

SENTINEL FINCO (RF) LIMITED

(Incorporated in South Africa with limited liability under registration number 2020/178948/06)

ZAR3,000,000,000 Asset-Backed Securities Programme

Under this asset-backed securities programme (the "**Programme**"), Sentinel Finco (RF) Limited (the "**Issuer**") may issue limited recourse, secured, registered notes (the "**Notes**") denominated in South African Rand, on the terms and conditions (the "**Terms and Conditions**") contained in the section of this Programme Memorandum entitled "*Terms and Conditions of the Notes*". Capitalised terms and expressions used in this Programme Memorandum are defined in the section of this Programme Memorandum entitled "*Terms and Conditions of the Notes*".

Before the Issuer issues any Tranche of Notes, the Issuer shall complete and sign an Applicable Pricing Supplement based on the *pro forma* Applicable Pricing Supplement included in this Programme Memorandum, setting out details of such Notes. The Applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions (including additional definitions) which shall, to the extent so specified or to the extent inconsistent with the Terms and Conditions, replace or modify the Terms and Conditions for the purpose of that Tranche of 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 Outstanding Principal Amount which will not exceed ZAR3,000,000,000, unless such aggregate Outstanding Principal Amount is increased as set out in this Programme Memorandum.

This Programme Memorandum has been approved by the JSE. Listed or unlisted Notes may be issued under the Programme. The Notes may be listed on the Interest Rate Market of the JSE or on such other exchange as may be determined by the Issuer and the Arranger, subject to any Applicable Laws. With respect to Notes to be listed on the Interest Rate Market of the JSE, the Applicable Pricing Supplement will be delivered to the JSE and the Central Securities Depository before the Issue Date, and the Notes 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 Notes listed on another exchange, will be specified in the Applicable Pricing Supplement.

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 Central Securities Depository in order for the settlement of trades to take place in accordance with the electronic settlement procedures of the Central Securities Depository. In such event, the Applicable Pricing Supplement will be

Arranger and Dealer



*Attorneys to the Arranger,
Dealer and Issuer*



delivered to the Central Securities Depository. With respect to Notes represented by Certificates only, such Notes may not be listed, nor will they be settled through the electronic settlement procedures of 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 and the holders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the JSE Debt Guarantee Fund Trust. Claims against the JSE Debt Guarantee Fund Trust may only be made in respect of the trading of Notes listed on the Interest Rate Market of the JSE and in accordance with the rules of the JSE Debt Guarantee Fund Trust.

The Programme is not rated. The Notes issued under the Programme may be rated by a Rating Agency on a national scale and/or global scale basis. Unrated Notes may also be issued and Notes may be issued that are assigned a Rating by a different Rating Agency to the Rating Agency that assigned a Rating to any of the Notes in issue. In respect of Notes listed on the Interest Rate Market of the JSE that are rated, the Rating Agency who assigned the Rating as well as the Rating will be specified in the Applicable Pricing Supplement in relation to those Notes. Any amendment to or change to such Rating will be announced on SENS, within one Business Day of receipt by the Issuer of the change in Rating. A Rating is not a recommendation to subscribe for, buy, sell or hold Notes and may be subject to revision, suspension or withdrawal at any time by the relevant Rating Agency.

All payments to be made to the Transaction Creditors (including the Noteholders) by the Issuer will be made in accordance with the Priority of Payments.

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, or any of the other parties to the Transaction Documents, 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, or any of the other parties to the Transaction Documents, or any of their respective affiliates.

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

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

The Placing Document is to be read in conjunction with all documents which are deemed to be incorporated herein by reference. The Placing Document shall be read and construed on the basis that such documents are incorporated into and form part of the Placing Document.

*The Issuer, having made all reasonable enquiries, confirms that the Placing Document, when read together with each Applicable Pricing Supplement issued in relation to the Placing Document and documents that are deemed incorporated herein and therein ("**Supporting Documentation**") contains or incorporates all information which is material in the context of the issue and offering of the Notes, that the information contained or incorporated in the Placing Document, read together with the Supporting Documentation, is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in the Placing Document, read together with the Supporting Documentation, are honestly held and that there are no other facts the omission of which would make the Placing Document, read together with the Supporting Documentation, or any information or expression of any such opinions or intentions misleading in any material respect.*

The JSE takes no responsibility for the contents of the Placing Document, any Applicable Pricing Supplement, the Issuer's annual financial statements and any amendments or supplements to the aforesaid documents. The JSE makes no representation as to the accuracy or completeness of the Placing Document, any Applicable Pricing Supplement, the Issuer's annual financial statements and any amendments or supplements to the aforementioned documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the Placing Document, any Applicable Pricing Supplement, the Issuer's annual financial statements and any amendments or supplements to the aforementioned documents. The JSE's approval of the Placing Document and the listing of the Notes on the Interest Rate Market of the JSE, is not to be taken in any way as an indication of the merits of the Issuer or of the Notes and that, to the extent permitted by Applicable Law, the JSE will not be liable for any claim whatsoever.

Information contained in the Placing Document with respect to the Arranger, the Dealer, the Originator, the Seller and the other parties to the Transaction Documents has been obtained from each of them for information purposes only and the Issuer assumes no responsibility for such information. The delivery of the Placing Document shall not create any implication that there has been no change in the affairs of the Arranger, the Dealer, the Originator, the Seller or the other parties to the Transaction Documents 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 the information and representations contained in the Placing Document. Nevertheless, if any such information is given or representation made, it must not be relied upon as having been authorised by the JSE, the Issuer, the Arranger, the Dealer, the Originator, the Seller or the other parties to the Transaction Documents, or any of their respective affiliates or advisers. Neither the delivery of the Placing Document nor any offer, sale, allotment or solicitation made in connection with the offering of the Notes shall, in any circumstances, create any implication or constitute a representation that there has been no

change in the affairs of the Issuer since the date hereof or that the information contained in the Placing Document is correct at any time subsequent to the date of the Placing Document. The JSE, the Arranger, the Dealer, the Originator, the Seller and other advisers have not separately verified the information contained in the Placing Document. Accordingly, neither the JSE, the Arranger, the Dealer, the Originator, the Seller or the other parties to the Transaction Documents nor any of their respective affiliates or advisers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in the Placing Document or any other information supplied in connection with the Programme. Each person receiving the Placing Document acknowledges that such person has not relied on the JSE, the Arranger, the Dealer, the Originator, the Seller or any other person affiliated with the JSE, the Arranger, the Dealer, the Originator or the Seller in connection with its investigation of the accuracy of such information or its investment decision.

Neither the Placing Document 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 JSE, the Issuer, the Arranger, the Dealer, the Originator or the Seller that any recipient of the Placing Document 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 Originator or the Seller 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 Originator or the Seller.

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 Arranger, the Dealer, the Originator or the Seller. No liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes shall be accepted by the Arranger, the Dealer, the Originator or the Seller.

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

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"). Subject to certain exceptions, Notes may not be

offered, sold or delivered within the United States or to any U.S. persons. In addition, there are restrictions on the distribution of the Placing Document in South Africa, the European Economic Area 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 entitled "Subscription and Sale" below.

The terms of the Placing Document, if sent to persons resident in jurisdictions outside South Africa, may be affected by the laws of the relevant jurisdiction. Such persons should inform themselves about and observe any applicable legal requirements in any such jurisdiction. It is the responsibility of any such person wishing to subscribe for or purchase the Notes to satisfy itself as to the full observance of the laws of the relevant jurisdiction therewith. If and to the extent that the Placing Document 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 "**Rand**", "**R**" or "**ZAR**" are to the lawful currency for the time being of South Africa.*

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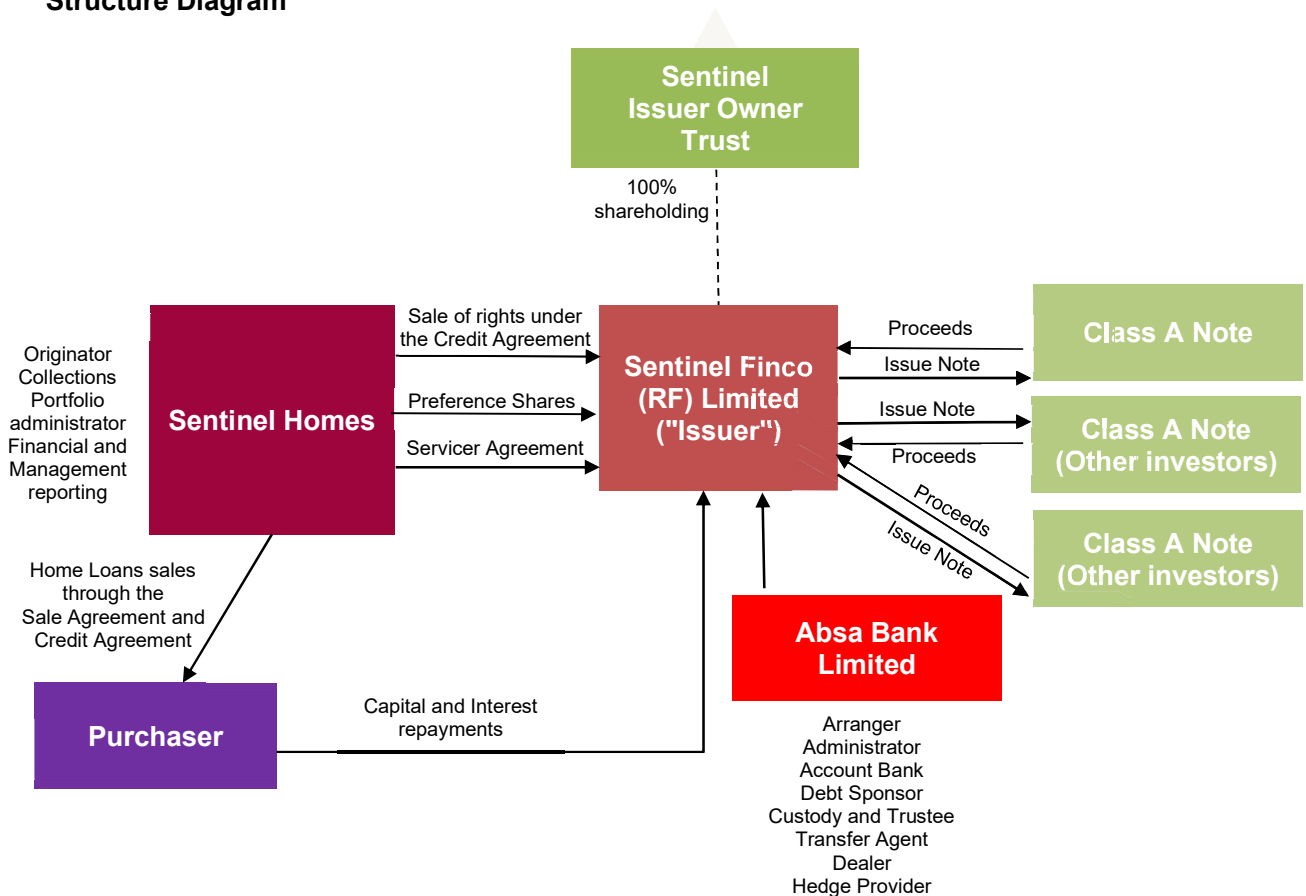
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PROGRAMME OVERVIEW

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

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

Structure Diagram



A brief overview of the Programme is as follows -

- 1 Sentinel Homes as Originator, concludes Sale Agreements and Credit Agreements in respect of Properties with Borrowers. In terms of a Sale Agreement, Sentinel Homes agrees to sell, and the Borrower agrees to purchase from Sentinel Homes, a Property on the terms and conditions set out in such agreement. Sentinel Homes, as Originator, will also enter into a Credit Agreement with a Borrower, in terms of which Sentinel Homes will advance a loan to the Borrower, the proceeds of which will be utilised by the Borrower to pay a portion of the purchase price for the Property.

- 2 The Borrower will repay the outstanding amount under the Credit Agreement in equal instalments. Sentinel Homes will remain the owner of the Property until the Borrower has paid the full purchase price for the Property, whereupon the Property will be transferred to and registered in the name of the Borrower in the relevant deeds office.
- 3 Sentinel Homes, as the Seller, will sell and the Issuer will purchase Participating Assets from time to time (each complying with the Eligibility Criteria) which will comprise all the Seller's right, title and interest in and to the relevant Credit Agreements and all Related Security.
- 4 The Issuer will fund the acquisition of the Participating Assets from the proceeds of the issue of Notes.
- 5 Sentinel Homes, as Servicer, will perform the administration, servicing, collections and management of the Participating Assets on behalf of the Issuer.
- 6 Absa, as Administrator, will manage the day to day operations of the Issuer, including performing all calculations that need to be performed in relation to the Transaction Documents, administering the Priority of Payments and exercising, as agent, the Issuer's rights and duties under the Transaction Documents.
- 7 The Issuer may enter into Derivative Contracts to hedge all or part of the Issuer's potential interest rate exposure from time to time.
- 8 Sentinel Homes, as Preference Shareholder, will be entitled to receive dividends in respect of the Preference Shares, in accordance with the Priority of Payments.
- 9 Each Sale Agreement is subject to the provisions of the Alienation of Land Act and the Seller shall cause each Sale Agreement to be recorded against the title deed of the Property sold in the relevant deeds registry, in accordance with the provisions of section 20 of the Alienation of Land Act. For further information in relation to relevant provisions of the Alienation of Land Act, see the section in this Programme Memorandum entitled "*Structural Features*".
- 10 The Seller shall, simultaneously with the sale of the Participating Asset to the Issuer, grant the Issuer an irrevocable power of attorney to effect transfer and registration of the Property into the name of the Borrower upon payment in full by the Borrower of the purchase price for the Property.
- 11 In terms of the Credit Agreement, upon final settlement of the principal debt by the Borrower, Sentinel Homes will ensure transfer of the Property to the Borrower, the costs of which transfer will be for Sentinel Homes' account. Upon the acquisition of a Participating Asset by the Issuer, the payment of the said transfer costs will become the obligation of the Issuer, which will be funded from funds standing to the credit of the Transfer Costs Reserve.

DOCUMENTS INCORPORATED BY REFERENCE

Words used in this section entitled "Documents Incorporated by Reference" shall bear the same meanings as used in the section entitled "Definitions and Interpretation", 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 shall be 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 28 February, together with such statements, reports and notes attached to or intended to be read with such financial statements in respect of all financial years of the Issuer after the date of this Programme Memorandum as well as the interim financial statements (if any) of the Issuer, as and when such are approved and become available;
- (ii) each Applicable Pricing Supplement;
- (iii) any supplement and/or amendment to this Programme Memorandum and/or any Applicable Pricing Supplement circulated by the Issuer from time to time;
- (iv) the constitutional documents of the Issuer;
- (v) all other Transaction Documents;
- (vi) all information pertaining to the Issuer which is relevant to the Programme, and which is electronically disseminated on SENS;
- (vii) each Investor Report; and
- (viii) the information statement dated 18 February 2022, containing –
 - a. information pertaining to the business description of the Issuer;
 - b. the full names and capacity of the directors of the Issuer; and
 - c. details of the company secretary of the Issuer,together with any future information statement, as and when such Information Statement is updated and becomes available (the "**Information Statement**").

This Programme Memorandum and the documents listed in paragraphs (i) to (v) (both inclusive) and (vii) and (viii) above, are available for inspection by investors, during normal office hours, at the Registered Office of the Issuer at no charge and will also be available on the Originator's website at the following link <https://www.sentinelhomes.co.za/investor-relations/>.

For as long as Notes are listed on the Interest Rate Market of the JSE, the documents listed in paragraphs (i), (ii), (iii) and (vii) above will, as and when such documents become available, be available for inspection on the JSE's website, www.jse.co.za.

Any statement contained in this Programme Memorandum or in any document which is incorporated by reference into this Programme Memorandum will be deemed to be modified or superseded for the purposes of this Programme Memorandum to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference in this Programme Memorandum modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

For as long as the Programme Memorandum is registered with the JSE, the Issuer will publish a new Programme Memorandum or a further supplement to this Programme Memorandum, as the case may be, if any information contained in this Programme Memorandum becomes outdated in a material respect.

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

SUMMARY OF THE PROGRAMME

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

The information set out below is a summary of certain aspects of the Programme. This summary should be read in conjunction with, and is qualified in its entirety by, the detailed information contained elsewhere in this Programme Memorandum and by the Applicable Pricing Supplement.

Transaction parties

Issuer	Sentinel Finco (RF) Limited (registration number 2020/178948/06), a public company registered and incorporated in accordance with the laws of South Africa.
Arranger and Dealer	Absa Bank Limited (acting through its Corporate and Investment Banking division) (registration number 1986/004794/06), a public company registered and incorporated in accordance with the laws of South Africa (" Absa CIB ").
Debt Sponsor	Absa CIB.
Administrator	Absa CIB.
Originator	Sentinel Homes Proprietary Limited (registration number 2014/226071/07), a private company registered and incorporated in accordance with the laws of South Africa (" Sentinel Homes ").
Seller	Sentinel Homes.
Servicer	Sentinel Homes.
Back-Up Servicer	Mettle Credit Services Proprietary Limited (registration number 2003/011957/07), a private company registered and incorporated in accordance with the laws of South Africa (" Mettle Credit Services ").
Preference Shareholder	Sentinel Homes.
Derivative Counterparty/ies	Absa CIB or such other person with the Required Credit Rating (if applicable), with whom the Issuer may enter into one or more Derivative Contracts.
Account Bank	Absa CIB or such other person with the Required Credit Rating (if applicable) with whom the Issuer may enter into the Account Bank Agreement.

Calculation Agent	Absa CIB.
Transfer Agent, Paying Agent and Issuer Agent	Absa CIB.
Settlement Agent	Absa CIB.
Owner Trust	Sentinel Issuer Owner Trust, which is the holder of all of the ordinary shares in the issued share capital of the Issuer. The current trustee of the Owner Trust is Maitland Corporate Services Proprietary Limited.
Rating Agency	In respect of Notes to be rated, such Rating Agency as may be appointed by the Issuer and as specified in the Applicable Pricing Supplement, from time to time. Any change to the Rating of the Notes or the Rating Agency, if any, will be announced on SENS within one Business Day of such change.
Auditors	Moore Johannesburg Inc. as at the date of this Programme Memorandum, or such other auditing firm as may be appointed by the Issuer and as specified in the Applicable Pricing Supplement, from time to time.
Noteholders	The holders of Notes (as recorded in the Register).
Transaction Creditors	Each of the creditors of the Issuer as set out in the Priority of Payments who is a party to a Transaction Document, including the Noteholders.
<i>Structural features</i>	
Sale Agreement	In terms of each Sale Agreement, the Originator agrees to sell, and the Borrower agrees to purchase from the Originator, a Property on the terms and subject to the conditions set out therein. The Originator will remain the owner of the Property until the Borrower has paid the full purchase price for the Property, whereupon the Property will be transferred to, and registered in the name of, the Borrower in the relevant deeds office.
Credit Agreement	The Originator will also enter into a Credit Agreement with a Borrower, in terms of which the Originator will advance a loan to the Borrower, the proceeds of which will be utilised by the Borrower to pay a portion of the purchase price for the Property. The Borrower will repay the outstanding amount under the Credit Agreement in equal instalments.
Participating Assets	The Seller will sell to the Issuer and the Issuer will purchase from the Seller, Participating Assets from time to time, complying with the Eligibility Criteria. Each Participating Asset will comprise all of the Seller's right, title and interest in and to the relevant Credit Agreement and all Related Security.

Alienation of Land Act	<p>Each Sale Agreement is subject to the provisions of the Alienation of Land Act and the Seller shall cause each Sale Agreement to be recorded against the title deed of the Property sold in the relevant deeds registry, in accordance with the provisions of section 20 of the Alienation of Land Act.</p> <p>The Seller shall, simultaneously with the sale of a Participating Asset to the Issuer, grant the Issuer an irrevocable power of attorney to effect transfer and registration of the Property into the name of the Borrower upon payment in full by the Borrower of the purchase price for the Property.</p>
Negative Pledge	<p>Condition 9.3 of the Terms and Conditions provides for, <i>inter alia</i>, a negative pledge and other restrictions on the Issuer requiring the consent of the Noteholders (unless otherwise provided in the Transaction Documents) relating among other things, to activities, disposals, bank accounts, dividends, borrowings and certain amendments to the Transaction Documents. For further details see the section entitled "<i>Terms and Conditions of the Notes</i>".</p>
Permitted Investments	<p>The Issuer will be entitled to invest cash standing to the credit of the Transaction Account from time to time in Permitted Investments. For further details see the section entitled "<i>Structural Features</i>".</p>
Credit Enhancement	<p>Sentinel Homes will subscribe for Preference Shares in the issued share capital of the Issuer, the proceeds of which will serve as credit enhancement to the Noteholders.</p>
Transfer Costs Reserve	<p>The Transfer Costs Reserve will be available to fund the costs of transfer of a Property into the name of the relevant Borrower upon final settlement of the principal debt by such Borrower. The Transfer Costs Reserve will be funded up to the Transfer Costs Reserve Required Amount not later than the first anniversary of the Initial Issue Date from Available Funds in accordance with the Pre-Enforcement Priority of Payments. The Issuer shall ensure that the Transfer Costs Reserve remains funded up to the Transfer Costs Reserve Required Amount for as long as the Issuer has an obligation to fund the relevant transfer costs.</p>
<i>Programme Description</i>	
Description of the Programme	<p>Sentinel Finco (RF) Limited Asset-Backed Securities Programme.</p>
Size of the Programme	<p>The total authorised amount of the Programme is ZAR3,000,000,000. The Issuer may, without the consent of Noteholders, increase the authorised amount of the Programme in accordance with Applicable Laws and subject to any required regulatory approvals.</p>

Notes	The Notes are direct, limited recourse, secured obligations of the Issuer. The description of, and terms and conditions applicable to, Notes other than those specifically described in this Programme Memorandum will be set out in the Applicable Pricing Supplement.
Form of Notes	Notes will be issued in the form of Notes represented by Certificates or as Uncertificated Notes as described in the section entitled " <i>Form of the Notes</i> ".
Rating of Notes	The Programme is not rated, but the Notes issued under the Programme may be rated by a Rating Agency. The Applicable Pricing Supplement will reflect the Rating, if any, which has been assigned to the Notes, as well as the Rating Agency or Rating Agencies which assigned such Rating or Ratings. Any change in the Rating assigned to the Notes will be announced on SENS within one Business Day of receipt by the Issuer of the change in Rating. A Rating is not a recommendation to subscribe for, buy, sell or hold Notes and may be subject to revision, suspension or withdrawal at any time by the relevant Rating Agency.
Terms and Conditions	The terms and conditions of the Notes are set out below in this Programme Memorandum under the section entitled " <i>Terms and Conditions of the Notes</i> ". The Applicable Pricing Supplement in relation to any Tranche of the Notes may specify other terms and conditions.
Currency	Rand, the lawful currency of South Africa.
Issue Price	Notes may be issued at an issue price which is at its Principal Amount or at a discount to, or premium over its Principal Amount as specified in the Applicable Pricing Supplement.
Denomination of Notes	The Notes will be issued with a minimum denomination of ZAR1,000,000.
Maturities	The Notes are not subject to any minimum or maximum maturity. The maturity of each Tranche of Notes will be specified in the Applicable Pricing Supplement.
Final Redemption	Unless redeemed at a prior date, the Issuer shall redeem the Notes at their Outstanding Principal Amount (together with accrued but unpaid interest) on the Final Redemption Date.
Mandatory Redemption upon Event of Default	Upon delivery of an Enforcement Notice, the Notes will immediately become due and payable.

Mandatory Redemption in Part

The Notes of a Tranche may be subject to mandatory redemption in part from time to time on each Interest Payment Date following the Issue Date to the extent that on such Interest Payment Date the Issuer has available funds for this purpose in accordance with the Priority of Payments. The mandatory redemption will be an amount calculated in accordance with the provisions set out in Condition 6.2.

Optional Redemption

The Issuer may redeem all, but not some only, of the Notes in full but not in part early at their Outstanding Principal Amount (together with accrued but unpaid interest), -

- (a) on any Interest Payment Date on which the Outstanding Principal Amount of the Notes is equal to or less than 10% of the maximum aggregate Outstanding Principal Amount of the Notes that have been issued at any time, as described in Condition 6.3; or
- (b) for tax reasons, as described in Condition 6.4.

Interest Rate

As specified in the Applicable Pricing Supplement.

Register

The Register will be maintained by the Transfer Agent in terms of the Terms and Conditions.

Books Closed Period

The Register will be closed prior to each Payment Date and the Final Redemption Date, for the periods described in Condition 15, in order to determine those Noteholders entitled to receive payments.

Status of Notes

The claims of each Noteholder of a Class of Notes (whether in respect of principal, interest or otherwise) shall be subordinated to the claims of higher ranking creditors of the Issuer (including Noteholders of higher ranking Classes of Notes) in accordance with the Priority of Payments. On enforcement, the Notes within each Class of Notes will rank *pari passu*.

Priority of Payments

The Priority of Payments is the sequence in which the Issuer will, out of Available Funds, make payments to creditors of the Issuer (including Noteholders and other Transaction Creditors).

The Issuer shall contract with the Transaction Creditors on the basis that payments due to them shall be made on a Payment Date to the extent to which Available Funds are available, strictly in the sequence set out in the Priority of Payments so that a Transaction 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 applicable prior to the delivery of an Enforcement Notice and the Post-Enforcement Priority of Payments applicable after delivery of an Enforcement Notice, are set out in the section entitled "*Priority of Payments*".

Limited Enforcement

The power of Transaction Creditors to take action in respect of their claims is limited in the manner set out in Condition 11.

Securities Transfer Tax

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

Withholding Tax

Payments of interest and principal will be made without withholding or deduction for Taxes unless such withholding or deduction is required by law. In the event that such withholding or deduction is required by law, the Issuer will not be obliged to pay additional amounts in relation thereto.

Tax Status

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

Listing and Trading

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 Arranger and subject to any Applicable Laws. Unlisted Notes may also 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 Central Securities Depository in which event the settlement of trades of such Notes will take place in accordance with the electronic settlement procedures of the Central Securities Depository.

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

Governing Law

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

Distribution

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

Selling Restrictions

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

RISK FACTORS

Words used in this section entitled "Risk Factors" shall bear the same meanings as used in the section entitled "Definitions and Interpretation", and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.

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

Limited 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 Debt Sponsor, the Administrator, the Seller, the Servicer or any other Transaction Creditor. In respect of each Tranche of Notes, the Issuer will rely solely on those payments contemplated in each Credit Agreement to enable it to make payments due under such Notes in accordance with the Priority of Payments.

Once all assets of the Issuer are exhausted (whether pursuant to maturity, liquidation or enforcement of security) any remaining outstanding amounts owed to the Transaction Creditors (including the Noteholders) will be extinguished and no debt will remain owing by the Issuer.

Non-Petition

Transaction 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 and will not bring an application for the liquidation or the sequestration of the Issuer, as the case may be, until one year after the payment of all amounts outstanding and owing by the Issuer under all of the Notes and any other Transaction Documents.

Priority of Payments

The Transaction Documents prescribe a "*Pre-Enforcement Priority of Payments*" pursuant to which the Transaction Creditors will be paid prior to the delivery of an Enforcement Notice and a "*Post-Enforcement Priority of Payments*" pursuant to which Transaction Creditors will be paid after the delivery of an Enforcement Notice.

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

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

The Issuer is structured as an insolvency remote, ring-fenced special purpose entity which limits the risk of external creditors who are not bound by the Priority of Payments.

Warranties

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

Counterparty risk

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

Liquidation of the Issuer

The Issuer has been structured as an insolvency remote, ring-fenced special purpose entity, a structure which limits the risk that there may be third parties who are not bound by the Transaction Documents who may apply for the liquidation of the Issuer. Third party creditors of the Issuer that are not contractually bound by the Priority of Payments rank high in the Priority of Payments, including the tax authorities and administrative creditors such as a Rating Agency and the JSE. Secured Creditors contract with the Issuer on the basis that their claims against the Issuer will be subordinated in accordance with the Priority of Payments, they will not bring an application for the liquidation of the Issuer until one year after the payment of all amounts outstanding and owing by the Issuer under the Notes and the other Transaction Documents.

If, notwithstanding the ring-fenced structure, there is an external creditor not bound by the applicable Priority of Payments, then on the liquidation of the Issuer such external creditor could rank *pari passu* with or ahead of the Transaction Creditors, depending on the statutory preference of claims in terms of the Insolvency Act, 1936.

Limited liquidity of the Notes and restrictions on transfer

There can be no assurance that a secondary market for any of the Notes will develop, or, if a secondary market does develop, that it will provide the Noteholders with liquidity of investment

or that it will continue for the life of such Notes. Consequently, a Noteholder must be prepared to hold such Notes until maturity. Noteholders that trade in the Notes during the period that the Register is closed, will need to reconcile any amounts payable on the following Payment Date pursuant to any partial redemption of the Notes. As a result, secondary market liquidity of the Notes may reduce during this period.

Ratings of the Notes

Certain Tranches of Notes issued under the Programme may be rated by the Rating Agency. The rating of any Tranche of Notes is not a recommendation to purchase, hold or sell Notes, inasmuch as such rating does not comment on the market price or suitability of the Notes for a particular investor. 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 addition, there can be no assurance that a rating will remain for any given period of time or that the rating will not be lowered, withdrawn or suspended entirely by the Rating Agency if in its judgment circumstances in the future so warrant.

Downgrade Risk

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

Change in legislation

The Participating Assets, the Issuer and other parties to the Transaction Documents are subject to legislation which may change at any time. Similarly, new legislation may be introduced to which the Issuer and such other parties to the Transaction Documents may become subject and in respect of which there is little or no interpretive guidance. No prediction can be made as to whether existing legislation will change and, if it does, what the effect of such changes will be on the Participating Assets, the Issuer and/or any other party to the Transaction Documents and similarly no prediction can be made as to whether new legislation may be introduced and the effects of such new legislation.

Co-mingling risk

In relation to any payment made by a Borrower to the Servicer or any appointed agent or subcontractor of the Servicer there is a co-mingling risk. The Servicing Agreement attempts to mitigate any co-mingling risk by providing that in the event that a Borrower makes payment of an instalment to the Servicer, the Servicer shall transfer such amount to the Transaction Account on a monthly basis.

No support from the Seller

The Seller is not obliged to support any losses suffered by the Issuer in respect of the purchase of Participating Assets or Noteholders in respect of the Notes, and the Seller is not obliged to repurchase any Participating Assets from the Issuer, save to the extent provided for in the Participating Asset Sale Agreement.

No support from the Administrator

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

Taxation

Each Noteholder will assume and be solely responsible for any and all Taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any Taxes or like assessment or charges that may be applicable to any payment to it in respect of the Notes. Unless otherwise specified in the Terms and Conditions, the Issuer will not pay any additional amounts to Noteholders to reimburse them for any Tax, assessment or charge required to be withheld or deducted from payments in respect of the Notes by the Issuer.

Alienation of Land Act

In terms of section 20(5) of the Alienation of Land Act, when a contract for the alienation of land has been recorded against the title deed of the property concerned in the relevant deeds office, and the owner of the land becomes insolvent and the land is sold in execution, the purchaser has a preferent claim in respect of the proceeds of the sale, which claim ranks in preference immediately after any claim of a mortgagee whose mortgage bond over the land was registered prior to or on the date of the recording of the contract in the relevant deeds office. A purchaser's claim will be equal to the aggregate amount of the purchase price paid for the land together with reasonable costs incurred.

In terms of section 22 of the Alienation of Land Act, when the owner of land alienated becomes insolvent, or a judgment creditor of the owner attaches such land by virtue of a writ of execution, the land shall be transferred to any person who purchased that land in terms of a contract, provided that the purchaser pays the outstanding amount of the purchase price and related transfer costs.

Suitability of investment

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

STRUCTURAL FEATURES

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

1 CASH MANAGEMENT

Cash is managed in the manner set out below.

1.1 Transaction Account

All amounts due to the Issuer (other than amounts referred to in 1.2 below) will be paid directly on receipt thereof into the Transaction Account. Prior to and after the delivery of an Enforcement Notice, the Administrator will have signing authority in respect of the Transaction Account.

1.2 Collections Account

The Servicer undertakes to procure that amounts paid by or on behalf of Borrowers in respect of the Participating Assets to any appointed agent or sub-contractor of the Servicer, will be paid, together with any interest earned, by such appointed agent or sub-contractor into the Transaction Account on a monthly basis.

1.3 Permitted Investments

The Administrator may, on behalf of the Issuer, invest cash from time to time standing to the credit of the Transaction Account in Permitted Investments.

1.4 Hedging

1.4.1 Credit Agreements held by the Issuer yield interest at a variable rate of interest linked to the Prime Rate.

1.4.2 In order to mitigate against, amongst others, the risk that may arise from the inclusion of Participating Assets in the Portfolio bearing interest on a different basis to the Notes, the Issuer may enter into Derivative Contracts with the Derivative Counterparty with the Required Credit Rating (if applicable).

1.4.3 The Issuer may enter into appropriate Derivative Contracts, to the extent that there is any interest rate risk exposure arising from a basis and/or payment mismatch in respect of interest earned on the Participating Assets and that are payable in respect of the Notes issued.

2 ADDITIONAL PARTICIPATING ASSETS

2.1 The Seller is entitled, but not obliged, to offer Additional Participating Assets to the Issuer for purchase on an on-going basis.

- 2.2 The Issuer may purchase such Additional Participating Assets, provided that -
- 2.2.1 immediately following such acquisition, the Portfolio Covenants will be satisfied; and
- 2.2.2 an Enforcement Notice has not been delivered.
- 2.3 The purchase price for any Additional Participating Assets will be paid from the proceeds of –
- 2.3.1 an issuance of Notes; and/or
- 2.3.2 Available Funds in terms of the Pre-Enforcement Priority of Payments.

3 TRANSFER OF PROPERTIES

- 3.1 Each Sale Agreement is subject to the provisions of the Alienation of Land Act, and the Seller shall cause each Sale Agreement to be recorded against the title deed of the Property sold in the relevant deeds registry, in accordance with the provisions of section 20 of the Alienation of Land Act prior to the purchase by the Issuer of the Participating Assets.
- 3.2 The Seller shall, simultaneously with the sale of the Participating Asset to the Issuer, grant the Issuer an irrevocable power of attorney to effect transfer and registration of the Property into the name of the Borrower upon payment by the Borrower in full of the purchase price for the Property.
- 3.3 Upon final settlement of the principal debt by a Borrower, the Issuer will ensure transfer of the Property to such Borrower. The costs of registration of transfer will be for the account of the Issuer and will be funded from funds standing to the credit of the Transfer Costs Reserve.

4 CREDIT ENHANCEMENT

- 4.1 On the Initial Issue Date, the Preference Shareholder will subscribe for Preference Shares in the issued share capital of the Issuer, the aggregate subscription price of which will be equal to 25% of the Principal Amount of the Notes to be issued on such date. The proceeds derived from the subscription for the Preference Shares shall serve as credit enhancement for the Noteholders. The credit enhancement will be unconditional and irrevocable.
- 4.2 Upon the issue of any further Tranche of Notes, the proceeds of which will be used by the Issuer to acquire Additional Participating Assets, the Preference Shareholder may subscribe for additional Preference Shares the proceeds of which shall serve as credit enhancement for the Noteholders, provided always that the credit enhancement to be provided through the issuance of Preference Shares to the Preference Shareholder shall not exceed 25% of the aggregate Outstanding Principal Amount of all Notes in issue from time to time.
- 4.3 Each Preference Share issued and not previously redeemed, shall be redeemed at an amount equal to its subscription price and all accrued but unpaid dividends on the date that falls 30 days after the redemption of the last Tranche of Notes in issue.

5 TRANSFER COSTS RESERVE

5.1 The Transfer Costs Reserve will be available to the Issuer to fund the costs of transfer of a Property into the name of a Borrower upon final settlement of the principal debt by such Borrower. The Transfer Costs Reserve will be funded up to the Transfer Costs Reserve Required Amount not later than the first anniversary of the Initial Issue Date from Available Funds in accordance with the Pre-Enforcement Priority of Payments. The Issuer shall ensure that the Transfer Costs Reserve remains funded up to the Transfer Costs Reserve Required Amount for as long as the Issuer has an obligation to fund the relevant transfer costs.

5.2 The Transfer Costs Reserve Required Amount is an amount equal to the amount necessary to fund the registration of transfers of Properties into the name of the relevant Borrowers.

5.3 On the earlier of –

5.3.1 the Actual Redemption Date of the last Tranche of Notes in issue; and

5.3.2 all Properties having been transferred to the relevant Borrowers in terms of the relevant Credit Agreements,

the Transfer Costs Reserve Required Amount shall be reduced to zero and the funds standing to the credit of the Transfer Costs Reserve will form part of Available Funds.

FORM OF THE NOTES

Words used in this section entitled "Form of the Notes" shall bear the same meanings as used in the section entitled "Definitions and Interpretation", 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

The 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 Arranger and subject to any Applicable Laws. Unlisted Notes may also be issued under the Programme. Unlisted Notes are not regulated by the JSE.

Each Tranche of Notes will be issued in the form of registered Notes in accordance with the Conditions and represented by (i) a Certificate, 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.

Uncertificated Notes

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

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 holder of the Notes. The Central Securities Depository and the Participants will administer and maintain the Issuer's uncertificated securities register which will form part of the Register.

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

In relation to each person shown in the records of the Central Securities Depository or the relevant Participant, as the case may be, as the holder of a Beneficial Interest in a particular Principal Amount of Notes, a certificate or other document issued by the Central Securities Depository or the relevant Participant, as the case may be, as to the Principal Amount of such Notes standing to the account of such person shall be *prima facie* proof of such Beneficial Interest. However, each person recorded in the Register as a registered Noteholder of a particular Tranche of Uncertificated Notes will be treated by the Issuer, the Paying Agent, the Transfer Agent, the Settlement Agent and the relevant Participant as the holder of the Outstanding Principal Amount of such Notes for all purposes.

Transfers of Beneficial Interests in the Central Securities Depository to and from clients of the Participants occur by electronic book entry in the central securities accounts of the clients of the Participants. Transfers among Participants of Notes held in the Central Securities Depository system occur through electronic book entry in the Participants' central security accounts with the Central Securities Depository. Beneficial Interests may be transferred only in accordance with the Conditions and the Applicable Procedures.

Beneficial Interests in the Notes may be exchanged, without charge by the Issuer, for Notes in definitive registered form only in accordance with Condition 13 of the Conditions. Such Certificates will not be issuable in bearer form. The Notes represented by Certificates will be registered in the name of the individual Noteholders in the Register of Noteholders maintained by the Transfer Agent.

The Issuer shall regard the Register as the conclusive record of title to the Notes. The registered Noteholder of the Notes (as reflected in the securities accounts of the Central Securities Depository or the relevant Participant) shall be recognised by the Issuer as the owner of the Notes issued in uncertificated form and registered holders of Certificates shall be recognised by the Issuer as the owners of the Notes represented by such Certificates.

Certificated Notes

The Notes represented by Certificates will be registered in the name of the individual Noteholder in the Register. Payments of interest and principal in respect of Notes represented by Certificates will be made in accordance with Condition 7 to the person reflected as the registered holder of such 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 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 Tranche of Notes issued under the Programme -

SENTINEL FINCO (RF) LIMITED

(Incorporated with limited liability in South Africa under registration number 2020/178948/06)

Issue of [Aggregate Transaction [●] Nominal Amount of Tranche] [Title of Notes] under its ZAR[●] Asset-Backed Securities Programme

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

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum issued by Sentinel Finco (RF) Limited dated 18 February 2022, as amended or supplemented from time to time. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

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

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from this Applicable Pricing Supplement which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that this Applicable Pricing Supplement contains all information required by Applicable Law and the JSE Debt Listings Requirements. The Issuer accepts full responsibility for the accuracy of the information contained in this Applicable Pricing Supplement, the Programme Memorandum, its annual financial statements and any amendments or supplements to the aforesaid documents from time to time, except as otherwise stated therein. The Programme Limit will not be exceeded as a result of the issuance of the Notes described herein.

The JSE takes no responsibility for the contents of the Programme Memorandum and/or this Applicable Pricing Supplement or the Issuer's annual financial statements, as the case may be, and any amendments or supplements to the aforesaid documents. The JSE makes no representation as to the accuracy or completeness of the Programme Memorandum, this Applicable Pricing Supplement and/or the Issuer's annual financial statements and any amendments or supplements to the aforementioned documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the aforementioned documents. The JSE's approval of the registration of the Programme Memorandum and the listing of such Notes on the Interest Rate Market of the JSE is not to be taken in any way as an indication of the merits of the Issuer or the Notes and that, to the extent permitted by Applicable Law, the JSE will not be liable for any claim whatsoever.

DESCRIPTION OF THE NOTES

1	Issuer	Sentinel Finco (RF) Limited
2	Status and Class of the Notes	Unsecured Class [●] Notes
3	Tranche number	[●]
4	Aggregate Principal Amount	[●]
5	Issue Date	[●]
6	Issue Price	[●]
7	Interest Commencement Date	[●]
8	Scheduled Maturity Date	[●]
9	Final Redemption Date	[●]
10	Use of Proceeds	The net proceeds of the issue of this Tranche, together with the net proceeds from the issue [Class[●] Notes] will be used to acquire Participating Assets
11	Minimum Denomination	ZAR1,000,000
12	Applicable Business Day Convention	[Following Business Day/Modified Business Day/Preceding Business Day/other convention — insert details]
13	Set out the relevant description of any additional/other Terms and Conditions relating to the Notes	[●]

FIXED RATE NOTES

14	Fixed Interest Rate	[●]% per annum nacq/nacm/nacs/naca
15	Interest Payment Dates	[●], [●] and [●] of each calendar 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 item 12 of this Applicable Pricing Supplement).
16	Interest Period(s)	Each period commencing on (and including) an Interest Payment Date and ending on (but excluding) the following Interest Payment Date;

provided that the first Interest Period will commence on (and include) the Interest Commencement Date and end on (but exclude) the following Interest Payment Date (each Interest Payment Date as adjusted in accordance with the applicable Business Day Convention).

- 17 Any other items relating to the particular method of calculating interest [•]

FLOATING RATE NOTES

- 18 Interest Payment Dates [•], [•] and [•] of each calendar 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 item 12 of this Applicable Pricing Supplement).
- 19 Interest Periods Each period commencing on (and including) an Interest Payment Date and ending on (but excluding) the following Interest Payment Date; provided that the first Interest Period will commence on (and include) the Interest Commencement Date and end on (but exclude) the following Interest Payment Date (each Interest Payment Date as adjusted in accordance with the applicable Business Day Convention).
- 20 Manner in which the Interest Rate is to be determined [ISDA Determination/Screen Rate Determination/other (insert details)]
- 21 Margin [(+/-) ()% per annum to be added to/subtracted from the relevant ISDA Rate/Reference Rate]
- 22 If ISDA Determination
- (a) Floating Rate Option [•]
 - (b) Designated Maturity [•]
 - (c) Reset Date(s) [•]

23 If Screen Determination

- | | | |
|-----|--|--|
| (a) | Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated) | [e.g. ZAR-JIBAR] |
| (b) | Base Reference Rate Determination Date(s) | The first Business Day of each Interest Period with the first Base Reference Rate Determination Date being [●] |
| (c) | Relevant Screen page and Reference Code | [●] |
- 24 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 [●]
- 25 Any other terms relating to the particular method of calculating interest [●]

GENERAL

- | | | |
|----|--|--|
| 26 | Additional selling restrictions | [●] |
| 27 | International Securities Identification Number (ISIN) | [●] |
| 28 | Stock Code | [●] |
| 29 | Financial Exchange | [●] |
| 30 | Dealer(s) | [●] |
| 31 | Method of distribution | [●] |
| 32 | Expected rating to be assigned to this Tranche of Notes (if any) | [●] |
| 33 | Rating Agency | [●] |
| 34 | Governing Law | South Africa |
| 35 | Last Day to Register | By 17h00 on [●], [●], [●] and [●], or if such day is not a Business Day, the Business Day immediately preceding the first day of a Books Closed Period |
| 36 | Last Day to Trade | [●] |
| 37 | Books Closed Period | [●] |
| 38 | Record Date | [●] |

39	Programme Limit	ZAR[•]
40	Calculation Agent	Absa Bank Limited (acting through its Corporate and Investment Banking division)
41	Registered Office of the Calculation Agent	15 Alice Lane, Sandton, 2196, Johannesburg
42	Transfer Agent	Absa Bank Limited (acting through its Corporate and Investment Banking division)
43	Registered Office of the Transfer Agent	15 Alice Lane, Sandton, 2196, Johannesburg
44	Paying Agent	Absa Bank Limited (acting through its Corporate and Investment Banking division)
45	Registered Office of the Paying Agent	15 Alice Lane, Sandton, 2196, Johannesburg
46	Safe Custody and Settlement Agent	[•]
47	Registered Office of the Safe Custody and Settlement Agent	[•]
48	Issuer Agent	Absa Bank Limited (acting through its Corporate and Investment Banking division)
49	Registered Office of the Issuer Agent	15 Alice Lane, Sandton, 2196, Johannesburg
50	Aggregate Outstanding Principal Amount of Notes in issue in respect of the Programme on the Issue Date of this Tranche	ZAR[•] excluding this Tranche of Notes and any other Tranche(s) of Notes to be issued on the Issue Date
51	Aggregate Outstanding Principal Amount of Notes on the Issue Date	ZAR[•] excluding this Tranche of Notes and any other Tranche(s) of Notes to be issued on the Issue Date
52	Material Change Statement	[•]
53	Transfer Costs Required Amount	[•]

PARTICIPATING ASSET DATA

54	Summary of Participating Asset Data	Please refer to the Investor Report issued by the Administrator and available on the Issuer's website at [•]
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- | | | |
|----|--|--|
| 55 | Eligibility Criteria | See section [●] of the Programme Memorandum.

Any amendment to the Eligibility Criteria will require approval from Noteholders in accordance with the JSE Debt Listings Requirements |
| 56 | Number and value of the Participating Assets in the pool | Please refer to the Investor Report issued by the Administrator and available on the Issuer's website at [●] |
| 57 | Seasoning of the Participating Assets | Please refer to the Investor Report issued by the Administrator and available on the Issuer's website at [●] |
| 58 | Level of collateralisation | Please refer to the Investor Report issued by the Administrator and available on the Issuer's website at [●] |
| 59 | Rights of the Issuer or Seller to substitute the Participating Assets | [●] |
| 60 | Treatment of Early Amortisation/Prepayments of the Participating Assets | [●] |
| 61 | Description and details of the - | |
| | (a) sale or transfer of the Participating Assets or assignment of any rights in the Participating Assets to the Issuer and the right of recourse to the Originator or Seller of the Participating Assets | [●] |
| | (b) flow of funds - | |
| | (i) frequency of collection of payments in respect of Participating Assets | [●] |
| | (ii) fees and amounts payable by the Issuer; | [●] |
| | (iii) any other arrangements upon which payments of interest and principal to Noteholders are dependent | [●] |

- (iv) potential material liquidity shortfalls and plans to cover shortfalls [•]
- (c) interest held in the Notes by the Originator [•]

[Application is hereby made to list the Notes pursuant to the Sentinel Finco (RF) Limited Asset-Backed Securities Programme.]

SENTINEL FINCO (RF) LIMITED (Issuer)

By: _____
Director, duly authorised

By: _____
Director, duly authorised

Name: _____

Name: _____

Date: _____

Date: _____

DEFINITIONS AND INTERPRETATION

- 1 Terms and expressions set out below shall have the meanings set out below in the Terms and Conditions of the Notes and the other Transaction Documents, unless such term is separately defined in the Applicable Pricing Supplement or the other Transaction Documents, or the context otherwise requires –

"Absa CIB"	Absa Bank Limited (acting through its Corporate and Investment Banking division) (registration number 1986/004794/06), a public company registered and incorporated in accordance with the laws of South Africa;
"Account Bank"	Absa CIB or such other bank as may be appointed in terms of the Account Bank Agreement;
"Account Bank Agreement"	an agreement concluded between the Issuer and the Account Bank, in accordance with which the Transaction Account is opened by the Issuer with the Account Bank;
"Actual Redemption Date"	the date upon which a Tranche of Notes is redeemed in full by the Issuer;
"Additional Participating Assets"	additional Participating Assets sold and transferred to the Issuer after the Initial Issue Date, subject to the terms and conditions set out in the Participating Asset Sale Agreement;
"Administration Agreement"	the agreement concluded between, <i>inter alia</i> , the Issuer and the Administrator in terms of which the Administrator is appointed to manage the day to day operations of the Issuer, including performing all calculations that need to be performed in relation to the Transaction Documents, administering the Priority of Payments and exercising, as agent, the Issuer's rights and duties under the Transaction Documents;
"Administrator"	Absa CIB or such other person as may be appointed by the Issuer in terms of the Administration Agreement;
"Agency Agreement"	the agreement concluded between, <i>inter alia</i> , the Issuer, the Calculation Agent, the Paying Agent and the Transfer Agent, in terms of which the Calculation Agent, the Paying Agent and the Transfer Agent are appointed to provide the agency services referred to therein to the Issuer;
"Alienation of Land Act"	the Alienation of Land Act, 1981;

"Applicable Laws"

in relation to a person, all and any -

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

"Applicable Pricing Supplement"

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

"Applicable Procedures"

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

"Approved Entity"

- (a) a person which has the Required Credit Rating; or
- (b) a person which is a wholly owned subsidiary of an entity which has the Required Credit Rating, and whose obligations are irrevocably and unconditionally guaranteed by such entity. For the purposes of this definition, the term "subsidiary" will bear the meaning ascribed thereto in the Companies Act, save that the relevant entity shall not be limited to being a South African company;

"Arranger"

Absa CIB;

"Assets"

the assets of the Issuer, including the Issuer's rights, title and interest in and to the following –

- (a) Participating Assets;
- (b) the Transaction Documents, including the benefit of all of their representations, warranties, undertakings, indemnities and

promises made by any party in favour of the Issuer under the Transaction Documents;

- (c) the Transaction Account and amounts standing to the credit of the Transaction Account;
- (d) any other assets of or acquired by the Issuer from time to time, including any related collateral in respect of the Participating Assets; and
- (e) income or amounts in the nature of income, accrued from investments to the extent not included in the preceding paragraphs of this definition;

"Auditor"	the appointed auditor of the Issuer from time to time, at the date of this Programme Memorandum being Moore Johannesburg Inc. or as otherwise specified in the Applicable Pricing Supplement;
"Available Funds"	instalments, interest, fees, recoveries, settlements, Insurance Proceeds and prepayments of the principal debt under or in relation to the Credit Agreements, payments received under Derivative Contracts, interest earned on the Transaction Account and all other monies paid into the Transaction Account from time to time and available for payment to the Transaction Creditors;
"Back-Up Servicer"	Mettle Credit Services appointed as Back-Up Servicer in terms of the Servicing Agreement;
"Banks Act"	the Banks Act, 1990;
"Beneficial Interest"	in relation to a Note, an interest as owner of a Note held in uncertificated form, in accordance with the Financial Markets Act;
"Books Closed Period"	the period during which the Register will be closed and the Transfer Agent will not record any transfers of Notes in the Register, as specified in Condition 15.2 (as may be amended by the Applicable Pricing Supplement);
"Borrower"	in relation to each Credit Agreement, the person or persons or entity defined as such in the relevant Credit Agreement;
"Business Day"	a day (other than a Saturday, Sunday or statutory public holiday) on which commercial banks settle payments in Rand in South Africa;

"Business Day Convention"	the business day convention, if any, specified as such and as set out in the Applicable Pricing Supplement;
"Calculation Agent"	Absa CIB or such other person as may be appointed in terms of the Agency Agreement;
"Central Securities Depository"	Strate Proprietary Limited (registration number 1998/022242/07), or its nominee, a central securities depository operating in terms of the Financial Markets Act, or any additional or alternate depository approved by the Issuer and the Arranger;
"Certificate"	as contemplated in the Terms and Conditions, a single certificate for Notes in a Tranche of Notes, registered in the name of the relevant Noteholder;
"Class" or "Class of Notes"	all of the Notes having the same ranking in the Priority of Payments, designated by a capital letter of the alphabet (such as Class A Notes and Class B Notes), on the basis that a Note in a Class of Notes identified by a letter closer to the beginning of the alphabet will rank higher than Notes in those Classes of Notes identified by a letter closer to the end of the alphabet. A Class may comprise of separate Tranches of Notes having different Interest Rates, Scheduled Maturity Dates, Final Redemption Dates and other terms as set out in the Applicable Pricing Supplement (and, if so, these will be designated by a capital letter of the alphabet followed by a numeral, such as Class A1 and Class A2);
"Collections Account"	the bank account in the name of the Servicer, into which payments received in respect of the Credit Agreements are deposited by the Borrowers;
"Common Terms Agreement"	the agreement entered into between, <i>inter alia</i> , the Issuer, the Seller, the Servicer, the Administrator, the Derivative Counterparty, the Preference Shareholder, the Calculation Agent, the Paying Agent, the Transfer Agent, the Issuer Agent, the Account Bank, the Settlement Agent and the Owner Trustee, setting out certain terms and provisions common to all or some of the Transaction Documents;
"Companies Act"	the Companies Act, 2008;
"Condition"	a numbered term or condition of the Notes forming part of the Terms and Conditions (and reference in the Transaction Documents to a particular numbered Condition shall be construed as a reference to the corresponding condition in the Terms and Conditions);

"Controlling Class" or "Controlling Class of Noteholders"	the holders of the highest-ranking Class of Notes designated by the letter of the alphabet (read in alphabetical order) appearing in the name of such Class of Notes, at any point in time, and if there is only one Class of Notes, then the holders of such Notes;
"Credit Agreement"	the credit agreement contained in Part 2 of the written agreement entitled " <i>Home Loan by way of an Instalment Sale of Land Agreement</i> " entered into between the Originator and a Borrower in terms of which the Originator advances a loan to the Borrower, the proceeds of which will be utilised by the Borrower to finance, <i>inter alia</i> , the acquisition or re-financing of a Property against security of, among other things, sureties and credit guarantees (including any such credit agreement that will be converted to a secured credit agreement in accordance with the provisions of section 27(1) of the Alienation of Land Act), including all documents incorporated or deemed to be incorporated into such credit agreement, as amended, novated and/or substituted from time to time in accordance with its terms;
"Credit Criteria"	the criteria to be complied with by a Borrower prior to the grant of any Credit Agreement to such Borrower, as set out in the Servicing Agreement (as such criteria may be amended from time to time);
"Current LTV Ratio"	the loan to value ratio calculated as follows – A divided by B, whereas A = the aggregate Principal Balance of a Credit Agreement; and B = the most recent value of the associated Property (as determined by a registered valuer);
"Dealer"	Absa CIB or such other person appointed by the Issuer as Dealer under the Dealer Agreement and as specified may enter into a Note Subscription Agreement;
"Debt Sponsor"	to the extent that Notes are listed on the Interest Rate Market of the JSE, Absa CIB;
"Derivative Contract"	any interest rate swap, forward rate agreement or other hedging transaction or agreement, any option with respect to such transaction or agreement, or any combination of such transactions or agreements or

	other similar arrangements entered into by the Issuer and a Derivative Counterparty;
"Derivative Counterparty"	Absa CIB or any other person with the Required Credit Rating, with whom the Issuer concludes a Derivative Contract;
"Derivative Termination Amount"	all amounts payable to the Derivative Counterparty by the Issuer under any Derivative Contract following the occurrence of an early termination date as defined in that Derivative Contract;
"Eligibility Criteria"	the criteria that a Participating Asset must satisfy to be acquired by the Issuer, as set out in the section of this Programme Memorandum entitled " <i>The Participating Asset Sale Agreement</i> ";
"Encumbrance"	includes any mortgage bond, notarial bond, pledge, lien, hypothecation, assignment, security cession, deposit by way of security or any other agreement or arrangement (whether conditional or not and whether relating to existing or to future assets), having the effect of providing a security interest or preferential treatment to a person over another person's assets (including set-off, title retention or reciprocal fee arrangements) or any agreement or arrangement to give any form of security or preferential treatment to a person over another person's assets, but excluding statutory preferences and rights of first refusal, and " Encumber " shall be construed accordingly;
"Enforcement Notice"	a notice delivered by the Noteholders to the Issuer pursuant to the Terms and Conditions following an Event of Default under the Notes;
"Event of Default"	in relation to the Notes, any of the events or circumstances specified as such in Condition 10 of the Terms and Conditions and, in relation to any Transaction Document, an event specified as such in terms of that Transaction Document which gives rise to a claim by a Transaction Creditor;
"Excluded Items"	means – (a) monies which properly belong to third parties (including monies owing to any third party in respect of debit recalls and insurance premiums owing under Insurance Policies); and (b) amounts payable to the Seller or the Servicer, as the case may be, under the Participating Asset Sale Agreement or the Servicing Agreement in respect of

reconciliations payable in relation to any Participating Asset,

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

"Extraordinary Resolution"

- (a) a resolution passed at a meeting (duly convened) of the Noteholders or Noteholders of a specific Class of Notes, as the case may be, by a majority consisting of not less than 66.67% of the Outstanding Principal Amount of all the Notes or the specific Class of Notes, as the case may be, present in person or by proxy and voting at such a meeting upon a show of hands or a poll, as the case may be, present in person or by proxy; or
- (b) a resolution passed other than at a meeting of all the Noteholders or the Noteholders of a specific Class of Notes, as the case may be, with the written consent of all the Noteholders or the Noteholders of a specific Class of Notes, as the case may be, holding not less than 66.67% of the Outstanding Principal Amount of all the Notes or the specific Class of Notes, as the case may be;

"Final Redemption Date"

the date specified in the Applicable Pricing Supplement, being the final date upon which the Notes are to be redeemed;

"Financial Markets Act"

the Financial Markets Act 19 of 2012;

"Fixed Rate Notes"

Notes which will bear interest at a fixed Interest Rate, as specified in the Applicable Pricing Supplement;

"Floating Rate Notes"

Notes which will bear interest at a floating Interest Rate as specified in the Applicable Pricing Supplement;

"Fully Performing"

a Participating Asset that is not in arrears, unless such arrears is as a result of an administrative or technical error;

"GCR"

Global Credit Rating Company Proprietary Limited (registration number 1995/005001/07);

"IFRS"

International Financial Reporting Standards and the interpretation of those standards as adopted by the International Accounting Standards Board;

"Initial Issue Date"

the date of issue of the first Tranche of Notes under the Programme;

"Insurance Policies"	the homeowners' insurance policies, credit life insurance policies and any additional insurance policies, taken out or to be taken out in relation to the Participating Assets by or on behalf of the Borrower;
"Insurance Proceeds"	the proceeds of any claim under any of the Insurance Policies;
"Interest Amount"	the amount of interest payable in respect of each Note, as determined in accordance with the Terms and Conditions;
"Interest Commencement Date"	the first date from which interest on the Notes, if any, will accrue, as specified in the Applicable Pricing Supplement;
"Interest Payment Date"	each date on which interest is payable on the Notes, as specified in the Applicable Pricing Supplement;
"Interest Period"	each period from (and including) each Payment Date to (but excluding) the following Payment Date provided that the first Interest Period in respect of any Tranche of Notes shall be from (and including) the Interest Commencement Date to (but excluding) the first Payment Date thereafter (each as adjusted in accordance with the applicable Business Day Convention);
"Interest Rate"	in relation to each Tranche of Notes, the interest rate(s), if any, 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" on which debt securities (as defined in the JSE Debt Listings Requirements) may be listed, subject to all Applicable Laws;
"Investor Report"	the report to Noteholders, prepared by the Servicer on behalf of the Issuer, setting out information in respect of the Participating Assets and the Notes, and delivered to Noteholders on a quarterly basis;
"ISDA"	International Swaps and Derivatives Association, Inc;
"ISDA Definitions"	the 2006 ISDA Definitions as published by ISDA (as amended, supplemented, revised or republished from time to time);
"Issue Date"	in relation to each Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;

"Issue Price"	in relation to each Tranche of Notes, the price specified as such in the Applicable Pricing Supplement;
"Issuer"	Sentinel Finco (RF) Limited (registration number 2020/178948/06), a public company registered and incorporated in accordance with the laws of South Africa;
"Issuer Agent"	Absa CIB;
"Issuer Insolvency Event"	the occurrence of any of the following events - <ul style="list-style-type: none">(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 an Extraordinary Resolution of the Noteholders and where the Issuer is solvent);(b) the Issuer being wound-up, liquidated, deregistered or placed under business rescue, in any such event whether provisionally or finally and whether voluntarily or compulsorily;(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 accordance with the provisions of section 345 of the Companies Act, 61 of 1973 (except where such inability is as a result of a lack of available funds for that purpose in terms of the Priority of Payments);(f) the Issuer becoming financially distressed (as such term is defined in section 128 of the Companies Act);

- (g) the members or creditors or, where applicable, directors of the Issuer meeting in order to pass a resolution providing for the Issuer to be wound up, liquidated, deregistered or placed under business rescue, or any resolution being passed to this effect;
- "JIBAR"**
- (a) the mid-market rate for three month deposits in Rand for the relevant Interest Period which appears on the Reuters screen SAFEY page under caption "Yield" as of approximately 11h00 (Johannesburg time) on the relevant Rate Determination Date, rounded to the fifth decimal point (or any successor rate); or
- (b) if such rate does not appear on the Reuters screen SAFEY page for the relevant Interest Period for any reason whatsoever, the rate determined on the basis of the mid-market rate for three month deposits in Rand quoted by at least two of the Reference Banks at approximately 11h00 (Johannesburg time) on the Rate Determination Date. (The requesting party will request the principal Johannesburg office of each of the Reference Banks to provide a quotation of such rate. If at least two quotations are provided, the rate for that date will be the arithmetic mean of those quotations); or
- (c) if on any Rate Determination Date on which the previous sub-paragraph applies, fewer than two quotations are provided by the Reference Banks, the rate for that date will be determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner, using a representative rate which in its opinion is as close as possible to three month JIBAR;
- "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 Debt Guarantee Fund Trust"**
- the guarantee fund established and operated by the JSE as a separate guarantee fund in terms of the rules of the JSE, as required by sections 8(1)(h) and 17(2)(w) of the Financial Markets Act, or any successor fund;
- "JSE Debt Listings Requirements"**
- the debt listing requirements of the JSE pursuant to the provisions of the Financial Markets Act for the listing of debt securities on the JSE, as amended from time to time;

"Last Day to Register"	close of business on the Business Day immediately preceding the first day of a Books Closed Period;
"Liability"	the liabilities of the Issuer incurred in respect of this Programme;
"Moody's"	Moody's Investors Services;
"Noteholder"	in respect of a Note, the holder of that Note, as recorded in the Register;
"Note Subscription Agreement"	the agreement concluded between the Issuer and the Dealer relating to the procuring of subscriptions for the Notes;
"Notes"	the limited recourse, secured, registered Notes issued or to be issued by the Issuer under the Programme in terms of the Terms and Conditions;
"Ordinary Resolution"	<p>(a) a resolution passed at a meeting (duly convened) of all the Noteholders or Noteholders of a specific Class of Notes, as the case may be, by a majority of the Outstanding Principal Amount of all the Notes or a specific Class of Notes, as the case may be, and voting at such meeting upon a show of hands or a poll, as the case may be, present in person or by proxy; or</p> <p>(b) a resolution passed other than at a meeting of all the Noteholders or Noteholders of a specific Class of Notes, as the case may be, which resolution is passed in writing by a majority of the Outstanding Principal Amount of all the Notes or a specific Class of Notes;</p>
"Originator"	Sentinel Homes;
"Outstanding Principal Amount"	of any Note, the Principal Amount of that Note less the aggregate amounts in respect of principal redeemed on that Note;
"Owner Trust"	Sentinel Issuer Owner Trust (Master's reference number IT000760/2021(C)), the trust established in accordance with the laws of South Africa, which owns or will own all of the ordinary shares of the Issuer;
"Owner Trustee"	the trustee for the time being of the Owner Trust, at the date of this Programme Memorandum being Maitland Group South Africa Limited;

"Participant"	a person that holds in custody and administers securities or an interest in securities and that has been accepted by the Central Securities Depository as a participant in terms of section 31 of the Financial Markets Act;
"Participating Asset"	all right, title and interest in and to - (a) a Credit Agreement; (b) the Related Security in respect of such Credit Agreement; and (c) the Underlying Documents;
"Participating Asset Sale Agreement"	the agreement between the Seller, the Issuer, and the Administrator in relation to the sale by that Seller and the purchase by the Issuer of Participating Assets;
"Paying Agent"	Absa CIB, or such other person appointed in terms of the Agency Agreement;
"Payment Date"	each date that falls on an Interest Payment Date as specified in the Applicable Pricing Supplement, provided that if such day is not a Business Day the payment date shall fall on the following Business Day;
"Permitted Investments"	investments in which the Issuer is entitled to invest cash from time to time standing to the credit of the Transaction Account, namely any - (a) cash deposited with an Approved Entity; (b) any debt instrument which has the Required Credit Rating or which is issued or secured or guaranteed by an Approved Entity; (c) any negotiable instruments accepted, drawn or endorsed, by an Approved Entity; (d) investments in money market funds regulated in terms of the Collective Investment Schemes Control Act, 2002, provided that such money market funds have been assigned the Required Credit Rating; and (e) unleveraged repurchase obligations entered into between the Issuer and an Approved Entity; and

	being, in all cases -
	(i) purchased at or below face value;
	(ii) purchased in Rand;
	(iii) an investment which has a maturity date at least two days prior to the next Payment Date; and
	(iv) an investment which is designated by the Administrator in the accounting records;
"Portfolio"	the portfolio of Participating Assets owned by the Issuer from time to time;
"Portfolio Covenants"	the criteria that the Portfolio must satisfy immediately following the acquisition of an Additional Participating Asset, as set out in the section of this Programme Memorandum entitled " <i>The Participating Asset Sale Agreement</i> ";
"Post-Enforcement Priority of Payments"	the order in which payments will be made by the Issuer after the delivery of an Enforcement Notice;
"Pre-Enforcement Priority of Payments"	the order in which payments will be made by the Issuer prior to delivery of an Enforcement Notice;
"Preference Shares"	the cumulative redeemable preference shares of no par value in the issued share capital of the Issuer;
"Preference Shareholder"	the registered holder from time to time of the Preference Shares being at the date of this Programme Memorandum, the Originator;
"Preference Share Subscription Agreement"	the agreement concluded between the Preference Shareholder and the Issuer relating to the subscription for the Preference Shares;
"Prime Rate"	the basic rate of interest (percent, per annum, compounded monthly in arrear and calculated on a 365-day year) from time to time levied by Absa Bank Limited, as being its prime overdraft rate (as certified by any officer or employee of that bank whose authority and/or appointment need not be proved);
"Principal Amount"	in relation to a Note, the nominal amount of that Note on the Issue Date;
"Principal Balance"	at any time and in respect of a Participating Asset, the aggregate amount outstanding, from time to time (including all interest, fees or similar amounts);

"Priority of Payments"	the Pre-Enforcement Priority of Payments or Post-Enforcement Priority of Payments, as the case may be;
"Programme"	the asset-backed securities programme under which the Issuer may from time to time issue Notes, as set out in this Programme Memorandum;
"Programme Limit"	the maximum Outstanding Principal Amount of Notes that may be in issue at any particular point in time as the board of directors of the Issuer approves from time to time, as specified in the Applicable Pricing Supplement;
"Programme Memorandum"	this programme memorandum to be issued by the Issuer providing information about the Issuer, the Notes and incorporating the Terms and Conditions;
"Property"	the residential property to be acquired by a Borrower as described in the Sale Agreement;
"R" or "Rand"	the lawful currency of South Africa, being South African Rand, or any successor currency;
"Rate Determination Date"	in respect of each Interest Period for Floating Rate Notes, the day falling on the first day of that Interest Period or, if such day is not a Business Day, the first following day that is a Business Day;
"Rating"	a rating assigned by the Rating Agency, as specified in the Applicable Pricing Supplement;
"Rating Agency"	GCR, Moody's, S&P or such other rating agency as may be specified in the Applicable Pricing Supplement, from time to time;
"Redemption Date"	each date on which any Notes are to be redeemed, partially or finally, as the case may be, in terms of the Terms and Conditions;
"Reference Banks"	Absa Bank Limited, The Standard Bank of South Africa Limited, FirstRand Bank Limited, Nedbank Limited and each of their successors-in-title;
"Register"	the register of Noteholders maintained by the Transfer Agent including the Issuer's uncertificated securities register administered and maintained by a Participant or the Central Securities Depository in accordance with the Companies Act, the Financial Markets Act and the rules of the Central Securities Depository;

"Registered Office"	in relation to each of the Issuer, the Servicer, the Administrator, the Calculation Agent, the Paying Agent, the Issuer Agent and the Transfer Agent, the address of the office specified in respect of such entity at the end of this Programme Memorandum, or such other address as is notified by such entity (or, where applicable, a successor to such entity) to the Noteholders in accordance with the Terms and Conditions, as the case may be;
"Related Security"	all security in relation to the Credit Agreement, including all sureties and credit guarantees as contemplated in the Credit Agreement;
"Required Credit Rating"	has the meaning ascribed to that term in this Programme Memorandum;
"Safe Custody Agent"	Absa CIB appointed as Safe Custody Agent in terms of the Safe Custody and Settlement Agreement and as specified in the Applicable Pricing Supplement;
"Safe Custody and Settlement Agreement"	the agreement between the Issuer and the Safe Custody Agent in terms of which the Safe Custody Agent is appointed to provide safe custody and settlement services to the Issuer;
"Sale Agreement"	the sale agreement contained in Part 1 of the written agreement entitled " <i>Home Loan by way of an Instalment Sale of Land Agreement</i> " entered into between the Originator and a Borrower in terms of which the Originator sells the Property to the Borrower and the Borrower acquires the Property from the Originator, as amended, novated and/or substituted from time to time in accordance with its terms;
"Scheduled Maturity Date"	in relation to a Tranche of Notes, the date upon which final repayment of the Outstanding Principal Amount of the Notes of that Tranche is expected to be repaid by the Issuer as specified in the Applicable Pricing Supplement;
"Securitisation Regulations"	Government Notice number 2 published in Government Gazette number 30628 of 1 January 2008, issued by the Registrar of Banks under the Banks Act, 1990;
"Security Interest"	any mortgage, pledge, lien, equity option, Encumbrance, right of set-off, or other adverse right or interest whatsoever, howsoever created or arising;

"Seller"	Sentinel Homes;
"SENS"	Stock Exchange News Service of the JSE;
"Servicer"	Sentinel Homes or such other entity as may be appointed in terms of the Servicing Agreement;
"Servicer Event of Default"	any event or condition defined as such in the Servicing Agreement;
"Services"	the Services to be provided by the Servicer to the Issuer pursuant to the Servicing Agreement;
"Servicing Agreement"	the agreement concluded between the Issuer, the Servicer, and the Administrator in accordance with which the Servicer is appointed as the agent of the Issuer to perform the administration, servicing and management of the Participating Assets;
"Servicing Fee"	the fee payable to the Servicer in respect of the Services and determined in accordance with the provisions of the Servicing Agreement;
"Settlement Agent"	any Participant approved by the Central Securities Depository from time to time, in terms of the Applicable Procedures;
"Signature Date"	in respect of a Transaction Document, the date of signature by the party last signing in time;
"South Africa"	the Republic of South Africa;
"S&P"	Standard & Poor's;
"Stop Purchase Events"	the occurrence of any one or more of the following events – (a) a Tranche of Notes is not redeemed on or prior to the Scheduled Maturity Date of such Tranche of Notes; or (b) a Servicer Event of Default; or (c) an Issuer Insolvency Event;
"Taxes"	all present and future taxes, levies, imposts, duties, charges, fees, deductions and withholdings imposed or levied by any governmental, fiscal or other competent authority in South Africa or any other jurisdiction from which any payment is made (and including any penalty payable in connection with any failure to pay, or delay in paying, any of the same) and "Tax" and "Taxation" shall be construed accordingly;

"Terms and Conditions"	the terms and conditions incorporated in the section entitled " <i>Terms and Conditions of the Notes</i> " of this Programme Memorandum and in accordance with which the Notes will be issued;
"Tranche"	all Notes which are identical in all respects (including as to listing, if any) and are issued in a single issue;
"Transaction Account"	the bank account held at the Account Bank in the name of the Issuer as specified in the Account Bank Agreement;
"Transaction Creditors"	each of the creditors of the Issuer set out in the Priority of Payments that is a party to a Transaction Document, including the Noteholders;
"Transaction Documents"	collectively, the – <ul style="list-style-type: none">(a) Programme Memorandum;(b) Participating Asset Sale Agreement;(c) Servicing Agreement;(d) Administration Agreement;(e) Account Bank Agreement;(f) Preference Share Subscription Agreement;(g) Common Terms Agreement;(h) Agency Agreement;(i) Dealer Agreement;(j) Safe Custody and Settlement Agreement; and(k) Derivative Contract;
"Transfer Agent"	Absa CIB, or such other entity appointed in terms of the Agency Agreement;
"Transfer Costs Reserve"	part of the monies standing to the credit of the Transaction Account up to the Transfer Costs Reserve Required Amount;
"Transfer Costs Reserve Required Amount"	the amount equal to the amount necessary to register transfer of the Properties into the names of the Borrowers as specified in the most recent Applicable Pricing Supplement;

"Transfer Date"	the effective date of a sale by the Seller of a Participating Asset to the Issuer pursuant to the Participating Asset Sale Agreement;
"Transfer Form"	in relation to the transfer of a Note as contemplated in the Terms and Conditions, means a form of transfer in the usual form or in such other form approved by the Transfer Agent;
"Uncertificated Notes"	a Note issued in uncertificated form which is not represented by any written document or instrument and held in the Central Securities Depository as contemplated by section 33 of the Financial Markets Act;
"Underlying Documents"	<p>in relation to each Participating Asset, collectively, all documents, records, and/or correspondence completed or signed in relation to such Participating Asset, including –</p> <ul style="list-style-type: none">(a) an original or electronic copy of the Credit Agreement;(b) originals or electronic copies of all Related Security documents;(c) correspondence with insurers, in relation to the cession or endorsement of Insurance Policies, where applicable; and(d) any amendments to and/or novations of the Credit 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 Interest Yield"	<p>the aggregate of the following calculation to be made in relation to each Credit Agreement forming part of the Portfolio –</p> <p>A multiplied by B,</p> <p>whereas –</p> <p>A = the weight of each Principal Balance of the Credit Agreements as a percentage of the Portfolio; and</p> <p>B = the interest rate recoverable under that Credit Agreement, net of the reference rate; and</p>

"Weighted Average LTV Ratio"

the aggregate of the following calculation to be made in relation to each Credit Agreement forming part of the Portfolio –

A multiplied by B,

whereas –

A = Current LTV Ratio;

B = C divided by D;

whereas –

C = the Principal Balance of the Credit Agreement;
and

D = the aggregate of the Principal Balances of all Credit Agreements.

- 2 Any reference to any statute, regulation or other legislation shall be a reference to that statute, regulation or other legislation as at the Signature Date of this Programme Memorandum and/or Transaction Document, and as amended or substituted from time to time.
- 3 Any reference to any agreement, deed, bond or other document shall include a reference to all annexures, appendices, schedules and other attachments thereto and shall be a reference to that agreement, deed, bond or other document (including such annexures, appendices, schedules and other attachments thereto) as amended, novated and/or replaced from time to time.

TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions of the Notes to be issued by the Issuer, subject to any amendments and/or additions set out in the Applicable Pricing Supplement.

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.

In the Terms and Conditions, unless inconsistent with the context, capitalised terms and expressions will bear the meanings ascribed to such terms and expressions in the section of this Programme Memorandum headed "Definitions and Interpretation", except to the extent that they are separately defined in the Terms and Conditions or this is clearly inappropriate from the context.

References in the Terms and Conditions to "Notes" are to all Notes that may be issued under the Programme.

1 ISSUE

- 1.1 Notes may be issued by the Issuer in Tranches pursuant to the Programme, without requiring the consent of Noteholders, provided that -
 - 1.1.1 the conditions precedent (if any) in the Note Subscription Agreement have been fulfilled;
 - 1.1.2 the issue of the Notes does not result in the aggregate Principal Amount Outstanding of all Notes then in issue exceeding the Programme Limit;
 - 1.1.3 no party is in breach or default of any of its material obligations under any of the Transaction Documents;
 - 1.1.4 no Enforcement Notice having been delivered;
 - 1.1.5 no Stop Purchase Event has occurred and is continuing; and
 - 1.1.6 to the extent that the Notes may be listed, the approval of the listing of the Notes on the Interest Rate Market of the JSE has been granted.
- 1.2 The Noteholders are, by virtue of their subscription for or purchase of the Notes, deemed to have notice of, and are entitled to the benefit of, and are subject to, all the provisions of the Transaction Documents.
- 1.3 The Applicable Pricing Supplement may specify other terms and conditions (which may replace, modify, or supplement these Terms and Conditions), in which event such other terms and conditions shall, to the extent so specified in the Applicable Pricing Supplement, replace, modify or supplement these Terms and Conditions.

- 1.4 The net proceeds of the Notes may be utilised by the Issuer to –
 - 1.4.1 acquire Participating Assets; and/or
 - 1.4.2 redeem outstanding Notes; and/or
 - 1.4.3 as may otherwise be described in the Applicable Pricing Supplement.
- 1.5 Notes to be issued under the Programme must be fully paid up.

2 FORM AND DENOMINATION

- 2.1 Notes will be issued in registered form with a minimum denomination of ZAR1,000,000 each.
- 2.2 Notes will be issued in the form of registered Notes, represented by (i) 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. The Central Securities Depository will hold the Notes subject to the Financial Markets Act and the Applicable Procedures.
- 2.3 Listed and/or unlisted Notes may be issued under the Programme.

3 TITLE

- 3.1 Title to the Notes will pass upon registration of transfer in the Register in accordance with Condition 14. The Issuer and the Transfer Agent shall recognise a Noteholder as the sole and absolute owner of the Notes registered in that Noteholder's name in the Register (notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) and shall not be bound to enter any trust in the Register or to take notice of or to accede to the execution of any trust, express, implied or constructive, to which any Note may be subject.
- 3.2 Beneficial Interests in Notes held in uncertificated form may, in terms of existing law and practice, be transferred through the Central Securities Depository by way of book entry in the securities accounts of the Participants.
- 3.3 Any reference in this Programme Memorandum to the relevant Participant shall, in respect of Beneficial Interests, be a reference to the Participant appointed to act as such by a holder of such Beneficial Interest.

4 STATUS OF NOTES

- 4.1 The Notes constitute direct, limited recourse, secured obligations of the Issuer.
- 4.2 The claims of the Noteholders (whether in respect of principal, interest or otherwise) shall be subordinated to the claims of higher ranking creditors in accordance with the Priority of Payments.
- 4.3 Notwithstanding the subordinations envisaged in this Condition 4, the Noteholders shall be entitled to be paid any amounts due and payable to them in accordance with the Priority of Payments, on any Payment Date, provided that all amounts

required to be paid or provided for in terms of the Priority of Payments in priority thereto, have been paid, provided for or discharged in full.

4.4 A Class of Notes identified by a capital letter of the alphabet closer to the beginning of the alphabet will rank higher than a Class of Notes identified by a capital letter closer to the end of the alphabet (e.g. Class B Notes will be subordinated to the Class A Notes).

4.5 On enforcement, the Notes of each Class shall rank *pari passu* among themselves.

5 INTEREST

5.1 Interest on Fixed Rate Notes

5.1.1 *Fixed Interest Rate*

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

5.1.2 *Interest Payment Dates*

The interest due in respect of each Interest Period will be payable in arrears on the Interest Payment Date in respect of such Interest Period. The first payment of interest will be made on the Interest Payment Date following the Interest Commencement Date. If any Interest Payment Date falls upon a day which is not a Business Day, the provisions of Condition 7.3 shall determine the date of payment of interest due upon such Interest Payment Date.

5.1.3 *Calculation of Interest Amount*

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

5.2 Interest on Floating Rate Notes

5.2.1 *Interest Rate*

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

5.2.2 *Interest Payment Dates*

The interest due in respect of each Interest Period will be payable in arrears on the Interest Payment Date in respect of such Interest Period. The first

payment of interest will be made on the Interest Payment Date following the Interest Commencement Date. If any Interest Payment Date falls upon a day which is not a Business Day, the provisions of Condition 7.3 shall determine the date of payment of interest due upon such Interest Payment Date.

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

The Calculation Agent will, on each Rate Determination Date, determine the Interest Rate applicable to a Tranche of Floating Rate Notes for the Interest Period commencing on that Rate Determination Date and calculate the Interest Amount payable in respect of each Floating Rate Note in that Tranche for that Interest Period. Unless stated otherwise in the Applicable Pricing Supplement, the Interest Amount will be determined by multiplying the Interest Rate by the Outstanding Principal Amount of such Floating Rate Note and then multiplying such product by the actual number of days elapsed in such Interest Period, divided by 365. The resultant sum will be rounded to the nearest cent, half a cent being rounded upwards.

5.2.4 *Basis of Interest Rate*

5.2.4.1 The Interest Rate will be determined -

5.2.4.1.1 on the basis of ISDA Determination; or

5.2.4.1.2 on the basis of Screen Rate Determination; or

5.2.4.1.3 on such other basis as may be determined by the Issuer,

all as indicated in the Applicable Pricing Supplement.

5.2.4.2 ISDA Determination

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

For the purposes of this Condition 5.2.4.2 -

"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 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 5.2.4.2 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 5.2.4.2 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 5.2.3 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 5.2.4.2.

5.2.4.3

Screen Rate Determination

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

- (a) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (b) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 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 5.2.4.3, no such offered quotation appears or, in the case of paragraph (b) above in this Condition 5.2.4.3, 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 fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus

or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

If the Interest Rate cannot be determined by applying the provisions of the preceding paragraphs of this Condition 5.2.4.3, 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 fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks offered, at approximately 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, 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 JIBAR, 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.

5.3 Publication of Interest Rate and Interest Amount by the Calculation Agent

5.3.1 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 16), the Issuer Agent and the Issuer and, if the Administrator is not the Calculation Agent, then also to the Administrator and, in relation to any Tranche of Notes listed on the Interest Rate Market of the JSE, the JSE as soon as practicable after such determination but in any event not later than three Business Days after such determination.

5.3.2 The Calculation Agent will, in relation to each Tranche of Notes, at least 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 notified to the Noteholders (in the manner set out in Condition 16), the Issuer Agent and the Issuer and, if the Administrator is not

the Calculation Agent, then also to the Administrator and, in relation to any Tranche of Notes listed on the Interest Rate Market of the JSE, the JSE.

5.4 **Calculations final and limitation of liability**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained by the Calculation Agent pursuant to the exercise or non-exercise by it of its powers, duties and discretions under the Terms and Conditions and the Transaction Documents and all certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained by the 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 and all Transaction Creditors (including Noteholders), and no liability to the Issuer or the Transaction Creditors (including Noteholders) will attach to the Calculation Agent and/or the Administrator in connection therewith.

6 **REDEMPTION AND PURCHASES**

6.1 **Final Redemption**

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

6.1.2 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.

6.2 **Mandatory redemption in part**

6.2.1 On each Interest Payment Date, the Issuer shall partially redeem each Note in all Tranches of Notes (in descending order of rank), to the extent permitted by and in accordance with the Priority of Payments, until the Outstanding Principal Amount of such Notes is reduced to zero.

6.2.2 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 on such Interest Payment Date.

6.2.3 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 on such Interest Payment Date, allocated pro-rata to such Note in the proportion which the Outstanding Principal Amount of such Note bears to the Outstanding Principal Amount of all the Notes in that Class of Notes on such Interest Payment Date, rounded to the nearest Rand, provided always that no such amount may exceed the Outstanding Principal Amount of such Note.

6.3 **Optional Redemption – Clean-Up Call Option**

On any Interest Payment Date on which the aggregate Outstanding Principal Amount of the Notes is equal to or less than 10% of the maximum aggregate

Outstanding Principal Amount of the Notes that have been in issue at any time, and upon giving not more than 30 days' nor less than 20 days' notice to the Noteholders, which notice shall be irrevocable, the Issuer may redeem all, but not some only, of the Notes at their Outstanding Principal Amount (together with accrued interest thereon).

6.4 **Optional redemption for tax reasons**

6.4.1 If the Issuer immediately prior to the giving of the notice referred to below is of the reasonable opinion that either -

6.4.1.1 (i) payments of principal or interest in respect of any of the Credit Agreements 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 Borrowers in respect of such Credit Agreements are not obliged to pay such additional amounts as shall be necessary in order that the net amounts received by the Issuer after such withholding or deduction are equal to the respective amounts of principal or interest which would otherwise have been receivable in the absence of such withholding or deduction; and each of (i) and (ii) cannot be avoided by the Issuer taking reasonable measures available to it; or

6.4.1.2 as a result of any change in, or amendment to, the laws or regulations of South Africa or any political sub-division of, or any authority in, or of, South Africa having power to tax becoming effective after the Issue Date the Issuer is or would be required to deduct or withhold from any payment of principal or interest on any Tranche of Notes any amounts as provided or referred to in Condition 8, and such requirements cannot be avoided by the Issuer taking reasonable measures available to it,

then, on any Interest Payment Date thereafter, the Issuer may at its option, having given not more than 30 days' and not less than 20 days' notice to the Noteholders in accordance with Condition 16 (which notice shall be irrevocable), redeem all, but not some only of the Notes, at their Outstanding Principal Amount (together with interest accrued thereon).

6.4.2 Prior to giving such notice of redemption, the Issuer shall have provided to the Noteholders -

6.4.2.1 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 such Notes as set out above; and

6.4.2.2 a tax opinion (in form and substance satisfactory to the Noteholders) from a firm of lawyers in South Africa opining on the relevant event.

6.5 **Cancellation**

All Notes which are redeemed in full will forthwith be cancelled. All Notes so cancelled shall be held by the Issuer and cannot be re-issued or resold. Where only a portion of Notes represented by a Certificate are cancelled, the Transfer Agent shall deliver a Certificate to such Noteholder in respect of the balance of the Notes. The Issuer shall notify the Central Securities Depository and the JSE (in respect of listed Notes) 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.

6.6 Purchases

The Issuer may not at any time purchase Notes in the open market or otherwise.

7 PAYMENT

7.1 Method of payment

- 7.1.1 Payments of interest and principal in respect of Notes held in uncertificated form in the Central Securities Depository will be made to the holders of Beneficial Interests in accordance with the Applicable Procedures. Each of the persons reflected in the records of the Central Securities Depository or the relevant Participants, as the case may be, as the holders of Beneficial Interests shall look solely to the Central Securities Depository or the relevant Participant, as the case may be, for such 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, in accordance with the Applicable Procedures, distinguishing between interest and principal, and such record of payments shall be *prima facie* proof of such payments. Payments of interest and principal in respect of Notes represented by Certificates shall be made to the person reflected as the registered holder of the Certificate in the Register on the Last Day to Register.
- 7.1.2 Subject to Condition 7.1.3, all moneys payable on or in respect of each Note, shall be paid by electronic funds transfer in immediately available and freely transferable funds to the account of the relevant Noteholder as set forth in the Register at 17h00 (Johannesburg time) on the Last Day to Register preceding the relevant Payment Date or, in the case of joint registered holders of a Note, the account of that Noteholder who is named first in the Register in respect of that Note.
- 7.1.3 If the Issuer is prevented or restricted directly or indirectly from making any payment by electronic funds transfer in accordance with Condition 7.1.1 (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 on the first Business Day after such event or occurrence terminates in accordance with Condition 7.1.1.
- 7.1.4 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.

7.2 **Surrender of Certificates**

- 7.2.1 On or before the Last Day to Register prior to any Redemption Date (including a Redemption Date relating to mandatory redemption in part), the holder of a Certificate, in respect of a Note to be redeemed (in part or in whole, as the case may be) shall deliver to the Transfer Agent the Certificates to be redeemed. This will enable the Transfer Agent to endorse the partial redemption thereon or, in the case of final redemption, to cancel the relevant Certificates.
- 7.2.2 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 retained by the Issuer 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.
- 7.2.3 Documents required to be presented and/or surrendered to the Transfer Agent in accordance with the Terms and Conditions will be so presented and/or surrendered at the Registered Office of the Transfer Agent.
- 7.2.4 In the case of Uncertificated Notes, redemptions in part will be concluded in accordance with the Applicable Procedures.

7.3 **Payment Date**

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

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

7.4 **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 of principal is due and payable in accordance with the Priority of Payments. The Calculation Agent will, at least three Business 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), the Issuer and the Central Securities Depository and to the JSE in relation to any Tranche of Notes listed on the Interest Rate Market of the JSE.

8 **TAXATION**

- 8.1 All payments (whether in respect of principal, interest or otherwise) in respect of the Notes will be made free and clear of and without withholding or deduction for or on account of any Taxes, unless such withholding or deduction is required by Applicable Law.

- 8.2 If any such withholding or deduction is required by Applicable Law in respect of Taxes imposed or levied on any payments (whether in respect of principal, interest or otherwise) in respect of any Notes, the Issuer shall, subject to its right to redeem such Notes in terms of Condition 6.4, 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.

9 UNDERTAKINGS OF THE ISSUER

9.1 Comply with obligations

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

9.2 Positive undertakings

The Issuer undertakes that it shall -

- 9.2.1 (*accounting records*) prepare proper and adequate accounting records and lodge returns in accordance with IFRS or such other accounting standards in terms of the Companies Act and the JSE Debt Listings Requirements (if applicable);
- 9.2.2 (*accounts*) procure that audited financial statements for each financial year are prepared and delivered within 120 days of the end of that financial year;
- 9.2.3 (*other information*) promptly give to the Noteholders such information relating to the financial condition or operations of the Issuer as the Noteholders may from time to time reasonably request, except for such information the disclosure of which would contravene Applicable Law or render the Issuer in breach of any confidentiality obligation;
- 9.2.4 (*Taxes*) pay all Taxes (other than Taxes disputed by the Issuer in good faith) when due;
- 9.2.5 (*Event of Default*) notify the Noteholders and the Rating Agency (if applicable) of the occurrence of any Event of Default, as soon as it becomes aware of it and in respect of Notes listed on the Interest Rate Market of the JSE, the JSE within one Business Day of the occurrence of such Event of Default;
- 9.2.6 (*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
- 9.2.7 (*notification to Rating Agency*) notify the Rating Agency (if applicable) should a new Programme Memorandum or a supplement to this Programme Memorandum be issued by the Issuer.

9.3 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 Noteholders -

- 9.3.1 (*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;
- 9.3.2 (*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;
- 9.3.3 (*winding-up*) cause itself to be voluntarily wound-up or placed under business rescue;
- 9.3.4 (*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;
- 9.3.5 (*shares*) issue any further shares or repurchase shares, except the Preference Shares created pursuant to the Transaction Documents which -
- 9.3.5.1 have no rights which conflict with the rights of Noteholders; and
- 9.3.5.2 are subordinated in all respects to the rights of Noteholders;
- 9.3.6 (*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;
- 9.3.7 (*Bank Accounts*) open or operate any bank accounts, other than the Bank Accounts opened in terms of the Transaction Documents;
- 9.3.8 (*Derivative Contracts*) enter into any Derivative Contract, unless the Derivative Counterparty meets the Rating Agency hedging criteria from time to time;
- 9.3.9 (*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;
- 9.3.10 (*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;
- 9.3.11 (*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;
- 9.3.12 (*general acts*) do any of the following things -
- 9.3.12.1 register any transfer of shares in its issued share capital;
- 9.3.12.2 amend its memorandum of incorporation;
- 9.3.12.3 engage any employees;

- 9.3.12.4 have or acquire any subsidiaries; or
- 9.3.12.5 occupy any premises;
- 9.3.13 (*Transaction Documents*)
 - 9.3.13.1 cancel or amend any Transaction Documents or the Eligibility Criteria subject to the provisions of Condition 17;
 - 9.3.13.2 grant a waiver in respect of any Transaction Document;
 - 9.3.13.3 discharge or release any person from its obligations under any Transaction Document if that person has not performed its obligations in full;
 - 9.3.13.4 novate or assign any Transaction Document;
 - 9.3.13.5 cede any of its rights or delegate any of its obligations under any Transaction Document; or
- 9.3.14 (*other transactions*) enter into any document, agreement or arrangement other than in terms of the Transaction Documents.

10 EVENTS OF DEFAULT

- 10.1 An Event of Default will occur in respect of the Notes, if any of the following events occur, namely, should -
 - 10.1.1 the Issuer fail to pay an amount of interest and/or principal due and payable to the Controlling Class of Noteholders within three Business Days of the relevant Interest Payment Date or the relevant Final Redemption Date, as the case may be, in each case irrespective of whether or not there are available funds for that purpose in terms of the Priority of Payments;
 - 10.1.2 the Issuer fail to pay any amount whether in respect of interest, principal or otherwise, due and payable in respect of any other Class of Notes within three Business Days of the due date for the payment in question to the extent permitted by available funds for that purpose in terms of the Priority of Payments;
 - 10.1.3 the Issuer fail duly to perform or observe any other obligation binding on it under the Notes, these Terms and Conditions or any of the other Transaction Documents (irrespective of the materiality of such breach or obligation), which breach is not remedied within the cure period permitted therefor in the relevant Transaction Document or, if no such cure period is provided, within 30 days after receiving written notice from the counterparty to the relevant Transaction Document requiring such breach to be remedied, unless such breach is not materially prejudicial to the interests of the Noteholders;
 - 10.1.4 the Issuer cease to be wholly owned by the Owner Trust; or
 - 10.1.5 an Issuer Insolvency Event occur; or

- 10.1.6 it be or become unlawful for the Issuer to perform any of its obligations under the Transaction Documents and such event is materially prejudicial to the interests of the Noteholders; or
- 10.1.7 any consent, license, permit or authorisation required by the Issuer for the conduct of its business be revoked, withdrawn, materially altered or not renewed and such situation not be remedied within 14 days after the Issuer and/or Administrator have been given written notice requiring the applicable consent, licence, permit or authorisation to be obtained; or
- 10.1.8 the Issuer alienate or Encumber any of its Assets (other than as provided for in the Transaction Documents) without the prior consent of the Noteholders by Extraordinary Resolution; or
- 10.1.9 the Issuer cease to carry on its business in a normal and regular manner or materially change the nature of its business, or through an official act of the board of directors of the Issuer, threaten to cease to carry on business.
- 10.2 If an Event of Default occurs -
 - 10.2.1 the Issuer shall within one Business Day of the occurrence of such Event of Default publish the details of such Event of Default on SENS and notify the JSE (in the event of listed Notes) thereof;
 - 10.2.2 the Administrator will within one Business Day of becoming aware of such Event of Default –
 - 10.2.2.1 inform the JSE (in respect of Notes listed on the Interest Rate Market of the JSE), the Central Securities Depository and the Rating Agency (if applicable) thereof in writing;
 - 10.2.2.2 forthwith call a meeting of the Controlling Class of Noteholders;
 - 10.2.3 all the Notes will become immediately due and payable if at such meeting, the Controlling Class of Noteholders so decide, by Extraordinary Resolution.
- 10.3 If the Controlling Class of Noteholders decide that the Notes shall become immediately due and payable, the Controlling Class of Noteholders will notify the Issuer accordingly.
- 10.4 If the Controlling Class of Noteholders decide that the Notes will become immediately due and payable as contemplated in Condition 10.2.3, the Noteholders will, by written notice to the Issuer (an "**Enforcement Notice**"), declare the Notes and any amounts owing under any other Transaction Document, to be immediately due and payable, and require the Outstanding Principal Amount of the Notes, together with any accrued interest thereon, and the amounts owing under any other Transaction Document, to be forthwith paid or repaid, to the extent permitted by and in accordance with the Post-Enforcement Priority of Payments. The Issuer shall forthwith do this, failing which the Noteholders may take all necessary steps, including legal proceedings, to enforce the rights of the Noteholders and other Transaction Creditors in terms of these Terms and Conditions and the other Transaction Documents, subject always to the provisions of the Post-Enforcement Priority of Payments.

- 10.5 The Noteholders will not be required to take any steps to ascertain whether any Event of Default has occurred or to monitor or supervise the observance and performance by the Issuer of its obligations under the Terms and Conditions and the other Transaction Documents and until the Administrator 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.
- 10.6 If the Notes become immediately due and payable following delivery of an Enforcement Notice, they will be redeemed and paid strictly in accordance with the Post-Enforcement Priority of Payments. If the Issuer has insufficient available funds to redeem all the Notes in full, the Notes will be redeemed, in reducing order of rank in the Post-Enforcement Priority of Payments, in each case *pro-rata* to their Outstanding Principal Amount.

11 ENFORCEMENT, SUBORDINATION AND NON-PETITION

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

11.1.1 the Issuer will not be in default of its obligations under the Notes (other than a failure to pay amounts due and payable to the Controlling Class of Noteholders, which shall constitute an Event of Default in accordance with Condition 10.1.1);

11.1.2 the unpaid amount will not bear penalty interest; and

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

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

11.2.1 the amounts owing to the Noteholders; and

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

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

- 11.3 The rights of Noteholders against the Issuer will be limited to the extent that the Noteholders will not be entitled to take any action or proceedings against the Issuer to recover any amounts payable by the Issuer to them under or in connection with the Notes (including not levying or enforcing any attachment or execution upon the assets of the Issuer), and all rights of enforcement will be exercised in accordance with the provisions of this Programme Memorandum.
- 11.4 The Noteholders will not, until after payment of all amounts outstanding and owing by the Issuer under the Notes and other Transaction Documents, institute, or join with any person in instituting or vote in favour of, any steps or legal proceedings for the winding-up, liquidation, de-registration, business rescue, or any compromise or scheme of arrangement or related relief in respect of the Issuer or for the appointment of a liquidator, business rescue practitioner or similar officer of the Issuer.
- 11.5 Without prejudice to the foregoing provisions of this Condition 11, each Noteholder undertakes to the Issuer that if any payment is received by it other than in accordance with the Priority of Payments in respect of amounts due to it by the Issuer, the amount so paid will be received and held by such Noteholder as agent for the Issuer and will be paid to the Issuer immediately on demand.
- 11.6 Each Noteholder undertakes that it will not set off or claim to set off any amounts owed by it to the Issuer against any amount owed to it by the Issuer.
- 11.7 Notwithstanding the provisions of the preceding sub-Conditions, 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, Transaction Creditors ranking prior to others in the Priority of Payments will be entitled to receive payment in full from the assets of the Issuer of amounts due and payable to them, before other Transaction Creditors that rank after them in the Priority of Payments receive any payment of amounts owing to them.
- 11.8 Each Noteholder will be entitled to lodge claims itself in the liquidation, winding-up or business rescue proceedings of the Issuer but each Noteholder agrees that -
- 11.8.1 any claim made or proved by a Noteholder in the liquidation, winding-up or business rescue proceedings in respect of amounts owing to it by the Issuer will be subject to the condition that no amount will be paid in respect thereof to the extent that the effect of such payment would be that the amount payable to the Transaction Creditors that rank prior to it in terms of the Post-Enforcement Priority of Payments would be reduced; and
- 11.8.2 if the liquidator or business rescue practitioner does not accept claims proved subject to the condition contained in Condition 11.8.1 then each Noteholder will be entitled to prove its claims against the Issuer in full, on the basis that any liquidation dividend payable to it is paid for distribution in accordance with the Post-Enforcement Priority of Payments to the extent that the payment relates to the Assets.
- 11.9 Nothing in these Terms and Conditions limits -
- 11.9.1 the entitlement of the Noteholders to levy or enforce any attachment or execution upon the Assets;

- 11.9.2 any Transaction Creditor from obtaining or taking any proceedings to obtain an interdict, mandamus or other order to restrain any breach of any Transaction Document;
- 11.9.3 any Transaction Creditor from obtaining or taking any proceedings to obtain declaratory relief in relation to any provision of any Transaction Document; or
- 11.9.4 the exercise by any Derivative Counterparty under a Derivative Contract of rights of netting or set-off, where such rights are explicitly provided for in accordance with the terms of the relevant Transaction Document.

12 BENEFITS

- 12.1 The Terms and Conditions, insofar as they confer benefits on any Transaction Creditor, comprise a stipulation for the benefit of such Transaction Creditor and will be deemed to be accepted by each of them as follows -
 - 12.1.1 by each of the Transaction Creditors (other than the Noteholders), upon the execution of the Common Terms Agreement by such Transaction Creditor; and
 - 12.1.2 by the Noteholders, upon the issue or transfer of Notes to such Noteholders, as the case may be.
- 12.2 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 –
 - 12.2.1 the Common Terms Agreement which confer benefits on the Noteholders; and
 - 12.2.2 the Transaction Documents, which confer benefits on any Noteholder.

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 Participant (or, if such holder is a Participant, the Central Securities Depository), request that such Beneficial Interest be exchanged for Notes in definitive form represented by a Certificate (the "**Exchange Notice**"). The Exchange Notice shall specify (i) the name, address and bank account details of the holder of the Beneficial Interest and (ii) the day on which such Beneficial Interest is to be exchanged for a Certificate; provided that such day shall be a Business Day and shall fall not less than 30 days after the day on which such Exchange Notice is given ("**Exchange Date**").
- 13.1.2 The holder's nominated Participant will, following receipt of the Exchange Notice, through the Central Securities Depository, notify the Transfer Agent that it is required to exchange such Beneficial Interest for Notes represented by a Certificate. The Transfer Agent will, as soon as is practicable but within 14 days after receiving such notice, in accordance with the Applicable Procedures, procure that a Certificate is prepared, authenticated and made available for delivery, on a Business Day falling within the aforementioned

14 day period, to the holder of the Beneficial Interest at the Registered Office of the Transfer Agent; provided that joint holders of a Beneficial Interest shall be entitled to receive only one 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 Agent at its Registered Office; and

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

13.1.4 A 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 Agent; provided that if such aggregate Principal Amount is equivalent to a fraction of ZAR1,000,000 or a fraction of any multiple thereof, such 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 Terms and Conditions. Separate costs and expenses relating to the provision of Certificates or the transfer of Notes may be levied by other persons, such as the Participant, under the Applicable Procedures and such costs and expenses shall be borne by the Noteholder. 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 Agent on payment by the claimant of such costs and expenses as may be incurred in connection therewith and against the furnishing of such indemnity as the Transfer Agent may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

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 Agent 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 Subject to Applicable Laws, each Tranche of Notes listed on the Interest Rate Market of the JSE will be freely transferable in accordance with these 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 Participants. Participants are in turn required to maintain securities accounts for their clients.
- 14.4 Transfers of Beneficial Interests to and from clients of Participants occur, in terms of existing law and practice, by way of electronic book entry in the securities accounts maintained by the Participants for their clients. Transfers of Beneficial Interests among Participants occur through electronic book entry in the securities accounts maintained by the Central Securities Depository for the Participants. Such transfers of Beneficial Interests will be recorded in the securities accounts of the Central Securities Depository or the relevant Participant. Beneficial Interests may be transferred only in accordance with these Terms and Conditions, and the Applicable Procedures.
- 14.5 In order for any transfer of Notes represented by a Certificate to be recorded in the Register, and for such transfer to be recognised by the Issuer -
- 14.5.1 the transfer of such Notes must be embodied in the Transfer Form;
- 14.5.2 the Transfer Form must be signed by the registered Noteholder and the transferee, or any authorised representative of that registered Noteholder and/or transferee;
- 14.5.3 shall only be in respect of minimum denominations equal to or greater than ZAR1,000,000; and
- 14.5.4 the Transfer Form must be delivered to the Transfer Agent at its Registered Office, together with the Certificate for cancelation.
- 14.6 Subject to the preceding provisions of this Condition 15, the Transfer Agent will, within three Business Days of receipt by it of a valid Transfer Form (or such longer period as may be required to comply with any applicable fiscal or other laws, regulations), record the transfer of Notes represented by a Certificate in the Register to the transferee, and authenticate and deliver to the transferee at the Transfer Agent's Registered Office to the transferee or, at the risk of the transferee, send by mail to such address as the transferee may request, a new Certificate in respect of such Notes reflecting the same Outstanding Principal Amount as the Notes transferred. Where a Noteholder has transferred part only of his holding of Notes represented by a Certificate, the Transfer Agent will authenticate and deliver to such Noteholder at the Transfer Agent's Registered Office or, at the risk of such Noteholder, send by mail to such address as such Noteholder may request, a new Certificate in respect of the balance of the Notes held by such Noteholder.
- 14.7 The transferor of any Notes represented by a Certificate will be deemed to remain the owner thereof until the transferee is registered in the Register as the holder thereof.

- 14.8 Before any transfer of any Notes represented by a Certificate is registered, all relevant transfer Taxes (if any) must have been paid by the transferor and/or the transferee and such evidence must be furnished as the Transfer Agent reasonably requires as to the identity and title of the transferor and the transferee.
- 14.9 No transfer of any Notes will be registered while the Register is closed as contemplated in Condition 15.
- 14.10 If a transfer of any Notes is registered, the Transfer Form and cancelled Certificate will be retained by the Transfer Agent.

15 REGISTER

- 15.1 The Register shall be kept at the Registered Office of the Transfer Agent. The Register shall contain the name, address and bank account details of the registered Noteholders. The Register shall set out the Principal Amount of the Notes issued to any Noteholder and shall show the date of such issue and the date upon which the Noteholder became registered as such. The Register shall show the serial numbers of the Certificates issued. The Register shall be open for inspection during the normal business hours of the Transfer Agent to any Noteholder or any person of proven identity authorised in writing by any Noteholder, at no charge to such Noteholder or authorised person. The Issuer and the Transfer Agent will not be bound to enter any trust into the Register or to take any notice of or to accede to the execution of any trust (express, implied or constructive) to which any Note may be subject.
- 15.2 The Register will, in respect of a Tranche of Notes, be closed during the five days preceding each Payment Date and Redemption Date, as the case may be, from 17h00 (Johannesburg time) on the Last Day to Register or such other Books Closed Period as is specified in the Applicable Pricing Supplement. All periods referred to for the closure of the Register may be shortened by the Issuer from time to time, upon notice thereof to the Noteholders in accordance with Condition 16.
- 15.3 The Transfer Agent shall alter the Register in respect of any change of name, address or bank account number of any of the Noteholders of which it is notified in accordance with Condition 16.

16 NOTICES

- 16.1 Subject to Condition 16.2, all notices (including all communications, demands or requests under the Terms and Conditions) to the Noteholders will be valid if mailed by registered post or delivered by hand to their addresses appearing in the Register or published in a leading English language daily newspaper of general circulation in South Africa. Each such notice will be deemed to have been given on the day of first publication or delivery by hand or on the 14th day after the day on which it is mailed, as the case may be.
- 16.2 For so long as the Notes are held in their entirety by the Central Securities Depository, there may be substituted for publication as contemplated in Condition 16.1 the delivery of the relevant notice to the Central Securities Depository for communication to the holders of Beneficial Interests, in accordance with the Applicable Procedures.
- 16.3 Where any provision of these Terms and Conditions requires notice to be given to the Noteholders of any matter other than a meeting of Noteholders, such notice will

be given *mutatis mutandis* as set out in Conditions 16.1 and 16.2, respectively, subject to compliance with any other time periods prescribed in the provision concerned.

- 16.4 All notices (including communications, demands and/or requests under the Terms and Conditions) to be given by any Noteholder to the Issuer or the Transfer Agent, as the case may be, shall be in writing and given by delivering the notice, by hand or by registered post, together with a certified copy of the relevant Certificate, to the Registered Office of the Issuer or the Transfer Agent, as the case may be, and marked for the attention of the Issuer's directors or in respect of the Transfer Agent, the managing director, with a copy sent by hand or by registered post to the Registered Office of the Administrator and marked for the attention of the managing director. Any notice to the Issuer or the Transfer Agent, as the case may be, will be deemed to have been received by the Issuer or the Transfer Agent, as the case may be, on the second Business Day after being delivered by hand to the Registered Office of the Issuer or the Transfer Agent, as the case may be, or on the 14th day after the day on which it is mailed by registered post to the Registered Office of the Issuer or the Transfer Agent, as the case may be.
- 16.5 In relation to any Notes listed on the Interest Rate Market of the JSE, copies of any notices to Noteholders delivered as set out above, including of meetings and any amendments to the Terms and Conditions, shall be published on SENS.

17 AMENDMENT OF THE TERMS AND CONDITIONS

- 17.1 The Issuer may effect, without the consent of any Noteholder or the JSE (to the extent Notes are listed), any amendment to these Terms and Conditions which is of a technical nature or is made to correct a manifest error or to comply with mandatory provisions of any Applicable Law. Any such amendment will be binding on Noteholders and such amendment will be notified to the JSE in relation to any Notes listed on the Interest Rate Market of the JSE and to the Noteholders in accordance with Condition 16. The Issuer shall publish an announcement on SENS (to the extent Notes are listed on the Interest Rate Market of the JSE) providing a summary of the proposed amendments together with details of where copies of the amendment document(s) and/or any supplement to the amendment document(s), as the case may be, are available to Noteholders for inspection.
- 17.2 Subject to Condition 17.1, any amendment to the Terms and Conditions of –
- 17.2.1 all of the Notes; or
- 17.2.2 a particular Class of Notes, as the case may be,
- may be made only with the prior authorisation of an Extraordinary Resolution of the Noteholders of all the Notes or an Extraordinary Resolution of the Noteholders of that Class of Notes, as the case may be.
- 17.3 Subject to Condition 17.1, in relation to Notes listed on the Interest Rate Market of the JSE, no amendment to the Terms and Conditions and/or the Eligibility Criteria may be made unless –
- 17.3.1 conditional formal approval of the proposed amendment is obtained from the JSE prior to sending the proposed amendment to Noteholders or obtaining the approval of Noteholders;

- 17.3.2 upon receipt of the conditional formal approval from the JSE pursuant to Condition 17.3.1, the Issuer must inform Noteholders, in accordance with the provisions of Condition 16, of the proposed amendment, and provide the Noteholders with copies of the proposed amendment together with the notification to the Noteholders and to request the approval of the Noteholders or specific Class (or Classes) of Noteholders for the amendment pursuant to the passing of an Extraordinary Resolution; and
- 17.3.3 a copy of the Noteholder's approval, pursuant to the passing of an Extraordinary Resolution, together with copies of the signed amendments are submitted to the JSE.
- 17.4 For the purposes of Condition 17.2 and 17.3, the Extraordinary Resolution may be –
- 17.4.1 sanctioned by Noteholders at a meeting regulated by the provisions set out in Condition 20. If it is proposed that the amendments be sanctioned by Noteholders at a meeting, a proxy form together with a notice of the meeting of Noteholders must be circulated to Noteholders; or
- 17.4.2 voted on, in writing, by the Noteholders entitled to exercise voting rights in relation to the proposed written resolution within 20 Business Days after submission of the written resolution to Noteholders. If the Issuer wishes the Noteholders to vote by way of a written resolution, the Issuer must include in the notice to Noteholders the proposed written resolution(s), any restrictions on voting in terms of this Programme Memorandum, the last date on which the Noteholders may submit a vote and the address where the vote must be submitted. Any such written resolution shall be adopted if it is supported by Noteholders entitled to exercise sufficient voting rights for it to have been adopted as an Extraordinary Resolution at a meeting of Noteholders duly constituted and held.
- 17.5 Notwithstanding Condition 17.2 above, any amendment to these Terms and Conditions which may prejudice the rights of a Transaction Creditor (other than a Noteholder) may only be made with the prior written consent of such Transaction Creditor.
- 17.6 Noteholders will be notified of any amendments to these Terms and Conditions in accordance with Condition 16.

18 **NO VOTING RIGHTS ON NOTES HELD BY ISSUER**

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

19 **PRESCRIPTION**

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

20 MEETINGS OF NOTEHOLDERS

20.1 Directions of Noteholders

20.1.1 The provisions with regard to meetings of Noteholders are set out in this Condition 20. The provisions of this Condition 20 will apply, *mutatis mutandis*, to each separate meeting of each Class of Noteholders.

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

20.1.3 A meeting of Noteholders will have power, in addition to all powers specifically conferred elsewhere in the Terms and Conditions -

20.1.3.1 by Ordinary Resolution of the Controlling Class of Noteholders to give instructions to the Issuer in respect of any matter not covered by the Terms and Conditions or the other Transaction Documents (but without derogating from the powers or discretions expressly conferred upon the Issuer by the Terms and Conditions or the other Transaction Documents or imposing obligations on the Issuer not imposed or contemplated by the Terms and Conditions or the other Transaction Documents or otherwise conflicting with or inconsistent with the provisions of the Terms and Conditions and the other Transaction Documents); and

20.1.3.2 by Extraordinary Resolution -

20.1.3.2.1 of the Controlling Class of Noteholders to bind all of the Noteholders to any compromise or arrangement;

20.1.3.2.2 of the Noteholders Notes to agree to any variation or modification of any rights of the Noteholders which will then bind all of the Noteholders to such variation or modification of the rights of the Noteholders; or

20.1.3.2.3 of the Noteholders of a particular Class of Noteholders to agree to any variation or modification of any of the rights of that Class of Noteholders which will then bind all the Noteholders of such Class to such variation or modification of the rights of the Noteholders of that Class.

20.1.4 Unless otherwise specified, resolutions of Noteholders or any Class of Noteholders will require an Ordinary Resolution to be passed. Subject to Condition 17, if there is any conflict between the resolutions passed by any Class of Noteholders, the resolutions passed by the Controlling Class of Noteholders will prevail.

20.2 Convening of meetings

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

20.2.2 The Issuer will convene (i) a meeting of Noteholders upon the requisition in writing of Noteholders holding not less than 10% of the aggregate Outstanding

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

20.2.3 Whenever the Issuer wishes to convene a meeting, it shall forthwith give notice in writing to the Noteholders 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.

20.2.4 All meetings of Noteholders shall be held in Johannesburg or such other city as may be specified by the Issuer.

20.3 **Requisition**

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

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

20.4 **Notice of meeting**

20.4.1 Unless all Noteholders or all the holders of a relevant Class of Notes, as the case may be, are present (in person or by proxy) 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, time and record date of the meeting and the nature of the business for which the meeting is to be held and the resolutions to be proposed and considered at the meeting, will be given to each Noteholder and to the Issuer. The notice shall also specify the percentage of voting rights that will be required for such proposed resolution(s) to be adopted, and shall include a statement to the effect that Noteholders may appoint proxies and that the participants at the meeting need to provide sufficient identification.

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

20.5 **Quorum**

20.5.1 At any meeting, one or more Noteholders or the relevant Class of Noteholders present in person or by proxy and holding in aggregate not less than 25% of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the meeting shall form a quorum for the transaction of a business.

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

- 20.5.3 If, within one hour from the time appointed for the meeting, a quorum is not present, (i) for the meeting to take place, then the meeting shall stand adjourned for one week, to be held at the same time and place, or if that day is not a Business Day, the next succeeding Business Day, or (ii) for the matter to be considered, then the meeting shall be postponed to a later time in the meeting unless there is no other business on the agenda for the meeting, in which case the meeting shall stand adjourned for one week.
- 20.5.4 The chairman may extend the one hour limit for a reasonable period on the grounds that (i) exceptional circumstances affecting weather or transportation have generally impeded or are generally impeding the ability of the Noteholders to be present at the meeting, or (ii) one or more particular Noteholder, having been delayed, have communicated an intention to attend the meeting, and those Noteholders, together with others in attendance, would satisfy the quorum requirements for the meeting or the matter to be considered.
- 20.5.5 The Issuer is not required to give further notice of a meeting that has been postponed or adjourned unless the location of the meeting has changed. If at the time appointed for a postponed meeting to begin or an adjourned meeting to resume, the requirements for a quorum have not been satisfied, the Noteholders present in person or by proxy will be deemed to constitute a quorum for the purpose of considering any resolution, including an Extraordinary Resolution.
- 20.6 **Chairman**
- The Noteholders present in person or by proxy at a meeting shall choose one of their own to preside as chairman.
- 20.7 **Adjournment**
- 20.7.1 Subject to the provisions of this Condition 20, 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.
- 20.7.2 A meeting, or the consideration of any matter at the meeting, may be adjourned from time to time without further notice, on a motion supported by Noteholders entitled to exercise, in aggregate, the majority of the voting rights held by all of the Noteholders who are present at the meeting (in person or by proxy) at the time and that are entitled to be exercised on at least one matter remaining on the agenda of the meeting, or on the matter under consideration. Such adjournment may be to a fixed time and place or until further notice (in such case, the notice must then be provided to the Noteholders timeously).
- 20.7.3 A meeting may not be adjourned beyond the earlier of (i) the date falling 120 Business Days after the record date, or (ii) the date falling 60 Business Days after the date on which the adjournment occurred.
- 20.7.4 No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

20.8 **Votes**

- 20.8.1 At a meeting, a resolution put to the vote shall only take place on a poll and not on a show of hands.
- 20.8.2 A declaration by the chairman that on poll a resolution has been carried or carried by a particular majority, or lost, shall be conclusive evidence of that fact, without proof of the number of votes cast in favour of or against such resolution.
- 20.8.3 In the case of an equality of votes, the chairman shall not be entitled to a casting vote in addition to the vote, if any, to which he is entitled.
- 20.8.4 On a poll every Noteholder, present in person or by proxy, will be entitled to one vote in respect of each ZAR1.00 in the aggregate Outstanding Principal Amount of the Notes held by such Noteholder.
- 20.8.5 In relation to joint Noteholders, the vote may be exercised only by that Noteholder whose name appears first on the Register in the event that more than one of such Noteholders is present, in person or by proxy, at the meeting.
- 20.8.6 The Noteholder in respect of Notes held in the Central Securities Depository in uncertificated form shall vote at any such meeting on behalf of the holders of Beneficial Interest conveyed through the Participants in accordance with the Applicable Procedures.

20.9 **Proxies and representatives**

- 20.9.1 Noteholders present either in person or by proxy may vote on a poll. A Noteholder may by an instrument in writing (a "**proxy form**") signed by the Noteholder (or his duly authorised agent) or, in the case of a juristic person, signed on its behalf by a duly authorised officer of the juristic person, appoint any person (a "**proxy**" or "**proxies**") to act on his or its behalf in connection with any meeting or proposed meeting.
- 20.9.2 A person appointed to act as proxy need not be a Noteholder.
- 20.9.3 The proxy form will be deposited at the Registered Office of the Issuer or at the Registered Office of the Transfer Agent, as the case may be, at any time before the time appointed for holding the meeting or adjourned meeting at which the person named in such proxy proposes to vote.
- 20.9.4 No proxy form will be valid after the expiration of six months from the date named in it as the date of its execution.
- 20.9.5 Notwithstanding Condition 20.9.4, a proxy form will be valid for any adjourned meeting, unless the contrary is stated thereon.
- 20.9.6 A vote given in accordance with the terms of a proxy form will be valid notwithstanding the previous death or incapacity of the principal or revocation or amendment of the proxy form or of any of the Noteholder's instructions pursuant to which the proxy form was executed or of the authority under which the proxy form 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, revocation or amendment shall have been received by the Issuer

at its Registered Office or the Transfer Agent at its Registered 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.

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

20.10 **Minutes**

20.10.1 The Issuer shall cause minutes of all resolutions and proceedings of meetings to be duly entered in the minute books of the Issuer.

20.10.2 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.

20.11 **Convening of Meetings by Noteholders upon receipt of a demand**

20.11.1 With respect to Notes listed on the Interest Rate Market of the JSE, if the Issuer receives a demand to call a meeting of any Noteholders in a Class of Notes holding not less than 10% of the aggregate Outstanding Principal Amount in that Class of Notes or from Noteholders holding not less than 10% of the aggregate Outstanding Principal Amount of all the Notes, convene a meeting of the Noteholders of that Class or all the Noteholders, as the case may be, subject to the remainder of the provisions of this Condition 20.11.

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

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

20.11.2.2 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 Debt Listings Requirements and specifying the date and time of the meeting.

20.11.3 The Issuer shall issue a notice of meeting (meeting in person or *via* conference call facilities) within 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.

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

20.11.5 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.
- 20.11.6 The Issuer shall release an announcement on SENS within 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.
- 20.11.7 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 five Business Days in 20.11.3 shall be reduced to two Business Days and seven Business Days in 20.11.4 shall be reduced to five Business Days.
- 20.11.8 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 20.11.1 to call a meeting.
- 20.11.9 Unless every Noteholder or Noteholders in a Class of Notes who is entitled to exercise voting rights in respect of any item on the meeting agenda is present at the meeting and votes for a shorter minimum notice period, at least 15 Business Days' notice (exclusive of the day on which the notice is given and the day on which the meeting is held) specifying the place, day, hour of the meeting and the record date for the meeting pursuant to which the Issuer has selected to determine which Noteholders recorded in the Register will receive notice of the meeting, and the general nature of the business for which the meeting is to be held shall be given to the Noteholders (and the Issuer, if the meeting is convened by any Class of Noteholders) prior to any meeting of such Noteholders in the manner provided by Condition 16. Such notice shall include a statement to the effect that a Noteholder entitled to attend and vote at a meeting is entitled to appoint a proxy to attend, participate in and vote at the meeting in place of the Noteholder.
- 20.11.10 A person or representative (who need not be a Noteholder) nominated in writing by the Issuer shall be entitled to take the chair at every such meeting but if no such nomination is made, or if at any meeting the person nominated is not present within 10 minutes after the time appointed for holding the meeting, the Noteholders of the relevant Class of Noteholders present shall choose a Noteholder to be chairman.

21 CALCULATION AGENT, TRANSFER AGENT AND PAYING AGENT

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

22 GOVERNING LAW

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

23 MULTIPLE ROLES

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

- 23.1 Absa CIB 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 it or he had not been 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 or he had not so been a party to any Transaction Document;
- 23.2 information, knowledge or notification obtained by Absa CIB in any one such capacity shall not be attributed to it, whether constructively or otherwise, in any other capacity; and
- 23.3 any payments made by the Issuer in accordance with the Transaction Documents to Absa CIB in one capacity shall be construed as a payment to Absa CIB only in such capacity and not in any other capacity.

24 RATING AGENCY

- 24.1 It is agreed and acknowledged that a credit rating is an assessment of credit and does not address other matters that may be of relevance to the Noteholders, including, without limitation, in the case of a rating confirmation, whether an event or amendment (i) is permitted by the terms of the relevant Transaction Document or (ii) is in the best interests of, or prejudicial to, some or all of the Noteholders. Similarly, to the extent that the Issuer may be required to give the Rating Agency prior notice of an action it intends or proposes to take, the Rating Agency may or may not respond to such notice from the Issuer, whether timeously or at all and the fact that the Rating Agency did not respond within a time period specified by the Issuer does not necessarily imply that there may not be an impact on the rating of the Notes after the lapse of any such time period. In being entitled to have regard to the fact that the Rating Agency has confirmed that the respective current Ratings of the Notes in issue would not be adversely affected, it is expressly agreed and acknowledged by each of the Noteholders and the other Transaction Creditors that the above does not impose or extend any actual or contingent liability for the Rating Agency to the Noteholders, the other Transaction Creditors or any other person or create any legal relations between the Rating Agency and the Noteholders, the other Transaction Creditors or any other person whether by way of contract or otherwise.
- 24.2 Such confirmation may or may not be given at the sole discretion of the Rating Agency. Depending on the timing of delivery of the request and any information needed to be provided as part of any such request, it may be the case that the Rating Agency cannot provide rating confirmation in the time available or at all, and would not be responsible for the consequences thereof. Confirmation, if given, will

be given on the basis of the facts and circumstances prevailing at the relevant time, and in the context of cumulative changes to the transaction of which the securities form part since the issuance closing date. A rating confirmation represents only a restatement of the opinions given, and cannot be construed as advice for the benefit of any parties to the transaction.

USE OF PROCEEDS

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

The Issuer shall use the net proceeds of the Notes to -

- 1 acquire Participating Assets; and/or
- 2 redeem Notes; and/or
- 3 as may otherwise be described in the Applicable Pricing Supplement.

PRIORITY OF PAYMENTS

Words used in this section entitled "Priority of Payments" shall bear the same meanings as used in the section entitled "Definitions and Interpretation", 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, make payment to the Transaction Creditors of the Issuer, in the order and priority set out below. The right of each of these Transaction Creditors of the Issuer bound in terms of the Priority of Payments shall be subordinated and ranked in accordance with the Priority of Payments. Prior to the delivery of an Enforcement Notice, the Pre-Enforcement Priority of Payments shall apply. Upon the delivery of an Enforcement Notice, the Post-Enforcement Priority of Payments shall apply.

1 Pre-Enforcement Priority of Payments

- 1.1 Prior to the delivery of an Enforcement Notice the Administrator shall (on behalf of the Issuer) apply Available Funds standing to the credit of the Transaction Account, on each Payment Date, after taking into account Excluded Items, in the following order of priority -
 - 1.1.1 first, to pay or provide for the Issuer's liability or potential liability for Tax and any statutory fees, costs and expenses, attributable to the receipts or accruals made by the Issuer;
 - 1.1.2 second, to pay or provide for *pari passu* and *pro rata* -
 - 1.1.2.1 the remuneration due and payable to the Owner Trustee (inclusive of VAT, if any) and any fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Owner Trustee under the provisions of the Transaction Documents, and/or the Notes; and
 - 1.1.2.2 all fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Issuer, which are due and payable 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 Safe Custody Agent, the JSE, the audit fees, legal fees, the directors of the Issuer and company secretarial expenses);
 - 1.1.3 third, to pay or provide for *pari passu* and *pro rata* -
 - 1.1.3.1 the fee due and payable to the Administrator (inclusive of VAT, if any) together with costs and expenses which are due and payable to the Administrator under the Administration Agreement;
 - 1.1.3.2 all amounts due and payable or accrued to the Transfer Agent, Calculation Agent and Paying Agent, in accordance with the Agency Agreement; and
 - 1.1.3.3 all amounts due and payable or accrued to the Debt Sponsor, in accordance with the mandate signed with the Debt Sponsor;

- 1.1.4 fourth, to pay or provide for *pari passu* and *pro rata* -
 - 1.1.4.1 the Servicing Fee due and payable to the Servicer (inclusive of VAT, if any) together with costs and expenses which are due and payable to the Servicer under the Servicing Agreement; and
 - 1.1.4.2 the fee due and payable to the Back-Up Servicer (inclusive of VAT, if any), if a Back-Up Servicer has been appointed together with all other costs and expenses which are due and payable to the Back-Up Servicer;
- 1.1.5 fifth, to pay or provide for any net settlement amounts and Derivative Termination Amounts due and payable to any Derivative Counterparty, in accordance with the Derivative Contracts (but excluding any Derivative Termination Amounts where the Derivative Counterparty is in default);
- 1.1.6 sixth, to pay or provide for *pari passu* and *pro rata*, all amounts of interest, fees and other expenses due and payable in respect of the Class A Notes;
- 1.1.7 seventh, to pay or provide for *pari passu* and *pro rata*, all amounts of interest, fees and other expenses due and payable in respect of each succeeding Class of Notes in reducing order of rank;
- 1.1.8 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;
- 1.1.9 ninth, to pay or provide for, *pari passu* and *pro rata*, all amounts of principal due and payable in respect of each succeeding Class of Notes in reducing order of rank;
- 1.1.10 tenth, to allocate to the Transfer Costs Reserve, the amount required to credit the Transfer Costs Reserve up to the Transfer Costs Reserve Required Amount;
- 1.1.11 eleventh, to pay or provide for, Derivative Termination Amounts due and payable to any Derivative Counterparty in accordance with the Derivative Contracts where the Derivative Counterparty is in default;
- 1.1.12 twelfth, to pay or provide for the purchase price payable in relation to Additional Participating Assets to be acquired by the Issuer;
- 1.1.13 thirteenth, to pay or provide for, any other fees, interest, costs or expenses due and payable under the Notes or any Transaction Document, which have not previously been paid;
- 1.1.14 fourteenth, to pay or provide for dividends payable to the Preference Shareholder; and
- 1.1.15 fifteenth, to pay or provide for dividends payable to the holder of the ordinary shares in the issued share capital of the Issuer.

2 Post-Enforcement Priority of Payments

- 2.1 After delivery of an Enforcement Notice, the Administrator shall (on behalf of the Issuer) apply Available Funds standing to the credit of the Transaction Account, after taking into account Excluded Items, in the following order of priority -

- 2.1.1 first, to pay or provide for the Issuer's liability or potential liability for Tax and any statutory fees, costs and expenses, attributable to the receipts or accruals made by the Issuer;
- 2.1.2 second, to pay or provide for *pari passu* and *pro rata* -
 - 2.1.2.1 the remuneration due and payable to the Owner Trustee (inclusive of VAT, if any) and any fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Owner Trustee under the provisions of the Transaction Documents, and/or the Notes;
 - 2.1.2.2 all fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Issuer in relation to the Transaction, which are due and payable 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 Safe Custody Agent, audit fees, legal fees, the directors of the Issuer and company secretarial expenses);
- 2.1.3 third, to pay or provide for *pari passu* and *pro rata* -
 - 2.1.3.1 the fee due and payable to the Administrator (inclusive of VAT, if any) together with costs and expenses which are due and payable to the Administrator under the Administration Agreement;
 - 2.1.3.2 all amounts due and payable or accrued to the Transfer Agent, Calculation Agent and Paying Agent, in accordance with the Agency Agreement; and
 - 2.1.3.3 all amounts due and payable or accrued to the Debt Sponsor, in accordance with the mandate signed with the Debt Sponsor;
- 2.1.4 fourth, to pay or provide for *pari passu* and *pro rata* -
 - 2.1.4.1 the Servicing Fee due and payable to the Servicer (inclusive of VAT, if any) together with costs and expenses which are due and payable to the Servicer under the Servicing Agreement;
 - 2.1.4.2 the fee due and payable to the Back-Up Servicer (inclusive of VAT, if any), if a Back-Up Servicer has been appointed together with all other costs and expenses which are due and payable to the Back-Up Servicer;
- 2.1.5 fifth, to pay or provide for any net settlement amounts and Derivative Termination Amounts due and payable to any Derivative Counterparty, in accordance with the Derivative Contracts (but excluding any Derivative Termination Amounts where the Derivative Counterparty is in default);
- 2.1.6 sixth, to pay or provide for *pari passu* and *pro rata* all amounts of interest, fees and principal due and payable in respect of the Class A Notes;
- 2.1.7 seventh, to pay or provide for *pari passu* and *pro rata* all amounts of interest, fees and principal due and payable in respect of each succeeding Class of Notes in reducing order of rank;

- 2.1.8 eighth, to pay or provide for, the Derivative Termination Amounts due and payable to any Derivative Counterparty, in accordance with the Derivative Contracts where the Derivative Counterparty is in default;
- 2.1.9 ninth, to pay or provide for, any other fees, interest, costs or charges due and payable under the Notes or any Transaction Document which have not previously been paid;
- 2.1.10 tenth, to pay or provide for dividends payable to the Preference Shareholder; and
- 2.1.11 eleventh, to pay or provide for dividends payable to the holder of the ordinary shares in the issued share capital of the Issuer.

THE ISSUER

Words used in this section entitled "The Issuer" shall bear the same meanings as used in the section entitled "Definitions and Interpretation", 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 In terms of the Issuer's memorandum of incorporation, the main purpose of the Issuer and main business which the Issuer is to carry on, is to –
 - 1.1 acquire Participating Assets as described in this Programme Memorandum;
 - 1.2 issue Notes to raise funds in order to finance the acquisition of the Participating Assets, all as described in this Programme Memorandum;
 - 1.3 enter into such agreements, documents, deeds or instruments as may be required to document and conclude any transactions contemplated in 1.1 and 1.2 above, together with any agreements, documents, deeds or instruments which may be incidental or related to those transactions; and
 - 1.4 enter into each of the Transaction Documents and exercise, if necessary, enforce the rights of the Issuer, and perform its obligations under, each Transaction Document and Participating Asset.
- 2 Information regarding the Issuer, including but limited to, its directors, company secretary, auditors and share capital will be contained in the Information Statement which is incorporated by reference into, and forms part of this Programme Memorandum and will be available on the Originator's website, at the following link <https://www.sentinelhomes.co.za/investor-relations/>
- 3 Only one representative of Sentinel Homes has been appointed to the board of directors of the Issuer. Accordingly, the board of directors of the Issuer is independent from Sentinel Homes, as Originator and Seller.

THE ORIGINATOR AND THE SERVICER

Words used in this section entitled "The Originator and the Servicer" shall bear the same meanings as used in the section entitled "Definitions and Interpretation", 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.

Sentinel Homes was incorporated on 5 December 2014.

Sentinel Homes is part of the Combined Finance group, which has been in operation for eight years. Sentinel Homes has been operating in the residential real estate market, offering various housing solutions.

Sentinel Homes provides both rental and sale opportunities to its customers, and the sales distribution channel is provided through the instalment sale segment of the business, in which it concluded its first transaction in 2018. Sentinel Homes currently has around 72 instalment sale transactions on the books for a total in finance lease receivables of approximately R100,000,000 as at the date of this Programme Memorandum.

Sentinel Homes currently only finances properties in the Western Cape and Gauteng provinces, where the real estate markets are the deepest. The maximum portion of the purchase price for a property that is deferred is 95% (of the lower of the purchase price or the open-market value).

THE SERVICING AGREEMENT

Words used in this section entitled "The Servicing Agreement" shall bear the same meanings as used in the section entitled "Definitions and Interpretation", 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.

Sentinel Homes has been appointed as Servicer in terms of the Servicing Agreement and will act as Servicer established under the Programme. The Servicer is required to administer the Portfolio as the agent of the Issuer under and in accordance with the terms of the Servicing Agreement. The duties of the Servicer include, without limitation, the right and obligation to -

- 1 manage the relationship between the Issuer and Borrowers;
- 2 implement a collections procedure, cancellations procedure and arrears procedure in respect of Participating Assets and, on enforcement, implement enforcement and foreclosure procedures;
- 3 manage the acquisition of Additional Participating Assets by the Issuer; and
- 4 comply with all obligations imposed on the Servicer in terms of the Transaction Documents,

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

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

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

The appointment of Sentinel Homes as Servicer may be terminated by the Issuer on the happening of certain events of default or insolvency on the part of Sentinel Homes or pursuant to a breach by the Servicer of its obligations under the Servicing Agreement. The Servicer is entitled to terminate its appointment on not less than three months' prior written notice to the Issuer, or such shorter period as the Issuer consents to in writing provided that such resignation shall not become effective until a suitable replacement Servicer is appointed.

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

The Servicer is not entitled or obliged to remit funds to the Issuer unless the relevant amounts to be transferred to the Issuer have been collected.

The Servicer is not 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 recompense investors for losses incurred in respect of the Programme.

Upon the occurrence of a Servicer Event of Default or should the Servicer terminate the Servicing Agreement for whatever reason, the Back-Up Servicer appointed in terms of the Servicing Agreement will assume the responsibilities of the Servicer and will provide the necessary services as contemplated in the Servicing Agreement.

THE ADMINISTRATION AGREEMENT

Words used in this section entitled "The Administration Agreement" shall bear the same meanings as used in the section entitled "Definitions and Interpretation", 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 Absa CIB has been appointed as Administrator and agent, to exercise the Issuer's respective rights, powers and duties under the Transaction Documents, upon the terms and conditions of the Administration Agreement.
- 2 The duties of the Administrator include procuring that all management, reporting, administrative, accounting, company secretarial and legal functions which the Issuer may require to have carried out in the ordinary course of its business are carried out either by itself or by the Administrator, auditors, secretaries or attorneys of the Issuer from time to time.
- 3 The Administrator remains subject to the ultimate control and directions of the board of directors of the Issuer.
- 4 The Administrator is not under any obligation to fund payments owed by the Issuer, absorb losses incurred in respect of the Participating Assets or otherwise to recompense Noteholders for losses incurred in respect of the Notes.
- 5 The Administrator is entitled to charge a fee to the Issuer for its services under the Administration Agreement, which fee is payable quarterly in arrears on each Payment Date, to the extent permitted by, and in accordance with, the Priority of Payments.
- 6 The Administrator is entitled to terminate its appointment on not less than one month's prior written notice to the Issuer or such shorter period as the Issuer consents to in writing, provided that such resignation shall not become effective until a substitute Administrator is appointed.
- 7 The appointment of the Administrator may be terminated by the Issuer, acting on the instructions of an Extraordinary Resolution of the Controlling Class Noteholders, on the happening of certain events of default or insolvency on the part of the Administrator.

THE PARTICIPATING ASSET SALE AGREEMENT

Words used in this section entitled "The Participating Asset Sale Agreement" shall bear the same meanings as used in the section entitled "Definitions and Interpretation", 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 PARTICIPATING ASSET SALE AGREEMENT

- 1.1 The Issuer will enter into a Participating Asset Sale Agreement with Sentinel Homes, in terms of which the Issuer shall, on the Initial Issue Date, acquire from Sentinel Homes its right, title and interest in and to a portfolio of Participating Assets which complies with the Eligibility Criteria, on the terms and subject to the provisions contained therein.
- 1.2 After the Initial Issue Date, the Seller may, from time to time, sell to the Issuer, its right, title and interest in and to a portfolio of Additional Participating Assets. The Issuer may purchase such Additional Participating Assets, subject to the availability of funds, provided that an un-remedied Stop-Purchase Event has not occurred and provided that, immediately following such acquisition the Portfolio Covenants will be satisfied.
- 1.3 The consideration payable by the Issuer to the Seller in respect of each Participating Asset shall be equal to the Principal Balance of such Participating Asset on the relevant Transfer Date and any amounts charged in respect of such Participating Asset to the Borrower's account but unpaid on the relevant Transfer Date.
- 1.4 Full details of the Participating Assets that may be acquired by the Issuer will be set out in the Investor Report.

2 ELIGIBILITY CRITERIA

The following are the criteria to be satisfied in relation to each Participating Asset prior to the sale of such Participating Asset by the Seller to the Issuer on the relevant Transfer Date –

- 2.1 the Property in respect of a Credit Agreement is a fixed, immovable, occupied, urban, residential dwelling (including an occupied individual sectional title dwelling) situated in South Africa, excluding without limitation, vacant land, buildings, farms, small-holdings and time-share properties, and complying with the requirements of the definition in section 23(6)(c) of the Banks Act Regulations;
 - 2.1.1 the Property must be located either in Western Cape or Gauteng province;
 - 2.1.2 at origination, the Borrower was domiciled in South Africa;
 - 2.1.3 the Credit Agreement is Rand denominated;
 - 2.1.4 the Credit Agreement is governed by and has been originated in terms of South African law;
 - 2.1.5 the Credit Agreement was originated in the normal course of business and in accordance with the Credit Criteria;

- 2.1.6 prior to advancing monies under the Credit Agreement, a valuation of the relevant Property was undertaken in accordance with the Credit Criteria;
- 2.1.7 the Credit Agreement is not in arrears, and at least two consecutive instalments have been paid;
- 2.1.8 the Credit Agreement has a Current LTV Ratio of less than or equal to 95%;
- 2.1.9 the monthly payments of the Borrower under the Credit Agreement are not subject to any set-off, deduction or withholding;
- 2.1.10 the maximum term of the Credit Agreement is 10 years from the date of the first advance of funds to a Borrower in terms of the Credit Agreement;
- 2.1.11 the Credit Agreement constitutes legal, valid, binding and enforceable obligations of the relevant Borrower and Originator;
- 2.1.12 the Credit Agreement is capable of assignment to the Issuer without the further consent of, or notice to, the relevant Borrower;
- 2.1.13 there is no obligation on the Originator to advance amounts prepaid or repaid or to grant further advances;
- 2.1.14 any redraws will be constituted under a new Credit Agreement and will be subject to normal credit assessment process and meet the eligibility criteria as defined herein; and
- 2.1.15 the minimum amount of the original financing provided under the Credit Agreement must not be less than R300,000.

3 WARRANTIES BY THE SELLER

- 3.1 The Participating Asset Sale Agreement will contain certain warranties given by the Seller to the Issuer in relation to, among others, the Participating Assets transferred pursuant to the relevant Participating Asset Sale Agreement as at each relevant Transfer Date. The warranties do not relate to the future credit-worthiness of the Borrowers in relation to the Participating Assets and do not relate to matters that do not fall within the control of the Seller.
- 3.2 No searches, enquiries or independent investigation of title have been or will be made by the Issuer, whom is relying entirely on the warranties set out in such Participating Asset Sale Agreement.
- 3.3 If there is an un-remedied breach of any of the warranties set out in the Participating Asset Sale Agreement, then the Seller will be obliged to (i) pay the Issuer such damages as the Issuer may have suffered in connection with such breach of warranty; or (ii) replace the relevant Participating Asset with another Participating Asset that complies with the Eligibility Criteria, in accordance with the provisions of the Participating Asset Sale Agreement and paragraph 5 below; or (iii) purchase or procure the purchase of the relevant Participating Asset for a consideration in cash equal to the Principal Balance and all other sums and any amounts charged in respect of such Participating Asset to the Borrower's account but unpaid on the relevant date of purchase and pay to the Issuer such damages as the Issuer may

have suffered in connection with such breach of warranty to the extent to which those damages have not been extinguished by that purchase.

3.4 Payment of damages or replacement of the Participating Asset or performance of such purchase and payment of damages (if applicable) will be in full satisfaction of the liabilities of the Seller in respect of the relevant breach.

3.5 Save as set out above, the Issuer has no right of recourse against the Seller, in its capacity as such, in respect of losses incurred in connection with the Participating Assets after the transfer thereof in terms of the Participating Asset Sale Agreement.

4 REPURCHASE OPTION

4.1 The Seller will have the right, but not the obligation, to repurchase a Participating Asset (a "**Repurchase Asset**") from the Issuer subject to the provisions of the Participating Asset Sale Agreement.

4.2 The Seller may only repurchase a Participating Asset where –

4.2.1 there is a material change in the circumstances of the Borrower that results in the Seller repurchasing such Participating Asset for business reasons; or

4.2.2 the relevant Borrower requests a material change to the terms of the relevant Credit Agreement; or

4.2.3 if the Credit Agreement becomes non-performing.

4.3 The purchase price payable by the Seller to the Issuer in respect of a Repurchase Asset will be a sum equal to the Principal Balance of such Repurchase Asset on the relevant Repurchase Transfer Date provided that the purchase price of any Repurchase Asset that is non-performing shall be equal to the fair market value of such Repurchase Asset as at the relevant Repurchase Transfer Date which value shall reflect the non-performing status of such Repurchase Asset.

5 REPLACEMENT OF PARTICIPATING ASSETS

5.1 Subject to the satisfaction of the requirements set out in 5.2 below, the Seller shall have the right (but not the obligation) at any time to substitute by written notice ("**Substitution Notice**"), furnished at least five Business Days prior to the date of such substitution, to the Issuer, the Administrator and the Servicer, one or more Participating Assets sold to the Issuer by the Seller in terms of the Participating Asset Sale Agreement (each, a "**Replacement Asset**") for any Participating Asset transferred to the Issuer by the Seller in terms of the Participating Asset Sale Agreement (for purposes of this clause, referred to as a "**Predecessor Asset**").

5.2 Each substitution of a Replacement Asset for a Predecessor Asset will be subject to the Administrator being satisfied that –

5.2.1 after such substitution, the Portfolio Covenants will be satisfied;

5.2.2 the Replacement Asset will be of similar or better credit quality than that of the Predecessor Asset, as determined in accordance with the Credit Criteria;

5.2.3 the Replacement Asset will have a Principal Balance not less than the Principal Balance of the Predecessor Asset; and

5.2.4 the Replacement Asset complies with the Eligibility Criteria.

6 PORTFOLIO COVENANTS

The following are the criteria that the Portfolio must satisfy, immediately following the acquisition of a Participating Asset –

- 6.1 the Weighted Average LTV Ratio of all the Credit Agreements in the Portfolio is less than 85%;
- 6.2 the Weighted Average remaining term of Credit Agreements must not be less than 12 months unless the Issuer is being wound down;
- 6.3 the proportion of the Portfolio where outstanding debt obligations under the Credit Agreement have a greater than -
 - 6.3.1 90% Current LTV Ratio, must not exceed 20% by year-end February 2023;
 - 6.3.2 85% Current LTV Ratio, must not exceed 20% by year-end February 2024;
 - 6.3.3 80% Current LTV Ratio, must not exceed 20% by year-end February 2025 and thereafter; and
- 6.4 the Weighted Average Interest Yield of the Credit Agreements in the Portfolio is not less than the Prime Rate less 1.25%.

SETTLEMENT, CLEARING AND TRANSFER OF NOTES

Words used in this section entitled "Settlement, Clearing and Transfer of Notes" shall bear the same meanings as used in the section entitled "Definitions and Interpretation", 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

The Notes which are 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. Such Notes will be issued, cleared and transferred in accordance with the Applicable Procedures and the Terms and Conditions. Such Notes will be settled through 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).

Unlisted Notes may also be held in the Central Securities Depository. With respect to Notes not listed on the Interest Rate Market of the JSE, the settlement of trades in such Notes will take place in accordance with the electronic settlement procedures of the Central Securities Depository.

Participants

As at the date of this Programme Memorandum, the Participants which are approved by the Central Securities Depository, as settlement agents to perform electronic settlement of funds and scrip are the South African Reserve Bank, Absa Bank Limited, Citibank N.A, Johannesburg Branch, FirstRand Bank Limited, Nedbank Limited and The Standard Bank of South Africa Limited. 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 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 in uncertificated form. The Issuer may also issue unlisted Notes under the Programme. Unlisted Notes are not regulated by the JSE. 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 Notes issued in uncertificated form, subject to the Financial Markets Act and the Applicable Procedures. Accordingly, and except where the contrary is provided in the Conditions, all amounts to be paid and all rights to be exercised in respect of the Notes held in the Central Securities Depository will be paid to the relevant

Participants on behalf of the relevant Noteholders in accordance with the Applicable Procedures. All rights to be exercised in respect of the Notes issued in uncertificated form will be exercised by the relevant Noteholders in accordance with the Applicable Procedures.

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

Each of the persons shown in the securities accounts of the Central Securities Depository and the relevant Participant, as the case may be, as the holders of Beneficial Interests will look solely to the Central Securities Depository or the relevant Participant, as the case may be, for such person's share of such payment so made by the Issuer to, or to the order of, the registered holder of such Notes.

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 to and from clients of the Participants occur by electronic book entry in the central securities accounts of the clients of the Participants. Transfers among Participants of Notes held in the Central Securities Depository system occur through electronic book entry in the Participants' central security accounts with the Central Securities Depository. Beneficial Interests may be transferred only in accordance with the Conditions and the Applicable Procedures.

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

Beneficial Interests may be exchanged for Notes represented by Certificates in accordance with Condition 13.1.

Certificates

The Notes represented by Certificates will be registered in the name of the individual Noteholders in the Register of Noteholders.

Notes represented by Certificates may be transferred only in accordance with the Conditions.

Payments of interest and principal in respect of Notes represented by Certificates will be made in accordance with Condition 7 to the person reflected as the registered holder of such 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.

The JSE Debt Guarantee Fund Trust

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

SOUTH AFRICAN TAXATION

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

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

1 SECURITIES TRANSFER TAX

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

2 TAX RESIDENCE AND CONTROLLED FOREIGN COMPANIES

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

2.1 Natural Persons

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

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

2.2 Persons other than Natural Persons

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

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

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

2.3 **Controlled Foreign Companies**

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

3 **INCOME TAX: INTEREST**

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

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

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

3.2 **Tax on interest on Notes**

Under current taxation law in South Africa -

- (a) a person who is tax resident in South Africa will, subject to any available exemptions, be taxed on their worldwide income including all interest on the Notes; and
- (b) a person not tax resident in South Africa will be exempt from normal tax in South Africa on any interest received or accrued on the Notes, unless -
 - (i) that person is a natural person who was physically present in South Africa for a period exceeding 183 days in aggregate during the 12-month period preceding the date on which interest is received or accrues by or to that person; or
 - (ii) the debt from which the interest arises is effectively connected to a permanent establishment of that person in South Africa.

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

3.3 Profits on Disposal other than Interest

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

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

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

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

4 VALUE-ADDED TAX

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

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

EXCHANGE CONTROL

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

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

Non-South African Resident Noteholders and Emigrants from the Common Monetary Area

Dealings in the Notes, the performance by the Issuer of its obligations under the Notes and the performance by the Security SPV of its obligations under the Guarantee in respect of each Transaction, may be subject to the 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 Regulations, be remitted out of South Africa or paid into any non-South African bank account.

Emigrants from the Common Monetary Area

Any Certificates issued to Noteholders who are emigrants from the Common Monetary Area will be endorsed "non-resident". Such restrictively endorsed Certificates will be deposited with an authorised foreign exchange dealer controlling such emigrant's remaining South African assets to which Financial Surveillance Department restrictions have been applied.

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

Any payments of principal due to a Noteholder which is an emigrant from the Common Monetary Area 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 Regulations.

Any payments of interest due to a Noteholder who is an emigrant from the Common Monetary Area will be deposited into such emigrant Noteholder's "non-resident" Rand account, as maintained by an authorised foreign exchange dealer. The amount represents 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 Participants, the securities account of such Noteholder will be designated as a "non-resident" account.

It will be incumbent on any such non-resident to instruct the non-resident's nominated or authorised dealer in foreign exchange as to how any funds due to such non-resident in respect of Notes are to be dealt with. Such funds may, in terms of the Regulations, be remitted outside of the Common Monetary Area 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, the **Common Monetary Area** comprises South Africa, the Republic of Namibia, the Kingdom of Lesotho and the Kingdom of eSwatini.

Exchange Control

Approval in terms of the Regulations is not required for the subscription or purchase of Notes.

SUBSCRIPTION AND SALE

Words used in this section entitled "Subscription and Sale" shall bear the same meanings as used in the section entitled "Definitions and Interpretation", 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 terms of (and subject to) the Dealer Agreement, the Issuer may from time to time agree with the Dealer to issue, and the Dealer may agree to place, one or more Tranches of Notes.

Republic of South Africa

Prior to the issue of any Tranche of Notes under the Programme by the Issuer, the Dealer for that Tranche of Notes will be required to represent, warrant and agree that it will not offer the Notes for subscription, will not solicit any offers for subscription for or sale of the Notes in that Tranche of Notes, and will itself not sell or offer the Notes, in South Africa, in contravention of the Companies Act, the Banks Act, 1990, the Exchange Control Regulations and/or any other applicable laws or regulations promulgated thereunder.

In particular, without limitation, this Programme Memorandum does not, nor is it intended to, constitute a prospectus prepared and registered under the Companies Act, and the Dealer who has (or will have) agreed to place any Tranche of Notes 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, and which expression includes any section of the public) of any of the Notes in that Tranche of Notes (whether for subscription, purchase or sale) in South Africa.

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

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

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 -

- (a) the Notes 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;

- (b) it has not offered, sold or delivered any Notes in that Tranche and will not offer, or sell or deliver, any Notes in that Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 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 Series of which that Tranche of Notes is a part, within the United States or to, or for the account or benefit of U.S. persons;
- (c) it will send to each dealer to which it sells any Notes in that Tranche during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of such Notes within the United States or to, or for the account or benefit of, U.S. persons; and
- (d) it, its affiliates and any persons acting on its or any of its affiliates behalf have not engaged and will not engage in any directed selling efforts in the United States (as defined in Regulation S under the Securities Act) with respect to the Notes in that Tranche and it, its affiliates and any persons acting on its or any of its affiliates' behalf have complied and will comply with the offering restrictions requirements of Regulation S.

Until 40 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 for that Tranche of Notes will be required to represent and agree that -

- (a) in relation to any of the Notes in that Tranche which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any of such Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of such Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act, 2000 (the "**FSMA**") by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in that Tranche under circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied with and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any of the Notes in that Tranche in, from or otherwise involving the United Kingdom.

European Economic Area

Prior to the issue of any Tranche of Notes under the Programme, the Dealer for that Tranche of Notes will be required to represent and agree that, in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant**

Member State"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**"), it has not made, and will not make an offer of any of such Notes to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of any of such Notes to the public in that Relevant Member State -

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 100 or, if the relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospective Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) 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.

Provided that no such offer referred to in (a) to (c) above shall require the Issuer or the Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospective Directive.

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

General

Prior to the issue of any Tranche of Notes under the Programme, the Dealer for that Tranche of Notes will be required to represent and agree that it will (to the best of its knowledge and belief) comply with all Applicable Laws in force in each jurisdiction in which it purchases, subscribes or procures the subscription for, offers or sells Notes in that Tranche or has in its possession or distributes this Programme Memorandum and will obtain any consent, approval or permission required by it for the purchase, subscription, offer or sale by it of Notes in that Tranche under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, subscriptions, offers or sales.

The Dealer for a Tranche of Notes will be required to represent and 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 entitled "General Information" shall bear the same meanings as used in the section entitled "Definitions and Interpretation", and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.

Authorisations

All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of South Africa have been obtained for the establishment of the Programme and the issue of Notes under the Programme. As at the date of this Programme Memorandum, no approval from the Financial Surveillance Department of the South African Reserve Bank is required for the establishment of the Programme.

The Issuer is in compliance with the provisions of the Companies Act and is acting in conformity with the provisions of its memorandum of incorporation.

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

Listing

This Programme Memorandum has been registered with the 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 Arranger. 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 Interest Rate Market of the JSE and may be accepted for clearance through any additional clearing system as may be agreed between the JSE, the Issuer and the Dealer.

Participants

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

Material Change

The Issuer has not traded at all since the date of its incorporation and registration on 20 May 2020 and no transactions have occurred from the date of incorporation to the date of this Programme Memorandum and therefore, there was no material change in the financial or trading position of the Issuer from the date of its incorporation to the date of this Programme

Memorandum. This statement has not been reviewed and/or reported on by the auditors of the Issuer.

Litigation

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

Signed at Johannesburg on behalf of Sentinel Finco (RF) Limited on 18 February 2022.



Director: R Kriek



Director:

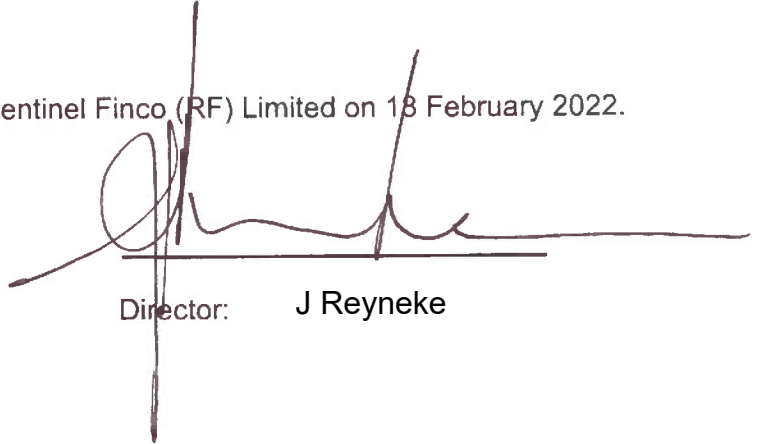
Memorandum. This statement has not been reviewed and/or reported on by the auditors of the Issuer.

Litigation

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

Signed at Johannesburg on behalf of Sentinel Finco (RF) Limited on 18 February 2022.

Director:



Director: J Reyneke

CORPORATE INFORMATION

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OWNER TRUSTEE

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