

MW ASSET RENTALS (RF) LIMITED

(Incorporated in South Africa as a public company with limited liability under registration number 2002/030074/06)

First Supplement to the Programme Memorandum in respect of the ZAR2,500,000,000 Lease Receivables Backed Note Programme

On 9 November 2016, MW Asset Rentals (RF) Limited (the "**Issuer**") executed a programme memorandum in relation to its ZAR,2,500,000,000 lease receivables backed note programme (the "**Programme Memorandum**").

Under the lease receivables backed note programme (the "**Programme**"), the Issuer may issue limited recourse, secured, registered notes (the "**Notes**") denominated in South African Rand, on the terms and conditions contained in the section of the Programme Memorandum headed "*Terms and Conditions of the Notes*". Capitalised terms used below and not otherwise defined herein shall bear the meanings as defined in the section of the Programme Memorandum headed "*Interpretation*" under the section headed "*Terms and Conditions of the Notes*".

The Issuer wishes to make amendments to certain definitions contained in the section headed "*Interpretation*" under the section headed "*Terms and Conditions of the Notes*", as well as in the section of the Programme Memorandum headed "*Priority of Payments*", as set out in this first supplement to the Programme Memorandum ("**First Supplement**"). The Noteholders of the Notes in issue have been notified of the amendments as set out in this First Supplement.

This First Supplement is published for purposes of setting out the amendments to the Programme Memorandum. This First Supplement is supplemental to, and should be read in conjunction with, the Programme Memorandum.

Arranger, Dealer and Debt Sponsor



Attorneys to the Arranger, Dealer and Issuer



First Supplement to the Programme Memorandum dated 20 March 2018.

A handwritten signature in black ink, appearing to be 'Zy' or similar, located in the bottom right corner of the page.

Capitalised terms used in this First Supplement are defined in the section of the Programme Memorandum headed "Terms and Conditions of the Notes" unless separately defined in this First Supplement.

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

The Programme Memorandum, as supplemented by this First Supplement, is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see the section headed "Documents Incorporated by Reference"). The Programme Memorandum shall be read and construed on the basis that such documents are incorporated into and form part of the Programme Memorandum, as supplemented by this First Supplement.

The Issuer, having made all reasonable enquiries, confirms that the Programme Memorandum, as supplemented by this First Supplement, 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 the Programme Memorandum, as supplemented by this First Supplement, is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in the Programme Memorandum, as supplemented by this First Supplement, are honestly held and that there are no other facts the omission of which would make the Programme Memorandum, as supplemented by this First Supplement, or any information or expression of any such opinions or intentions misleading in any material respect.

The JSE assumes no responsibility or liability of whatsoever nature for the correctness of any of the statements made or opinions expressed or information contained in or incorporated by reference into the Programme Memorandum, as supplemented by this First Supplement. The admission of any Tranche or Series of Notes to the list of debt securities maintained by the JSE and the listing of such Notes on the Interest Rate Market of the JSE is not to be taken as an indication of the merits of the Issuer or the Notes. The JSE assumes no responsibility or liability of whatsoever nature for the contents of the Programme Memorandum, as supplemented by this First Supplement, or any Applicable Pricing Supplement or the Issuer's annual financial statements or annual report, as the case may be, or any other information incorporated by reference into the Programme Memorandum, as supplemented by this First Supplement (as amended or restated from time to time), and the JSE makes no representation as to the accuracy or completeness of the Programme Memorandum, as supplemented by this First Supplement, or any Applicable Pricing Supplement, the Issuer's annual financial statements or annual report, as the case may be, or any other information incorporated by reference into the Programme Memorandum, as supplemented by this First Supplement (as amended or restated from time to time). The JSE expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the Programme Memorandum, as supplemented by this First Supplement, or any Applicable Pricing Supplement or the annual report or any other information incorporated by reference into the Programme Memorandum, as supplemented by this First Supplement (as amended or restated from time to time).

Information contained in the Programme Memorandum, as supplemented by this First Supplement, with respect to the Arranger, the Dealer, the Debt Sponsor, the Servicer, the Seller, 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 the Programme Memorandum, as supplemented by this First Supplement, shall not create any implication that there has been no change in the affairs of the Arranger, the Dealer, the Debt Sponsor, the Servicer, the Seller, 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 the Programme Memorandum, as supplemented by this First Supplement. Nevertheless, if any such information is given or representation made, it must not be relied upon as having been authorised by the Arranger, the Dealer, the Debt Sponsor, the JSE, the Issuer, the Seller, the Servicer, the Administrator, the other parties to the Transaction Documents or the Security SPV, or any of their respective affiliates or advisers. Neither the delivery of the Programme Memorandum, as supplemented by this First Supplement, 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 the Programme Memorandum, as supplemented by this First Supplement, is correct at any time subsequent to the date of the Programme Memorandum, as supplemented by this First Supplement. The JSE, the Arranger, the Dealer, the Debt Sponsor, the Seller, the Servicer, the Administrator, the Security SPV, the other parties to the Transaction Documents and their respective affiliates or advisers have not separately verified the information contained in the Programme Memorandum, as supplemented by this First Supplement. Accordingly, neither the JSE, the Arranger, the Dealer, the Debt Sponsor, the Seller, the Servicer, the Administrator, the Security SPV, the other parties to the Transaction Documents nor any of their respective affiliates or advisers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in the Programme Memorandum, as supplemented by this First Supplement, or any other information supplied in connection with the Programme. Each person receiving the Programme Memorandum, as supplemented by this First Supplement, acknowledges that such person has not relied on the Seller, the Servicer, the Security SPV, the JSE, the Arranger, the Dealer, the Debt Sponsor, the Administrator, the other parties to the Transaction Documents or any of their respective affiliates or advisers in connection with its investigation of the accuracy of such information or its investment decision.

Neither the Programme Memorandum, as supplemented by this First Supplement, 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 Dealer, the Debt Sponsor, the JSE, the Issuer, the Seller, the Servicer, the Administrator, the Security SPV, the other parties to the Transaction Documents or any of their respective affiliates or advisers that any recipient of the Programme Memorandum, as supplemented by this First Supplement, 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 credit worthiness, 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

J
B

with such investment. The JSE, the Arranger, the Dealer, the Debt Sponsor, the Seller, the Servicer, the Administrator, the Security SPV, the other parties to the Transaction Documents and their respective affiliates or advisers do not undertake to review the financial condition or affairs of the Issuer nor to advise any investor or potential investor in the Notes of any information coming to the attention of the Arranger, the Dealer, the Debt Sponsor, the Seller, the Servicer, the Administrator, the Security SPV, the JSE, the other parties to the Transaction Documents, or any of their respective affiliates or advisers.

The Notes will be obligations solely of the Issuer. The Notes will not be obligations of, or the responsibility of, or guaranteed by, any person other than the Issuer. In particular, the Notes will not be obligations of, or the responsibility of, or guaranteed by the Seller, the Servicer, the Administrator, the Arranger, the Dealer, the Debt Sponsor or, save to the extent of the amount recovered from the Issuer in terms of the Issuer Indemnity and from the property realised from the other Security Documents, the Security SPV. No liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes shall be accepted by the Seller, the Servicer, the Arranger, the Dealer, the Debt Sponsor or the Security SPV.

The Programme Memorandum, as supplemented by this First Supplement, does not constitute an offer or an invitation by or on behalf of the Issuer, the Security SPV, the Seller, the Arranger the Dealer, the Debt Sponsor, the Administrator, the Servicer or the Security SPV to any person to subscribe for or purchase any of the Notes. The distribution of the Programme Memorandum, as supplemented by this First Supplement, and the offering of the Notes in certain jurisdictions may be restricted by law. No representation is made by the Issuer, the Security SPV, the Seller, the Arranger, the Dealer, the Debt Sponsor, the Servicer, the Administrator, the Security SPV or the other parties to the Transaction Documents that the Programme Memorandum, as supplemented by this First Supplement, may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable legislation 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 Issuer, the Security SPV, the Seller, the Arranger, the Dealer, the Debt Sponsor, the Servicer, the Administrator, the Security SPV or the other parties to the Transaction Documents which would permit a public offering of the Notes or distribution of the Programme Memorandum, as supplemented by this First Supplement, in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither the Programme Memorandum, as supplemented by this First Supplement, 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 and regulations. Persons into whose possession the Programme Memorandum, as supplemented by this First Supplement, comes are required by the Issuer, the Arranger, the Dealer and the Debt Sponsor 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 U.S. persons. In addition, there are restrictions on the distribution of the Programme Memorandum, as supplemented by this First Supplement, in South Africa and the United Kingdom. For a more complete description of certain restrictions on the offering, sale and delivery of Notes and distribution of the Programme Memorandum, as supplemented by this First Supplement see the section of the Programme Memorandum headed "Subscription and Sale".

The terms of the Programme Memorandum, as supplemented by this First Supplement, 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 the Programme Memorandum, as supplemented by this First Supplement, 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.

In connection with the issue and distribution of any Tranche of Notes, the Issuer may, in its discretion and to the extent permitted by applicable laws and regulations, appoint a stabilising manager to over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Stabilisation is only permissible if it is conducted in accordance with the JSE Debt Listings Requirements and is subject to the approval of the JSE.

TABLE OF CONTENTS

	<i>Page</i>
AMENDMENT TO THE SECTION OF THE PROGRAMME MEMORANDUM HEADED "<i>INTERPRETATION</i>" UNDER THE SECTION HEADED "<i>TERMS AND CONDITIONS OF THE NOTES</i>"	7
AMENDMENT TO THE SECTION OF THE PROGRAMME MEMORANDUM HEADED "<i>PRE-ENFORCEMENT PRIORITY OF PAYMENTS DURING THE REVOLVING PERIOD</i>" UNDER THE SECTION HEADED "<i>PRIORITY OF PAYMENTS</i>"	11
GENERAL	12
CORPORATE INFORMATION	13

ry
6
A

AMENDMENT TO THE SECTION OF THE PROGRAMME MEMORANDUM HEADED "INTERPRETATION" UNDER THE SECTION HEADED "TERMS AND CONDITIONS OF THE NOTES"

- 1 The amendments set out below are made to the definitions referred to below.
- 2 The amendments are, for ease of reference, reflected hereunder by way of underlined text for insertions and strike through text for deletions.

"Amortisation Notice"

the written notice delivered by the Servicer, the Administrator or any other Secured Creditor, as the case may be, to the Issuer and the Security SPV specifying the occurrence of an Amortisation Event;

"Excluded Items"

means -

- (a) certain monies which belong to third parties;
- (b) amounts payable to the Seller under the Sale Agreement in respect of reconcillations of the amounts paid in respect of the purchase of the Participating Assets on any Transfer Date;
- (c) amounts payable for the redemption of Notes, using the net proceeds received by the Issuer from a Tranche(s) of Notes issued in accordance with Condition 2.5 for this purpose; and
- (d) amounts payable by the Issuer in relation to costs and expenses incurred by the Collections SPV in the event that such costs and expenses are not paid by Merchant West in its capacity as agent and administrator of the Collections SPV pursuant to the administration agreement entered into between, *inter alia*, Merchant West and the Collections SPV on or about 12 December 2012,

all of which items rank above all other items in the Priority of Payments, and the payment of which is not restricted to Payment Dates;

"Potential Redemption Amount"

as at a Determination Date which falls prior to the occurrence of a Stop Purchase Event -

- (i) the Principal Collections for the period, calculated as follows -
 - (a) Principal Collections for the related Calculation Period; plus
 - (b) Principal Collections received after the immediately preceding Determination Date up to and including the date falling five Business Days prior to the relevant Payment Date; less
 - (c) any portion of Principal Collections in (a) above that have already been allocated in accordance with the Pre-Enforcement Priority of Payments during the Revolving Period on the previous Payment Date; plus
- (ii) the aggregate Exposure of each Irrecoverable Lease, calculated immediately prior to such Lease being classified as an Irrecoverable Lease; plus
- (iii) any Increase in the Deferred Tax Liability times 1.25 for the related Calculation Period; less
- (iv) any decrease in the Deferred Tax Liability times 1.25 for the related Calculation Period; plus
- (v) any Principal Shortfall as at the Payment Date preceding such Determination Date (provided that this amount shall be zero on the first Payment Date);

"Required Credit Rating"

- (a) in the case of the Account Bank, the Liquidity Facility Provider, or the Hedge Counterparty, at least -
 - (i) A-3 on a short term foreign currency scale and at least BBB- on a long term foreign currency scale if Notes in Issue are rated by Standard and Poor's; or

- (ii) F1(zaf) on a short term national scale and at least A(zaf) on a long term national scale if Notes in issue are rated by Fitch; or
 - (iii) A1.za on a long term national scale if Notes in issue are rated by Moody's; or
 - (iv) A1.(ZA) on a short term national scale if Notes in issue are rated by GCR; and
- (b) in the case of Permitted Investments, at least -
- (I) A-3 on a short term foreign currency scale and at least BBB- on a long term foreign currency scale if Notes in issue are rated by Standard and Poor's; or
 - (ii) F1+(zaf) on a short term national scale and at least AA-(zaf) on a long term national scale if Notes in Issue are rated by Fitch; or
 - (III) A1.za on a long term national scale if Notes in issue are rated by Moody's; or
 - (iv) A1.(ZA) on a short term national scale if Notes in Issue are rated by GCR,

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;

"Stop Purchase Events"

one or more of the following events -

- (a) if a Servicer Event of Default occurs or if Merchant West ceases to be the Servicer;
- (b) for any three consecutive Payment Dates, if the Arrears Reserve is not

funded at the Arrears Reserve Required Amount;

- (c) on any Payment Date, the amount standing to the credit of the Liquidity Reserve plus the Liquidity Facility Limit, is less than the Liquidity Required Amount;
- (d) for any Calculation Period, the Weighted Average Yield is less than Prime plus 2%;
- (e) if on any two consecutive Determination Dates, the Issuer fails to own Leases in the Asset Pool with a minimum of 700 different obligors as at the end of the related Calculation Period;
- (f) if on any Determination Date, the average over the previous 3 month period of the aggregate of all Non-Performing Leases, divided by the aggregate Exposure of the Leases in the Portfolio of Participating Assets for that period exceeds 3%;
- (g) if the Notes in a Tranche of Notes are not redeemed in full on the Scheduled Maturity Date of that Tranche of Notes;
- (h) if on any Determination Date, the Principal Shortfall is greater than zero;
- (i) on any Determination Date, the Asset Cover Ratio falls below 128%,

(it being recorded that if a Stop Purchase Event occurs, and for as long as that Stop Purchase Event continues, the Issuer may not acquire any Participating Assets);

**AMENDMENT TO THE SECTION OF THE PROGRAMME MEMORANDUM HEADED
"PRE-ENFORCEMENT PRIORITY OF PAYMENTS DURING THE REVOLVING
PERIOD" UNDER THE SECTION HEADED "PRIORITY OF PAYMENTS"**

- 1 The amendments set out below are made to the first paragraph under the heading entitled "*Pre-Enforcement Priority of Payments during the Revolving Period*".
- 2 The amendments are, for ease of reference, reflected hereunder by way of underlined text for insertions and strike through text for deletions.

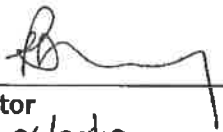
Pre-Enforcement Priority of Payments during the Revolving Period

On any Payment Date (prior to the delivery of an Enforcement Notice), Available Funds (including amounts standing to the credit of the respective Reserves which shall be applied for the purposes set out in the section entitled "*Credit Structure*") as of the immediately preceding Determination Date together with the sum of all Principal Collections received thereafter but no later than five Business Days prior to the Payment Date, provided that Principal Collections received after the immediately preceding Determination Date may only be applied under item 9 below (and having regard to Permitted Investments maturing on the relevant Payment Date, permitted drawings under the Subordinated Loan Agreement and the Liquidity Facility Agreement on such Payment Date and subject to the provisions of such agreements) and after making payment of or providing for amounts owing in respect of the Excluded Items, will be applied in the order of priority set out below.

GENERAL


- 1 Save as set out in this First Supplement, the remaining provisions of the Programme Memorandum remain unaltered and in full force and effect.
- 2 This First Supplement will be available for inspection during normal office hours, at the Specified Office of the Issuer and will also be available for inspection on the Servicer's website, www.merchantwest.co.za. This First Supplement will also be available for inspection on the JSE's website www.jse.co.za.

Signed at Woodmead on behalf of MW Asset Rentals (RF) Limited



Director
Date 26/03/18

Signed at Sandton on behalf of MW Asset Rentals (RF) Limited



Director
Date 26/03/2018

CORPORATE INFORMATION

ISSUER

MW Asset Rentals (RF) Limited
(Registration number 2002/030074/06)
3rd Floor 82 on Maude
82 Maude Street
Sandton
2196

Contact: Mr Robert Jaspen

ARRANGER, DEALER, DEBT SPONSOR, AND ADMINISTRATOR

Nedbank Limited
(Registration number 1951/000009/06)
135 Rivonia Road
Sandown
Sandton
South Africa
2196

Contact: Mr Hendrik Ackermann

ORIGINATOR AND SERVICER

Merchant West Proprietary Limited
(Registration number 2000/012050/07)
3rd Floor 82 on Maude
82 Maude Street
Sandton
2196

Contact: Mr Braam Viljoen

**CALCULATION AGENT, PAYING AGENT, TRANSFER SECRETARY AND
SETTLEMENT AGENT**

Nedbank Limited
(Registration number 1951/000009/06)
135 Rivonia Road
Sandown
Sandton
South Africa
2196

Contact: Mrs Liza Du Toit

ATTORNEYS TO ARRANGER, DEALER AND ISSUER

Werksmans Inc
155 – 5th Street
Sandown
Sandton, 2196
Private Bag 10015
Sandton, 2146

Contact: Mr Richard Roothman

AUDITORS TO ISSUER

Grant Thornton Johannesburg Partnership
Wanderers Office Park
52 Corlett Drive
Illovo
2196

Contact: Ms VR de Villiers

SECURITY SPV

MW Asset Rentals Security SPV (RF) Proprietary Limited
(Registration number 2014/202659/07)
200 on Main
cnr Main and Bowwood Roads
Claremont
7708

Contact: Mr Ronald Gwerera