Transaction Documents.

This Programme Memorandum and the documents listed in paragraphs (i) to (iv) above are, and as and when such documents become available, will be available for inspection by Noteholders, during normal office hours at the Specified Office of the Originator. For as long as Notes are listed on the CTSE, the documents listed in paragraphs (ii) to (iv) above will be made available on the Issuer's website at <https://capitalharvest.co.za>.

Any statement contained in this Programme Memorandum or in any document which is incorporated by reference into this Programme Memorandum will 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 in this Programme Memorandum modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

The Issuer will publish a new Programme Memorandum or a further supplement to this Programme Memorandum, as the case may be, on the occasion of any subsequent issue of Notes where there has been -

- (a) a material change in the condition (financial or otherwise) of the Issuer which is not then reflected in this Programme Memorandum or any supplement to this Programme Memorandum; or
- (b) any modification of the terms of the Programme which would make this Programme Memorandum inaccurate or misleading.

Any such new Programme Memorandum or Programme Memorandum as supplemented, as the case may be, will be deemed to have substituted the previous Programme Memorandum from the date of issue of the new Programme Memorandum or Programme Memorandum as supplemented, as the case may be.

SUMMARY OF THE PROGRAMME

Words used in this section entitled "Summary of the Programme" shall bear the same meanings as used in the section entitled "Terms and Conditions of the Notes" and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.

The information set out below is a summary of the principal features of the Programme. This summary should be read in conjunction with, and is qualified in its entirety by, the detailed information contained in the Transaction Documents and elsewhere in this Programme Memorandum.

Transaction parties

Issuer	Capital Harvest Finance (RF) Limited (registration number 2021/867674/06), a company with limited liability, duly incorporated and registered in accordance with the laws of South Africa.
Arranger	Africa Frontier Capital Proprietary Limited (registration number 2014/153711/07), a company with limited liability, duly incorporated and registered in accordance with the laws of South Africa (" Africa Frontier Capital ").
Originator	Capital Harvest Proprietary Limited (registration number 2004/029935/07), a company with limited liability, duly incorporated and registered in accordance with the laws of South Africa (" Capital Harvest ").
Sellers	Capital Harvest and Capital Harvest Warehouse SPV (RF) Proprietary Limited (registration number 2020/868249/07), a company with limited liability, duly incorporated and registered in accordance with the laws of South Africa.
Administrator	Capital Harvest IT and Admin Proprietary limited (registration number 2010/022666/07), a company with limited liability, duly incorporated and registered in accordance with the laws of South Africa (" Capital Harvest IT and Admin ").
Servicer	Capital Harvest IT and Admin.
Back-Up Servicer	Mettle Credit Services Proprietary Limited (registration number 2003/011957/07), a company with limited liability, duly incorporated and registered in accordance with the laws of South Africa.
Calculation Agent, Paying Agent and Transfer Agent	Africa Frontier Capital.
Junior Loan Provider	Capital Harvest.

Redraw Facility Provider	Capital Harvest or such other person(s) with whom the Issuer may enter into one or more Redraw Facility Agreements.
Account Bank	First National Bank, a division of FirstRand Bank Limited (registration number 1929/001225/06), a public company incorporated and registered under the laws of South Africa and registered as a bank under the Banks Act or such other bank with the Required Credit Rating as the Issuer may appoint from time-to-time.
Preference Shareholder	Capital Harvest.
Noteholders	The holders of Notes (as recorded in the Register).
Hedge Counterparty	Such person with the Required Credit Rating, with whom the Issuer may enter into one or more Hedging Agreements.
Owner Trust	The Capital Harvest Owner Trust (Master's reference number IT002120/2020(T)), a trust established to hold all of the ordinary shares in the issued share capital of the Issuer. The current trustee of the Owner Trust is TMF.
Security SPV	Capital Harvest Finance Security SPV (RF) Proprietary Limited (registration number 2021/856364/07), a company with limited liability, duly incorporated and registered in accordance with the laws of South Africa, incorporated to hold and realise security for the benefit of Secured Creditors (including Noteholders).
Security SPV Owner Trust	The Capital Harvest Security SPV Owner Trust (Master's reference number IT002104/2020(T)), a trust established to hold all of the shares in the share capital of the Security SPV. The current trustee of the Security SPV Owner Trust is TMF.
Mortgage SPV	Capital Harvest (RF) Proprietary Limited (registration number 2020/860532/07), a company with limited liability, duly incorporated and registered in accordance with the laws of South Africa, incorporated for the purpose of guaranteeing the obligations of Obligors to the Originator (as lender to such Obligors under the Participating Assets). The Obligors, in turn, indemnify the Mortgage SPV or its assigns against any loss it may incur as a result of the Mortgage SPV Guarantees being called up by the Originator or its assignees. As security for an Obligor's obligations to the Mortgage SPV under an Obligor Indemnity, one or more Indemnity Bonds are registered over such Obligor's or other Security Provider's property in favour of the Mortgage SPV.
Rating Agency	Such Rating Agency as may be appointed by the Issuer and specified in the Applicable Pricing Supplement from time to time, being at the date of this Programme Memorandum, GCR.

Auditors	PKF, or such other auditing firm as may be appointed by the Issuer from time to time subject to the consent of the Noteholders by Extraordinary Resolution.
Secured Creditors	Each of the creditors of the Issuer as set out in the Priority of Payments who is a party to a Transaction Document, including the Noteholders.
<i>Structural features</i>	
Arrears Reserve	The Arrears Reserve provides credit enhancement for the Notes. During the Revolving Period, an Arrears Reserve in the form of a cash reserve will be established upon the occurrence of an Arrears Reserve Trigger. The Issuer shall maintain the Arrears Reserve at the level of the Arrears Reserve Required Amount until the Arrears Participating Asset has been settled in full by the relevant Obligor or has been repurchased by the Originator in accordance with the terms and subject to the conditions set out in the Sale Agreement. The Arrears Reserve will be funded up to the Arrears Reserve Required Amount from excess cash in accordance with the Pre-Enforcement Priority of Payments during the Revolving Period and/or from an advance under the Junior Loan Agreement.
Liquidity Reserve	On the Initial Issue Date, a Liquidity Reserve in the form of a cash reserve will be established and funded in an amount equal to the Liquidity Reserve Required Amount from the proceeds of the issuance of Notes on the Initial Issue Date. The Issuer shall maintain the Liquidity Reserve at the Liquidity Reserve Required Amount during the Revolving Period. The Liquidity Reserve will be maintained up to the Liquidity Reserve Required Amount from excess cash in accordance with the Pre-Enforcement Priority of Payments during the Revolving Period and/or from an advance under the Junior Loan Agreement and/or from the proceeds of a further issuance of Notes. The Issuer may also appoint a Liquidity Facility Provider in <i>lieu</i> of the Liquidity Reserve to fund liquidity shortfalls on the terms and subject to the provisions set out in the Liquidity Facility Agreement.
Additional Participating Assets	Until the expiry of the Revolving Period, the Issuer shall, to the extent that funds are available for that purpose, in accordance with the Pre-Enforcement Priority of Payments during the Revolving Period, or utilising the proceeds of any further issuance of Notes on any day, be entitled on any day to purchase Additional Participating Assets from the Sellers complying with the Eligibility Criteria and subject to the Portfolio Covenants and the provisions of the Sale Agreement, as more fully described in the section of this Programme Memorandum entitled " <i>Structural Features</i> ".

Stop-Purchase Events

Any one or more of the following events (it being recorded that if a Stop-Purchase Event occurs, and for so long as the Stop-Purchase Event continues, the Issuer may not acquire any Additional Participating Assets nor provide any Redraws, Re-advances or Further Advances) –

- (a) the aggregate outstanding balance of all Arrears Participating Assets in the Portfolio of Participating Assets is more than 15% of the aggregate outstanding balance of all Participating Assets in the Portfolio of Participating Assets and cash provided for in terms of item 16 of the Pre-Enforcement Priority of Payments during the Revolving Period; and/or
- (b) an Amortisation Event has occurred and is continuing; and/or
- (c) an Event of Default has occurred and is continuing.

Revolving Period

The period from (and including) the Initial Issue Date to (but excluding) the Amortisation Date. During the Revolving Period the Issuer shall apply the proceeds of any further issuance of Notes and/or Available Funds (subject to the Pre-Enforcement Priority of Payments during the Revolving Period) to purchase Additional Participating Assets and/or to fund the Liquidity Reserve up to the Liquidity Reserve Required Amount. During the Revolving Period, the Issuer shall also be entitled to issue new Notes in order to redeem that portion of the Notes in a Tranche that is redeemable on any Scheduled Redemption Date of that Tranche of Notes.

Amortisation Date

The Business Day immediately following the delivery by the Noteholders of an Extraordinary Resolution confirming the end of the Revolving Period following the occurrence of an Amortisation Event.

Amortisation Period

The period commencing on the Amortisation Date during which the Issuer shall not be entitled to issue any Notes or to purchase any Additional Participating Assets and the Issuer shall apply all Available Funds towards payment of its liabilities in accordance with the Pre-Enforcement Priority of Payments during the Amortisation Period.

Portfolio Covenants

The criteria that the Portfolio of Participating Assets must satisfy immediately following the acquisition of a Participating Asset (including an Additional Participating Asset) and/or the repurchase or substitution of any Participating Asset in terms of the Sale Agreement and/or after a Re-advance and/or Further Advance is made by the Issuer, as set out in the most recent Applicable Pricing Supplement.

Redraw Facility

The Redraw Facility shall be made available by the Redraw Facility Provider to the Issuer to fund Redraws, Re-advances and Further Advances from time to time. For further details see the section entitled "*Structural Features*".

Redraws

A Redraw is a draw by an Obligor in terms of the relevant Loan Agreement, of a portion of the principal of such Obligor's loan, which principal has previously been repaid by such Obligor in excess of the minimum required instalments (i.e. a redraw of Prepayments) and which have not already been redrawn by such Obligor before the time of such Redraw. Redraws shall be funded from Available Funds or an advance under the Redraw Facility. For further details see the section entitled "*Structural Features*".

Re-advance

A Re-advance is an advance to an Obligor in terms of the relevant Loan Agreement of a portion of the principal of such Obligor's loan, which principal has previously been repaid by such Obligor (i.e. a re-advance of Repayments but excluding Prepayments) and which has not already been advanced to such Obligor before the time of such Re-advance. Re-advances shall be funded from Available Funds or an advance under the Redraw Facility. For further details see the section entitled "*Structural Features*".

Further Advance

A Further Advance is an additional principal advance to an Obligor in terms of the relevant Loan Agreement which is not a Redraw or a Re-advance. Further Advances shall be funded from Available Funds or an advance under the Redraw Facility. For further details see the section entitled "*Structural Features*".

Junior Loans

On or about the Initial Issue Date, the Issuer will enter into the Junior Loan Agreement with the Junior Loan Provider which will provide first loss credit enhancement in respect of the Notes issued on the Initial Issue Date equal to the Junior Loan Facility Amount. On subsequent Issue Dates the Junior Loan Provider may provide further advances to maintain the Capital Structure Covenants, to the extent required. The Junior Loan advances may also be utilised by the Issuer to fund the Arrears Reserve up to the Arrears Reserve Required Amount and/or to fund the Liquidity Reserve up to the Liquidity Reserve Required Amount and/or to fund the purchase price for Participating Assets and Additional Participating Assets to be acquired by the Issuer and/or to repay the Redraw Facility. For further details see the section entitled "*Structural Features*".

Capital Structure

The Issuer shall be obliged at all times to maintain the Capital Structure Covenants. If any of the Capital Structure Covenants are breached at any time after the redemption of any Notes or the issuance of a new Tranche of Notes, the Issuer may request the Junior Loan Provider to make an advance under the Junior Loan Agreement so that the Capital Structure Covenants are maintained immediately

after such redemption or issuance of Notes. The Capital Structure Covenants are described in the section of this Programme Memorandum entitled "*Structural Features*" under the heading "*Capital Structure*".

Permitted Investments

The Administrator (on behalf of the Issuer) will be entitled to invest cash standing to the credit of the Transaction Account from time to time in Permitted Investments. For further details see the section entitled "*Structural Features*".

Programme Description

Description of the Programme

The Capital Harvest Finance (RF) Limited Asset-Backed Note Programme.

Rating

The Programme is not rated, but certain Tranches of Notes issued under the Programme may be rated by a Rating Agency on a national scale and/or global scale basis. The Applicable Pricing Supplement will reflect the Rating, if any, which has been assigned to a Tranche of Notes, as well as the relevant Rating Agency which assigned such Rating. 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.

Notes

The Notes are direct, limited recourse, obligations of the Issuer. The description of, and terms and conditions applicable to, Notes other than those specifically described in this Programme Memorandum will be set out in the Applicable Pricing Supplement.

Form of Notes

Notes will be issued in uncertificated form as described in the section entitled "*Form of the Notes*".

Currency

Rand, the lawful currency of South Africa.

Terms and Conditions of the Notes

The terms and conditions of the Notes are set out in this Programme Memorandum under the section entitled "*Terms and Conditions of the Notes*" and in the Applicable Pricing Supplement in relation to specific terms and conditions of the Notes.

Issue Price

Notes may be issued on a fully-paid basis, at an issue price which is at its Principal Amount or at a discount to, or premium over its Principal Amount as specified in the Applicable Pricing Supplement.

Denomination of Notes

The Notes will be issued with a minimum denomination of ZAR1,000,000.

Maturities

The maturity of each Tranche of Notes will be specified in the Applicable Pricing Supplement.

Interest Rate

As specified in the Applicable Pricing Supplement.

Register	The Register will be maintained by the Transfer Agent in terms of the Terms and Conditions.
Books Closed Period	The Register will be closed prior to each Interest Payment Date, each Scheduled Redemption Date and/or the Legal Final Maturity Date, for the periods described in the Applicable Pricing Supplement, in order to determine those Noteholders entitled to receive payments.
Status of Notes	<p>The claims of each Noteholder of a Class of Notes (whether in respect of principal, interest or otherwise) shall be subordinated to the claims of higher ranking creditors of the Issuer (including Noteholders of higher ranking Classes of Notes) in accordance with the Priority of Payments.</p> <p>Each Tranche of Notes within each Class of Notes will rank in numerical descending order and shall be subordinated to such other Tranche of Notes in that Class of Notes appearing chronologically before it (e.g. Class A2 Notes shall be subordinated to the Class A1 Notes, Class A3 Notes shall be subordinated to the Class A2 Notes, etc.)</p>
Security	The Security SPV shall issue a limited recourse guarantee to the Secured Creditors (including Noteholders), as more fully described under the section entitled " <i>Security Arrangements</i> ".
Priority of Payments	<p>The Priority of Payments is the sequence in which the Issuer will, out of Available Funds and in certain circumstances the Arrears Reserve (if applicable) and the Liquidity Reserve, make payments to creditors of the Issuer (including Noteholders and other Secured Creditors).</p> <p>The Issuer shall contract with the Secured Creditors on the basis that payments due to them shall be made on a Payment Date from Available Funds and in certain circumstances the Arrears Reserve (if applicable) and the Liquidity Reserve, strictly in the sequence set out in the Priority of Payments so that a Secured Creditor who ranks subsequent to any other creditors in the Priority of Payments will not be paid unless and until all the creditors which rank prior to it in the Priority of Payments have been paid or provided for, all the amounts then due and payable to them by the Issuer.</p> <p>The Pre-Enforcement Priority of Payments during the Revolving Period, the Pre-Enforcement Priority of Payments during the Amortisation Period and the Post-Enforcement Priority of Payments, are set out in the section of this Programme Memorandum entitled "<i>Priority of Payments</i>".</p>
Limited Enforcement	The power of Secured Creditors to take action in respect of their claims is limited in the manner set out in Condition 14.

Securities Transfer Tax

In terms of current South African legislation as at the date of this Programme Memorandum, no securities transfer tax is payable by the Issuer on the original issue of, or on the registration of transfer of the Notes, on the basis that the Notes will not comprise a "security" as defined in section 1 of the Securities Transfer Tax Act, 2007, as amended. Any future securities transfer tax that may be introduced will be for the account of Noteholders.

Withholding Tax

Payments of interest and principal will be made without withholding or deduction for Taxes unless such withholding or deduction is required by law. In the event that such withholding or deduction is required by law, the Issuer will not be obliged to pay additional amounts in relation thereto. Withholding tax on interest in respect of certain debt instruments may be applicable to certain persons who are regarded as non-resident for tax purposes in South Africa. Certain exceptions may or may not be applicable in this regard.

Tax Status

A summary of applicable current South African Tax legislation appears in the section of this Programme Memorandum entitled "*South African Taxation*". The section does not constitute tax advice and investors should consult their own professional advisers.

Listing and Trading

Each Tranche of Notes may be listed on the CTSE or on such other Financial Exchange as may be determined by the Issuer and the Arranger and subject to any Applicable Laws. Unlisted Notes may also be issued under the Programme. With respect to Notes not listed on the CTSE or any other Financial Exchange, the placement of such unlisted Notes may be reported through the Central Securities Depository in which event the settlement of trades of such Notes will take place in accordance with the electronic settlement procedures of the Central Securities Depository.

Governing Law

The Notes will be governed by, and construed in accordance with, the laws of South Africa.

Distribution

Notes may be offered by way of private placement, public auction or any other means permitted by law as determined by the Issuer and the Arranger and specified in the Applicable Pricing Supplement.

Selling Restrictions

The distribution of this Programme Memorandum and placing of Notes may be restricted by law in certain jurisdictions, and are restricted by law in the United States of America, the United Kingdom, the European Economic Area and South Africa. Persons who come into possession of this Programme Memorandum or the Applicable Pricing Supplement must inform themselves about and observe such restrictions.

INVESTMENT CONSIDERATIONS

Words used in this section entitled "Investment Considerations" shall bear the same meanings as used in the section entitled "Terms and Conditions of the Notes", and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.

Prospective investors should carefully consider the following investment considerations, in addition to the matters described in this Programme Memorandum and 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 judgment in regard to the suitability of the investment they are making.

Rating of the Notes

Certain Tranches of Notes issued under the Programme may be rated by an accredited Rating Agency on a national scale and/or global scale basis. Unrated Tranches of Notes may also be issued and Tranches of Notes may be issued that are assigned a Rating by a different Rating Agency to the Rating Agency that assigned a Rating to any Tranche of Notes in issue. The Rating of any Tranche of Notes is not a recommendation to purchase, hold or sell Notes, inasmuch as such Rating does not comment on the market price or suitability of the Notes for a particular investor. Depending on the views of the applicable Rating Agency, the Rating of the Notes address the timely and/or ultimate payment of interest and ultimate payment of principal or the expected loss posed to investors by the legal final maturity of the Notes. Ratings typically address only the credit risks associated with the transaction. Other non-credit risks are typically not addressed but may have a significant effect on the yield to investors. There can be no assurance that any Rating Agency not requested to rate the Notes will issue a Rating and, if so, what such Rating would be. A Rating assigned to the 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 a global scale foreign currency Rating which could be lower than the national scale and/or global scale local currency 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, withdrawn or suspended entirely by the Rating Agency if any circumstances in the future so warrant.

Warranties

Neither the Issuer nor the Security SPV has undertaken or will undertake any investigations, searches or other actions in respect of the Participating Assets, and each will rely instead on the warranties given by the Sellers in the Sale Agreement. There can be no assurance that the Sellers 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 Sellers and neither the Issuer nor the Security SPV shall have any contractual recourse to any other person in the event that the Sellers for whatever reason fails to meet such obligations.

Non-recourse obligations

The Notes will be obligations solely of the Issuer. In particular, without limitation, the Notes will not be obligations of, and will not be guaranteed by the Sellers, the Administrator, the Servicer,

the Originator, the Redraw Facility Provider, the Junior Loan Provider, the Preference Shareholder or, save to the extent of the net amount recovered from the Issuer pursuant to the Issuer Indemnity and from the property realised pursuant to the other Security Documents, the Security SPV. The Issuer will rely solely on its assets, and the receipt of amounts on or in respect of such assets, including primarily the receipt of payments in respect of amounts due under or in connection with the Participating Assets purchased by it, the cash available in the Transaction Account, the Arrears Reserve (if applicable), the Liquidity Reserve and, if applicable, the proceeds of the issue of any further Tranche of Notes to enable it to make payments in respect of the Notes.

Following a claim under the Security SPV Guarantee, the Security SPV will have recourse against the Issuer under the Issuer Indemnity, such recourse being limited to the assets of the Issuer, which assets have, in terms of the Security Cession, been secured by the cession *in securitatem debiti* in favour of the Security SPV. The assets comprise, among other things, the Participating Assets, collateral security in respect of the Participating Assets, and the funds standing to the credit of the Transaction Account and Permitted Investments.

If, upon default by any Obligors and after the exercise by the Servicer of available remedies in terms of the Credit and Collections Policy, the Issuer does not receive the full amount due from those Obligors, then Noteholders may receive by way of principal repayment an amount less than the Outstanding Principal Amount of their Notes and the Issuer may be unable to pay in full or in part interest due on the Notes.

Collectability of Participating Assets

The collectability of amounts due under the Participating Assets is subject to credit and liquidity risks and will generally be affected by, among other things, market interest rates, general economic conditions, the financial standing of Obligors, the extent to which Obligors make payments under the Participating Assets and other similar factors, all of which may lead to an increase in delinquencies and insolvency applications by Obligors and could ultimately have an impact on the ability of Obligors to repay amounts owing in respect of the Participating Assets.

Geographic concentration of Participating Assets

Certain geographic regions will from time-to-time experience weaker regional economic conditions than will other regions and, consequently, will experience higher rates of loss and delinquency on Participating Assets generally. There are concentrations of Participating Assets within certain regional areas which may present risk considerations different from those without such concentrations.

Defaults under the Participating Assets

If a sufficient number of Obligors default, the Issuer may be unable to fully repay the Secured Creditors (including the Noteholders).

To reduce the risk of default, the Originator will have applied certain credit criteria in originating Participating Assets. The purpose of the Eligibility Criteria is to only sell Participating Assets to the Issuer that meet certain minimum standards. There is no assurance that the measures set out above will eliminate the relevant risks.

Delinquency and default rates in respect of the Participating Assets cannot be predicted and are influenced by a wide variety of economic, social and other factors, including prevailing market interest rates, the availability of alternative financing and local and regional economic conditions. Therefore, no assurance can be given as to the level of delinquencies and defaults

that the Portfolio of Participating Assets will experience and, accordingly, the rate of payments and principal on the Notes cannot be predicted.

Change in legislation

The Participating Assets, the Issuer, the Security SPV and other parties to the Transaction Documents are subject to legislation such as the Income Tax Act, 1962, the Companies Act and the National Credit Act, which may change at any time. Similarly, new legislation may be introduced to which the Issuer, the Security SPV and other parties to the Transaction Documents may become subject. No prediction can be made as to whether existing legislation will change and, if it does, what the effect of such changes will be on the Participating Assets, the Issuer and/or any other party to the Transaction Documents and/or the transaction as a whole and similarly no prediction can be made as to whether new legislation may be introduced and the effects of such new legislation.

Protection of Personal Information Act

The Protection of Personal Information Act, 4 of 2013 ("**POPI**"), was assented to on 19 November 2013 and became fully effective on 1 July 2021 and, accordingly, businesses are required to comply with the requirements of POPI.

It is the intention of POPI to safeguard personal information of, amongst others, individuals, by regulating the manner in which such information may be processed. This includes the retention of information as well as the destruction of personal information. Clearly defined rights and duties have been established for purposes of safeguarding personal information. POPI has an impact on both the Issuer's as well as the Sellers' current business practices in relation to the processing of personal information of Obligor. The Issuer and the Sellers will be required to comply with the provisions of POPI insofar as processing of personal information in relation to the Obligor is concerned.

Priority of Payments

This Programme Memorandum prescribes a "*Pre-Enforcement Priority of Payments*" in which the Secured Creditors will be paid prior to the delivery of an Enforcement Notice and a "*Post-Enforcement Priority of Payments*" applicable after the delivery of an Enforcement Notice. The Pre-Enforcement Priority of Payments in turn distinguishes between a "*Pre-Enforcement Priority of Payments during the Revolving Period*" and a "*Pre-Enforcement Priority of Payments during the Amortisation Period*".

The claims of all Secured Creditors are subordinated in accordance with the Priority of Payments, and the Secured Creditors will be entitled, notwithstanding the amount of any payments owing to them under the Transaction Documents, to receive payment from the Issuer or the Security SPV, as the case may be, 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 "*Liquidation 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.

Counterparty Risk

There is a risk that counterparties to agreements with the Issuer such as Hedge Counterparties, the Account Bank and other parties, may not perform their obligations under those agreements and this may affect the ability of the Issuer to pay interest and/or principal on the Notes. In terms of the Transaction Documents, this risk is mitigated by requiring certain parties to hold a Required Credit Rating.

Guarantee and Indemnity Structure

The Security SPV will execute the Security SPV Guarantee in favour of the Secured Creditors and enter into the Issuer Indemnity with the Issuer. Prior to the Initial Issue Date, the Issuer received a legal opinion stating that the entering into of the Security SPV Guarantee and the Issuer Indemnity will enable the security structure in favour of the Secured Creditors to be enforced by the Security SPV in the manner set out in the Programme Memorandum. There is no guarantee that a court would reach the same conclusion as that in the legal opinion obtained by the Issuer.

If the Security SPV and/or the Issuer Indemnity structure is not enforceable, then Secured Creditors shall be entitled to take action themselves to enforce claims directly against the Issuer should an Event of Default occur but, in such circumstances, the security held by the Security SPV will no longer be effective as a means of achieving distribution of the Issuer's assets in accordance with the Priority of Payments.

The Security SPV has not taken or obtained any independent legal or other advice or opinions in relation to the Issuer or any other persons or the Transaction Documents (including the Security Documents), or in relation to the transactions contemplated by any of the Transaction Documents.

Security SPV

The interests of the Secured Creditors will be represented by the Security SPV. In terms of the Transaction Documents and the Terms and Conditions, the Security SPV is required to enforce the Security on behalf of the Secured Creditors in certain circumstances. Secured Creditors will not be able to enforce the Security themselves nor to take action against the Issuer to enforce claims against the Issuer except through the Security SPV unless the guarantee and indemnity structure is not enforceable or the Security SPV is wound-up, liquidated or placed under supervision by a business rescue practitioner or fails to act within 10 Business Days of being called upon to do so.

Insolvency of the Security SPV

It is possible for the Security SPV itself to be wound-up, liquidated or placed under a business rescue which could adversely affect the rights of the Secured Creditors. The liabilities of the Security SPV under the Security SPV Guarantee granted in favour of the Secured Creditors cannot in the aggregate exceed the net amount recovered by the Security SPV pursuant to the Issuer Indemnity.

Accordingly, it is improbable that the Security SPV itself will be insolvent (and therefore be wound-up, liquidated or placed under business rescue) unless there were to be, for example, dishonesty or fraudulent conduct or breach of contract on the part of the Security SPV, for instance by its directors or officers entering into unauthorised transactions on behalf of the Security SPV.

If the Security SPV fails to enforce its claim against the Issuer pursuant to the Issuer Indemnity within 10 Business Days of being called upon by any Secured Creditor (other than a Noteholder) or by Extraordinary Resolution of the Controlling Class of Noteholders to do so, or is wound-up, liquidated, de-registered or placed under business rescue, Secured Creditors shall be entitled to take action themselves to enforce claims directly against the Issuer should an Event of Default occur but, in such circumstances, the Security held by the Security SPV will be by-passed and thus no longer be effective as a means of achieving distribution of the Issuer's assets in accordance with the Priority of Payments.

The Security SPV is structured as an insolvency remote, ring-fenced special purpose entity.

Security

The claims of the Issuer against Obligors are secured by Mortgage SPV Guarantees (which are in turn secured by Obligor Indemnities, Indemnity Bonds registered over the properties of Obligors in favour of the Mortgage SPV or its assigns and other security cessions, pledges, guarantees and/or indemnities by or on behalf of the Obligors.

The security structure in the form of the Security SPV Guarantee from the Security SPV, backed-up by the Issuer Indemnity provides Secured Creditors, through the Security SPV, with contractual recourse to the Issuer and its security from Obligors but does not provide any direct security over any properties.

Liquidation of the Issuer

The Issuer has been structured as an insolvency remote, ring-fenced special purpose entity in terms of the restrictions and limitations contained in its memorandum of incorporation and the limited business activities that it may undertake, a structure which limits the risk that there may be third parties who are not bound by the Transaction Documents who may apply for the liquidation of the Issuer. Notwithstanding the ring-fenced structure of the Issuer, there is no guarantee that an external creditor may not exist. On the liquidation of the Issuer such external creditor may rank *pari passu* or ahead of the Security SPV, depending on the statutory preference of its claims in terms of the Insolvency Act, 1936. This risk is mitigated by the fact that no agreements or contracts, other than the Transaction Documents, may be concluded by the Issuer (and the Administrator on behalf of the Issuer).

Downgrade risk in respect of Required Credit Rating

If a party to a Transaction Document is required to hold a Required Credit Rating and ceases to hold such Required Credit Rating, then such party's obligations may be guaranteed by another party which has the Required Credit Rating or a replacement party with the Required Credit Rating will be appointed, if such other party is available and willing to act. No assurance can be given that a guarantor or replacement party with the Required Credit Rating will be appointed. In certain circumstances, cash collateral may be taken to protect the Issuer's interest in the relevant Transaction Document.

No support from the Originator, the Sellers or the Servicer

Neither of the Sellers nor the Originator is obliged to support any losses suffered by the Issuer in respect of the purchase of Participating Assets or Noteholders in respect of the Notes and is not obliged to repurchase any Participating Assets from the Issuer.

The Servicer, in its capacity as such, is not under any obligation to fund payments owed in respect of the Notes, absorb losses incurred in respect of the Participating Assets or risk transferred to the Issuer or otherwise to recompense investors for losses incurred in respect of the Programme.

Mortgage SPV Guarantee, Obligor Indemnity and Indemnity Bond structure

Whilst the Mortgage SPV Guarantee, the Obligor Indemnity and Indemnity Bond structure retain the security of a real right in an Obligor's or other Security Provider's property, the Issuer does not have the real right directly. The real right is registered in the name of the Mortgage SPV and the Issuer's claim against the Mortgage SPV is thus contractual. The Issuer has received legal advice that, provided care is taken to ensure that the Obligor Indemnity and the Indemnity Bond(s) are not separated at any time (in the sense that the holder of the Obligor Indemnity should always be the holder of the Indemnity Bond(s)), the structure should create valid and enforceable obligations, and the holder of the Obligor Indemnity and the Indemnity Bond(s) will, in the appropriate circumstances, be able to proceed against the mortgagor and, if necessary, repossess an Obligor's or other Security Provider's property to enforce its rights following a default under a Participating Asset. No assurance can be given that a court would reach the same conclusion as that furnished in the legal advice to the Issuer.

Suitability of investment

This Programme Memorandum identifies some of the information that a prospective investor should consider prior to making an investment in the Notes. This Programme Memorandum does not, however, purport to provide all of the information or the comprehensive analysis necessary to evaluate the economic and other consequences of investing in the Notes. A prospective investor should, therefore, conduct its own thorough analysis, including its own accounting, legal and tax analysis, prior to deciding to invest in the Notes. A prospective investor should make an investment in the 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 and each investor must obtain its own advice before making an investment in the Notes.

STRUCTURAL FEATURES

Words used in this section entitled "Structural Features" shall bear the same meanings as used in the section entitled "Terms and Conditions of the Notes", and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.

1 CASH MANAGEMENT

Cash is managed in the manner set out below.

1.1 Account Bank

In the event that the Account Bank ceases to hold the Required Credit Rating, a replacement Account Bank will be appointed in accordance with the provisions of the Administration Agreement.

1.2 Transaction Account

All amounts paid by or on behalf of Obligors in respect of the Participating Assets will be paid directly into the Transaction Account and all other amounts due to the Issuer will be paid on receipt thereof into the Transaction Account. In terms of the Servicing Agreement, the Servicer undertakes to transfer any amount received into the bank accounts of any of the Sellers and/or the Servicer but which belongs to the Issuer, into the Transaction Account within one Business Day of receipt of such amount into any such bank account. Prior to the delivery of an Enforcement Notice, the Servicer and the Administrator will have joint signing authority in respect of the Transaction Account. After the delivery of an Enforcement Notice, the Security SPV will have sole signing authority in respect of the Transaction Account.

2 ADDITIONAL PARTICIPATING ASSETS

2.1 The Sellers may from time to time offer Additional Participating Assets to the Issuer for purchase on an on-going basis after the Initial Issue Date.

2.2 The Issuer may purchase such Additional Participating Assets on the following conditions, provided that -

2.2.1 the Issuer may use –

2.2.1.1 Available Funds available for that purpose at item 16 of the Pre-Enforcement Priority of Payments during the Revolving Period; and/or

2.2.1.2 the proceeds from an advance under the Junior Loan Agreement; and/or

2.2.1.3 the proceeds of any issuance of Notes during the Revolving Period,

to pay the purchase price for such Additional Participating Assets;

2.2.2 an un-remedied Stop-Purchase Event has not occurred;

- 2.2.3 the Additional Participating Assets to be acquired comply with the Eligibility Criteria;
- 2.2.4 immediately following such acquisition, the Portfolio Covenants will be satisfied; and
- 2.2.5 an Enforcement Notice has not been delivered which remains in effect or it is not aware of the pending issuance of an Enforcement Notice.

3 ARREARS RESERVE

- 3.1 During the Revolving Period, an Arrears Reserve in the form of a cash reserve will be established upon the occurrence of an Arrears Reserve Trigger. The Issuer shall ensure that the Arrears Reserve is funded in an amount up to the Arrears Reserve Required Amount from Available Funds in terms of the Pre-Enforcement Priority of Payments during the Revolving Period and/or from an advance under the Junior Loan Agreement. The Arrears Reserve shall be maintained at the Arrears Reserve Required Amount until the Arrears Participating Asset has been settled in full by the relevant Obligor or has been repurchased by the Originator in accordance with the terms and subject to the conditions set out in the Sale Agreement. The Arrears Reserve Required Amount shall be paid into the Transaction Account and credited to the Arrears Reserve Ledger from time to time.
- 3.2 On each Payment Date during the Revolving Period (and to the extent required), the Issuer will be required to allocate funds towards the Arrears Reserve, in accordance with the Pre-Enforcement Priority of Payments during the Revolving Period or from an advance under the Junior Loan Agreement, to ensure that the Arrears Reserve is funded up to the Arrears Reserve Required Amount.
- 3.3 On each Payment Date, the amount allocated to the Arrears Reserve and recorded in the Arrears Reserve Ledger will be released and will form part of Available Funds and will be available for application in accordance with the applicable Priority of Payments. The Arrears Reserve will be available to meet items 1 to 9 in the Pre-Enforcement Priority of Payments during the Revolving Period.
- 3.4 On the earlier of –
 - 3.4.1 the Actual Redemption Date of the last Tranche of Notes in issue; or
 - 3.4.2 the Arrears Participating Asset(s) being settled in full by the relevant Obligor(s) or being repurchased by the Originator; or
 - 3.4.3 the commencement of the Amortisation Period; or
 - 3.4.4 the delivery of an Enforcement Notice,

the Arrears Reserve Required Amount shall be reduced to zero and the amount recorded in the Arrears Reserve Ledger will be released and will form part of Available Funds.

4 LIQUIDITY RESERVE

- 4.1 On the Initial issue Date, a Liquidity Reserve in the form of a cash reserve will be established and funded up to the Liquidity Reserve Required Amount from the proceeds of the issuance of Notes on that date. The Liquidity Reserve Required

Amount shall be paid into the Transaction Account and credited to the Liquidity Reserve Ledger from time to time.

4.2 On each Payment Date during the Revolving Period, the Issuer will be required to pay an amount into the Transaction Account (and credit such amount to the Liquidity Reserve Ledger), in accordance with the Pre-Enforcement Priority of Payments during the Revolving Period or from an advance under the Junior Loan Agreement, to ensure that the Liquidity Reserve is funded up to the Liquidity Reserve Required Amount.

4.3 On each Payment Date, the amount allocated to the Liquidity Reserve and recorded in the Liquidity Reserve Ledger will be released and form part of Available Funds and be available for application in accordance with the applicable Priority of payments. The Liquidity Reserve will be available to meet items 1 to 9 in the Pre-Enforcement Priority of Payments during the Revolving Period.

4.4 On the earlier of –

4.4.1 the Actual Redemption Date of the last Tranche of Notes in issue; or

4.4.2 the commencement of the Amortisation Period; or

4.4.3 the delivery of an Enforcement Notice,

the Liquidity Reserve Required Amount will be reduced to zero and the amount recorded in the Liquidity Reserve Ledger will be released and will form part of Available Funds.

4.5 Should the Issuer enter into a Liquidity Facility Agreement with a Liquidity Facility Provider, the Liquidity Reserve Required Amount will be reduced by an amount equal to the Liquidity Facility Provider's commitment in terms of the Liquidity Facility Agreement and the net amount, if any, will be allocated to the Liquidity Reserve in accordance with the Pre-Enforcement Priority of Payments during the Revolving Period.

5 JUNIOR LOAN AGREEMENT

5.1 The Issuer will enter into the Junior Loan Agreement with the Junior Loan Provider, in terms of which the Junior Loan Provider will advance the Junior Loan(s) to the Issuer. The Junior Loan(s) to be advanced by the Junior Loan Provider to the Issuer on or about the Initial Issue Date, will provide first loss credit enhancement in respect of the Notes issued on the Initial Issue Date equal to the Junior Loan Facility Amount.

5.2 An advance under the Junior Loan Agreement may be used to –

5.2.1 (partly) fund the purchase price of Participating Assets;

5.2.2 fund the Arrears Reserve up to the Arrears Reserve Required Amount;

5.2.3 fund the Liquidity Reserve up to the Liquidity Reserve Required Amount;

5.2.4 repay the Redraw Facility; and/or

5.2.5 fund such other items as may be specified in the Junior Loan Agreement.

- 5.3 In the event of any redemption of Notes or the issuance of a new Tranche of Notes after the Initial Issue Date, the Issuer may request the Junior Loan Provider to make a further advance(s) to the Issuer to ensure that the Capital Structure Covenants are maintained immediately after such redemption or issuance of Notes.
- 5.4 The Junior Loan serves as credit enhancement to the Notes. Principal and interest accrued on the Junior Loan(s) will be payable on Payment Dates in accordance with the Pre-Enforcement Priority of Payments during the Revolving Period, the Pre-Enforcement Priority of Payments during the Amortisation Period or the Post-Enforcement Priority of Payments, as the case may be.
- 5.5 There is no recourse to the Junior Loan Provider, as lender under the Junior Loan Agreement, beyond the fixed contractual obligations provided for in such agreement.

6 REDRAW FACILITY

- 6.1 The Issuer shall enter into the Redraw Facility Agreement with the Redraw Facility Provider, in terms of which the Redraw Facility Provider will make the Redraw Facility available to the Issuer.
- 6.2 The Issuer shall utilise the Redraw Facility to fund Redraws, Re-advances and Further Advances to the extent that such Redraws, Re-advances and Further Advances cannot be funded from Available Funds.
- 6.3 The Issuer shall have no recourse against the Redraw Facility Provider (in its capacity as such) beyond the fixed contractual obligations provided for in the Redraw Facility Agreement.
- 6.4 The Issuer will use collections received in respect of the Participating Assets and/or the proceeds of an advance under the Junior Loan Agreement and/or the proceeds from a sale of Participating Assets to repay the Redraw Facility, subject to the applicable Priority of Payments.

7 REDRAWS, RE-ADVANCES AND FURTHER ADVANCES

- 7.1 The Issuer may advance Redraws, Re-advances and Further Advances to an Obligor, subject to the satisfaction of the conditions set out in the relevant Loan Agreement.
- 7.2 Upon receipt of a request from an Obligor for a Redraw, Re-advance or Further Advance, the Servicer (acting on behalf of the Issuer) may, in its discretion, advance such Redraw, Re-advance or Further Advance to the relevant Obligor on any day provided that -
- 7.2.1 the Issuer has sufficient Available Funds in order to make such Redraw, Re-advance or Further Advance to the Obligor;
- 7.2.2 immediately following the advance of any Re-advance or Further Advance, the Portfolio Covenants are satisfied;
- 7.2.3 a Stop-Purchase Event has not occurred which remains in effect;
- 7.2.4 no Issuer Insolvency Event has occurred;

- 7.2.5 prior to the advance of a Re-advance or Further Advance, the Obligor is subject to a credit assessment in accordance with the Credit and Collections Policy taking into account the circumstances of the Obligor at the time such Re-advance or Further Advance is made;
- 7.2.6 in respect of a Further Advance, the Further Advance together with the balance outstanding under the relevant Loan Agreement immediately prior to the making of such Further Advance, does not exceed the capital amount secured by the Indemnity Bond (excluding any amount identified as an additional capital sum in such Indemnity Bond in respect of costs and expenses);
- 7.2.7 if required, a further Loan Agreement or amended Loan Agreement is concluded with the relevant Obligor, which is duly executed and, if applicable, stamped;
- 7.2.8 the relevant Obligor is obliged to repay in full, the Redraw or Re-advance, as the case may be, together with all other amounts due under the relevant Loan Agreement, within the original term of such Loan Agreement and the Further Advance in accordance with such terms agreed with the Servicer (acting on behalf of the Issuer); and
- 7.2.9 the Loan Agreement will continue to comply with the Eligibility Criteria after the advance of such Redraw, Re-advance or Further Advance.
- 7.3 To the extent that there are insufficient Available Funds to fund the Redraw, Re-Advance or Further Advance, such Redraw, Re-advance or Further Advance may be funded from an advance by the Redraw Facility Provider under the Redraw Facility Agreement. To the extent that an advance under the Redraw Facility is not made by the Redraw Facility Provider to the Issuer, the Servicer shall promptly notify the Originator and the Issuer thereof in writing. Upon receipt of such notice from the Servicer, the Originator shall have the option to acquire the Participating Asset which is the subject of the Redraw, Re-advance or Further Advance within 10 Business Days after receipt of the offer from the Servicer in accordance with the provisions of clause 13.2 of the Sale Agreement.
- 7.4 If the Originator does not exercise the option to repurchase the relevant Participating Asset within the specified period, the Servicer shall notify the relevant Obligor that his request for a Redraw, Re-advance or Further Advance, as the case may be, has been declined.

8 CAPITAL STRUCTURE

The Issuer shall ensure that at all times during the Revolving Period, the following Capital Structure is maintained including, *inter alia*, after any redemption or issuance of Notes -

- 8.1 the aggregate Outstanding Principal Amount of all Classes of Notes ranking below the Alpha Notes plus the principal amount outstanding under the Junior Loan Agreement divided by Total Debt expressed as a percentage, shall not be less than 80%;
- 8.2 the aggregate Outstanding Principal Amount of all Classes of Notes ranking below the Class A Notes plus the principal amount outstanding under the Junior Loan

Agreement divided by Total Debt expressed as a percentage, shall not be less than 18%;

- 8.3 the aggregate Outstanding Principal Amount of all Classes of Notes ranking below the Class B Notes plus the principal amount outstanding under the Junior Loan Agreement divided by Total Debt expressed as a percentage, shall not be less than 11%;
- 8.4 the aggregate Outstanding Principal Amount of all Classes of Notes ranking below the Class D Notes plus the principal amount outstanding under the Junior Loan Agreement divided by Total Debt expressed as a percentage, shall not be less than 4.5%; and
- 8.5 the aggregate principal amount outstanding under the Junior Loan Agreement divided by Total Debt expressed as a percentage, shall not be less than 2.5% or exceed 5%.

9 PRE-FUNDING AMOUNT

The Asset Acquisition Pre-Funding Amount may only be utilised by the Issuer to purchase Participating Assets, on any day during the Asset Acquisition Pre-Funding Period, as specified in the Applicable Pricing Supplement. The Asset Acquisition Pre-Funding Amount will reduce to zero at the end of the Asset Acquisition Pre-Funding Period, and that portion of the Asset Acquisition Pre-Funding Amount not utilised to acquire Participating Assets will be utilised by the Issuer to redeem, at the end of the Asset Acquisition Pre-Funding Period, the most senior Class of Notes issued to fund the Asset Acquisition Pre-Funding Amount.

FORM OF THE NOTES

Words used in this section entitled "Form of the Notes" shall bear the same meanings as used in the section entitled "Terms and Conditions of the Notes" and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.

Listing

Subject to the registration of this Programme Memorandum with the CTSE, Notes may be listed on the CTSE or on such other Financial Exchange, as may be determined by the Issuer and the Arranger and subject to any Applicable Laws. Unlisted Notes may also be issued under the Programme. Notes issued under the Programme will be freely transferable. Any restriction on the transferability of any Notes may not be amended without the prior written consent of the CTSE.

The Notes will be issued in the form of registered Notes in accordance with the Conditions and in uncertificated form in terms of section 33 of the Financial Markets Act.

Uncertificated Notes

Notes issued in uncertificated form will not be represented by any certificate or written instrument. All transactions in uncertificated securities as contemplated in the Financial Markets Act will be cleared and settled in accordance with the Applicable Procedures. All the provisions relating to Beneficial Interests in the Notes held in the Central Securities Depository will apply to Notes issued in uncertificated form.

Subject to Applicable Laws, each Tranche of Notes listed on the CTSE or any other Financial Exchange will be freely transferable.

The Central Securities Depository will hold the Notes issued in uncertificated form, subject to the Financial Markets Act and the Applicable Procedures. Notes issued in uncertificated form, will be registered in the name of the registered Noteholder of the Notes (as reflected in the securities accounts of the Central Securities Depository or the relevant Participant), and such Noteholder will be named in the Register as the sole Noteholder of such Notes.

The Central Securities Depository maintains central securities accounts only for Participants. As at the date of this Programme Memorandum, the Participants are, amongst others, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited, the South African Reserve Bank, Standard Chartered Bank, Johannesburg branch and Citibank N.A., South Africa branch.

The Participants are in turn required to maintain securities accounts for their clients. The clients of Participants may include the holders of Beneficial Interests in the Notes or their custodians. The clients of Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Notes held by them in the Central Securities Depository only through their Participants.

In relation to each person shown in the records of the Central Securities Depository or the relevant Participant, as the case may be, as the holder of a Beneficial Interest in a particular Principal Amount of Notes, a certificate or other document issued by the Central Securities Depository or the relevant Participant, as the case may be, as to the Principal Amount of such

Notes standing to the account of such person shall be *prima facie* proof of such Beneficial Interest.

Transfers of Beneficial Interests in the Central Securities Depository to and from clients of the Participants occur by electronic book entry in the central securities accounts of the clients of the Participants. Transfers among Participants of Notes held in the Central Securities Depository system occur through electronic book entry in the Participants' central security accounts with the Central Securities Depository. Beneficial Interests may be transferred only in accordance with the Conditions and the rules and operating procedures for the time being of the Central Securities Depository, the Participants, the CTSE or such other Financial Exchange, as the case may be.

The Issuer shall regard the Register as the conclusive record of title to the Notes.

Certificates

The Notes represented by Certificates will be registered in the name of the individual Noteholder in the Register. Payments of interest and principal in respect of Notes represented by Certificates, will be made in accordance with Condition 8 to the person reflected as the registered holder of such Certificate in the Register at 17h00 (Johannesburg time) on the Last Day to Register, and the Issuer will be discharged by proper payment to or to the order of the registered holder of the Certificate in respect of each amount so paid.

PRO FORMA APPLICABLE PRICING SUPPLEMENT

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

Capital Harvest Finance (RF) Limited
*(Incorporated in South Africa as a company with limited liability under
registration number 2021/867674/06)*

Issue of ZAR[●] [Title of Notes] under its Asset-Backed Note Programme

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

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum issued by Capital Harvest Finance (RF) Limited dated [●] 2021. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

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

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

The CTSE takes no responsibility for the contents of the Programme Memorandum and/or this Applicable Pricing Supplement or the Issuer's annual financial statements, as the case may be, and any amendments or supplements to the aforesaid documents. The CTSE makes no representation as to the accuracy or completeness of the Programme Memorandum, this Applicable Pricing Supplement and/or the Issuer's annual financial statements 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 CTSE's approval of the registration of the Programme Memorandum and the listing of such Notes is not to be taken in any way as an indication of the merits of the Issuer or the Notes and that, to the extent permitted by Applicable Law, the CTSE will not be liable for any claim whatsoever.

DESCRIPTION OF THE NOTES

1	Issuer	Capital Harvest Finance (RF) Limited
2	Status and Class of the Notes	[•] Class [•] Notes
3	Tranche number	[•]
4	Series number	[•]
5	International Securities Identification Number (ISIN)	[•]
6	Stock Code	[•]
7	Aggregate Principal Amount of this Tranche	[•]
8	Issue Date	[•]
9	Minimum Denomination per Note	ZAR1,000,000
10	Applicable Business Day Convention	[Following Business Day/Modified Business Day/Preceding Business Day/other convention - insert details]
11	Interest Commencement Date	[•]
12	Step-Up Dates	Upon the occurrence of an Amortisation Event or an Event of Default
13	Scheduled Redemption Date	[•]
14	Legal Final Maturity Date	[•]
15	Use of Proceeds	The net proceeds of the issue of this Tranche will be used to [acquire Participating Assets]/[fund the Liquidity Reserve up to the Liquidity Reserve Required Amount]/[redeem Notes on their Scheduled Redemption Date]
16	Specified Currency	Rand
17	Set out the relevant description of any additional/other Terms and Conditions relating to the Notes	[•]

18 Payment Dates

during the -

- | | |
|-------------------------|---|
| (a) Revolving Period | 28 April, 28 July, 28 October and 28 January of each year |
| (b) Amortisation Period | The 28 th day of each calendar month |
- 19 Asset Acquisition Pre-Funding Amount [•]
- 20 Asset Acquisition Pre-Funding Period [•]
- 21 Junior Loan Facility Amount ZAR[•], which equals [•]% of Total Debt
- 22 Liquidity Reserve Required Amount [•]
- 23 Calculation Agent, Paying Agent and Transfer Agent [•]
- 24 Specified Office of the Calculation Agent, Paying Agent and Transfer Agent [•]

FIXED RATE NOTES

- 25 Fixed Interest Rate [•]% per annum nacq/nacm/nacs/naca
- 26 Interest Payment Date(s) [•] or if such day is not a Business Day, the Business Day on which the interest will be paid, as determined in accordance with the applicable Business Day Convention (as specified in item 10 of this Applicable Pricing Supplement). The first Payment Date shall be [•]
- 27 Interest Period(s) [•] each period commencing on (and including) a Payment Date and ending on (but excluding) the following Payment Date; provided that the first Interest Period will commence on (and include) the Interest Commencement Date and end on (but exclude) the following Payment Date (each Payment Date as adjusted in accordance with the applicable Business Day Convention).
- 28 Any other items relating to the particular method of calculating interest [•]

FLOATING RATE NOTES

- | | |
|---|---|
| 29 Interest Payment Date(s) | [•] or if such day is not a Business Day, the Business Day on which the interest will be paid, as determined in accordance with the applicable Business Day Convention (as specified in item [10] of this Applicable Pricing Supplement). |
| 30 Interest Period(s) | [•] each period commencing on (and including) an Interest Payment Date and ending on (but excluding) the following Interest Payment Date; provided that the first Interest Period will commence on (and include) the Interest Commencement Date and end on (but exclude) the following Interest Payment Date (each Interest Payment Date as adjusted in accordance with the applicable Business Day Convention). |
| 31 Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated) | |
| during the - | |
| (a) Revolving Period | Three Month JIBAR |
| (b) Amortisation Period | One Month JIBAR |
| 32 Margin/Spread for the Interest Rate | [+/-] ()% per annum to be added to/subtracted from the relevant Reference Rate] |
| 33 Margin/Spread for the Step-Up Rate | [+/-] ()% per annum to be added to/subtracted from the relevant Reference Rate] |
| 34 Rate Determination Date | The first Business Day of each Interest Period |
| 35 If Interest Rate to be calculated otherwise than by reference to the previous sub-clause, insert basis for determining Interest Rate/Margin/Fall back provisions | [•] |
| 36 Any other terms relating to the particular method of calculating interest | [•] |

OTHER NOTES

- 37 If the Notes are not Fixed Rate Notes or Floating Rate Notes, or if the Notes are a combination of the above and some other Note, set out the relevant description any additional Terms and Conditions relating to such Notes [•]

GENERAL

- 38 Additional selling restrictions [•]
- 39 Method of distribution [Private placement]/[Public auction]
- 40 Financial Exchange CTSE
- 41 Rating assigned to the Notes issued in terms of this Applicable Pricing Supplement [•]
- 42 Rating Agency [•]
- 43 Governing Law South Africa
- 44 Last Day to Register [•] or if such a day is not a Business Day the Business Day immediately preceding the Books Closed Period
- 45 Books Closed Period [•]
- 46 Additional Information [•]

For and on behalf of

**Capital Harvest Finance
(RF) Limited**
(Issuer)

By: _____
Director, duly authorised

Name: [•]

Date: [•]

By: _____
Director, duly authorised

Name: [•]

Date: [•]

TERMS AND CONDITIONS OF THE NOTES

Before the Issuer issues any Tranche of Notes, the Issuer shall complete and sign the Applicable Pricing Supplement, based on the pro forma Applicable Pricing Supplement included in this Programme Memorandum, setting out further details of the Notes. The Applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace, modify or supplement the following Terms and Conditions for the purposes of such Tranche of Notes.

1 INTERPRETATION

"Account Bank"	First National Bank, a division of FirstRand Bank Limited (registration number 1929/001225/06), a public company incorporated and registered under the laws of South Africa and registered as a bank under the Banks Act;
"Actual Redemption Date"	in relation to a Tranche of Notes, the date upon which the Notes in that Tranche are redeemed in full by the Issuer;
"Additional Participating Asset"	an additional Participating Asset sold and transferred by a Seller to the Issuer after the Initial Issue Date subject to the conditions set out in the Sale Agreement;
"Administration Agreement"	the agreement concluded between, <i>inter alia</i> , the Issuer, the Administrator and the Security SPV in terms of which the Administrator is appointed to manage the day to day operations of the Issuer, including administering the Priority of Payments and exercising, as agent, the Issuer's rights and duties under the Transaction Documents;
"Administrator"	Capital Harvest IT and Admin or such other person appointed in terms of the Administration Agreement;
"Africa Frontier Capital"	Africa Frontier Capital Proprietary Limited (registration number 2014/153711/07), a company with limited liability duly incorporated and registered in accordance with the laws of South Africa;
"Agency Agreement"	the agreement concluded between, <i>inter alia</i> , the Issuer, the Calculation Agent, Transfer Agent and Paying Agent in terms of which each of the Calculation Agent, Transfer Agent and Paying Agent is appointed to provide the calculation, paying and transfer agency services as well as all monitoring services provided therein;
"Alpha Notes"	a Tranche of Notes issued by the Issuer with a maximum tenor of 12 months, and which will rank senior to all other Notes in the applicable Priority of Payments;

"Amortisation Date"

the Business Day immediately following the delivery by the Noteholders of an Extraordinary Resolution confirming the end of the Revolving Period after the occurrence of an Amortisation Event;

"Amortisation Event"

the occurrence of any one of the following events,—

- (a) the Issuer fails to make payment of any amounts due and payable in respect of any Notes due to insufficient Available Funds and has not remedied same within five Business Days after the due date; or
- (b) the Issuer breaches any obligation and/or undertaking (other than referred to in (a) above) to a Secured Creditor under any Transaction Document and fails to remedy same within 10 Business Days of receipt of written notice from such Secured Creditor; or
- (c) a Financial Covenant is breached and not remedied by the Issuer within 10 Business Days of such breach coming to its attention; or
- (d) any Portfolio Covenant, as measured on any Measurement Date, is breached and such breach continues on two consecutive Measurement Dates;
- (e) the Issuer breaches any representation or warranty given under any Transaction Document and fails to remedy same within 10 Business Days after becoming aware thereof; or
- (f) the Issuer fails to comply with any judgement or court order granted against it by a court of competent jurisdiction after all rights of appeal and review have been exhausted; or
- (g) the Issuer disposes of, or attempts to dispose of the whole (or a substantial portion) of its undertaking or assets (other than in terms of any Transaction Document) without the prior consent of the Noteholders by Extraordinary Resolution, whether in a single transaction or a series of transactions; or
- (h) any Transaction Document is cancelled or amended (other than any amendment of a technical nature, to correct a manifest error or to comply with mandatory provisions of any Applicable Laws) without the prior consent of the Noteholders by Extraordinary Resolution; or

- (i) the Auditors issue a report in terms of section 45 of the Auditing Profession Act, 2005 in relation to the Issuer; or
- (j) a Servicer Default occurs; or
- (k) the Issuer fails to redeem that portion of the Notes in a Tranche that is redeemable on any Scheduled Redemption Date of that Tranche of Notes;

"Amortisation Period"

the period commencing on the Amortisation Date and ending on the date on which all the Notes are repaid in full and all obligations owing to the Noteholders have been fully discharged;

"Applicable Laws"

in relation to a person, all and any -

- (a) present or future common law;
- (b) statutes and subordinate legislation;
- (c) regulations, ordinances and directives;
- (d) by-laws;
- (e) codes of practice, circulars, guidance notices, judgments and decisions of any competent authority; and
- (f) other similar provisions, from time to time,

compliance with which is mandatory for that person;

"Applicable Pricing Supplement"

in relation to a Tranche of Notes, the applicable pricing supplement completed and signed by the Issuer in relation to the issue of that Tranche of Notes, setting out such additional and/or other terms and conditions as are applicable to that Tranche of Notes, based upon the *pro forma* applicable pricing supplement which is set out in the section of this Programme Memorandum entitled "*Pro Forma Applicable Pricing Supplement*";

"Applicable Procedures"

the rules and operating procedures for the time being of the Central Securities Depository and the Participants, as the case may be;

"Approved Entity"

- (a) a person which has the Required Credit Rating; or
- (b) a person which is a wholly-owned subsidiary of an entity which has the Required Credit Rating, and whose obligations are irrevocably and unconditionally guaranteed by such entity. For the purposes of this definition, the term "subsidiary" will bear the meaning ascribed thereto in the

Companies Act, save that the relevant entity shall not be limited to being a South African company;

"Arranger"	Africa Frontier Capital;
"Arrears Participating Asset"	a Participating Asset in respect of which any amount due in respect of such asset has not been paid by the relevant Obligor for a period of more than 90 days;
"Arrears Reserve"	a cash reserve established to be available, if necessary, to meet certain expenses in the Priority of Payments as specified in the section of this Programme Memorandum entitled " <i>Structural Features</i> ";
"Arrears Reserve Covenant"	the undertaking by the Issuer that during the Revolving Period, the Arrears Reserve shall be funded up to the Arrears Reserve Required Amount, as measured on any Measurement Date;
"Arrears Reserve Trigger"	at any time, and in relation to an Arrears Participating Asset, the Security Value in respect of that Arrears Participating Asset minus the relevant Security Norms in respect of that Arrears Participating Asset less the outstanding balance of that Arrears Participating Asset is negative;
"Arrears Reserve Ledger"	a ledger established to record the amount standing to the credit of the Arrears Reserve from time to time;
"Arrears Reserve Required Amount"	<p>on any Measurement Date and in respect of an Arrears Participating Asset, should the difference be negative, then an amount equal to the difference between -</p> <ul style="list-style-type: none"> (a) the aggregate Security Value in respect of that Arrears Participating Asset, minus the Security Value multiplied by the relevant Security Norms; and (b) the outstanding balance of that Arrears Participating Asset;
"Asset Acquisition Pre-Funding Amount"	an amount to be utilised to acquire Participating Assets during the Asset Acquisition Pre-Funding Period, as specified in the Applicable Pricing Supplement provided that such amount shall not exceed 10% of the aggregate Principal Amount of all Notes issued on the Initial Issue Date;
"Asset Acquisition Pre-Funding Period"	two consecutive Interest Periods from the relevant Issue Date in which the Asset Acquisition Pre-Funding Amount may be utilised to acquire Participating Assets;
"Auditors"	the appointed auditors of the Issuer from time to time, being at the Initial Issue Date, PKF;

"Available Funds"	as at any point in time, the credit balance of clear and available funds in the Transaction Account (including funds standing to the credit of the Arrears Reserve Ledger and the Liquidity Reserve Ledger) available to be drawn by the Issuer and any other amounts invested in Permitted Investments by the Administrator (on behalf of the Issuer) from time to time;
"Back-Up Servicer"	Mettle Credit Services Proprietary Limited (registration number 2003/011957/07), a company with limited liability, duly incorporated and registered in accordance with the laws of South Africa;
"Banks Act"	the Banks Act, 1990;
"Beneficial Interest"	in relation to a Note, an interest as owner of a Note held in uncertificated form, in accordance with the Financial Markets Act;
"Books Closed Period"	the period during which the Register will be closed and the Transfer Agent will not record any transfers of Notes in the Register, as specified in Condition 18.2 of the Terms and Conditions;
"Business Day"	a day (other than a Saturday, Sunday or statutory public holiday) on which commercial banks settle payments in Rand in South Africa;
"Business Day Convention"	the business day convention, if any, specified as such and as set out in the Applicable Pricing Supplement;
"Calculation Agent"	Africa Frontier Capital or such other calculation agent appointed in terms of the Agency Agreement;
"Capital Harvest"	Capital Harvest Proprietary Limited (registration number 2004/029935/07), a company with limited liability, duly incorporated and registered in accordance with the laws of South Africa;
"Capital Harvest IT and Admin"	Capital Harvest IT and Admin Proprietary Limited (registration number 2010/022666/07), a company with limited liability, duly incorporated and registered in accordance with the laws of South Africa;
"Capital Harvest Warehouse SPV"	Capital Harvest Warehouse SPV (RF) Proprietary Limited (registration number 2020/868249/07), a company with limited liability, duly incorporated and registered in accordance with the laws of South Africa;
"Capital Structure Covenants"	collectively, the capital structure covenants referred to in 8.1 to 8.5 (both inclusive) under the heading " <i>Capital Structure</i> " as described in the section of this Programme Memorandum entitled " <i>Structural Features</i> ";

"Central Securities Depository"	Strate Proprietary Limited (registration number 1998/022242/07), or its nominee, a central securities depository operating in terms of the Financial Markets Act, or any additional or alternate depository approved by the Issuer and the Security SPV;
"Certificate"	as contemplated in the Terms and Conditions, a single certificate representing Notes in a Tranche of Notes, registered in the name of the relevant Noteholder;
"Class" or "Class of Notes"	all of the Notes having the same ranking in the Priority of Payments, designated by a capital letter of the alphabet (such as Class A Notes and Class B Notes), on the basis that a Note in a Class of Notes identified by a letter closer to the beginning of the alphabet will rank higher than Notes in those Classes of Notes identified by a letter closer to the end of the alphabet. A Class may comprise of separate Tranches of Notes having different Interest Rates, Scheduled Redemption Dates, Legal Final Maturity Dates and other terms as set out in the Applicable Pricing Supplement (and, if so, these will be designated by a capital letter of the alphabet followed by a numeral, such as Class A1 and Class A2);
"Common Terms Agreement"	the agreement entered into between, <i>inter alia</i> , the Issuer, the Originator, the Sellers, the Servicer, the Administrator, the Junior Loan Provider, the Redraw Facility Provider, the Preference Shareholder, the Calculation Agent, the Transfer Agent, the Paying Agent, the Owner Trustee, and the Security SPV Owner Trustee setting out certain terms and provisions common to all or some of the Transaction Documents;
"Companies Act"	the Companies Act, 2008;
"Condition"	a numbered term or condition of the Notes forming part of the Terms and Conditions (and reference in the Transaction Documents to a particular numbered Condition shall be construed as a reference to the corresponding condition in the Terms and Conditions);
"Controlling Class" or "Controlling Class of Noteholders"	the holders of the highest-ranking Class of Notes designated by the letter of the alphabet (read in alphabetical order) appearing in the name of such Class of Notes, at any point in time (provided that if there are Alpha Notes outstanding, the Controlling Class shall comprise the holders of the Alpha Notes), to the extent that no Alpha Notes are outstanding but there are Class A Notes and Class B Notes outstanding, the Controlling Class shall comprise of the holders of the Class A Notes and the Class B Notes), to the extent that no Class A and Class B Notes are outstanding, the Controlling Class shall comprise the holders of the Class C Notes and the Class D Notes and to the extent that no Class C Notes and Class D Notes are

	outstanding, the Controlling Class shall comprise the holders of the Class E Notes, and if there is only one Class of Notes, then the holders of such Notes;
"Credit and Collections Policy"	the credit and collections policy of the Servicer attached as Annexure A to the Servicing Agreement;
"CTSE"	the Cape Town Stock Exchange Proprietary Limited (formerly 4 Africa Exchange Proprietary Limited) (registration number 2013/031754/07), a licensed financial exchange in terms of the Financial Markets Act or any exchange which operates as a successor exchange to the CTSE;
"CTSE Debt Listings Requirements"	all debt listings requirements promulgated by the CTSE from time to time;
"Debt Instrument"	any instrument, agreement, deed or document in terms of which funds are advanced to the Issuer whereby such debt instrument shall be labelled to rank <i>pari passu</i> with such Class of Notes as agreed between the Calculation Agent and the creditor or lender under such instrument, agreement, deed or document;
"Eligibility Criteria"	the criteria that each Participating Asset (including an Additional Participating Asset) must satisfy to be acquired by the Issuer and which each Re-advance and Further Advance must satisfy before such advance is made by the Issuer, as set out in the section of this Programme Memorandum entitled " <i>The Sale Agreement</i> ";
"Encumbrance"	includes any mortgage bond, notarial bond, pledge, lien, hypothecation, assignment, security cession, deposit by way of security or any other agreement or arrangement (whether conditional or not and whether relating to existing or to future assets), having the effect of providing a security interest or preferential treatment to a person over another person's assets (including set-off, title retention or reciprocal fee arrangements) or any agreement or arrangement to give any form of security or preferential treatment to a person over another person's assets, but excluding statutory preferences and rights of first refusal, and "Encumber" shall be construed accordingly;
"Enforcement Notice"	a notice delivered by the Noteholders to the Security SPV and the Issuer pursuant to the Terms and Conditions following an Event of Default under the Notes;
"Event of Default"	in relation to the Notes, any of the events or circumstances specified as such in Condition 13 of the Terms and Conditions;

"Excess Spread"

at any time and in relation to the immediately preceding three-month period, –

(a) the aggregate of all –

- (i) interest received in respect of the Participating Assets in the Portfolio of Participating Assets;
- (ii) interest earned on Permitted Investments; and
- (iii) interest earned on the Transaction Account;

less

(b) the aggregate of –

- (i) Senior Expenses provided for in terms of the Pre-Enforcement Priority of Payments during the Revolving Period;
- (ii) all interest provided for on the Notes excluding interest in respect of the Junior Loan Agreement in terms of the Pre-Enforcement Priority of Payments during the Revolving Period; and
- (iii) the outstanding balance of all Arrears Participating Assets minus 50% of the Security Value in respect of those Arrears Participating Assets;

"Excess Spread Covenant"

the undertaking by the Issuer that during the Revolving Period, the Excess Spread shall not be negative on any two consecutive Measurement Dates;

"Extraordinary Resolution"

in relation to the Noteholders or Noteholders of a specific Class of Notes -

- (a) a resolution passed at a meeting (duly convened) of all of the Noteholders or the Noteholders of a specific Class of Notes, as the case may be, by a majority consisting of not less than 75% of the Outstanding Principal Amount of all the Notes or a specific Class of Notes, as the case may be, present in person or by proxy and voting at such a meeting on a poll; or
- (b) a resolution passed other than at a meeting of all the Noteholders or Noteholders of a specific Class of Notes, as the case may be, with the written consent of all the Noteholders or the Noteholders of a specific Class of Notes, as the case may be, holding not less than 75% of the

	Outstanding Principal Amount of all the Notes or the specific Class of Notes;
"Financial Covenants"	collectively, - <ul style="list-style-type: none"> (a) the Capital Structure Covenants; (b) the Arrears Reserve Covenant; (c) the Liquidity Reserve Covenant; and (d) the Excess Spread Covenant;
"Financial Exchange"	such Financial Exchange other than the CTSE as may be determined by the Issuer and the Arranger, on which Notes may be listed as specified in the Applicable Pricing Supplement;
"Financial Markets Act"	the Financial Markets Act, 2012;
"Fixed Rate Notes"	Notes which will bear interest at a fixed Interest Rate, as specified in the Applicable Pricing Supplement;
"Floating Rate Notes"	Notes which will bear interest at a floating Interest Rate as specified in the Applicable Pricing Supplement;
"Further Advance"	an additional principal advance to an Obligor in terms of a Loan Agreement or a new agreement, and subject to a new credit assessment, which is not a Redraw or a Re-advance;
"GCR"	Global Credit Rating Company Proprietary Limited (registration number 1995/005001/07);
"Hedge Counterparty"	the person specified in the Applicable Pricing Supplement, or any other person with the Required Credit Rating with whom the Issuer concludes a Hedging Agreement;
"Hedge Termination Amount"	all amounts payable to the Hedge Counterparty by the Issuer under any Hedging Agreement following the occurrence of an Early Termination Date as defined in that Hedging Agreement;
"Hedging Agreement"	any interest rate swap, forward rate agreement or other hedging transaction or agreement, any option with respect to such transaction or agreement, or any combination of such transactions or agreements or other similar arrangements entered into by the Issuer and a Hedge Counterparty;
"IFRS"	International Financial Reporting Standards and the interpretation of those standards as adopted by the International Accounting Standards Board;

"Indemnity Bond"	<p>an indemnity bond on terms acceptable to the Mortgage SPV and the Originator which may comprise of -</p> <ul style="list-style-type: none">(a) a first ranking covering mortgage bond registered over the immoveable property of the Obligor and/or a Security Provider; or(b) a special notarial bond registered over one or more moveable assets of the Obligor and/or a Security Provider; or(c) a general notarial bond registered over moveable assets of the Obligor and/or a Security Provider, <p>in favour of the Mortgage SPV as security for the Obligor's or Security Provider's obligations to the Mortgage SPV in terms of the Obligor Indemnity;</p>
"Initial Issue Date"	<p>the date of issue of the first Tranche of Notes by the Issuer under the Programme;</p>
"Insolvency Act"	<p>the Insolvency Act, 1936;</p>
"Instalment Sale Agreement"	<p>a written instalment sale agreement entered into between the Originator and an Obligor, including all documents incorporated or deemed to be incorporated into such agreement, in terms of which the Originator sells to the Obligor, which purchases from the Originator, the Instalment Sale Asset;</p>
"Instalment Sale Asset"	<p>in relation to an Instalment Sale Agreement, the plant, equipment or other moveable asset forming the subject matter of that agreement, as described in the Instalment Sale Agreement;</p>
"Instalment Sale Facility"	<p>a facility in terms of which the Obligor purchases from the Originator an Instalment Sale Asset pursuant to the terms of an Instalment Sale Agreement;</p>
"Insurance Policy"	<p>any short-term and/or life insurance policy, taken out or to be taken out in relation to any Participating Asset by or on behalf of an Obligor;</p>
"Interest Amount"	<p>the amount of interest payable in respect of each Note, as determined in accordance with the Terms and Conditions;</p>
"Interest Commencement Date"	<p>the first date from which interest on a Tranche of Notes will accrue, as specified in the Applicable Pricing Supplement;</p>

"Interest Payment Date"	<p>each date on which interest is payable on the Notes, as specified in the Applicable Pricing Supplement, being –</p> <ul style="list-style-type: none">(a) during the Revolving Period, 28 April, 28 July, 28 October and 28 January of each year; and(b) during the Amortisation Period, the 28th day of each calendar month, <p>or if such day is not a Business Day, the Business Day on which interest will be paid, as determined in accordance with the applicable Business Day convention;</p>
"Interest Period"	<p>each period from (and including) each Interest Payment Date to (but excluding) the following Interest Payment Date during which interest will accrue on the Notes, as specified in the Applicable Pricing Supplement;</p>
"Interest Rate"	<p>in relation to each Tranche of Notes, the interest rate specified in the Applicable Pricing Supplement;</p>
"ISDA"	<p>International Swaps and Derivatives Association, Inc;</p>
"ISDA Definitions"	<p>the 2006 ISDA Definitions as published by ISDA (as amended, supplemented, revised or republished from time to time);</p>
"Issue Date"	<p>in relation to each Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;</p>
"Issuer"	<p>Capital Harvest Finance (RF) Limited (registration number 2021/867674/06), a company with limited liability, duly incorporated and registered in accordance with the laws of South Africa;</p>
"Issuer Indemnity"	<p>the written indemnity given by the Issuer to the Security SPV, indemnifying the Security SPV against claims by Secured Creditors in terms of the Security SPV Guarantee;</p>
"Issuer Insolvency Event"	<p>the occurrence of any of the following events -</p> <ul style="list-style-type: none">(i) the Issuer becoming subject to a scheme of arrangement as envisaged in section 114 or scheme of compromise as envisaged in section 155 of the Companies Act;(ii) the Issuer being wound-up, liquidated, deregistered or placed under business rescue, in any such event whether provisionally or finally and whether voluntarily or compulsorily;

- (iii) the Issuer compromising or attempting to compromise with, or deferring or attempting to defer payment of debts owing by it to, its creditors generally or any significant class of creditors (except a deferral provided for in the Transaction Documents as a result of lack of funds available for that purpose in terms of the Priority of Payments);
- (iv) the Issuer committing an act which would be an act of insolvency, in terms of the Insolvency Act, were the Issuer a natural person;
- (v) the Issuer being deemed to be unable to pay its debts in accordance with the provisions of section 345 of the Companies Act, 61 of 1973 (except where such inability is as a result of a lack of available funds for that purpose in terms of the Priority of Payments);
- (vi) the Issuer becoming financially distressed (as such term is defined in section 128 of the Companies Act); or
- (vii) the members or creditors or, where applicable, directors of the Issuer meeting in order to pass a resolution providing for the Issuer to be wound-up, liquidated, deregistered or placed under business rescue, or any resolution being passed to this effect;

"JIBAR"

- (a) the mid-market rate for deposits in Rand for a period equal to the relevant Interest Period which appears on the Reuters screen SAFEY page under caption "Yield" (or on the JSE Equity and Commodity Derivatives Markets' nominated successor screen to JIBAR) as of approximately 10h00 (Johannesburg time) on the relevant Rate Determination Date, rounded to the third decimal point; or
- (b) if such rate does not appear on the Reuters screen SAFEY page (or on the JSE Equity and Commodity Derivatives Market's nominated successor screen to JIBAR) for the relevant Interest Period for any reason whatsoever, the rate determined on the basis of the mid-market rate for deposits in Rand for a period equal to the relevant Interest Period, quoted by at least two of the Reference Banks at approximately 11h00 (Johannesburg time) on the Rate Determination Date. (The requesting party will request the principal Johannesburg office of each of the Reference Banks to provide a quotation of such rate. If at least two quotations are provided, the

rate for that date will be the arithmetic mean of those quotations); or

- (c) if on any Rate Determination Date on which the previous sub-paragraph applies, fewer than two quotations are provided by the Reference Banks, the rate for that date will be determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner, using a representative rate which in its opinion is as close as possible to three month JIBAR; or
- (d) in respect of any period for which interest must be calculated for a period which is longer or shorter than one month or three months, as the case may be, JIBAR for that period shall be calculated as set out in the relevant Applicable Pricing Supplement; or
- (e) any replacement rate for JIBAR;

"Junior Loan"

an amount lent and advanced to the Issuer by the Junior Loan Provider, pursuant to the Junior Loan Agreement;

"Junior Loan Agreement"

the agreement concluded between the Issuer, the Junior Loan Provider and the Security SPV, in terms of which the Junior Loan Provider makes a loan facility available to the Issuer for the purposes set out therein;

"Junior Loan Facility Amount"

the amount as specified in the most recent Applicable Pricing Supplement;

"Junior Loan Payment Deferred Event"

the occurrence of any one of the following events –

- (a) the aggregate outstanding balance of all Arrears Participating Assets in the Portfolio of Participating Assets is more than 7.5% of the aggregate outstanding balance of all Participating Assets in the Portfolio of Participating Assets and cash provided for in terms of item 16 of the Pre-Enforcement Priority of Payments during the Revolving Period; or
- (b) the Excess Spread after including interest paid under the Junior Loan calculated for any quarter on a Measurement Date is negative; or
- (c) the Issuer reports a retained loss on any Measurement Date;

"Junior Loan Provider"

Capital Harvest;

"Last Day to Register"

close of business on the Business Day immediately preceding the first day of a Books Closed Period;

"Legal Final Maturity Date"	in relation to a Tranche of Notes, the date specified in the Applicable Pricing Supplement, being the final date upon which the Notes of that Tranche are to be redeemed;
"Liquidity Facility"	if applicable, the loan facility provided by the Liquidity Facility Provider to the Issuer in terms of the Liquidity Facility Agreement to fund the Liquidity Reserve;
"Liquidity Facility Agreement"	if applicable, the written loan agreement between the Issuer, the Liquidity Facility Provider and the Security SPV setting out the terms of the Liquidity Facility;
"Liquidity Facility Provider"	if applicable, the person specified in the Applicable Pricing Supplement or such other person appointed in terms of the Liquidity Facility Agreement;
"Liquidity Reserve"	a cash reserve established and maintained to meet certain expenses in the Priority of Payments as specified in the section of this Programme Memorandum entitled " <i>Structural Features</i> ";
"Liquidity Reserve Covenant"	the undertaking by the Issuer that during the Revolving Period, the Liquidity Reserve shall be funded up to the Liquidity Reserve Required Amount, as measured on any Measurement Date;
"Liquidity Reserve Ledger"	a ledger established to record the amount standing to the credit of the Liquidity Reserve from time to time;
"Liquidity Reserve Required Amount"	an amount equal to 2.5% of the aggregate Outstanding Principal Amount of the Notes from time to time;
"Loan Agreement"	a - (a) Term Loan Agreement; and/or (b) Revolving Credit Facility Agreement;
"Loan Term"	with respect to any Participating Asset, the period from and including the date of the original advance under such Loan up to and including the date on which all principal, interest and other monies connected with such Loan are to be repaid;
"Loans"	collectively, the - (a) Term Loans; and (b) Revolving Credit Facilities, and " Loan " shall mean any one of them individually as the context may require;

"LTV Ratio"	<p>in respect of the loan to value ratio calculated as follows –</p> <p>A divided by B,</p> <p>whereas –</p> <p>A = the aggregate amount owing by an Obligor in respect of an Associated Exposure under a Participating Asset; and</p> <p>B = the Security Value;</p>
"Measurement Date"	<p>during the –</p> <p>(a) Revolving Period, 31 March, 30 June, 30 September and 31 December of each year; and</p> <p>(b) Amortisation Period, the last day of each calendar month;</p>
"Mortgage SPV"	<p>Capital Harvest Mortgage SPV (RF) Proprietary Limited (registration number 2020/860532/07), a company with limited liability, duly incorporated and registered in accordance with the laws of South Africa;</p>
"Mortgage SPV Guarantee"	<p>a written guarantee executed or to be executed by the Mortgage SPV in favour of the Originator guaranteeing an Obligor's obligations to the Originator in terms of a Loan Agreement and/or Instalment Sale Agreement concluded in relation to the Loan and/or Instalment Sale Facility granted by the Originator to such Obligor and which shall be ceded to the Issuer upon purchase of such Loan and/or Instalment Sale Facility in terms of the Sale Agreement where the Originator is the holder of such guarantee;</p>
"National Credit Act"	<p>the National Credit Act, 2005;</p>
"Note Subscription Agreement"	<p>the written agreement entered into or to be entered into between the Issuer and a Noteholder or a dealer, as the case may be, in terms of which the Noteholder agrees to subscribe for, or the dealer agrees to procure subscriptions for, and the Issuer agrees to issue, the Notes referred to therein, on the terms and subject to the conditions set out therein;</p>
"Noteholder"	<p>in respect of a Note, the holder of that Note, as recorded in the Register;</p>
"Notes"	<p>the limited recourse, registered Notes issued or to be issued by the Issuer under the Programme in terms of the Terms and Conditions, including any Debt Instruments;</p>

"Obligor"	any person or group of persons that has or have entered into a Loan Agreement and/or an Instalment Sale Agreement with the Originator;
"Obligor Indemnity"	a written indemnity given by an Obligor and/or a Security Provider to the Mortgage SPV in relation to the Loan and/or Instalment Sale Facility granted to such Obligor, on terms acceptable to the Mortgage SPV and the Originator, in terms of which the Obligor and/or Security Provider indemnifies the Mortgage SPV against any loss, liability, damage, claim, cost or expense which the Mortgage SPV may incur in terms of the Mortgage SPV Guarantee, and which Obligor Indemnity shall be secured by an Indemnity Bond;
"Ordinary Resolution"	means - (a) a resolution passed at a meeting (duly convened) of all the Noteholders or Noteholders of a specific Class of Notes, as the case may be, by a majority of the Outstanding Principal Amount of all the Notes or a specific Class of Notes, as the case may be, and voting at such meeting upon a poll present in person or by proxy; or (b) a resolution passed other than at a meeting of all the Noteholders or Noteholders of a specific Class of Notes, as the case may be, which resolution is passed in writing by a majority of the Outstanding Principal Amount of all the Notes or a specific Class of Notes;
"Originator"	Capital Harvest;
"Outstanding Principal Amount"	in relation to any Note, the Principal Amount of that Note less the aggregate amounts in respect of principal redeemed on that Note;
"Owner Trust"	The Capital Harvest Owner Trust (Master's reference number IT002120/2020(T)), a trust established in accordance with the laws of South Africa, which owns or will own all of the ordinary shares in the issued share capital of the Issuer;
"Owner Trust Pledge"	the pledge and cession <i>in securitatem debiti</i> by the Owner Trustee in favour of the Security SPV of all of the shares owned by the Owner Trust in the Issuer, as security for the obligations of the Owner Trustee in terms of the Owner Trust Suretyship;
"Owner Trust Suretyship"	the suretyship executed by the Owner Trustee in favour of the Security SPV, which deed of suretyship secures the obligations of the Issuer to the Security SPV in respect of the Issuer Indemnity;

"Owner Trustee"	the trustee for the time being of the Owner Trust, at the date of this Programme Memorandum, being TMF;
"Participant"	a person that holds in custody and administers securities or an interest in securities and that has been accepted by the Central Securities Depository as a participant in terms of section 31 of the Financial Markets Act;
"Participating Asset"	<p>all right, title and interest in and to -</p> <ul style="list-style-type: none">(a) a Loan;(b) a Loan Agreement;(c) an Instalment Sale Facility;(d) an Instalment Sale Agreement; and(e) the Related Security (if any) in relation to the aforesaid, <p>including, for the avoidance of doubt, an Additional Participating Asset;</p>
"Paying Agent"	Africa Frontier Capital or such other transfer agent appointed in terms of the Agency Agreement;
"Payment Date"	each date that falls on an Interest Payment Date or any other date on which the Issuer must make a payment, provided that if such day is not a Business Day the payment date shall fall on the following Business Day;
"Permitted Investments"	<p>investments in which the Administrator is entitled to invest cash from time to time for and on behalf of the Issuer standing to the credit of the Transaction Account being -</p> <ul style="list-style-type: none">(a) cash deposited with an Approved Entity;(b) any debt instrument which has the Required Credit Rating or which is issued or secured or guaranteed by an Approved Entity;(c) any negotiable instruments accepted, drawn or endorsed, by an Approved Entity; or(d) investments in money market funds which have the Required Credit Rating and which are regulated in terms of the Collective Investment Schemes Act, 2002, <p>provided that each such investment (i) is invested in and or below face value, (ii) is denominated in Rand, and (iii) matures at least two Business Days prior to the Payment Date on which the cash represented by such</p>

	investment is required by the Issuer (save where the cash represented by such investment can be accessed by and/or paid to the Issuer at any time);
"PKF"	PKF Cape Town(practice number 935123, a partnership established in accordance with the laws of South Africa;
"Portfolio Covenants"	the criteria that the Portfolio of Participating Assets must satisfy immediately following the acquisition of a Participating Asset (including an Additional Participating Asset) and/or the repurchase or substitution of any Participating Asset in terms of the Sale Agreement and/or after a Re-advance and/or Further Advance is made by the Issuer, as set out in the most recent Applicable Pricing Supplement;
"Portfolio of Participating Assets"	the portfolio of Participating Assets owned by the Issuer from time to time;
"Post-Enforcement Priority of Payments"	the order in which payments will be made by the Issuer or the Security SPV after the delivery of an Enforcement Notice;
"Pre-Enforcement Priority of Payments"	the order in which payments will be made by the Issuer prior to delivery of an Enforcement Notice, comprising the Pre-Enforcement Priority of Payments during the Revolving Period and the Pre-Enforcement Priority of Payments during the Amortisation Period, as the case may be;
"Pre-Enforcement Priority of Payments during the Amortisation Period"	the order in which payments will be made by the Issuer during the Amortisation Period;
"Pre-Enforcement Priority of Payments during the Revolving Period"	the order in which payments will be made by the Issuer during the Revolving Period;
"Preference Share"	the cumulative redeemable preference share of no-par value in the issued share capital of the Issuer;
"Preference Share Subscription Agreement"	the agreement concluded between the Preference Shareholder and the Issuer relating to the subscription for the Preference Share;
"Preference Shareholder"	the registered holder from time to time of the Preference Shares;
"Prepayments"	principal repayments received under a Loan Agreement in excess of the minimum scheduled instalments which an Obligor is obliged to pay;

"Prime Rate"	the basic rate of interest (percent, per annum, compounded monthly in arrear and calculated on a 365 (three hundred and sixty five) day year) from time to time levied by First National Bank, as being its prime overdraft rate (as certified by any officer or employee of First National Bank whose authority and/or appointment need not be proved);
"Principal Amount"	in relation to a Note, the nominal amount of that Note on the Issue Date;
"Priority of Payments"	the Pre-Enforcement Priority of Payments or Post-Enforcement Priority of Payments, as the case may be;
"Programme"	the asset-backed note programme under which the Issuer may from time-to-time issue Notes, as set out in this Programme Memorandum;
"Programme Memorandum"	this programme memorandum providing information about the Issuer, the Notes and incorporating the Terms and Conditions;
"R" or "Rand" or "ZAR"	the lawful currency of South Africa, being South African Rand, or any successor currency;
"Rate Determination Date"	in respect of each Interest Period for a Tranche of Floating Rate Notes, the day falling on the first day of that Interest Period or, if such day is not a Business Day, the first following day that is a Business Day, being the day upon which the Interest Rate in respect of that Tranche of Floating Rate Notes for that Interest Period will be determined in accordance with the Terms and Conditions;
"Rating"	in relation to the Notes, a rating assigned by the Rating Agency, which rating shall be a national scale and/or global scale rating by the Rating Agency;
"Rating Agency"	GCR or such other rating agency appointed by the Issuer as specified in the Applicable Pricing Supplement;
"Re-advance"	an advance to an Obligor (subject to a new credit assessment), in terms of the Loan Agreement, of a portion of the principal of such Obligor's loan, which principal has previously been repaid by such Obligor (i.e. a re-advance of Repayments but excluding Prepayments) and which has not already been advanced to that Obligor before the time of such Re-advance;
"Redemption Date"	each date on which any Notes are to be redeemed, partially or fully, as the case may be, in terms of the Terms and Conditions;

"Redraw"	a draw by an Obligor, in terms of the Loan Agreement, of a portion of the principal of such Obligor's loan, provided that the amount of such redraw is limited to principal which has previously been repaid by such Obligor in excess of the minimum scheduled instalments (i.e. a redraw of Prepayments) and which have not already been redrawn by such Obligor before the time of such Redraw;
"Redraw Facility"	a Rand denominated loan facility, provided by the Redraw Facility Provider to the Issuer in terms of the Redraw Facility Agreement, to fund Redraws, Re-advances and Further Advances from time to time;
"Redraw Facility Agreement"	the agreement between the Issuer and the Redraw Facility Provider setting out the terms of the Redraw Facility;
"Redraw Facility Provider"	Capital Harvest or such other person(s) with whom the Issuer may enter into one or more Redraw Facility Agreements;
"Reference Banks"	Absa Bank Limited, The Standard Bank of South Africa Limited, FirstRand Bank Limited, Nedbank Limited and each of their successors-in-title;
"Register"	the register of Noteholders maintained by the Transfer Agent;
"Related Security"	in relation to a Participating Asset, all security provided or granted in respect of that Participating Asset, including any suretyships, guarantees, indemnities, cession or endorsement or right to payment in respect of insurances, pledges, liens, cession of rights (including claims, rights of action, receivables and Insurance Policies), mortgage bonds, general notarial bonds, special notarial bonds, security deposits and any other collateral security taken by a Seller to secure the obligations of an Obligor in respect of a Participating Asset including the Mortgage SPV Guarantee (backed by the Obligor Indemnity and the Indemnity Bond);
"Repayments"	repayments of principal received under a Loan Agreement, being the scheduled instalments received;
"Required Credit Rating"	means – (a) if GCR is the appointed Rating Agency - (i) in respect of Permitted Investments - <ul style="list-style-type: none">• that mature within a period of 30 (thirty) calendar days, at least A1(ZA) on a short-term national scale; and

- that mature after a period of 30 (thirty) calendar days, at least a short-term national scale rating of A1+(ZA) and/or a long-term national scale rating of AA-(ZA);
 - (ii) in respect of the Hedge Counterparty, at least A1(ZA) on a short-term national scale;
 - (iii) in respect of the Account Bank, at least A1(ZA) on a short-term national scale;
 - (iv) in respect of the Liquidity Facility Provider, if applicable, at least A1(ZA) on a short-term national scale; and
 - (v) in respect of the Servicer, a Servicer Quality Rating of at least SQ2- or at least BBB-(ZA) on a long-term national scale;
- (b) if Moody's is the appointed Rating Agency -
- (i) in respect of Permitted Investments -
 - that mature within a period of 30 (thirty) calendar days, at least P1.za on a short-term national scale and/or at least A2.za on a long-term national scale; and
 - that mature after a period of 30 (thirty) calendar days, at least a short-term national scale rating of P1.za and/or a long-term national scale rating of Aa3.za;
 - (ii) in respect of the Hedge Counterparty, the qualifying collateral and replacement trigger ratings as specified in the Hedging Agreement;
 - (iii) in respect of the Account Bank, at least P1.za on a short-term national scale and/or at least A2.za on a long-term national scale; and
 - (iv) in respect of the Liquidity Facility Provider, if applicable, at least P1.za on a short-term national scale and/or at least A2.za on a long-term national scale;

- (c) if S&P is the appointed Rating Agency -
- (i) in respect of Permitted Investments -
- that mature within a period of 30 (thirty) calendar days, at least za.A1 on a short-term national scale and/or at least za.A on a long-term national scale; and
 - that mature after a period of 30 (thirty) calendar days, at least a short-term national scale rating of za.A1+ and/or a long-term national scale rating of za.AA-;
- (ii) in respect of the Hedge Counterparty, the qualifying collateral and replacement trigger ratings as specified in the Hedging Agreement;
- (iii) in respect of the Account Bank, at least za.A1 on a short-term national scale and/or at least za.A on a long-term national scale; and
- (iv) in respect of the Liquidity Facility Provider, if applicable, at least za.A1 on a short-term national scale and/or at least za.A on a long-term national scale,

in each case as may be amended from time to time in accordance with the prevailing rating criteria of the relevant Rating Agency and with written notice to the Security SPV and the Noteholders; or

in each case, such other rating, if any, which the Rating Agency confirms in writing will not adversely affect its respective current Ratings of the Notes in issue; provided that if an investment or entity is not rated by the Rating Agency, then such investment or entity that the Rating Agency confirms in writing will not adversely affect its respective current Ratings of the Notes in issue;

"Revolving Credit Facility"

a revolving credit facility made available by the Originator to an Obligor for working capital purposes, on the terms and subject to the conditions set out in a Revolving Credit Facility Agreement;

"Revolving Credit Facility Agreement"

the written revolving credit facility agreement entered into between the Originator and an Obligor in relation to a Revolving Credit Facility, including all documents incorporated or deemed to be incorporated into such agreement;

"Revolving Period"	the period from the Initial Issue Date up to (but excluding) the Amortisation Date;
"Sale Agreement"	the written agreement between the Sellers, the Issuer, the Administrator and the Security SPV in relation to the sale by the Sellers and the purchase by the Issuer of Participating Assets;
"Scheduled Redemption Date"	in relation to a Tranche of Notes, each date upon which a portion of the Outstanding Principal Amount of the Notes of that Tranche is expected to be redeemed by the Issuer, without any Event of Default being triggered should the Issuer fail to do so due to insufficient cash being available for this purpose in terms of the Priority of Payments, as set out in the Applicable Pricing Supplement;
"Secured Creditors"	each of the creditors of the Issuer set out in the Priority of Payments that is a party to a Transaction Document, including the Noteholders;
"Securitisation Regulations"	Government Notice No. 2 published in Government Gazette No. 30628 of 1 January 2008, issued by the Registrar of Banks under the Banks Act;
"Security"	the security constituted by the Security Documents, or any one or more thereof, as the context dictates;
"Security Documents"	the Security Cession, the Owner Trust Suretyship, the Owner Trust Pledge and the Issuer Indemnity furnished by the Issuer to the Security SPV;
"Security Cession"	the cession by the Issuer in favour of the Security SPV, by way of cession <i>in securitatem debiti</i> , of all the Issuer's right, title and interest in and to the Participating Assets, funds standing to the credit of the Transaction Account, the Transaction Documents and Permitted Investments as security for the Issuer's obligations to the Security SPV under the Issuer Indemnity;
"Security Interest"	any mortgage, pledge, lien, equity option, Encumbrance, right of set-off, or other adverse right or interest whatsoever, howsoever created or arising;
"Security Norms"	means – <ul style="list-style-type: none"> (a) 40% for immovable property where a mortgage bond (as Indemnity Bond) is registered over more than one title deed; and (b) 50% for immovable property where a mortgage bond (as Indemnity Bond) is registered over only one title deed;

"Security Provider"	any person or entity that provides any form of security or a suretyship or a guarantee in favour of the Originator or the Seller as security for the obligations of the Obligor to the Originator or the Seller or any person that registers an Indemnity Bond in favour of the Mortgage SPV as security for an Obligor's obligations under the Obligor Indemnity;
"Security SPV"	Capital Harvest Finance Security SPV (RF) Proprietary Limited (registration number 2021/856364/07), a company with limited liability, duly incorporated and registered in accordance with the laws of South Africa;
"Security SPV Guarantee"	the limited recourse guarantee given by the Security SPV to the Secured Creditors in terms of which the Security SPV guarantees the obligations of the Issuer to the Secured Creditors;
"Security SPV Owner Trust"	The Capital Harvest Security SPV Owner Trust (Master's reference number IT002104/2020(T)), a trust established in accordance with the laws of South Africa, which owns or will own all of the ordinary shares in the issued share capital of the Security SPV;
"Security SPV Owner Trustee"	the trustee for the time being of the Security SPV Owner Trust, at the date of this Programme Memorandum being TMF;
"Security Value"	in relation to a Participating Asset, the aggregate of the most recent value of the immovable property/ies over which an Indemnity Bond has been registered, as determined by an independent valuer appointed by the Servicer which valuation shall not be older than three years;
"Sellers"	collectively, Capital Harvest and Capital Harvest Warehouse SPV and "Seller" means any one of them as the context may require;
"Senior Expenses"	collectively, the expenses referred to in items 1 to 5 (both inclusive) of the applicable Priority of Payments, excluding, with respect to item 5 of the applicable Priority of Payments, any amounts payable to the Alpha Noteholders in respect of the Alpha Notes and any principal payable to the Redraw Facility Provider in terms of the Redraw Facility Agreement and/or the Liquidity Facility Provider in terms of the Liquidity Facility Agreement (if applicable);

"Series"	<p>the Notes comprising of a Tranche of Notes together with any other Tranche or Tranches of Notes (if applicable) which are -</p> <p>(a) expressed in the Applicable Pricing Supplement to be consolidated and form a single series of Notes; and</p> <p>(b) identical in all respects except for their respective Issue Dates and Interest Commencement Dates;</p>
"Servicer"	Capital Harvest IT and Admin or such other entity as may be appointed in terms of the Servicing Agreement;
"Servicer Default"	any event or condition defined as such in the Servicing Agreement;
"Servicer Quality Rating"	a rating of SQ2- assigned by GCR to the Servicer in respect of the quality of the services to be provided by the Servicer to the Issuer;
"Services"	the Services to be provided by the Servicer to the Issuer pursuant to the Servicing Agreement;
"Servicing Agreement"	the agreement concluded between the Issuer, the Servicer, the Back-Up Servicer, the Administrator and the Security SPV in terms of which the Servicer is appointed as the agent of the Issuer to perform certain services in relation to the Participating Assets;
"Servicing Fee"	the fee payable by the Issuer to the Servicer in respect of the Services and determined in accordance with the provisions of the Servicing Agreement;
"Settlement Agent"	any Participant approved by the Central Securities Depository from time to time, in terms of the Applicable Procedures, as settlement agent to perform electronic settlement of funds and scrip on behalf of market participants;
"South Africa"	the Republic of South Africa;
"Specified Office"	in relation to each of the Issuer, the Calculation Agent, the Paying Agent, the Transfer Agent, the Originator, the Servicer and the Administrator, the address of the office specified in respect of such entity at the end of this Programme Memorandum, or such other address as is notified by such entity (or, where applicable, a successor to such entity) to the Noteholders in accordance with the Terms and Conditions, as the case may be;
"Step-Up Date"	the date set out in the Applicable Pricing Supplement;

"Step-Up Rate"	in relation to each Tranche of Notes, the interest rate specified in the Applicable Pricing Supplement;
"Stop-Purchase Event"	<p>the occurrence of any one of the following events, –</p> <ul style="list-style-type: none">(a) the aggregate outstanding balance of all Arrears Participating Assets in the Portfolio of Participating Assets is more than 15% of the aggregate outstanding balance of all Participating Assets in the Portfolio of Participating Assets and cash provided for in terms of item 16 of the Pre-Enforcement Priority of Payments during the Revolving Period on any Measurement Date; and/or(b) an Amortisation Event has occurred and is continuing; and/or(c) an Event of Default has occurred and is continuing;
"Taxes"	all present and future taxes, levies, imposts, duties, charges, fees, deductions and withholdings imposed or levied by any governmental, fiscal or other competent authority in South Africa or any other jurisdiction from which any payment is made (and including any penalty payable in connection with any failure to pay, or delay in paying, any of the same) and "Tax" and "Taxation" shall be construed accordingly;
"Term Loan"	a loan with repayment term/s of up to 180 months made available by the Originator to an Obligor for purposes of financing immovable property and expansions or improvements to such property on the terms and subject to the conditions set out in a Term Loan Agreement;
"Term Loan Agreement"	the written term loan agreement entered into between the Originator and an Obligor in relation to a Term Loan, including all documents incorporated or deemed to be incorporated into such agreement;
"Terms and Conditions"	the terms and conditions set out in the section entitled <i>"Terms and Conditions of the Notes"</i> of this Programme Memorandum and in accordance with which the Notes will be issued;
"TMF"	TMF Corporate Services (South Africa) Proprietary Limited (registration number 2006/013631/07), a company with limited liability, duly incorporated and registered in accordance with the laws of South Africa;

"Total Debt"	the aggregate Outstanding Principal Amount of all Alpha Notes, Class A Notes, Class B Notes, Class C Notes, Class D Notes and Class E Notes plus the aggregate principal amount outstanding under any Debt Instrument and the Junior Loan Agreement;
"Tranche"	all Notes which are identical in all respects (including as to listing, if any) and are issued in a single issue;
"Transaction Account"	the bank account opened by and in the name of the Issuer with the Account Bank, with account number 62917804769;
"Transaction Documents"	<p>each of -</p> <ul style="list-style-type: none">(a) this Programme Memorandum;(b) each Note Subscription Agreement;(c) each Applicable Pricing Supplement;(d) each Note;(e) the Common Terms Agreement;(f) the Administration Agreement;(g) the Servicing Agreement;(h) the Agency Agreement;(i) the Redraw Facility Agreement;(j) the Liquidity Facility Agreement, if applicable;(k) the Junior Loan Agreement;(l) the Sale Agreement;(m) the Preference Share Subscription Agreement;(n) the Security SPV Guarantee;(o) the Issuer Indemnity;(p) the Security Cession;(q) the Owner Trust Suretyship; and(r) the Owner Trust Pledge;
"Transfer Agent"	Africa Frontier Capital or such other transfer agent appointed in terms of the Agency Agreement;

"Transfer Form"	in relation to the transfer of a Note as contemplated in the Terms and Conditions, means a form of transfer in the usual form or in such other form approved by the Security SPV;
"Uncertificated Notes"	a Note issued in uncertificated form which is not represented by any written document or instrument and held in the Central Securities Depository as contemplated by section 33 of the Financial Markets Act; and
"VAT"	value added tax imposed in terms of the Value-Added Tax Act, 1991, as amended or any similar tax imposed in place thereof from time to time.

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 and/or Transaction Document, and as amended or substituted from time to time.

Any reference to any agreement, deed, bond or other document shall include a reference to all annexures, appendices, schedules and other attachments thereto and shall be a reference to that agreement, deed, bond or other document (including such annexures, appendices, schedules and other attachments thereto) as amended, novated and/or replaced from time to time.

2 ISSUE

- 2.1 Notes may be issued by the Issuer in Tranches pursuant to the Programme, without requiring the consent of Noteholders, provided that -
 - 2.1.1 the conditions precedent (if any) in the Note Subscription Agreement have been fulfilled;
 - 2.1.2 the necessary approvals from the South African Reserve Bank, as required in terms of the Securitisation Regulations, have been obtained;
 - 2.1.3 if a Rating Agency has assigned a Rating to any existing Tranche of Notes that will still be in issue on the Issue Date of a further Tranche of Notes, such Rating Agency confirms or affirms, as the case may be, in writing that the respective current Ratings of such Tranches of Notes in issue will not be downgraded or withdrawn as a result of the issue of such further Tranche of Notes;
 - 2.1.4 to the extent that the Notes may be listed, the approval of the listing of the Notes on the CTSE or such other Financial Exchange, as the case may be, has been granted;
 - 2.1.5 the Issuer is not in breach or default of any of its material obligations under any of the Transaction Documents to which it is a party;
 - 2.1.6 no Amortisation Event has occurred and is continuing;
 - 2.1.7 no Enforcement Notice having been delivered by the Noteholders; and

- 2.1.8 no Financial Covenant shall be breached as a result of such issuance.
- 2.2 The Noteholders are, by virtue of their subscription for or purchase of the Notes, deemed to have notice of, and are entitled to the benefit of, and are subject to, all the provisions of the Transaction Documents.
- 2.3 The Applicable Pricing Supplement for each Tranche of Notes is incorporated in these Terms and Conditions for the purposes of those Notes and supplements these Terms and Conditions. The Applicable Pricing Supplement may specify other terms and conditions (which may replace, modify, or supplement these Terms and Conditions), in which event such other terms and conditions shall, to the extent so specified in the Applicable Pricing Supplement or to the extent inconsistent with these Terms and Conditions replace, modify or supplement these Terms and Conditions for the purpose of that Tranche of Notes.
- 2.4 The net proceeds of each Tranche of Notes shall be utilised by the Issuer to –
 - 2.4.1 acquire Participating Assets subject to the terms and conditions of the Sale Agreement; and/or
 - 2.4.2 redeem outstanding Notes; and/or
 - 2.4.3 fund the Liquidity Reserve up to the Liquidity Reserve Required Amount, if required; and/or
 - 2.4.4 as may otherwise be described in the Applicable Pricing Supplement.

3 FORM AND DENOMINATION

- 3.1 Notes will be issued in registered form with a minimum denomination of ZAR1,000,000 each or such other denomination or amount in relation to any Debt Instrument which is not a Note.
- 3.2 Notes will be issued in the form of registered Notes in uncertificated form held in the Central Securities Depository in terms of section 33 of the Financial Markets Act, and registered in the name, and for the account of, the registered Noteholder of such Notes (as reflected in the securities accounts of the Central Securities Depository or the relevant Participant). The Central Securities Depository will hold the Notes subject to the Financial Markets Act and the Applicable Procedures.

4 TITLE

- 4.1 Subject to what is set out below, title to the Notes will pass upon registration of transfer in the Register in accordance with Condition 17. The Issuer 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 Beneficial Interests in Notes held in uncertificated form may, in terms of existing law and practice, be transferred through the Central Securities Depository by way of book entry in the securities accounts of the Participants. Such transfers will be recorded in the securities accounts of the Central Securities Depository or the relevant Participant, as the case may be. While the Notes are held in the Central

Securities Depository in uncertificated form, each person shown in the records of the Central Securities Depository or the relevant Participant, as the case may be, as the holder of a Beneficial Interest in a particular nominal amount of such Notes (in which regard any certificate or other document issued by the Central Securities Depository or the relevant Participant, as the case may be, as to the Principal Amount of such Notes standing to the account of such person shall be *prima facie* proof of such Beneficial Interest) shall be treated by the Issuer and the relevant Participant as the holder of such nominal amount of such Notes for all purposes, other than with respect to voting and the receipt of payment of principal or interest on the Notes, for which latter purpose the registered holder of the relevant Notes reflected in the Register shall be treated by the Issuer as the holder of such Notes in accordance with and subject to these Terms and Conditions (and the expression "Noteholder" and related expressions shall be construed accordingly).

- 4.3 Any reference in this Programme Memorandum to the relevant Participant shall, in respect of Beneficial Interests, be a reference to the Participant appointed to act as such by a holder of such Beneficial Interest.

5 STATUS OF NOTES

- 5.1 The Notes constitute direct, limited recourse, secured obligations of the Issuer.
- 5.2 The claims of the Noteholders (whether in respect of principal, interest or otherwise) shall be subordinated to the claims of higher ranking creditors in accordance with the Priority of Payments.
- 5.3 Notwithstanding the subordinations envisaged in this Condition 5, the Noteholders shall be entitled to be paid any amounts due and payable to them in accordance with the Priority of Payments, on any Payment Date, provided that all amounts required to be paid or provided for in terms of the Priority of Payments in priority thereto, have been paid, provided for or discharged in full.
- 5.4 A Class of Notes identified by a capital letter of the alphabet closer to the beginning of the alphabet will rank higher than a Class of Notes identified by a capital letter closer to the end of the alphabet (e.g. Class B Notes will be subordinated to the Class A Notes) and Class C Notes will be subordinated to Class B Notes. Each Tranche of Notes within each Class of Notes will rank *pari passu*.

6 INTEREST

6.1 Interest on Fixed Rate Notes

6.1.1 *Fixed Interest Rate*

Each Fixed Rate Note will bear interest on the aggregate Outstanding Principal Amount, at the rate per annum equal to the Interest Rate, from and including the Interest Commencement Date to but excluding its Redemption Date (or the Actual Redemption Date, if the Actual Redemption Date falls before or after the Redemption Date) and the Step-Up Date, if any. If the Step-Up Date occurs, each Fixed Rate Note will bear interest on the aggregate Outstanding Principal Amount, at the rate per annum equal to the Step-Up Rate, from and including the Step-Up Date to but excluding the Redemption Date (or the Actual Redemption Date, if the Actual Redemption Date falls before or after the Redemption Date as specified in the Applicable Pricing Supplement).

6.1.2 *Interest Payment Dates*

The interest due in respect of each Interest Period will be payable in arrears on the Interest Payment Date in respect of such Interest Period. The first payment of interest will be made on the Interest Payment Date following the Interest Commencement Date. If any Interest Payment Date falls upon a day which is not a Business Day, the provisions of Condition 8.3 shall determine the date of payment of interest due upon such Interest Payment Date.

6.1.3 *Calculation of Interest Amount*

The Calculation Agent will calculate the Interest Amount payable in respect of each Tranche of Fixed Rate Notes for each Interest Period. Unless stated otherwise in the Applicable Pricing Supplement, the Interest Amount shall be calculated by multiplying the Interest Rate by the Outstanding Principal Amount of the Fixed Rate Note and then multiplying such product by the actual number of days elapsed in such Interest Period, divided by 365. The resultant will be rounded to the nearest cent, half a cent being rounded upwards.

6.2 **Interest on Floating Rate Notes**

6.2.1 *Interest Rate*

Each Floating Rate Note will bear interest on the aggregate Outstanding Principal Amount, at the rate per annum equal to the Interest Rate, from and including the Interest Commencement Date to but excluding the Redemption Date (or the Actual Redemption Date, if the Actual Redemption Date falls before or after the Redemption Date) and the Step-Up Date, if any. If the Step-Up Date occurs, each Floating Rate Note will bear interest on the aggregate Outstanding Principal Amount, at the rate per annum equal to the Step-Up Rate, from and including the Step-Up Date to but excluding the Redemption Date (or the Actual Redemption Date, if the Actual Redemption Date falls before or after the Redemption Date as specified in the Applicable Pricing Supplement).

6.2.2 *Interest Payment Dates*

The interest due in respect of each Interest Period will be payable in arrears on the Interest Payment Date in respect of such Interest Period. The first payment of interest will be made on the Interest Payment Date following the Interest Commencement Date. If any Interest Payment Date falls upon a day which is not a Business Day, the provisions of Condition 8.3 shall determine the date of payment of interest due upon such Interest Payment Date.

6.2.3 *Determination of Interest Rate and calculation of Interest Amount*

The Calculation Agent will, on each Rate Determination Date, determine the Interest Rate applicable to a Tranche of Floating Rate Notes for the Interest Period commencing on that Rate Determination Date and calculate the Interest Amount payable in respect of each Floating Rate Note in that Tranche for that Interest Period. Unless stated otherwise in the Applicable Pricing Supplement, the Interest Amount will be determined by multiplying the Interest Rate by the Outstanding Principal Amount of such Floating Rate Note and then multiplying such product by the actual number of days elapsed in such

Interest Period, divided by 365. The resultant sum will be rounded to the nearest cent, half a cent being rounded upwards.

6.2.4 *Basis of Interest Rate*

The Interest Rate will be determined -

- 6.2.4.1 on the basis of ISDA Determination; or
- 6.2.4.2 on the basis of Screen Rate Determination; or
- 6.2.4.3 on such other basis as may be determined by the Issuer, all as indicated in the Applicable Pricing Supplement.

6.2.5 *ISDA Determination*

Where ISDA Determination is specified in the Applicable Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period will be the relevant ISDA Rate (as defined below) plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any).

For the purposes of this Condition 6.2.5 -

"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 Applicable Pricing Supplement under a notional interest rate swap transaction if that agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which -

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

"Floating Rate", "Floating Rate Option", "Designated Maturity" and "Reset Date" have the meanings given to those expressions in the ISDA Definitions. Other expressions used in this Condition 6.2.5 or in the Applicable Pricing Supplement (where ISDA Determination is specified) not expressly defined shall bear the meaning given to those expressions in the ISDA Definitions.

When this Condition 6.2.5 applies, in respect of each Interest Period such agent as is specified in the Applicable Pricing Supplement will be deemed to have discharged its obligations under Condition 6.2.3 in respect of the determination of the Interest Rate if it has determined the Interest Rate in respect of such Interest Period in the manner provided in this Condition 6.2.5.

6.2.6 *Screen Rate Determination*

Where Screen Rate Determination is specified in the Applicable Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period will, subject as provided below, be either -

- (a) the offered quotation (if there is only one quotation on the relevant screen page); or
- (b) the arithmetic mean (rounded if necessary to the third decimal place, with 0.0005 being rounded upwards) of the offered quotations,

for the Reference Rate(s) which appears or appear, as the case may be, on the Relevant Screen Page as at 12h00 (Johannesburg time) on the Rate Determination Date in question, plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent. If 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 such agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of (a) above in this Condition 6.2.6, no such offered quotation appears or, in the case of paragraph (b) above in this Condition 6.2.6, fewer than three such offered quotations appear, in each case 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 12h00 (Johannesburg time) on the Rate Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Interest Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the third decimal place with 0.0005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

If the Interest Rate cannot be determined by applying the provisions of the preceding paragraphs of this Condition 6.2.6, the Interest Rate 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 third decimal place, with 0.0005 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 12h00 (Johannesburg time) on the relevant Rate Determination Date, in respect of deposits in an amount approximately equal to the Principal Amount of the Notes of the relevant Series, for a period equal to that which would have been used for the Reference Rate, to Reference 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 Interest Rate 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 Principal Amount of the Notes, for a period equal to that which would have been used for the Reference Rate, quoted at approximately 12h00 Johannesburg time on the relevant Rate Determination Date, by four leading banks in Johannesburg (selected by the Calculation Agent and approved by the Issuer) plus or minus (as appropriate) the Margin (if any). If the Interest Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the Interest Rate shall be determined as at the last preceding Rate 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 preceding Interest Period).

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 the ZAR-JIBAR rate, the Interest Rate in respect of such Notes will be determined, in the manner provided above, or as may be provided in the Applicable Pricing Supplement.

6.3 Publication of Interest Rate and Interest Amount

6.3.1 To the extent that a Tranche of Notes is listed on the CTSE or such other Financial Exchange, as the case may be, the Calculation Agent will cause the Interest Rate for each Tranche of Notes (other than Fixed Rate Notes) determined upon each Rate Determination Date to be notified to the Central Securities Depository and the Noteholders in the manner set out in Condition 19, the CTSE or such other Financial Exchange, as the case may be, and the Issuer and, if the Administrator is not the Calculation Agent, then also to the Administrator as soon as practicable after such determination but in any event in accordance with the timelines specified in the CTSE Debt Listings Requirements (in respect of Notes listed on the CTSE) or the timelines specified by such other Financial Exchange, as the case may be.

6.3.2 To the extent that a Tranche of Notes is listed on the CTSE or such other Financial Exchange, as the case may be, the Calculation Agent will, in relation to each Tranche of Notes, cause the aggregate Interest Amount payable for the relevant Interest Period in respect of such Tranche of Notes to be notified to the Central Securities Depository and the Noteholders (in the manner set out in Condition 19), the CTSE or such other Financial Exchange, as the case may be, and the Issuer and, if the Administrator is not the Calculation Agent, then also to the Administrator in accordance with the timelines specified in the CTSE Debt Listings Requirements (in respect of Notes listed on the CTSE) or the timelines specified by such other Financial Exchange, as the case may be.

6.4 Calculations final and limitation of liability

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained by the Calculation Agent pursuant to the exercise or non-exercise by it of its powers, duties and discretions under the Terms and Conditions and the Transaction Documents and all certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained by the Calculation Agent pursuant to the exercise or non-exercise by it of its powers, duties and discretions under the Terms and Conditions and the Transaction Documents, will, in the absence of wilful deceit, bad faith, or manifest error, be binding on the Issuer and

all Noteholders, and no liability to the Issuer or the Noteholders will attach to the Calculation Agent in connection therewith.

7 REDEMPTION AND PURCHASES

7.1 Final Redemption

7.1.1 Unless previously redeemed or purchased and cancelled as specified below, each Tranche of Notes will be redeemed by the Issuer at its Outstanding Principal Amount (together with interest accrued thereon) on the Legal Final Maturity Date of such Tranche of Notes, in accordance with the Priority of Payments.

7.1.2 The Issuer shall not be entitled or obliged to redeem the Notes in whole or in part prior to the Legal Final Maturity Date except as provided below.

7.2 Scheduled Redemption

7.2.1 The Issuer is expected, subject to 7.2.2 to redeem all or a portion of the Notes in a Tranche of Notes (together with interest accrued thereon) on each Scheduled Redemption Date of that Tranche of Notes. Prior to any Scheduled Redemption Date, the Issuer shall be obliged to pay on each Interest Payment Date or Payment Date, as the case may be, all amounts whether in respect of interest, principal (or otherwise) due and payable in respect of such Tranche of Notes in accordance with the Pre-Enforcement Priority of Payments during the Revolving Period or as otherwise specified in the Applicable Pricing Supplement, to the extent that the Issuer has funds available for that purpose in terms of the Pre-Enforcement Priority of Payments during the Revolving Period.

7.2.2 If any Notes in a Tranche of Notes are not redeemed in full on the Scheduled Redemption Date in terms of Condition 7.2.1, this shall not constitute an Event of Default by the Issuer but shall constitute an Amortisation Event, and, accordingly, on each Interest Payment Date thereafter, the Issuer shall redeem each Note in accordance with Condition 7.3.

7.3 Mandatory Redemption in part – Revolving Period

During the Revolving Period, should the amount by which the Total Debt less the Liquidity Reserve Required Amount, where relevant, and the Arrears Reserve Required Amount exceed the aggregate outstanding balance of all Participating Assets in the Portfolio of Participating Assets by more than 10% of Total Debt on two consecutive Measurement Dates, the Issuer shall redeem the most senior Class of Notes issued by the amount exceeding 10% of Total Debt, in accordance with the Pre-Enforcement Priority of Payments during the Revolving Period.

7.4 Mandatory Redemption in part – Amortisation Period

7.4.1 On each Interest Payment Date during the Amortisation Period, the Issuer shall partially redeem each Note in all Tranches of Notes to the extent permitted by and in accordance with the Pre-Enforcement Priority of Payments during the Amortisation Period, until the Outstanding Principal Amount of such Notes is reduced to zero.

7.4.2 The principal amount redeemable in respect of each Tranche of Notes on an Interest Payment Date, shall be the amount allocated to the Notes in that Class of Notes in accordance with the Pre-Enforcement Priority of Payments during the Amortisation Period on such Interest Payment Date.

7.4.3 The principal amount redeemable in respect of each Note in that Class of Notes on an Interest Payment Date, shall be the amount allocated to the Notes in that Class of Notes in accordance with the Pre-Enforcement Priority of Payments during the Amortisation Period on such Interest Payment Date, allocated *pro rata* to such Note in the proportion which the Outstanding Principal Amount of such Notes bears to the Outstanding Principal Amount of all the Notes in that Class of Notes on such Interest Payment Date, rounded to the nearest Rand, provided always that no such amount may exceed the Outstanding Principal Amount of such Note.

7.5 **Optional Redemption**

Clean-Up Call Option

7.5.1 On any Interest Payment Date on which the aggregate Outstanding Principal Amount of the Notes is equal to or less than 10% of the maximum aggregate Outstanding Principal Amount of the Notes that have been in issue at any time, and upon giving not more than 30 (thirty) nor less than 20 (twenty) days' notice to the Security SPV and the Noteholders, which notice shall be irrevocable, the Issuer may redeem all, but not some only, of the Notes at their Outstanding Principal Amount (together with accrued interest thereon) from Available Funds or the proceeds of any disposal of Participating Assets provided that, prior to giving such notice, the Issuer shall have provided to the Security SPV a certificate signed by two directors of the Issuer to the effect that it will have the funds, not subject to any interest of any other person, to redeem the Notes as set out above.

Redemption at the option of the Issuer

7.5.2 If specified in the Applicable Pricing Supplement, the Issuer shall be entitled to redeem all or any portion of a Tranche of Notes in issue on any day prior to the Scheduled Maturity Date or the Legal Final Maturity Date, as the case may be, of such Notes, at their aggregate Outstanding Principal Amount (together with all interest accrued thereon) provided that the Issuer has given the Noteholders not less than 10 Business Days' (or such other period as specified in the Applicable Pricing Supplement) prior notice in the manner set out in Condition 19.

Refinancing of Notes

7.5.3 The Issuer will, without requiring the consent of the Noteholders, be entitled at any time to refinance any Tranche of Notes on the Scheduled Maturity Date of that Tranche of Notes.

7.6 Optional Redemption for tax reasons

7.6.1 If the Issuer immediately prior to the giving of the notice referred to below satisfies the Security SPV that -

7.6.1.1 (i) payments of principal or interest in respect of any of the Participating Assets cease to be receivable (whether or not actually received) by the Issuer, or are or will necessarily be reduced by virtue of any withholding or deduction for or on account of any present or future Taxes, as the case may be, and (ii) the Obligors in respect of such Participating Assets are not obliged to pay such additional amounts as shall be necessary in order that the net amounts received by the Issuer after such withholding or deduction are equal to the respective amounts of principal or interest which would otherwise have been receivable in the absence of such withholding or deduction; and each of (i) and (ii) cannot be avoided by the Issuer taking reasonable measures available to it; or

7.6.1.2 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 becoming effective after the Issue Date the Issuer is or would be required to deduct or withhold from any payment of principal or interest on any Tranche of Notes any amounts as provided or referred to in Condition 9, and such requirements cannot be avoided by the Issuer taking reasonable measures available to it,

then, on any Interest Payment Date, the Issuer may at its option, having given not more than 30 (thirty) and not less than 20 (twenty) days' notice to the Security SPV and Noteholders in accordance with Condition 19 (which notice shall be irrevocable), redeem all, but not some only of the Notes in such Tranche of Notes, at their Outstanding Principal Amount (together with interest accrued thereon).

7.6.2 Prior to giving such notice of redemption, the Issuer shall have provided to the Security SPV -

7.6.2.1 a certificate signed by 2 (two) directors of the Issuer to the effect that it will have the funds, not subject to any interest of any other person, to redeem such Notes as set out above; and

7.6.2.2 a tax opinion (in form and substance satisfactory to the Security SPV) from a firm of lawyers in South Africa (approved in writing by the Security SPV) opining on the relevant event.

7.7 Cancellation

All Notes which are redeemed in full will forthwith be cancelled. All Notes so cancelled shall be held by the Issuer and cannot be re-issued or resold. The Issuer shall notify the Central Securities Depository of any cancellation or partial redemption of the Notes so that it can record the reduction in the aggregate Principal Amount of the Notes in issue.

8 PAYMENT

8.1 Method of payment

8.1.1 Payment of interest and principal on the Notes shall be paid by the Issuer in Rand. The Issuer shall not be obliged to make payment of, and Noteholders shall not be entitled to receive payment of, any amount due and payable under the Notes by the Issuer, except in accordance with the Priority of Payments, unless and until all sums required to be paid or provided for in terms of the Priority of Payments, in priority thereto have been paid or discharged in full. Should the Issuer fail to pay all or part of any interest or other amount then due and payable by it to the Noteholders on any Interest Payment Date as a result of lack of funds available for that purpose in terms of the Priority of Payments, the Issuer shall not be in default of its obligations under the Conditions (save as otherwise provided in the Conditions), the unpaid amount shall not bear penalty interest and payment of the unpaid amount shall be deferred to the following Interest Payment Date that funds are available to make such payment in terms of the Priority of Payments applicable on such Interest Payment Date.

8.1.2 Payment of interest and principal on the Notes shall be paid by the Issuer in Rand to the Central Securities Depository, 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 Central Securities Depository or the relevant Participant, as the case may be, as the holders of Beneficial Interests shall look solely to the Central Securities Depository or the relevant Participant, as the case may be, for such person's share of each payment so made by the Issuer to, or for the order of, the registered holder of the Notes held in uncertificated form. The Issuer will not 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 such Beneficial Interests. Payments of interest and principal in respect of Notes represented by Certificates shall be made to the person reflected as the registered holder of the Certificate in the Register on the Last Day to Register.

8.1.3 If the Issuer is prevented or restricted directly or indirectly from making any payment by electronic funds transfer in accordance with Condition 8.1.2 (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 will not constitute an Event of Default, the Issuer shall give notice to the Noteholders within 3 (three) Business Days of such inability arising and shall make payment by electronic transfer on the second Business Day following the termination of such inability.

8.1.4 Only Noteholders reflected in the Register at 17h00 (Johannesburg time) on the relevant Last Day to Register will be entitled to payments of interest and/or principal in respect of the Notes.

8.2 Surrender of Certificates

8.2.1 On or before the Last Day to Register prior to any Redemption Date (including a Redemption Date relating to mandatory redemption in part), the holder of a

Certificate, in respect of a Note to be redeemed (in part or in whole, as the case may be) shall deliver to the Transfer Agent the Certificates to be redeemed. This will enable the Transfer Agent to endorse the partial redemption thereon or, in the case of final redemption, to cancel the relevant Certificates.

- 8.2.2 Should the holder of a Certificate refuse or fail to surrender the Certificate for endorsement or cancellation on or before a Redemption Date, the amount payable to him in respect of such redemption, including any accrued interest, shall be paid to the Security SPV to be retained by it for such Noteholder, at the latter's risk, until the Noteholder surrenders the necessary Certificate, and interest shall cease to accrue to such Noteholder from the Redemption Date in respect of the amount redeemed.
- 8.2.3 Documents required to be presented and/or surrendered to the Transfer Agent in accordance with the Terms and Conditions will be so presented and/or surrendered at the Specified Office of the Transfer Agent.
- 8.2.4 In the case of Notes issued in uncertificated form, redemptions in part will be concluded in accordance with the Applicable Procedures.

8.3 **Payment Date**

Notwithstanding anything to the contrary contained in the Terms and Conditions, if the date for payment of any amount payable in respect of any Note is not a Business Day, then -

- 8.3.1 if a Business Day Convention is not specified in the Applicable Pricing Supplement, such date for payment shall be the following Business Day; and
- 8.3.2 if a Business Day Convention is specified in the Applicable Pricing Supplement, such date for payment shall be adjusted according to such Business Day Convention.

9 **TAXATION**

- 9.1 All payments (whether in respect of principal, interest or otherwise) in respect of the Notes will be made free and clear of and without withholding or deduction for or on account of any Taxes, unless such withholding or deduction is required by Applicable Law.
- 9.2 If any such withholding or deduction is required by Applicable Law in respect of Taxes imposed or levied on any payments (whether in respect of principal, interest or otherwise) in respect of any Notes, the Issuer shall, subject to its right to redeem such Notes in terms of Condition 7.6, make such payments after such withholding or deduction has been made and will account to the relevant authorities for the amount so required to be withheld or deducted. The Issuer will not be obliged to make any additional payments to Noteholders in respect of such withholding or deduction.

10 UNDERTAKINGS OF THE ISSUER

10.1 Comply with obligations

The Issuer undertakes that it will comply in all material respects with the obligations imposed on it in terms of the Transaction Documents to which it is a party.

10.2 Positive undertakings

The Issuer undertakes that it shall -

- 10.2.1 (*accounting records*) prepare proper and adequate accounting records and lodge returns in accordance with generally accepted accounting practice or IFRS or such other accounting practice and the Companies Act;
- 10.2.2 (*accounts*) provide to the Security SPV its audited financial statements for each financial year within 120 (one hundred and twenty) days of the end of that financial year;
- 10.2.3 (*other information*) promptly give to the Security SPV such information relating to the financial condition or operations of the Issuer as the Security SPV may from time to time reasonably request, except for such information the disclosure of which would contravene Applicable Law or render the Issuer in breach of any confidentiality obligation;
- 10.2.4 (*separate entity*) always hold itself out as an entity which is separate from any other entity or group of entities, and correct any misunderstanding known to the Issuer regarding its separate identity;
- 10.2.5 (*Taxes*) pay all Taxes (other than Taxes disputed by the Issuer in good faith) when due;
- 10.2.6 (*Event of Default*) notify the Security SPV, the Calculation Agent and the Rating Agency of the occurrence of any Event of Default, as soon as it becomes aware of it;
- 10.2.7 (*Amortisation Event*) immediately upon becoming aware of the occurrence of an Amortisation Event, notify the Security SPV, the Calculation Agent and the Rating Agency in writing and provide such details in regard thereto as the Security SPV, the Arranger and the Rating Agency may request;
- 10.2.8 (*Stop-Purchase Event*) immediately upon becoming aware of the occurrence of a Stop-Purchase Event, notify the Security SPV and the Calculation Agent in writing and provide such details in regard thereto as the Security SPV and the Calculation Agent may request;
- 10.2.9 (*Applicable Laws*) comply with all Applicable Laws;
- 10.2.10 (*constitutional documents*) comply with the provisions of its constitutional documents;
- 10.2.11 (*breach of Transaction Documents*) notify the Security SPV promptly of any breach by the Issuer of any obligation under any Transaction Document to which it is a party; and

- 10.2.12 (*notification to Rating Agency*) notify the Rating Agency should a new or a supplement to this Programme Memorandum be issued by the Issuer.

10.3 **Negative undertakings**

The Issuer undertakes that it shall not, except as permitted under any Transaction Document or with the prior consent of the Security SPV -

- 10.3.1 (*negative pledge*) create or permit to subsist any Encumbrance upon the whole or any part of its assets, present or future, save for any Encumbrance pursuant to the Security Documents;
- 10.3.2 (*disposal of assets*) transfer, sell, exchange, realise, alienate, lend, part with or otherwise dispose of, or deal with, or grant any right of first refusal, option or present or future right to acquire any of its assets or any interest, right, title or benefit therein, save as in accordance with any Transaction Document;
- 10.3.3 (*winding-up*) cause itself to be voluntarily wound-up or placed under business rescue;
- 10.3.4 (*restrictions on activities*) engage in any activity which is not in terms of or necessarily incidental to any of the activities which the Transaction Documents provide or envisage that the Issuer will engage in;
- 10.3.5 (*shares*) issue any further shares or repurchase shares (except for the Preference Share created pursuant to the Transaction Documents) which -
- 10.3.5.1 have no rights which conflict with the rights of Noteholders; and
- 10.3.5.2 are subordinated in all respects to the rights of Noteholders;
- 10.3.6 (*dividends*) authorise the payment of, or pay, any dividend or other distribution to its shareholders except any preference dividend, and any Tax thereon, payable in accordance with the relevant Priority of Payments and pursuant to the Transaction Documents;
- 10.3.7 (*Bank Accounts*) open or operate any bank accounts, other than the Transaction Account;
- 10.3.8 (*Hedging Agreements*) enter into any Hedging Agreement, unless the Hedge Counterparty meets the Rating Agency's hedging criteria from time to time;
- 10.3.9 (*no payment*) make or attempt or purport to make any payment in respect of a Note or other amount owing prior to the date on which the payment is due for payment in terms of the relevant Priority of Payments;
- 10.3.10 (*borrowings*) raise or incur any obligation, whether as principal or surety, for the payment or repayment of money, whether present or future, actual or contingent, other than as envisaged in the Transaction Documents;
- 10.3.11 (*other financial accommodation*) grant any guarantee or other assurance whatsoever against financial loss or allow any such guarantee or assurance to be outstanding in connection with any money borrowed or raised by any person other than as part of the Issuer's business;

- 10.3.12 (*general acts*) do any of the following things -
- 10.3.12.1 register any transfer of shares in its issued share capital;
- 10.3.12.2 amend its memorandum of incorporation;
- 10.3.12.3 engage any employees;
- 10.3.12.4 have or acquire any subsidiaries;
- 10.3.13 (*Transaction Documents*)
- 10.3.13.1 cancel or amend any Transaction Documents;
- 10.3.13.2 grant a waiver in respect of any Transaction Document;
- 10.3.13.3 discharge or release any person from their obligations under any Transaction Document if that person has not performed its obligations in full;
- 10.3.13.4 novate or assign any Transaction Document;
- 10.3.13.5 cede any of its rights or delegate any of its obligations under any Transaction Document; or
- 10.3.14 (*other transactions*) enter into any document, agreement or arrangement other than in terms of the Transaction Documents or its memorandum or incorporation.
- 10.3.15 In giving any consent to the foregoing, the Security SPV may require the Issuer to make such modifications or additions to the Terms and Conditions and/or to the provisions of any of the Transaction Documents (subject to Condition 20) or may impose such other conditions or requirements as the Security SPV may deem expedient (in its absolute discretion) in the interests of the Secured Creditors, including the Noteholders.

11 AMORTISATION EVENTS

- 11.1 Upon the occurrence of an Amortisation Event, the Security SPV shall convene a meeting of the Noteholders in accordance with the provisions of Condition 24 not later than 10 days after the occurrence of such Amortisation Event, provided that if the Security SPV fails to convene such a meeting, any Noteholder shall be entitled to convene a meeting of Noteholders in accordance with Condition 24.
- 11.2 Upon the occurrence of an Amortisation Event but prior to the meeting of Noteholders contemplated in Condition 11.1 above being convened, all Noteholders and other Secured Creditors shall be paid all amounts due and payable to them in accordance with the Pre-Enforcement Priority of Payments during the Revolving Period.
- 11.3 If the Amortisation Event has not been remedied by the Issuer prior to the meeting of Noteholders contemplated in Condition 11.1 above, or the Amortisation Event has not been waived by the Noteholders by Extraordinary Resolution at such meeting, the Amortisation Period shall commence on the first Business Day after such a meeting and all amounts due and payable to the Noteholders and other

Secured Creditors shall be paid in accordance with the Pre-Enforcement Priority of Payments during the Amortisation Period.

- 11.4 On each Interest Payment Date during the Amortisation Period, the Issuer shall partially redeem each Note in all Tranches of Notes, to the extent permitted by and in accordance with the Pre-Enforcement Priority of Payments during the Amortisation Period, until the Outstanding Principal Amount of all such Notes is reduced to zero as contemplated in Condition 7.3.

12 STOP-PURCHASE EVENTS

Upon the occurrence of a Stop-Purchase Event, the Issuer shall, notwithstanding anything to the contrary contained in this Programme Memorandum, no longer be entitled to acquire Participating Assets from the Sellers and the Sellers will no longer be obliged to offer Participating Assets to the Issuer for purchase, until such time as that Stop-Purchase Event has been remedied, if capable of remedy.

13 EVENTS OF DEFAULT

- 13.1 An Event of Default will occur should -

- 13.1.1 the Issuer fails to pay an amount of interest and/or principal due and payable in respect of any Notes within three Business Days of the due date, to the extent permitted by Available Funds for that purpose in terms of the Pre-Enforcement Priority of Payments during the Revolving Period or the Pre-Enforcement Priority of Payments during the Amortisation Period; or
- 13.1.2 the Security SPV ceases to be wholly owned by the Security SPV Owner Trust without the prior consent of the Noteholders;
- 13.1.3 the Issuer cease to be wholly owned by the Owner Trust without the prior written consent of the Security SPV; or
- 13.1.4 the Security Interests in favour of the Security SPV pursuant to any of the Security Documents become invalid or unenforceable for any reason whatsoever (or be reasonably claimed by the Security SPV not to be in full force or effect) or the Security SPV Guarantee be or become unenforceable; or
- 13.1.5 any Transaction Document become illegal, unlawful or unenforceable and is not amended, or such illegality, unlawfulness or unenforceability is not rectified within a period of 10 Business Days after the Issuer or the Security SPV becoming aware thereof, so as to become legal, lawful and enforceable; or
- 13.1.6 it be or become unlawful for the Issuer to perform any of its obligations under the Transaction Documents to which it is a party and the Security SPV has certified to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders; or
- 13.1.7 the Issuer alienate or Encumber any of its assets (other than as provided for in the Transaction Documents) without the prior written consent of the Security SPV; or

- 13.1.8 the Issuer cease to carry on its business in a normal and regular manner or materially change the nature of its business, or through an official act of the board of directors of the Issuer, threaten to cease to carry on business; or
 - 13.1.9 an Issuer Insolvency Event occur; or
 - 13.1.10 any consent, license, permit or authorisation required by the Issuer for the conduct of its business be revoked, withdrawn, materially altered or not renewed and such situation not be remedied within 14 days after the Issuer and/or the Administrator becomes aware of such revocation withdrawal or alteration and/or the Issuer breaches any of its statutory approvals or authorisations required to enable it to lawfully conduct its business in the manner contemplated in these Terms and Conditions.
- 13.2 If an Event of Default occurs -
- 13.2.1 the Administrator will forthwith inform the Noteholders, the Security SPV and the Rating Agency;
 - 13.2.2 the Security SPV will, as soon as such Event of Default comes to its notice (whether as a result of having been informed by the Administrator thereof pursuant to Condition 13.2.1 or otherwise), forthwith call a meeting of the Noteholders;
 - 13.2.3 all the Notes will become immediately due and payable if at such meeting, the Noteholders so decide, by Extraordinary Resolution;
 - 13.2.4 if the Noteholders decide that the Notes shall become immediately due and payable, the Noteholders will notify the Security SPV and the Issuer accordingly;
 - 13.2.5 if the Noteholders decide that the Notes will become immediately due and payable as contemplated in Condition 13.2.3, the Noteholders will, by written notice to the Issuer and the Security SPV (an "**Enforcement Notice**"), declare the Notes to be immediately due and payable, and require the Outstanding Principal Amount of the Notes, together with any accrued interest thereon, to be forthwith paid or repaid, to the extent permitted by and in accordance with the Post-Enforcement Priority of Payments. The Issuer shall forthwith do this, failing which the Security SPV may take all necessary steps, including legal proceedings, to enforce the rights of the Noteholders and other Secured Creditors set out in, and the security given therefor and in terms of these Terms and Conditions and the other Transaction Documents;
 - 13.2.6 the Security SPV will not be required to take any steps to ascertain whether any Event of Default has occurred or to monitor or supervise the observance and performance by the Issuer of its obligations under the Terms and Conditions and the other Transaction Documents and until the Security SPV has actual knowledge or has been served with express notice thereof it shall be entitled to assume that no such Event of Default has taken place; and
 - 13.2.7 if the Notes become immediately due and payable following delivery of an Enforcement Notice, they will be redeemed and paid strictly in accordance with the Post-Enforcement Priority of Payments. If the Issuer has insufficient available funds to redeem all the Notes in full, the Notes will be redeemed, in

reducing order of rank in the Post-Enforcement Priority of Payments, in each case pro-rata to their Outstanding Principal Amount.

14 ENFORCEMENT, SUBORDINATION AND NON-PETITION

14.1 Each Noteholder agrees that its claims against the Issuer and the Security SPV are subordinated for the benefit of other Secured Creditors in accordance with the Priority of Payments. The Issuer will not be obliged to make payment of, and Noteholders will not be entitled to receive payment of, any amount due and payable by the Issuer under the Notes, except in accordance with the Priority of Payments, unless and until all amounts required to be paid or provided for in terms of the Priority of Payments in priority thereto have been paid, provided for or discharged in full, and then only to the extent that there are available funds in the Priority of Payments for that purpose. Should the Issuer fail to pay all or part of any amount then due and payable by it to the Noteholders on any date, as a result of lack of available funds for that purpose in terms of the Priority of Payments -

14.1.1 the Issuer will not be in default of its obligations under the Notes (other than a failure to pay amounts due and payable in respect of the Notes, as contemplated in Condition 13.1.1 which shall constitute an Event of Default);

14.1.2 the unpaid amount will not bear penalty interest; and

14.1.3 payment of the unpaid amount will be deferred to the following date upon which there are available funds to make such payment in terms of the Priority of Payments applicable on such date.

14.2 Notwithstanding any other provision of any Transaction Document, the obligation of the Issuer to make payment to the Noteholders is limited to the lesser of -

14.2.1 the amounts owing to the Noteholders; and

14.2.2 the aggregate of the actual amount recovered and available for distribution from the assets of the Issuer to such Noteholders,

and the payment of such amount that is available for distribution to the Noteholders in accordance with the Priority of Payments will constitute fulfilment of the Issuer's obligations to make payment to the Noteholders. Once all the assets of the Issuer have been extinguished, each Noteholder abandons all claims it may have against the Issuer in respect of amounts still owing to it but unpaid, and the Issuer's liability to the Noteholders shall be completely discharged.

14.3 It is recorded that as security for the due, proper and timeous fulfilment by the Issuer of all its obligations under the Notes, the Security SPV has executed the Security SPV Guarantee in favour of the Secured Creditors (including the Noteholders). Each Noteholder expressly accepts the benefits of the Security SPV Guarantee and acknowledges the limitations on its rights of recourse in terms of such Security SPV Guarantee.

14.4 Subject to the provisions of Condition 14.5, each Noteholder agrees that only the Security SPV may enforce the security created in favour of the Security SPV by the Security Documents in accordance with the provisions of the Security Documents and the Transaction Documents.

- 14.5 The rights of Noteholders against the Issuer will be limited to the extent that the Noteholders will not be entitled to take any action or proceedings against the Issuer to recover any amounts payable by the Issuer to them under or in connection with the Notes (including not levying or enforcing any attachment or execution upon the assets of the Issuer), and all rights of enforcement will be exercised by lodging a claim under the Security SPV Guarantee, provided that -
- 14.5.1 if the Security SPV is entitled and obliged to enforce its claim against the Issuer pursuant to the Issuer Indemnity but fails to do so within 20 Business Days of being called upon to do so by any Secured Creditor (other than a Noteholder) or by an Extraordinary Resolution of all Noteholders; or
- 14.5.2 if the Security SPV is wound-up, liquidated, de-registered or placed under business rescue (in each case whether voluntarily or compulsorily, provisionally or finally) or if the Security SPV Guarantee and/or Issuer Indemnity are not enforceable (as finally determined by a judgment of a court of competent jurisdiction after all rights of appeal and review have been exhausted) or as agreed by the Noteholders (by way of Extraordinary Resolution),
- then Noteholders will be entitled to take action themselves to enforce their claims directly against the Issuer if an Event of Default occurs.
- 14.6 The Noteholders will not, until one year following payment of all amounts outstanding under the Notes and all the other Transaction Documents, institute, or join with any person in instituting or vote in favour of, any steps or legal proceedings for the winding-up, liquidation, de-registration, business rescue, or any compromise or scheme of arrangement or related relief in respect of -
- 14.6.1 the Issuer or for the appointment of a liquidator, business rescue practitioner or similar officer of the Issuer, provided that nothing in this clause will limit the Security SPV from taking such action, in the event that the Security SPV is unable (whether due to practical or legal impediments which in the reasonable opinion of the Security SPV are not of a temporary nature) to enforce the Security Documents; or
- 14.6.2 the Security SPV or for the appointment of a liquidator, business rescue practitioner or similar officer of the Security SPV.
- 14.7 Without prejudice to the foregoing provisions of this Condition 14, each Noteholder undertakes to the Issuer and the Security SPV that if any payment is received by it other than in accordance with the Priority of Payments in respect of amounts due to it by the Issuer and/or the Security SPV, the amount so paid will be received and held by such Noteholder as agent for the Issuer and/or the Security SPV, as the case may be, and will be paid to the Issuer and/or the Security SPV, as the case may be, immediately on demand.
- 14.8 The Security SPV acknowledges that it holds the security created pursuant to the Security Documents to be distributed, on enforcement of the Security Documents, in accordance with the provisions of the Post-Enforcement Priority of Payments.
- 14.9 Each Noteholder undertakes that it will not set off or claim to set off any amounts owed by it to the Issuer or the Security SPV against any amount owed to it by the Issuer or the Security SPV.

- 14.10 Notwithstanding the provisions of the preceding sub-Conditions, in the event of a liquidation or a winding-up of the Issuer or the Issuer being placed under business rescue, Secured Creditors ranking prior to others in the applicable Priority of Payments will be entitled to receive payment in full from the assets of the Issuer of amounts due and payable to them, before other Secured Creditors that rank after them in the applicable Priority of Payments receive any payment of amounts owing to them.
- 14.11 In order to ensure the fulfilment of the provisions of Condition 14.10 in the event of a liquidation or a winding-up of the Issuer or the Issuer being placed under business rescue, each Noteholder agrees that in such event, it will recover all amounts due and payable by the Issuer to such Noteholder in accordance with the provisions of the Security SPV Guarantee. The Security SPV will, in turn, make a claim in the winding-up, liquidation or business rescue proceedings of the Issuer pursuant to the Issuer Indemnity and, out of any amount recovered in such proceedings, pay the Secured Creditors in accordance with the Post-Enforcement Priority of Payments.
- 14.12 In the event that the Security SPV fails, for whatever reason, to make a claim in the liquidation, winding-up or business rescue proceedings of the Issuer pursuant to the Issuer Indemnity or should the liquidator or business rescue practitioner not accept a claim tendered for proof by the Security SPV pursuant to the Issuer Indemnity, then each Noteholder will be entitled to lodge such claims itself but each Noteholder agrees that -
- 14.12.1 any claim made or proved by a Noteholder in the liquidation, winding-up or business rescue proceedings in respect of amounts owing to it by the Issuer, will be subject to the condition that no amount will be paid in respect thereof to the extent that the effect of such payment would be that the amount payable to the Secured Creditors that rank prior to it in terms of the Post-Enforcement Priority of Payments would be reduced; and
- 14.12.2 if the liquidator or business rescue practitioner does not accept claims proved subject to the condition contained in Condition 14.12.1, then such Noteholder will be entitled to prove its claims against the Issuer in full, on the basis that any liquidation dividend payable to it is paid to the Security SPV for distribution in accordance with the Post-Enforcement Priority of Payments.
- 14.13 Nothing in these Terms and Conditions limits -
- 14.13.1 the exercise of any right or power by the Security SPV under the Security Documents;
- 14.13.2 the entitlement of the Security SPV to levy or enforce any attachment or execution upon the assets of the Issuer;
- 14.13.3 any Noteholder from obtaining or taking any proceedings to obtain an interdict, mandamus or other order to restrain any breach of any Transaction Document by any party; or
- 14.13.4 any Noteholder from obtaining or taking any proceedings to obtain declaratory relief in relation to any provision of any Transaction Document in relation to any party.

15 BENEFITS

- 15.1 The Terms and Conditions, insofar as they confer benefits on any Secured Creditor (other than a Noteholder), comprise a stipulation for the benefit of such Secured Creditor and will be deemed to be accepted by each such Secured Creditor upon execution of the Common Terms Agreement by each such Secured Creditor.
- 15.2 Each Noteholder, upon its subscription for Notes and the issue of Notes to it, or upon the transfer of Notes to it, as the case may be, accepts the benefits of those provisions of the Common Terms Agreement which confer benefits on the Noteholders.
- 15.3 It is recorded that the Security SPV, upon signing the Security SPV Guarantee, is deemed to have notice of the Terms and Conditions, and the Security SPV shall be bound by those provisions of the Terms and Conditions which confer rights and/or impose obligations on the Security SPV.

16 EXCHANGE OF BENEFICIAL INTERESTS AND REPLACEMENT OF NOTES

16.1 Exchange

- 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 Central Securities Depository), request that such Beneficial Interest be exchanged for Notes in definitive form represented by a 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 a Certificate; provided that such day shall be a Business Day and shall fall not less than 30 days after the day on which such Exchange Notice is given ("**Exchange Date**").
- 16.1.2 The holder's nominated Participant will, following receipt of the Exchange Notice, through the Central Securities Depository, notify the Transfer Agent that it is required to exchange such Beneficial Interest for Notes represented by a certificate. The Transfer Agent will, as soon as is practicable but within 14 days after receiving such notice, in accordance with the Applicable Procedures, procure that a certificate is prepared, authenticated and made available for delivery, on a Business Day falling within the aforementioned 14 day period, to the holder of the Beneficial Interest at the Specified Office of the Transfer Agent.
- 16.1.3 In the case of the exchange of a Beneficial Interest in Notes issued in uncertificated form -
 - 16.1.3.1 the Central Securities Depository shall, prior to the Exchange Date, surrender (through the Central Securities Depository system) such Notes held in uncertificated form to the Transfer Agent at its Specified Office; and
 - 16.1.3.2 the Transfer Agent will obtain the release of such Notes held in uncertificated form from the Central Securities Depository in accordance with the Applicable Procedures.

16.2 **Costs**

Certificates shall be provided (whether by way of issue, delivery or exchange) by the Issuer without charge, save as otherwise provided in these Terms and Conditions. Separate costs and expenses relating to the provision of Certificates or the transfer of Notes may be levied by other persons, such as the Participant, under the Applicable Procedures and such costs and expenses shall not be borne by either the Issuer or the Servicer. The costs and expenses of delivery of Certificates by a method other than ordinary post (if any) and, if the Issuer shall so require, taxes or governmental charges or insurance charges that may be imposed in relation to such mode of delivery shall be borne by the Noteholder.

16.3 **Replacement**

If any Certificate is mutilated, defaced, stolen, destroyed or lost it may be replaced at the office of the Transfer Agent on payment by the claimant of such costs and expenses as may be incurred in connection therewith and against the furnishing of such indemnity as the Transfer Agent may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

17 **TRANSFER OF NOTES**

17.1 Beneficial Interests in the Notes may be transferred in terms of the Applicable Procedures through the Central Securities Depository.

17.2 The Central Securities Depository maintains accounts only for its Participants. Beneficial Interests which are held by Participants (which are also Settlement Agents) may be held directly through the Central Securities Depository. Participants are in turn required to maintain securities accounts for their clients. Beneficial Interests which are not held by Participants may be held by clients of Participants indirectly through such Participants.

17.3 Transfers of Beneficial Interests to and from clients of Participants occur, in terms of existing law and practice, by way of electronic book entry in the securities accounts maintained by the Participants for their clients. Transfers of Beneficial Interests among Participants occur through electronic book entry in the securities accounts maintained by the Central Securities Depository for the Participants. Such transfers of Beneficial Interests will be recorded in the securities accounts of the Central Securities Depository or the relevant Participant. Beneficial Interests may be transferred only in accordance with these Terms and Conditions and the Applicable Procedures.

17.4 In order for any transfer of Notes represented by a Certificate to be recorded in the Register, and for such transfer to be recognised by the Issuer -

17.4.1 the transfer of such Notes must be embodied in the Transfer Form;

17.4.2 the Transfer Form must be signed by the registered Noteholder and the transferee, or any authorised representative of that registered Noteholder and/or transferee;

17.4.3 shall only be in respect of minimum denominations equal to or greater than ZAR1,000,000; and

- 17.4.4 the Transfer Form must be delivered to the Transfer Agent at its Registered Office, together with the Certificate for cancellation.
- 17.5 Subject to the preceding provisions of this Condition 17, 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 fiscal or other laws, regulations), record the transfer of Notes represented by a Certificate in the Register, and authenticate and deliver to the transferee at the Transfer Agent's Registered Office to the transferee or, at the risk of the transferee, send by mail to such address as the transferee may request, a new Certificate in respect of such Notes reflecting the same Outstanding Principal Amount as the Notes transferred. Where a Noteholder has transferred part only of his holding of Notes represented by a Certificate, the Transfer Agent will authenticate and deliver to such Noteholder at the Transfer Agent's Registered Office or, at the risk of such Noteholder, send by mail to such address as such Noteholder may request, a new Certificate in respect of the balance of the Notes held by such Noteholder.
- 17.6 The transferor of any Notes represented by a Certificate will be deemed to remain the owner thereof until the transferee is registered in the Register as the holder thereof.
- 17.7 Before any transfer of any Notes is registered, 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 Transfer Agent reasonably requires as to the identity and title of the transferor and the transferee.
- 17.8 No transfer of any Notes will be registered while the Register is closed as contemplated in Condition 18.
- 17.9 If a transfer is registered, the Transfer Form and cancelled Certificate will be retained by the Transfer Agent.

18 REGISTER

- 18.1 The Register shall be kept at the Specified Office of the Transfer Agent. The Register shall contain the name, address and bank account details of the registered Noteholders. The Register shall set out the Principal Amount of the Notes issued to any Noteholder and shall show the date of such issue and the date upon which the Noteholder became registered as such. The Register shall be open for inspection during the normal business hours of the Transfer Agent to any Noteholder or any person of proven identity authorised in writing by any Noteholder, at no charge to such Noteholder or authorised person. The Issuer and the Transfer Agent will not be bound to enter any trust into the Register or to take any notice of or to accede to the execution of any trust (express, implied or constructive) to which any Note may be subject.
- 18.2 The Register will, in respect of a Tranche of Notes, be closed during each Books Closed Period specified in the Applicable Pricing Supplement preceding each Interest Payment Date and Redemption Date, as the case may be, from 17h00 (Johannesburg time) on the Last Day to Register or such other Books Closed Period as is specified in the Applicable Pricing Supplement. All periods referred to for the closure of the Register may be shortened by the Issuer from time to time, upon notice thereof to the Noteholders in accordance with Condition 19.

- 18.3 The Transfer Agent shall alter the Register in respect of any change of name, address or bank account number of any of the Noteholders of which it is notified in accordance with Condition 19.

19 NOTICES

- 19.1 All notices (including all communications, demands or requests under the Terms and Conditions) to the Noteholders will be valid if mailed by registered post or delivered by hand to their addresses appearing in the Register or emailed to the email address provided by a Noteholder or published in a leading English language daily newspaper of general circulation in South Africa or delivered by email in respect of unlisted Notes.
- 19.2 Each such notice will be deemed to have been given on the day of first publication or delivery by hand or on the 14th day after the day on which it is mailed or on the following Business Day if successfully emailed to the email address provided by a Noteholder, as the case may be.
- 19.3 For so long as the Notes are held in their entirety by the Central Securities Depository, there may be substituted for publication as contemplated in Condition 19.1 the delivery of the relevant notice to the Central Securities Depository and the Participants for communication by them to the holders of Beneficial Interests in Notes in accordance with the Applicable Procedures.
- 19.4 Where any provision of these Terms and Conditions requires notice to be given to the Noteholders of any matter other than a meeting of Noteholders, such notice will be given *mutatis mutandis* as set out in Conditions 19.1 or 19.2, subject to compliance with any other time periods prescribed in the provision concerned.
- 19.5 All notices (including communications, demands and/or requests under the Terms and Conditions) to be given by any Noteholder to the Issuer, the Security SPV or the Transfer Agent, as the case may be, shall be in writing and given by delivering the notice by hand or by registered post, together with a certified copy of the relevant Certificate, to the Specified Office of the Issuer, the Security SPV or the Transfer Agent, as the case may be, and marked for the attention of the Chief Executive Officer, with a copy sent by hand or by registered post to the Specified Office of the Calculation Agent and marked for the attention of the Chief Executive Officer. Any notice to the Issuer, the Security SPV or the Transfer Agent, as the case may be, will be deemed to have been received by the Issuer, the Security SPV or the Transfer Agent, as the case may be, on the second Business Day after being delivered by hand to the Specified Office of the Issuer, the Security SPV or the Transfer Agent, as the case may be, or on the 14th day after the day on which it is mailed by registered post to the Specified Office of the Issuer, the Security SPV or the Transfer Agent, as the case may be.

20 AMENDMENT OF THE TERMS AND CONDITIONS, SECURITY DOCUMENTS AND THE PRIORITY OF PAYMENTS

- 20.1 Subject to Condition 20.6, the Issuer and the Security SPV may affect any amendment to these Terms and Conditions, the Security Documents, the Security SPV Guarantee and/or the Priority of Payments without the consent of any Noteholder, which is of a technical nature or is made to correct a manifest error or to comply with mandatory provisions of any Applicable Law. Any such amendment will be binding on Noteholders and such amendment will be notified to Noteholders in accordance with Condition 19 as soon as practicable thereafter.

- 20.2 Subject to Condition 20.1, no amendment to the Terms and Conditions, the Security Documents, the Security SPV Guarantee and/or the Priority of Payments may be made unless the amendments are sanctioned by an Extraordinary Resolution of all of the Noteholders or an Extraordinary Resolution of that Class (or those Classes) of Noteholders affected by such amendment, as the case may be.
- 20.3 For the purposes of Condition 20.2, the Extraordinary Resolution may be –
- 20.3.1 sanctioned by Noteholders at a meeting called by the Issuer, the Security SPV or the Noteholders and regulated by the provisions set out in Condition 21. If it is proposed that the amendments be sanctioned by Noteholders at a meeting, together with the notification to Noteholders of the proposed amendments under Condition 20.2, a proxy form together with a notice of the meeting of Noteholders must be circulated to Noteholders; or
- 20.3.2 voted on, in writing, by the Noteholders entitled to exercise voting rights in relation to the proposed written resolution within 10 Business Days after submission of the written resolution to Noteholders. The proposed resolution(s), any restrictions on voting in terms of this Programme Memorandum and the last date on which the Noteholders may submit a vote must be circulated, together with the notice to Noteholders under Condition 20.2 and the address where the vote must be submitted. Any such written resolution shall be adopted if it is supported by Noteholders entitled to exercise sufficient voting rights for it to have been adopted as an Extraordinary Resolution at a meeting of Noteholders duly constituted and held.
- 20.4 Noteholders will be notified of any amendments to these Terms and Conditions, the Security Documents, the Security SPV Guarantee and/or the Priority of Payments in accordance with Condition 19.
- 20.5 If there is any conflict between the Extraordinary Resolution(s) passed or not passed, as the case may be, by any Class of Noteholders in terms of Condition 20.2, the Extraordinary Resolution(s) passed by the Controlling Class of Noteholders will prevail.
- 20.6 Notwithstanding Condition 20.2 above, any amendment to these Terms and Conditions and/or the Priority of Payments which, in the reasonable opinion of the Security SPV, may materially prejudice the rights, under these Terms and Conditions and/or the Priority of Payments, of a Secured Creditor (other than a Noteholder) must be made with the prior written consent of such Secured Creditor.

21 CONSENT OF THE SECURITY SPV

- 21.1 Where in any Transaction Document provision is made for the consent to be given by the Security SPV, unless expressly stated otherwise, such consent –
- 21.1.1 may be given (conditionally or unconditionally) or withheld in the discretion of the Security SPV; provided that, in exercising such discretion, the Security SPV shall act in what it reasonably believes to be in the best interests of Secured Creditors and, if (in giving or withholding the consent) the interests of any one category of Secured Creditors conflict with those of another category of Secured Creditors, the Security SPV shall act in what it reasonably believes to be in the interests of the Controlling Class of Noteholders (or failing any

Noteholders, in the best interests of the category of Secured Creditors ranking highest in the Priority of Payments); or

21.1.2 shall be given or withheld within a reasonable period of time and, if not given or withheld within such reasonable period of time, shall be deemed to have been withheld.

21.2 Where in any Transaction Document it is provided that the Issuer and/or the Security SPV is required to act, form an opinion, give consent, or exercise a right or discretion "reasonably" or to not act "unreasonably" (collectively "acted"), or is constrained by words to similar effect, and any other party disputes that the Issuer or the Security SPV, as the case may be, has acted reasonably or asserts that it has acted unreasonably, then, pending a final resolution of such dispute, all parties (including the party which raised the dispute) shall nevertheless in all respects continue to perform their obligations under the relevant Transaction Document, and/or to give effect to its provisions, including provisions relating to the termination thereof, as if the Issuer or the Security SPV, as the case may be, had acted reasonably or had not acted unreasonably, as the case may be.

21.3 Without derogating from any express provision in any Transaction Document and without limiting any of the rights, powers and/or discretions of the Security SPV, the Security SPV will not be required to exercise any right, power or discretion in terms of the Transaction Documents without the specific written instructions of an Extraordinary Resolution of the Controlling Class of Noteholders or, if there are no Noteholders, then without the specific written instructions of the Secured Creditors ranking highest in the Priority of Payments at that time.

22 NO VOTING RIGHTS ON NOTES HELD BY ISSUER

The Issuer will not have any voting rights on any Notes held by it.

23 PRESCRIPTION

Any claim for payment of principal and/or interest in respect of the Notes will prescribe three years after the date on which such payment first becomes due and payable in accordance with the Priority of Payments.

24 MEETINGS OF NOTEHOLDERS

24.1 General

24.1.1 The provisions with regard to meetings of Noteholders are set out in this Condition 24. The provisions of this Condition 24 will apply, *mutatis mutandis*, to each separate meeting of each Class of Noteholders.

24.1.2 Every director, the secretary of and the attorney to the Issuer, the Security SPV and every other person authorised in writing by the Issuer or the Security SPV, may attend and speak at a meeting of Noteholders, but will not be entitled to vote, other than as a Noteholder or proxy or duly authorised representative of a Noteholder.

24.1.3 Subject to Condition 24.1.5, a meeting of Noteholders will have power, in addition to all powers specifically conferred elsewhere in the Terms and Conditions by Ordinary Resolution to give instructions to the Security SPV or the Issuer in respect of any matter not covered by the Terms and Conditions

or the other Transaction Documents (but without derogating from the powers or discretions expressly conferred upon the Issuer or the Security SPV by the Terms and Conditions or the other Transaction Documents or imposing obligations on the Issuer or the Security SPV not imposed or contemplated by the Terms and Conditions or the other Transaction Documents or otherwise conflicting with or inconsistent with the provisions of the Terms and Conditions and the other Transaction Documents).

24.1.4 Unless otherwise specified, resolutions of Noteholders or any Class of Noteholders will require an Ordinary Resolution to be passed. Subject to Condition 20, if there is any conflict between the resolutions passed by any Class of Noteholders, the resolutions passed by the Controlling Class of Noteholders will prevail.

24.1.5 The Security SPV will be entitled, before carrying out the directions of Noteholders in terms of this Condition, to require that it be indemnified against all expenses and liability which may be incurred and that it be provided from time to time, so far as the Security SPV may reasonably require, with sufficient monies to enable it to meet the expense of giving effect to such directions.

24.2 Convening of meetings

24.2.1 The Security SPV or the Issuer may at any time convene a meeting of Noteholders or separate meetings of each Class of Noteholders (a **"meeting"** or the **"meeting"**).

24.2.2 The Issuer or the Security SPV will convene (i) a meeting of Noteholders upon the requisition in writing of Noteholders holding not less than 10% of the aggregate Outstanding Principal Amount of all of the Notes or (ii) a separate meeting of any Class of Noteholders upon the requisition in writing of the Noteholders in that Class holding not less than 10% of the aggregate Outstanding Principal Amount of the Notes held by that Class, as the case may be (a **"requisition notice"**).

24.2.3 Whenever the Issuer wishes to convene a meeting, it shall forthwith give notice in writing to the Noteholders and the Security SPV in the manner prescribed in Condition 19 of the place, day and hour of the meeting and of the nature of the business to be transacted at the meeting and the resolutions proposed to be considered at the meeting.

24.2.4 Whenever the Security SPV wishes or is obliged to convene a meeting it shall forthwith give notice in writing to the Noteholders and the Issuer in the manner prescribed in Condition 19, of the place, day and hour of the meeting and of the nature of the business to be transacted at the meeting and the resolutions proposed to be considered at the meeting.

24.2.5 All meetings of Noteholders shall be held in Johannesburg (unless otherwise provided in the Issuer's constitutive documents and subject to Condition 24.2.6).

24.2.6 Notwithstanding the provisions of Condition 24.2.5, a meeting of Noteholders may also be held *via* electronic video conference, teleconference or any other electronic communication or means provided that all participants at such meeting are able to hear and/or see each other and participate in such meeting.

24.3 Requisition

24.3.1 A requisition notice will state the nature of the business for which the meeting is to be held and the resolutions to be proposed and considered at the meeting and will be deposited at the Specified Office of the Issuer.

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

24.4 Convening of meetings by requisitionists

If the Issuer or the Security SPV, as the case may be, does not convene a meeting to be held within 30 days of the deposit with the company secretary of the Issuer of a requisition notice, the requisitionists who together hold (i) not less than 10% of the aggregate Outstanding Principal Amount of the Notes for the time being, or (ii) not less than 10% of the aggregate Outstanding Principal Amount of the Notes in a Class, as the case may be, may themselves convene a meeting, provided that the meeting so convened will be held within 20 Business Days from the date of delivery of a requisition notice and will be convened as nearly as possible in the same manner as that in which meetings may be convened by the Security SPV and the Issuer. Whenever the requisitionists are about to so convene any such meeting, requisitionists shall forthwith give notice of the meeting to the Issuer and the Security SPV.

24.5 Notice of meeting

24.5.1 Unless all Noteholders or all the holders of a relevant Class of Notes, as the case may be, are present (in person or by proxy) (which includes the presence of such person or proxy *via* electronic video conference or teleconference or any other electronic communication) at the meeting and vote to waive the minimum notice period, a minimum of at least 10 Business Days' written notice specifying the place, day, time and record date of the meeting and the nature of the business for which the meeting is to be held and the resolutions to be proposed and considered at the meeting, will be given to each Noteholder and to the Issuer or the Security SPV, as the case may be. The notice shall also specify the percentage of voting rights that will be required for such proposed resolution(s) to be adopted, and shall include a statement to the effect that Noteholders may appoint proxies and that the participants at the meeting need to provide sufficient identification.

24.5.2 An immaterial defect in the form or manner of giving notice of a meeting, or an accidental or inadvertent failure in the delivery of the notice to any particular Noteholder to whom it was addressed, shall not invalidate any action taken at the meeting.

24.6 Quorum

24.6.1 At any meeting, one or more Noteholders or the relevant Class of Noteholders present in person or by proxy and holding in aggregate not less than 50 plus 1% 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 a business.

- 24.6.2 No business shall be transacted at a meeting of the Noteholders or any Class of Noteholders unless a quorum is present at the time when the meeting proceeds to business.
- 24.6.3 If, within one hour from the time appointed for the meeting, a quorum is not present, (i) for the meeting to take place, then the meeting shall stand adjourned for one week, to be held at the same time and place, or if that day is not a Business Day, the next succeeding Business Day, or (ii) for the matter to be considered, then the matter under consideration 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.
- 24.6.4 The chairman may extend the one hour limit for a reasonable period on the grounds that (i) 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 (ii) one or more particular Noteholder, 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.
- 24.6.5 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 for the purpose of considering any resolution, including an Extraordinary Resolution.
- 24.7 **Chairman**
- The Security SPV or its representative shall preside as chairman at a meeting. If the Security SPV or its representative is not present within 10 minutes of the time appointed for the holding of the meeting, the Noteholders then present in person or by proxy shall choose one of their own number to preside as chairman.
- 24.8 **Adjournment**
- 24.8.1 Subject to the provisions of this Condition 24, the chairman may, with the consent of, and shall on the direction of, the meeting adjourn the meeting from time to time and from place to place.
- 24.8.2 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 Noteholders entitled to exercise, in aggregate, the majority of the voting rights held by all of the Noteholders who are present at the meeting (in person or by proxy) 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).
- 24.8.3 No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

24.9 **Votes**

- 24.9.1 At a meeting, a resolution put to the vote shall only take place on a poll and not on a show of hands. The poll may take place in person or *via* any form of electronic video conference, teleconference or any other electronic communication accessible to all Noteholders.
- 24.9.2 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.
- 24.9.3 In the case of an equality of votes, the chairman shall not be entitled to a casting vote in addition to the vote, if any, to which he is entitled.
- 24.9.4 On a poll every Noteholder, present in person or by proxy, will be entitled to that proportion of the total votes which the aggregate Outstanding Principal Amount of the Notes held by such Noteholder bears to the aggregate Outstanding Principal Amount of all of the Notes or Class of Notes, as the case may be.
- 24.9.5 In relation to joint Noteholders, the vote may be exercised only by that Noteholder whose name appears first on the Register in the event that more than one of such Noteholders is present, in person or by proxy, at the meeting.
- 24.9.6 The Noteholder in respect of Notes held in the Central Securities Depository in uncertificated form shall vote at any such meeting on behalf of the holders of Beneficial Interest conveyed through the Participants in accordance with the Applicable Procedures.

24.10 **Proxies and representatives**

- 24.10.1 Noteholders present either in person or by proxy may vote on a poll. A Noteholder may by an instrument in writing (a "**proxy form**") signed by the Noteholder (or his duly authorised agent) or, in the case of a juristic person, signed on its behalf by a duly authorised officer of the juristic person, appoint any person (a "**proxy**" or "**proxies**") to act on his or its behalf in connection with any meeting or proposed meeting.
- 24.10.2 A person appointed to act as proxy need not be a Noteholder.
- 24.10.3 The proxy form will be deposited at the Specified Office of the Issuer or at the Specified Office of the Transfer Agent, as the case may be, at any time before the time appointed for holding the meeting or adjourned meeting at which the person named in such proxy proposes to vote.
- 24.10.4 No proxy form will be valid after the expiration of six months from the date named in it as the date of its execution.
- 24.10.5 A proxy shall have the right to demand or join in the demanding of a poll.
- 24.10.6 Notwithstanding Condition 24.10.4, a proxy form will be valid for any adjourned meeting, unless the contrary is stated thereon.

- 24.10.7 Any Noteholder which is a juristic person may authorise any person to act as its representative in connection with any meeting or proposed meeting of Noteholders by resolution of the directors or other governing body of the juristic person. Any reference in the Terms and Conditions to a Noteholder present in person includes the duly authorised representative of a Noteholder which is a juristic person.

24.11 Minutes

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

25 CALCULATION AGENT, TRANSFER AGENT AND PAYING AGENT

- 25.1 The Issuer is entitled to vary or terminate the appointment of the Calculation Agent and/or the Transfer Agent and/or the Paying Agent and/or to appoint additional or other agents.
- 25.2 There will at all times be a Calculation Agent, a Transfer Agent and a Paying Agent with a Specified Office. Each of the Calculation Agent, the Transfer Agent and the Paying Agent act solely as the agents of the Issuer and do not assume any obligation towards or relationship of agency or trust for or with any Noteholders.

26 GOVERNING LAW

The Notes and the Terms and Conditions of the Notes are governed by, and will be construed in accordance with, the laws of South Africa.

27 RATING AGENCY

- 27.1 It is agreed and acknowledged that a credit rating is an assessment of credit and does not address other matters that may be of relevance to the Noteholders, including, without limitation, in the case of a rating confirmation, whether an event or amendment (i) is permitted by the terms of the relevant Transaction Document or (ii) is in the best interests of, or prejudicial to, some or all of the Noteholders. Similarly, to the extent that the Issuer may be required to give the Rating Agency prior notice of an action it intends or proposes to take, the Rating Agency may or may not respond to such notice from the Issuer, whether timeously or at all and the fact that the Rating Agency did not respond within a time period specified by the Issuer does not necessarily imply that there may not be an impact on the rating of the Notes after the lapse of any such time period. In being entitled to have regard to the fact that the Rating Agency has confirmed that the respective current Ratings of the Notes in issue would not be adversely affected, it is expressly agreed and acknowledged by each of the Security SPV, the Noteholders and the other Secured Creditors that the above does not impose or extend any actual or contingent liability for the Rating Agency to the Security SPV, the Noteholders, the other Secured

Creditors or any other person or create any legal relations between the Rating Agency and the Security SPV, the Noteholders, the other Secured Creditors or any other person whether by way of contract or otherwise.

- 27.2 Such confirmation may or may not be given at the sole discretion of the Rating Agency. Depending on the timing of delivery of the request and any information needed to be provided as part of any such request, it may be the case that the Rating Agency cannot provide rating confirmation in the time available or at all, and would not be responsible for the consequences thereof. Confirmation, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time, and in the context of cumulative changes to the transaction of which the securities form part since the issuance closing date. A rating confirmation represents only a restatement of the opinions given, and cannot be construed as advice for the benefit of any parties to the transaction.

USE OF PROCEEDS

Words used in this section entitled "Use of Proceeds" shall bear the same meanings as used in the section entitled "Terms and Conditions of the Notes" and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.

The Issuer shall use the net proceeds of the Notes -

- 1 to acquire Participating Assets pursuant to the Sale Agreement; and/or
- 2 to fund the Liquidity Reserve up to the Liquidity Reserve Required Amount, if required; and/or
- 3 to redeem outstanding Notes; and/or
- 4 as may otherwise be specified in the Applicable Pricing Supplement.

SECURITY ARRANGEMENTS

Words used in this section entitled "Security Arrangements" shall bear the same meanings as used in the section entitled "Terms and Conditions of the Notes", and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.

- 1 The Notes will be obligations of the Issuer only.
- 2 The Security SPV will bind itself under the Security SPV Guarantee to each Secured Creditor. Pursuant to the Security SPV Guarantee, the Security SPV undertakes in favour of each Secured Creditor to pay to it the full amount then owing to it by the Issuer, if an Event of Default should occur under the Notes or the respective Transaction Documents. The liability of the Security SPV pursuant to the Security SPV Guarantee will, however, be limited in the aggregate of the net amount recovered by the Security SPV from the Issuer arising out of the Issuer Indemnity. Performance by the Security SPV of its obligations under the Security SPV Guarantee is subject to the provisions of the Security SPV Guarantee.
- 3 In terms of the Issuer Indemnity, the Issuer indemnifies the Security SPV in respect of claims that may be made against the Security SPV arising out of the Security SPV Guarantee. The Issuer's obligations in terms of the Issuer Indemnity are secured by –
 - 3.1 the Security Cession in terms of which the Issuer agrees to cede, *inter alia*, all its right, title and interest in and to the Participating Assets owned by the Issuer from time to time, funds standing to the credit of the Transaction Account, Permitted Investments and the Transaction Documents; and
 - 3.2 the Owner Trust Suretyship granted by the Owner Trust in favour of the Security SPV in respect of the obligations of the Issuer under the Issuer Indemnity, limited to the realised value of the shares held by the Owner Trust in the share capital of the Issuer. As security for the suretyship granted to the Security SPV, the Owner Trust grants to the Security SPV the Owner Trust Pledge of Shares, in terms of which it pledges all the shares it owns in the share capital of the Issuer in favour of the Security SPV.
- 4 Each Tranche of Notes will share the same Security but in the event of the Security being enforced, the Class B Notes will be subordinated to the Class A Notes, the Class C Notes will be subordinated to the Class B Notes, the Class D Notes will be subordinated to the Class C Notes and the Class E Notes will be subordinated to the Class D Notes.
- 5 Each of the Security SPV Guarantee, the Issuer Indemnity and the Security Cession will be effective from the Initial Issue Date.
- 6 The Security SPV Guarantee will be held in safe custody by the Security SPV.

PRIORITY OF PAYMENTS

Words used in this section entitled "Priority of Payments" shall bear the same meanings as used in the section entitled "Terms and Conditions of the Notes", and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.

1 Pre-Enforcement Priority of Payments during the Revolving Period

During the Revolving Period, on each Payment Date, the Issuer shall apply the Available Funds as at the immediately preceding Measurement Date, to make payments or provisions in accordance with the Pre-Enforcement Priority of Payments during the Revolving Period set out below on the basis that a creditor which ranks subsequent to any other creditors in the Pre-Enforcement Priority of Payments during the Revolving Period, will not be paid unless and until all the creditors which rank prior to that creditor in the Pre-Enforcement Priority of Payments during the Revolving Period, have been paid all the amounts then due and payable to them by the Issuer (each clause below being referred to as a successive "item" in the Pre-Enforcement Priority of Payments during the Revolving Period) –

- 1.1 *first*, to pay or provide for the Issuer's liability or potential liability for Tax;
- 1.2 *second*, to pay or provide for, *pari passu* and *pro rata* and to the extent not paid by the Originator, any third party expenses required for the day to day running of the Issuer's business, including the remuneration due and payable to the directors of the Issuer and the Security SPV (inclusive of VAT, if any) and any fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by or due to the Security SPV, the Auditors, the trustees of the Owner Trust and Security SPV Owner Trust, the CTSE, the Rating Agency, the Central Securities Depository and any other third party in terms of the Transaction Documents;
- 1.3 *third*, to pay or provide for, *pari passu* and *pro rata* –
 - 1.3.1 all fees and expenses due and payable to the Servicer;
 - 1.3.2 all fees and expenses due and payable to the Back-Up Servicer;
 - 1.3.3 all fees and expenses due and payable to the Calculation Agent, the Paying Agent and the Transfer Agent; and
 - 1.3.4 all fees and expenses due and payable to the Administrator;
- 1.4 *fourth*, to pay or provide for, any net settlement amounts and any Hedge Termination Amounts due and payable to any Hedge Counterparty in accordance with the Hedging Agreements (but excluding any Hedge Termination Amount where the Hedge Counterparty is in default);
- 1.5 *fifth*, to pay or provide for, *pari passu* and *pro rata*, all fees, costs, interest and principal due and payable to the –
 - 1.5.1 Alpha Noteholders;
 - 1.5.2 Redraw Facility Provider in terms of the Redraw Facility Agreement; and

- 1.5.3 Liquidity Facility Provider in terms of the Liquidity Facility Agreement;
- 1.6 *sixth*, to pay or provide for, *pari passu* and *pro rata*, all fees, costs and interest due and payable to the Class A Noteholders;
- 1.7 *seventh*, to pay or provide for, *pari passu* and *pro rata*, all fees, costs and interest due and payable to the Class B Noteholders;
- 1.8 *eighth*, to pay or provide for, *pari passu* and *pro rata*, all fees, costs and interest due and payable to the Class C Noteholders;
- 1.9 *ninth*, to pay or provide for, *pari passu* and *pro rata*, all fees, costs and interest due and payable to the Class D Noteholders;
- 1.10 *tenth*, to advance or allocate funds, *pari passu* and *pro rata*, to –
- 1.10.1 the Arrears Reserve up to the Arrears Reserve Required Amount; and
- 1.10.2 the Liquidity Reserve up to the Liquidity Reserve Required Amount;
- 1.11 *eleventh*, to pay or provide for, *pari passu* and *pro rata*, all fees, costs and interest due and payable to the Class E Noteholders;
- 1.12 *twelfth*, to pay or provide for, *pari passu* and *pro rata*, all amounts of principal due and payable to the Class A Noteholders;
- 1.13 *thirteenth*, to pay or provide for, *pari passu* and *pro rata*, all amounts of principal due and payable to the Class B Noteholders;
- 1.14 *fourteenth*, to pay or provide for, *pari passu* and *pro rata*, all amounts of principal due and payable to the Class C Noteholders;
- 1.15 *fifteenth*, to pay or provide for, *pari passu* and *pro rata*, all amounts of principal due and payable to the Class D Noteholders;
- 1.16 *sixteenth*, to pay or provide for the purchase price for Additional Participating Assets up to an amount equal to Total Debt less the total Portfolio of Participating Assets and/or to fund Redraws, Re-advances and Further Advances;
- 1.17 *seventeenth*, to pay or provide for, *pari passu* and *pro rata*, all amounts of principal due and payable to the Class E Noteholders;
- 1.18 *eighteenth*, to pay or provide for any net settlement amounts and any Hedge Termination Amounts due and payable to the Hedge Counterparty in accordance with the Hedging Agreements where the Hedge Counterparty is in default;
- 1.19 *nineteenth*, to pay or provide for, provided that a Junior Loan Payment Deferred Event has not occurred and is continuing, all amounts due and payable to the Junior Loan Provider in terms of the Junior Loan Agreement;
- 1.20 *twentieth*, to pay or provide for, dividends payable to the Preference Shareholder provided that all obligations of the Issuer and the Security SPV under each Transaction Document to which it is a party, have been discharged in full; and

- 1.21 *twenty-first*, after all obligations (whether contingent or otherwise) to the Secured Creditors have been discharged in full, to pay the surplus if any, as a dividend to the ordinary shareholder of the Issuer.

2 Pre-Enforcement Priority of Payments during the Amortisation Period

During the Amortisation Period, on each Payment Date, the Issuer shall apply the Available Funds as at the immediately preceding Measurement Date, to make payments or provisions in accordance with the Pre-Enforcement Priority of Payments during the Amortisation Period set out below on the basis that a creditor which ranks subsequent to any other creditors in the Pre-Enforcement Priority of Payments during the Amortisation Period, will not be paid unless and until all the creditors which rank prior to that creditor in the Pre-Enforcement Priority of Payments during the Amortisation Period, have been paid all the amounts then due and payable to them by the Issuer (each clause below being referred to as a successive "item" in the Pre-Enforcement Priority of Payments during the Amortisation Period) -

- 2.1 *first*, to pay or provide for the Issuer's liability or potential liability for Tax;
- 2.2 *second*, to pay or provide for, *pari passu* and *pro rata* and to the extent not paid by the Originator, any third party expenses required for the day to day running of the Issuer's business, including the remuneration due and payable to the directors of the Issuer and the Security SPV (inclusive of VAT, if any) and any fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by or due to the Security SPV, the Auditors and the trustees of the Owner Trust and Security SPV Owner Trust, CTSE, the Rating Agency, the Central Securities Depository and any other third party in terms of the Transaction Documents;
- 2.3 *third*, to pay or provide for, *pari passu* and *pro rata* –
- 2.3.1 all fees and expenses due and payable to the Servicer;
- 2.3.2 all fees and expenses due and payable to the Back-Up Servicer;
- 2.3.3 all fees and expenses due and payable to the Calculation Agent, the Paying Agent and the Transfer Agent; and
- 2.3.4 all fees and expenses due and payable to the Administrator;
- 2.4 *fourth*, to pay or provide any net settlement amounts and any Hedge Termination Amounts due and payable to any Hedge Counterparty in accordance with the Hedging Agreements (but excluding any Hedge Termination Amount where the Hedge Counterparty is in default);
- 2.5 *fifth*, to pay or provide for, *pari passu* and *pro rata*, all fees, costs, interest and principal due and payable to the –
- 2.5.1 Alpha Noteholders;
- 2.5.2 Redraw Facility Provider in terms of the Redraw Facility Agreement; and
- 2.5.3 Liquidity Facility Provider in terms of the Liquidity Facility Agreement;
- 2.6 *sixth*, to pay or provide for, *pari passu* and *pro rata*, all fees, costs, interest and principal due and payable to the Class A Noteholders;

- 2.7 *seventh*, to pay or provide for, *pari passu* and *pro rata*, all fees, costs, interest and principal due and payable to the Class B Noteholders;
- 2.8 *eighth*, to pay or provide for, *pari passu* and *pro rata*, all fees, costs, interest and principal due and payable to the Class C Noteholders;
- 2.9 *ninth*, to pay or provide for, *pari passu* and *pro rata*, all fees, costs, interest and principal due and payable to the Class D Noteholders;
- 2.10 *tenth*, to pay or provide for, *pari passu* and *pro rata*, all fees, costs, interest and principal due and payable to the Class E Noteholders;
- 2.11 *eleventh*, to pay or provide for any net settlement amounts and any Hedge Termination Amounts due and payable to the Hedge Counterparty in accordance with the Hedging Agreements where the Hedge Counterparty is in default;
- 2.12 *twelfth*, to pay or provide for all amounts of fees, costs, interest and principal due and payable to the Junior Loan Provider in terms of the Junior Loan Agreement;
- 2.13 *thirteenth*, to pay or provide for, dividends payable to the Preference Shareholder provided that all obligations of the Issuer and the Security SPV under each Transaction Document to which it is a party, have been discharged in full; and
- 2.14 *fourteenth*, after all obligations (whether contingent or otherwise) to the Secured Creditors have been discharged in full, to pay the surplus if any, as a dividend to the ordinary shareholder of the Issuer.

3 Post-Enforcement Priority of Payments

After the Noteholders have delivered an Enforcement Notice declaring the Outstanding Principal Amount of Notes to be due and payable, the Security SPV shall apply all Available Funds and proceeds from the enforcement of the security under the Security Documents, to make payments in the following order of priority and on the basis that a creditor which ranks subsequent to any other creditors in the Post-Enforcement Priority of Payments will not be paid unless and until all creditors which rank prior to that creditor in the Post-Enforcement Priority of Payments have been paid all the amounts then due and payable to them by the Issuer -

- 3.1 *first*, to pay or provide for the Issuer's liability or potential liability for Tax;
- 3.2 *second*, to pay or provide for, *pari passu* and *pro rata* and to the extent not paid by the Originator, any third party expenses required for the day to day running of the Issuer's business, including the remuneration due and payable to the directors of the Issuer and the Security SPV (inclusive of VAT, if any) and any fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by or due to the Security SPV, the Auditors and the trustees of the Owner Trust and Security SPV Owner Trust, CTSE, the Rating Agency, the Central Securities Depository and any other third party in terms of the Transaction Documents;
- 3.3 *third*, to pay or provide for, *pari passu* and *pro rata* –
 - 3.3.1 all fees and expenses due and payable to the Servicer;
 - 3.3.2 all fees and expenses due and payable to the Back-Up Servicer;

- 3.3.3 all fees and expenses due and payable to the Calculation Agent, the Paying Agent and the Transfer Agent; and
- 3.3.4 all fees and expenses due and payable to the Administrator;
- 3.4 *fourth*, to pay or provide any net settlement amounts and any Hedge Termination Amounts due and payable to any Hedge Counterparty in accordance with the Hedging Agreements (but excluding any Hedge Termination Amount where the Hedge Counterparty is in default);
- 3.5 *fifth*, to pay or provide for, *pari passu* and *pro rata*, all fees, costs, interest and principal due and payable to the –
 - 3.5.1 Alpha Noteholders;
 - 3.5.2 Redraw Facility Provider in terms of the Redraw Facility Agreement; and
 - 3.5.3 Liquidity Facility Provider in terms of the Liquidity Facility Agreement;
- 3.6 *sixth*, to pay or provide for, *pari passu* and *pro rata*, all fees, costs, interest and principal due and payable to the Class A Noteholders;
- 3.7 *seventh*, to pay or provide for, *pari passu* and *pro rata*, all fees, costs, interest and principal due and payable to the Class B Noteholders;
- 3.8 *eighth*, to pay or provide for, *pari passu* and *pro rata*, all fees, costs, interest and principal due and payable to the Class C Noteholders;
- 3.9 *ninth*, to pay or provide for, *pari passu* and *pro rata*, all fees, costs, interest and principal due and payable to the Class D Noteholders;
- 3.10 *tenth*, to pay or provide for, *pari passu* and *pro rata*, all fees, costs, interest and principal due and payable to the Class E Noteholders;
- 3.11 *eleventh*, to pay or provide for any net settlement amounts and any Hedge Termination Amounts due and payable to the Hedge Counterparty in accordance with the Hedging Agreements where the Hedge Counterparty is in default;
- 3.12 *twelfth*, to pay or provide for all fees, costs, interest and principal due and payable to the Junior Loan Provider in terms of the Junior Loan Agreement;
- 3.13 *thirteenth*, to pay or provide for, dividends payable to the Preference Shareholder, provided that all obligations of the Issuer and the Security SPV under each Transaction Document to which it is a party, have been discharged in full; and
- 3.14 *fourteenth*, after all obligations (whether contingent or otherwise) to the Secured Creditors have been discharged in full, to pay the surplus, if any, as a dividend to the ordinary shareholder of the Issuer.

THE ISSUER

Words used in this section entitled "The Issuer" shall bear the same meanings as used in the section entitled "Terms and Conditions of the Notes", and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.

1 INTRODUCTION

Capital Harvest Finance (RF) Limited was incorporated and registered in South Africa on 9 September 2021, under registration number 2021/867674/06, under the Companies Act as a public company with limited liability. The issued ordinary share capital of the Issuer comprises of one no par value ordinary share held by the Owner Trust and of one no par value Preference Share held by the Preference Shareholder.

2 DIRECTORS

The current directors of the Issuer are –

Nicholas Russell Clarke, 35 years
B.Comm

Werner Andre Nel, 46 years
B.Comm (honours)

Stephanus Johannes Roos, 50 years
B.Acc (honours), CA (SA)

Melanie Lorraine de Nysschen, 43 years
BA LLB, MBA

Rishendrie Thanthony, 38 years
B Comm (honours), CA (SA),

only one of whom is nominated by Capital Harvest. Accordingly, the board of directors of the Issuer is independent of Capital Harvest, as Originator.

3 REGISTERED OFFICE

The address of the registered office of the Issuer is 3rd Floor, 200 on Main, cnr Main and Bowwood Roads, Claremont, 7708.

The postal address of the Issuer is 3rd Floor, 200 on Main, cnr Main and Bowwood Roads, Claremont, 7708.

4 COMPANY SECRETARY

The current company secretary of the Issuer is TMF Corporate Services (South Africa) Proprietary Limited.

The address of the registered office of the company secretary is 3rd Floor, 200 on Main, cnr Main and Bowwood Roads, Claremont, 7708.

5 AUDITOR

The current auditor of the Issuer is PKF.

6 ACTIVITIES

The activities of the Issuer will be restricted by the Transaction Documents and will be limited to the issue of Notes, the purchase of Participating Assets meeting the Eligibility Criteria, the exercise of related rights and powers and other activities referred to in this Programme Memorandum, the Transaction Documents, its memorandum of incorporation or reasonably incidental to such activities. Substantially all of the above activities will be carried out by Capital Harvest IT and Admin, as agent for and on behalf of the Issuer, under the Administration Agreement and by Capital Harvest IT and Admin as agent for and on behalf of the Issuer under the Servicing Agreement, subject to the rights of the Issuer or the Security SPV to revoke the agency upon the occurrence of certain events of default or insolvency or similar events in relation to Capital Harvest IT and Admin.

THE SECURITY SPV

Words used in this section entitled "The Security SPV" shall bear the same meanings as used in the section entitled "Terms and Conditions of the Notes", and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.

1 INTRODUCTION

The Security SPV was incorporated and registered in South Africa as a ring-fenced, insolvency remote private company on 3 September 2021, under registration number 2021/856364/07 with the main purpose of, among other things, issuing the Security SPV Guarantee, entering into the Transaction Documents and exercising its rights and performing its obligations in terms of the Security Documents and other Transaction Documents. The issued share capital of the Security SPV comprises one ordinary no par value share held by the Security SPV Owner Trust.

- 2 In terms of the Security SPV's memorandum of incorporation, shares in the Security SPV may only be transferred with the prior approval of an Extraordinary Resolution of the Noteholders.

3 DIRECTORS

The director of the Security SPV is Bongiwe Dube.

4 REGISTERED OFFICE

The registered office of the Security SPV is situated at 3rd Floor, 200 on Main, Cnr Main and Bowwood Roads, Claremont, 7708.

5 AUDITOR

The current auditor of the Security SPV is PKF.

6 ACTIVITIES

The activities of the Security SPV are described in the section entitled "*Security Arrangements*" in this Programme Memorandum and restricted in terms of its memorandum of incorporation.

THE SERVICING AGREEMENT

Words used in this section entitled "The Servicing Agreement" shall bear the same meanings as used in the section entitled "Terms and Conditions of the Notes", and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.

Capital Harvest IT and Admin has been appointed as Servicer in terms of the Servicing Agreement. The Servicer is required to administer the Portfolio of Participating Assets as the agent of the Issuer under and in accordance with the terms of the Servicing Agreement. The duties of the Servicer include, without limitation, the right and obligation to -

- 1 manage the relationship between the Issuer and Obligors;
- 2 implement a collections procedure, cancellations procedure and arrears procedure in respect of Participating Assets and, on enforcement, implement enforcement and foreclosure procedures;
- 3 provide computer and information systems management services to the Issuer; and
- 4 comply with all obligations imposed on the Servicer in terms of the Transaction Documents,

all on the terms and conditions set out in the Servicing Agreement.

The Servicer is entitled to delegate its functions under the Servicing Agreement subject to certain conditions. The Servicer remains liable to the Issuer for the performance of those functions notwithstanding such delegation.

The Servicer is entitled to charge a Servicing Fee for its services under the Servicing Agreement, which fee is payable quarterly in arrears on each Payment Date, to the extent permitted by, and in accordance with, the Priority of Payments.

The appointment of the Servicer may be terminated by the Issuer (with the consent of the Security SPV) on the happening of certain events of default or insolvency on the part of the Servicer or pursuant to a breach by the Servicer of its obligations. The Servicer is entitled to resign on not less than 12 months' prior written notice to the Issuer and the Security SPV, or such shorter period as each of the Issuer and the Security SPV consent to in writing.

The Servicer has disaster recovery systems and back up arrangements in place. The current arrangements include nightly backups of all production data and additional monthly backups, in each case to a secure offsite location. In the event of a "disaster" (for these purposes, any event which disrupts on-line availability for more than 48 consecutive hours), the Servicer software will be loaded on one or more computers in a secure offsite location. The completion of recovery is to take place within 48 hours.

The Servicer is not under any obligation to absorb losses incurred in respect of the Participating Assets transferred to the Issuer.

Upon the occurrence of a Servicer Default (which has not been remedied) the Back-Up Servicer shall step in and assume the duties and obligations of the Servicer on the terms and subject to the conditions set out in the Servicing Agreement.

THE SALE AGREEMENT

Words used in this section entitled "The Sale Agreement" shall bear the same meanings as used in the section entitled "Terms and Conditions of the Notes", and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.

1 SALE AGREEMENT

- 1.1 The Issuer has entered into the Sale Agreement with the Sellers in terms of which the Issuer has acquired Participating Assets from the Sellers on the Initial Issue Date which complied with the Eligibility Criteria.
- 1.2 After the Initial Issue Date, -
 - 1.2.1 the Sellers may, from time to time, sell to the Issuer (in terms of the Sale Agreement), Additional Participating Assets complying with the Eligibility Criteria; and
 - 1.2.2 the Issuer may purchase such additional Participating Assets, subject to the availability of funds and provided that an un-remedied Stop-Purchase Event has not occurred and provided that, immediately following such acquisition the Portfolio Covenants will be satisfied.
- 1.3 The consideration payable by the Issuer to the Seller in respect of each Participating Asset shall be equal to the Face Value (as defined in the Sale Agreement) of such Participating Asset on the relevant Transfer Date (as defined in the Sale Agreement) and any amounts charged in respect of such Participating Asset to the Obligor's account but unpaid on the relevant Transfer Date.
- 1.4 Should any Redraw, Re-advance or Further Advance be requested by an Obligor and the Issuer is unable to fund such Redraw, Re-advance or Further Advance from Available Funds or from an advance by the Redraw Facility Provider under the Redraw Facility Agreement, the Originator shall have the option to repurchase the relevant Participating Asset as provided for in the Sale Agreement.

2 ELIGIBILITY CRITERIA

- 2.1 The following are the criteria that each Participating Asset (including an Additional Participating Asset) must satisfy to be acquired by the Issuer and which each Re-advance and Further Advance must satisfy before such advance is made by the Issuer -
 - 2.1.1 the Participating Assets in relation to an Obligor, whether a Term Loan, Revolving Credit Facility or Instalment Sale Facility must be acquired as a single exposure ("**Associated Exposure**") and must be cross-collateralised and cross-defaulted with each other (i.e. split facilities may not be acquired);
 - 2.1.2 the total Associated Exposure in relation to an Obligor may not exceed R75,000,000 (increased annually with the Consumer Price Index) (the "**Prudential Limit**") provided that if the Associated Exposure in relation to an Obligor is greater than the Prudential Limit, the Participating Asset(s) may only be purchased by the Issuer, if such purchase is approved by an

Extraordinary Resolution of all the Noteholders within 14 days of the Issuer circulating the request to purchase such Participating Asset(s);

- 2.1.3 the security provided for any Associated Exposure must always include a Mortgage SPV Guarantee, backed by an Obligor Indemnity and a first ranking Indemnity Bond;
- 2.1.4 the maximum LTV Ratio of an Associated Exposure may not exceed 60% of the Security Value, (being a first ranking Indemnity Bond registered over the immovable property of the Obligor) provided that the value attributed to the relevant immovable property over which the first ranking Indemnity Bond has been registered shall be the most recent valuation of the property provided by an external independent valuer appointed by the Seller (which valuation shall not be older than three years);
- 2.1.5 the term of any Loan advanced by the Originator to an Obligor may not exceed 180 months;
- 2.1.6 the Loan must have been originated by the Originator in accordance with its credit criteria, in South Africa;
- 2.1.7 the Related Security (including all Indemnity Bonds) subject to a Loan must be executed, registered, enforceable and in full force and effect in South Africa;
- 2.1.8 the Related Security which is subject to a Loan must include the relevant Insurance Policies, where applicable;
- 2.1.9 the interest rate of the Loan must be linked to the Prime Rate;
- 2.1.10 the terms of the Loan must include a penalty interest rate in the event of a default by the Obligor of at least 3% over the borrowing rate;
- 2.1.11 no amounts are in arrears or overdue in respect of any Associated Exposure as at the Transfer Date;
- 2.1.12 the Loans must be unconditional, irrevocable, valid, binding and enforceable obligations of the Obligor; and
- 2.1.13 the Loan must be denominated in South African Rand.
- 2.2 Any amendments to the Eligibility Criteria shall be sanctioned by an Extraordinary Resolution of all of the Noteholders.

3 PORTFOLIO COVENANTS

The criteria that the Portfolio of Participating Assets must satisfy, immediately following the acquisition of a Participating Asset (including an Additional Participating Asset) and/or the repurchase or substitution of any Participating Asset in terms of the Sale Agreement and/or after a Re-advance or Further Advance is made by the Issuer is set out in the most recent Applicable Pricing Supplement.

SOUTH AFRICAN TAXATION

Words used in this section entitled "South African Taxation" shall bear the same meanings as used in the section entitled "Terms and Conditions of the Notes", and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.

The comments below are intended as a general guide to the relevant taxation laws of South Africa as at the date of this Programme Memorandum. The contents of this section entitled "South African Taxation" do not constitute tax advice and investors should consult their professional advisers.

1 SECURITIES TRANSFER TAX

No securities transfer tax will be payable, in terms of the South African Securities Transfer Tax Act, 2007, in respect of either the issue of the Notes or on the subsequent transfer of the Notes on the basis that the Notes will not comprise a "security" as defined in section 1 of the Securities Transfer Tax Act.

2 TAX RESIDENCE AND CONTROLLED FOREIGN COMPANIES

South African ("SA") tax implications for Noteholders will depend, to a large extent, on the tax residence status of a Noteholder, including whether a foreign Noteholder would be regarded as a controlled foreign company. These concepts are discussed below.

2.1 Natural Persons

A natural person will be a SA tax resident if he or she is "ordinarily resident" in South Africa or, if not "ordinarily resident" in South Africa, was physically present in South Africa for certain prescribed periods in the five tax years prior to and during the tax year in question ("**physical presence test**"). These periods amount to at least 91 days in each year of assessment and an aggregate of 915 days during those five preceding years of assessment. A natural person, not "ordinarily resident" in South Africa but who meets the "physical presence test", who is physically absent from South Africa for a continuous period of 330 days from the day immediately after the date on which such person ceases to be physically present in South Africa is deemed to have been a non-SA tax resident from the day on which the person ceased to be physically present in South Africa.

The above residence rules are subject to a provision that prescribes that, even if a person would be a SA tax resident in terms of the above rules, that person will not be so resident, and in fact will rather be a non-resident, if the person concerned is deemed to be exclusively a resident of another country for purposes of a double taxation agreement entered into by South Africa and the other jurisdiction.

2.2 Persons other than Natural Persons

A person other than a natural person will be a SA tax resident if it is incorporated, established or formed in South Africa or has its "place of effective management" in South Africa.

The tax treaty override also applies to persons other than natural persons, so that a person, even if tax resident in South Africa in terms of the above rules, would not be

so resident if its treaty residence is determined to be in a jurisdiction other than South Africa in terms of a tax treaty entered into between South Africa and the other jurisdiction.

2.3 **Controlled Foreign Companies**

If any non-resident association, corporation, company, arrangement or scheme which falls within the definition of a company (a "**foreign company**") in which SA tax residents hold more than 50% of the participation rights or can exercise, directly or indirectly, more than 50% of the voting rights in that foreign company (a "**CFC**"), a proportionate amount of the net income and capital gains of the CFC will be included in the income of such SA tax residents, subject to certain exclusions. The rules applicable to SA residents and non-residents should be read in the context of the CFC rules, where applicable and investors should consult their professional advisers in this regard.

3 **INCOME TAX: INTEREST**

3.1 **Nature of any original issue discount or premium**

Any original issue discount to the face value of the Notes generally will be treated as interest for tax purposes and will be deemed to accrue to the Noteholder on a day-to-day basis until maturity or until such time as such Noteholder disposes of its beneficial interest in the Note. The amount to be included in the Noteholder's taxable income is normally calculated on a yield to maturity basis.

Any original issue premium will be added to the face value of the Notes to determine the initial amount which will be used to determine the interest which is deemed, under Section 24J of the Income Tax Act, 1962, to have been incurred or to have accrued in respect of the Notes.

3.2 **Tax on interest on Notes**

Under current taxation law in South Africa -

- (a) a person who is tax resident in South Africa will, subject to any available exemptions, be taxed on their worldwide income including all interest on the Notes; and
- (b) a person not tax resident in South Africa will be exempt from normal tax in South Africa on any interest received or accrued on the Notes, unless -
 - (i) 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 interest is received or accrues by or to that person; or
 - (ii) the debt from which the interest arises is effectively connected to a permanent establishment of that person in South Africa.

From 1 March 2015, a 15% withholding tax on interest will ordinarily apply in relation to interest that is paid or that becomes due and payable to non-resident Noteholders on or after that date, subject to any available tax treaty relief, and provided the interest is not subject to normal tax in terms of the rule explained above. Listed Notes will, however, be exempt from withholding tax on interest.

3.3 Profits on Disposal other than Interest

Any subsequent disposal of the Notes by a Noteholder who is resident in South Africa prior to their redemption may be subject to Capital Gains Tax, where applicable.

Capital gains are taxable at normal tax rates, but in case of a natural person, only 40% of the gain is taxable, and in case of trusts and companies, 80% of the capital gain is taxable.

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

Noteholders who are not tax resident in South Africa will generally not be subject to capital gains tax (if any) on the disposal of Notes unless the Notes are assets of a trading permanent establishment of such non-resident located in South Africa.

For Noteholders who hold the Notes for speculative purposes, profits not already forming part of interest (being a discount or premium, as discussed above) will attract income tax for Noteholders who are SA tax residents and for those non-residents who derive these profits from a SA source, in which case treaty relief may be available for non-resident Noteholders not having a permanent establishment in South Africa.

4 VALUE-ADDED TAX

No value-added tax ("**VAT**") is payable on the issue or transfer of the Notes. The Notes constitute "debt securities", the issue, allotment, drawing, acceptance, endorsement or transfer of ownership of which is a financial service, which is exempt from VAT.

Commissions, fees or similar charges raised for the facilitation of these services will be subject to VAT at the standard rate (currently 15%), except where the recipient is a non-resident for tax purposes, in which case a zero rate may apply.

EXCHANGE CONTROL

Words used in this section entitled "Exchange Control" shall bear the same meanings as used in the section entitled "Terms and Conditions of the Notes", and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.

The comments below are intended as a general guide to the current position under the Exchange Control Regulations, 1961 as promulgated under the Currency and Exchanges Act, 1933, as amended, (the "**Regulations**") and are not a comprehensive statement of the Regulations. The information below is not intended as advice and it does 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 who are non-South African residents or who are emigrants from the Common Monetary Area are urged to seek further professional advice in regard to the subscription for, or purchase of any Notes.

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, may be subject to the Regulations.

Blocked Rand

Blocked Rand 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 Rand may not, in terms of the Regulations, be remitted out of South Africa or paid into any non-South African bank account.

Emigrants from the Common Monetary Area

In the event that a Beneficial Interest in Notes is held by an emigrant from the Common Monetary Area through the Central Securities Depository and its relevant Participants, the securities account of such emigrant will be designated as an "emigrant" account.

Any payments of interest and/or principal due to an emigrant Noteholder will be deposited into such emigrant's Blocked Rand account, as maintained by an authorised foreign exchange dealer. The amounts are not freely transferable from the Common Monetary Area and may only be dealt with in terms of the Regulations.

Non-residents of the Common Monetary Area

In the event that a Beneficial Interest in Notes is held by a non-resident of the Common Monetary Area through the Central Securities Depository and its relevant Participants, the securities account of such Noteholder will be designated as a "non-resident" account.

It will be incumbent on any such non-resident 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 Regulations, be remitted abroad only if the relevant Notes are acquired with foreign currency introduced into South Africa.

For the purposes of these paragraphs, the **Common Monetary Area** comprises South Africa, the Republic of Namibia, the Kingdom of Lesotho and the Kingdom of eSwatini.

Blocked Rand means funds which may not be remitted out of South Africa or paid into a non-South African resident's bank account. The relevant legislation relating to Blocked Rand is the Regulations promulgated under the Currency and Exchanges Act, 1933.

Exchange Control

Approval in terms of the Regulations is not required for the subscription or purchase of Notes by a Noteholder who is a resident.

Approval in terms of the Regulations is required to the extent that the Noteholder is a non-resident.

SUBSCRIPTION AND SALE

Words used in this section entitled "Subscription and Sale" shall bear the same meanings as used in the section entitled "Terms and Conditions of the Notes", and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.

South Africa

The Issuer may not and will not solicit any offers for subscription for or sale of the Notes, and will itself not sell Notes, in South Africa, in contravention of the Companies Act, the Banks Act, 1990, the Exchange Control Regulations and/or any other applicable laws or regulations promulgated thereunder. In particular, without limitation, this Programme Memorandum does not, nor is it intended to, constitute a prospectus (as that term is defined in the Companies Act) and the Issuer agrees that it will not make "an offer to the public" (as that term is defined in the Companies Act) of any of the Notes (whether for subscription or sale). Notes will not be offered for subscription to any single addressee for an amount of less than ZAR1,000,000.

United States of America

The Notes have not been and will not be registered under the United States Securities Act, 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account of 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.

In respect of the issue of any Tranche of Notes under the Programme, the Issuer represents and agrees that -

- (i) 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 of or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;
- (ii) it has not offered, sold or delivered any Notes in that Tranche and will not offer, or sell or deliver, any Notes in that Tranche, within the United States or to, or for the account or benefit of, U.S. persons;
- (iii) 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;
- (iv) 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 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.

United Kingdom

In respect of the issue of any Tranche of Notes under the Programme, the Issuer represents and agrees that -

- (i) it has not offered or sold, and it will not offer or sell, any Notes in that Tranche to persons in the United Kingdom, except 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 in circumstances which have not resulted and will not result in or otherwise constitute a contravention of the Financial Services and Markets Act, as amended ("**FSMA**");
- (ii) it has complied with and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in that Tranche in, from or otherwise involving the United Kingdom; and
- (iii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any 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 Notes in that Tranche in circumstances in which section 21(1) of the FSMA does not apply to the Issuer.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the prospectus directive (each, a "**Relevant Member State**"), the Issuer represents and agrees that, 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 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 Notes to the public in that Relevant Member State -

- (i) in the period beginning on the date of publication of a prospectus in relation to those Notes which prospectus 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 the Prospectus Directive and ending on the date which is 12 (twelve) months after the date of such publication;
- (ii) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (iii) at any time to any legal entity which has two or more of (a) an average of at least 250 employees during the last financial year; (b) a total balance sheet of more than €43,000,000; and (iii) an annual net turnover of more than €50,000,000 as shown in its last annual or consolidated accounts; or
- (iv) 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 or pursuant to any applicable national law of any Relevant Member State.

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, as amended, and includes any relevant implementing measure in each Relevant Member State.

General

In respect of the issue of any Tranche of Notes under the Programme, the Issuer represents and agrees that it will (to the best of its knowledge and belief) comply with all Applicable Laws in force in each jurisdiction in which it purchases, subscribes or procures subscriptions for, offers or sells Notes in that Tranche or has in its possession or distributes this 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, subscriptions, offers or sales.

The Issuer represents and agrees that it will comply with such other or additional restrictions in relation to the issue of any Tranche of Notes as are set out in the Applicable Pricing Supplement.

The Issuer does not 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 or assumes any responsibility for facilitating such subscription or sale.

GENERAL INFORMATION

Words used in this section entitled "General Information" shall bear the same meanings as used in the section entitled "Terms and Conditions of the Notes", and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.

Authorisations

All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of South Africa have been given for the establishment of the Programme, the issue of Notes under the Programme.

Banks Act

The Issuer has obtained the approval of the Registrar of Banks to issue commercial paper pursuant to a securitisation scheme in terms of paragraph 14(1)(b)(ii) of the Securitisation Regulations. Compliance with the provisions of the Securitisation Regulations, including any revisions thereof, remains the responsibility of the Issuer.

The Auditors have confirmed that the Notes to be issued pursuant to the Programme comply with the Securitisation Regulations.

Listing

This Programme Memorandum has been registered with the CTSE and may be registered with such other Financial Exchange, as may be agreed between the Issuer and the Arranger. Notes to be issued under the Programme may be listed on the CTSE or such other Financial Exchange, as the case may be, agreed between the Issuer and the Arranger and subject to any relevant Applicable Law.

Clearing systems

The Notes have been accepted for clearance through the Central Securities Depository, which forms part of the clearing system of the CTSE.

Participants

As at the date of this Programme Memorandum, the Participants who are Participants recognised by the Central Securities Depository are, amongst others, the South African Reserve Bank, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited, Citibank N.A., South African branch and Standard Chartered Bank, Johannesburg branch. Euroclear Bank S.A./N.V., as operator of the Euroclear System and Clearstream Banking société anonyme will settle offshore transfers through their South African Participants.

Material Change

The Issuer has not traded at all since the date of its incorporation and registration on 9 September 2021 and no transactions have occurred from the date of incorporation to the date of this Programme Memorandum and therefore, there was no material change in the

financial or trading position of the Issuer from the date of its incorporation to the date of this Programme Memorandum.

Litigation

The Issuer is not engaged (whether as defendant or otherwise) in any legal or arbitration proceedings that are pending or threatened, other than those disclosed in this Programme Memorandum, if any, the results of which might have or have had, since the date of its incorporation and registration on 9 September 2021, a material effect on the financial position or the operations of the Issuer, nor is it aware of any such proceedings being threatened or pending.

Auditors

PKF are the current auditors of the Issuer.

Signed at Johannesburg on behalf of Capital Harvest Finance (RF) Limited on 30 November 2021.



Director: SJ Roos



Director: Melanie De Nysschen

CORPORATE INFORMATION

ISSUER

Capital Harvest Finance (RF) Limited
(Registration Number 2021/867674/06)
18 Papegaai Street
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ARRANGER AND DEBT ISSUER AGENT

Africa Frontier Capital Proprietary Limited
(Registration Number 2014/153711/07)
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2193

Contact: Werner Nel

CALCULATION AGENT, PAYING AGENT AND TRANSFER AGENT

Africa Frontier Capital Proprietary Limited
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2193

Contact: Werner Nel

SERVICER

Capital Harvest IT and Admin Proprietary Limited
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7600

Contact: Faans Roos

ADMINISTRATOR

Capital Harvest IT and Admin Proprietary Limited
(Registration Number 2010/022666/07)
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Stellenbosch
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Contact: Faans Roos

SECURITY SPV

Capital Harvest Finance Security SPV (RF) Proprietary Limited
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Claremont, 7708

Contact: The Managing Director

BACK-UP SERVICER

Mettle Credit Services Proprietary Limited
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Contact: Yolandi de Ridder

ATTORNEYS TO THE ARRANGER AND ISSUER

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The Central
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Sandown
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Contact: Mr Richard Roothman

AUDITORS TO THE ISSUER

PKF Cape Town

Tyger Forum A, 2nd Floor
53 Willie van Schoor Avenue
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Contact: Jan-Hendrik Lochner

OWNER TRUSTEE

TMF Corporate Services (South Africa) Proprietary Limited

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3rd Floor, 200 on Main,
Corner Main and Bowwood Roads
Claremont, 7708

Contact: The Managing Director

SECURITY SPV OWNER TRUSTEE

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