MW ASSET RENTALS (RF) LIMITED

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

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 lease receivables backed note programme (the "**Programme**"), which was subsequently amended by a first supplement dated 26 March 2018 and a second supplement dated 3 May 2022 (the "**Previous Programme Memorandum**").

The Issuer wishes to make further amendments to the Previous Programme Memorandum and wishes to enter into this amended and restated programme memorandum (the "**Programme Memorandum**"). With effect from the date of signature of this Programme Memorandum, this Programme Memorandum and the terms and conditions of the Notes described herein shall supersede and replace in all respects the Previous Programme Memorandum.

Under the Programme, the Issuer shall issue limited recourse, secured, registered notes (the "**Notes**") denominated in South African Rand, on the terms and conditions contained in the section of this Programme Memorandum headed "*Terms and Conditions of the Notes*". Capitalised terms used below are defined in the section of this Programme Memorandum headed "*Terms and Conditions of the Notes*".

Save as set out in this Programme Memorandum, the Notes will not be subject to any minimum or maximum maturity. This Programme Memorandum will apply to Notes issued under the Programme in an aggregate Principal Amount Outstanding of up to ZAR2,500,000,000.

This Programme Memorandum has been registered with the JSE and listed or unlisted Notes may be issued under the Programme. With respect to Notes not listed on the Interest Rate Market of the JSE, the placement of such unlisted Notes may be reported through the JSE reporting system in order for the settlement of trades to take place in accordance with the electronic settlement procedures of the JSE and the Central Securities Depository. In such event, the Applicable Pricing Supplement will be delivered to the JSE and the Central Securities Depository. With respect to Notes not listed on the Interest Rate Market of the JSE, and not to be settled through the electronic settlement procedures of the JSE and the Central Securities Depository, no Applicable Pricing Supplement will be delivered to the JSE or the Central Securities Depository. Unlisted Notes are not regulated by the JSE.

Arranger, Dealer and Debt Sponsor	*Attorneys to the Arranger, Dealer and Issuer*
MAKE THINGS HAPPEN NEDBANK CIB	WERKSMANS ATTORNEYS

Programme Memorandum dated _____ May 2026.

A Tranche of Notes may be listed on the Interest Rate Market of the JSE or on such other or further exchange(s) as may be determined by the Issuer and the Dealer(s) and subject to any Applicable Laws. With respect to a Tranche of Notes to be listed on the Interest Rate Market of the JSE, the Applicable Pricing Supplement relating to that Tranche will be delivered to the JSE and the Central Securities Depository before the Issue Date, and the Notes in that Tranche may be traded by or through members of the JSE from the date specified in the Applicable Pricing Supplement. The trading of Notes listed on the Interest Rate Market of the JSE will take place in accordance with the rules and operating procedures for the time being of the JSE. The settlement of trades on the JSE will take place in accordance with the electronic settlement procedures of the JSE and the Central Securities Depository. The settlement and redemption procedures for a Tranche of Notes listed on another exchange, irrespective of whether that Tranche is listed on the Interest Rate Market of the JSE as well, will be specified in the Applicable Pricing Supplement.

The Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. Each Tranche of Notes will be subject to the Conditions, 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 Conditions). Details of each Tranche of Notes, and the additional terms and conditions specific to that Tranche of Notes, including the Principal Amount, the Interest Rate, the Issue Date, the Issue Price and the Final Redemption Date, will be specified in the Applicable Pricing Supplement.

Notes may be issued on a continuing basis and be placed by one or more Dealers appointed by the Issuer from time to time, which appointment may be for a specific issue or on an ongoing basis.

The Programme is not rated. Certain Tranches of Notes issued under the Programme may be rated by the Rating Agency on a national scale and/or a 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. 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 Rating Agency. Any change in the Rating assigned to any Tranche of Notes will be electroncially disseminated on SENS (or any other similar service established by the JSE), to the extent that Notes are listed on the Interest Rate Market of the JSE.

The Notes are not directly secured by any of the assets of the Issuer but the Security SPV will execute the limited recourse Security SPV Guarantee in favour of the Secured Creditors (including the Noteholders). All payments to be made to the Secured Creditors (including the Noteholders) (whether made by the Issuer or the Security SPV) will be made in accordance with the Priority of Payments. The attention of investors is drawn to the section of this Programme Memorandum headed "*Security Arrangements*" for an understanding of the security structure relating to the Notes.

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 Dealer, the Debt Sponsor, 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 Dealer, the Debt Sponsor, 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.

Prospective purchasers of Notes issued under the Programme should pay particular attention to the section of this Programme Memorandum headed "*Risk Factors*".

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

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 Laws and the JSE DSS Listings Requirements. The Issuer accepts full responsibility for the information contained in this 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.

This Programme Memorandum 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"). 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 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 is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Programme Memorandum are honestly held and that there are no other facts the omission of which would make this Programme Memorandum or any 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 this Programme Memorandum. 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 this Programme Memorandum 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 this Programme Memorandum (as amended or restated from time to time), and the JSE makes no representation as to the accuracy or completeness of this Programme Memorandum 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 this Programme Memorandum (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 this Programme Memorandum or any Applicable Pricing Supplement or the annual report or any other information incorporated by Err into this Programme Memorandum (as amended or restated from time to time).

Information contained in this Programme Memorandum 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 this Programme Memorandum 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 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 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 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 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 this Programme Memorandum. 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 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 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 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 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 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 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 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.*

This Programme Memorandum 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 this Programme Memorandum 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 this Programme Memorandum 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 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 and regulations. Persons into whose possession this Programme Memorandum 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 this Programme Memorandum 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 this Programme Memorandum see the section of this Programme Memorandum headed "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.

References in this Programme Memorandum to "Rands", "R" or "ZAR" are to the lawful currency for the time being of South Africa.

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 DSS Listings Requirements and is subject to the approval of the JSE.

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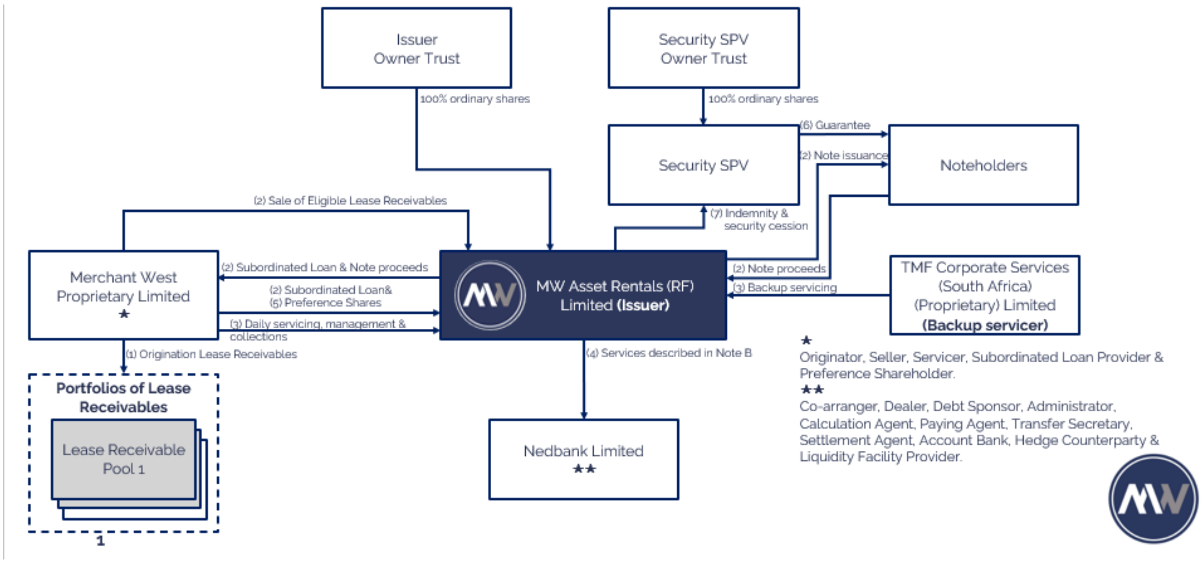
TRANSACTION OVERVIEW

The information set out below is a summary of the principal features of the Programme. This section should be read in conjunction with, and is qualified in its entirety by, the detailed information contained elsewhere in this Programme Memorandum. Words used in this section headed "Transaction Overview" shall bear the same meanings as used in the section headed "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.

Transaction Structure



Transaction steps

1 The Issuer entered into the Sale Agreement with the Seller in terms of which the Seller may, from time to time, sell Participating Assets (each complying with the Eligibility Criteria), on a non-recourse basis to the Issuer. If the Issuer has funds available to acquire such Participating Assets, the Issuer may, provided that a Stop Purchase Event has not occurred which remains in effect, and provided that an Enforcement Notice has not been delivered, purchase such Participating Assets from the Seller.

2 On the Initial Issue Date, the Issuer will use the proceeds from the issue of Notes and from an advance under the Subordinated Loan Agreement (if required) to purchase Participating Assets (complying with the Eligibility Criteria) from the Seller.

3 After the Initial Issue Date and during the Revolving Period (provided that a Stop Purchase Event has not occurred which remains in effect), the Issuer will be entitled to purchase Additional Participating Assets from the Seller utilising Principal Collections, subject to the Pre-Enforcement Priority of Payments during the Revolving Period. The Issuer may also purchase Additional Participating Assets utilising the proceeds of any further issuance of Notes and further advances by the Subordinated Loan Provider to the Issuer under the Subordinated Loan Agreement.

4 The Issuer shall be entitled to issue new Notes in order to redeem all, but not some only, of Notes in a Tranche on the Scheduled Maturity Date of that Tranche of Notes.

5 Merchant West, as Servicer, will continue to perform the servicing and management function in relation to the Participating Assets on behalf of the Issuer. The Servicer will administer the Priority of Payments. Should a Servicer Default occur under the Servicing Agreement, the Back-Up Servicer will assume the responsibilities of the Servicer and continue to perform such services under the Servicing Agreement or under a new agreement (if required) to be entered into between, *inter alia*, the Back-Up Servicer and the Issuer.

6 Nedbank, as Administrator, will manage the day to day operations of the Issuer, including all calculations that need to be performed in relation to the Notes and the Transaction Documents, review the Priority of Payments, approve any payments to be made in accordance with the Priority of Payments, exercise, as the case may be, the Issuer's rights and duties under the Transaction Documents and advise the Issuer in relation to the management of the Programme in general.

7 Merchant West, as Subordinated Loan Provider, will advance Subordinated Loans to the Issuer from time to time in accordance with the provisions of the Subordinated Loan Agreement, in order to fund a portion of the purchase price payable in respect of Participating Assets purchased by the Issuer, to fund the redemption of Notes or for such other purposes as specified in the Subordinated Loan Agreement.

8 The Liquidity Facility Provider made the Liquidity Facility available to the Issuer to fund Liquidity Shortfalls to the extent that the Liquidity Reserve is not funded at the Liquidity Reserve Required Amount, in accordance with the provisions of the Liquidity Facility Agreement.

9 The Issuer may enter into Hedging Agreements with Hedge Counterparties with the Required Credit Rating to hedge the Issuer's interest rate risk exposure arising from a mismatch between the basis of the interest earned on the Participating Assets and that payable on the Notes.

10 Merchant West, as Preference Shareholder, will be entitled to receive dividends in respect of the Preference Shares subject to the Priority of Payments.

11 The Security SPV has been incorporated for the purposes of holding and realising Security for the benefit of the Secured Creditors, including the Noteholders, subject to the Priority of Payments. The Security SPV will execute the Security SPV Guarantee in favour of the Noteholders and other Secured Creditors in terms of which it guarantees the obligations of the Issuer to the Noteholders and the other Secured Creditors arising under the Notes and the Transaction Documents to which the Issuer is a party.

12 The Issuer will indemnify the Security SPV in terms of the Issuer Indemnity in respect of claims that may be made against it arising out of the Security SPV Guarantee. The Issuer's obligations under the Issuer Indemnity will be secured in terms of the Security Documents.

DOCUMENTS INCORPORATED BY REFERENCE

Words used in this section headed "Documents Incorporated by Reference" shall bear the same meanings as used in the section headed "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 March 2023, 31 March 2024 and 31 March 2025 together with such statements, reports and notes attached to or intended to be read with such financial statements and the audited annual financial statements of the Issuer together with such statements, reports and notes attached to or intended to be read with such financial statements in respect of each financial year 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 to this Programme Memorandum circulated by the Issuer from time to time;

(iv) all information pertaining to the Issuer which is relevant to the Notes and which is electronically disseminated on SENS;

(v) the constitutional documents of the Issuer;

(vi) the Investor Report;

(vii) the Security SPV Guarantee;

(viii) the other Transaction Documents; and

(ix) the Information Statement.

This Programme Memorandum and the documents listed in paragraphs (i) to (viii) (both inclusive) above are available for inspection, during normal office hours, at the Specified Office of the Issuer and the Servicer.

This Programme Memorandum and the documents listed in paragraphs (i) to (vi) (both inclusive) and (viii) above, when they become available, will also be available for inspection on the Servicer's website, https://merchantwest.co.za/mw-asset-rentals/http://www.merchantwest.co.za/.

This Programme Memorandum and, when they become available, the documents listed in paragraphs (i) to (viii) (both inclusive) will also be made available through a secure electronic manner at the election of the person requesting inspection.

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) in respect 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

The information set out below is a summary of the principal features of the Programme and the Notes. This Summary should be read in conjunction with, and is qualified in its entirety by, the detailed information contained elsewhere in this Programme Memorandum. The other Transaction Documents (as defined in the section headed "Terms and Conditions of the Notes"), as amended, novated and/or substituted from time to time in accordance with their terms, shall be deemed to be incorporated in, and to form part of, this Programme Memorandum. Such documents are available for inspection by Noteholders, as provided for in the section "General Information". Words used in this section headed "Summary of the Transaction" shall bear the same meanings as used in the section headed "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.

TRANSACTION PARTIES

Arranger, Dealer and Debt Sponsor	Nedbank Limited ("**Nedbank**"), a company with limited liability, registered and incorporated in accordance with the laws of South Africa under registration number 1951/000009/06 and registered as a bank under the Banks Act, 1990.
Issuer	MW Asset Rentals (RF) Limited, a company with limited liability registered and incorporated in accordance with the laws of South Africa under registration number 2002/030074/06.
Calculation Agent	Nedbank, or such other entity as may be appointed in terms of the Administration and Agency Agreement.
Transfer Secretary and Paying Agent	Nedbank, or such other entity as may be appointed in terms of the Administration and Agency Agreement.
Settlement Agent	Nedbank, appointed in terms of the Settlement Agreement.
Originator	Merchant West Proprietary Limited ("**Merchant West**"), a company with limited liability, registered and incorporated in accordance with the laws of South Africa under registration number 2000/012050/07.
Seller	Merchant West, who will enter into the Sale Agreement with the Issuer in relation to the sale and assignment of Participating Assets by the Seller to the Issuer.

Servicer	Merchant West, who will be appointed in terms of the Servicing Agreement as agent for the Issuer, *inter alia*, to administer, service and manage the Participating Assets, including the collection of payments under the Leases and the operation of the collections and arrears procedures. The Servicer is obliged under the Servicing Agreement to report on a monthly basis to the Security SPV and the Issuer on the Participating Assets and the administration of the Participating Assets.
Administrator	Nedbank, who will be appointed in terms of the Administration and Agency Agreement as agent for the Issuer, *inter alia*, to manage the day to day operations of the Issuer, including performing certain calculations that need to be performed in relation to the Notes and the Transaction Documents and to review the Priority of Payments and approve any payments to be made in accordance with the Priority of Payments.
Hedge Counterparty	A financial institution with the Required Credit Rating approved in writing by the Security SPV and notified to the Rating Agency (if applicable), with whom the Issuer may enter into one or more Hedging Agreements.
Owner Trust	The MWAR Owner Trust), the trust established in accordance with the laws of South Africa with Master's Reference Number IT2757/03, solely to own as beneficial shareholder the entire issued ordinary share capital of the Issuer, to provide a guarantee in favour of the Security SPV for the due, proper and punctual performance by the Issuer of its obligations to the Security SPV under the Issuer Indemnity, and to pledge the ordinary shares in the Issuer as security for its obligations under the Owner Trust Guarantee.
Preference Shareholder	Merchant West, which is the holder of the Preference Share(s).
Rating Agency	Any one of Moody's Investor Services Limited, and/or Standard & Poor's Rating Services, and/or Fitch Ratings, and/or Global Credit Ratings Co Proprietary Limited, as designated in the Applicable Pricing Supplement or such other rating agency as may be appointed by the Issuer from time to time.

Security SPV	MW Asset Rentals Security SPV (RF) Proprietary Limited, a company with limited liability registered in accordance with the laws of South Africa under registration number 2014/202659/07 which has been incorporated to hold and realise Security for the benefit of Secured Creditors (including the Noteholders), subject to the Security Documents.
Security SPV Owner Trust	The MW Security SPV Owner Trust, the trust established in accordance with the laws of South Africa with Master's Reference Number IT2706/2015(G), solely to own as beneficial shareholder the entire issued ordinary share capital of the Security SPV.
Back-up Servicer	TMF Capital Markets Services (South Africa) Proprietary Limited, registration number 2008/020146/07 ("**TMF**"), appointed in terms of the Servicing Agreement to act as Back-Up Servicer, such that, if the appointment of Merchant West as Servicer is terminated, the Back-Up Servicer will assume such servicing functions. Any reference to the Servicer in this Programme Memorandum shall also be taken to include TMF or any other replacement servicer to the extent that TMF or any other replacement servicer is actually required to perform the primary servicing function at any time.
Account Bank	Nedbank, or such other entity as may be appointed in terms of the Account Bank Agreement.
Liquidity Facility Provider	Absa, or such other entity as may be appointed as liquidity facility provider in terms of the provisions of the Liquidity Facility Agreement, who will provide the Liquidity Facility to the Issuer to be utilised for the purposes specified therein.
Subordinated Loan Provider	Merchant West, who will provide Subordinated Loans to the Issuer in accordance with the provisions of the Subordinated Loan Agreement to be utilised for the purposes specified therein.
Collections SPV	Merchant West Collections SPV (RF) Proprietary Limited, a company with limited liability registered and incorporated in

accordance with the laws of South Africa under registration number 2012/04621/07.

Auditors PricewaterhouseCoopers Inc, or such other internationally recognised JSE accredited auditing firm appointed by the Issuer with the prior written consent of the Security SPV, from time to time.

STRUCTURAL FEATURES

Stop Purchase Events any one or more of the following events (it being recorded that if a Stop Purchase Event occurs, and for as long as the Stop Purchase Event continues, the Issuer may not acquire any Participating Assets) -

(a) a Servicer Default occurs or Merchant West ceases to be the Servicer;

(b) for any three consecutive Payment Dates, 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 the Prime Rate plus 2.0%;

(e) on any two consecutive Determination Dates, the Issuer fails to own Leases in the Portfolio of Participating Assets with a minimum of 700 different obligors as at the end of the related Calculation Period;

(f) 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 3.0%;

(g) the Notes in a Tranche are not redeemed in full on the Scheduled Maturity Date of that Tranche of Notes;

(h) on any Determination Date, the Principal Shortfall is greater than zero;

(i) on any Determination Date, the Asset Cover Ratio falls below 126.0%; or

(j) on any Determination Date, the Subordination Ratio falls below 15.0%,

Revolving Period

The Revolving Period is the period from (and including) the Initial Issue Date to (but excluding) the Amortisation Date during which, *inter alia*, the Issuer will purchase Additional Participating Assets. 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. The Issuer shall apply the Available Funds towards payment of its liabilities in accordance with the Pre-Enforcement Priority of Payments during the Revolving Period.

Amortisation Date

The Business Day immediately following the date on which an Amortisation Notice is delivered by or on behalf of the Servicer to the Issuer, the Security SPV and the Administrator.

Amortisation Period

The Amortisation Period shall commence on the Amortisation Date.

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

Initial Participating Assets

The Participating Assets to be acquired by the Issuer from the Seller on the Initial Issue Date in terms of the Sale 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, be entitled on any Payment Date to purchase Additional Participating Assets complying with the Eligibility Criteria and the Portfolio Criteria provided that certain conditions are fulfilled, as more fully described under the section headed "*Credit Structure*".

Liquidity Reserve

The Liquidity Reserve provides credit enhancement for the Notes. The purpose of the Liquidity Reserve is to fund the payment of Liquidity Shortfalls. On the earlier of (i) the Final Redemption Date of the last Tranche of Notes in issue and (ii) all amounts outstanding in respect of the Participating Assets having been reduced to zero, the amount standing to the credit of the Liquidity Reserve will form part of Available Funds to be applied in accordance with the Pre-Enforcement Priority of Payments. Following the delivery of an Enforcement Notice, amounts standing to the credit of the Liquidity Reserve will form part of Available Funds and will be applied in accordance with the Post-Enforcement Priority of Payments.

Capital Reserve

The Capital Reserve provides credit enhancement for the Notes. On each Payment Date, the Issuer shall be obliged to set aside funds in the Capital Reserve, in an amount equal to the Potential Redemption Amount. The purpose of the Capital Reserve is to fund (i) the purchase price of Additional Participating Assets (and any other amounts payable to the Seller in respect of the purchase of such Additional Participating Assets); and (ii) to fund the redemption of Notes, in accordance with the Priority of Payments. On the earlier of (i) the Final Redemption Date of the last Tranche of Notes in issue and (ii) all amounts outstanding in respect of the Participating Assets having been reduced to zero, the amount standing to the credit of the Capital Reserve will form part of Available Funds to be applied in accordance with the Pre-Enforcement Priority of Payments. Following the delivery of an Enforcement Notice, amounts standing to the credit of the Capital Reserve will form part of Available Funds and will be applied in accordance with the Post-Enforcement Priority of Payments.

Arrears Reserve

The Arrears Reserve provides credit enhancement for the Notes. On each Payment Date during the Revolving Period, the Issuer shall be required to set aside funds in the Arrears Reserve, in accordance with the Priority of Payments up to the Arrears Reserve Required Amount. The purpose of the Arrears Reserve is to provide for Non-Performing Leases. On the next Payment Date, the amounts standing to the credit of the Arrears Reserve will be added to Available Funds to be applied in accordance with the Priority of Payments. Upon the occurrence of a Stop Purchase Event, amounts standing to the credit of the Arrears Reserve will form part of Available Funds and be applied in accordance with the Pre-Enforcement Priority of Payments during the Amortisation Period. On the earlier of (i) the Final Redemption Date of the last Tranche of Notes in issue and (ii) all amounts outstanding in respect of the Participating Assets having been reduced to zero, the amount standing to the credit of the Arrears Reserve will form part of Available Funds to be applied in accordance with the Pre-Enforcement Priority of Payments. Following the delivery of an Enforcement Notice, amounts standing to the credit of the Arrears Reserve will form part of Available Funds and will be applied in accordance with the Post-Enforcement Priority of Payments.

Liquidity Facility

If required, the Liquidity Facility Provider will provide the Liquidity Facility to the Issuer subject to the terms of the Liquidity Facility Agreement up to the Liquidity Facility Limit. The Liquidity Facility may be utilised by the Issuer to the extent that the Liquidity Reserve is not funded at the Liquidity Reserve Required Amount in order to meet Liquidity Shortfalls. The Liquidity Facility is a 364 day facility which is subject to renewal, at the option of the Liquidity Facility Provider on an annual basis.

Subordinated Loan

The Subordinated Loan Provider will enter into the Subordinated Loan Agreement with the Issuer pursuant to which the Issuer may utilise the proceeds of Subordinated Loans to fund a portion of the purchase price of the Participating Assets, to redeem outstanding Notes, to repay the Liquidity Facility, or for any other purpose agreed to in writing between the Subordinated Loan Provider, the Issuer and the Security SPV, or as otherwise specified in the Subordinated Loan Agreement or the Applicable Pricing Supplement.

Permitted Investments

The Servicer (or the Administrator, in the event of the termination of Merchant West's appointment as Servicer in accordance with the provisions of the Servicing Agreement) will be entitled to invest cash for and on behalf of the Issuer from time to time standing to the credit of the Bank Accounts in various prescribed Rand-denominated investments as described under the section headed "*Credit Structure*".

PROGRAMME DESCRIPTION

Description of the Programme

The MW Asset Rentals (RF) Limited ZAR2,500,000,000 Lease Receivables Backed Note Programme.

Size of the Programme

As at the date of this Programme Memorandum, ZAR2,500,000,000. The Issuer may, without the consent of Noteholders, increase the Programme Limit in accordance with the Applicable Laws and subject to any required regulatory approvals. The Programme Limit at the time of the issue of any Tranche of Notes will be set out in the Applicable Pricing Supplement.

Listing and Trading

This Programme Memorandum has been registered with the JSE. Each Tranche of Notes may be listed on the Interest Rate Market of the JSE or on such other or further exchange(s) as may be determined by the Issuer and the Dealer and subject to any Applicable Laws.

With respect to Notes not listed on the Interest Rate Market of the JSE, the placement of such unlisted Notes may be reported through the JSE reporting system in order for the settlement of trades to take place in accordance with the electronic settlement procedures of the JSE and the Central Securities Depository. In such event, the Applicable Pricing Supplement will be delivered to the JSE and the Central Securities Depository. With respect to Notes not listed on the Interest Rate Market of the JSE, and not to be settled through the electronic settlement procedures of the JSE and the Central Securities Depository, no

	Applicable Pricing Supplement will be delivered to the JSE or the Central Securities Depository. Unlisted Notes may also be issued under the Programme. Unlisted Notes are not regulated by the JSE.
Credit Rating	The Programme is not rated. Certain Tranches of Notes issued under the Programme may be rated by the Rating Agency on a national scale and/or a global scale basis. The Rating (if any) and the Rating Agency will be specified in the Applicable Pricing Supplement. Tranches of Notes may be issued that are assigned a Rating by a different Rating Agency that assigned a Rating to any Tranche of Notes in issue. If assigned a Rating, such 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 Rating Agency. Any change to the Rating of a Tranche of Notes after the Issue Date will be announced on SENS.
Form of Notes	The Notes will be issued in registered form as described below in the section headed "*Form of the Notes*".
Limited Recourse	The Notes will be limited recourse obligations solely of the Issuer. Subject to the Security SPV Guarantee, the Notes will not be obligations of, or the responsibility of, or guaranteed by, any other person, and no liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes will be accepted by any other person. Recourse of the Noteholders and the other Secured Creditors will be limited to the net amount recovered by the Security SPV from the Issuer pursuant to the Issuer Indemnity and from the assets realised pursuant to the other Security Documents, and the liability of the Security SPV under the Security SPV Guarantee will never exceed such net amount.
Currency	Rand, the lawful currency of South Africa.
Denomination of Notes	The Notes will be issued with a minimum denomination of ZAR1,000,000 each.

Issue Price	The Notes will 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.
Maturities	The Notes are not subject to any minimum or maximum maturity.
Conditions	The terms and conditions of the Notes set out below in this Programme Memorandum under the section headed "*Terms and Conditions of the Notes*".
Interest Rate, Interest Step-Up Rate and Interest Payment Dates	As specified in the Applicable Pricing Supplement.
Final Redemption	Unless redeemed at a prior date, or purchased by the Issuer and cancelled, the Issuer shall redeem each Tranche of Notes at their Principal Amount Outstanding (together with accrued interest) on the Final Redemption Date for that Tranche of Notes as specified in the Applicable Pricing Supplement.
Principal Amount	The face value of each Note.
Redemption of the Notes	The Notes of each Class may be subject to, mandatory redemption, in whole or in part, from time to time or, in certain circumstances, subject to optional redemption of all but not some only of the Notes, by the Issuer in the following circumstances - (a) mandatory redemption by the Issuer of all of the Notes on the Final Redemption Date in accordance with Condition 8.1; (b) the expected redemption by the Issuer of all of the Notes at the Scheduled Maturity Date in accordance with Condition 8.2; (c) mandatory redemption by the Issuer of all of the Notes upon delivery of an Enforcement Notice following an Event of Default in accordance with Condition 8.6; (d) mandatory redemption in part by the Issuer of the Notes on Interest Payment Dates during the Amortisation Period in

accordance with the Pre-Enforcement Priority of Payments during the Amortisation Period, in accordance with Condition 8.3;

(e) optional redemption by the Issuer of the Notes for tax reasons in accordance with Condition 8.5; and

(f) optional redemption by the Issuer of all of the Notes on any Interest Payment Date on which the aggregate Principal Amount Outstanding of the Notes is equal to or less than 10.0% of the aggregate Principal Amount Outstanding of the Notes that have been issued, as described in Condition 8.4.

Security for the Notes

Notes will be obligations of the Issuer only.

The Security SPV will bind itself under the Security SPV Guarantee to each Secured Creditor, including Noteholders. Pursuant to such Security SPV Guarantee, the Security SPV will undertake 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. The liability of the Security SPV pursuant to the Security SPV Guarantee will, however, be limited in the aggregate to the amount recovered by the Security SPV from the Issuer arising out of the Issuer Indemnity referred to below. Payment of amounts due by the Security SPV pursuant to the Security SPV Guarantee will be made strictly in accordance with the Post-Enforcement Priority of Payments after delivery of an Enforcement Notice such that Secured Creditors on each tier of the relevant Priority of Payments will be paid in full before Secured Creditors ranking below them in the relevant Priority of Payments receive any payment.

The Issuer will give the Issuer Indemnity to the Security SPV in respect of the claims that may be made against the Security SPV arising out of the Security SPV Guarantee. The obligations of the Issuer in terms of the Issuer Indemnity are, *inter alia*, secured by the Security Cession over all assets of the Issuer, as described under the section headed "*Security Arrangements*". In addition, in terms of the Owner Trust Guarantee, the Owner Trustee has guaranteed in favour of the Security SPV, the obligations of the Issuer under the Issuer Indemnity. The Owner Trustee's obligations under the Owner Trust Guarantee are secured by a pledge and cession *in securitatem debiti* of all of the ordinary shares held by the Owner Trust in the Issuer in terms of the Owner Trust Pledge.

The Notes will share the same security (through the Security SPV Guarantee and Issuer Indemnity).

Negative Pledge and other undertakings of the Issuer

Condition 6 of the Conditions provides for a negative pledge and other restrictions on the Issuer requiring the consent of the Security SPV relating to activities, disposals, bank accounts, dividends, distributions, borrowings, mergers and amendments to the Transaction Documents. For further details see the section titled "*Terms and Conditions of the Notes*"

Method of Transfer

The transfer of Notes shall take place by recordal in the Register of the Issuer and by electronic book entry in the securities accounts of CSD Participants or the Central Securities Depository, as the case may be, for transfers of Beneficial Interests in the Notes, in all cases subject to the restrictions described in this Programme Memorandum. The Notes are freely transferable in accordance with the Conditions.

Priority of Payments

The Priority of Payments is the sequence in which the Issuer will, out of the funds available in the Transaction Account and, in certain circumstances the Liquidity Reserve, the Capital Reserve and the Arrears Reserve, make payments to creditors of the Issuer.

The Issuer shall contract with the Secured Creditors on the basis that payments due to them shall be made on a Payment Date to the extent to which funds are available in the Transaction Account, and, in certain circumstances in the Liquidity Reserve the Capital Reserve and the Arrears 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 all the amounts then due and payable to them by the Issuer.
	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 under the section headed "*Priority of Payments*".
Payment	The Notes will be issued, cleared and settled in accordance with the Applicable Procedures of the JSE and the Central Securities Depository. Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme will settle offshore transfers, if any, through their CSD Participant.
	CSD Participants will follow the electronic settlement procedures prescribed by the Applicable Procedures of the Central Securities Depository when making interest and principal payments. The Applicable Procedures are available on request from the Central Securities Depository.
	Principal and interest payments to the Noteholders will be made by electronic transfer.
Register Closed	The Register will be closed prior to each Interest Payment Date and the Final Redemption Date for the periods described in Condition 15.2, in order to determine those Noteholders entitled to receive payments.
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.
Selling Restrictions	The distribution of this Programme Memorandum and the placing of the Notes may be restricted by law in certain jurisdictions

and are restricted by law in the United States of America, the United Kingdom and South Africa. Persons who come into possession of this Programme Memorandum must inform themselves about and observe any such restrictions.

Status of the Notes

The claims of each Class of Noteholders (whether in respect of interest, principal or otherwise) shall be subordinated to higher ranking Classes of Notes and to certain other creditors of the Issuer in accordance with the Priority of Payments. The Notes of the same Class will rank *pari passu* and rateably without preference or priority amongst themselves.

Tax Status

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

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. As from 1 March 2015, 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 exemptions may or may not be applicable in this regard.

Governing Law

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

Stabilisation

In connection with the issue and distribution of any of the Notes, the Issuer may in its discretion and, to the extent permitted by Applicable Laws, appoint a stabilisation 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 DSS Listings

Requirements and is subject to the approval of the JSE.

RISK FACTORS

The following is a summary of certain aspects of the issue of the Notes about which prospective Noteholders should be aware. This section should be read in conjunction with, and is qualified in its entirety by, the detailed information contained elsewhere in this Programme Memorandum. Words used in this section headed "Risk Factors" shall bear the meanings as used in the section headed "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's ability to meet its obligations under the Notes

The ability of the Issuer to meet its obligations to pay principal and interest in respect of Tranche(s) of Notes will be dependent on the receipt by it of payments under the Participating Assets purchased by the Issuer and the Permitted Investments.

If upon default of a significant portion of Lessees under the Participating Assets purchased by the Issuer and after the exercise by the Servicer of all available remedies in respect of such Participating Assets, the Issuer does not receive the full amount due from those Lessees, then the Noteholders may receive by way of principal repayment an amount less than the Principal Amount Outstanding of the Notes held by them and the Issuer may be unable to pay in full or in part interest due on such Notes.

The market continues to develop in relation to ZARONIA as a reference rate for Floating Rate Notes

Investors should be aware that the market continues to develop in relation to ZARONIA as a reference rate in the capital markets and its adoption as alternative to JIBAR. In addition, market participants and relevant working groups are exploring alternative reference rates based on ZARONIA, including a term ZARONIA reference rate (which seeks to measure the market's forward expectation of an average ZARONIA rate over a designated term). The development of ZARONIA rates as interest reference rates for the South African bond market, as well as continued development of ZARONIA based rates for such market and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of the Notes.

The use of ZARONIA as a reference rate for bonds in the South African capital markets continues to develop both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing ZARONIA.

The market or a significant part thereof may adopt an application of ZARONIA that differs significantly from that set out in the Terms and Conditions as applicable to the Notes. Furthermore, the Issuer may in future issue Notes referencing ZARONIA that differ materially in terms of interest determination when compared with the Notes. In addition, the manner of adoption or application of ZARONIA reference rates in the South African bond market may differ materially compared with the application and adoption of ZARONIA in other markets, such as the derivatives and loan markets. Noteholders should carefully consider how any mismatch between the adoption of ZARONIA reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing ZARONIA.

ZARONIA differs from JIBAR in a number of material respects and has a limited history

ZARONIA differs from JIBAR in a number of material respects, including that ZARONIA is a backwards-looking, risk-free overnight rate, whereas JIBAR is expressed on the basis of a forward- looking term and includes a risk-element based on inter-bank lending. As such, investors should be aware that ZARONIA may behave materially differently as interest reference rates for the Notes, compared to JIBAR.

The future performance of ZARONIA may be difficult to predict based on the limited historical performance. The level of ZARONIA during the term of the Notes may bear little or no relation to the historical level of ZARONIA. Prior observed patterns, if any, in the behaviour of market variables and their relation to ZARONIA such as correlations, may change in the future.

Furthermore, the Interest Rate is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for Noteholders to estimate reliably the amount of interest which will be payable on the Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which factors could adversely impact the liquidity of the Notes.

The administrator of ZARONIA may make changes that could change the value of ZARONIA or discontinue ZARONIA

The South African Reserve Bank (or its successor), as administrator of ZARONIA, may make methodological or other changes that could change the value of ZARONIA, including changes related to the method by which ZARONIA is calculated, eligibility criteria applicable to the transactions used to calculate ZARONIA, or timing related to the publication of ZARONIA. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of ZARONIA (in which case a fallback method of determining the interest rate on the notes will apply). The relevant administrator has no obligation to consider the interests of Noteholders when calculating, adjusting, converting, revising or discontinuing ZARONIA.

Ratings of the Notes

The Notes issued under the Programme may be rated by a recognised 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 the event of Rated Notes) in issue. The rating of the 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. The Ratings of Notes address the expected loss posed to investors by the legal final maturity. In the case of Notes rated by Standard and Poor's, the Ratings would address the timely payment of interest and ultimate repayment of principal by the Issuer on or before the legal final maturity date of those Notes. The Rating Agency's ratings address only the credit risks associated with the Programme. Other non-credit risks have not been 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 ratings assigned by the Rating Agency (in the event of Rated Notes), or such rating agency may assign an international scale rating which could be lower than national scale ratings assigned by the

Rating Agency (in the event of Rated Notes). 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 (in the event of Rated Notes) if in its judgment circumstances in the future so warrant. Each rating is given on a national scale basis. There can be no assurance of any connection between the national scale rating and any international scale rating.

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 Seller in the Sale Agreement. The sole remedies (save as described below) of the Issuer in respect of a breach of warranty shall be the requirement that the Seller pays the Issuer such damages as it may have suffered arising from the breach of warranty or that the Seller purchases, or procures the purchase of (for cash or the substitution of a similar Participating Asset), any Participating Assets which is the subject of any breach and pays such damages as the Issuer may have suffered arising from the breach of warranty to the extent to which those damages have not been extinguished by that purchase. This shall not limit any other remedies available to the Issuer and/or the Security SPV if damages are not paid or if the Seller fails to purchase a Participating Asset when obliged to do so. There can be no assurance that the Seller will have the financial resources to honour its obligations under the Sale Agreement. Such obligations are not guaranteed by, nor will they be the responsibility of, any person other than the Seller and neither the Issuer nor the Security SPV shall have any contractual recourse to any other person in the event that the Seller for whatever reason, fails to meet such obligations. The Issuer is further indemnified by the Seller against all actions, costs, damages and liabilities which the Issuer may suffer as a result of any act or omission on the part of the Seller in relation to the Participating Assets before the relevant Transfer Date.

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 Arranger, the Dealer, the Debt Sponsor, the Originator, the Liquidity Facility Provider, the Seller, the Servicer, the Administrator, the Preference Shareholder, the Hedge Counterparty (if any) or, save to the extent of the amount recovered from the Issuer in terms of the Issuer Indemnity, the Security SPV. The Issuer will rely solely on payments in respect of amounts due under the Participating Assets, the Liquidity Facility, the Liquidity Reserve, the Capital Reserve and the Arrears Reserve, the Transaction Account and Permitted Investments to enable it to make payments in respect of the Notes.

Upon enforcement of the Security for the Notes and enforcement of a claim under the Issuer Indemnity, the Security SPV will have recourse only to the Participating Assets and any other assets of the Issuer then in existence, including amounts standing to the credit of the Transaction Account, the Liquidity Reserve, the Capital Reserve and the Arrears Reserve, and the Permitted Investments. The Issuer and the Security SPV will have no recourse to the Arranger, the Dealer or, other than as provided in the Transaction Documents, the Seller, the Servicer, the Administrator, the Preference Shareholder, the Liquidity Facility Provider, the Subordinated Loan Provider or any other entity.

If, upon default by Lessees and after the exercise by the Servicer of all available remedies in respect of the Participating Assets, the Issuer does not receive the full amount due from those Lessees, then Noteholders may receive by way of principal repayment an amount less than the face value of their Notes and the Issuer may be unable to pay in full or in part interest due on the Notes.

Defaults under the Participating Assets

The collectability of amounts due under the Participating Assets purchased by the Issuer is subject to credit and liquidity risks and will generally fluctuate in response to, among other things, general economic conditions and the financial standing of the Lessees under such Participating Assets, all of which may lead to an increase in delinquencies in respect of such Lessees and could ultimately have an adverse impact on the ability of such Lessees to meet their payment obligations under such Participating Assets.

If a sufficient number of Lessees under the Participating Assets purchased by the Issuer default, the Issuer may be unable to pay the Secured Creditors (including the Noteholders). By virtue of the manner in which the claims of the holders of Notes in lower ranking Class(es) are subordinated to the claims of the holders of Notes in higher ranking Class(es), this risk will be borne first by the holders of the lowest ranking Class(es) of Notes and thereafter, successively, by the holders of higher ranking Class(es) of Notes.

To reduce the risk of such default, the Seller will apply the Credit Criteria in concluding Leases. The purpose of the Credit Criteria is to avoid a concentration of assets to a relatively small number of Lessees and to limit exposure to certain lower quality assets.

There can be no assurance that the measures set out above will eliminate the relevant risks.

Following a Guarantee Event, the ability of the Security SPV to realise the assets of the Issuer pursuant to the Security Documents in an amount sufficient to pay the Secured Creditors (including the Noteholders) will be largely dependent upon the then existing market for the Participating Assets purchased by the Issuer. There can be no assurance that the Participating Assets can be disposed of at prices sufficient to pay, in terms of the Security SPV Guarantee, the remaining amounts due to the Secured Creditors under the terms and conditions of the Notes and the other Transaction Documents.

Yield Considerations

Subject to certain limitations set out in the Sale Agreement, the Issuer is required to purchase Participating Assets offered to it for sale by the Seller during the Revolving Period. The yield to maturity of a Tranche of Notes may be adversely affected by the failure of the Originator to originate Leases for sale to the Issuer. Such failure cannot be predicted and may be determined by a variety of causes, including lower lease payments offered by competitors and a change in the business model pursued by the Originator. Therefore, no assurance can be given as to the likely effect that any such market developments and/or policy adjustments may have on the yield to maturity of a Tranche of Notes.

The Secured Creditors have agreed to waive their rights of set-off against the Issuer.

Changes in legislation

The Participating Assets, the Issuer and other parties to the Transaction Documents are subject to legislation which may change at any time, such as the Companies Act and the Consumer Protection Act, 2008. No prediction can be made as to whether such legislation will change and, if it does, what the effect of such changes will be on the Leases, the Issuer and/or any other party to the Transaction Documents.

In terms of the Sale Agreement, if a Lease purchased by the Issuer is unenforceable due to non-compliance with any Applicable Laws, including the Consumer Protection Act, 2008, the Issuer is entitled to enforce the remedies set out in the Sale Agreement for breach of warranty by the Seller.

Priority of Payments

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

The Priority of Payments may be disturbed by claims of creditors who are not Secured Creditors. However, as described below in the paragraph headed "*Liquidation of the Issuer*", the Issuer is structured as an insolvency remote, ring-fenced special purpose vehicle which limits the risk of external creditors who are not bound into the Priority of Payments.

Limited Liquidity and Restrictions on Transfer

A secondary market exists for the Notes, but such secondary market is currently not very active and is not fully developed. There can be no assurance that any secondary market for any of the Notes will fully develop, or, if a secondary market does fully develop, that it will provide the Noteholders with liquidity of investment or that it will continue for the life of such Notes. Consequently, a subscriber must be prepared to hold such Notes until the Final Redemption Date. Noteholders that trade in the Notes during the period that the Register is closed prior to each Interest Payment Date, will need to reconcile any amounts payable on the following Interest Payment Date pursuant to a partial redemption of the Notes. As a result secondary market liquidity of the Notes may reduce during this period.

Counterparty Risk

The Hedging Agreement(s) and Account Bank Agreement require the Issuer entering into a contract with a counterparty. Pursuant to such contracts, the counterparties agree to make payments to the Issuer under certain circumstances as described in such contracts. The Issuer will be exposed to the credit risk of the counterparties with respect to such payments. The Transaction Documents require such counterparties to have the Required Credit Rating from the Rating Agency or, if such counterparties are not rated by the Rating Agency, then, following prior written notice to the Rating Agency by the Issuer or the Servicer of the Issuer’s proposed entry into any contract with such counterparties, if the Issuer or the Servicer is not notified that the Issuer’s proposed entry into any contract with such counterparties may adversely affect the then current Rating of the Notes in issue, the Issuer may enter into such contract(s) with such counterparties. If such rating is not maintained, the Transaction Documents make provision for such counterparties to be replaced with a counterparty that has the Required Credit Rating.

Security SPV Guarantee and Issuer Indemnity

The Security SPV will grant a Security SPV Guarantee to Secured Creditors and will enter into the Issuer Indemnity with the Issuer. The Issuer has received a legal opinion stating that the entry into the Security SPV Guarantee and Issuer Indemnity will enable the security structure in favour of the Secured Creditors to be held by the Security SPV in the manner set out in this 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 guarantee and indemnity structure is not enforceable, then Secured Creditors shall be entitled but not obliged to take action themselves to enforce claims directly against the Issuer should an Event of Default occur. If a Secured Creditor elects to do so, then the Security held by the Security SPV will be bypassed and thus no longer be effective as a means of achieving distribution of the Issuer's assets in accordance with the Priority of Payments.

Security SPV

The interests of the Secured Creditors will be represented by the Security SPV. In terms of the Transaction Documents and the 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 a reasonable time 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 supervision by a business rescue practitioner, which would adversely affect the rights of the Secured Creditors and the enforcement of the Security granted to the Security SPV.

The liabilities of the Security SPV consist of the Security SPV Guarantee given to the Secured Creditors, which cannot in the aggregate exceed the amount recovered pursuant to the Issuer Indemnity. Accordingly, it is improbable that the Security SPV itself will be insolvent or financially distressed (and therefore be wound-up, liquidated or placed under supervision by a business rescue practitioner) unless there was, for example, dishonesty or negligent or fraudulent conduct or a breach of contract on the part of the Security SPV, for instance by 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 60 (sixty) Business Days of being called upon by any Secured Creditor to do so, or is wound-up, liquidated, de-registered or placed under supervision by a business rescue practitioner, 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 bypassed and thus no longer be effective as a means of achieving distribution of the Issuer's assets in accordance with the Priority of Payments.

Liquidation of the Issuer

The Issuer has been structured as an insolvency remote, ring-fenced special purpose vehicle, a structure which limits the risk of external creditors who are not bound into the Priority of Payments. The Security SPV represents most creditors of the Issuer and those not tied into the contractual waterfall are in any event creditors at the top of the Priority of Payments, including the tax authorities and administrative creditors (such as the Rating Agency and the JSE). Secured Creditors contract with the Issuer on the basis that they will have no claim against the Issuer to the extent that there are no funds available to pay them in accordance with the Priority of Payments, will not 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 or supervision by a business rescue practitioner of the Issuer until 2 (two) years after the payment of all amounts outstanding and owing by the Issuer under the Notes and all the other Transaction Documents, and agree not to sue the Issuer except through the Security SPV. The proceeds in the hands of the Security SPV will be distributed in accordance with the contractual waterfall.

If, notwithstanding the ring-fenced structure, there is an external creditor not bound into the Priority of Payments, and there are any assets of the Issuer that are not properly secured by the Security Documents, then on the liquidation of the Issuer such external creditor would, in respect of those assets, rank *pari passu* with or ahead of the Security SPV, depending on the statutory preference of claims in terms of the Insolvency Act, 1936.

Security

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.

Servicer and Back-Up Servicer

The Back-Up Servicer will, upon its appointment, be contractually bound to provide the services, on terms and conditions set out in the Servicing Agreement should Merchant West's appointment as Servicer be terminated. The Servicing Agreement, *inter alia*, makes provision for the back-up of data and the maintenance of a disaster recovery site. There is, however, an operational risk that the continuity of services will be interrupted should the Back-Up Servicer have to assume the responsibilities of the Servicer and there can be no assurance that a transition of servicing will occur without adverse effect on Noteholders or that an equivalent level of performance of collections and administration of the Participating Assets can be maintained by the Back-Up Servicer.

In terms of the Servicing Agreement, Merchant West will, amongst its various duties, perform duties in respect of the Participating Assets and act as custodian of various documentation. On an insolvency of Merchant West, the Issuer, as principal, will be entitled to vindicate all property which it can identify among the assets of Merchant West, as agent, as being vested in it as owner.

In accordance with the Servicing Agreement, Lease Payments received under the Leases will be made directly into the Collections Accounts held with the Collections SPV and such payments will not be co-mingled with the assets of the Servicer. The Servicer is obliged, in terms of the Servicing Agreement, to ensure that payments in respect of the Participating Assets which are paid into the Collections Accounts will be transferred into the Transaction Account within two Business Days following receipt thereof; provided that to the extent that payments in respect of Participating Assets cannot be identified as such and with respect to a particular Lease within such two Business Day period, such payments shall be transferred within 48 hours after such identification has been made.

There are also risks on insolvency of Merchant West in respect of details of the Leases that are kept electronically on Merchant West’s systems. The Servicing Agreement mitigates this risk by providing for the maintenance of back-up data and the storage of such data off-site with an independent third party and the provision of such data to the Back-Up Servicer on a regular basis.

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.

CREDIT STRUCTURE

Words used in this section headed "Credit Structure" shall bear the same meanings as used in the section headed "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

1.1 Account Bank

If the credit rating of the Account Bank assigned by the Rating Agency falls below the Required Credit Rating, whether solicited or unsolicited, or, if such institution is not rated by the Rating Agency, then the Issuer shall, in consultation with the Security SPV, appoint a successor Account Bank with the Required Credit Rating within 30 days of the termination or resignation of the appointment of the Account Bank, as the case may be; provided that, written notice is given of the proposed appointment to the Rating Agency by the Issuer and the resignation or termination of the Account Bank's appointment shall not become effective until a successor Account Bank with the Required Credit Rating is appointed.

1.2 Bank Accounts

1.2.1 *Collections Accounts*

1.2.1.1 All Lease Payments in respect of the Leases will be paid directly into the Collections Accounts held with the Collections SPV. All amounts standing to the credit of each of the Collections Accounts will be transferred by the Servicer to the Transaction Account within two Business Days following receipt thereof, in terms of the provisions of the Servicing Agreement. To the extent that payments in respect of Leases cannot be identified as such and with respect to a particular Lease within such two Business Day period, such payments shall be transferred from the relevant Collections Account to the Transaction Account within 48 hours following receipt thereof.

1.2.1.2 Upon the occurrence of a Lessee Notification Trigger, the Servicer shall notify Lessees in writing -

1.2.1.2.1 of the sale and transfer of the Participating Assets to the Issuer; and

1.2.1.2.2 to make payments under the Leases directly into the Transaction Account.

1.2.1.3 Prior to the occurrence of a Servicer Default and the delivery of an Enforcement Notice, the Servicer will have sole signing authority in respect of each Collections Account. After the occurrence of a Servicer Default or the delivery of an Enforcement Notice, as the case may be, the Administrator will have sole signing authority in respect of each Collections Account.

1.2.2 *Transaction Account*

1.2.2.1 All amounts standing to the credit of each of the Collections Accounts will be transferred by the Servicer into the Transaction Account within two Business Days following receipt thereof. All amounts standing to the credit of the Transaction Account from time to time will form part of Available Funds and will be applied in accordance with the Priority of Payments.

1.2.2.2 Prior to the delivery of an Enforcement Notice, the Servicer will have sole 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.

1.3 **Permitted Investments**

The Servicer (or the Administrator, in the event of the termination of Merchant West's appointment as Servicer in accordance with the provisions of the Servicing Agreement) will be entitled to invest cash for and on behalf of the Issuer from time to time standing to the credit of the Transaction Account in Permitted Investments.

Upon the maturity of the investments, the Servicer shall procure (on behalf of the Issuer) that the proceeds received from the Permitted Investments are paid directly into the Transaction Account.

1.4 **Hedging Agreements**

The Issuer may enter into Hedging Agreements with Hedge Counterparty/ies with the Required Credit Rating in order to manage the Issuer's interest rate risks. If the credit rating of the Hedge Counterparty falls below the Required Credit Rating, whether solicited or unsolicited, the Issuer shall, in consultation with the Security SPV, appoint a successor Hedge Counterparty with the Required Credit Rating within 30 days of the termination of the Hedging Agreement(s) and termination of the appointment of the Hedge Counterparty; provided that, written notice is given of the proposed appointment to the Rating Agency by the Issuer, and the termination of the Hedge Counterparty's appointment shall not become effective until a successor hedge counterparty with the Required Credit Rating is appointed and has entered into a new Hedging Agreement.

2 **ADDITIONAL PARTICIPATING ASSETS**

2.1 The Issuer will, during the Revolving Period, acquire Additional Participating Assets using the proceeds of any issuance of Notes or a Subordinated Loan or Principal Collections or any other monies available for this purpose in accordance with the Pre-Enforcement Priority of Payments during the Revolving Period, subject to 2.3 below.

2.2 Each Additional Participating Asset must comply with the then prevailing Eligibility Criteria and the same representations and warranties will be made with respect to the Additional Participating Assets as were made with respect to the Initial Participating Assets, as at the date on which such Additional Participating Assets are acquired, all as more particularly described in the Sale Agreement.

2.3 Up until the expiry of the Revolving Period, the Issuer may, in its discretion, purchase Additional Participating Assets on any Payment Date provided that -

2.3.1 no Enforcement Notice has been given by the Security SPV which remains in effect;

2.3.2 no Stop Purchase Event has occurred which remains in effect;

2.3.3 the Issuer has not received any notice that the purchase of the Additional Participating Assets will cause the then current Rating of the Notes to be downgraded, withdrawn or suspended; and

2.3.4 following such acquisition, the Portfolio Criteria will be satisfied.

3 RESERVES

3.1 Liquidity Reserve

3.1.1 The Liquidity Reserve provides credit enhancement for the Notes. The purpose of the Liquidity Reserve is to fund the payment of Liquidity Shortfalls.

3.1.2 On each Payment Date, the Issuer may set aside funds to the Liquidity Reserve by crediting the Liquidity Reserve Ledger, in accordance with the Pre-Enforcement Priority of Payments during the Revolving Period, such that following such allocation, the amount standing to the credit of the Liquidity Reserve is not less than the Liquidity Reserve Required Amount as at such date.

3.1.3 If at any time the amount standing to the credit of the Liquidity Reserve exceeds the Liquidity Reserve Required Amount the amount of such excess shall be debited from the Liquidity Reserve and credited to the Transaction Account for application in accordance with the Pre-Enforcement Priority of Payments.

3.1.4 On the earlier of -

3.1.4.1 the Final Redemption Date of the last Tranche of Notes in issue; and

3.1.4.2 all amounts outstanding in respect of the Participating Assets having been reduced to zero,

the amount standing to the credit of the Liquidity Reserve will form part of Available Funds to be applied in accordance with the Pre-Enforcement Priority of Payments.

3.1.5 Following the delivery of an Enforcement Notice, amounts standing to the credit of the Liquidity Reserve as reflected in the Liquidity Reserve Ledger will form part of Available Funds and will be applied in accordance with the Post-Enforcement Priority of Payments.

3.2 **Capital Reserve**

3.2.1 The Capital Reserve provides credit enhancement for the Notes. On each Payment Date during the Revolving Period, the Issuer shall be obliged to set aside funds in the Capital Reserve by crediting the Capital Reserve Ledger, in an amount equal to the Potential Redemption Amount.

3.2.2 The purpose of the Capital Reserve is to fund (i) the purchase price of Additional Participating Assets (and any other amounts payable to the Seller in respect of the purchase of such Additional Participating Assets and (ii) to fund the redemption of Notes, in accordance with the Priority of Payments.

3.2.3 On the earlier of -

3.2.3.1 the Final Redemption Date of the last Tranche of Notes in issue; and

3.2.3.2 all amounts outstanding in respect of the Participating Assets having been reduced to zero,

the amount standing to the credit of the Capital Reserve will form part of Available Funds to be applied in accordance with the Pre-Enforcement Priority of Payments.

3.2.4 Following the delivery of an Enforcement Notice, amounts standing to the credit of the Capital Reserve Ledger will form part of Available Funds and will be applied in accordance with the Post-Enforcement Priority of Payments.

3.3 **Arrears Reserve**

3.3.1 The Arrears Reserve provides credit enhancement for the Notes. The purpose of the Arrears Reserve is to provide for certain Non-Performing Leases.

3.3.2 On each Payment Date during the Revolving Period, the Issuer shall be required to set aside funds in the Arrears Reserve by crediting the Arrears Reserve Ledger, in accordance with the Priority of Payments up to the Arrears Reserve Required Amount, provided that the Arrears Reserve shall be funded up to the Arrears Reserve Required Amount not later than the Payment Date falling six months after the Programme Date. On the next Payment Date, the amounts standing to the credit of the Arrears Reserve will be added to Available Funds to be applied in accordance with the Priority of Payments.

3.3.3 Upon the occurrence of a Stop Purchase Event, amounts standing to the credit of the Arrears Reserve will form part of Available Funds and be applied in accordance with the Pre-Enforcement Priority of Payments during the Amortisation Period.

3.3.4 On the earlier of -

3.3.4.1 the Final Redemption Date of the last Tranche of Notes in issue; and

3.3.4.2 all amounts outstanding in respect of the Participating Assets having been reduced to zero, the amount standing to the credit of the Arrears Reserve will form part of Available Funds to be applied in accordance with the Pre-Enforcement Priority of Payments.

3.3.5 Following the delivery of an Enforcement Notice, amounts standing to the credit of the Arrears Reserve Ledger will form part of Available Funds and will be applied in accordance with the Post-Enforcement Priority of Payments.

4 LIQUIDITY FACILITY

If required, the Liquidity Facility Provider will provide the Liquidity Facility to the Issuer subject to the terms of the Liquidity Facility Agreement up to the Liquidity Facility Limit. The Liquidity Facility may be utilised by the Issuer to the extent that the Liquidity Reserve is not funded at the Liquidity Reserve Required Amount in order to meet Liquidity Shortfalls. The Liquidity Facility is a 364 day facility which is subject to renewal, at the option of the Liquidity Facility Provider on an annual basis.

5 SUBORDINATED LOAN

The Subordinated Loan provides credit enhancement for the Notes. The Subordinated Loan Provider will enter into the Subordinated Loan Agreement with the Issuer pursuant to which the Issuer may utilise the proceeds of Subordinated Loans to fund a portion of the purchase price of the Participating Assets, to redeem outstanding Notes, to repay the Liquidity Facility, or for any other purpose agreed to in writing between the Subordinated Loan Provider, the Issuer and the Security SPV, or as otherwise specified in the Subordinated Loan Agreement or the Applicable Pricing Supplement.

FORM OF THE NOTES

Words used in this section headed "Form of the Notes" shall bear the same meanings as used in the section headed "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.

Interest Rate Market

Subject to the registration of the Programme with the JSE, Notes may be listed on the Interest Rate Market of the JSE. Notes may also be listed on such other or further exchange(s) as may be determined by the Issuer and the Dealer and subject to any Applicable Laws.

The Notes will be issued in the form of registered Notes in accordance with the Conditions and represented by (i) Individual Certificates, or (ii) no Certificate, if issued in uncertificated form in terms of section 33 of the Financial Markets Act. Notes listed on the Interest Rate Market of the JSE may only be issued in uncertificated form. Unlisted Notes may also be issued under the Programme Memorandum, which will not be regulated by the JSE.

Notes issued in uncertificated form

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.

Beneficial Interests

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 Notes (as reflected in securities accounts of the Central Securities Depository or the relevant CSD Participant), and such registered Noteholder will be named in the Register as the sole Noteholder of such Notes.

Notes held in the Central Securities Depository will be issued, cleared and settled in accordance with the Applicable Procedures through the electronic settlement procedures of the JSE and the Central Securities Depository.

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

The CSD Participants are in turn required to maintain securities accounts for their clients. The clients of CSD Participants may include the holders of Beneficial Interests in the Notes or their custodians. The clients of CSD 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 CSD Participants.

In relation to each person shown in the records of the Central Securities Depository or the relevant CSD 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 CSD 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 CSD Participants occur by electronic book entry in the central securities accounts of the clients of the CSD Participants. Transfers among CSD Participants of Notes held in the Central Securities Depository system occur through electronic book entry in the CSD 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, CSD Participants and the JSE.

Beneficial Interests in the Notes may be exchanged, without charge by the Issuer, for Notes in definitive registered form only in accordance with Condition 14 of the Conditions. Such Individual Certificates will not be issuable in bearer form. The Notes represented by Individual Certificates will be registered in the name of the individual Noteholders in the Register of Noteholders maintained by the Transfer Secretary. The Issuer shall regard the Register as the conclusive record of title to the Notes. The registered Noteholder of Notes issued in uncertificated form (as reflected in the securities accounts of the Central Securities Depository or the relevant CSD Participant) shall be recognised by the Issuer as the owner of the Notes issued in uncertificated form and registered holders of Individual Certificates shall be recognised by the Issuer as the owners of the Notes represented by such Individual Certificates.

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

Individual Certificates

The Notes represented by Individual Certificates will be registered in the name of the individual Noteholders in the Register of Noteholders. Payments of interest and principal in respect of Notes represented by Individual Certificates will be made in accordance with Condition 10 to the person reflected as the registered holder of such Individual Certificates 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. Notes represented by Individual Certificates may not be listed on the Interest Rate Market of the JSE.

PRO FORMA APPLICABLE PRICING SUPPLEMENT

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

MW ASSET RENTALS (RF) LIMITED

(Incorporated in South Africa as a public company with limited liability under registration number2002/030074/06)

Issue of [Aggregate Nominal Amount of Notes] [Title of Notes]
Under its ZAR2,500,000,000 Lease Receivables Backed Note Programme, registered with the JSE Limited on [●] 2016

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 MW Asset Rentals (RF) Limited dated 9 November 2016. 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 headed "*Terms and Conditions of the Notes*". References in this Applicable Pricing Supplement to the Conditions are to the section of the Programme Memorandum headed "*Terms and Conditions of the Notes*". References to any Condition in this Applicable Pricing Supplement are to that Condition of the 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 Laws and the JSE DSS Requirements. The Issuer accepts full responsibility for the information contained in this Applicable Pricing Supplement, the Programme Memorandum and the annual financial report and any amendments to the annual financial report or any supplements from time to time, except as otherwise stated therein.

The Principal Amount of Notes referred to in this Applicable Pricing Supplement together with the aggregate Principal Amount Outstanding of all other Tranches of Notes in issue will not exceed the Programme Limit.

DESCRIPTION OF THE NOTES

1	Issuer	MW Asset Rentals (RF) Limited
2	Security SPV	MW Asset Rentals Security SPV (RF) Proprietary Limited
3	Status and Class of the Notes	Secured Class **[●]** Notes

4	Tranche number	**[●]**
5	Series number	**[●]**
6	Form of the Notes	**[**The Notes in this Tranche are issued in uncertificated form and held by the Central Securities Depository**]**
7	Designated Class A Ranking	**[**N/A**]** / **[**Equal ranking with the **[**Class A1 / Class A2 / Class A3**]** Notes**]**
8	Aggregate Principal Amount of this Tranche	**[●]**
9	Issue Date	**[●]**
10	Minimum Denomination per Note	ZAR1,000,000
11	Issue Price	**[●]**
12	Applicable Business Day Convention	**[**Following Business Day**]**
13	Interest Payment Basis	**[**Fixed Rate / Floating Rate / Other**]**
14	Interest Commencement Date	**[●]**
15	Interest Step-Up Date	**[●]**/**[**N/A**]**
16	Scheduled Maturity Date	**[●]**
17	Final Redemption Date	**[●]**
18	Use of Proceeds	The net proceeds of the issue of these Notes, together with **[**the net proceeds from the issue of the **[**Class **[●]** Notes**]** will be used to **[●]**
19	Specified Currency	Rand
20	Set out the relevant description of any additional Conditions relating to the Notes	**[●]**

FIXED RATE NOTES

21	Fixed Interest Rate	**[●]**% per annum nacq/nacm/nacs/naca
22	Interest Payment Date/(s)	**[●]**, **[●]**, **[●]** and **[●]** in each year 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 this Applicable Pricing Supplement)

23	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 Payment Date 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)
24	Interest Step-Up Rate	**[●]**/**[**N/A**]**
25	Any other items relating to the particular method of calculating interest	**[●]**

FLOATING RATE NOTES

26	Interest Payment Date/(s)	**[●]**, **[●]**, **[●]** and **[●]** in each year 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 this Applicable Pricing Supplement)
27	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 Payment Date 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)
28	Interest Step-Up Rate	**[●]**
29	Manner in which Interest Rate is to be determined	**[**ISDA Determination / Screen Rate Determination / other (insert details)**]**
30	Margin/ Spread for the Interest Rate	**[**(+/-) ( )% per annum to be added to/subtracted from the relevant ISDA Rate / Reference Rate**]**
31	Margin/Spread for the Step-Up Rate	**[**(+/-) ( )% per annum to be added to/subtracted from the relevant ISDA Rate / Reference Rate**]**
32	If ISDA Determination	
	(a) Floating Rate Option	**[●]**
	(b) Designated Maturity	**[●]**

	(c) Reset Date(s)	**[●]**
33	If Screen Rate Determination	
	(a) Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated)	**[**e.g. ZAR-JIBAR**]** / **[**Compounded Daily ZARONIA / other**]**
	(b) Rate Determination Date(s)	For Floating Rate Notes referencing JIBAR, the first day of each Interest Period**]** / **[**For Floating Rate Notes referencing Compounded Daily ZARONIA, the Johannesburg Business Day falling five Johannesburg Business Days before the relevant Interest Payment Date**]**
	(c) Relevant Screen page and Reference Code	**[●]**
	(d) ZARONIA Fallback Rate (for Floating Rate notes referencing JIBAR)	**[**Applicable / Not applicable**]**
	(e) Observation Method	**[**Lookback With Observation Shift**]**
	(f) Observation Look-back Period	**[**5 Business Days**]**
	(g) SARB Policy Spread Adjustment	**[**Applicable / Not applicable**]**
34	If Interest Rate to be calculated otherwise than by reference to the previous two sub-clauses, insert basis for determining Interest Rate/Margin/Fall back provisions	**[●]**
35	If different from the Administrator, agent responsible for calculating amount of principal and interest	**[●]**
36	Any other items 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	International Securities Numbering (ISIN)	**[●]**
40	Stock Code	**[●]**
41	Financial Exchange	**[**JSE Limited**]**
42	Dealer(s)	**[●]**
43	Method of distribution	**[●]**
44	Rating assigned to this Tranche of Notes (if any)	**[●]**, with effect from the **[**Issue Date**]**
45	Rating Agency	**[●]**
46	Required Credit Rating	**[●]**
47	Governing Law	South Africa
48	Last Day to Register	**[●]**
49	Books Closed Period	**[**The Register will be closed **[●]** Business Days prior to each Interest Payment Date and the Final Redemption Date from 17:00**]** / **[**N/A**]**
50	Books Closed Days	**[●]** / **[**N/A**]**
51	Calculation Agent	**[●]**
52	Specified Office of the Calculation Agent	**[●]**
53	Transfer Secretary	**[●]**
54	Specified Office of the Transfer Secretary	**[●]**
55	Liquidity Facility Provider	**[●]**
56	Programme Limit	ZAR**[●]**
57	Aggregate Principal Amount of Class A**[●]** Notes to be issued simultaneously with this Tranche	ZAR**[●]**
58	Other provisions	**[●]**
59	Material Change Statement	There has been no material change in the financial or trading position of the Issuer since

		its last financial year end being **[●]** for which audited annual financial statements have been published
60	Compliance Statement	The Issuer is in compliance with the provisions of the Companies Act and is acting in conformity with its memorandum of incorporation
61	Additional information	
(a)	number and value of assets	The number and value of assets will be set out in the Investor Report
(b)	the seasoning of the assets	The seasoning of assets will be set out in the Investor Report
(c)	legal jurisdiction(s) where the Participating Assets are located	**[●]**
(d)	level of collateralisation	The level of collateralisation will be set out in the Investor Report
(e)	the treatment of early amortisation or pre-payments of Participating Assets	N/A
(f)	general descriptions of the underlying assets, providing the details where applicable as contained in Schedule 4 Form A3 on the website of the JSE	The general description of the underlying assets will be set out in the Investor Report
(g)	how often payments are collected in respect of the assets	How often payments are collected in respect of the assets will be set out in the Investor Report
(h)	interest held by the Originator in the Notes issued pursuant to this Applicable Pricing Supplement	N/A

REPORT OF THE INDEPENDENT AUDITORS - SEE APPENDIX "A"

POOL DATA - SEE APPENDIX "B"

Please see the Investor Report issued by the Servicer for any additional information in relation to the Participating Assets, which is available on the Issuer's website: https://merchantwest.co.za/mw-asset-rentals/.

[Application is hereby made to list this Tranche of the Notes on the Interest Rate Market of the JSE, as from **[●]** 2026, pursuant to the MW Asset Rentals (RF) Limited Lease Receivables Backed Note Programme.**]**

SIGNED at ________________________ this ______ day of ________________ 20**[●]**.

For and on behalf of
MW ASSET RENTALS (RF) LIMITED

______________________________	______________________________
Name :	Name :
Capacity : Director	Capacity : Director
who warrants his/her authority hereto	who warrants his/her authority hereto

APPENDIX "A"

REPORT OF THE INDEPENDENT AUDITOR OF THE ISSUER

"INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF MW ASSET RENTALS (RF) LIMITED ON COMPLIANCE OF THE PROPOSED ISSUE BY MW ASSET RENTALS (RF) LIMITED OF UP TO ZAR2,500,000,000 SECURED [FIXED / FLOATING] RATE NOTES PURSUANT TO THE LEASE RECEIVABLES SECURITISATION TRANSACTION AS DESCRIBED IN THE PROGRAMME MEMORANDUM DATED [●], WITH THE RELEVANT PROVISIONS OF THE SECURITISATION REGULATIONS (GOVERNMENT NOTICE 2, GOVERNMENT GAZETTE 30628 OF 1 JANUARY 2008) ISSUED BY THE REGISTRAR OF BANKS, AS REQUIRED BY PARAGRAPHS 15(1)(a)(ii) and 16(2)(a)(vii) OF THE SAID NOTICE.

Introduction

As required by paragraphs 15(1)(a)(ii) and 16(2)(a)(vii) of the Securitisation Regulations (Government Notice 2, Government Gazette 30628 of 1 January 2008) issued by the Registrar of Banks (the "**Securitisation Regulations**"), we have reviewed whether or not the issue of up to ZAR2,500,000,000 secured **[**fixed / floating**]** rate Notes (the "**Notes**") by MW Asset Rentals (RF) Limited (the "**Issuer**") pursuant to the Lease Receivables Backed Note Programme (the "**Programme**"), as documented in the Programme Memorandum dated **[●]** (the "**Programme Memorandum**"), will be compliant with the relevant provisions of the Securitisation Regulations.

Compliance with the relevant provisions of the Securitisation Regulations is the responsibility of the Issuer. Our responsibility is to report on such compliance.

Responsibility of the auditor

Our responsibility is to express our conclusions based on our independent assurance engagement performed in accordance with International Standards on Assurance Engagements ISAE 3000 Assurance engagements other than audits or reviews of historical financial information, which standard requires us to comply with ethical requirements and to plan and perform the assurance engagement to obtain limited assurance expressed below, regarding compliance in all respects by the Issuer with the Securitisation Regulations.

Scope

Our procedures were generally limited to an examination of the Programme Memorandum with regard to compliance with the relevant provisions of the Securitisation Regulations. In a limited assurance engagement, our evidence gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. It should be recognised that our procedures did not constitute an audit in accordance with International Standards on Auditing or a review in accordance with International Standards on Review Engagements and may not necessarily have revealed all material facts.

Findings

Based on our work described in this report, nothing has come to our attention which indicates that the Issuer will not be in compliance, in all material respects, with the relevant provisions of the Securitisation Regulations with regard to the proposed issue of the Notes pursuant to the Programme and the conduct of the scheme as described in the Programme Memorandum.

Our report is presented solely for the purpose set out in the first paragraph of the report and is not to be used for any other purpose.

Grant Thornton Johannesburg Partnership
Registered Auditors
Per **[●]**
Partner
[●]"

APPENDIX "B"

PORTFOLIO DATA

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.

The following are the terms and conditions of the Notes.

1 INTERPRETATION

1.1 In these Terms and Conditions unless inconsistent with the context, the following expressions shall have the following meanings -

"**Account Bank**" Nedbank, or such other bank appointed by agreement between the Issuer and the Security SPV;

"**Account Bank Agreement**" an agreement concluded between the Issuer, the Account Bank and the Security SPV, in accordance with which the Transaction Account and any other bank accounts as may be required from time to time are opened by the Issuer with the Account Bank;

"**Account Monies**" all monies held from time to time in all bank accounts (existing and future) in the name of or on behalf of the Issuer, including monies in the Bank Accounts;

"**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;

"**Actual Redemption Amount**" in respect of any Note, the principal amount redeemed in respect of such Note on a Payment Date in accordance with the Priority of Payments;

"**Additional Participating Assets**" Participating Assets complying with the Eligibility Criteria which are acquired by the Issuer from the Seller on any day during the Revolving Period after the Initial Issue Date;

"**Administration and Agency Agreement**" the agreement concluded between the Issuer, the Administrator, the Calculation Agent, the Paying Agent, the Transfer Security and the Security SPV relating to the management and administration of the Issuer's business in general and the functions of the Calculation Agent, the Paying Agent and the Transfer Secretary;

"**Administrator**" Nedbank and its successor in title, in its capacity as Administrator under the Administration and Agency Agreement, or such other person as may be appointed as Administrator under the Administration and Agency Agreement;

"**Amortisation Event**" the occurrence of a Stop Purchase Event which has not been remedied within five Business Days after it has occurred;

"**Amortisation Date**" the Business Day immediately following the date on which an Amortisation Notice is delivered;

"**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;

"**Amortisation Period**" the period commencing on the Amortisation Date;

"**Applicable Laws**" in relation to a person, all and any -

(a) statutes and subordinate legislation;

(b) regulations, ordinances and directives;

(c) by-laws;

(d) codes of practice, circulars, guidance notices, judgments and decisions of any competent authority; and

(e) 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 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 pricing supplement which is set out in the section of this Programme Memorandum

	headed "*Pro Forma Applicable Pricing Supplement*";
"**Applicable Procedures**"	the rules and operating procedures for the time being of the Central Securities Depository, CSD Participants and the JSE and the JSE DSS Requirements, as the case may be;
"**Approved Entity**"	an - (a) entity which has the Required Credit Rating; or (b) entity which the Rating Agency has confirmed in writing will not adversely affect its respective current Rating of Tranche(s) of Notes then in issue; or (c) entity which is a wholly-owned subsidiary (as defined in the Companies Act) of an entity which has the Required Credit Rating and whose obligations are unconditionally guaranteed by such latter entity, provided that the relevant entity shall not be limited to being a South African company;
"**Arranger**"	Nedbank;
"**Arrears**"	in relation to a Lease and as at any date, the sum of - (a) the aggregate Lease Payments and all other amounts (together with any costs and interest thereon) which are due and payable under that Lease but which have not yet been paid on that date; and (b) the aggregate Lease Payments and all other amounts which are due and payable under that Lease which have been paid but which have not yet been allocated to that Lease on that date;
"**Arrears Reserve**"	a reserve established to be available, if necessary, to meet certain expenses as referred in the section entitled "*Credit Structure*";
"**Arrears Reserve Ledger**"	the ledger established to record the amount standing to the credit of the Arrears Reserve from time to time;

"**Arrears Reserve Required Amount**"	as at any Payment Date, an amount equal to 50.0% of the aggregate Exposure of the Non-Performing Leases as at the end of the related Calculation Period; provided that, following the occurrence of a Stop Purchase Event, such amount shall be zero;
"**Asset Cover Ratio**"	the aggregate Exposure of all Performing Leases plus all amounts standing to the credit of the respective Reserves, divided by the aggregate Principal Amount Outstanding of the Class A Notes in issue and the Deferred Tax Liability;
"**Asset Quality Test**"	the aggregate Exposure of all Performing Leases in the Portfolio of Participating Assets is sufficient to repay the aggregate amount outstanding under the Liquidity Facility Agreement;
"**Auditor**"	Grant Thornton Johannesburg Partnership or such other internationally recognised auditing firm appointed by the Issuer with the prior written consent of the Security SPV, from time to time;
"**Available Funds**"	as at any point in time, the credit balance of clear and available funds in the Transaction Account available to be drawn down by the Issuer and any other amounts invested in Permitted Investments, by the Servicer (for and on behalf of the Issuer) from time to time and to be utilised to pay the creditors of the Issuer in accordance with the Priority of Payments;
"**Back-Up Servicer**"	TMF;
"**Balloon Payment**"	in respect of a Lease, a higher repayment amount due on the final payment date of that Lease, which is included in the calculation of the Net Present Value of that Lease;
"**Bank Accounts**"	the Transaction Account and any other account(s) as may be opened in the name of the Issuer pursuant to the Account Bank Agreement;
"**Beneficial Interest**"	in relation to a Note, an interest as co-owner of an undivided share in 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 Secretary will not

	record any transfers of Notes in the Register, as specified in Condition 15.2 (as may be amended by the Applicable Pricing Supplement);
"**Business Day**"	a day (other than a Saturday, Sunday or statutory public holiday) on which commercial banks settle payments in Rand in Johannesburg;
"**Business Day Convention**"	the business day convention, if any, specified as such and as set out in the Applicable Pricing Supplement;
"**Calculation Agent**"	Nedbank, or such other bank appointed as calculation agent in terms of the Administration and Agency Agreement;
"**Calculation Period**"	in relation to a Payment Date, the calendar month prior to the month in which such Payment Date occurs, provided that the first Calculation Period shall be from (and including) the Initial Issue Date up to (and including) the last day of the calendar month in which the Initial Issue Date falls;
"**Capital Reserve**"	a reserve established to be available, if necessary, to meet certain expenses as referred in the section entitled "*Credit Structure*";
"**Capital Reserve Ledger**"	the ledger established to record the amount standing to the credit of the Capital Reserve from time to time;
"**Casualty Insurance Policies**"	in relation to a Lease, the insurance policy/ies which provide cover for losses arising due to the theft, loss of, damage to, or destruction of any item of Equipment subject to such Lease;
"**Central Securities Depository**"	Strate Proprietary Limited (registration number 1998/022242/06), 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, the Servicer, the Security SPV and the JSE;
"**Certificate**"	an Individual Certificate;

"**Class**" or "**Class of Notes**"	all of the Notes having the same ranking in the Priority of Payments, designated by a 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 separate Tranches of Notes having different Interest Rates and other terms as set out in the Applicable Pricing Supplement (and, if so, these will be designated by a letter of the alphabet followed by a numeral, such as Class A1 and Class A2 or Class B1 and Class B2);
"**Clean-Up Call**"	the Issuer's right to redeem the Notes pursuant to Condition 8.4;
"**Collections Accounts**"	any one or more bank accounts in the name of the Collections SPV, into which payments received in respect of the Participating Assets are deposited in accordance with the Servicing Agreement, to the extent to which such payments are not made directly into the Transaction Account in accordance with the Servicing Agreement;
"**Collections SPV**"	Merchant West Collections SPV (RF) Proprietary Limited, a company with limited liability registered and incorporated in accordance with the laws of South Africa under registration number 2012/040621/07;
"**Common Terms Agreement**"	the agreement between the Arranger, Dealer, Debt Sponsor, the Settlement Agent, the Administrator, the Issuer, the Servicer, the Calculation Agent, the Paying Agent, the Transfer Secretary, the Seller, the Preference Shareholder, the Security SPV, the Security SPV Owner Trustee and the Owner Trustee;
"**Companies Act**"	the Companies Act, 71 of 2008;
"**Conditions**"	the terms and conditions of the Notes incorporated in this Programme Memorandum under the section headed "*Terms and Conditions of the Notes*" and in accordance with which the Notes are issued, as amended, novated and/or substituted from time to time in accordance with their terms, and reference in the Transaction Documents to a particular numbered Condition shall be construed as a

	reference to the corresponding condition in this Programme Memorandum;
"**Controlling Class**" or "**Controlling Class of Noteholders**"	the Class A Notes, for so long as any of such Class A Notes are outstanding and after such Class A Notes are no longer outstanding, each succeeding Class of Notes, (in reducing order of rank) for so long as each such succeeding Class is outstanding;
"**Consumer Price Index**"	in relation to a Financial Year, the annual percentage change in the Consumer Price Index (published by Statistics South Africa at the end of May of each year), for the period immediately preceding the end of that Financial Year, in respect of all items for Metropolitan Areas in South Africa;
"**Credit Criteria**"	the criteria to be complied with by a Lessee prior to the grant of any Equipment Lease to such Lessee under an Equipment Lease, as the case may be, as determined by the Seller from time to time;
"**Credit Rating Score**"	the credit rating derived for each Lessee using a scale between 1 and 25, from either the Internal Credit Rating Model or the SMME Rating Model or the Public Sector Rating Model;
"**CSD Participant**"	a person that holds 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;
"**Debt Sponsor**"	Nedbank or such other entity as may be appointed as debt sponsor by the Issuer from time to time;
"**Determination Date**"	the last day of a calendar month preceding a Payment Date;
"**Dealer**"	Nedbank or such other entity as may be appointed as dealer by the Issuer from time to time;
"**Deferred Tax Liability**"	the amounts of income taxes payable by the Issuer in future periods, calculated from time to time in accordance with IFRS;
"**Directors Information**"	the relevant information of the directors of the Issuer as required under the JSE DSS

	Requirements, together with the information of the director of the Security SPV;
"**Eligible Participating Asset**"	a Participating Asset that complies with the Eligibility Criteria;
"**Eligibility Criteria**"	the criteria that a Lease must satisfy to be acquired by the Issuer, as set out in the section entitled "*Portfolio of Participating Assets*" below and in Annexure A to the Sale Agreement, as amended or varied by the parties to the Sale Agreement with the prior consent of the Security SPV and with prior written notice to the Rating Agency of such amendment or variation;
"**Encumbrance**"	includes any mortgage bond, notarial bond, pledge, lien, hypothecation, assignment, cession-*in-securitatem debiti*, 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;
"**Enforcement Notice**"	a notice served by the Security SPV on the Issuer pursuant to the Conditions following an Event of Default under the Notes;
"**Estimated Interest Amount**"	the estimated amount of interest payable on each Tranche of Notes in issue calculated on each Estimated Interest Calculation Date with reference to the 90 day period preceding such Estimated Interest Calculation Date;
"**Estimated Interest Calculation Date**"	the date falling 5 days before each Payment Date which is not an Interest Payment Date;
"**Equipment**"	in relation to a Lease, each item of equipment, together with any replacement parts, additions and repairs thereto, and any replacements thereof, and any accessories incorporated into or affixed to such equipment, which is the subject of such Lease;
"**Event of Default**"	any of the events specified as such in Condition 11 and in relation to any other Transaction Document, a failure by the Issuer

	duly to perform or observe any obligation binding on it under any such Transaction Document which breach gives rise to a claim by a Secured Creditor against the Issuer;
"**Exchange Control Regulations**"	the Exchange Control Regulations, 1961 promulgated in terms of section 9 of the Currency and Exchanges Act, 1933;
"**Excluded Items**"	means - (a) certain monies which belong to third parties; (b) amounts payable to the Seller under the Sale Agreement in respect of reconciliations 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;
"**Expense Cap**"	ZAR6,000,000 per Financial Year (or such other amount as may be agreed in writing between the Security SPV, the Issuer, the Servicer and the Administrator, and notified to the Rating Agency in writing), adjusted at the commencement of each Financial Year by the percentage increase or decrease in the Consumer Price Index over the previous Financial Year;
"**Exposure**"	in relation to a Lease, the Net Present Value of that Lease plus the sum of all Arrears in

respect of that Lease, less all instalments received in advance in respect of that Lease;

"**Extraordinary Resolution**"

(a) a resolution passed at a properly constituted meeting of Noteholders or Noteholders of the relevant Class of Notes, as the case may be, upon a poll, by a majority consisting of not less than 66.67% of the votes cast at such meeting by Noteholders or Noteholders of the relevant Class of Notes, as the case may be, present in person or by proxy; or

(b) a resolution passed other than at a meeting of the Noteholders or Noteholders of the relevant Class of Notes, as the case may be, with the written consent of not less than 66.67% of the Noteholders or Noteholders of the relevant Class of Notes, as the case may be;

"**Final Redemption Date**" in relation to each Tranche of Notes, the date on which such Tranche of Notes will be redeemed (assuming they have not previously been redeemed) being the date as specified in the Applicable Pricing Supplement;

"**Financial Markets Act**" the Financial Markets Act, 19 of 2012;

"**Financial Statements**" the audited and unaudited accounts, management accounts, balance sheets, profit and loss statements and other financial statements and information of the Issuer, prepared in accordance with IFRS;

"**Financial Year**" the financial year of the Issuer ending on 31 March of each year or ending on such other date as the Issuer may adopt as its financial year end from time to time;

"**Fixed Rate Note**" Notes which will bear Interest at a fixed Interest Rate, as specified in the Applicable Pricing Supplement;

"**Floating Rate Note**" Notes which will bear interest at a floating Interest Rate, as specified in the Applicable Pricing Supplement;

"**Guarantee Conditions**" any conditions specified or contemplated in the Security SPV Guarantee;

"**Guarantee Event**"	a guarantee event contemplated in the Security SPV Guarantee;
"**Hedging Agreement**"	any interest rate swap, forward rate agreement or other rate or 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 which may be entered into by the Issuer, as amended, novated and/or substituted from time to time in accordance with its terms;
"**Hedge Counterparty**"	any person with the Required Credit Rating, with whom the Issuer may conclude a Hedging Agreement to hedge the Issuer's interest rate risks;
"**Hedge Counterparty Default**"	a default or breach by the relevant Hedge Counterparty of its obligations under a Hedging Agreement (as defined in the relevant 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;
"**IFRS**"	the International Financial Reporting Standards formulated by the International Accounting Standards Committee;
"**Individual Certificate**"	a Note in the definitive registered form of a single certificate, registered in the name of the relevant Noteholder;
"**Initial Issue Date**"	the date of issue of the first Tranche of Notes by the Issuer under the Programme;
"**Information Statement**"	the information statement published by the Issuer containing, *inter alia*, information pertaining to the directors of the Issuer and the Security SPV and the trustees of the Owner Trust and Security SPV Owner Trust, as updated by the Issuer from time to time;
"**Initial Participating Assets**"	Participating Assets complying with the Eligibility Criteria acquired by the Issuer from the Seller on the Initial Issue Date in terms of the Sale Agreement;
"**Insurance Contracts**"	in relation to a Lease, each casualty insurance policy and each other or additional insurance

	policy as is entered into at any time in relation to such Lease or the related Equipment (whether pursuant to the Lease or otherwise);
"**Insurance Proceeds**"	the proceeds received in respect of any payment or claim under an Insurance Contract;
"**Interest Amount**"	the interest payable on each Tranche of Notes on each Interest Payment Date as determined in accordance with the Conditions;
"**Interest Commencement Date**"	the first date from which interest on the Notes will accrue, as specified in the Applicable Pricing Supplement;
"**Interest Payment Date**"	the dates specified in the Applicable Pricing Supplement;
"**Interest Period**"	each 3 (three) month period commencing on and including the day of any Interest Payment Date and ending on but excluding the next following Interest Payment Date;
"**Interest Rate**"	the rate of interest from time to time payable on each Tranche of Notes as specified in the Applicable Pricing Supplement;
"**Interest Rate Market of the JSE**"	the separate platform or sub-market of the JSE designated as the "Interest Rate Market" or such other platform or sub-market designated by the JSE from time to time, on which Notes (and other debt securities) may be listed;
"**Interest Step-Up Date**"	in relation to a Tranche of Notes, the date, if any, specified in the Applicable Pricing Supplement;
"**Interest Step-Up Rate**"	on and from the Interest Step-Up Date to but excluding the Final Redemption Date, the rate of interest applicable to each Tranche of Notes, if any, as specified in the Applicable Pricing Supplement;
"**Internal Credit Rating Model**"	the rating model used by the Originator during the normal course of business to rate a Lessee's credit worthiness;
"**Investor Report**"	the report to Noteholders, issued by the Servicer from time to time;
"**Irrecoverable Lease**"	a Lease in respect of which the Servicer has reduced the Exposure to zero on account of Lease Payments and/or any other amounts due and payable under that Lease being

	classified by the Servicer as irrecoverable in accordance with the Servicer's customary procedures, from time to time;
"**ISDA**"	International Swaps and Derivatives Association Inc.;
"**ISDA Definitions**"	The applicable definitions as published by ISDA (as amended, supplemented, revised or republished from time to time;
"**Issue Date**"	in relation to the Notes, the date specified as such in the Applicable Pricing Supplement;
"**Issue Price**"	in relation to each Tranche of the Notes, the price specified as such in the Applicable Pricing Supplement;
"**Issuer**"	MW Asset Rentals (RF) Limited, a company with limited liability, registered and incorporated in accordance with the laws of South Africa under registration number 2002/030074/06 and its successors-in-title or assigns;
"**Issuer Indemnity**"	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;
"**Issuer Insolvency Event**"	the occurrence of any of the following events in relation to the Issuer - (a) 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 (other than one the terms of which have been approved by the Security SPV or by an Extraordinary Resolution of the Noteholders and where the Issuer is solvent); (b) the Issuer being wound-up, liquidated, deregistered or placed under supervision by a business rescue practitioner, in any such event whether provisionally or finally and whether voluntarily or compulsorily; (c) 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);

(d) the Issuer committing an act which would be an act of insolvency, in terms of the Insolvency Act, 1936, were the Issuer a natural person (other than any deferral of payments in terms of the Priority of Payments;

(e) the Issuer being deemed to be unable to pay its debts in terms of the Companies Act (except where such is as a result of a lack of available funds for that purpose in terms of the Priority of Payments); or

(f) the members or creditors or, where applicable, directors of the Issuer propose to pass a resolution or propose to convene a meeting or convene a meeting in order to pass a resolution providing for the Issuer to be wound up, liquidated, deregistered or placed under supervision by a business rescue practitioner, or any resolution being proposed to be passed or being passed to this effect;

"**JIBAR**" means -

(a) the mid-market rate for 3 month deposits in Rand for the relevant Interest Period which appears on the Reuters screen SAFEY page under caption "Yield" (or any nominated successor screen for JIBAR) as of approximately 11h00, 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 any nominated successor screen for JIBAR) for the relevant Interest Period for any reason whatsoever, the rate determined on the basis of the mid-market 3 month deposit rates for Rand quoted by at least 2 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 2 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 2 quotations are provided by the Reference Banks, the rate for that date will be determined by the Servicer, acting in good faith and in a commercially reasonable manner, using a representative rate which in its opinion is as close as possible to 3 month JIBAR, and the reasonableness of the selection of such rate will be reported on by the Issuer's auditor. If such auditor regards such selection as unreasonable, the Servicer shall repeat the process until the auditor is satisfied as to the reasonableness of the selection of such rate;

"**JSE**" the JSE Limited (registration number 2005/022939/06), a licensed financial exchange in terms of the Financial Markets Act or any exchange which operates as a successor exchange to the JSE;

"**JSE DSS Listings Requirements**" the Debt and Specialist Securities Listings Requirements promulgated by the JSE from time to time;

"**Last Day to Register**" the Business Day immediately preceding the first day during which the Register is closed in accordance with Condition 15;

"**Lease Delivery Date**" in relation to -

(a) the Initial Participating Assets, the Initial Issue Date (being the date of transfer of ownership of the Initial Participating Assets to the Issuer in terms of the Sale Agreement); and

(b) Additional Participating Assets sold to the Issuer in terms of the Sale Agreement, one minute after midnight on the Payment Date immediately following the effective date of that sale (being the date of transfer of ownership of such Additional Participating Assets to the Issuer in terms of the Sale Agreement);

"Lease Payments" in relation to a Lease, the periodic rental payments payable by the relevant Lessee under such Lease to the Issuer;

"Lease Purchase Amount" in relation to a Lease, the purchase price payable by the Issuer to the Seller, in terms of the Sale Agreement, for the purchase of that Lease, being an amount equivalent to the Exposure in respect of that Lease, calculated as at midnight on the day immediately preceding the relevant effective date of the sale of such Lease;

"Leases" collectively -

(a) each lease agreement (including each master lease agreement) and each schedule, annexure or supplement to such lease agreement, which forms part of the Participating Assets sold and delivered to the Issuer;

(b) each lease agreement (including each master lease agreement) to which the Seller is a party (whether originally or as a permitted assignee), and each schedule, annexure or supplement to such lease agreement, which -

(i) comply with the Eligibility Criteria; and

(ii) are selected from time to time by the Servicer for inclusion in the Pool of Participating Assets;

(c) each instalment sale agreement and each schedule, annexure or supplement to such instalment sale agreement, which forms part of the Participating Assets sold and delivered to the Issuer;

(d) each instalment sale agreement to which the Seller is a party (whether originally or as a permitted assignee), and each schedule, annexure or supplement to such instalment sale agreement, which -

(i) comply with the Eligibility Criteria; and

(ii) are selected from time to time by the Servicer for inclusion in the Pool of Participating Assets;

"**Lessee**" in relation to a Lease, the person or persons defined as the "lessee" or the "purchaser" or the "hirer" in that Lease;

"**Lessee Notification Trigger**" the occurrence of a Servicer Default;

"**Liquidity Facility**" the liquidity facility to be provided (if required) by the Liquidity Facility Provider to the Issuer in terms of the Liquidity Facility Agreement;

"**Liquidity Facility Agreement**" the written liquidity facility agreement to be concluded (if required) between the Issuer and the Liquidity Facility Provider, in terms of which, *inter alia*, the Liquidity Facility Provider will provide the Liquidity Facility to the Issuer;

"**Liquidity Facility Limit**" the maximum aggregate amount that can be drawn at any time under the Liquidity Facility, being an amount equal to the Liquidity Required Amount less the amount, if any, standing to the credit of the Liquidity Reserve from time to time;

"**Liquidity Facility Provider**" Absa Bank Limited, or such other entity, bank or financial institution appointed as Liquidity Facility Provider in accordance with the terms of the Liquidity Facility Agreement;

"**Liquidity Required Amount**" on the Initial Issue Date, and on each Payment Date thereafter, an amount equal to the Interest Amount or the Estimated Interest Amount, whichever is applicable plus expenses for the following quarter (to be determined as the Expense Cap divided by four);

"**Liquidity Reserve**" a reserve established to be available, if necessary, to meet certain expenses as referred to in the section entitled "*Credit Structure*";

"**Liquidity Reserve Ledger**" the ledger established to record the amount standing to the credit of the Liquidity Reserve from time to time;

"**Liquidity Reserve Required Amount**" on each Payment Date, an amount equal to the difference if any, between the Liquidity Required Amount and the Liquidity Facility

	Limit, provided that such amount is greater than zero;
"**Liquidity Shortfalls**"	as at any Payment Date, an amount equal to the aggregate amount of all payments to be paid or provided for, on the Payment Date following that date, in terms of items 1 to 6 (both inclusive) of the Pre-Enforcement Priority of Payments, less Available Funds provided that the reason for such shortfall shall be a Payment Mismatch;
"**Margin**"	the margin set out in the Applicable Pricing Supplement;
"**Material Adverse Effect**"	an event or circumstance which (when taken alone or together with any previous event or circumstance) has or could reasonably be expected to have, a material adverse effect on the assets, business or financial condition or trading prospects of the Issuer or the Servicer or the Administrator as a whole, to such an extent that their ability to perform their respective obligations in terms of the Transaction Documents is, or is reasonably likely to be impaired;
"**Merchant West**"	Merchant West Proprietary Limited, a company with limited liability, registered and incorporated in accordance with the laws of South Africa under registration number 2000/012050/07;
"**Minimum Lease Period**"	in relation to a Lease, the period stipulated in such Lease during which the relevant Lessee is not entitled to terminate the Lease;
"**Nedbank**"	Nedbank Limited, a company with limited liability, registered and incorporated in accordance with the laws of South Africa under registration number 1951/000009/06 and registered as a bank under the Banks Act, 1990;
"**Net Present Value**"	in relation to a Lease as at any date, an amount equal to the sum of the present value, as at that date, of all remaining scheduled Lease Payments payable prior to expiry of the Minimum Lease Period, determined by discounting each such Lease Payment on a monthly basis (assuming a calendar year consisting of 365 days), at a rate equal to the interest rate applicable to such Lease;

"Non-Performing Leases" in respect of -

(a) non-Government clients, Leases that are greater than 90 days in arrears; and

(b) Government clients, Leases that are greater than 150 days in arrears;

"Noteholder" in relation to a Note -

(a) means the holder of the Note as recorded in the Register as far as voting and the receipt of payment of principal and interest on the Notes is concerned; and

(b) for all other purposes, means -

(i) the holder of a Beneficial Interest; or

(ii) the holder of an Individual Certificate;

"Note Subscription Agreement" the note subscription agreement entered into between, among others, the Issuer and the Dealer in terms of which the Issuer agrees to issue one or more Tranches of Notes under the Programme and in terms of which the Dealer agrees to subscribe for, or procure subscriptions for, such Tranche or Tranches of Notes, in accordance with such agreement;

"Notes" the limited recourse, secured registered Notes issued by the Issuer under the Programme in terms of the Conditions;

"Ordinary Resolution" a resolution passed at a properly constituted meeting of Noteholders or Noteholders of the relevant Class of Notes, as the case may be, on a poll by majority of the votes cast by Noteholders or Noteholders of the relevant Class of Notes, as the case may be, present in person or by proxy;

"Originator" Merchant West;

"Owner Trust" The MWAR Owner Trust, a trust established and registered in accordance with the laws of South Africa with Masters' Reference Number IT2757/03, which beneficially owns all the ordinary shares in the issued share capital of the Issuer;

"Owner Trust Guarantee" a guarantee executed by the Owner Trustee in favour of the Security SPV in terms of which

	the Owner Trustee guarantees the obligations of the Issuer to the Security SPV in respect of the Issuer Indemnity;
"**Owner Trust Pledge**"	the pledge and cession by the Owner Trustee, as shareholder of the Issuer, of its shares in the Issuer to the Security SPV as security for the obligations of the Owner Trustee in terms of the Owner Trust Guarantee;
"**Owner Trustee**"	the trustee for the time being of the Owner Trust;
"**Participating Asset**"	all right, title and interest in and to - (a) a Lease; (b) the Equipment; and (c) the Related Security in respect of such Lease (if any);
"**Paying Agent**"	Nedbank or such other entity as may be appointed in terms of the Administration and Agency Agreement;
"**Payment Date**"	the 22nd day of each calendar month, or if such day is not a Business Day, the immediately succeeding Business Day;
"**Payment Mismatch**"	the occurrence of a timing difference between the receipt of monies payable to the Issuer under and/or in respect of the Participating Assets in the Portfolio of Participating Assets and the payment of amounts due and payable by the Issuer, under the Conditions and/or any of the Transaction Documents, in accordance with the Priority of Payments;
"**Performing Leases**"	the aggregate of all Leases excluding those Leases considered to be Non-Performing Leases;
"**Permitted Investments**"	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 Bank Accounts - (a) cash deposited with an Approved Entity; (b) any debt instrument which has the Required Credit Rating or which the Rating Agency confirms in writing will not adversely affect its respective current

Rating of Tranche(s) of Notes then in issue, as the case may be;

(c) investments in money market funds which have the Required Credit Rating or which the Rating Agency confirms in writing will not adversely affect its respective current Rating of Tranche(s) of Notes then in issue, as the case may be, and which are regulated in terms of the Collective Investment Schemes Control Act, 2002,

provided that each such investment (i) is invested in at or below face value and (ii) is denominated in Rand and (iii) matures prior to the Payment Date on which the cash represented by such 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);

"**Portfolio of Participating Assets**"	the Participating Assets owned by the Issuer from time to time;
"**Portfolio Criteria**"	the criteria that the Portfolio of Participating Assets must satisfy, immediately after the acquisition of each Participating Asset under the Sale Agreement as set out in the section entitled "*Portfolio of Participating Assets*" in the Programme Memorandum and in Annexure B to the Sale Agreement;
"**Post-Enforcement Priority of Payments**"	the order in which payments shall be made from, among other sources, the Transaction Account, and the Liquidity Reserve, the Capital Reserve and the Arrears Reserve after delivery of an Enforcement Notice pursuant to an Event of Default, as set out in the section titled "*Priority of Payments*" in this Programme Memorandum;
"**Potential Event of Default**"	any event or the existence of any circumstance which, with the giving of notice and the expiry of any applicable notice period, any determination of materiality, the satisfaction or non-satisfaction of any applicable condition, or any combination of them would bring about an Event of Default;
"**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) the 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);

"**Pre-Enforcement Priority of Payments**" the Pre-Enforcement Priority of Payments during the Revolving Period and the Pre-Enforcement Priority of Payments during the Amortisation Period, as set out in the section titled "*Priority of Payments*" in this Programme Memorandum;

"**Pre-Enforcement Priority of Payments during the Revolving Period**"	the order in which payments shall be made from, among other sources, the Transaction Account, and the Liquidity Reserve, the Capital Reserve and the Arrears Reserve during the Revolving Period and prior to delivery of an Enforcement Notice pursuant to an Event of Default, as set out in the section titled "*Priority of Payments*" in this Programme Memorandum;
"**Pre-Enforcement Priority of Payments during the Amortisation Period**"	the order in which payments shall be made from, among other sources, the Transaction Account, the Liquidity Reserve, the Capital Reserve and the Arrears Reserve during the Amortisation Period and prior to delivery of an Enforcement Notice, as set out in the section titled "*Priority of Payments*" in this Programme Memorandum;
"**Preference Shares**"	the cumulative redeemable preference shares with no par value in the issued share capital of the Issuer;
"**Preference Shareholder**"	the registered holder from time to time of the Preference Shares, initially being Merchant West;
"**Preference Share Subscription Agreement**	the agreement entered into between the Preference Shareholder, the Security SPV and the Issuer relating to the subscription for the Preference Share(s);
"**Prime Rate**"	the rate of interest which Nedbank from time to time quotes as being its prime rate, calculated daily on a 365-day year basis (irrespective of whether the year in question is a leap year or not), and compounded monthly in arrears as certified by any manager or authorised signatory of Nedbank whose appointment, designation or authority it shall not be necessary to prove;
"**Principal Amount**"	in relation to a Note, the nominal value of the Note;
"**Principal Amount Outstanding**"	of any Tranche of Notes, means the Principal Amount of such Tranche of Notes less the aggregate amount of all Actual Redemption Amounts in respect of that Tranche of Notes;

"**Principal Collections**"	the aggregate amount of all Lease Payments (excluding Lease Payments due after the expiry of the Minimum Lease Period), Termination Payments, recoveries of any Arrears (provided that, after the occurrence of a Stop Purchase Event, recoveries of any Arrears shall, for purposes of this definition, exclude recoveries of any Arrears related to Non-Performing Leases), Insurance Proceeds, and any other amounts paid under or in respect of the Leases in the Pool of Participating Assets (to the extent, in each case, that such amounts relate to principal);
"**Principal Shortfall**"	the amount calculated as at a Determination Date and in respect of the related Calculation Period, by which the Available Funds, if any, after payment of the amounts to be paid or provided for in terms of Item 1 to Item 8 (both inclusive) of the Pre-Enforcement Priority of Payments, is less than the Potential Redemption Amount;
"**Priority of Payments**"	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;
"**Programme**"	the ZAR2,500,000,000 lease receivables backed note programme set out in this Programme Memorandum under which the Issuer may from time to time issue Notes;
"**Programme Date**"	the date of signature of the Programme Memorandum by the directors of the Issuer;
"**Programme Memorandum**"	this amended and restated programme memorandum issued by the Issuer providing information about the Issuer, the listing of the Notes and incorporating the Conditions;
"**Public Sector Rating Model**"	the rating model used by the Originator in the ordinary course of business to rate a public sector or government Lessee's credit worthiness;
"**R**" or "**Rand**" or "**ZAR**"	the lawful currency of South Africa;
"**Rand Yield**"	in respect of each Lease, the total yield earned on that Lease, multiplied by the Exposure of that Lease;

"**Rate Determination Date**"	in respect of each Interest Period for a Tranche of 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 Notes for that Interest Period will be determined by the Calculation Agent in accordance with Condition 8.2.3;
"**Rating**"	in relation to the Notes that are rated, a rating granted by the Rating Agency, which Rating shall be a long-term, Rand, national scale credit rating;
"**Rating Agency**"	any one of Moody's Investor Services Limited, and/or Standard & Poor's, a division of McGraw Hill and/or Fitch Ratings and/or Global Credit Ratings Co Proprietary Limited;
"**Redemption Date**"	each date on which any Notes are to be redeemed, partially or finally, as the case may be, in terms of the Conditions;
"**Reference Banks**"	Standard Bank of South Africa Limited, FirstRand Bank Limited, Nedbank Limited, Absa Bank Limited and Investec Bank Limited and each of their successors;
"**Register**"	the register of Noteholders maintained by the Transfer Secretary;
"**Related Security**"	in relation to a Lease, all security provided or granted in respect of that Lease executed by the Lessee under that Lease or any sureties in terms of the Originator's customary policies to secure the obligations of that Lessee under that Lease;
"**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;

"**Reserves**" collectively, the Liquidity Reserve, the Capital Reserve and the Arrears Reserve;

"**Residual Value**" in respect of a Lease, a higher repayment amount due on the final payment date of that Lease, which is included in the calculation of the Net Present Value of that Lease, where such repayment is payable by the Originator;

"**Retained Earnings**" accumulated profits or losses, as the case may be, as indicated in the most recent available Financial Statements;

"**Revolving Period**"	the period commencing on (and including) the Initial Issue Date and ending on (but excluding) the Amortisation Date;
"**Sale Agreement**"	the agreement between the Issuer, the Seller and the Security SPV in relation to the sale and transfer of Participating Assets from the Seller to the Issuer;
"**Scheduled Maturity Date**"	in relation to a Tranche of Notes, the date upon which final repayment of the Principal Amount Outstanding of the Notes of that Tranche is expected to be repaid 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 and contractually bound by the Priority of Payments;
"**Securitisation Notice**"	Government Notice 2, Government Gazette 30628 of 1 January 2008, issued by the Registrar of Banks under the Banks Act, 94 of 1990;
"**Security**"	the security created pursuant to the Security Documents;
"**Security Documents**"	the Owner Trust Pledge, Owner Trust Guarantee, the Security Cession, the Security SPV Guarantee and the Issuer Indemnity furnished or procured by the Issuer to the Security SPV;
"**Security Cession**"	the cession by the Issuer in favour of the Security SPV, by way of a cession *in securitatem debiti*, of all the Issuer's right, title and interest in and to - (a) the Participating Assets owned by the Issuer from time to time; and (b) the Bank Accounts, Account Monies, Permitted Investments and Transaction Documents;
"**Security Interest**"	any mortgage, pledge, lien, equity option, Encumbrance, right of set-off, adverse right or

	interest whatsoever, howsoever created or arising;
"**Security SPV**"	MW Asset Rentals Security SPV (RF) Proprietary Limited, a company with limited liability, registered and incorporated in accordance with the laws of South Africa under registration number 2014/202659/07 and its successors-in-title and assigns;
"**Security SPV Owner Trust**"	The MW Asset Rentals Security SPV Owner Trust, a trust established and registered in accordance with the laws of South Africa with Master's Reference Number IT2706/2015(G), which beneficially owns all the 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;
"**Security SPV Guarantee**"	the guarantee granted by the Security SPV to Secured Creditors;
"**Seller**"	Merchant West;
"**Senior Servicing Fee**"	the Senior Servicing Fee payable by the Issuer to the Servicer as set out in the Servicing Agreement;
"**SENS**"	the Stock Exchange News Service of the JSE (or any other similar service established by the JSE);
"**Series**"	the Notes comprised of a Tranche of Notes together with any other Tranche or Tranches of Notes which are - (a) expressed in the Applicable Pricing Supplement to be consolidated and form a single series of Notes; and (b) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices;
"**Servicer**"	Merchant West and its successors-in-title, in its capacity as Servicer under the Servicing Agreement, or such other person as may be appointed as Servicer under the terms of the Servicing Agreement;

"**Servicer Default**	any event or condition defined as such in the Servicing Agreement;
"**Servicing Agreement**"	the agreement between the Issuer, the Servicer, the Back-Up Servicer and the Security SPV relating to the servicing of the Participating Assets by the Servicer;
"**Settlement Agent**"	Nedbank;
"**Settlement Agreement**"	the agreement between the Issuer and the Settlement Agent, setting out the terms upon which the Settlement Agent is appointed;
"**South Africa**"	the Republic of South Africa;
"**Specified Office**"	in relation to each of the Issuer, the Settlement Agent, the Paying Agent, Calculation Agent and Transfer Secretary, 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 Condition 16, as the case may be;
"**SMME Rating Model**"	the rating model used by the Originator for smaller transactions (below ZAR150,000) where no or limited audited or unaudited financial information is available for non-CPA related transactions;
"**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 2.0%;

(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 3.0%;

(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 126.0%; or

(j) on any Determination Date, the Subordination Ratio falls below 15.0%,

(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);

"**Structured Repayment Profile**" a repayment profile determined at inception of the Lease where Lease Payments are made in accordance with a pre-agreed schedule that contains -

(a) more than three interest only periods; and/or

(b) skip payment arrangements; and

where such repayment is not a Balloon Payment, restructure or contains repayment frequencies greater than three months;

for purposes of this definition, a "skip payment arrangement" occurs where one or more payment dates in the Lease's annual payment cycle have a nil contractual payment amount;

"**Subordinated Loan**"	an advance by the Subordinated Lender to the Issuer under the Subordinated Loan Agreement;
"**Subordinated Loan Agreement**"	the written subordinated loan agreement concluded between the Issuer and the Subordinated Loan Provider in terms of which the Subordinated Loan Provider will advance Subordinated Loans to the Issuer;
"**Subordinated Loan Amount**	the aggregate amount of Subordinated Loans advanced but not repaid by the Issuer;
"**Subordinated Loan Provider**"	Merchant West, who will provide Subordinated Loans to the Issuer in accordance with the provisions of the Subordinated Loan Agreement;
"**Subordinated Servicing Fee**"	the Subordinated Servicing Fee payable by the Issuer to the Servicer as set out in the Servicing Agreement;
"**Subordination Amount**"	the sum of - (a) Retained Earnings; and (b) the Subordinated Loan Amount;
"**Subordination Ratio**"	the Subordination Amount divided by the aggregate Exposure of all Performing Leases plus all amounts standing to the credit of the respective Reserves;
"**Subsidiary**"	is as defined in the Companies Act;
"**Taxes**"	all present and future taxes, levies, imports, 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;
"**Termination Payments**"	in relation to a Lease that is terminated prior to its original stated maturity, a payment made by or on behalf of the relevant Lessee (other than by the Seller) in respect of such Lease, which payment shall be not less than the exposure in respect of such Lease plus the costs actually incurred by the Issuer (if any) in unwinding any

financing relating to such Lease as a result of an early termination of such Lease;

"**TMF**" TMF Capital Markets Services (South Africa) Proprietary Limited, a company with limited liability, registered and incorporated in accordance with the laws of South Africa under registration number 2008/020146/07;

"**Tranche**" all Notes which are identical in all respects (including as to listing) and are issued in a single issue;

"**Transaction Account**" the bank account held at the Account Bank, in the name of the Issuer, into which, *inter alia*, all cash is deposited;

"**Transaction Documents**" collectively, the -

(a) Programme Memorandum;

(b) Common Terms Agreement;

(c) Security SPV Guarantee;

(d) Servicing Agreement;

(e) Administration and Agency Agreement;

(f) trust deed of the Owner Trust;

(g) trust deed of the Security SPV Owner Trust;

(h) memorandum of incorporation of the Issuer;

(i) memorandum of incorporation of the Security SPV;

(j) Notes;

(k) Sale Agreement;

(l) Preference Share Subscription Agreement;

(m) Settlement Agreement;

(n) Note Subscription Agreement;

(o) Security Documents;

(p) Hedging Agreement;

(q) Account Bank Agreement;

(r) Liquidity Facility Agreement; and

(s) Subordinated Loan Agreement;

"**Transfer Date**" the effective date of a sale by the Seller of a Participating Asset to the Issuer pursuant to the Sale Agreement;

"**Transfer Form**" in relation to the transfer of a Note as contemplated in the Conditions, means a form of transfer in the usual form or in such other form approved by the Transfer Secretary;

"**Transfer Secretary**" Nedbank or such other entity as may be appointed in terms of the Administration and Agency Agreement;

"**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;

"**Weighted Average Credit Rating Score**" the Exposure weighted average credit score of all Lessees in the Portfolio of Participating Assets. For avoidance of doubt this will be calculated as follows -

the sum of the Exposure of a Participating Asset multiplied by the Credit Rating Score of the Lessee, divided by the Exposure of all Participating Assets; and

"**Weighted Average Yield**" the Exposure weighted average yield of all Leases in the Portfolio of Participating Assets, calculated as follows -

(a) the aggregate Rand Yield on each Participating Asset in the Portfolio of Participating Assets; divided by

(b) the Exposure of all Participating Assets in the Portfolio of Participating Assets;

1.2 words denoting the singular number only shall include the plural number also and *vice versa*, words denoting one gender only shall include the other genders and words denoting persons only shall include firms and corporations and *vice versa*;

1.3 any reference to any statute, regulation or other legislation shall be a reference to the legislation as same may be amended, re-enacted or replaced from time to time; and

1.4 any reference to an agreement shall be a reference to that agreement as at the date of this Programme Memorandum and as amended, novated and/or substituted from time to time in accordance with the terms of that agreement.

2 ISSUE

General

2.1 After the Initial Issue Date, further Tranches of Notes may be issued by the Issuer pursuant to the Programme without requiring the consent of Noteholders, provided that -

2.1.1 the suspensive conditions in the Note Subscription Agreement have been fulfilled;

2.1.2 if the Rating Agency has assigned a Rating to any Tranche of Notes, such Rating Agency, upon written request by the Issuer, confirms in writing the respective current Ratings of such Tranches of Notes in issue will not be downgraded as a consequence of the proposed issuance of the new Tranche of Notes;

2.1.3 to the extent necessary, the Issuer and the Hedge Counterparty have signed a confirmation under the Hedging Agreement(s) in force and effect to hedge any interest rate risks;

2.1.4 in respect of the Notes to be issued, the Liquidity Facility has not been cancelled and the Liquidity Facility Limit has (to the extent necessary) been increased to such a level to support such new issuance of Notes;

2.1.5 all relevant regulatory approvals and consents, including to the extent required, approval from the Registrar of Banks have been obtained;

2.1.6 the prior written consent of the Originator has been obtained; and

2.1.7 no Event of Default, Potential Event of Default, Amortisation Event or breach under any Transaction Document exists at that time or will or is likely to result from such issuance of Notes.

2.2 A Tranche of Notes may, together with a further Tranche or Tranches, form a Series of Notes issued under the Programme. A Series of Notes may, together with a further Series of Notes or more than one Series of Notes, form a Class of Notes issued under the Programme.

2.3 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.

2.4 The Applicable Pricing Supplement for each Tranche of Notes is incorporated in these Conditions for the purposes of those Notes and supplements these

Conditions. The Applicable Pricing Supplement may specify other terms and conditions which may replace, modify or supplement these Conditions, in which event such other terms and conditions shall in the Applicable Pricing Supplement or to the extent inconsistent with these Conditions, replace, modify or supplement these Conditions for the purpose of that Tranche of Notes.

Refinancing of Notes

2.5 The Issuer will, subject to the Originator's prior written consent (but without requiring the consent of the Noteholders), be entitled, upon not less than 1 (one) month prior notice to the Noteholders (the "**Refinancing Notice**") in accordance with Condition 16, to issue new Notes (the "**Refinancing Notes**") in order to redeem all, but not some only, of the Notes in a Tranche of Notes on the Scheduled Maturity Date of that Tranche of Notes, and the Notes in all other Tranches of Notes having that Scheduled Maturity Date (the "**Refinanced Notes**"). The Issuer shall be entitled to withdraw its Refinancing Notice at any time prior to the issue of the Refinancing Notes and following such withdrawal, will not be entitled to issue any further Tranches of Notes for the purpose mentioned in this Condition 2.5 with respect to such Refinanced Notes. Notwithstanding the Priority of Payments, the proceeds of the issue of any Refinancing Notes will, subject to investment in Permitted Investments or as otherwise may be expressly permitted in the Applicable Pricing Supplement, only be used to redeem the Refinanced Notes; and no Noteholder (other than Noteholders of the Refinanced Notes) or any other creditor of the Issuer will have any claim to such proceeds.

Additional Notes

2.6 The Issuer shall, subject as otherwise provided in any Applicable Pricing Supplement, be entitled during the Revolving Period to, and without requiring the consent from other Noteholders, issue further Tranches of Notes the proceeds of which will be utilised to purchase Additional Participating Assets.

3 FORM AND DENOMINATION

3.1 Notes will be issued in registered form with a minimum denomination of ZAR1,000,000 each and otherwise in such denominations as may be determined by the Issuer and as specified in the Applicable Pricing Supplement.

3.2 Payments (whether in respect of interest or principal) on Notes may be determined by reference to such fixed or floating rates as may be specified in the Applicable Pricing Supplement. Notes may be issued with such other characteristics as may be specified in the Applicable Pricing Supplement.

3.3 Notes will be issued in the form of registered Notes, represented by (i) Individual Certificates registered in the name, and for the account of, the relevant Noteholder or (ii) no Certificate, and held in uncertificated form 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 holder of such Notes (as reflected in the securities accounts of the Central Securities Depository or the relevant CSD Participant). The Central Securities Depository will hold the Notes subject to the Financial Markets Act and the Applicable Procedures.

3.4 Any reference in these Conditions to the Central Securities Depository shall, wherever the context permits, be deemed to include a reference to its successor in terms of the Financial Markets Act (or any successor Act thereto), and any additional or alternate depository approved by the Issuer, the Servicer, the Security SPV and the JSE. Any reference in these Conditions to the JSE shall, wherever the context permits, be deemed to include any exchange which operates as a successor exchange to the JSE.

4 TITLE

4.1 Subject to what is set out below, title to the Notes will pass upon registration of transfer in accordance with Condition 14 in the Register. The Issuer and the Transfer Secretary 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 CSD Participants. Such transfers will be recorded in the securities accounts of the Central Securities Depository or the relevant CSD Participant. While the Notes are held in the Central Securities Depository in uncertificated form, each person shown in the securities accounts of the Central Securities Depository or the relevant CSD Participant, as the case may be, as 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 CSD 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, the Transfer Secretary and the relevant CSD 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 Conditions (and the expression "Noteholder" and related expressions shall be construed accordingly).

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

5 STATUS

5.1 The Notes constitute direct, limited recourse, secured obligations of the Issuer.

5.2 The claims of each Noteholder of a Class (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 applicable Priority of Payments (e.g. Class B Notes will be subordinated to Class A Notes). Each Class of Notes rank *pari passu* among themselves.

5.3 Notwithstanding the subordinations envisaged in this Condition, the Noteholders shall be entitled to be paid any amounts due and payable to them only in accordance with the Priority of Payments, on any Interest Payment Date, provided that all creditors that rank prior to them in the Priority of Payments have been paid, in full, any amounts due and payable to them by the Issuer on that date.

5.4 The Notes are freely transferable in accordance with the Conditions and will be fully paid up.

6 ISSUER'S UNDERTAKINGS

6.1 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.

6.2 Positive undertakings

The Issuer undertakes that it shall -

6.2.1 (*Accounting Records*) prepare proper and adequate accounting records and lodge returns in accordance with generally accepted accounting practice and the Companies Act;

6.2.2 (*Accounts*) provide to the Security SPV and the Rating Agency its audited Financial Statements for each financial year within 180 days of the end of that year;

6.2.3 (*certificate regarding Events of Default*) at the time of providing its audited Financial Statements pursuant to 6.2.2, provide to the Security SPV and the Rating Agency a certificate relating to the occurrence of any Event of Default;

6.2.4 (*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 Laws or render the Issuer in breach of any confidentiality obligation;

6.2.5 (*Investor Report*) provide to the Security SPV and the Noteholders a copy of the Investor Report on the date set out in the Servicing Agreement;

6.2.6 (*Taxes*) pay all Taxes (other than Taxes disputed by the Issuer in good faith) when due;

6.2.7 (*Event of Default*) notify the Security SPV and the Rating Agency of the occurrence of any Event of Default, as soon as it becomes aware of it;

6.2.8 (*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; and

6.2.9 (*notification to Rating Agency*) notify the Rating Agency and the Security SPV, as the case may be, of the occurrence of any of the following -

6.2.9.1 notify the Rating Agency should the Security SPV be requested to give its consent to anything in relation to the Transaction Documents and the response of the Security SPV to such request; or

6.2.9.2 should the Issuer and a Dealer agree to issue Notes in a form not contemplated by the Conditions; or

6.2.9.3 should a new Programme Memorandum or a supplement to the Programme Memorandum be issued by the Issuer.

6.3 **Negative undertakings**

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

6.3.1 (*negative pledge*) create or permit to subsist any Encumbrance (unless arising by operation of law) upon the whole or any part of its assets, present or future, save for any Encumbrance upon the assets pursuant to the Security Documents;

6.3.2 (*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;

6.3.3 (*winding-up*) cause itself to be voluntarily wound-up or placed under supervision by a business rescue practitioner;

6.3.4 (*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;

6.3.5 (*shares*) issue any further shares or repurchase shares, except those Preference Shares created pursuant to the Transaction Documents which -

6.3.5.1 have no rights which conflict with the rights of Noteholders; and

6.3.5.2 are subordinated in all respects to the rights of Noteholders;

6.3.6 (*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 Priority of Payments and pursuant to the Transaction Documents;

6.3.7 (*bank accounts*) open or operate any bank accounts, other than the bank accounts opened in terms of the Transaction Documents;

6.3.8 (*Hedging Agreements*) enter into any Hedging Agreement, unless the Hedge Counterparty meets the Rating Agency hedging criteria from time to time;

6.3.9 (*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 Priority of Payments;

6.3.10 (*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;

6.3.11 (*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;

6.3.12 (*general acts*) do any of the following things -

6.3.12.1 register any transfer of shares in its issued share capital;

6.3.12.2 amend its memorandum of incorporation;

6.3.12.3 engage any employees;

6.3.12.4 have or acquire any subsidiaries; or

6.3.12.5 occupy any premises;

6.3.13 (*Transaction Documents*)

6.3.13.1 cancel or amend any Transaction Documents;

6.3.13.2 grant a waiver in respect of any Transaction Document;

6.3.13.3 discharge or release any person from their obligations under any Transaction Document if that person has not performed its obligations in full;

6.3.13.4 novate or assign any Transaction Document; or

6.3.13.5 cede any of its rights or delegate any of its obligations under any Transaction Document other than as contemplated in the Security Documents; or

6.3.14 (*other transactions*) enter into any document, agreement or arrangement other than in terms of the Transaction Documents.

6.4 In giving any consent to the foregoing, the Security SPV may require the Issuer to make such modifications or additions to the Conditions and/or to the provisions of any of the Transaction Documents (subject to Condition 17) 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; provided that the Rating is furnished with at least 5 (five) Business Days' prior written notice of the proposed action.

7 INTEREST

7.1 Interest on Fixed Rate Notes

7.1.1 *Fixed Interest Rate*

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

7.1.2 *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 applicable business day convention as specified in the Applicable Pricing Supplement shall determine the date of payment of interest due upon such Interest Payment Date. Interest in respect of any Interest Period shall accrue to and be paid on the relevant Interest Payment Date.

7.1.3 *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 Principal Amount Outstanding 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.

7.2 Interest on Floating Rate Notes

7.2.1 *Interest Rate*

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

Step-Up Date to but excluding the Final Redemption Date (or the Actual Redemption Date, if the Actual Redemption Date falls before or after the Final Redemption Date).

7.2.2 *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 applicable Business Day Convention shall determine the date of payment of interest due upon such Interest Payment Date. Interest in respect of any Interest Period shall accrue to and be paid on the relevant Interest Payment Date.

7.2.3 *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 Principal Amount Outstanding 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.

7.2.4 *Basis of Interest Rate*

7.2.4.1 The Interest Rate will be determined -

7.2.4.1.1 on the basis of ISDA Determination; or

7.2.4.1.2 on the basis of Screen Rate Determination; or

7.2.4.1.3 on such other basis as may be determined by the Issuer, all as indicated in the Applicable Pricing Supplement.

7.2.4.2 <u>ISDA Determination</u>

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 7.2.4.2 -

"**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-SAFEX 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 7.2.4.2 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 7.2.4.2 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 7.2.3 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 7.2.4.2.

7.2.4.3 Screen Rate Determination other than Floating Rate Notes which reference ZARONIA as the Reference Rate

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 7.2.4.3, no such offered quotation appears or, in the case of paragraph (b) above in this Condition 7.2.4.3, 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 7.2.4.3, 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 0.005 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 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.

7.2.4.4 Screen Rate Determination for Floating Rate Notes which reference ZARONIA as the Reference Rate

7.2.4.4.1 Where Screen Rate Determination for Floating Rate Notes referencing Compounded Daily ZARONIA specified in the Applicable Pricing Supplement as the manner in which the Interest Rate is to be determined, the interest payable from time to time in respect of the Notes for each Interest Period will, subject as provided below, be Compounded Daily ZARONIA (as defined below) for the relevant Interest Period plus the Margin (as specified in the Applicable Pricing Supplement), all as determined by the Calculation Agent in accordance with provisions below where -

"**Compounded Daily ZARONIA**" means, with respect to an Interest Period, the rate of return of a daily compound interest investment in ZAR (with ZARONIA as the Reference Rate for the calculation of interest) as calculated by the Calculation Agent on the relevant Rate Determination Date, in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the Relevant Decimal Place -

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{Relevant\ ZARONIA_{i-5JBD} \times n_i}{365}\right)-1\right] \times \frac{365}{d}$$

where -

"d" is the number of calendar days in the relevant Interest Period;

"d_o" is the number of Johannesburg Business Days in the relevant Interest Period;

"i" is, in relation to any Interest Period, a series of whole numbers from one to d_o, each representing the relevant Johannesburg Business Day in chronological order from (and including) the first Johannesburg Business Day in such Interest Period;

"**Lookback Period**" - means the period specified as such in the Applicable Pricing Supplement;

"**Johannesburg Business Day**" means a day (other than a Saturday, a Sunday or an official public holiday) on which commercial banks are open for general business in Johannesburg, South Africa;

"ni", for any Johannesburg Business Day "i" in the relevant Interest Period, means the number of calendar days from and including such Johannesburg Business Day "i" up to but excluding the following Johannesburg Business Day;

"**Relevant Decimal Place**" shall be the number of decimal places specified in the Applicable Pricing Supplement and will be rounded up or down, if necessary (with half of the highest decimal place being rounded upwards) (or, if no such number is specified, it shall be 5 (five));

"**Relevant ZARONIAi-5JBD**" means, in respect of any Johannesburg Business Day "i" falling in the relevant Interest Period, the ZARONIA Reference for the Johannesburg Business Day (being a Johannesburg Business Day falling in the relevant ZARONIA Observation Period) falling five Johannesburg Business Days prior to the relevant Johannesburg Business Day "i";

"**SARB's Website**" means the website of the SARB currently at http://resbank.co.za, any successor website of the SARB (or a successor administrator of ZARONIA) or any successor source;

"**ZARONIA**" means the South African Overnight Index Average administered by the SARB (known as ZARONIA);

"**ZARONIA Observation Period**" means, in respect of the relevant Interest Period, the period from (and including) the date falling five Johannesburg Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on (and include) the Interest Commencement Date) and ending on (but excluding) (a) the date falling five Johannesburg Business Days prior to the Interest Payment Date for such Interest Period (and the last Interest Period shall end on (but exclude) the Redemption Date, or (b) the date falling five Johannesburg Business Days prior to such earlier date, if any, on which the Notes become due and payable); and

"**ZARONIA Reference Rate**" means, in respect of any Johannesburg Business Day, a reference rate equal to the daily ZARONIA rate for such Johannesburg Business Day as published by the SARB, as the administrator of ZARONIA (or any successor administrator of ZARONIA), on the SARB's Website, in each case at the relevant publication time on the Johannesburg Business Day immediately following such Johannesburg Business Day.

For the avoidance of doubt, the formula for the calculation of Compounded Daily ZARONIA only compounds the ZARONIA Reference Rate in respect of any Johannesburg Business Day. The ZARONIA Reference Rate applied to a day that is not a

Johannesburg Business Day will be taken by applying the ZARONIA Reference Rate for the previous Johannesburg Business Day but without compounding.

7.2.4.4.2 If, in respect of any Johannesburg Business Day in the relevant ZARONIA Observation Period, the ZARONIA Reference Rate is not available on the SARB's Website, such ZARONIA Reference Rate shall be -

7.2.4.4.2.1 the daily ZARONIA rate published on the SARB's Website for the first preceding Johannesburg Business Day on which the ZARONIA rate was published on the SARB's Website) (the "**Previous Day's ZARONIA**"); or

7.2.4.4.2.2 if the Previous Day's ZARONIA is not available, the sum of (a) the SARB Policy Rate prevailing at close of business on such Johannesburg Business Day, and (b) the mean of the spread of the ZARONIA Reference Rate to the SARB Policy Rate over the previous five Johannesburg Business Days on which a ZARONIA Reference Rata has been published (after eliminating the highest such spread (or, in the event of equality, one of the highest) and the lowest such spread (or, in the event of equality, one of the lowest).and in each case, "**r**" shall be interpreted accordingly.

For purposes of this paragraph, "**SARB Policy Rate**" means, in respect of any relevant day (including day "i"), the repo rate (or any successor rate) which is the main policy rate of the SARB as determined and set by the monetary policy committee of the SARB and published by the SARB from time to time, in effect on that day.

7.2.4.4.3 In the event that the Interest Rate cannot be determined in accordance with the foregoing provisions of this Condition 7.2.4.4, the Interest Rate shall be -

7.2.4.4.3.1 that 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 last preceding Interest Period); or

7.2.4.4.3.2 if there is no such preceding Rate Determination Date, the initial Interest Rate which would have been applicable to such Series of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

7.2.4.4.4 If the Notes become due and payable in accordance with Condition 8 or Condition 11, the final Rate Determination Date shall, notwithstanding any Rate Determination Date specified in the

Applicable Pricing Supplement, be deemed to be the date on which such Notes became due and payable and the Interest Rate on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.

7.3 **Publication of Interest Rate and Interest Amount by the Calculation Agent**

7.3.1 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 Noteholders (in the manner set out in Condition 17), the JSE 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 not later than 5 (five) Business Days after such determination.

7.3.2 The Calculation Agent will, in relation to each Tranche of Notes, at least 3 (three) Business Days before each Interest Payment Date, cause the aggregate Interest Amount payable for the relevant Interest Period in respect of such Tranche of Notes to be announced on SENS (in the event of listed Notes), notified to the Noteholders (in the manner set out in Condition 17), the JSE, the Central Securities Depository and the Issuer and, if the Administrator is not the Calculation Agent, then also to the Administrator.

7.4 **Calculation and publication of Interest Amount by the Administrator**

Where, in relation to a Tranche of Notes, the Interest Amount payable in respect of each Note in that Tranche is not required to be calculated by the Calculation Agent pursuant to the Terms and Conditions or by some other agent specified in the Applicable Pricing Supplement, as the case may be, the Administrator will calculate such Interest Amount, and the Administrator will, at least 3 (three) Business Days before each Interest Payment Date, cause the aggregate Interest Amount payable for the relevant Interest Period in respect of such Tranche of Notes to be announced on SENS (in the event of listed Notes), notified to the Noteholders (in the manner set out in Condition 17), the JSE, the Central Securities Depository and the Issuer.

7.5 **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 Administrator 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, the Security SPV and all Secured Creditors (including Noteholders), and no liability to the Issuer, the Security SPV or the Secured Creditors (including Noteholders) will attach to the Calculation Agent and/or the Administrator in connection therewith.

8 REDEMPTION AND PURCHASES

8.1 Final Redemption

8.1.1 Unless previously redeemed or purchased and cancelled as specified below, each Tranche of Notes will be redeemed by the Issuer at its Principal Amount Outstanding (together with interest accrued thereon) on the Final Redemption Date.

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

8.2 Scheduled Redemption

8.2.1 The Issuer is expected, subject to Condition 8.2.2 to redeem all, but not some only, of the Notes in a Tranche of Notes at their aggregate Principal Amount Outstanding (together with interest accrued thereon) on the Scheduled Maturity Date of that Tranche of Notes.

8.2.2 If any Notes in a Tranche of Notes are not redeemed in full on the Scheduled Maturity Date in terms of Condition 8.2.1, this shall not constitute an Event of Default by the Issuer. On each Interest Payment Date on and as from the Scheduled Maturity Date, the Issuer shall continue to redeem each Note in accordance with Condition 8.3 subject to any Interest Step-Up Rate that will apply to the Notes not redeemed on the Scheduled Maturity Date, if any, as may be specified in the Applicable Pricing Supplement.

8.3 Mandatory Redemption in part

8.3.1 During the Amortisation Period all Notes shall be subject to mandatory redemption in part (together with accrued interest) and in reducing order of rank (and *pari passu* if of equal rank on each Interest Payment Date) subject to there being sufficient cash available for that purpose in accordance with the Pre-Enforcement Priority of Payments during the Amortisation Period until the Principal Amount Outstanding of each such Note is reduced to zero.

8.3.2 The principal amount redeemable in respect of each 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 Priority of Payments during the Amortisation Period on such Interest Payment Date.

8.3.3 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 Priority of Payments during the Amortisation Period on such Interest Payment Date, allocated *pro-rata* to such Note in the proportion which the Principal Amount Outstanding of such Note bears to the Principal Amount Outstanding of all the Notes in that Class of Notes on such Interest Payment Date (regardless of the Scheduled Maturity Date of the Tranches of Notes comprising that Class of Notes), rounded to the nearest Rand, provided always that no such amount may exceed the Principal Amount Outstanding of such Note.

8.4 **Optional redemption pursuant to Clean-Up Call**

On any Interest Payment Date on which the aggregate Principal Amount Outstanding of the Notes is equal to or less than 10% of the maximum aggregate 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 in accordance with Condition 16 (which notice shall be irrevocable), the Issuer may redeem all, but not some only, of the Notes at their Principal Amount Outstanding (together with accrued interest thereon) provided that, prior to giving such notice, the Issuer shall deliver to the Security SPV, a certificate signed by two directors of the Issuer, to the effect that it has sufficient funds to redeem all of the Notes and the Notes may only be redeemed subject to settlement of all amounts in accordance with the Priority of Payments.

8.5 **Optional redemption for tax reasons**

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

8.5.1.1 (i) payments 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 Lessees 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 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

8.5.1.2 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 Initial Issue Date the Issuer is or would be required to deduct or withhold from any payment of principal or interest on the Notes any amounts as provided or referred to in Condition 10, 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 16 (which notice shall be irrevocable), redeem all, but not some only of the Notes, at their Principal Amount Outstanding (together with interest accrued thereon) provided that no notice of redemption shall be given earlier than 90 (ninety) days before the earliest date on which the Issuer would incur the obligation to make such deduction or would necessarily receive such lesser amount for interest.

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

8.5.2.1 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 all the Notes as set out above; and

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

8.6 **Mandatory redemption following delivery of an Enforcement Notice**

Upon delivery of an Enforcement Notice following the occurrence of an Event of Default and if required to do so by the Security SPV or requested to do so by Noteholders by Extraordinary Resolution to that effect, the Issuer shall be obliged to redeem the Notes in accordance with Condition 11.

8.7 **Mandatory Redemption upon disposal of assets**

The Issuer may dispose of part of the Participating Assets on any Interest Payment Date, provided that -

8.7.1 insofar as the Issuer has exercised the option to redeem the Notes pursuant to a Clean-Up Call referred to in Condition 8.4, the proceeds from such disposal shall be used to redeem the Notes;

8.7.2 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 to redeem in full all of the Notes in each Tranche of Notes then in issue;

8.7.3 the prior written approval of the Security SPV to such disposal and the release by the Security SPV of all security interests under the Security Documents over the Participating Assets being disposed of is obtained and prior written notice of the intended disposal of Participating Assets is given by the Issuer to the Rating Agency;

8.7.4 the Participating Assets are disposed of at their fair market value for cash without set-off and the net proceeds of the disposal of the Participating Assets shall be used by the Issuer to redeem all or part of the Notes at their Principal Amount Outstanding in accordance with the Priority of Payments;

8.7.5 the Issuer shall afford to the Seller the first right and option ("**Seller's Option**") to acquire the Participating Assets which the Issuer wishes to dispose of at their fair market value, which option the Seller shall be entitled to exercise within 5 (five) Business Days of receipt of written notice from the Issuer ("**Option Period**"); and

8.7.6 following the expiry of the Option Period, and to the extent that the Seller fails to exercise the Seller's Option, the Issuer may dispose of the Participating Assets for cash, at their fair market value to any third party purchaser, in the sole discretion of the Issuer.

8.8 **Procedures for redemption**

8.8.1 At least 6 (six) days 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 Secretary the Certificates to be redeemed. This will enable the Transfer Secretary to endorse the partial redemption thereon or, in the case of final redemption, to cancel the relevant Certificates.

8.8.2 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.

8.8.3 Payments in respect of the redemption of Notes shall be made in accordance with Condition 9 and shall take place in accordance with the Applicable Procedures relating to the redemption of debt securities.

8.8.4 Documents required to be presented and/or surrendered to the Transfer Secretary in accordance with the Conditions will be so presented and/or surrendered at the specified office of the Transfer Secretary.

8.8.5 Uncertificated Notes will be redeemed in accordance with the Applicable Procedures.

8.9 **Cancellation**

All Notes which are redeemed in full will forthwith be cancelled. The Issuer shall notify the Central Securities Depository and the JSE of any cancellation or partial redemption of the Notes so that such entities can record the reduction in the aggregate Principal Amount of the Notes in issue.

9 **PAYMENT**

9.1 **Method of payment**

9.1.1 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.

9.1.2 Payments of interest and principal in respect of Notes held in uncertificated form in the Central Securities Depository will be made to the Central Securities Depository, which in turn will transfer such funds, *via* the CSD Participants, to the holders of Beneficial Interests. Each of the persons reflected in the records of the Central Securities Depository or the relevant CSD Participants, as the case may be, as the holders of Beneficial Interests shall look solely to the Central Securities Depository or the relevant CSD Participant, as the case may be, for such persons 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 held in the Central Securities Depository in uncertificated form shall be recorded by the Central Securities Depository, distinguishing between interest and principal, and such record of payments by the Central Securities Depository shall be prima facie proof of such payments. Payments of interest and principal in respect of Notes represented by Individual Certificates shall be made to the person reflected as the registered holder of the Individual Certificate in the Register on the Last Day to Register.

9.1.3 If the Issuer is prevented or restricted directly or indirectly from making any payment by electronic funds transfer in accordance with Condition 9.1.1 (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 and the Issuer shall make such payment by cheque (or by such number of cheques as may be required in accordance with applicable banking law and practice at the Issuer's own risk and cost).

9.1.4 All monies so payable by cheque will be sent by post, at the risk of the Noteholders, to the address of the Noteholder as set forth in the Register or, in the case of joint Noteholders, the address set forth in the Register of that one of them who is first named in the Register in respect of that Note. Each such cheque shall be made payable to or for the order of the relevant Noteholder or, in the case of joint Noteholders, the first one of them named in the Register. Cheques may be posted by ordinary post, provided that the Issuer shall not be responsible for any loss, including any loss due to theft or fraud, in transmission and the postal authorities shall be deemed to be the agent of the Noteholders for the purpose of all cheques posted in terms of this Condition 8. Payment by cheque sent in terms of this Condition 8 shall be a complete discharge by the Issuer of its obligations in respect of the amount of the cheque.

9.1.5 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 Notes.

9.1.6 Payments will be subject, in all cases, to the Priority of Payments and any Taxation or other laws, directives and regulations applicable to such payment in the place of payment.

9.2 **Surrender of Certificates**

9.2.1 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 Secretary the Certificates to be redeemed. This will enable the Transfer Secretary to endorse the partial redemption thereon or, in the case of final redemption, to cancel the relevant Certificates.

9.2.2 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.

9.2.3 Documents required to be presented and/or surrendered to the Transfer Secretary in accordance with the Terms and Conditions will be so presented and/or surrendered at the Specified Office of the Transfer Secretary.

9.2.4 In the case of Uncertificated Notes, redemptions in part will be concluded in accordance with the Applicable Procedures.

9.3 **Calculation and notice of principal payments**

The Calculation Agent will calculate the aggregate amount of principal due and payable by the Issuer for each Note on each date that payment is due and payable in accordance with the Priority of Payments. The Calculation Agent will, at least 5 days before each such date, cause such aggregate amount of principal to be notified to the Noteholders in the manner set out in Condition 16 and to the Issuer.

10 TAXATION

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 present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by, or on behalf of, South Africa or any political subdivision of, or any authority or agency in or of, South Africa having power to tax, unless (where applicable) the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer shall subject to its right to redeem such Notes in terms of Condition 8.5, 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.

11 EVENTS OF DEFAULT

11.1 An Event of Default shall occur should -

11.1.1 the Issuer fail to pay any amount of interest due and payable in respect of any Class A Notes, within three Business Days of the Interest Payment Date, or principal due and payable in respect of any Class A Notes on the Final Redemption Date, in each case irrespective of whether or not there are available funds for that purpose in terms of the Priority of Payments; or

11.1.2 the Issuer fails to perform or observe any other obligation binding on it under the Notes, these Conditions or any of the other Transaction Documents, which breach, if capable of remedy, is not remedied within the grace period permitted therefor or, if no such grace period is provided (and an immediate default is not triggered under such Transaction Document) within 30 days after receiving written notice from either the Security SPV or the counterparty to the relevant Transaction Document requiring such breach to be remedied; 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

11.1.3 the Owner Trust hold less than 100% of the issued ordinary shares in the share capital of the Issuer without the prior written consent of the Security SPV; or

11.1.4 an Issuer Insolvency Event occur; or

11.1.5 the Issuer has any judgment or similar award ("**judgment**") awarded against it and fails to satisfy such judgment within 30 days after becoming aware thereof, or -

11.1.5.1 if such judgment is appealable, fails to appeal against such judgment within the time limits prescribed by law or fails to diligently prosecute such appeal thereafter or ultimately fails in such appeal and then fails to satisfy such judgment within 10 days; and/or

11.1.5.2 if such judgment is a default judgment, fails to apply for the rescission thereof within the time limits prescribed by law or fails to diligently prosecute such application thereafter or ultimately fails in such application and then fails to satisfy such judgment within 10 days; and/or

11.1.5.3 if such judgment is reviewable, fails to initiate proceedings for the review thereof within the time limits prescribed by law or fails to diligently prosecute such proceedings thereafter or ultimately fails in such proceedings and then fails to satisfy such judgment within 10 days; or

11.1.6 any of the Security Documents are or become illegal, invalid or unenforceable for any reason whatsoever (or are reasonably claimed by the Security SPV not to be in full force and effect) and such illegality, invalidity or unenforceability is not capable of being remedied or, if capable of being remedied, is not remedied within 10 days after written notice by the Security SPV to the relevant party to the relevant Security Document requiring such illegality, invalidity or unenforceability to be remedied; or

11.1.7 it is or becomes unlawful for the Issuer to perform any of its obligations under any of the Transaction Documents 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

11.1.8 any consent, licence, permit or authorisation required by the Issuer for the conduct of its business is revoked, withdrawn, materially altered or not renewed and such situation is not remedied within 14 days after the Issuer and the Administrator have been given written notice requiring the applicable consent, licence, permit or authorisation to be obtained; or

11.1.9 the Issuer cease to carry on its business in a normal and regular manner or materially change the nature of its business, or threaten to cease to carry on its business.

11.2 If an Event of Default occurs -

11.2.1 the Issuer or the Servicer or the Administrator, as the case may be, shall forthwith inform the Security SPV, the JSE and the Rating Agency thereof;

11.2.2 the Security SPV shall, as soon as such Event of Default comes to its notice (whether as a result of having been informed by the Issuer, a Noteholder or the Servicer, or the Administrator, as the case may be, thereof pursuant to the previous sub-clause or otherwise), forthwith call a meeting of the Noteholders; and

11.2.3 all the Notes shall become immediately due and payable if, at such meeting, the Controlling Class so decide, by Extraordinary Resolution;

11.3 If the Controlling Class decide that the Notes shall become immediately due and payable, such Noteholders shall notify the Issuer and the Security SPV accordingly.

11.4 If the Notes become immediately due and payable in terms of Condition 11.2.3, the Security SPV shall, by written notice to the Issuer and the Administrator (an "**Enforcement Notice**") declare the Notes, and any amounts owing under any other Transaction Document, to be immediately due and payable, and require the Principal Amount Outstanding of the Notes, together with accrued interest thereon, and the amounts owing under any other Transaction Document, to be forthwith repaid, to the extent permitted by and in accordance with the Post-Enforcement Priority of Payments. The Administrator, acting on behalf of 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 in terms of, these Conditions and the other Transaction Documents, subject always to the provisions of the Post-Enforcement Priority of Payments.

11.5 The Security SPV shall not be required to take any steps to ascertain whether any Event of Default has occurred 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.

11.6 If the Notes become redeemable as contemplated above, they will be redeemed strictly in accordance with the Post-Enforcement Priority of Payments. If the Issuer has insufficient funds to redeem all the Class A Notes in full, those Notes shall be redeemed *pro rata* to their Principal Amount Outstanding.

11.7 It is recorded that as security for the due, proper and timeous fulfilment by the Issuer of all its obligations under these Notes, the Security SPV shall furnish Noteholders with the Security SPV Guarantee. 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.

11.8 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 the Notes (including not levying or enforcing any attachment or execution upon the assets of the Issuer), and all rights of enforcement shall be exercised by lodging a claim under the Security SPV Guarantee, provided that -

11.8.1 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 30 days of being called upon to do so by an Extraordinary Resolution of the Controlling Class of Noteholders; or

11.8.2 if the Security SPV is wound-up, liquidated, de-registered or placed under supervision by a business rescue practitioner (whether voluntarily or compulsorily, provisionally or finally) or if the Security SPV Guarantee and 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 Security SPV, Noteholders and other Secured Creditors),

then Noteholders shall be entitled to take action themselves to enforce their claims directly against the Issuer if an Event of Default occurs.

11.9 The Noteholders will not, until two years following the payment of all amounts outstanding and owing by the Issuer 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, supervision by a business rescue practitioner or any compromise or scheme of arrangement or related relief in respect of, or any other proceedings having a similar effect -

11.9.1 in respect of 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

11.9.2 in respect of the Security SPV or for the appointment of a liquidator, business rescue practitioner or similar officer of the Security SPV.

11.10 Without prejudice to the foregoing provisions of this Condition, 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 sums due to it by the Issuer and/or the Security SPV, the amount so paid shall be received and held by such Noteholder as agent for the Issuer and/or the Security SPV and shall be paid to the Issuer and/or the Security SPV immediately on demand.

11.11 The Security SPV acknowledges that it holds the Security created pursuant to the Security Documents to be distributed, on enforcement, in accordance with the provisions of the Post-Enforcement Priority of Payments.

11.12 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 liability owed to it by the Issuer or the Security SPV, respectively.

11.13 Notwithstanding the provisions of the preceding sub-clauses, in the event of a liquidation or a winding-up of the Issuer or of the Issuer being placed under supervision by a business rescue practitioner, Secured Creditors ranking prior to others in the Post-Enforcement Priority of Payments shall be entitled to receive payment in full of amounts due and payable to them, before other Secured Creditors that rank after them in the Post-Enforcement Priority of Payments receive any payment on account of amounts owing to them.

11.14 In order to ensure the fulfilment of the provisions regarding Post-Enforcement Priority of Payments, each Noteholder agrees that in the event of a liquidation or winding-up of the Issuer or of the Issuer being placed under supervision by a business rescue practitioner, it will lodge a claim against the Security SPV arising out 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.

11.15 In the event that the Security SPV fails, for whatever reason, to make a claim in the liquidation or 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, in order to ensure the fulfilment of the provisions regarding Post-Enforcement Priority of Payments, each Noteholder shall be entitled to lodge such claims itself but each Noteholder agrees that -

11.15.1 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 shall be subject to the condition that no amount shall 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

11.15.2 if the liquidator or business rescue practitioner does not accept claims proved subject to the condition contained in the preceding sub-paragraph then each Secured Creditor shall 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.

12 PRESCRIPTION

Any claim for payment of principal and interest will prescribe 3 (three) years after the date on which such payment first becomes due and payable in accordance with the Priority of Payments, except that in relation to monies payable to the Central Securities Depository in accordance with these Conditions, the claim in respect of any payment under the Notes will prescribe 3 (three) years after the date on which (i) the full amount of such monies have been received by the Central Securities Depository, (ii) such monies are available for payment to the holders of Beneficial Interests, and (iii) notice to that effect has been duly given to such holders in accordance with the Applicable Procedures.

13 EXCHANGE OF BENEFICIAL INTERESTS AND REPLACEMENT OF NOTES

13.1 Exchange

13.1.1 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 CSD Participant (or, if such holder is a CSD Participant, the Central Securities Depository), request that such Beneficial Interest be exchanged for Notes in definitive form represented by an Individual Certificate (the "**Exchange Notice**"). The Exchange Notice shall specify (i) the name, address and bank account details of the holder of the Beneficial Interest and (ii) the day on which such Beneficial Interest is to be exchanged for an Individual Certificate; provided that such day shall be a Business Day and shall fall not less than 30 days after the day on which such Exchange Notice is given ("**Exchange Date**").

13.1.2 The holder's nominated CSD Participant will, following receipt of the Exchange Notice, through the Central Securities Depository, notify the Transfer Secretary that it is required to exchange such Beneficial Interest for Notes represented by an Individual Certificate. The Transfer Secretary will, as soon as is practicable but within 14 (fourteen) days after receiving such notice, in accordance with the Applicable Procedures, procure that an Individual Certificate is prepared, authenticated and made available for delivery, on a Business Day falling within the aforementioned 14 day period, to the holder of the Beneficial Interest at the Specified Office of the Transfer Secretary; provided that joint holders of a Beneficial Interest shall be entitled to receive only one Individual Certificate in respect of that joint holding, and delivery to one of those joint holders shall be delivery to all of them.

13.1.3 In the case of the exchange of a Beneficial Interest in Notes issued in uncertificated form -

13.1.3.1 the Central Securities Depository shall, prior to the Exchange Date, surrender (through the Central Securities Depository system) such uncertificated Notes to the Transfer Secretary at its specified office; and

13.1.3.2 the Transfer Secretary will obtain the release of such uncertificated Notes from the Central Securities Depository in accordance with the Applicable Procedures.

13.1.4 An Individual Certificate shall, in relation to a Beneficial Interest in any number of Notes issued in uncertificated form of a particular aggregate Principal Amount standing to the account of the holder thereof, represent that number of Notes of that aggregate Principal Amount, and shall otherwise be in such form as may be agreed between the Issuer and the Transfer Secretary; provided that if such aggregate Principal Amount is equivalent to a fraction of ZAR1,000,000 or a fraction of any multiple thereof, such Individual Certificate shall be issued in accordance with, and be governed by, the Applicable Procedures.

13.2 **Costs**

Certificates shall be provided (whether by way of issue, delivery or exchange) by the Issuer without charge, save as otherwise provided in these 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 CSD Participant, under the Applicable Procedures and such costs and expenses shall not be borne by either the Issuer or the Servicer or the Administrator. 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.

13.3 **Replacement**

If any Certificate is mutilated, defaced, stolen, destroyed or lost it may be replaced at the office of the Transfer Secretary 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 Secretary may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

13.4 **Death and sequestration or liquidation of Noteholder**

Any person becoming entitled to Notes in consequence of the death, sequestration or liquidation of the relevant Noteholder may, upon producing evidence to the satisfaction of the Issuer that he holds the position in respect of which he proposes to act under this paragraph or of his title, require the Transfer Secretary to register such person as the holder of such Notes or, subject to the requirements of this Condition, to transfer such Notes to such person.

14 **TRANSFER OF NOTES**

14.1 The Notes are freely transferable in accordance with the Conditions.

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

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

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

14.5 In order for any transfer of Notes to be effected through the Register and for the transfer to be recognised by the Issuer, each transfer of a Note -

14.5.1 must be pursuant to a written Transfer Form signed by the relevant Noteholder and the transferee, or any authorised representative of that registered Noteholder and/or transferee;

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

14.5.3 must be made by way of the delivery of the Transfer Form to the Transfer Secretary together with the Certificate in question for cancellation and registration of transfer of the Certificate (or the relevant part thereof).

14.6 Subject to the above, the Transfer Secretary will, within three Business Days of receipt by it of the request (or such longer period as may be required to comply with any applicable fiscal or other laws, regulations or the Applicable Procedures), authenticate and deliver at the Transfer Secretary'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 of a like aggregate nominal amount to the Certificate (or the relevant part of the Certificate) transferred. In the case of the transfer of a part only of a Certificate, a new Certificate in respect of the balance of the certificate not transferred will be so authenticated and delivered or, at the risk of the transferor, sent to the transferor.

14.7 The transferor of any Notes represented by a Certificate shall be deemed to remain the owner thereof until the transferee is registered in the Register as the holder thereof.

14.8 Before any transfer of Notes is registered, all relevant transfer taxes (if any) must have been paid and such evidence must be furnished as the Transfer Secretary reasonably requires as to the identity of the transferor and the transferee.

14.9 No transfer will be registered while the Register is closed as contemplated in Condition 15. The last time for a Noteholder to register to qualify for payments of interest and principal is 16h00 (Johannesburg time) on the Last Day to Register.

14.10 If a transfer of Notes is registered the Transfer Form and cancelled Certificate will be retained by the Transfer Secretary.

15 **REGISTER**

15.1 The Register shall be kept at the office of the Transfer Secretary. 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 show the serial numbers of the Individual Certificates issued. The Register shall be open for inspection during the normal business hours of the Transfer Secretary 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 Secretary shall 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.

15.2 The Register will be closed during the five days preceding each Interest Payment Date and Redemption Date, as set out in the Applicable Pricing Supplement, until the Final Redemption Date, in order to determine those Class A Noteholders entitled to receive payments. 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.

15.3 The Transfer Secretary 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 16.

16 **NOTICES**

16.1 All notices (including all demands or requests under the Conditions) to the Noteholders will be valid if -

16.1.1 mailed by registered post or hand delivered to their addresses appearing in the Register or published in a leading English language daily newspaper of general circulation in South Africa; and

16.1.2 for so long as the Notes are listed on the Interest Rate Market of the JSE, delivered to the JSE and electronically published on SENS.

16.2 Any such notice shall be deemed to have been given on the day of first publication or hand delivery or on the 14th day after the day on which it is mailed, as the case may be.

16.3 For so long as the Notes of any Class are held in their entirety by the Central Securities Depository, there may be substituted for publication as contemplated in Conditions 16.1.1 and 16.1.2 the delivery of the relevant notice to the Central Securities Depository, the CSD Participants and the JSE for communication by them to the holders of Beneficial Interests in the Notes, in accordance with the Applicable Procedures (including on SENS).

16.4 Where any provision of these Conditions requires notice to be given to the Noteholders of any matter other than a meeting of Noteholders, such notice shall be given *mutatis mutandis* as set out above, subject to compliance with any other time periods prescribed in the provision concerned.

16.5 Notices to be given by any Noteholder 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 registered office of the Issuer, the Security SPV and the Transfer Secretary, as the case may be, and marked for the attention of the chief executive, with a copy sent by hand or by registered post to the Servicer and marked for the attention of the chief executive. Whilst any of the Notes are held in uncertificated form, notice shall be given by any holder of a Beneficial Interest to the Issuer *via* the holder's relevant CSD Participant in accordance with the Applicable Procedures.

17 AMENDMENT OF TERMS AND CONDITIONS

17.1 Subject to Condition 17.7, the Issuer and the Security SPV may effect, without the consent of any Noteholder, any amendment to these Conditions and/or the Priority of Payments which is of a technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of South Africa. Any such amendment will be binding on Noteholders and such amendment will be notified to Noteholders in accordance with Condition 16 and to the JSE as soon as practicable thereafter.

17.2 The Issuer and the Security SPV may amend these Conditions and/or the Priority of Payments by written agreement, subject to the following provisions of this Condition 17.

17.3 Subject to 17.1, any amendment to these Conditions and/or the Priority of Payments may be made only with -

17.3.1 the prior approval of the JSE to be obtained prior to the approval of the Noteholders or a particular Class of Noteholders, referred to in 17.3.2; and

17.3.2 the prior authorisation of an Extraordinary Resolution of all of the Noteholders or an Extraordinary Resolution of a particular Class (or those Classes in the event that the right(s) of such Class or those Classes are amended) of Noteholders, as the case may be; or

17.3.3 the prior written consent of all of the Noteholders or the Noteholders of a particular Class of Notes (or those Classes) holding not less than 66.67% of the Principal Amount Outstanding of the Notes, as the case may be.

17.4 Accordingly, upon any such amendment the Security SPV will call a meeting of all of the Noteholders or a meeting of that Class of Noteholders or separate meetings of each of those Classes of Noteholders, as the case may be or a written resolution will be voted on by the Noteholders or that Class of Noteholders, as the case may be. The relevant meeting or meetings, if applicable, will be regulated by the provisions set out in Condition 21 and no proposed amendment (save as referred to in Condition 17.1) will be made to these Conditions and/or the Priority of Payments until such amendment has been approved in the manner referred to in Condition 17.3.

17.5 Any such written resolution contemplated in Condition 17.4 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.

17.6 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 17.3, the Extraordinary Resolution(s) passed by the Controlling Class of Noteholders will prevail and all other Classes of Noteholders will be bound by the Extraordinary Resolution(s) passed by the Controlling Class of Noteholders.

17.7 Any amendment to the Transaction Documents (save for the Conditions) and/or the Priority of Payments which, in the reasonable opinion of the Security SPV, may amend the rights, under the Transaction Documents (save for the Conditions) and/or the Priority of Payments, of a Secured Creditor (other than a Noteholder) may be made only with the prior written consent of such Secured Creditor.

17.8 No amendment to these Conditions and/or any of the other Transaction Documents may be made unless the Security SPV grants its prior written approval for such amendment, provided that such approval shall not be withheld if an amendment to the Conditions has been approved by an Extraordinary Resolution of the Noteholders or a particular Class of Noteholders in accordance with Condition 17.3, and the Rating Agency is furnished with at least five Business Days' prior written notice of the proposed amendment.

17.9 The Issuer shall, in accordance with Condition 16, notify each Class or Classes of Noteholders, as the case may be, of any amendment made to these Conditions and/or the Priority of Payments which did not require the prior authorisation of any Class or Classes of Noteholders, as the case may be, in terms of Condition 17.3.

17.10 The Issuer shall notify the JSE (or any relevant financial exchange) of any amendments to the Conditions).

17.11 A change to the Rating of a Tranche of Notes will not constitute an amendment of the Conditions. A change to the Rating of a Tranche of Notes will be announced on SENS as soon as possible after such change has been announced by the Rating Agency. The Issuer will inform the JSE of the change to the Rating within 48 hours of the receipt by the Issuer of such change.

18 CONSENT OF THE SECURITY SPV

18.1 Where in any Transaction Document provision is made for the consent to be given by the Security SPV, unless expressly stated otherwise, such consent -

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

18.1.2 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.

18.2 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.

18.3 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 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.

19 NO VOTING RIGHTS ON NOTES HELD BY ISSUER OR ORIGINATOR

19.1 The Issuer shall not have any voting rights on any Notes repurchased or otherwise held by it.

19.2 The Originator, or any subsidiary or holding company of the Originator, shall, for so long as it holds any of the Class A Notes, not have any voting rights on such Class A Notes.

20 GOVERNING LAW

The Notes and all rights and obligations relating to the Notes are governed by, and shall be construed in accordance with, the laws of South Africa.

21 MEETINGS OF NOTEHOLDERS

21.1 Convening of meetings

21.1.1 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**").

21.1.2 The Issuer shall convene a meeting upon the requisition in writing of the holders of at least 10% of the aggregate Principal Amount Outstanding of the Notes or Class of Notes, as the case may be, upon being given notice of the nature of the business for which the meeting is to be held ("**requisition notice**").

21.1.3 Whenever the Issuer wishes to convene a meeting, it shall forthwith give notice in writing to the Security SPV and to the Noteholders in accordance with Condition 16 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.

21.1.4 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 16, 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.

21.1.5 All meetings of Noteholders shall be held in Johannesburg.

21.2 **Requisition**

21.2.1 A requisition notice referred to in Condition 21.1.2 shall state the nature of the business for which the meeting is to be held and shall be deposited at the Specified Office of the Issuer.

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

21.3 **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 Business Days of the deposit of a requisition notice, requisitionists who together hold not less than 10% of the aggregate Principal Amount Outstanding of the Notes or the Class of Notes, as the case may be, for the time being, may themselves convene the meeting, but the meeting so convened shall be held within 90 days from the date of such deposit and shall be convened as nearly as possible in the same manner as that in which meetings may be convened by the Issuer and the Security SPV. Notice of the meeting shall be required to be given to the Issuer and the Security SPV.

21.4 **Notice of meeting**

21.4.1 Unless all the Noteholders or all the holders of a relevant Class of Notes, as the case may be, are present (in person or by proxy) at the meeting and vote to waive the minimum notice period, a minimum of at least 15 Business Days' written notice specifying the place, day and time 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 shall be given to each Noteholder and to the Issuer or the Security SPV, as the case may be.

21.4.2 An immaterial defect in the form or manner of given 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 such meeting.

21.5 **Quorum**

21.5.1 A quorum at a meeting shall -

21.5.1.1 for the purposes of considering an Ordinary Resolution, consist of Noteholders present in person or by proxy and holding in the aggregate not less than one-third of the aggregate Principal Amount Outstanding of the Notes or each Class of Notes, as the case may be;

21.5.1.2 for the purposes of considering an Extraordinary Resolution, consist of Noteholders present in person or by proxy and holding in the aggregate not less than a clear majority of the aggregate Principal Amount Outstanding of the Notes or each Class of Notes, as the case may be.

21.5.2 No business shall be transacted at a meeting of the Noteholders unless a quorum is present at the time when the meeting proceeds to business.

21.5.3 If, within 15 minutes from the time appointed for the meeting, a quorum is not present, the meeting shall, if it was convened on the requisition of Noteholders, be dissolved. In every other case the meeting shall stand adjourned to the same day in the third week thereafter, at the same time and place, or if that day is not a Business Day, the next succeeding Business Day. If at such adjourned meeting a quorum is not present the Noteholders present in person or by proxy shall constitute a quorum for the purpose of considering any resolution, including an Extraordinary Resolution.

21.6 **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 shall choose one of their own number to preside as chairman.

21.7 **Adjournment**

21.7.1 Subject to the provisions of this Condition, 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.

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

21.7.3 At least 14 days' written notice of the place, day and time of an adjourned meeting shall be given by the Security SPV to each Noteholder and the Issuer. In the case of a meeting adjourned in terms of Condition 22.5.3, the notice shall state that the Noteholders present in person or by proxy at the adjourned meeting will constitute a quorum.

21.8 **How questions are decided**

21.8.1 At a meeting, a resolution put to vote will be decided on a poll.

21.8.2 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.

21.9 **Votes**

Voting shall only take place on a poll and not on a show of hands. On a poll every Noteholder, present in person or by proxy, will be entitled to that portion of the total votes which the aggregate Principal Amount Outstanding of the Notes held by such Noteholder bears to the aggregate Principal Amount Outstanding of all of the Notes or Class of Notes, as the case may be. 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. 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 Interests in such Notes in accordance with the instructions to the Central Securities Depository or its nominee from the holders of Beneficial Interests conveyed through the CSD Participants in accordance with the Applicable Procedures.

21.10 **Proxies and representatives**

21.10.1 Noteholders present either in person or by proxy may vote on a poll. A proxy shall be authorised in writing under any usual common form of proxy under the hand of the Noteholder or of his authorised agent and, if the Noteholder is a company, other body corporate or association, signed by its authorised officer or agent.

21.10.2 A person appointed to act as proxy need not be a Noteholder.

21.10.3 The proxy form shall be deposited at the Specified Office of the Issuer or at the Specified Office of the Transfer Secretary, as the case may be, at any time before the proxy exercises the rights of the Noteholder at the meeting or adjourned meeting at which the person named in such proxy proposes to vote.

21.10.4 No proxy form shall be valid after the expiration of 6 (six) months from the date named in it as the date of its execution.

21.10.5 Notwithstanding Condition 22.10.4, a proxy form shall be valid for any adjourned meeting, unless the contrary is stated thereon.

21.10.6 A vote given in accordance with the terms of a proxy shall be valid notwithstanding the previous death or incapacity of the principal or revocation of the proxy or of the authority under which the proxy was executed or the transfer of Notes in respect of which the proxy was given, provided that no intimation in writing of such death, incapacity or revocation shall have been received by the Issuer at its Specified Office or the Transfer Secretary at its Specified Office, as the case may be, more than, and that the transfer has been given effect to less than, 12 hours before the commencement of the meeting or adjourned meeting at which the proxy is to be used.

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

21.11 **Minutes**

21.11.1 The Security SPV shall cause minutes of all resolutions and proceedings of meetings to be duly entered in books to be provided by the Issuer for that purpose.

21.11.2 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.

21.12 Written resolutions

21.12.1 A resolution in writing submitted to the Noteholders or Noteholders of a Class of Notes, as the case may be, entitled to exercise voting rights in relation to the resolution, and signed by Noteholders holding more than 50% in the case of a matter to be adopted by Ordinary Resolution or at least 66.67% in the case of a matter to be adopted by Extraordinary Resolution, of the Principal Amount Outstanding of the Notes or Class of Notes, as the case may be, within 20 Business Days after the written resolution was submitted to such Noteholders, shall be as valid and effective as if it had been passed at a meeting duly convened and constituted and shall be deemed to have been passed on the day on which that resolution is signed by the last of the Noteholders or Noteholders of Class of Notes, as the case may be, to sign it.

21.12.2 Each Noteholder shall, promptly after signature of the resolution by it, submit a copy of the resolution to the Issuer. The Issuer shall, not later than 10 Business Days after adoption of the resolution, notify all the Noteholders or Noteholders of a Class of Notes, as the case may be, of the results of the resolution put to vote in writing as contemplated in this Condition 21.12 (and in relation to any Notes listed on the JSE, announce on SENS within 48 hours of the adoption or not of such resolution).

21.13 Convening of meetings by Noteholders in respect of Notes listed on the Interest Rate Market of the JSE

21.13.1 With respect to Notes listed on the Interest Rate Market of the JSE, the Issuer shall upon a requisition in writing of any Noteholders in a Class of Notes holding not less than 10% of the aggregate Principal Amount Outstanding of Notes, convene a meeting of the Noteholders of that Class subject to the remainder of the provisions of this Condition 21.13.

21.13.2 Upon receipt of such a requisition, the Issuer shall immediately-

21.13.2.1 inform the JSE in writing and describe the purpose of the meeting; and

21.13.2.2 release an announcement through SENS that the Issuer has received a demand to call a meeting from Noteholders or Noteholders of a Class of Notes, as the case may be, pursuant to the provisions of the JSE DSS Listings Requirements and specifying the date and time of the meeting.

21.13.3 The Issuer shall issue a notice of meeting (meeting in person or *via* conference call facilities) within 5 (five) Business Days from the date of receipt of the request to call a meeting of Noteholders or Noteholders of a Class of Notes, as the case may be.

21.13.4 The date of the meeting shall be specified as a date not exceeding 7 (seven) Business Days from the date that the notice of meeting is issued.

21.13.5 The notice of meeting shall allow for a pre-meeting of the Noteholders or Noteholders of a Class of Notes, as the case may be (without the presence of the Issuer) on the same day/venue and at least two hours before the scheduled meeting of Noteholders or Noteholders of a Class of Notes, as the case may be.

21.13.6 The Issuer shall release an announcement on SENS within 2 (two) Business Days after the meeting of Noteholders or Noteholders of a Class of Notes, as the case may be, regarding the outcomes of the meeting.

21.13.7 In the event of the liquidation, business rescue or curatorship of the Issuer, the inability of the Issuer to pay its debts as they fall due or the Issuer becoming financially distressed as contemplated in the Companies Act, the reference to 5 (five) Business Days in Condition 21.13.3 shall be reduced to 2 (two) Business Days and 7 (seven) Business Days in Condition 21.13.4 shall be reduced to 5 (five) Business Days.

21.13.8 The Noteholders or Noteholders of a Class of Notes, as the case may be, who demanded the meeting may, prior to the meeting, withdraw the demand by notice in writing to the Issuer. A copy must be submitted to the JSE. Further, the Issuer may cancel the meeting if as a result of one or more of the demands being withdrawn, the requisition fails to meet the required percentage in Condition 21.13.1 to call a meeting.

21.13.9 The Noteholders of the relevant Class present shall vote to elect a chairman of the meeting.

22 BENEFITS

22.1 The 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.

22.2 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.

22.3 It is recorded that the Security SPV, upon signing the Security SPV Guarantee, is deemed to have notice of the Conditions, and the Security SPV shall be bound by those provisions of the Conditions which confer rights and/or impose obligations on the Security SPV.

23 MULTIPLE ROLES

The Noteholders acknowledge and agree that Nedbank acts in a number of different capacities in relation to the transactions envisaged in the Transaction Documents. Notwithstanding such different roles -

23.1 Nedbank and any of its officers, directors and employees may become the owner of, or acquire any interest in any Notes with the same rights that it or he would have had if not a party to a Transaction Document, and may engage or be interested in any financial or other transaction with the Issuer, provided it is a transaction disclosed in any Transaction Document, and may act on, or as depository, trustee or agent for, any committee or body of Noteholders in connection with any other obligation of the Issuer as freely as if it were not a party to any Transaction Document;

23.2 information, knowledge or notification obtained by Nedbank in any one such capacity shall not be attributed to it, whether constructively or otherwise, in any other capacity;

23.3 any payments made by the Issuer in accordance with the Transaction Documents to Nedbank in one capacity shall be construed as a payment to Nedbank only in such capacity and not in any other capacity; and

23.4 Nedbank shall at all times act in good faith in dealing with the Issuer, the Security SPV and the Noteholders.

24 PENALTY INTEREST

Should the Issuer fail to make full or timeous payment of any amount due and payable to the Noteholders on the due date for payment, subject to the availability of funds in terms of the applicable Priority of Payments to make such payment, the Issuer shall pay penalty interest on the unpaid amount, calculated from such due date until the date on which the unpaid amount is actually paid in full (both dates inclusive) at a rate equal to the Prime Rate plus 2.0% per annum.

USE OF PROCEEDS

Words used in this section headed "Use of Proceeds" shall bear the same meanings as used in the section headed "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, as ultimate borrower of the proceeds of the Notes, shall use the proceeds of the Notes -

1 to fund the purchase of the Initial Participating Assets by the Issuer from the Seller on the Initial Issue Date;

2 to fund the purchase of the Additional Participating Assets by the Issuer from the Seller during the Revolving Period;

3 to refinance existing Tranches of Notes; and

4 as may otherwise be described in the Applicable Pricing Supplement.

LIQUIDITY ARRANGEMENTS

Words used in this section headed "Liquidity Arrangements" shall bear the same meanings as used in the section headed "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 (to the extent required) enter into the Liquidity Facility Agreement with the Liquidity Facility Provider, in terms of which, the Liquidity Facility Provider will grant the Issuer the Liquidity Facility in order to fund Liquidity Shortfalls to the extent that the Liquidity Reserve is not funded at the Liquidity Reserve Required Amount, within the parameters set out in the Liquidity Facility Agreement.

1 **Salient features of the Liquidity Facility Agreement**

The Liquidity Facility Agreement will set out the terms and conditions upon which the Liquidity Facility will be granted to the Issuer. These terms and conditions will include that -

(a) the Liquidity Facility Provider will make available the Liquidity Facility up to the Liquidity Facility Limit;

(b) the commitment period during which the Issuer will be entitled to draw down amounts under the Liquidity Facility Agreement (up to the Liquidity Facility Limit) shall be a period of 364 days from the Initial Issue Date and will be subject to annual renewal thereafter at the option of the Liquidity Facility Provider;

(c) the Issuer will only be entitled to draw down or use monies available to it under the Liquidity Facility Agreement -

(i) if such draw down is utilised to meet Liquidity Shortfalls during the Revolving Period;

(ii) if the Asset Quality Test is met; and

(iii) if a Liquidity Cancellation Event has not occurred. For purposes of the Liquidity Facility Agreement, a "Liquidity Cancellation Event" is defined as -

(a) an event which results in it being or becoming illegal for the Liquidity Facility Provider to, in accordance with all Applicable Laws, either to make an advance under the Liquidity Facility Agreement or to maintain its commitment thereunder;

(b) the occurrence of an Event of Default;

(d) the Issuer will not be entitled to draw down or use monies available to it under the Liquidity Facility if -

(i) such further draw down or utilisation would result in the Liquidity Facility Limit under the Liquidity Facility Agreement being exceeded; and/or

(ii) such further utilisation would result in the monies drawn down or utilised under the Liquidity Facility being applied to -

- fund Liquidity Shortfalls to the extent that the Asset Quality Test is not satisfied; and/or
- repay any capital or interest owing by the Issuer in terms of the Liquidity Facility Agreement; and/or
- fund the purchase price of any Participating Asset; and/or
- cover losses sustained by the Issuer in relation to the Programme; and/or
- finance payments of the Principal Amount Outstanding with respect to the Notes,

and without limiting the generality of the aforegoing, the Liquidity Facility may not be used by the Issuer as a permanent revolving facility in order to provide credit enhancement to the Issuer or the Programme;

(e) all amounts drawn down by the Issuer under the Liquidity Facility Agreement will be applied by the Issuer in accordance with the Priority of Payments; and

(f) all amounts payable by the Issuer to the Liquidity Facility Provider under the Liquidity Facility Agreement will only be payable in accordance with the Priority of Payments.

2 Security granted to the Liquidity Facility Provider, Limited Recourse and Non-Petition

The amounts due by the Issuer to the Liquidity Facility Provider under the Liquidity Facility Agreement will be secured by the Security SPV Guarantee. However, the Liquidity Facility Provider is obliged to bind itself to the Priority of Payments and has further undertaken that, in the event it is entitled to enforce any right, claim or action against the Issuer, it will do so by claiming under the Security SPV Guarantee and will not proceed directly against the Issuer unless and until two years after the Security SPV has notified the Secured Creditors that it has no further assets or rights to any assets of the Issuer available for the payment of any sums outstanding or owing by the Issuer to such Secured Creditors. However, should the Security SPV be liquidated, wound-up or placed under business rescue supervision or should the Security SPV Guarantee and/or the Issuer Indemnity be or become unenforceable then, as a Secured Creditor, the Liquidity Facility Provider will be entitled to enforce its rights against the Issuer or take actions or proceedings directly against the Issuer should an Event of Default occur.

3 Miscellaneous

(a) The Issuer will have no recourse against the Liquidity Facility Provider beyond the fixed contractual obligations provided in the Liquidity Facility Agreement.

(b) The obligations of the Liquidity Facility Provider under the Liquidity Facility Agreement will not extend significantly beyond the salient features of the Liquidity Facility Agreement described herein and, accordingly, the Liquidity Facility

Provider (in its capacity as such) will not support the Programme beyond such obligations.

4 **Downgrading of the Liquidity Facility Provider**

In the event that the Liquidity Facility Provider, to the extent appointed under the Liquidity Facility Agreement is assigned a rating below the Required Credit Rating, in order to mitigate any counterparty risk arising as a result of such downgrade -

(a) the Liquidity Facility Provider shall, notify the Issuer of this fact promptly upon becoming aware of same and the Issuer shall have a period of thirty days from the date on which such downgrading is notified to the Issuer, to use its reasonable endeavours to arrange for another entity with the Required Credit Rating, to guarantee the obligations of the Liquidity Facility Provider under the Liquidity Facility Agreement or to provide a facility to the Issuer on terms and conditions which are agreed by the Security SPV in writing provided that the Rating Agency is furnished with at least five Business Days' prior written notice of the proposed new terms and further provide that the Issuer shall not be obliged to occur costs thereby;

(b) if such guarantor or replacement liquidity facility provider is not appointed, then the Liquidity Facility Provider shall have a period of thirty days from the date on which such downgrading is notified to the Issuer to use its reasonable endeavours to arrange for another entity with the Required Credit Rating, to guarantee the obligations of the Liquidity Facility Provider under the Liquidity Facility Agreement or to provide a facility to the Issuer on terms and conditions which are agreed by the Security SPV;

(c) if a guarantor or replacement liquidity facility provider is not appointed, then the Liquidity Facility shall, at that time, be fully drawn-down by the Issuer and be deposited into the Transaction Account until a replacement liquidity facility provider has been appointed, provided that the unutilised cash so drawn-down shall be invested in Permitted Investments (and shall, for the avoidance of doubt, not form part of Available Funds save for amounts that are allowed to be otherwise drawn down under the Liquidity Facility Agreement). The excess (if any) from time to time between the amount so drawn down and the Liquidity Facility Limit, shall be repaid by the Issuer to the Liquidity Facility Provider not later than the first day of the month succeeding the month in which such excess occurred. The amount so drawn down shall be repaid by the Issuer to the Liquidity Facility Provider upon the earlier of the appointment of a replacement liquidity facility provider and the last Note in issue being redeemed by the Issuer and there being no further Notes in issue.

SECURITY ARRANGEMENTS

Words used in this section headed "Security Arrangements" shall bear the same meanings as used in the section headed "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 Notes will be obligations of the Issuer only.

2 The Programme Memorandum sets out the Pre-Enforcement Priority of Payments in accordance with which certain creditors of the Issuer will be paid prior to delivery of an Enforcement Notice by the Security SPV, declaring the Notes to be immediately due and payable. The Programme Memorandum also sets out the Post-Enforcement Priority of Payments applicable after delivery of an Enforcement Notice. Amounts payable at any time to any Secured Creditor which ranks in the Priority of Payments after other Secured Creditors, will only be paid to the extent that funds are available at such time after payment has been made in full to creditors ranking higher in the Priority of Payments.

3 MW Asset Rentals Security SPV (RF) Proprietary Limited, a company with limited liability registered and incorporated in accordance with the laws of South Africa under registration number 2014/202659/07 (the "**Security SPV**") will bind itself under the Security SPV Guarantee to each Secured Creditor. Pursuant to such Security SPV Guarantee the Security SPV will undertake 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 to the amount recovered by the Security SPV from the Issuer arising out of the Issuer Indemnity referred to below. Payment of amounts due by the Security SPV pursuant to the Security SPV Guarantee will be made strictly in accordance with the Post-Enforcement Priority of Payments after delivery of an Enforcement Notice. Performance by the Security SPV of its obligations under the Security SPV Guarantee is subject to the provisions of the Security SPV Guarantee. The Security SPV Guarantee is irrevocable.

4 The Issuer will give the Issuer Indemnity to the Security SPV in respect of the claims that may be made against it arising out of the Security SPV Guarantee. The obligations of the Issuer in terms of this Issuer Indemnity are secured by -

4.1 the security cession in favour of the Security SPV of the Issuer's right, title and interest in and to -

4.1.1 each Participating Asset the Portfolio of Participating Assets owned by the Issuer from time to time; and

4.1.2 the Bank Accounts, Permitted Investments, Account Monies and Transaction Documents;

4.2 a guarantee 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 in the Issuer. As security for the guarantee granted to the Security SPV, the Owner Trust concluded a pledge and cession of all of the Owner Trust's shares and claims in the Issuer.

5 Each Class of Notes will share the same Security.

6 The Security SPV was incorporated as a ring-fenced, insolvency remote vehicle on 07/10/2014 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 Transaction Documents. The registered office of the Security SPV is situated at 2nd Floor, 145 West Street, Sandton, Gauteng, 2196.

7 The Security SPV Owner Trust is the holder of all of the ordinary shares in the share capital of the Security SPV and the Security SPV Owner Trust shall endure for so long as the Security SPV has any obligations of any nature whatsoever to any Secured Creditor in terms of the Security SPV Guarantee issued by the Security SPV. In terms of the trust deed of the Security SPV Owner Trust, the Security SPV Owner Trustee cannot sell or dispose of the shares it holds in the Security SPV.

PRIORITY OF PAYMENTS

Words used in this section headed "Priority of Payments" shall bear the meanings as used in the section headed "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**

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 1.10 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.

The amounts referred to above will be applied on the basis that a Secured 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 it 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 and statutory fees, costs and expenses due and payable by the Issuer on such Payment Date in order to preserve the corporate existence of the Issuer and to comply with all Applicable Laws;

1.2 second, to pay or provide for *pari passu* and *pro rata* -

1.2.1 the remuneration due and payable to the Security SPV (inclusive of VAT, if any) and any fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Security SPV under the provisions of the Security Documents and/or any of the Transaction Documents and/or the Notes;

1.2.2 the remuneration due and payable to the Owner Trustee and the Security SPV Owner Trustee, as the case may be, (inclusive of VAT, if any) and any fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by such trustee under the provisions of the Owner Trust Deed and the Security SPV Owner Trust Deed, as the case may be, the Security Documents and/or any of the Transaction Documents and/or the Notes; and

1.2.3 all fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Issuer, which are due and payable or expected to become due and payable by the Issuer on or after such Payment Date (but prior to the next Payment Date) to third parties and incurred without breach by the Issuer of its obligations under the Transaction Documents and not provided for payment elsewhere (including payment of the Rating Agency, the JSE, the Dealer, the Calculation Agent, the Paying Agent, the Settlement Agent, the Transfer Secretary, audit fees, legal fees, the directors of the Issuer and company secretarial expenses);

1.3 third, to pay or provide for *pari passu* and *pro rata* -

1.3.1 the fee due and payable to the Administrator on such Payment Date (inclusive of VAT, if any) together with costs and expenses which are due and payable to the Administrator under the Administration and Agency Agreement on that Payment Date; and

1.3.2 the Senior Servicing Fee due and payable to the Servicer on such Payment Date (inclusive of VAT, if any) together with costs and expenses which are due and payable to the Servicer under the Servicing Agreement on that Payment Date, provided that a Stop Purchase Event has not occurred which is continuing; and

1.3.3 the fee due and payable to the Back-Up Servicer on such Payment Date (inclusive of VAT, if any) together with costs and expenses which are due and payable to the Back-Up Servicer under the Servicing Agreement on that Payment Date,

provided that the aggregate amount of fees, costs and expenses to be paid or provided for in respect of 1.2 and 1.3 above shall not exceed the Expense Cap;

1.4 fourth, to pay or provide for any net settlement amounts and Hedge Termination Amounts (if any) due and payable to any Hedge Counterparty in accordance with the Hedging Agreements (if applicable) (but excluding any Hedge Termination Amounts (if any) where the Hedge Counterparty is in default or ceases to have the Required Credit Rating);

1.5 fifth, to pay if due and payable or provide for fees, principal and interest payable by the Issuer to the Liquidity Facility Provider in accordance with the provisions of the Liquidity Facility Agreement;

1.6 sixth, to pay or provide for *pari passu* and *pro rata* all amounts of interest and other expenses due and payable in respect of the Class A Notes;

1.7 seventh, to pay or provide for *pari passu* and *pro rata* all amounts of interest and other expenses due and payable in respect of the Class B Notes;

1.8 eighth, to pay into the Arrears Reserve the amount required to credit the Arrears Reserve up to the Arrears Reserve Required Amount;

1.9 ninth, to pay into the Liquidity Reserve the amount required to credit the Liquidity Reserve up to the Liquidity Reserve Required Amount (using funds other than Principal Collections);

1.10 tenth, on any Payment Date, to set aside in the Capital Reserve, an amount equal to the lower of -

1.10.1 the Potential Redemption Amount; and

1.10.2 the cash available on that Payment Date in the Pre-Enforcement Priority of Payments; and

1.10.3 to use the monies set aside in the Capital Reserve on any Payment Date to -

1.10.3.1 firstly, provided a Stop Purchase Event has not occurred and is not continuing on the most recent Determination Date, and to the extent that there are sufficient Eligible Participating Assets offered to the Issuer for purchase by the Seller as at such Payment Date, to pay or provide for the acquisition of Eligible Participating Assets on the Lease Delivery Date which falls on such Payment Date; and

1.10.3.2 secondly, the remaining amount may, at the election of the Issuer, be retained in the Capital Reserve (for application in accordance with the Pre-Enforcement Priority of Payments on the immediately succeeding Payment Date); provided that the maximum aggregate amount which may be retained in the Capital Reserve shall be an amount equal to 5.0% of the Principal Amount Outstanding of all Tranche(s) of Notes then in issue; and

1.10.3.3 thirdly, and following the exercise by the Issuer of the election referred to immediately above, the remaining amount shall be used to redeem the Notes in each Class of Notes in descending order of rank, in accordance with the Terms and Conditions;

1.11 eleventh, to pay or provide for any net settlement amounts and the Hedge Termination Amounts due and payable to the Hedge Counterparty under the Hedging Agreement(s) where the Hedge Counterparty is in default or no longer has the Required Credit Rating;

1.12 twelfth, to pay or provide for expenses referred to in item 2 in excess of the Expense Cap;

1.13 thirteenth, to pay or provide for *pari passu* and *pro rata* -

1.13.1 the Subordinated Servicing Fee due and payable to the Servicer on such Payment Date; and

1.13.2 any fees and interest due and payable to the Subordinated Loan Provider in accordance with the provisions of the Subordinated Loan Agreement;

1.14 fourteenth, to pay or provide for any capital amounts due and payable to the Subordinated Loan Provider under the Subordinated Loan Agreement;

1.15 fifteenth, to pay or provide for the dividend due and payable to the Preference Shareholder, net of any Tax payable in respect of such distribution;

1.16 sixteenth, while any amounts (whether actual or contingent) are outstanding to Secured Creditors, the surplus, if any, to be invested in Permitted Investments and, only once all the obligations (whether contingent or otherwise) to Secured Creditors have been discharged in full, to pay the surplus, if any, to the ordinary shareholders of the Issuer.

2 **Pre-Enforcement Priority of Payments during the Amortisation Period**

On any Payment Date (after the delivery of an Amortisation Notice but prior to the delivery of an Enforcement Notice), no Additional Participating Assets may be purchased by the Issuer. 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 (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.

The amounts referred to above will be applied on the basis that a Secured 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 it 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 and statutory fees, costs and expenses due and payable by the Issuer on such Payment Date in order to preserve the corporate existence of the Issuer and to comply with all Applicable Laws;

2.2 second, to pay or provide for *pari passu* and *pro rata* -

2.2.1 the remuneration due and payable to the Security SPV (inclusive of VAT, if any) and any fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Security SPV under the provisions of the Security Documents and/or any of the Transaction Documents and/or the Notes;

2.2.2 the remuneration due and payable to the Owner Trustee and the Security SPV Owner Trustee, as the case may be, (inclusive of VAT, if any) and any fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by such trustee under the provisions of the Owner Trust Deed and the Security SPV Owner Trust Deed, as the case may be, the Security Documents and/or any of the Transaction Documents and/or the Notes; and

2.2.3 all fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Issuer, which are due and payable or expected to become due and payable by the Issuer on or after such Payment Date (but prior to the next Payment Date) to third parties and incurred without breach by the Issuer of its obligations under the Transaction Documents and not provided for payment elsewhere (including payment of the Rating Agency, the JSE, the Dealer, the Calculation Agent, the Paying Agent, the Settlement Agent, the Transfer

Secretary, audit fees, legal fees, the directors of the Issuer and company secretarial expenses);

2.3 third, to pay or provide for *pari passu* and *pro rata* -

2.3.1 the fee due and payable to the Administrator on such Payment Date (inclusive of VAT, if any) together with costs and expenses which are due and payable to the Administrator under the Administration and Agency Agreement on that Payment Date; and

2.3.2 the Senior Servicing Fee due and payable to the Servicer on such Payment Date (inclusive of VAT, if any) together with costs and expenses which are due and payable to the Servicer under the Servicing Agreement on that Payment Date, provided that a Stop Purchase Event has not occurred which is continuing; and

2.3.3 the fee due and payable to the Back-Up Servicer on such Payment Date (inclusive of VAT, if any) together with costs and expenses which are due and payable to the Back-Up Servicer under the Servicing Agreement on that Payment Date,

provided that the aggregate amount of fees, costs and expenses to be paid or provided for in respect of 2.2 and 2.3 above shall not exceed the Expense Cap;

2.4 fourth, to pay or provide for any net settlement amounts and Hedge Termination Amounts (if any) due and payable to any Hedge Counterparty in accordance with the Hedging Agreements (if applicable) (but excluding any Hedge Termination Amounts (if any) where the Hedge Counterparty is in default or ceases to have the Required Credit Rating);

2.5 fifth, to pay if due and payable or provide for fees, principal and interest payable by the Issuer to the Liquidity Facility Provider in accordance with the provisions of the Liquidity Facility Agreement;

2.6 sixth, to pay or provide for *pari passu* and *pro rata* all amounts of interest and other expenses due and payable in respect of the Class A Notes;

2.7 seventh, to pay into the Liquidity Reserve the amount required to credit the Liquidity Reserve up to the Liquidity Reserve Required Amount (using funds other than Principal Collections);

2.8 eighth, to pay or provide for *pari passu* and *pro rata* all amounts of principal due and payable in respect of the Class A Notes;

2.9 ninth, to pay or provide for *pari passu* and *pro rata* all amounts of interest and other expenses due and payable in respect of the Class B Notes;

2.10 tenth, to pay or provide for *pari passu* and *pro rata* all amounts of principal due and payable in respect of the Class B Notes;

2.11 eleventh, to pay or provide for any net settlement amounts and the Hedge Termination Amounts due and payable to the Hedge Counterparty under the

Hedging Agreements where the Hedge Counterparty is in default or no longer has the Required Credit Rating;

2.12 twelfth, to pay or provide for expenses referred to in item 2 in excess of the Expense Cap;

2.13 thirteenth, to pay or provide for *pari passu* and *pro rata* -

2.13.1 the Subordinated Servicing Fee due and payable to the Servicer on such Payment Date; and

2.13.2 any fees and interest due and payable to the Subordinated Loan Provider in accordance with the provisions of the Subordinated Loan Agreement;

2.14 fourteenth, to pay or provide for any capital amounts due and payable to the Subordinated Loan Provider under the Subordinated Loan Agreement;

2.15 fifteenth, to pay or provide for the dividend due and payable to the Preference Shareholder, net of any Tax payable in respect of such distribution;

2.16 sixteenth, while any amounts (whether actual or contingent) are outstanding to Secured Creditors, the surplus, if any, to be invested in Permitted Investments and, only once all the obligations (whether contingent or otherwise) to Secured Creditors have been discharged in full, to pay the surplus, if any, to the ordinary shareholders of the Issuer.

3 Post-Enforcement Priority of Payments

After the delivery of an Enforcement Notice by the Security SPV to the Issuer, no Additional Participating Assets may be purchased by the Issuer and the Security SPV will enforce the remedies available to it under the Security Documents (and such other remedies as may be available to it at law) and realise the Security pursuant to the Security Documents for the benefit of the Noteholders and the other Secured Creditors. The recourse of the Noteholders and the other Secured Creditors will be limited to the net amount recovered by the Security SPV pursuant to the Security Documents.

The Security SPV shall make payments from the assets realised under the Security Documents, all amounts standing to the credit of the Transaction Account and the Reserves to make payments in the following order of priority and on the basis that a Secured 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 it 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 possible liability for all Taxes, (provided that this item shall fall away from the Post-Enforcement Priority of Payments in the event of the Issuer being liquidated, whether provisionally or finally, voluntarily or compulsorily) and statutory fees, costs and expenses due and payable by the Issuer on such Payment Date in order to preserve the corporate existence of the Issuer and to comply with all Applicable Laws;

3.2 second, to pay or provide for *pari passu* and *pro rata* -

3.2.1 the remuneration due and payable to the Security SPV (inclusive of VAT, if any) and any fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Security SPV under the provisions of the Security Documents and/or any of the Transaction Documents and/or the Notes;

3.2.2 the remuneration due and payable to the Owner Trustee and the Security SPV Owner Trustee, as the case may be, (inclusive of VAT, if any) and any fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by such trustee under the provisions of the Owner Trust Deed and the Security SPV Owner Trust Deed, as the case may be, the Security Documents and/or any of the Transaction Documents and/or the Notes; and

3.2.3 all fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Issuer, which are due and payable or expected to become due and payable by the Issuer on or after such Payment Date (but prior to the next Payment Date) to third parties and incurred without breach by the Issuer of its obligations under the Transaction Documents and not provided for payment elsewhere (including payment of the Rating Agency, the JSE, the Dealer, the Calculation Agent, the Paying Agent, the Settlement Agent, the Transfer Secretary, audit fees, legal fees, the directors of the Issuer and company secretarial expenses);

3.3 third, to pay or provide for *pari passu* and *pro rata* -

3.3.1 the fee due and payable to the Administrator on such Payment Date (inclusive of VAT, if any) together with costs and expenses which are due and payable to the Administrator under the Administration and Agency Agreement on that Payment Date; and

3.3.2 the Senior Servicing Fee due and payable to the Servicer together with costs and expenses which are payable to the Servicer under the Servicing Agreement on that Payment Date; and

3.3.3 the fee due and payable to the Back-Up Servicer together with costs and expenses which are payable to the Back-Up Servicer under the Servicing Agreement on that Payment Date,

provided that the aggregate amount of fees, costs and expenses to be paid or provided for in respect of 3.2 and 3.3 above shall not exceed the Expense Cap;

3.4 fourth, to pay or provide for any net settlement amounts and Hedge Termination Amounts (if any) due and payable to any Hedge Counterparty in accordance with the Hedging Agreements (if applicable) (but excluding any Hedge Termination Amounts (if any) where the Hedge Counterparty is in default or ceases to have the Required Credit Rating);

3.5 fifth, to pay or provide for all amounts of interest, fees and principal due and payable to the Liquidity Facility Provider in accordance with the Liquidity Facility Agreement;

3.6 sixth, to pay or provide for all interest, principal and other amounts due and payable in respect of the Class A Notes;

3.7 seventh, to pay or provide for all interest, principal and other amounts due and payable in respect of the Class B Notes;

3.8 eighth, to pay or provide for the Hedge Termination Amounts (if any) due and payable to the Hedge Counterparty under the Hedging Agreements (if applicable) where the Hedge Counterparty is in default or no longer has the Required Credit Rating;

3.9 ninth, to pay or provide for fees, costs and expenses due and payable in respect of 3.2 above in excess of the Expense Cap;

3.10 tenth, to pay or provide for *pari passu* and *pro rata* -

3.10.1 the Subordinated Servicing Fee due and payable to the Servicer on such Payment Date; and

3.10.2 any fees and interest due and payable to the Subordinated Loan Provider in accordance with the provisions of the Subordinated Loan Agreement;

3.11 eleventh, to pay or provide all principal amounts due and payable to the Subordinated Loan Provider under the Subordinated Loan Agreement;

3.12 twelfth, to pay or provide for the dividend due and payable to the Preference Shareholder, net of any Tax payable in respect of such distribution;

3.13 thirteenth, provided that all obligations (whether contingent or otherwise) to Secured Creditors have been discharged in full, to pay the surplus, if any, to the ordinary shareholders of the Issuer.

In regard to the Notes, any reference in the Priority of Payments to a *pro rata* allocation of funds in respect of principal payments shall be determined with reference to the then Principal Amount Outstanding of the relevant Class of Notes.

THE ISSUER

Words used in this section headed "The Issuer" shall bear the meanings as used in the section headed "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

MW Asset Rentals (RF) Limited (the "**Issuer**") was incorporated and registered in South Africa on 27/11/2002, under registration number 2002/030074/06, under the Companies Act as a company with limited liability. The issued share capital of the Issuer comprises 120 no par value ordinary shares held by the Owner Trust and the Preference Share.

2 Directors information

The details of the directors of the Issuer are set out in the Information Statement, which is incorporated into this Programme Memorandum by reference, and is available on the Servicer's website at https://merchantwest.co.za/mw-asset-rentals/.

The board of directors of the Issuer is independent from Merchant West.

Any change to the Directors, together with the reasons for such change, will be announced through SENS by the end of the Business Day following the decision or receipt of notice detailing the change.

3 Secretary and registered office

Details of the company secretary of the Issuer and its registered office are set out in the Information Statement which is incorporated into this Programme Memorandum by reference, and is available on the Servicer's website at https://merchantwest.co.za/mw-asset-rentals/.

The registered office of the Issuer is 145 West Street, Sandton, 2196.

Any change to the company secretary of the Issuer, together with the reasons for such change, will be announced through SENS by the end of the Business Day following the decision or receipt of notice detailing the change

4 Auditor

The auditor of the Issuer is PricewaterhouseCoopers Inc.

5 Activities

The activities of the Issuer will be restricted by the Transaction Documents and will be limited to the issue of the Notes, the ownership of the Participating Assets and other assets referred to in this Programme Memorandum, the exercise of related rights and powers, and other activities referred to in this Programme Memorandum and the Transaction Documents or reasonably incidental to such activities.

Substantially all of the above activities will be carried out by Merchant West, 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 Merchant West.

The Issuer is subject to Applicable Laws which may change at any time, such as the Companies Act, 2008. The Issuer shall do all things required to comply with all such Applicable Laws from time to time. The activities of the Issuer shall be confined to those contemplated in this Programme Memorandum.

The Issuer is a special purpose entity operating in accordance with the requirements of the Transaction Documents, has no employees and no administrative infrastructure of its own, having contracted these functions to Merchant West in terms of the Administration and Calculation Agency Agreement. Accordingly, the Issuer does not adhere to the Code of Governance Principals set out in the King IV Report (the "**Code**").

The directors of the Issuer nevertheless endorse the Code and recognise the need to conduct the affairs of the Issuer with integrity and accountability in accordance with the guidelines of the Code to the extent that it is able to do so.

THE ORIGINATOR AND THE SERVICER

Words used in this section headed "Originator and Servicer" shall bear the meanings as used in the section headed "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.

Merchant West is a company with limited liability registered and incorporated in accordance with the laws of South Africa under registration number 2000/012050/07.

Merchant West facilitates asset backed financing transactions for the public and corporate sectors and provides tailored finance structures for finance leases, operating lease rentals and full maintenance leasing of office automation, telecommunication and IT equipment, yellow metal equipment and vehicles and trucks.

The origination procedures and credit criteria followed by Merchant West in entering into Leases are described under the section headed "*The Portfolio of Participating Assets*" below.

Merchant West will be 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 -

(i) manage the relationship between the Issuer and Lessees;

(ii) implement a collections procedure and arrears procedure in respect of Participating Assets;

(iii) extending the Minimum Lease Period of certain Leases, provided it has been considered and approved in the Servicer's normal course of business, and without extending the Minimum Lease Period to later than 2 years prior to the Final Redemption Date in respect of the latest Note in issue;

(iv) provide computer and information systems management services to the Issuer,

(v) comply with all the obligations imposed on the Servicer in terms of the Transaction Documents;

(vi) administer the Priority of Payments, including making drawings under the Liquidity Facility Agreement (and the Subordinated Loan Agreement), when required;

(vii) administer the funding of the Reserves; and

(viii) prepare and deliver various reports to the Issuer, the Administrator, the Rating Agency and the Security SPV,

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

The Servicer will also perform calculation services, provided that in the event of the termination of the appointment of Merchant West as the Servicer in accordance with the provisions of the

Servicing Agreement, the Administrator will, amongst other cash management services, perform the calculation services.

The Servicer is entitled to charge fees for its services under the Servicing Agreement payable on each Payment Date.

The Servicer is entitled to sub-contract or delegate its functions under the Servicing Agreement, with the prior consent of the Issuer and the Security SPV. The Servicer remains liable to the Issuer for the performance of those functions notwithstanding such delegation.

The appointment of Merchant West as Servicer may be terminated by the Issuer on the happening of certain events of default or insolvency on the part of Merchant West or pursuant to a breach by the Servicer of its obligations. The Servicer is entitled to resign on not less than 12 months' written notice.

The Servicer has disaster recovery systems and back up arrangements in place. The current arrangements include nightly backups of all production data 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 plan provides for the information to be retrieved and put into operation within 48 hours.

The Servicer undertakes to maintain those arrangements without material alteration. Any replacement arrangements which are materially different may not be entered into unless the Security SPV has provided the Servicer with its prior written consent (not to be unreasonably withheld or delayed).

Neither the Servicer nor the Back-Up Servicer, in their capacity as such, is under any obligation to fund payments owed in respect of the Programme, absorb losses incurred in respect of the Participating Assets transferred to the Issuer or otherwise to recompense investors for losses incurred in respect of the Programme.

THE BACK-UP SERVICER

Words used in this section headed "The Back-Up Servicer" shall bear the meanings as used in the section headed "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.

In the event that Merchant West is unable to meet its commitments as Servicer of the Portfolio of Participating Assets under the Servicing Agreement, TMF has undertaken to provide the necessary resources to be able to take over the administration of the Portfolio of Participating Assets. The Back-Up Servicer has been appointed under the Servicing Agreement concluded between the Issuer, the Security SPV, the Servicer and the Back-Up Servicer.

THE ADMINISTRATOR

Words used in this section headed "The Administrator" shall bear the meanings as used in the section headed "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.

Nedbank is a company with limited liability registered and incorporated in accordance with the laws of South Africa under registration number 1951/000009/06 situated at 135 Rivonia Road, Sandown, Sandton, South Africa, 2196.

Nedbank will be appointed as Administrator in terms of the Administration and Agency Agreement. The duties of the Administrator include, without limitation, the right and obligation to -

(i) review the Servicer’s administration of the Priority of Payments;

(ii) review the Servicer’s administration of the funding of the various Reserves;

(iii) make arrangements for the payment by the Issuer of interest and principal in respect of the Notes subject to terms of the Notes and the availability of funds; and

(iv) provide cash management services to the Issuer,

all on the terms and conditions set out in the Administration and Agency Agreement.

The Administrator is entitled to charge fees for its services under the Administration and Agency Agreement payable on each Payment Date, such fees to be equal to such amount as set out in the Administration and Agency Agreement.

The appointment of Nedbank as Administrator 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 Administrator or pursuant to a breach by the Administrator of its obligations. The Administrator is entitled to resign on not less than 6 (six) months’ written notice.

The Administrator is under no obligation to fund payments owed in respect of the Programme or otherwise recompense investors for losses incurred in respect of the Programme.

PORTFOLIO OF PARTICIPATING ASSETS

This section should be read in conjunction with, and is qualified in its entirety by, the detailed information contained elsewhere in this Programme Memorandum. *The other Transaction Documents (as defined in the section headed "Terms and Conditions of the Notes"), as amended, novated and/or substituted from time to time in accordance with their terms, shall be deemed to be incorporated in, and to form part of, this Programme Memorandum. Such documents are available for inspection, as provided for in the section "General Information".* Words used in this section headed "The Loan Pool" shall bear the meanings as used in the section headed "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.

Eligibility Criteria

On origination of each Participating Asset from time to time, the Originator's standard credit approval policies and procedures will have been applied. The general criteria that each Participating Asset must satisfy in order to qualify for acquisition by the Issuer, include, *inter alia*, the following -

1 Prior to the Effective Date in respect of any Participating Asset sold and transferred in accordance with the Sale Agreement, the Lessor has unconditionally and irrevocably paid in full, to the manufacturer, or supplier or any other party from whom the Leases and related Equipment were acquired, as the case may be, the purchase price and any related charges in connection with the acquisition of such Participating Assets.

2 As at the Initial Issue Date, the Transfer Date and the Lease Delivery Date of each Participating Asset under the Sale Agreement, the sale and transfer to the Issuer of the Participating Assets, including the sale and transfer of all of the Seller's right, title and interest in each item of Equipment to the Issuer does not violate the terms or provisions of any Lease or any other agreement in respect of the Participating Assets or any other agreement to which the Seller is a party or by which it is bound.

3 At the time of commencement of each Lease sold to the Issuer in terms of the Sale Agreement, the Equipment was not situated on any leased premises, or if so situated, the Lease obliges the Lessee to notify the landlord of such premises in writing (or the landlord of the premises has been notified in writing) that the ownership of such Equipment does not vest in the landlord's tenant.

4 As at the Initial Issue Date, the Transfer Date and the Lease Delivery Date of each Participating Asset under the Sale Agreement, the Seller -

4.1 is entitled to enforce all rights and obliged to perform all obligations under and in respect of the Participating Assets insofar as such rights and/or obligations relate to the Seller; and

4.2 has good title to each item of related Equipment.

5 As at the Initial Issue Date, the Transfer Date and the Lease Delivery Date of each Participating Asset under the Sale Agreement -

5.1 the Issuer will be entitled to enforce all rights and obliged to perform all obligations under the Participating Assets insofar as such rights and/or obligations relate to the Issuer; and

5.2 the Issuer will be the legal owner of each item of related Equipment.

6 As at the Initial Issue Date (in respect of the Initial Participating Assets), the Transfer Date and the Lease Delivery Date of each Participating Asset under the Sale Agreement -

6.1 each relevant Lease -

6.1.1 is a legal, valid and binding full recourse obligation of the Lessee under such Lease, enforceable by the Issuer (and by the Security SPV as cessionary of the Issuer) against such Lessee in accordance with the terms of such Lease;

6.1.2 is one in respect of which the Lessee will not have been released in whole or in part, from any of its obligations in respect of such Lease, such Lease will not have been satisfied or cancelled, in whole, or in part, or rescinded, and no instrument has been executed that would affect any such satisfaction, cancellation or rescission;

6.1.3 provides for a Minimum Lease Period;

6.1.4 is Rand-denominated;

6.1.5 is in full force and effect;

6.1.6 has been originated in the ordinary course of the Originator's business, in accordance with the Originator's policies and procedures;

6.1.7 provides that Lease Payments are not subject to set off, withholding or deduction;

6.1.8 can be segregated and is a separately identifiable agreement on the System of the Servicer at all times after the Effective Date;

6.1.9 has a Minimum Lease Period which expires no later than 2 years prior to the latest Final Redemption Date in respect of any Notes in issue;

6.1.10 has a Minimum Lease Period of no more than 7 years;

6.1.11 provides that the Minimum Lease Period cannot exceed the useful life of the Equipment;

6.1.12 provides that upon a transfer of the Lessor's ownership in the corresponding Equipment to the Issuer, the Lessee shall, following such transfer, hold such Equipment on behalf of the Issuer;

6.1.13 all agreements in terms of which Lessors cede and assign their rights under any Leases to the Seller (the "Cessions") are on terms and conditions substantially and materially the same as the Cessions identified in the Sale Agreement;

6.2 the Seller has no knowledge (after due enquiry) of any challenge, dispute or claim by or against the Lessee under or in respect of such Lease or the liquidation or insolvency of the applicable Lessee;

6.3 each Lessee will have paid at least the first scheduled Lease Payment;

6.4 each Lease will be a Performing Lease, not be in Arrears by more than 30 days and to the best of the Seller's knowledge and belief and having made all reasonable enquiries in the ordinary course of its business, the arrear status is not as a result of the creditworthiness of the Lessee but rather administrative in nature;

6.5 the Seller does not have knowledge that any item of the Equipment sold and transferred in terms of the Sale Agreement has suffered any loss or damage which has not been fully repaired;

6.6 in terms of the Lease, the Lessee is unconditionally responsible for repairs and maintenance of the Equipment subject to the Lease (with no obligation on the Seller to repair and maintain Equipment);

6.7 each Lessee is resident in the Common Monetary Area;

6.8 the Equipment subject to each Lease is insured in an amount sufficient to cover the lower of (i) Exposure of such Lease or (ii) the Equipment replacement cost in the event of the theft, loss of, or damage to, such Equipment;

6.9 each Participating Asset sold to the Issuer complies with the Servicer's regular credit approval criteria set out in the Servicer Advances Guidelines;

6.10 each Lease provides that the obligation of the Lessee to pay rent under such agreement throughout the term of such agreement is and will be unconditional without regard to any event affecting the Equipment, the obsolescence of any Equipment, any claim of such Lessee against the Issuer or the Seller or the Lessor, or any change in circumstance of such Lessee, or any other circumstance whatsoever; provided that, in the event of any item of Equipment being lost, stolen or, in the opinion of the Lessor, being damaged beyond economical repair, then in circumstances where the Lessee is responsible for insuring the Equipment subject to such Lease, the Lessee, at a minimum, is obliged to pay, in lieu of the future Lease Payments with respect to such Equipment, the outstanding principal or book value of the Lease and, in circumstances where the Seller or prior Lessor, as the case may be, is responsible for insuring the Equipment subject to such Lease, the Lease will terminate on such date, the Lessee will be responsible for the Arrears (plus VAT) up to the date of such termination and, in lieu of the future Lease Payments with respect to such Equipment, a claim will be lodged under the applicable Casualty Insurance Policy or the Equipment will be replaced;

6.11 in the case of each Lease which consists of a master lease and one or more exhibits or schedules, all such exhibits and schedules are subject to the terms and conditions set out in such master lease;

6.12 there are no facts or circumstances which give rise, or would give rise at any time in the future, to any right of rescission, set-off, counterclaim or defence, to the obligations of any Lessee, including the obligation of such Lessee to pay all amounts due with respect to any Lease to which such Lessee is a party, and neither the operation of any of the terms of any Lease nor the exercise of any right under the Lease will render such Lease unenforceable in whole or in part or subject to any right of rescission, set-off, counterclaim or defence, and no such right of rescission, set-off, counterclaim or defence has been asserted with respect to any Lease;

6.13 no Lease has been amended, altered or modified in any respect except in writing, and copies of all such written amendments are attached to the Lease;

6.14 no Lessee will have been released, in whole or in part, from any of its obligations in respect of any Lease, no Lease will have been satisfied, cancelled or subordinated, in whole, or in part, or rescinded, and no Equipment covered by any Lease will have been released from such Lease, in whole or in part, nor has any instrument been executed that would affect any such satisfaction, release, cancellation, subordination or rescission;

6.15 each Lease complies with all Applicable Laws, payments under each Lease are required to be made in Rands, and no Lease was originated in or is subject to the laws of any jurisdiction whose laws would make any of the sales and transfers under the Sale Agreement unlawful;

6.16 all parties to each Lease had capacity and authority to execute such Lease;

6.17 the rights and obligations under the Leases are assignable without the consent of or notice to the corresponding Lessees or to the extent any such consent is required the relevant consents have been obtained;

6.18 save as expressly provided for in the Transaction Documents or the relevant Lease (which may include a provision(s) providing for, upon settlement of all outstanding amounts owing under the relevant Lease, arrangements for the return of the Equipment to the relevant broker and/or supplier, or the purchase of Equipment by the Servicer), no Participating Asset is subject to any option, right of first refusal pre-emptive or other agreement giving any person a right (whether exercisable now in the future and whether contingent or not) to call for the sale and transfer to them or any third party of such Participating Asset during the Minimum Lease Period;

6.19 each Lessee has represented to the Lessor that it has accepted the Equipment and that it is in possession of the Equipment;

6.20 to the best of the Seller's knowledge and belief no Lessee is a subject of an insolvency, business rescue proceedings, curatorship, winding up or liquidation proceeding at the time of the sale and transfer to the Issuer;

6.21 no Lease has been assigned, transferred, sold and/or discounted, and no Equipment has been sold and/or transferred, to any third party, bank or other financial house;

6.22 the Lease Payments are not subject to any escalation at a rate that exceeds 15.0% per annum, compounded;

6.23 in respect of each Lease, receipt by the Lessor of all Lease Payments in respect of the Minimum Lease Period will fully amortise the Lease to its Balloon Payment Amount or Residual Value;

6.24 to the best of the Seller's knowledge and to the best of Merchant West's knowledge and having made all reasonable enquiries in the ordinary course of their business, save as expressly permitted in the Eligibility Criteria or set out in the Transaction Documents, there is no breach by the Lessor or the Lessee of any corresponding Lease;

6.25 each document in respect of Related Security:

6.25.1 is a legal, valid and binding obligation of the provider of such security, enforceable against such provider in accordance with terms of such document;

6.25.2 is in full force and effect and each party to such document had capacity and authority to execute such document; and

6.25.3 is capable of being assigned without the prior consent of, or notice to, the provider of such security;

6.26 the sale and transfer of each Participating Asset in terms of the Sale Agreement will not result in a breach of any of the Portfolio Criteria;

6.27 the Lease Payments are payable over the period of the Lease on a three monthly or shorter basis; provided that Lease Payments in respect of certain Government schools where the Leases may exceed six monthly intervals but may not exceed twelve monthly intervals;

6.28 the Lease has not been provided to any Lessee who is an employee or executive director of the Seller, Originator or any associated entity of Merchant West or where an employee or executive director of the Seller, Originator or any associated entity of Merchant West has guaranteed or provided personal surety in respect of the Lease.

Any amendments to the Eligibility Criteria shall be 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.

Portfolio Criteria

In respect of the Portfolio of Participating Assets and having regard to the transfer of any Leases to the Issuer, on the Initial Issue Date, each Effective Date and each Lease Delivery Date -

1 the aggregate Exposure of Leases in respect of which the corresponding Equipment is not located in the Common Monetary Area shall be limited to 3.0% of the Exposure of all Leases in the Portfolio of Participating Assets;

2 the aggregate Exposure in respect of Leases in terms of which the underlying Lease is entered into a fixed rate of interest, and such exposure has not been hedged to a floating rate exposure, will be limited to 5.0% of the Exposure of all Leases in the Portfolio of Participating Assets;

3 the aggregate Exposure of Leases with an original term of less than 36 months should not exceed 15.0% of the Exposure of all Leases in the Portfolio of Participating Assets;

4 the aggregate Exposure of Leases with an original term of greater than 60 months should not exceed 10.0% of the Exposure of all Leases in the Portfolio of Participating Assets;

5 the aggregate Exposure in respect of Government Leases shall be limited to 5.0% of the Exposure of all Leases in the Portfolio of Participating Assets;

6 leases with repayment frequencies greater than 3 months cannot exceed 5.0% of the Exposure of all Leases in the Portfolio of Participating Assets;

7 the aggregate Exposure in respect of the aggregate Leases with the same Lessee shall be limited to 2.5% of the Exposure of all Leases in the Portfolio of Participating Assets, capped at an amount of ZAR65 million;

8 the aggregate Exposure in respect of the aggregate Leases with all the Lessees whose Leases constitute the 5 Leases with the highest Exposure shall be limited to 10.0% of the Exposure of all Leases in the Portfolio of Participating Assets;

9 the aggregate Exposure in respect of the aggregate Leases with all the Lessees whose Leases constitute the 10 Leases with the highest Exposure shall be limited to 17.5% of the Exposure of all Leases in the Portfolio of Participating Assets;

10 the aggregate Exposure in respect of the aggregate Leases with all the Lessees whose Leases constitute the 30 Leases with the highest Exposure shall be limited to 35.0% of the Exposure of all Leases in the Portfolio of Participating Assets;

11 the Weighted Average Credit Rating Score cannot exceed 17;

12 the aggregate of leases with a Credit Rating Score of greater than 20 cannot exceed 5.0% of the Exposure of all Leases in the Portfolio of Participating Assets;

13 the aggregate of leases rated using the SMME Rating Model cannot exceed 7.5% of the Exposure of all Leases in the Portfolio of Participating Assets;

14 the aggregate of leases that are not rated cannot exceed 2.5% of the Exposure of all Leases in the Portfolio of Participating Assets;

15 the aggregate Exposure in respect of Leases with a Balloon Payment or Residual Value cannot exceed 7.5% of the Exposure of all Leases in the Portfolio of Participating Assets, provided that the Balloon Payment Amount or Residual Value cannot exceed 50.0% of any individual Lease's Exposure at the inception of the Lease;

16 the aggregate Exposure in respect of Leases that have been restructured to extend the term of the Lease cannot exceed 1.0% of the Exposure of all Leases in the Portfolio of Participating Assets;

17 the aggregate Exposure in respect of Leases that have a Structured Repayment Profile cannot exceed 5.0% of the Exposure of all Leases in the Portfolio of Participating Assets; and

18 the aggregate Exposure in respect of Leases that are subject to the National Credit Act or the Consumer Protection Act, shall not exceed 5.0% of the Exposure of all Leases in the Portfolio of Participating Assets.

Warranties and Purchase

The Sale Agreement contains certain warranties given by the Seller to the Issuer at the Initial Issue Date (in respect of the Initial Participating Assets), each Transfer Date and each Lease Delivery Date in relation to, *inter alia*, the Participating Assets sold and transferred to the Issuer pursuant to the Sale Agreement, including warranties from the Seller that the relevant Participating Assets comply with the Eligibility Criteria and the sale and transfer of such Participating Assets will not result in a breach of the Portfolio Criteria. The warranties do not relate to the future credit-worthiness of the Lessees in terms of the Participating Assets and do not relate to matters that do not fall within the control of the Seller.

If there is a breach of a warranty pertaining to the Participating Assets ("**Participating Asset Warranty**"), the sole remedy of the Issuer is to require, in terms of the Sale Agreement, the Seller to purchase the relevant Participating Asset(s) which is/are the subject matter of the breach for an amount equal to the Lease Purchase Amount of such Participating Asset ("**Sale Remedy**"). If there is a breach of any warranty other than a participating asset warranty, the Issuer is entitled to avail itself of all such other remedies as are available to it in terms of the Sale Agreement other than the Sale Remedy.

No searches, enquiries or independent investigation of title have been or will be made by the Issuer or the Security SPV, each of whom is relying entirely on the warranties set out in the Sale Agreement.

Save as set out above, the Issuer has no right of recourse against the Seller, acting in a primary role in respect of losses incurred in connection with the Participating Assets after the transfer thereof to the Issuer in terms of the securitisation scheme effected in terms of the Programme.

Repurchase Option

The Seller shall have the right (but not the obligation) at any time to repurchase from the Issuer a Performing Lease or a Non-Performing Lease, provided that it has delivered to the Issuer and the Administrator a notice to that effect not later than five Business Days prior to the anticipated repurchase date, on such terms and conditions as set out in more detail in the Sale Agreement.

Replacement Option

The Seller shall have the right (but not the obligation) at any time to substitute, by written notice to the Issuer and the Servicer, furnished at least five Business Days prior to the anticipated date of substitution, one or more Participating Assets sold to the Issuer for any Participating Asset transferred to the Issuer by the Seller, on such terms and conditions as set out in more detail in the Sale Agreement.

SETTLEMENT, CLEARING AND TRANSFERS

Words used in this section headed "Settlement, Clearing and Transfers" shall bear the meanings as used in the section headed "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.

Notes held in the Central Securities Depository

Clearing systems

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

CSD Participants

As at the date of this Programme Memorandum, the CSD Participants which are approved by the JSE, in terms of the rules of the JSE, as settlement agents to perform electronic settlement of funds and scrip are the South African Reserve Bank, Absa Bank Limited, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited and Citibank N.A., 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 CSD Participant.

Notes issued in uncertificated form

The Issuer may, subject to Applicable Laws, issue Notes that are to be listed on the Interest Rate Market of the JSE. Notes listed on the Interest Rate Market of the JSE will be issued in uncertificated form. The Issuer may also issue unlisted Notes under the Programme. Notes issued in uncertificated form will not be represented by any certificate or written instrument.

With respect to Notes not listed on the Interest Rate Market of the JSE, the placement of such unlisted Notes may be reported through the JSE reporting system in order for the settlement of trades to take place in accordance with the electronic settlement procedures of the JSE and the Central Securities Depository. In such event, the Applicable Pricing Supplement will be delivered to the JSE and the Central Securities Depository. With respect to Notes not listed on the Interest Rate Market of the JSE, and not to be settled through the electronic settlement procedures of the JSE and the Central Securities Depository, no Applicable Pricing Supplement will be delivered to the JSE.

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.

Beneficial Interests

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

Notes held in the Central Securities Depository will be issued, cleared and settled in accordance with the Applicable Procedures through the electronic settlement procedures of the JSE and the Central Securities Depository.

The Central Securities Depository maintains central securities accounts only for CSD Participants.

The CSD Participants are in turn required to maintain securities accounts for their clients. The clients of CSD Participants may include the holders of Beneficial Interests in the Notes or their custodians. The clients of CSD 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 CSD Participants.

In relation to each person shown in the records of the Central Securities Depository or the relevant CSD 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 CSD 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.

Payments of interest and principal in respect of Notes held in uncertificated form, and registered in the name of the registered holder of such Notes (as reflected in the securities accounts of the Central Securities Depository or the relevant CSD Participant), will be made in accordance with Condition 9 to the Central Securities Depository, and the Issuer will be discharged by proper payment to or to the order of the registered holder of the Notes in respect of each amount so paid. The Central Securities Depository will in turn transfer such funds, *via* the CSD Participants, to the holders of Beneficial Interests.

Each of the persons shown in the securities accounts of the Central Securities Depository and the relevant CSD Participant, as the case may be, as the holders of Beneficial Interests will look solely to the Central Securities Depository or the relevant CSD Participant, as the case may be, for such person’s share of such payment so made by the Issuer to the Central Securities Depository for transfer, *via* the CSD Participants, to the holders of Beneficial Interests.

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.

Transfers and exchanges

Transfers of Beneficial Interests in the Central Securities Depository to and from clients of the CSD Participants occur by electronic book entry in the central securities accounts of the clients of the CSD Participants. Transfers among CSD Participants of Notes held in the Central Securities Depository system occur through electronic book entry in the CSD 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, CSD Participants and the JSE.

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

Beneficial Interests may be exchanged for Notes represented by Individual Certificates in accordance with Condition 13.1.

Individual Certificates

The Notes represented by Individual Certificates will be registered in the name of the individual Noteholders in the Register of Noteholders. Notes represented by Individual Certificates may not be listed on the Interest Rate Market of the JSE.

Notes represented by Individual Certificates may be transferred only in accordance with the Conditions.

Payments of interest and principal in respect of Notes represented by Individual Certificates will be made in accordance with Condition 9 to the person reflected as the registered holder of such Individual Certificates 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.

SOUTH AFRICAN TAXATION

Words used in this section headed "South African Taxation" shall bear the meanings as used in the section headed "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 laws of South Africa. The contents of this section headed "South African Taxation" do not constitute tax advice and persons 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 5 (five) tax years prior to and during the tax year in question ("**physical presence test**"). These periods amount to at least 91 (ninety one) days in each year of assessment and an aggregate of 915 days during those 5 (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.

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 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 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 12-month period preceding the date on which interest is received by or accrues 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.

If a person is exempt from tax in terms of (b) above, withholding tax on interest will apply in relation to interest that is paid or that becomes due and payable to non-resident Noteholders, 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 if the Notes are listed on a "recognised exchange".

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. 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 14 per cent), 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 headed "Exchange Control" shall bear the meanings as used in the section headed "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.

Non-South African Resident Noteholders and Emigrants from the Common Monetary Area

Dealings in the Notes, the performance by the Issuer of its obligations under the Notes and the performance by the Security SPV of its obligations under the Guarantee, may be subject to the Exchange Control Regulations.

Emigrant Capital Accounts

Funds in an emigrant's capital account 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 funds from an emigrant's capital account may not, in terms of the Exchange Control Regulations, be remitted out of South Africa or paid into any non-South African bank account.

Emigrants from the Common Monetary Area

Any individual Certificates issued to Noteholders who are non-residents from the Common Monetary Area will be endorsed "non-resident". Such restrictively endorsed individual Certificates will be deposited with an authorised foreign exchange dealer controlling such emigrant's South African assets to which the Exchange Control Regulations apply.

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 CSD Participants, the securities account of such emigrant will be designated as an "emigrant" account.

Any payment of principal due to an emigrant Noteholder will be deposited into such emigrant Noteholder's capital 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 Exchange Control Regulations.

Any payments of interest due to an emigrant Noteholder will be deposited into such Noteholder's "non-resident" Rand account, as maintained by an authorised foreign exchange dealer. The amounts represent income which is freely transferable from the Common Monetary Area.

Non-residents of the Common Monetary Area

Any individual Certificates issued to Noteholders who are not resident in the Common Monetary Area will be endorsed "non-resident". In the event that a Beneficial Interest in Notes is held by a non-resident of the Common Monetary Area through the Central Securities Depository and its relevant CSD 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 Exchange Control Regulations, be remitted abroad only if the relevant Notes are acquired with foreign currency introduced into South Africa and provided that the relevant Certificate or securities account is designated "non-resident".

For the purposes of these paragraphs -

"**Common Monetary Area**" comprises South Africa, the Republic of Namibia, the Kingdom of Lesotho and the Kingdom of Swaziland; and

"**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.

SUBSCRIPTION AND SALE

Words used in this section headed "Subscription and Sale" shall bear the meanings as used in the section headed "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.

Nedbank has been appointed as Dealer under the Programme.

Nedbank will distribute the Notes pursuant to the terms and conditions of the Note Subscription Agreement. The Notes may be distributed by private placement or public auction.

Republic of South Africa

Prior to the issue of any Tranche of Notes by the Issuer, the Dealer will be required to represent and agree that it will not solicit any offers for subscription for or sale of the Notes in that Tranche 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 of South Africa in force from time to time. In particular, without limitation, the Programme Memorandum does not, nor is it intended to, constitute a prospectus (as that term is defined in the Companies Act) and each Dealer will be required to represent and agree that it will not make "an offer to the public" (as that term is defined in the Companies Act) of any of the Notes in that Tranche of Notes (whether for subscription or sale) and any regulations promulgated thereunder. 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.

Prior to the issue of any Tranche of Notes under the Programme by the Issuer, the Dealer will be required to represent and agree 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 or sold or delivered any Notes in that Tranche, and will not offer or sell or deliver any Notes in that Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 (forty) days after completion of the distribution, as determined and certified by the Dealer or, in the case of an issue of such Notes on a syndicated basis, the relevant Lead Manager, of all Notes of the Tranche of which such Notes are a part, 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; and

(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.

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

United Kingdom

Prior to the issue of any Tranche of Notes under the Programme by the Issuer, the Dealer will be required to represent and agree that -

(i) it has not offered or sold, and prior to the expiry of a period 6 (six) months from the Issue Date in respect of each Tranche of Notes, 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 an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations, 1995 of the United Kingdom;

(ii) it has complied with and will comply with all applicable provisions of the Financial Services and Markets Act, 2000 (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**"), each of the Issuer and the Dealer(s) has represented and agreed 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 Article 18 of 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 (i) an average of at least 250 employees during the last financial year; (ii) 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.

For the purposes of this provision, the expression an "*offer of Notes to the public*" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Member State by any measure implementing the prospectus directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

General

Prior to the issue of any Tranche of Notes under the Programme, the Dealer will be required to represent and agree that it will (to the best of its knowledge and belief) comply with all applicable laws and regulations 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 the Programme Memorandum and will obtain any consent, approval or permission required by it for the purchase, subscription, offer or sale by it of Notes in that Tranche under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, subscriptions, offers or sales.

Each Dealer for a Tranche of Notes will be required to represent agree that it will comply with such other or additional restrictions in relation to that Tranche of Notes as the Issuer and such Dealer agree and as are set out in the Applicable Pricing Supplement.

Neither the Issuer nor the Dealer 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 headed "General Information" shall bear the meanings as used in the section headed "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.

Authorisation

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 issue of Notes and for the Issuer to undertake and perform its respective obligations under the Programme Memorandum and the Notes. As at the date of this Programme Memorandum, no approval from the Exchange Control Department of the South African Reserve Bank is required for the establishment of the Programme or this Programme Memorandum.

Banks Act, 94 of 1990

The Registrar of Banks has confirmed in writing that the Issuer is authorised to issue commercial paper in an amount of up to ZAR2,500,000,000 pursuant to a securitisation scheme in terms of paragraph 14(1)(b)(ii) of the Securitisation Notice. The Issuer will obtain the prior written authorisation of the Registrar of Banks to issue commercial paper in excess of the Programme Limit.

Compliance with the provisions of the Securitisation Notice, including any revisions thereof, remains the responsibility of the Issuer.

The Issuer shall deliver a copy of the final Programme Memorandum to the Registrar of Banks as soon as practical after its publication. A copy of the auditor's report has been delivered to the Registrar of Banks, as required.

Listing

This Programme Memorandum has been registered by the JSE. Notes to be issued under the Programme may be listed on the Interest Rate Market of the JSE or any successor exchange and/or such other or further exchange(s) as may be agreed between the Issuer and the Dealer and subject to any relevant ruling law. Unlisted Notes may also be issued. Unlisted Notes are not regulated by the JSE.

Clearing systems

The Notes have been accepted for clearance through the Central Securities Depository, which forms part of the clearing system of the Debt Securities Market of the JSE and may be accepted for clearance through any additional clearing system as may be agreed between the JSE, the Issuer, Merchant West and the Dealer.

CSD Participants

As at the date of this Programme Memorandum, the CSD Participants who are CSD Participants recognised by the JSE are, amongst others, the South African Reserve Bank, Absa Bank Limited, FirstRand Bank Limited, Nedbank Limited, SBSA and Citibank N.A., 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 CSD Participants.

Material change

There was no material change in the financial or trading position of the Issuer since the date of its last audited Financial Statements. This statement has not been verified or confirmed by the auditors of the Issuer.

Litigation

The Issuer (whether as defendant or otherwise) is not aware of any legal or arbitration proceedings, including any proceedings that are pending or threatened, that may have or have had a material effect on the ability of the Issuer to meet its obligations under the Notes.

Auditors

PricewaterhouseCoopers Inc.

Documents

So long as any Note remains outstanding, a copy of this Programme Memorandum and each of the documents referred to in the section of this Programme Memorandum headed "*Documents Incorporated by Reference*" will be available for inspection, during normal office hours after the date of this Programme Memorandum, at the Specified Office of the Servicer.

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

Lizelle Bosman Digitally signed by Lizelle Bosman
DN: cn=Lizelle Bosman, o, ou=Asset Finance, email=lizelleb@merchantwest.co.za, c=ZA
Date: 2026.05.04 11:12:14 +02'00'

Director
Date

DocuSigned by:

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Director
Date 04 May 2026 | 1:12:27 PM BST

CORPORATE INFORMATION

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Contact: Mr Hendrik Ackermann

ORIGINATOR AND SERVICER

Merchant West Proprietary Limited
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Contact: Mr Braam Viljoen

CALCULATION AGENT, PAYING AGENT, TRANSFER SECRETARY AND SETTLEMENT AGENT

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