

Out of the Ordinary®



Property Fund Limited

**INVESTEC PROPERTY FUND LIMITED**

*(Registration Number 2008/011366/06)  
(Established and incorporated as a public company with limited liability  
in accordance with the laws of South Africa)*

---

**ZAR5 000 000 000**  
**Domestic Medium Term Note Programme**

---

On or about 5 April 2012, Investec Property Fund Limited (the "**Issuer**") established a domestic medium term note programme (the "**Programme**") for the issue of secured or unsecured notes ("**Notes**") thereunder from time to time. Pursuant to the Programme, the Issuer issued a programme memorandum dated 5 April 2012 (the "**Previous Programme Memorandum**"). The Issuer wishes to amend certain provisions of the Programme and accordingly wishes to enter into this amended and restated Programme Memorandum. With effect from the date of signature of this amended and restated Programme Memorandum, this amended and restated Programme Memorandum shall supersede and replace in all respects the Previous Programme Memorandum.

Under this Programme, the Issuer may from time to time issue Notes denominated in South African Rand subject to the terms and conditions (the "**Terms and Conditions**") described in this amended and restated Programme Memorandum. Any other terms and conditions not contained in the Terms and Conditions which are applicable to any Notes will be set forth in a pricing supplement (the "**Applicable Pricing Supplement**") issued in relation to such Notes. Details of Notes to be issued, including the aggregate nominal amount of such Notes, interest (if any) payable in respect of such Notes and the issue price of such Notes will also be set forth in the Applicable Pricing Supplement. The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed ZAR5 000 000 000 or such other limit as may apply to the Programme from time to time and notified to the JSE (as defined below).

The Programme has been approved by the JSE Limited ("**the JSE**"). Notes may be listed on the Interest Rate Market of the JSE, or any successor exchange or on such other or further exchange(s) as may be determined by the Issuer and subject to any applicable law. 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 (defined under the section entitled "*Terms and Conditions of the Notes*") before the date of issue of such Notes and the Notes may be traded by or through members of the JSE from the date specified in the Applicable Pricing Supplement.

Unlisted Notes may also be issued under the Programme. Unlisted Notes are not regulated by the JSE. With respect to Notes not listed on the Interest Rate Market of the JSE, the placement of such unlisted Notes may be reported through the JSE reporting system in order for the settlement of trades to take place in accordance with the electronic settlement procedures of the JSE and the Central Securities Depository. In such event, the Applicable Pricing Supplement will be delivered to the JSE and the

WJ  
PW

Central Securities Depository. With respect to Notes not listed on the Interest Rate Market of the JSE, and not to be settled through the electronic settlement procedures of the JSE and the Central Securities Depository, no Applicable Pricing Supplement will be delivered to the JSE.

The Notes may be issued on a continuing basis and be placed by one or more of the dealers specified under the section entitled "*Summary of the Programme*" and any additional dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a "**Dealer**" and together the "**Dealers**").

The Issuer has been rated by GCR. The long term national scale ZAR currency credit rating assigned to the Issuer at the date of this amended and restated Programme Memorandum is A<sub>(ZA)</sub>. Any change to this rating will be reflected in the Applicable Pricing Supplement. A Tranche of Notes may, on or before the date of issue thereof, be rated by the Rating Agency on a short-term or long-term, national scale or international scale basis, which rating will be reflected in the Applicable Pricing Supplement.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions, in which case the Applicable Pricing Supplement issued in relation to such Notes will describe the form of such Notes.

The holders of Notes that are listed on the Interest Rate Market of the JSE may claim against the BESA Guarantee Fund Trust (in accordance with the rules of the BESA Guarantee Fund Trust) only if such Notes are traded by or through members of the JSE in accordance with the rules and operating procedures for the time being of the JSE and the Central Securities Depository. The holders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the JSE or BESA Guarantee Fund Trust even if such Notes are settled through the electronic settlement procedures of the JSE and the Central Securities Depository.

The Issuer's obligations in respect of the Notes to be issued under the Programme may be secured or unsecured obligations of the Issuer. The Applicable Pricing Supplement will reflect the nature of the security provided if secured Notes are to be issued.

*Arranger, Dealer and Debt Sponsor*



*Attorneys to the Arranger and Issuer*



Amended and restated Programme Memorandum dated 11 November 2015

*The Issuer certifies that to the best of its knowledge and belief, there are no facts which have been omitted which would make any statement false or misleading and that all reasonable enquires to ascertain such facts have been made as well as that this Programme Memorandum read together with each Applicable Pricing Supplement and the documents and information incorporated herein and therein by reference, contains all information required by law and the JSE Debt Listings Requirements. The Issuer accepts full responsibility for the accuracy of the information contained in this Programme Memorandum, the Applicable Pricing Supplement, and its annual financial statements incorporated herein by reference, any amendments to the annual financial statements or any supplements thereto from time to time, except as otherwise stated therein.*

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

*This Programme Memorandum and each Applicable Pricing Supplement is to be read in conjunction with all documents which are deemed to be incorporated herein and therein by reference (see section entitled "Documents Incorporated by Reference"). This Programme Memorandum shall be read and construed on the basis that such documents are incorporated into and form part of this Programme Memorandum. Any reference in this section to the Programme Memorandum shall be read and construed as including such documents incorporated by reference.*

*The Arranger, the Dealer, the JSE and other professional advisers have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Arranger, the Dealer, the JSE or other professional advisers as to the accuracy or completeness of the information contained in this Programme Memorandum or any Applicable Pricing Supplement or any other information provided by the Issuer. The Arranger, the Dealer, the JSE and other professional advisers do not accept any liability in relation to the information contained in this Programme Memorandum or any Applicable Pricing Supplement or any other information provided by the Issuer in connection with the Programme.*

*The JSE assumes no responsibility or liability of whatsoever nature for the correctness of any of the statements made or opinions expressed or information contained in or incorporated by reference into this Programme Memorandum and any Applicable Pricing Supplement. The admission of any Tranche of Notes to the list of debt securities maintained by the JSE and the listing of such Notes on the Interest Rate Market of the JSE is not to be taken as an indication of the merits of the Issuer or the Notes. The JSE assumes no responsibility or liability of whatsoever nature for the contents of this Programme Memorandum and any Applicable Pricing Supplement or any documents incorporated by reference into this Programme Memorandum and any Applicable Pricing Supplement, and the JSE makes no representation as to the accuracy or completeness of this Programme Memorandum and any Applicable Pricing Supplement or any documents incorporated by reference into this Programme Memorandum and any Applicable Pricing Supplement. The JSE expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of this Programme Memorandum and any Applicable*

*Pricing Supplement or any documents incorporated by reference into this Programme Memorandum and any Applicable Pricing Supplement.*

*No person has been authorised to give any information or to make any representation not contained in or not consistent with this Programme Memorandum or any other information supplied in connection with the Programme and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger, the Dealer or the JSE.*

*This Programme Memorandum, all Applicable Pricing Supplements and any other information supplied in connection with the Programme and the Notes does not constitute the rendering of financial or investment advice by the Issuer, the Arranger, any Dealer or any of the other professional advisers.*

*Neither this Programme Memorandum nor any other information supplied in connection with the Programme is intended to provide a basis for any credit or other evaluation, or should be considered as a recommendation by the Issuer, the Arranger, the Dealer and/or the JSE to subscribe for or purchase any Notes.*

*Each investor contemplating the subscription or purchase of any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the terms of the offering and its own determination of the suitability of any such investment and any other factors which may be relevant to it in connection with such investment. Neither this Programme Memorandum nor any other information supplied in connection with the Programme constitutes an offer or invitation by or on behalf of the Issuer the Arranger, or the Dealer to any person to subscribe for or to purchase any Notes.*

***Neither the delivery of this Programme Memorandum nor any Applicable Pricing Supplement nor the offering, sale or delivery of any Notes shall at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or thereof or that any other financial statements or other information supplied in connection with the Programme is correct as at any time subsequent to the date indicated in the document containing the same. The Arranger and the Dealer expressly do not undertake to review the financial information or affairs of the Issuer during the life of the Programme. Investors should review, among others, the most recent financial statements of the Issuer when deciding whether or not to purchase any Notes.***

***Neither this Programme Memorandum nor any Applicable Pricing Supplement constitutes an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction.***

***The distribution of this Programme Memorandum, any Applicable Pricing Supplement and the offer or sale of Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Programme Memorandum, the Applicable Pricing Supplement or any Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Programme Memorandum and the offer or sale of Notes in the United States of America, the United Kingdom, the European Economic Area and the Republic of South Africa. None of the Issuer, the Arranger, the Dealer, the JSE or the other professional advisors represent that this Programme Memorandum may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other***

**requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arranger, the Dealer, the JSE or the other professional advisors which would permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Programme Memorandum nor any advertisement 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. If and to the extent that this Programme Memorandum, any Applicable Pricing Supplement and the offer or sale of Notes is illegal in any jurisdiction, it is not made in such jurisdiction and is sent to persons in such jurisdictions for information purposes only. The Dealer has represented that all the offers and sales by them will be made in compliance with this prohibition.**

**This Programme Memorandum is not for distribution in, and does not constitute an offer of securities for sale or subscription in, the United States of America, Canada, Japan, Australia, the United Kingdom and European Economic Area or in any other jurisdiction in which such an offer for sale or subscription would be unlawful or would require qualification or registration. Securities may not be offered in the United States of America without registration or an exemption from registration under the securities laws of the United States of America or in any other jurisdiction, except in accordance with applicable law.**

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

*All references in this document to "Rand", "ZAR", "South African Rand", "R" and "cent" refer to the currency of the Republic of South Africa.*

*Where any term is defined within the context of any particular clause or section in this Programme Memorandum, the term so defined, unless it is clear from the clause or section in question that the term so defined has limited application to the relevant clause or section, shall bear the meaning ascribed to it for all purposes in this Programme Memorandum, unless qualified by the terms and conditions of any particular Tranche of Notes (as defined in the Terms and Conditions) as set out in the Applicable Pricing Supplement or unless the context otherwise requires. Expressions defined in this Programme Memorandum shall bear the same meanings in supplements to this Programme Memorandum which do not themselves contain their own definitions.*

*The price/yield, the amount, and allocation of Notes to be issued under this Programme Memorandum will be determined by the Issuer and each relevant Dealer and/or the Arranger at the time of issue of such Notes in accordance with prevailing market conditions.*

**In connection with the issue and distribution of any Tranche of Notes, the Dealer disclosed as the approved stabilisation manager (if any) or any person acting for it ("Stabilisation Manager") in the Applicable Pricing Supplement may, subject to the terms and conditions for stabilisation contained in the Applicable Pricing Supplement and only if such stabilisation is permitted by the rules of the exchange and subject to approval by the exchange on which such Tranche of Notes will be listed, over-allot or effect transactions with a view to**

***supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period after the issue date. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilisation shall be carried out in accordance with all the applicable laws and regulations.***

---

## TABLE OF CONTENTS

---

	<i>Page</i>
<b>DOCUMENTS INCORPORATED BY REFERENCE .....</b>	<b>8</b>
<b>SUMMARY OF THE SECURITY STRUCTURE.....</b>	<b>10</b>
<b>GENERAL DESCRIPTION OF THE PROGRAMME .....</b>	<b>11</b>
<b>SUMMARY OF THE PROGRAMME.....</b>	<b>12</b>
<b>FORM OF THE NOTES .....</b>	<b>19</b>
<b>PRO FORMA PRICING SUPPLEMENT .....</b>	<b>20</b>
<b>TERMS AND CONDITIONS OF THE NOTES .....</b>	<b>30</b>
<b>USE OF PROCEEDS .....</b>	<b>79</b>
<b>DESCRIPTION OF THE ISSUER .....</b>	<b>80</b>
<b>RISK FACTORS.....</b>	<b>94</b>
<b>SETTLEMENT, CLEARING AND TRANSFERS OF NOTES .....</b>	<b>100</b>
<b>SOUTH AFRICAN TAXATION.....</b>	<b>102</b>
<b>SUBSCRIPTION AND SALE .....</b>	<b>105</b>
<b>SOUTH AFRICAN EXCHANGE CONTROL .....</b>	<b>108</b>
<b>GENERAL INFORMATION .....</b>	<b>110</b>

---

## DOCUMENTS INCORPORATED BY REFERENCE

---

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

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

- (a) the memorandum of incorporation of the Security SPV;
- (b) the trust deed of the Security SPV Owner Trust;
- (c) the Counter-Indemnity;
- (d) the Guarantee;
- (e) the Security Documents;
- (f) the Programme Agreement;
- (g) the Agency Agreement;
- (h) each subscription agreement for Notes and the Notes themselves;
- (i) each of the Applicable Pricing Supplements relating to any Notes;
- (j) all other documents designated as Security Documents in each of the Applicable Pricing Supplements relating to any Notes;
- (k) any supplements and/or amendments to this Programme Memorandum circulated by the Issuer from time to time in accordance with the Programme Agreement;
- (l) the published annual report incorporating its consolidated annual financial statements, and the notes thereto, of the Issuer for the three financial years ended 31 March 2013, 31 March 2014 and 31 March 2015, together with such statements, reports and notes attached or intended to be read with such financial statements, as well as the published annual report incorporating its consolidated annual financial statements and the notes thereto, of the Issuer, together with such statements, reports and notes attached or intended to be read with such financial statements, in respect of further financial years ending on 31 March, as and when such become available;
- (m) the unaudited interim financial statements of the Issuer, together with such statements, reports and notes attached or intended to be read with such unaudited interim financial statements, as and when such interim financial statements become available;
- (n) all SENS announcements since the date of the listing of the Issuer's shares on the JSE; and



- (o) all information pertaining to the Issuer which is relevant to the Programme, and/or this Programme Memorandum and which is electronically submitted by the Stock Exchange News Service ("**SENS**") established by the JSE to SENS subscribers, if required,

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

The Issuer will, in connection with the listing of Notes on the Interest Rate Market of the JSE, or on such other exchange or further exchange(s) as may be selected by the Issuer, and for so long as any Note remains Outstanding and listed on such exchange, publish a new Programme Memorandum or a further supplement to the Programme Memorandum on the occasion of any subsequent issue of Notes where there has been -

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

Any such new Programme Memorandum or Programme Memorandum as supplemented and/or modified shall be deemed to have been substituted for the previous Programme Memorandum or to have modified the previous Programme Memorandum from the date of its issue.

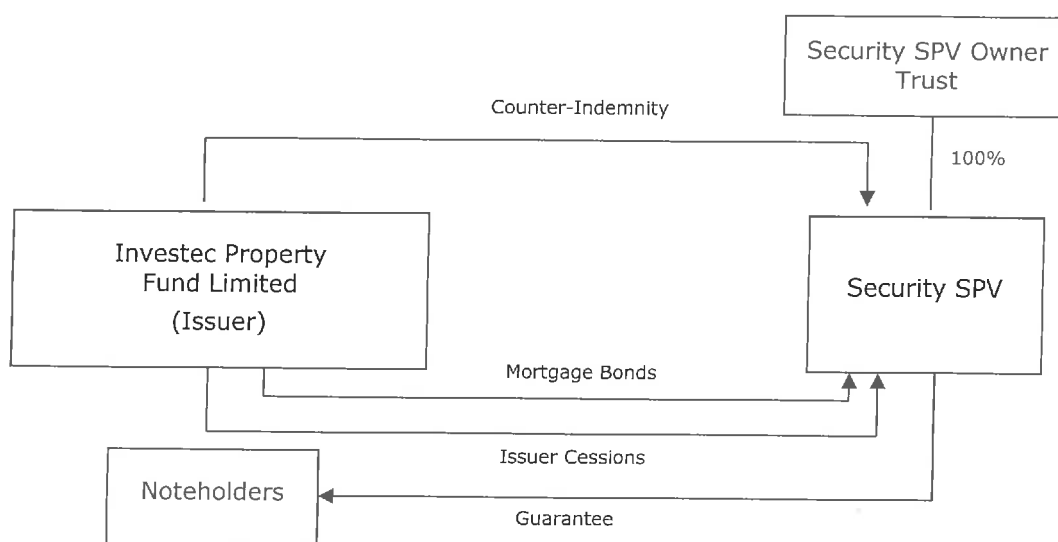
The Issuer will provide, at its registered office as set out at the end of this Programme Memorandum, free of charge and upon request, to any member of the general public a copy of the Programme Memorandum and any of the documents deemed to be incorporated herein by reference, unless such documents have been modified or superseded. Requests for such documents and this Programme Memorandum should be directed to the Issuer at its registered office as set out at the end of this Programme Memorandum.

The Programme Memorandum and any amendments or supplements thereto (including the Applicable Pricing Supplements) will be made available on the website of the JSE ([www.jse.co.za](http://www.jse.co.za)). These documents, together with the documents deemed to be incorporated herein by reference are available for inspection at the offices of the Issuer during office hours. The Issuer shall further place an electronic copy of this Programme Memorandum, any Applicable Pricing Supplement issued pursuant to this Programme Memorandum, together with any supplements and/or amendments thereto as well as its audited annual financial statements and its unaudited interim financial statements and the notes thereto, on its website [www.investecpropertyfund.com](http://www.investecpropertyfund.com).

## SUMMARY OF THE SECURITY STRUCTURE

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

The following is a brief overview of certain key aspects of the security structure as more fully described in this Programme Memorandum. The following summary of the security structure does not purport to be complete and is qualified in its entirety by the more detailed information appearing elsewhere in this Programme Memorandum, in the Applicable Pricing Supplement in relation to any particular Tranche of Notes and the documents referred to herein.



- 1 The Security SPV has been established for the purposes of guaranteeing the performance by the Issuer of its obligations to Noteholders in the event of the issuance of secured Notes. All the issued shares in the share capital of the Security SPV are held by the Security SPV Owner Trust.
- 2 The Security SPV has issued the Guarantee to the holders of secured Notes on the basis that the Noteholders will only proceed against the Security SPV under the Guarantee in the event of an Event of Default. The Security SPV's aggregate liability under the Guarantee is limited to amounts realised under the Counter-Indemnity referred to in 3 below.
- 3 The Issuer has provided the Security SPV with the Counter-Indemnity in terms of which it indemnifies the Security SPV against all claims made under the Guarantee.
- 4 The Security SPV will hold and realise the security (referred to in the Security Documents) given by the Issuer to the Security SPV pursuant to the Security Documents as security for the Issuer's liability under the Counter-Indemnity.
- 5 The Issuer's obligations to the Security SPV under the Counter-Indemnity are secured as specified in the Security Documents and such other security, designated as such, under the relevant Applicable Pricing Supplement.

---

## GENERAL DESCRIPTION OF THE PROGRAMME

---

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

Under the Programme, the Issuer may from time to time issue Notes denominated in South African Rand. The applicable terms of any Notes will be set out in the Terms and Conditions incorporated by reference into the Notes, as modified and/or supplemented by the Applicable Pricing Supplement relating to the Notes and/or any supplementary Programme Memorandum. A summary of the Programme and the Terms and Conditions appears below.

This Programme Memorandum will only apply to Notes issued under the Programme in a maximum aggregate Principal Amount which does not exceed ZAR5 000 000 000, unless such amount is increased as set out below and in the Programme Agreement. For the purpose of calculating the aggregate Principal Amount of Notes Outstanding under the Programme from time to time -

- (a) the amount of Indexed Notes (as defined in the Terms and Conditions) shall be calculated by reference to the original Principal Amount of such Notes; and
- (b) the amount of Zero Coupon Notes (as defined in the Terms and Conditions) and other Notes issued at a discount or premium shall be calculated by reference to the net subscription proceeds received by the Issuer for the relevant issue.

From time to time the Issuer may wish to increase the maximum aggregate Principal Amount of the Notes that may be Outstanding under the Programme. Subject to the requirements of the Programme Agreement, the JSE Debt Listings Requirements and/or any such other financial exchange(s) on which the Notes may be listed or in terms of any law, the Issuer may, without the consent of Noteholders, increase the maximum aggregate Principal Amount of the Notes that may be Outstanding under the Programme by delivering a notice thereof to the Arranger, the Dealer, the Debt Sponsor, the Transfer Agent, the Paying Agent and the Calculation Agent and the relevant financial exchange in accordance with Condition 17 of the Terms and Conditions. Upon such notice being given, all references in the Programme Memorandum or any other agreement, deed or document in relation to the Programme, to the maximum aggregate Principal Amount of the Notes, shall be and shall be deemed to be references to the increased maximum aggregate Principal Amount as set out in such notice.

---

## SUMMARY OF THE PROGRAMME

---

*The following summary does not purport to be complete and is taken from, and is qualified by, the remainder of this Programme Memorandum and, in relation to the Terms and Conditions of any particular Tranche of Notes, the Applicable Pricing Supplement issued in relation to such Notes.*

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

<b>Issuer</b>	Investec Property Fund Limited (Registration Number 2008/011366/06).
<b>Security SPV</b>	Investec Property Fund Security SPV (RF) Proprietary Limited (Registration Number 2012/019159/07).
<b>Description of the Programme</b>	Investec Property Fund Limited ZAR5 000 000 000 Domestic Medium Term Note Programme.
<b>Size of Programme</b>	Notes with an aggregate Principal Amount of up to ZAR5 000 000 000 may be Outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the Programme Agreement.
<b>Arranger</b>	Investec Bank Limited (Registration Number 1969/004763/06) (" <b>Investec</b> ").
<b>Dealer</b>	Investec and any other Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer's right to terminate the appointment of any Dealer.
<b>Calculation Agent</b>	Investec, unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as Calculation Agent, in which event that other entity, shall act in such capacity in respect of that Tranche or Series of Notes.
<b>Paying Agent</b>	Investec, unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as Paying Agent, in which event that other entity, shall act in such capacity in respect of that Tranche or Series of Notes. The Paying Agent shall procure that any payments required to be made by the Paying Agent in respect of the Notes to the Central Securities Depository, shall be made by the Paying Agent's settlement agent (which, at the date of this Programme Memorandum, is Nedbank Limited), acting on behalf of the Paying

Agent, to the Central Securities Depository.

**Transfer Agent**

Investec, unless the Issuer elects to appoint, in relation to a particular Series of Notes, another entity as Transfer Agent, in which event that other entity, shall act in such capacity in respect of that Series of Notes.

**Security SPV Owner Trust**

TMF Corporate Services (South Africa) Proprietary Limited (Registration Number 2006/013631/07), acting in its capacity as trustee of the Security SPV Owner Trust, shall hold the issued share capital of the Security SPV.

**Rating**

The Issuer has been rated by GCR. The long term national scale ZAR currency credit rating assigned to the Issuer at the date of this Programme Memorandum is A<sub>(ZA)</sub>. The short term national scale ZAR currency credit rating assigned to the Issuer at the date of this Programme Memorandum is A1<sub>(ZA)</sub>. Any change to this rating will be reflected in the Applicable Pricing Supplement.

A Tranche of Notes may, on or before the date of issue thereof, be rated by the Rating Agency on a short-term or long-term, national scale or international scale basis. The Applicable Pricing Supplement will reflect the rating, if any, which has been assigned to the Issuer and/or a Tranche of Notes, as the case may be, as well as the Rating Agency which assigned such rating. The Issuer shall forthwith notify all Noteholders of Notes listed on the Interest Rate Market of the JSE of any change in the credit rating assigned to the Issuer or any Tranche of Notes through the Securities Exchange News Service (SENS).

Unrated Tranches of Notes may also be issued. A rating is not a recommendation to subscribe for, buy, sell or hold Notes and may be subject to revision, suspension or withdrawal at any time by the Rating Agency concerned.

**Rating Agency**

GCR and/or such other rating agency(ies) as may be appointed by the Issuer and as specified in the Applicable Pricing Supplement.

**Auditors**

the statutory auditors of the Issuer, being Ernst & Young Inc as at the date of the Programme Memorandum.

**Listing**

The Programme has been approved by the JSE. Notes issued under the Programme may be listed on the Interest Rate Market of the JSE (or such other or further exchange(s) as may be selected by the Issuer in relation to an issue). Unlisted Notes

may also be issued under the Programme. The Applicable Pricing Supplement in respect of a Tranche will specify whether or not such Notes will be listed and, if so, on which exchange. The JSE does not regulate Unlisted Notes.

**Currency**

South African Rand.

**Denomination of Notes**

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

**Form of Notes**

Notes may be issued in the form of Certificated Notes or Uncertificated Notes as described in the section entitled "*Form of the Notes*" below.

**Interest Period(s) or Interest Payment Date(s)**

Such period(s) or date(s) as may be indicated in the Applicable Pricing Supplement.

**Security Structure for secured Notes**

In the event of the issuance of secured Notes, the Issuer's obligations under the Notes will not directly be secured by any of the assets of the Issuer, but the obligations of the Issuer under the Notes will be secured by the Security SPV binding itself under the Guarantee to the Noteholders as guarantor of the Issuer's payment obligations. The liability of the Security SPV pursuant to the Guarantee will, however, be limited to the amount of the proceeds recovered by the Security SPV from the Issuer pursuant to the Counter-Indemnity provided by the Issuer to the Security SPV, indemnifying the Security SPV in respect of its liabilities under the Guarantee. Under the Security Documents, the Issuer has or will cede and pledge certain assets of the Issuer to the Security SPV as security for its obligations under the Counter-Indemnity. The Issuer has further registered the Mortgage Bonds as security for its obligations under the Counter-Indemnity. With respect to each Tranche of Notes, the Applicable Pricing Supplement will set out the security arrangements in relation to the Tranche of Notes.

**Issue Price**

Notes shall be issued on a fully-paid basis and at an issue price which is at their nominal amount or at a discount to, or premium over, their nominal amount as indicated in the Applicable Pricing Supplement.

**Maturities**

Such maturity as may be indicated in the Applicable Pricing Supplement. The Notes are not subject to any minimum or maximum maturity.

**Cross-Default**

The terms of the Senior Notes will contain a cross-default provision relating to Material Indebtedness for money borrowed, or any guarantee of or indemnity in respect of any such

Material Indebtedness as further described in Condition 12.

**Negative Pledge**

Condition 6 of the Terms and Conditions provides for a negative pledge in favour of the Senior Noteholders.

**Noteholder(s)**

The holders of Certificated Notes and/or Uncertificated Notes (as recorded in the Register).

**Notes**

Notes may comprise bonds, notes, debentures, commercial paper or any other debt instruments including, but not limited to -

*Fixed Rate Notes:* Fixed Rate Notes will bear interest at a fixed interest rate, as indicated in the Applicable Pricing Supplement, and more fully described in Condition 7.1 of the Terms and Conditions.

*Floating Rate Notes:* Floating Rate Notes will bear interest at a floating rate, as indicated in the Applicable Pricing Supplement, and more fully described in Condition 7.2 of the Terms and Conditions.

*Zero Coupon Notes:* Zero Coupon Notes will be offered and sold at a discount to their nominal amount or at par and will not bear interest other than in the case of late payment.

*Indexed Notes:* Payments in respect of interest on Indexed Interest Notes or in respect of principal on Indexed Redemption Amount Notes will be calculated by reference to such index and/or formula as may be indicated in the Applicable Pricing Supplement.

*Mixed Rate Notes:* Mixed Rate Notes will bear interest over respective periods at the rates applicable for any combination of Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or Indexed Notes, each as specified in the Applicable Pricing Supplement.

*Instalment Notes:* The Applicable Pricing Supplement in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.

*Exchangeable Notes:* Notes which may be redeemed by the Issuer in cash or by the delivery of securities as specified in the Applicable Pricing Supplement.

*Extendible Notes:* Notes issued with a maturity of not more than 18 months, which entitles the Issuer to extend the Redemption Date to a pre-determined future date, as may be indicated in the Applicable Pricing Supplement.

*Senior Notes:* Notes bearing the characteristics described under "*Status of Senior Notes*" below.

*Subordinated Notes:* Notes bearing the characteristics described under "*Status of Subordinated Notes*" below.

## **Other Notes**

Terms applicable to Notes other than those specifically contemplated under this Programme Memorandum and approved by the JSE or such other or further exchange(s) on which such Notes may be listed and as agreed between the Issuer and the Dealer(s), will be set out in the Applicable Pricing Supplement.

## **Status of Senior Notes**

Unless otherwise specified in the Applicable Pricing Supplement, Senior Notes will constitute direct, unconditional, unsubordinated and secured or unsecured obligations of the Issuer and will rank *pari passu* among themselves and (save for certain debts required to be preferred by law) equally with all other secured or unsecured and unsubordinated obligations of the Issuer from time to time outstanding.

## **Status of Subordinated Notes**

Subordinated Notes will constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and will rank *pari passu* among themselves and will rank at least *pari passu* with all other present and future unsecured and subordinated obligations of the Issuer, save for those that have been recorded preferential rights by law. Subject to applicable law, in the event of the dissolution of the Issuer or if the Issuer is placed under liquidation or wound-up, then and in any such event, the claims of the person entitled to the paid amounts due in respect of Subordinated Notes shall be subordinated to all other claims in respect of any other Indebtedness of the Issuer except for other Subordinated Indebtedness (as defined in Condition 5.2 of the Terms and Conditions). Accordingly, no amount due on the Subordinated Notes shall be eligible for set-off or shall be payable to any person entitled to be paid such amount until all other Indebtedness of the Issuer which is admissible in any such dissolution, liquidation, or winding-up (other than Subordinated Indebtedness) has been paid or discharged in full.



## **Redemption**

The Applicable Pricing Supplement relating to each Tranche of Notes will indicate either -

- (a) that the Notes may only be redeemed prior to their stated maturity (other than in specified instalments, if applicable) for taxation reasons or following an Event of Default; or
- (b) that such Notes will also be redeemable at the option of the Issuer upon giving such notice as is indicated in the Applicable Pricing Supplement to the Noteholders at a price or prices and on such terms as are indicated in the Applicable Pricing Supplement; or
- (c) that such Notes will also be redeemable at the option of the Senior Noteholders upon giving such notice as is indicated in the Applicable Pricing Supplement to the Issuer at the Optional Redemption Amount in accordance with Condition 9.4.

The Applicable Pricing Supplement may provide that Notes may be repayable in two or more instalments and on such dates as indicated in the Applicable Pricing Supplement.

## **Register**

The Register maintained by the Transfer Agent in terms of the Agency Agreement and the Terms and Conditions.

## **Distribution**

Notes may be distributed by way of public auction, private placement or any other means permitted under South African law and the JSE Debt Listings Requirements, and in each case on a syndicated or non-syndicated basis as may be determined by the Issuer and the relevant Dealer(s) and reflected in the Applicable Pricing Supplement.

## **Selling Restrictions**

There are selling restrictions in relation to the United States, the United Kingdom, the European Economic Area and the Republic of South Africa and such other restrictions as may be required to be met in relation to an offering or sale of a particular Tranche of Notes which may be included in the Applicable Pricing Supplement.

## **Blocked Rand**

Blocked Rand may be used for the purchase of Notes, subject to South African Exchange Control Regulations.

## **Other taxes**

In terms of prevailing South African legislation, the original issue of and transfer of Notes are exempt from securities transfer tax. Any future stamp duties or other duties or Taxes that may be introduced or may be applicable on the transfer of the Notes will be for the account of Noteholders.

## **Taxation**

With effect from 1 March 2015, withholding tax on interest in respect of certain debt instruments is applicable to certain persons who are regarded as non-residents for tax purposes in South Africa. Certain exemptions may or may not be applicable in this regard. Should the Issuer be required to withhold any such withholding tax or make any other deduction for or on account of taxes levied in South Africa from any payments to be made in respect of the Notes to any non-resident Noteholder, the Issuer shall not be required to pay any additional amounts to such non-resident Noteholder for purposes of ensuring that the net amounts received by such non-resident Noteholder shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction.

In the event that withholding tax or such other deduction for or on account of taxes levied in South Africa is required by any regulation or law, that comes into force after the date of this Programme Memorandum the Issuer will, subject to certain exceptions as provided in Condition 10 of the Terms and Conditions, pay such additional amounts as shall be necessary in order that the net amounts received by the Noteholders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction.

## **Governing Law**

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

## **Terms and Conditions**

The terms and conditions of the Notes set out in the section of the Programme Memorandum headed "*Terms and Conditions of the Notes*" below.

## **Exchange Control**

The Issuer is not required to obtain any approval under the Exchange Control Regulations for the issue of Notes which will be listed on the Interest Rate Market of the JSE.

---

## FORM OF THE NOTES

---

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

Notes may be issued as Certificated Notes or Uncertificated Notes as specified in the Applicable Pricing Supplement.

The Notes may be listed on the Interest Rate Market of the JSE or a successor exchange to the JSE and/or such other or further exchange(s) as the Issuer may select in relation to an issue. Each Tranche of Notes listed on the Interest Rate Market of the JSE will be issued in accordance with the Terms and Conditions set out below in this Programme Memorandum and shall be in the form of Uncertificated Notes. Unlisted Notes may also be issued under the Programme. Unlisted Notes are not regulated by the JSE. Uncertificated Notes shall be held by the Central Securities Depository and registered in the name of and for the account of the Central Securities Depository's Nominee.

### **Certificated Notes**

Certificated Notes issued in definitive registered form shall be represented by Individual Certificates. The title to Certificated Notes represented by the Individual Certificates will pass upon registration of transfer in the Register. The Issuer shall regard the Register as a conclusive record of title to the Certificated Notes.

Certificated Notes represented by Individual Certificates may only be transferred in accordance with the provisions of Condition 14.

### **Uncertificated Notes**

Notes may be issued in uncertificated form in terms of section 33 of the Financial Markets Act. Uncertificated Notes will not be represented by any certificate or written instrument. Uncertificated Notes will be held in the Central Securities Depository and be registered in the name of, and for the account of the Central Securities Depository's Nominee. In respect of any Tranche of Notes issued in uncertificated form, the Central Securities Depository's Nominee will be named in the Register or as the registered Noteholder of that Tranche of Notes.

Beneficial Interests in Notes issued 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 Central Securities Depository Participants in the Central Securities Depository. A certificate or other document issued by a Central Securities Participant as to the nominal amount of such Beneficial Interest in Uncertificated Notes standing to the account of any person shall be prima facie proof of such Beneficial Interests.

Title to Uncertificated Notes will pass in accordance with the provisions of Condition 14.

Beneficial Interests in Uncertificated Notes may be exchanged, without charge by the Issuer, for Individual Certificates in accordance with the provisions of Condition 13. Uncertificated Notes will be registered in the names of the Noteholders in the Register maintained by the Transfer Agent. The Issuer shall regard the Register as conclusive record of title to the Uncertificated Notes.

---

## PRO FORMA PRICING SUPPLEMENT

---

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

*Out of the Ordinary®*



Property Fund Limited

### INVESTEC PROPERTY FUND LIMITED

*(Registration Number 2008/011366/06)  
(Established and incorporated as a public company with limited liability  
in accordance with the laws of South Africa)*

#### **Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] Under its ZAR5 000 000 000 Domestic Medium Term Note Programme**

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the amended and restated Programme Memorandum dated on or about 11 November 2015. This Applicable Pricing Supplement must be read in conjunction with such Programme Memorandum. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and such Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail. To the extent that certain provisions of the pro forma Applicable Pricing Supplement do not apply to the Notes described herein, they may be deleted in this Applicable Pricing Supplement or indicated to be not applicable.

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the Terms and Conditions. References in this Applicable Pricing Supplement to the Terms and Conditions are to the section of the amended and restated 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 accepts full responsibility for the accuracy of the information contained in the Programme Memorandum, this Applicable Pricing Supplement and the annual financial statements and any amendments to the annual financial statements or any supplements from time to time, except as otherwise stated therein. The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from the Programme Memorandum which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that the Programme Memorandum and this Applicable Pricing Supplement contain all information required by applicable law and, in relation to any Tranche of Notes listed on the Interest Rate Market of the JSE, the JSE Debt Listings Requirements.

The Issuer, having made all reasonable enquiries, confirms that the Programme Memorandum, read together with this Applicable Pricing Supplement and the documents and information incorporated herein and therein by reference contains or incorporates all

information which is material in the context of the issue and the offering of Notes, that the information contained or incorporated in the Programme Memorandum by reference, is true and accurate in all material respects and is not misleading, that the opinions and the intentions expressed in the Programme Memorandum, read together with the documents incorporated by reference, are honestly held and that there are no other facts the omission of which would make same misleading.

The Issuer further confirms that the issue of Notes described herein will not exceed the aggregate Principal Amount of Notes that may be Outstanding under the Programme.

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

## DESCRIPTION OF THE NOTES

1.	Issuer	Investec Property Fund Limited
2.	Security SPV	Investec Property Fund Security SPV (RF) Proprietary Limited
3.	Status of Notes	<p>[Secured/Unsecured]</p> <p>[If secured, description of nature and type of security]</p> <p>[Senior/Subordinated]</p>
4.	(a) Tranche Number	[•]
	(b) Series Number	[•]
5.	Aggregate Principal Amount	[•]
6.	Interest/Payment Basis	<p>[Fixed Rate/Floating Rate/Zero Coupon/Indexed Interest /Indexed Redemption Amount/Mixed Rate/Partly Paid/ Instalment/Exchangeable/other]</p>
7.	Form of Notes	[Certificated Notes/Uncertificated Notes]

- |     |   |  |
|-----|---|--|
| 8.  | Automatic/Optional Conversion from one Interest/Payment Basis to another              | [insert details including date for conversion]   |
| 9.  | Issue Date  | [•]  |
| 10. | Business Centre   | [•]  |
| 11. | Additional Business Centre  | [•]  |
| 12. | Specified Denomination  | [•]  |
| 13. | Issue Price   | [•]  |
| 14. | Interest Commencement Date  | [•]  |
| 15. | Redemption Date   | [•]  |
| 16. | Specified Currency  | [•]  |
| 17. | Applicable Business Day Convention  | [Floating Rate Business Day/Following Business Day/Modified Following Business Day/Preceding Business Day/other convention – insert details] |
| 18. | Calculation Agent   | [•]  |
| 19. | Paying Agent  | [•]  |
| 20. | Specified office of the Paying Agent  | [•]  |
| 21. | Transfer Agent  | [•]  |
| 22. | Settlement Agent  | [•]  |
| 23. | Final Redemption Amount   | [•]  |
| 24. | The aggregate Principal Amount of all Notes issued by the Issuer as at the Issue Date | [•]  |

#### **FIXED RATE NOTES**

- |     |   |   |
|-----|---|---|
| 25. | (a) Fixed Interest Rate(s)  | [•] percent per annum [payable annually/semi-annually/ quarterly] in arrear |
|     | (b) Interest Payment Date(s)  | [Dates/Periods]   |
|     | (c) Initial Broken Amount   | [•]   |
|     | (d) Final Broken Amount   | [•]   |
|     | (e) Any other terms relating to the particular method of calculating interest | [•]   |

## FLOATING RATE NOTES

26.
  - (a) Interest Payment Date(s) [Dates/Periods]
  - (b) Interest Period(s) [•]
  - (c) Definitions of Business Day (if different from that set out in Condition 1) [•]
  - (d) Interest Rate(s) [•] percent
  - (e) Minimum Interest Rate [•] percent
  - (f) Maximum Interest Rate [•] percent
  - (g) Other terms relating to the method of calculating interest (e.g., Day Count Fraction, rounding up provision, if different from Condition 7.2) [•]
27. Manner in which the Interest Rate is to be determined [ISDA Determination/Screen Rate Determination/other (insert details)]
28. Margin [(+/-) [•] percent to be added to/subtracted from the relevant (ISDA Rate/Reference Rate)]
29. If ISDA Determination
  - (a) Floating Rate [•]
  - (b) Floating Rate Option [•]
  - (b) Designated Maturity [•]
  - (c) Reset Date(s) [•]
30. If Screen Determination
  - (a) Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated) [•]
  - (b) Interest Determination Date(s) [•]
  - (c) Relevant Screen Page and Reference Code [•]

31. If Interest Rate to be calculated otherwise than by reference to 29 or 30 above, insert basis for determining Interest Rate/Margin/Fall back provisions
32. If different from the Calculation Agent, agent responsible for calculating amount of principal and interest **[•]**

#### **INSTALMENT NOTES**

33. Instalment Dates **[•]**
34. Instalment Amounts (expressed as a percentage of the aggregate Principal Amount of the Notes) **[•]**

#### **MIXED RATE NOTES**

35. Period(s) during which the interest rate for the Mixed Rate Notes will be (as applicable) that for: **[•]**
- (a) Fixed Rate Notes **[•]**
- (b) Floating Rate Notes **[•]**
- (c) Indexed Notes **[•]**
- (d) Other Notes **[•]**

#### **ZERO COUPON NOTES**

36. (a) Implied Yield **[•]** percent **[naca]** **[nacs]**  
**[nacm]** **[nacq]** **[other method of compounding]**
- (b) Reference Price **[•]**
- (c) Any other formula or basis for determining amount(s) payable **[•]**

#### **INDEXED NOTES**

37. (a) Type of Indexed Notes **[Indexed Interest Notes/Indexed Redemption Amount Notes]**
- (b) Index/Formula by reference to which Interest Rate/Interest Amount (delete as applicable) is to be determined **[•]**



- (c) Manner in which the Interest Rate/Interest Amount (delete as applicable) is to be determined [•]
- (d) Interest Payment Date(s) [•]
- (e) Calculation Agent (if different from Investec) [•]
- (f) Provisions where calculation by reference to Index and/or Formula is impossible or impractical [•]

#### **EXCHANGEABLE NOTES**

- 38. Mandatory Exchange applicable? [Yes/No]
- 39. Noteholders' Exchange Right applicable? [Yes/No]
- 40. Exchange Securities [•]
- 41. Manner of determining Exchange Price [•]
- 42. Exchange Period [•]
- 43. Other [•]

#### **EXTENDIBLE NOTES**

- 44. Last date to which Redemption Date may be extended [•]
- 45. Step-up Margin [•]
- 46. Requisite Notice [•]
- 47. Other [•]

#### **OTHER NOTES**

- 48. If the Notes are not Instalment Notes, Fixed Rate Notes, Floating Rate Notes, Mixed Rate Notes, Zero Coupon Notes, Indexed Notes, Extendible Notes or Exchangeable Notes, or if the Notes are a combination of any of the foregoing, set out the relevant description and any additional Terms and Conditions relating to such Notes [•]

## PROVISIONS REGARDING REDEMPTION/MATURITY

49. Issuer's Optional Redemption: [Yes/No]

if yes:

(a) Optional Redemption Date(s) [•]

(b) Optional Redemption Amount(s) [•]  
and method, if any, of calculation  
of such amount(s)

(c) Minimum Period of Notice (if [•]  
different to Condition 9.3)

(d) If redeemable in part:

Minimum Redemption Amount(s) [•]

Higher Redemption Amount(s) [•]

(e) Other terms applicable on [•]  
Redemption

50. Redemption at the option of the Senior [Yes/No]  
Noteholders:

if yes:

(a) Optional Redemption Date(s) [•]

(b) Optional Redemption Amount(s) [•]  
and method, if any, of  
calculation of such amount(s)

(c) Minimum period of notice (if [•]  
different to Condition 9.4)

(d) If redeemable in part:

Minimum Redemption Amount(s) [•]

Higher Redemption Amount(s) [•]

(e) Other terms applicable on [•]  
Redemption

(f) Attach pro forma put notice(s)

51. Early Redemption Amount(s) payable [•]  
on redemption for taxation reasons or  
on Event of Default

## GENERAL

- |     |  |   |
|-----|--|---|
| 52. | Additional selling restrictions  | [•]   |
|     | (a) International Securities<br>Numbering (ISIN)   | [•]   |
|     | (b) Stock Code   | [•]   |
| 53. | Financial Exchange   | [•]   |
| 54. | If syndicated, names of managers   | [•]   |
| 55. | Method of Distribution   | [public auction/private placement]  |
| 56. | Credit Rating assigned to Notes, the<br>Programme, the Issuer as at the Issue<br>Date (if any) | [•]   |
|     | (a) Rating Agency  | [•]   |
|     | (b) Date of issue of current Credit<br>Rating  | [•]   |
|     | (c) Date of next Credit Rating review  | [•]   |
| 57. | Governing law (if the laws of South<br>Africa are not applicable)                              | [•]   |
| 58. | Use of proceeds  | [•]   |
| 59. | Last Day to Register   | [•] or [•] which shall mean that the<br>Register will be closed from each Last<br>Day to Register to the next applicable<br>Payment Day or [10] days prior to the<br>actual redemption date |
| 60. | Books Closed Period  | [•]   |
| 61. | Stabilisation Manager (if any)   | [•]   |
| 62. | Details of Security provided in the<br>event of the issuance of secured Notes                  | [•]   |
| 63. | Other provisions   | [•]   |

## DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3(5) OF THE COMMERCIAL PAPER REGULATIONS

At the date of this Applicable Pricing Supplement:

64. Paragraph 3(5)(a)

The ultimate borrower is the Issuer.

65. Paragraph 3(5)(b)

The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments under the Notes.

66. Paragraph 3(5)(c)

The auditor of the Issuer is Ernst & Young Inc.

67. Paragraph 3(5)(d)

As at the date of this issue:

- (a) the Issuer has [not issued any Notes]/[issued ZAR[•]] (inclusive of this issue)] of commercial paper; and
- (b) it is [not] anticipated that the Issuer will issue [ZAR[•]] of commercial paper during its current financial year.

68. Paragraph 3(5)(e)

Prospective investors in the Notes are to consider this Applicable Pricing Supplement, the Programme Memorandum and the documentation incorporated therein by reference in order to ascertain the nature of the financial and commercial risks of an investment in the Notes. In addition, prospective investors in the Notes are to consider the latest audited financial statements of the Issuer which are incorporated into the Programme Memorandum by reference and which may be requested from the Issuer.

69. Paragraph 3(5)(f)

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

70. Paragraph 3(5)(g)

The Notes issued will be [listed/unlisted].

71. Paragraph 3(5)(h)

The funds to be raised through the issue of the Notes are to be used by the Issuer for [•].

72. Paragraph 3(5)(i)

The Notes are [secured]/[unsecured].

73. Paragraph 3(5)(j)

Ernst & Young Inc, the auditor of the Issuer, has confirmed that nothing has come to its attention to indicate that this issue of Notes issued under the Programme will not comply in all respects with the relevant provisions of the Commercial Paper Regulations.

[Application [is hereby]/[will not be] made to list this issue of Notes [on [insert date]]].

SIGNED at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ [•].

For and on behalf of  
**INVESTEC PROPERTY FUND LIMITED**

Name:

Name:

Capacity:  
who warrants his/her authority hereto

Capacity:  
who warrants his/her authority hereto

---

## TERMS AND CONDITIONS OF THE NOTES

---

*The following are the Terms and Conditions of the Notes to be issued by the Issuer on or after the date of this Programme Memorandum. Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. Before the Issuer issues any Tranche of Notes, the Issuer shall complete and sign the Applicable Pricing Supplement, based on the pro forma Pricing Supplement included in the 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 which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace and/or modify the following Terms and Conditions for the purpose of such Tranche of Notes. A copy of the Applicable Pricing Supplement will be attached to each Certificate. All references in this Programme Memorandum to any statute, regulation or other legislation will be a reference to that statute, regulation or other legislation as amended, re-enacted or replaced and substituted from time to time. All references in this Programme Memorandum to any agreement, document or instrument is a reference to that agreement, document or instrument as amended, supplemented, varied, novated, restated or replaced from time to time.*

### 1 INTERPRETATION

In these Terms and Conditions, unless inconsistent with the context or separately defined in the Applicable Pricing Supplement, the following expressions shall have the following meanings:

<b>"Actual Redemption Date"</b>	in respect of Extendible Notes, the actual date of redemption in full by way of payment of the aggregate Principal Amount Outstanding of such Notes;
<b>"Agency Agreement"</b>	the agency agreement dated on or about 5 April 2012, entered into between the Issuer, the Transfer Agent, the Calculation Agent and the Paying Agent;
<b>"Applicable Pricing Supplement"</b>	the pricing supplement relating to each Tranche of Notes setting out the applicable and/or such other terms and conditions applicable to that Tranche of Notes;
<b>"Applicable Procedures"</b>	the rules and operating procedures for the time being of the Central Securities Depository, the JSE and/or any other applicable financial exchange, as the case may be;
<b>"Asset Management and Property Management Agreement"</b>	the agreement entered into between the Issuer and the Manager on 4 March 2011 in terms whereof the Manager is appointed to provide the Asset Management Services and the Property Management Services to the Issuer;

<b>"Asset Management Services"</b>	the strategic management services to be rendered by the Manager;
<b>"Banks Act"</b>	the Banks Act, 1990;
<b>"Beneficial Interest"</b>	in respect of Uncertificated Notes, the undivided share of a co-owner of Uncertificated Notes, held in the Central Securities Depository as provided in section 37 of the Financial Markets Act;
<b>"BESA Guarantee Fund Trust"</b>	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 section 8(1)(h) and 17(2)(w) of the Financial Markets Act or any successor fund;
<b>"Board"</b>	the board of Directors of the Issuer;
<b>"Books Closed Period"</b>	the period, as specified in the Applicable Pricing Supplement, commencing after the Last Day to Register, during which transfer of Notes will not be registered, or such shorter period as the Issuer may decide in order to determine those Noteholders entitled to receive interest;
<b>"Business Day"</b>	a day (other than a Saturday or Sunday or public holiday within the meaning of the Public Holidays Act, 1994) which is a day on which commercial banks settle ZAR payments in Johannesburg or any Additional Business Centre specified in the Applicable Pricing Supplement;
<b>"Calculation Agent"</b>	Investec, unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as Calculation Agent, in which event that other entity shall act as a Calculation Agent in respect of that Tranche or Series of Notes, as indicated in the Applicable Pricing Supplement;
<b>"Central Securities Depository"</b>	Strate Proprietary Limited (Registration Number 1998/022242/07), or its nominee or any successor thereto, operating in terms of the Financial Markets Act, or any additional or alternate securities depository approved by the Issuer;
<b>"Central Securities Depository's Nominee"</b>	Central Depository Nominees (Proprietary) Limited (Registration Number 1990/00665/07), a wholly owned subsidiary of the Central Securities Depository, or any successor nominee thereto operating in terms of the Financial Markets Act;
<b>"Central Securities Depository Participant"</b>	a person authorised by the Central Securities Depository as a participant in terms of Section 31 of the Financial Markets Act;

<b>"Central Securities Depository System"</b>	the computer system or systems and associated network or networks operated or used by the Central Securities Depository for the purpose of clearing and settlement of trades in Notes or any other purpose in terms of the Financial Markets Act;
<b>"Certificate"</b>	an Individual Certificate;
<b>"Certificated Note"</b>	a Note issued in registered form represented by an Individual Certificate;
<b>"Claims"</b>	<p>the Issuer's right, title and interest in the following –</p> <ul style="list-style-type: none"><li>(a) any and all lease agreements entered into or to be entered into between the Issuer (as lessor) and a third party (as lessee) in respect of the immovable property over which the Mortgage Bonds will be registered;</li><li>(b) the Management Agreement, but only those rights, title and interest in relation to the immovable property over which the Mortgage Bonds have or will be registered;</li><li>(c) any and all insurance policies held in the name of the Issuer in respect of the immovable property over which the Mortgage Bonds have or will be registered and any interests of the Issuer noted on any insurance policy not held in the name of the Issuer in respect of the immovable property over which the Mortgage Bonds have been or will be registered;</li><li>(d) any and all related security held by the Issuer and/or issued in favour of the Issuer in respect of selected freehold and leasehold properties acquired by the Issuer from time to time;</li><li>(e) the Receipts accruing to the Issuer in relation to the rights under (a) to (d) above;</li></ul>
<b>"Class of Noteholders"</b>	the holders of a Series of Notes or, where appropriate, the holders of different Series of Notes;
<b>"Commercial Paper Regulations"</b>	Government Notice number 2172 published in Government Gazette number 16167, dated 14 December 1994;



<b>"Companies Act"</b>	the Companies Act, 71 of 2008;
<b>"Counter-Indemnity"</b>	the written counter-indemnity agreement dated 22 March 2012, entered into between the Issuer and the Security SPV, in terms of which the Issuer indemnifies the Security SPV against all claims, losses, liabilities, damages and costs which the Security SPV may suffer or incur as a result of, or in connection with, the Guarantee and any additional counter-indemnity entered into between the Issuer and the Security SPV as specified in the Applicable Pricing Supplement;
<b>"Dealer"</b>	Investec and any other Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer's right to terminate the appointment of any Dealer;
<b>"Director"</b>	a director of the Board;
<b>"Early Redemption Amount"</b>	the amount at which the Notes will be redeemed by the Issuer pursuant to the provisions of Condition 9.2 and/or Condition 12, as set out in Condition 9.5;
<b>"Encumbrance"</b>	means any lien, pledge, cession <i>in securitatem debiti</i> , mortgage, charge, encumbrance or other security interest or any agreement or arrangement having the effect of providing a right of security, provided that Encumbrance shall not include any statutory preference and any security interest arising by operation of law;
<b>"Event of Default"</b>	an event of default by the Issuer, as set out in Condition 12;
<b>"Exchange Control Regulations"</b>	the Exchange Control Regulations, 1961 promulgated in terms of section 9 of the Currency and Exchanges Act, 1933;
<b>"Exchangeable Notes"</b>	Notes which may be redeemed by the Issuer in the manner indicated in the Applicable Pricing Supplement by the delivery to the Noteholders of cash or of so many of the Exchange Securities as is determined in accordance with the Applicable Pricing Supplement;
<b>"Exchange Period"</b>	in respect of Exchangeable Notes to which the Noteholders' Exchange Right applies (as indicated in the Applicable Pricing Supplement), the period indicated in the Applicable Pricing Supplement during which such right may be exercised;

<b>"Exchange Price"</b>	the value indicated in the Applicable Pricing Supplement according to which the number of Exchange Securities which may be delivered in redemption of an Exchangeable Note will be determined;
<b>"Exchange Securities"</b>	the securities indicated in the Applicable Pricing Supplement which may be delivered by the Issuer in redemption of Exchangeable Notes to the value of the Exchange Price;
<b>"Extendible Note"</b>	any Note with a maturity of not more than 18 months, which entitles the Issuer to extend the Redemption Date to a pre-determined future date, as indicated in the Applicable Pricing Supplement;
<b>"Extraordinary Resolution"</b>	a resolution passed at a duly convened meeting of the Noteholders (and held in accordance with the provisions of Condition 18), by a majority consisting of not less than 66.67% of the value of a Class of Notes or all Noteholders of Notes present in person or by proxy voting at such meeting upon a show of hands or if a poll be duly demanded then by a majority consisting of not less than 66.67% of the votes cast on such poll;
<b>"Final Redemption Amount"</b>	the amount of principal specified in the Applicable Pricing Supplement payable in respect of each Note upon the Redemption Date;
<b>"Financial Markets Act"</b>	the Financial Markets Act, 19 of 2012;
<b>"Fixed Interest Rate"</b>	the rate or rates of interest applicable to Fixed Rate Notes, as specified in the Applicable Pricing Supplement;
<b>"Fixed Rate Notes"</b>	Notes which will bear interest at the Fixed Interest Rate, as indicated in the Applicable Pricing Supplement;
<b>"Floating Rate"</b>	has the meaning given to the expression in the ISDA Definitions, as indicated in the Applicable Pricing Supplement;
<b>"Floating Rate Notes"</b>	Notes which will bear interest as indicated in the Applicable Pricing Supplement and more fully described in Condition 7.2;
<b>"GCR"</b>	Global Credit Ratings Co (Proprietary) Limited (Registration Number 1995/005001/07);
<b>"GLA"</b>	gross lettable area;
<b>"Group"</b>	in relation to a company (wherever incorporated), that company, any company of which it is a subsidiary (being its holding company) and any

other subsidiaries of any such holding company and each company in a Group is a member of the Group. Unless the context otherwise requires, the application of the definition of Group to any company at any time will apply to the company as it is at that time;

**"Guarantee"**

the written guarantee dated 22 March 2012, given by the Security SPV to the Noteholders, in terms of which it guarantees the payment obligations of the Issuer to the Noteholders and any additional guarantee given by the Security SPV to the holders of any Series or Tranche of Notes as specified in the Applicable Pricing Supplement;

**"Implied Yield"**

the yield accruing on the Issue Price of Zero Coupon Notes, as specified in the Applicable Pricing Supplement;

**"Indebtedness"**

any indebtedness in respect of monies borrowed from any person, debenture holder or lender and (without double counting) guarantees, suretyships and indemnities given, whether present or future, actual or contingent;

**"Independent Reporting Accountants and Auditors"**

Ernst & Young Inc (Registration number 2005/002308/21), a private company incorporated in accordance with the laws of South Africa;

**"Indexed Interest Notes"**

Notes in respect of which the Interest Amount is calculated by reference to such index and/or formula as indicated in the Applicable Pricing Supplement;

**"Indexed Note"**

an Indexed Interest Note and/or an Indexed Redemption Amount Note, as applicable;

**"Indexed Redemption Amount Notes"**

Notes in respect of which the Final Redemption Amount is calculated by reference to an index and/or a formula as indicated in the Applicable Pricing Supplement;

**"Individual Certificate"**

a Note in the definitive registered form of a single Certificate, which may be exchanged for a Beneficial Interest in Uncertificated Notes in accordance with Condition 13 and any further Certificate issued in consequence of a transfer thereof;

**"Instalment Amount"**

the amount expressed as a percentage of the Principal Amount of an Instalment Note, being an instalment of principal (other than the final instalment) on an Instalment Note;

<b>"Instalment Notes"</b>	Notes redeemable in Instalment Amounts by the Issuer on an amortised basis on different Instalment Dates, as indicated in the Applicable Pricing Supplement;
<b>"Interest Amount"</b>	the amount of interest payable in respect of each Principal Amount of Fixed Rate Notes, Floating Rate Notes and Indexed Notes, as determined in accordance with Condition 7.1, 7.2.6 and 7.4 respectively;
<b>"Interest Commencement Date"</b>	the first date from which interest on the Notes, other than Zero Coupon Notes, will accrue, as specified in the Applicable Pricing Supplement;
<b>"Interest Payment Date"</b>	the Interest Payment Date(s) specified in the Applicable Pricing Supplement or if no express Interest Payment Date(s) is/are specified in the Applicable Pricing Supplement, each date which occurs after a certain period following the preceding Interest Payment Date (such period as specified in the Applicable Pricing Supplement) or, in the case of the first Interest Payment Date, after the Interest Commencement Date;
<b>"Interest Period"</b>	the period(s) in respect of which interest accrues on Notes other than Zero Coupon Notes and falls due for payment on the applicable Interest Payment Date;
<b>"Interest Rate"</b>	the rate(s) of interest applicable to Notes other than Zero Coupon Notes and Fixed Rate Notes, as indicated in the Applicable Pricing Supplement;
<b>"Investec"</b>	Investec Bank Limited (Registration Number 1969/004763/06), a public company with limited liability registered and incorporated in accordance with the laws of South Africa;
<b>"Investec Property"</b>	Investec Property Limited (Registration Number 1947/025753/06), a public company incorporated in accordance with the laws of South Africa and a wholly owned subsidiary of Investec;
<b>"Investment Committee"</b>	the investment committee of the Issuer to be established and appointed by the Board to consider and motivate investment opportunities to the Board of the Issuer;
<b>"ISDA"</b>	International Swaps and Derivatives Association, Inc.;
<b>"ISDA Definitions"</b>	the 2006 ISDA Definitions as published by ISDA (as amended, supplemented, revised or republished from time to time);

<b>"Issuer"</b>	Investec Property Fund Limited (Registration Number 2008/011366/06), a public company with limited liability established and incorporated in accordance with the laws of South Africa;
<b>"Issuer Cession (Proceeds Account)"</b>	the written cession <i>in securitatem debiti</i> , dated on or about 5 April 2012, granted by the Issuer to the Security SPV in terms of which, <i>inter alia</i> , the Issuer cedes all of its rights, title and interest in and to the Proceeds Account and any and all proceeds standing to the credit of the Proceeds Account to the Security SPV as security for its obligations under the Counter-Indemnity and any additional cession <i>in securitatem debiti</i> granted by the Issuer to the Security SPV in respect of any additional Counter-Indemnity;
<b>"Issuer Cession (Claims)"</b>	the written cession <i>in securitatem debiti</i> , dated on or about 5 April 2012, granted by the Issuer to the Security SPV in terms of which, <i>inter alia</i> , the Issuer cedes all of its rights, title and interest in and to all the Claims to the Security SPV as security for its obligations under the Counter-Indemnity and any additional cession <i>in securitatem debiti</i> granted by the Issuer to the Security SPV in respect of any additional Counter-Indemnity;
<b>"Issuer Security Cessions"</b>	the Issuer Cession (Proceeds Account) and the Issuer Cession (Claims);
<b>"JSE"</b>	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 and any reference to the JSE includes the Interest Rate Market of the JSE, the separate platform or sub-market of the JSE designated as the <b>"Interest Rate Market"</b> ;
<b>"JSE Debt Listings Requirements"</b>	the debt listings requirements of the JSE from time to time, as published by the JSE;
<b>"Last Day to Register"</b>	with respect to a particular Series of Notes (as reflected in the Applicable Pricing Supplement), the last date or dates preceding a Payment Day on which the Transfer Agent will accept Transfer Forms and record the transfer of Notes in the Register for that particular Series of Notes and whereafter the Register is closed for further transfers or entries until the Payment Day;

<b>"Manager"</b>	Investec Property, which is appointed by the Issuer in terms of the Asset Management and Property Management Agreement, to provide the Asset Management Services and the Property Management Services;
<b>"Management Agreement"</b>	the written asset and property management agreement, dated 17 February 2011, entered into between the Issuer and Investec Property Limited;
<b>"Mandatory Exchange"</b>	if indicated in the Applicable Pricing Supplement, the obligation of the Issuer to redeem Exchangeable Notes on the Redemption Date by delivery of Exchange Securities to the relevant Noteholders of Exchangeable Notes;
<b>"Material Asset"</b>	any asset of the Issuer with a book value equal to or exceeding 5% of the total assets of the Issuer as set out in the Issuer's most recently published audited financial statements from time to time (or its equivalent in other currencies);
<b>"Material Indebtedness"</b>	any Indebtedness amounting in aggregate to an amount which equals or exceeds ZAR50 000 000 (fifty million rand) (or its equivalent in other currencies);
<b>"Mixed Rate Notes"</b>	Notes which will bear interest over respective periods at differing interest rates applicable to any combination of Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or Indexed Notes, each as indicated in the Applicable Pricing Supplement and as more fully described in Condition 7.3;
<b>"Mortgage Bonds"</b>	collectively, all mortgage bonds registered or to be registered by the Issuer over immovable property acquired or to be acquired by the Issuer from time to time in favour of the Security SPV as security for its obligations to the Security SPV in terms of the Counter-Indemnity and as specified in the Applicable Pricing Supplement;
<b>"naca"</b>	nominal annual compounded annually;
<b>"nacm"</b>	nominal annual compounded monthly;
<b>"nacq"</b>	nominal annual compounded quarterly;
<b>"nacs"</b>	nominal annual compounded semi-annually;
<b>"Noteholders"</b>	the holders of the Certificated Notes and/or Uncertificated Notes as recorded in the Register;
<b>"Noteholders' Exchange Right"</b>	if indicated as applicable in the Applicable Pricing Supplement, the right of Noteholders of Exchangeable Notes to elect to receive delivery of

the Exchange Securities in lieu of cash from the Issuer upon redemption of such Notes;

**"Notes"**

the notes issued or to be issued by the Issuer under the Programme in the form of Certificated Notes or Uncertificated Notes, as the case may be. Notes will be issued in registered form and will either be Senior Notes or Subordinated Notes;

**"Outstanding"**

in relation to the Notes, all the Notes issued other than:

- (a) those which have been redeemed in full;
- (b) those in respect of which the date for redemption in accordance with the Terms and Conditions has occurred and the redemption moneys wherefore (including all interest (if any) accrued thereon to the date for such redemption and any interest (if any) payable under the Terms and Conditions after such date) remain available for payment against presentation of Certificates (if any) or otherwise;
- (c) those which have been purchased and cancelled as provided in Condition 9;
- (d) those which have become void under Condition 11;
- (e) if applicable, Notes represented by those mutilated or defaced Certificates which have been surrendered in exchange for replacement Certificates pursuant to Condition 13;
- (f) (for the purpose only of determining how many Notes are Outstanding and without prejudice to their status for any other purpose) if applicable, those Notes represented by Certificates alleged to have been lost, stolen or destroyed and in respect of which replacement Certificates have been issued pursuant to Condition 13,

provided that for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of the Noteholders; and
- (ii) the determination of how many and which Notes are for the time being Outstanding for the purposes of Conditions 18 and 19,

all Notes (if any) which are for the time being held by the Issuer (subject to any applicable law) or by any person for the benefit of the Issuer and not cancelled (unless and until ceasing to be so held) shall be deemed not to be Outstanding;

**"Partial Redemption Amount"**

the portion of the Principal Amount Outstanding of any Extendible Note redeemed by the Issuer, as notified to Noteholders in accordance with Condition 17;

**"Paying Agent"**

Investec, unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as Paying Agent, in which event that other entity shall act as a Paying Agent in respect of that Tranche or Series of Notes, as indicated in the Applicable Pricing Supplement;

**"Payment Day"**

any day which is a Business Day and upon which a payment is due by the Issuer in respect of any Notes;

**"Permitted Encumbrance"**

- (a) any Encumbrance existing as at the date of this Programme Memorandum; or
- (b) any Encumbrance created over or with respect to receivables if such Encumbrance is created pursuant to any securitisation, asset-backed funding or like arrangement in accordance with normal market practice and the Indebtedness secured by such Encumbrance is limited to the value (on or about the date of creation of such Encumbrance) of such receivables; or
- (c) any Encumbrance created over any asset owned, acquired, developed or constructed, provided the Indebtedness so secured shall not exceed the *bona fide* arm's length market value on or about the date of creation of such Encumbrance of such asset or the cost of that acquisition, development or construction (including all interest and other finance charges, adjustments, due to changes in circumstances and other charges reasonably incidental to such cost, whether contingent or otherwise) and where such market value or cost both apply, the higher of the two; or
- (d) any Encumbrance created in the ordinary course of business over deposit accounts securing a loan to the Issuer equal to the amounts standing to the credit of such deposit accounts; or



- (e) any Encumbrance created over or with respect to any netting or set-off arrangement entered into the ordinary course of banking arrangements for the purposes of netting debit and credit balances; or
- (f) any Encumbrance arising in the ordinary course of trade of the Issuer and securing amounts that are not more than 60 (sixty) days overdue; or
- (g) any Encumbrance created to secure any inter-company Indebtedness; or
- (h) any Encumbrance created under any Security Document; or
- (i) any extension or renewal of any Encumbrance contemplated in (a) to (h) above;

**"Principal Amount"**

the nominal amount of each Note;

**"Proceeds Account"**

the relevant bank account opened in the name of the Issuer into which all funds, receipts and monies in respect of the property of the Issuer over which relevant Mortgage Bonds will be registered, will be deposited;

**"Programme"**

the ZAR5 000 000 000 Domestic Medium Term Note Programme under which the Issuer may from time to time issue Notes;

**"Programme Agreement"**

the programme agreement dated on or about 5 April 2012, entered into between the Issuer, the Arranger and the Dealer;

**"Programme Memorandum"**

the amended and restated programme memorandum contained in this document dated on or about 11 November 2015;

**"Property Management Services"**

the day-to-day management services to be rendered by the Manager;

**"Rating Agency"**

GCR and/or such other internationally recognised rating agency as may be appointed by the Issuer, from time to time;

**"Receipts"**

all amounts received or accruing to the Issuer in respect of the Claims;

**"Redemption Date"**

the date upon which the Notes are redeemed by the Issuer pursuant to Condition 9;

<b>"Register"</b>	the register maintained by the Transfer Agent in terms of Condition 15;
<b>"Relevant Date"</b>	in respect of any payment relating to the Notes, the date on which such payment first becomes due, except that, in relation to monies payable to the Central Securities Depository in accordance with these Terms and Conditions, it means the first date on which: (i) the full amount of such monies have been received by the Central Securities Depository, (ii) such monies are available for payment to the holders of Beneficial Interests, and (iii) notice to that effect has been duly given to such holders in accordance with the Applicable Procedures;
<b>"Representative"</b>	a person duly authorised to act on behalf of a Noteholder, who may be regarded by the Issuer, the Transfer Agent and the Paying Agent (acting in good faith) as being duly authorised based upon the tacit or express representation thereof by such Representative, in the absence of express notice to the contrary from such Noteholder;
<b>"Security Provider"</b>	in respect of a Tranche of secured Notes, the Issuer and such other persons (if any) as specified as such in the Applicable Pricing Supplement;
<b>"Security Documents"</b>	the Issuer Security Cessions, the Mortgage Bonds, the Guarantee, the Counter-Indemnity and all other documents designated as Security Documents under an Applicable Pricing Supplement;
<b>"Security SPV"</b>	Investec Property Fund Security SPV (RF) Proprietary Limited (Registration Number 2012/019159/07), a private company with limited liability established and incorporated in accordance with the laws of South Africa;
<b>"Security SPV Owner Trust"</b>	the Investec Property Fund Security SPV Owner Trust, established (under Master's Reference IT 835/2012), under a trust deed dated 16 March 2012 for the holding of the issued share capital of the Security SPV and related matters;
<b>"Security SPV Owner Trustees"</b>	the trustees for the time being of the Security SPV Owner Trust, which at the date of this Programme Memorandum is TMF;
<b>"Series"</b>	a Tranche of Notes together with any further Tranche or Tranches of Notes which are: (i) expressed to be consolidated and form a single series; and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or

Issue Prices and "*holders of Notes of the relevant Series*" and related expressions shall be construed accordingly;

**"Settlement Agent"**

a Central Securities Depository Participant, approved by the JSE or any other relevant financial exchange to perform electronic settlement of both funds and scrip on behalf of market participants;

**"Step-up Margin"**

the margin to be added to the Interest Rate applicable to an Extendible Note and specified in the Applicable Pricing Supplement;

**"Terms and Conditions"**

the terms and conditions incorporated in this section entitled "*Terms and Conditions of the Notes*" and in accordance with which the Notes will be issued;

**"TMF"**

TMF Corporate Services (South Africa) Proprietary Limited (formerly known as GMG Trust Company (SA) Proprietary Limited) (Registration Number 2006/013631/07), a private company with limited liability established and incorporated in accordance with the laws of South Africa;

**"Tranche"**

in relation to any particular Series, all Notes which are identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices and "*holders of Notes of a relevant Tranche*" and related expressions shall be construed accordingly;

**"Transfer Agent"**

Investec, unless the Issuer elects to appoint, in relation to a particular Series of Notes, another entity as Transfer Agent in which event that other entity shall act as Transfer Agent in respect of that Series of Notes, as indicated in the Applicable Pricing Supplement;

**"Transfer Form"**

the written form for the transfer of a Certificated Note in the form approved by the Transfer Agent, and signed by the transferor and transferee;

**"Uncertificated Note"**

a Note issued in uncertificated form in accordance with section 33 of the Financial Markets Act, not evidenced by any written document or instrument and held in the Central Securities Depository;

**"ZAR"**

the lawful currency of South Africa, being South African Rand, or any successor currency;

**"ZAR-JIBAR"**

the mid-market rate for deposits in ZAR for a period of the Designated Maturity which appears on the Reuters Screen SAFETY Page as at 11h00, Johannesburg time on the relevant date, or any successor rate; and

**"Zero Coupon Notes"**

Notes which will be offered and sold at a discount to their Principal Amount or at par and will not bear interest other than in the case of late payment.

## **2 ISSUE**

- 2.1 Notes may at any time and from time to time be issued by the Issuer, without the consent of the then existing Noteholders, in Tranches pursuant to the Programme. A Tranche of Notes may, together with a further Tranche or Tranches, form a Series of Notes issued under the Programme.
- 2.2 The Noteholders are, by virtue of their subscription for or purchase of the Notes, deemed to have notice of, and are entitled to the benefit of, and are subject to, all the provisions of the Applicable Pricing Supplement and the Agency Agreement.
- 2.3 The Applicable Pricing Supplement for each Tranche of Notes is (to the extent relevant) incorporated herein for the purposes of those Notes and supplements these Terms and Conditions. The Applicable Pricing Supplement may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace and/or modify these Terms and Conditions for the purposes of those Notes.
- 2.4 Capitalised expressions used in these Terms and Conditions and not herein defined shall bear the meaning assigned to them in the Applicable Pricing Supplement.

## **3 FORM AND DENOMINATION**

### **3.1 General**

- 3.1.1 Notes will be issued in such denominations as may be determined by the Issuer and as indicated in the Applicable Pricing Supplement.
- 3.1.2 Notes will be issued on a fully paid basis. Subject to the qualifications set out under the sections of this Programme Memorandum headed "*Subscription and Sale*" and "*South African Exchange Control*", the Notes are freely transferable.
- 3.1.3 All payments in relation to the Notes will be made in South African Rand.
- 3.1.4 Each Note shall be a Senior Note or a Subordinated Note, as specified in the Applicable Pricing Supplement. Any Note may be an Instalment Note, Exchangeable Note or an Extendible Note. Each Note, whether a Senior Note or a Subordinated Note, may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Indexed Interest Note, an Indexed Redemption Amount Note, a Mixed Rate Note or a combination of any of

the foregoing or such other types of Notes as may be determined by the Issuer, as specified in the Applicable Pricing Supplement.

3.1.5 Notes may comprise any bonds, notes, debentures, commercial paper, or other debt instruments which are -

3.1.5.1 issued or to be issued by the Issuer in accordance with the Programme Agreement and the Agency Agreement; and

3.1.5.2 designated in the Applicable Pricing Supplement.

3.1.6 Payments (whether in respect of interest or principal) on Notes may be determined by reference to such fixed or floating rates or such indices or formulae as may be specified in the Applicable Pricing Supplement. Notes may -

3.1.6.1 be interest bearing or non-interest bearing; and/or

3.1.6.2 be issued at a premium or a discount; and/or

3.1.6.3 contain provisions for the election by the Issuer for the early payment of principal and/or interest or for the basis upon which amounts payable upon the Notes is paid to be altered; and/or

3.1.6.4 have such other characteristics as may be specified.

3.1.7 The Redemption Date of all or part of any Extendible Notes may be extended at the option of the Issuer, after the Issuer has given the relevant Noteholders the Requisite Notice indicated in the Applicable Pricing Supplement in accordance with Condition 17. Such Redemption Date may be extended by the Issuer one or more times by such calendar days or multiple of calendar days specified in the Applicable Pricing Supplement.

3.1.8 Listed and/or unlisted Notes may be issued under the Programme.

3.1.9 Noteholders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the JSE or BESA Guarantee Fund Trust. Unlisted Notes are not regulated by the JSE.

### 3.2 **Uncertificated Notes**

Uncertificated Notes will be issued in uncertificated form in terms of section 33 of the Financial Markets Act and will not be represented by any certificate or written instrument. A Tranche of Notes issued in uncertificated form will be held in the Central Securities Depository, and the Central Securities Depository's Nominee will be named in the Register as the registered Noteholder of that Tranche of Notes. An owner of a Beneficial Interest in Uncertificated Notes held in the Central Securities Depository shall be entitled to exchange such Beneficial Interest for an Individual Certificate in accordance with Condition 13.

### 3.3 **Certificated Notes**

Certificated Notes will be issued in definitive registered form and will be represented by Individual Certificates.

## 4 **TITLE**

### 4.1 **Certificated Notes**

Title to Certificated Notes will pass upon registration of transfer in the Register in accordance with Condition 14.1. The Issuer, the Transfer Agent and the Paying Agent may deem and treat the registered holder of any Certificated Note as the absolute owner of the Notes registered in the Noteholder's name (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes and shall not be bound to enter any trust in the Register or to take notice of or to accede to the execution of any trust (express, implied or constructive) to which any Note may be subject.

### 4.2 **Uncertificated Notes**

Title to Uncertificated Notes will pass upon registration of transfer in the Register in accordance with Condition 14.2. The Issuer, the Transfer Agent and the Paying Agent may deem and treat the registered holder thereof as the absolute owner of the Notes registered in the Noteholder's name (whether or not overdue and notwithstanding any notice of any previous loss or theft thereof) for all purposes 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.

Beneficial Interests in Uncertificated Notes may, in terms of existing law and practice, be transferred through the Central Securities Depository by way of book entry in the central securities accounts of the Central Securities Depository Participants. Such transfers will not be recorded in the Register and the Central Securities Depository's Nominee will continue to be reflected in the Register as the Noteholder in respect of the Uncertificated Notes, notwithstanding such transfers. Any reference in this Programme Memorandum to the relevant Central Securities Depository Participant shall, in respect of Beneficial Interests, be a reference to the Central Securities Depository Participant appointed to act as such by a holder of such Beneficial Interest.

## 5 **STATUS OF NOTES**

### 5.1 **Status of Senior Notes**

Unless otherwise specified in the Applicable Pricing Supplement, Senior Notes are direct, unconditional, unsubordinated and secured or unsecured obligations of the Issuer and rank *pari passu* among themselves and, subject to Condition 6 and save for certain debts required to be preferred by law, rank equally with all other present and future unsecured and unsubordinated obligations of the Issuer from time to time owing.

## 5.2 Status of Subordinated Notes

Subordinated Notes constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and subordinated obligations of the Issuer, save for those that have been provided preferential rights by law.

Subject to applicable law, in the event of the dissolution of the Issuer or if the Issuer is wound-up, the claims of the persons entitled to be paid amounts due in respect of Subordinated Notes shall be subordinated to all other claims in respect of any other Indebtedness of the Issuer except for other Subordinated Indebtedness (as defined below). Accordingly, no amount due on the Subordinated Notes shall be eligible for set-off or shall be payable to any person entitled to be paid such amount in respect of the obligations of the Issuer thereunder until all other Indebtedness of the Issuer which is admissible in any such dissolution, insolvency or winding-up (other than Subordinated Indebtedness) has been paid or discharged in full.

**"Subordinated Indebtedness"** means for the purposes of this Condition 5.2, any Indebtedness of the Issuer under which the right of payment of the person(s) entitled thereto is, or is expressed to be, or is required by any present or future agreement of the Issuer to be, subordinated to the rights of all un-subordinated creditors of the Issuer in the event of the dissolution, insolvency or winding-up of the Issuer.

## 5.3 Security Arrangements

The obligations of the Issuer to Noteholders may, in relation to a Tranche of Notes be secured or unsecured. If the obligations of the Issuer to the holders of a Tranche of Notes are secured, the terms of the security arrangements will be set out in the Applicable Pricing Supplement.

The following is a summary of certain provisions of the Guarantee, Counter-Indemnity and Issuer Security Cessions –

### 5.3.1 Guarantee

Pursuant to the Guarantee, the Security SPV, as a primary obligation and not only as co-principle debtor, guarantees in favour of the Noteholders the fulfilment of all the payment obligations of the Issuer to the Noteholders under the Programme, whether existing, future or contingent.

The Guarantee constitutes a stipulation in favour of the Noteholders and shall be deemed to have been accepted by each Noteholder upon the subscription for or purchase of the Notes, as the case may be. Notwithstanding anything to the contrary contained in the Guarantee, the Security SPV will have no liability (whether to the Noteholders, the Issuer or any other person), other than to the extent to which the liability is able to be satisfied out of the money received by the Security SPV from the Issuer or recovered by the Security SPV from the Issuer under the Counter-Indemnity.

### 5.3.2 *Counter-Indemnity*

The Issuer will issue a Counter-Indemnity to the Security SPV indemnifying and holding the Security SPV harmless against any claim, loss, liability, cost and expense of whatsoever nature, which it may suffer or incur by reason of or in consequence of having executed and furnished hereafter so doing the Guarantee, irrespective of the validity and legal effect of the Guarantee. The Issuer's liability under the Counter-Indemnity shall be limited to the proceeds realised by the Security SPV under the Issuer Cessions and Mortgage Bonds.

### 5.3.3 *Issuer Collateral*

In accordance with the Issuer Security Cessions, the Issuer agrees to cede and pledge certain assets to the Security SPV in security for the obligations of the Issuer to the Security SPV, including the obligations of the Issuer to the Security SPV under the Counter-Indemnity.

In accordance with the Mortgage Bonds, the Issuer agrees to register to and in favour of the Security SPV first continuing covering mortgage bonds over certain immovable properties of the Issuer as security for the obligations of the Issuer to the Security SPV, including the obligations of the Issuer to the Security SPV under the Counter-Indemnity.

Subject to each issue of Notes under the Programme, the Issuer may, from time to time, issue to and in favour of the Security SPV additional security for its obligations to the Security SPV.

## 6 **NEGATIVE PLEDGE**

- 6.1 For as long as any of the Senior Notes remain Outstanding, the Issuer will not create any Encumbrance other than a Permitted Encumbrance upon the whole or any part of its present or future assets or revenues to secure any of its present or future Indebtedness without making effective provision whereby all Senior Notes shall be secured equally and rateably with such Indebtedness and any such instrument creating such Encumbrance shall expressly provide therefor, unless such other security as may be approved by Extraordinary Resolution of the holders of Senior Notes is provided or the provision of any such security is waived by an Extraordinary Resolution of the holders of those Senior Notes.
- 6.2 The Issuer shall be entitled, but not obliged, to form, or procure the formation of, a trust or trusts or appoint, or procure the appointment of, an agent or agents to hold any such rights of security for the benefit or on behalf of such Noteholders.
- 6.3 This Condition 6 shall apply only to Senior Notes.

## 7 **INTEREST**

### 7.1 **Interest on Fixed Rate Notes**

Except if otherwise specified in the Applicable Pricing Supplement, interest on Fixed Rate Notes will be paid on a semi-annual basis, on the Interest Payment Dates.



Each Fixed Rate Note bears interest on its Principal Amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date to (but excluding) the Redemption Date at the rate(s) per annum equal to the Fixed Interest Rate(s). Such interest shall fall due for payment in arrear on the Interest Payment Date(s) in each year and on the date of early redemption in accordance with Condition or the Redemption Date, as the case may be, if either such date does not fall on an Interest Payment Date. The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date.

Unless otherwise specified, the interest in respect of any six-monthly period shall be calculated by dividing the Fixed Interest Rate by two and multiplying the product by the Principal Amount (or, if it is a Partly Paid Note, the amount paid up), provided that:

- (a) if an Initial Broken Amount is specified in the Applicable Pricing Supplement, then the first Interest Amount shall equal the Initial Broken Amount specified in the Applicable Pricing Supplement; and
- (b) if a Final Broken Amount is specified in the Applicable Pricing Supplement, then the final Interest Amount shall equal the Final Broken Amount.

Save as provided in the preceding paragraphs, if interest is required to be calculated for a period other than one year (in the case of annual interest payments) or other than six months (in the case of semi-annual interest payments), as the case may be, such interest shall be calculated on the basis of the actual number of calendar days in such period divided by 365.

## **7.2 Interest on Floating Rate Notes**

### **7.2.1 *Interest Payment Dates***

Each Floating Rate Note bears interest on its Principal Amount (or, if it is a Partly Paid Note, on the amount paid up) from (and including) the Interest Commencement Date to (but excluding the Redemption Date) at the rate equal to the Interest Rate. Such interest shall fall due for payment in arrears on the Interest Payment Date(s) in each year and on the date of early redemption in accordance with Condition 9 or the Redemption Date, as the case may be, if either such date does not fall on an Interest Payment Date. The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date.

### **7.2.2 *Interest Rate***

The Interest Rate payable from time to time in respect of the Floating Rate Notes will be determined:

- (a) on the basis of ISDA Determination; or
- (b) on the basis of Screen Rate Determination; or
- (c) on such other basis as may be determined by the Issuer,

all as indicated in the Applicable Pricing Supplement.

### 7.2.3 *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 7.2.3:

**"ISDA Rate"** for an Interest Period means a rate equal to the Floating Rate that would be determined by such Transfer Agent as is specified in the Applicable Pricing Supplement under a notional interest rate swap transaction if that Transfer 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 calendar 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.

When this Condition 7.2.3 applies, in respect of each Interest Period such agent as is specified in the Applicable Pricing Supplement will be deemed to have discharged its obligations under Condition 7.2.6 in respect of the determination of the Interest Rate if it has determined the Interest Rate in respect of such Interest Period in the manner provided in this Condition 7.2.3.

### 7.2.4 *Screen Rate Determination*

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

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

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

If the Relevant Screen Page is not available or if, in the case of (a) above in this Condition 7.2.4, no such offered quotation appears or, in the case of (b) above in this Condition 7.2.4, 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 (as defined below) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 11h00 (Johannesburg time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Interest Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the third decimal place with 0.0005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

If the Interest Rate cannot be determined by applying the provisions of the preceding paragraphs of this Condition 7.2.4, the Interest Rate for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the third decimal place, with 0.0005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks offered, at approximately 11h00 (Johannesburg time) on the relevant Interest Determination Date, in respect of deposits in an amount approximately equal to the Principal Amount of the Notes of the relevant Series, for a period equal to that which would have been used for the Reference Rate, to Reference Banks in the Johannesburg inter-bank market plus or minus (as appropriate) the Margin (if any). If less 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 of the relevant Series, for a period equal to that which would have been used for the Reference Rate, quoted at approximately 11h00 (Johannesburg time) on the relevant Interest Determination Date, by 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 Interest Determination Date (though substituting, where a different Margin is to

be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

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

**"Reference Banks"** means, for the purposes of this Condition 7.2.4, four leading banks in the South African inter-bank market selected by the Calculation Agent and approved by the Issuer.

#### 7.2.5 *Minimum and/or Maximum Interest Rate*

If the Applicable Pricing Supplement specifies a Minimum Interest Rate for any Interest Period, then the Interest Rate for such Interest Period shall in no event be less than such Minimum Interest Rate and/or if it specifies a Maximum Interest Rate for any Interest Period, then the Interest Rate for such Interest Period shall in no event be greater than such Maximum Interest Rate.

#### 7.2.6 *Determination of Interest Rate and calculation of Interest Amount*

The Calculation Agent will, in the case of Floating Rate Notes, at or as soon as practical after each time at which the Interest Rate is to be determined, determine the Interest Rate and calculate the Interest Amount for the relevant Interest Period. Unless stated otherwise in the Applicable Pricing Supplement, each Interest Amount shall be calculated by multiplying the Interest Rate by the Principal Amount, then multiplying the product by the applicable Day Count Fraction and rounding the resultant product to the nearest smallest denomination of the Specified Currency, half of any such denomination being rounded upwards.

**"Day Count Fraction"** means in respect of the calculation of the Interest Amount for any Interest Period:

- (c) if **"Actual/365"**, **"Act/365"**, **"Actual/Actual"** or **"Act/Act"** is specified in the Applicable Pricing Supplement, the actual number of calendar days in the Interest Period in respect of which payment is being made divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (i) the actual number of calendar days in that portion of the Interest Period falling in a leap year divided by 365 and (ii) the actual number of calendar days in that portion of the Interest Period falling in a non-leap year divided by 365); or
- (d) if **"Actual/365 (Fixed)"**, **"Act/365 (Fixed)"**, **"A/365 (Fixed)"** or **"A/365F"** is specified in the Applicable Pricing Supplement, the actual number of calendar days in the Interest Period in respect of which payment is being made divided by 365; or

- (e) if "**Actual/360**", "**Act/360**" or "**A/360**" is specified in the Applicable Pricing Supplement, the actual number of calendar days in the Interest Period in respect of which payment is being made divided by 360; or
- (f) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the Applicable Pricing Supplement, the number of calendar days in the Interest Period in respect of which payment is being made divided by 360 (the number of calendar days to be calculated on the basis of a year of 360 calendar days with 12 30-day months (unless (i) the last calendar day of the Interest Period is the 31st calendar day of a month but the first calendar day of the Interest Period is a calendar day other than the 30th or 31st calendar day of a month, in which case the month that includes that last calendar day shall not be considered to be shortened to a 30-day month or (ii) that last calendar day of the Interest Period is the last calendar day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); or
- (g) such other calculation method as is specified in the Applicable Pricing Supplement.

#### 7.2.7 *Notification of Interest Rate and Interest Amount*

The Calculation Agent (or such other agent as is specified in the Applicable Pricing Supplement) will cause the Interest Rate and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Paying Agent, the Transfer Agent, the Noteholders, any financial exchange on which the relevant Floating Rate Notes are for the time being listed (if applicable) and any central securities depository in which Certificates in respect of the Notes are dematerialised (if applicable), as soon as possible after their determination but not later than the 4th (fourth) Business Day thereafter.

Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to the Issuer, the Transfer Agent, the Paying Agent, the Noteholders, each financial exchange on which the relevant Floating Rate Notes are for the time being listed (if applicable) and any central securities depository in which Certificates in respect of the Notes are dematerialised (if applicable).

#### 7.2.8 *Certificates to be Final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 7.2 by the Calculation Agent shall, in the absence of wilful deceit, bad faith, manifest error or dispute as set out hereunder, be binding on the Issuer, the Transfer Agent, the Paying Agent, and all Noteholders, and no liability to the Issuer or the Noteholders shall attach to the Transfer Agent, the Calculation Agent or the Paying Agent (as the case may be) in connection with the exercise or

non-exercise by it of its powers, duties and discretions pursuant to such provisions.

### **7.3 Interest on Mixed Rate Notes**

The interest rate payable from time to time on Mixed Rate Notes shall be the interest rate payable on any combination of Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or Indexed Notes for respective periods, each as specified in the Applicable Pricing Supplement. During each such applicable period, the interest rate on the Mixed Rate Notes shall be determined and fall due for payment on the basis that such Mixed Rate Notes are Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or Indexed Notes, as the case may be.

### **7.4 Interest on Indexed Notes**

In the case of Indexed Notes, if the Interest Rate or Final Redemption Amount falls to be determined by reference to an index and/or a formula, such rate or amount payable shall be determined in the manner specified in the Applicable Pricing Supplement. Any interest payable shall fall due for payment on the Interest Payment Date(s).

### **7.5 Interest on Instalment Notes**

In the case of Instalment Notes, interest will accrue on the amount outstanding on the relevant Note from time to time and otherwise as specified in the Applicable Pricing Supplement.

### **7.6 Interest on Extendible Notes**

If the Redemption Date of Extendible Notes is extended by the Issuer, the Interest Rate in respect of the Principal Amount Outstanding will be increased by the Step-up Margin, from and including the Redemption Date to but excluding the Actual Redemption Date.

### **7.7 Accrual of Interest**

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date of its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will accrue at the JSE Equity Derivative Markets Overnight Deposit Rate (formerly the SAFEX Overnight Deposit Rate) (to be found on the Reuters Screen SAFEX page as at 11h00 (Johannesburg time) on the presentation date, or any successor rate) until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) the date on which the full amount of the moneys payable has been received by the Paying Agent and notice to that effect has been given to Noteholders in accordance with Condition 17.

In the event that the JSE Equity Derivative Markets Overnight Deposit Rate (formerly the SAFEX Overnight Deposit Rate) is not ascertainable from the

relevant screen page at the time contemplated above, the Calculation Agent shall follow the procedure contemplated in Condition 7.2.4 to ascertain a rate.

## 7.8 Business Day Convention

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

- (a) the "**Floating Rate Business Day Convention**", such Interest Payment Date (or other date) shall in any case where Interest Periods are specified in accordance with Condition 7.2.5, be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event: (i) such Interest Payment Date (or other date) shall be brought forward to the first preceding Business Day; and (ii) each subsequent Interest Payment Date (or other date) shall be the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the Applicable Pricing Supplement after the preceding applicable Interest Payment Date (or other date) has occurred; or
- (b) the "**Following Business Day Convention**", such Interest Payment Date (or other date) shall be postponed to the next calendar day which is a Business Day; or
- (c) the "**Modified Following Business Day Convention**", such Interest Payment Date (or other date) shall be postponed to the next calendar day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other such date) shall be brought forward to the first preceding Business Day; or
- (d) the "**Preceding Business Day Convention**", such Interest Payment Date (or other date) shall be brought forward to the first preceding Business Day.

## 8 PAYMENTS

### 8.1 General

Payments of principal and/or interest in respect of Uncertificated Notes will be made to the Central Securities Depository's Nominee and/or the Central Securities Depository Participant, as shown in the Register on the Last Day to Register, and the Issuer will be discharged of its relevant payment obligations by proper payment to the Central Securities Depository's Nominee and/or the Central Securities Depository Participant, in respect of each amount so paid. Each of the persons shown in the records of the Central Securities Depository and the Central Securities Depository Participant, as the case may be, shall look solely to the Central Securities Depository or the Central Securities Depository Participant, as the case may be, for his/her share of each payment so made by the Issuer to the registered holder of such Uncertificated Note.

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 review of any records relating to such Beneficial Interests. Payment of interest and principal in respect of Uncertificated Notes held in the Central Securities Depository shall be recorded by the Central Securities Depository's Nominee, as the registered holder of the Notes, distinguishing between interest and principal, and such records of payments by the registered holder of the Uncertificated Notes shall be prima facie proof of such payments.

Payments of principal and/or interest in respect of holders of Individual Certificates shall be made to the registered holder of such Note, as set forth in the Register on the close of business on the Last Day to Register. In addition to the above, in the case of a final redemption payment, the holder of the Individual Certificate shall be required, on or before the Last Day to Register which is immediately prior to the Redemption Date, to surrender such Individual Certificate at the offices of the Transfer Agent.

## **8.2 Uncertificated Notes**

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

## **8.3 Certificated Notes**

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

Payments of Instalment Amounts in respect of Certificated Notes will be made to the holder of such Note only following presentation and surrender by the holder of the Certificate evidencing such Certificated Note.

Payments of the final instalment of principal in respect of Certificated Notes will be made to the holder of such Note only following presentation and surrender by the holder of such Note of the Certificate evidencing such Certificated Notes.

## **8.4 Method of Payment**

Payments of interest and principal will be made in the Specified Currency by electronic funds transfer.

If the Issuer is prevented or restricted directly or indirectly from making any payment by electronic funds transfer in accordance with the preceding paragraph (whether by reason of strike, lockout, fire, explosion, floods, riot, war, accident, act of God, embargo, legislation, shortage of or breakdown in facilities, civil commotion, unrest or disturbances, cessation of labour, Government interference or control or any other cause or contingency beyond the control of the Issuer), the Issuer shall make such payment by cheque (or by such number of cheques as may be required in accordance with applicable banking law and practice) to make payment of any such amounts. Such payments by cheque shall be sent by post to:

- (a) the address of the Noteholder of Certificated Notes as set forth in the Register; or



- (b) in the case of joint Noteholders of Certificated Notes, the address set forth in the Register of that one of them who is first named in the Register in respect of that Note; or
- (c) the address of the Noteholder of Uncertificated Notes as set forth in the Register.

Each such cheque shall be made payable to the relevant Noteholder, or in the case of joint Noteholders the first one of them named in the Register. Cheques may be posted by ordinary post, provided that neither the Issuer nor the Paying Agent shall be responsible for any loss in transmission and the postal authorities shall be deemed to be the agent of the Noteholders for the purposes of all cheques posted in terms of this Condition 8.4.

In the case of joint Noteholders, payment by electronic funds transfer will be made to the account of the Noteholder first named in the Register and shall discharge the Issuer of its relevant payment obligations under the Notes.

Payments will be subject in all cases to any taxation or other laws, directives and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 10.

Holders of Uncertificated Notes shall not be required to present and/or surrender any documents of title to the Paying Agent, however, they may be required to present such other documentation as the Central Securities Depository Participant or Paying Agent (to the extent that the Central Securities Depository Participant is not the Paying Agent in terms of the Applicable Pricing Supplement) may prescribe under its then prevailing rules.

## 8.5 **Surrender of Certificates**

No payment in respect of the final redemption of any Certificated Notes shall be made until 10 (ten) calendar days after the date on which the Certificate in respect of the Certificated Notes to be redeemed has been surrendered to the Paying Agent.

Payments of interest in respect of Certificated Notes shall be made in accordance with Condition 8.4 only following presentation of the Certificate to the Paying Agent.

Payments of Instalment Amounts in respect of Instalment Notes which are Certificated Notes, shall be made by the Issuer in accordance with Condition 8.4 only following surrender of the relevant Certificate to the Paying Agent.

- (a) No payment in respect of the final redemption of a Certificated Note shall be made until the later of:
- (b) the Relevant Date; and
- (c) the date on which the Certificate in respect of the Note to be redeemed has been surrendered to the Paying Agent.

Upon final redemption as aforesaid, all unmatured interest relating to Certificated Notes (whether or not surrendered with the relevant Certificate) shall become void and no payment shall be made thereafter in respect of them.

Documents required to be presented and/or surrendered to the Paying Agent in accordance with these Terms and Conditions shall be so presented and/or surrendered at the office of the Paying Agent specified in the Applicable Pricing Supplement.

#### **8.6 Payment Day**

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

#### **8.7 Interpretation of principal and interest**

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

- (a) any additional amounts which may be payable with respect to principal under Condition 10;
- (b) the Final Redemption Amount of the Notes or the Early Redemption Amount of the Notes, as the case may be;
- (c) the Optional Redemption Amount(s) (if any) of the Notes;
- (d) in relation to Instalment Notes, the Instalment Amounts;
- (e) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined under Condition 9.5); and
- (f) any premium and any other amounts which may be payable under or in respect of the Notes, but excluding for the avoidance of doubt, interest.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 10.

### **9 REDEMPTION AND PURCHASE**

#### **9.1 At maturity**

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed in the Specified Currency by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the Applicable Pricing Supplement on the Redemption Date.

The Issuer shall be entitled to extend the Redemption Date of all or part of the Principal Amount Outstanding of Extendible Notes. If such option is exercised by the Issuer in respect of part of the Principal Amounts Outstanding of such

Extendible Notes, then the Issuer shall redeem such portion of Notes not so extended at the Partial Redemption Amount and subject to any further extension, the redemption of the balance, being the Principal Amount Outstanding will be extended to a date specified in the Applicable Pricing Supplement or otherwise notified to Noteholders. For the avoidance of doubt, the Issuer is not obliged to treat all Noteholders of Extendible Notes in the same manner.

## 9.2 **Redemption for tax reasons**

Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of Notes other than Floating Rate Notes or Indexed Notes or Mixed Rate Notes having an interest rate then determined on a floating or indexed basis) or on any Interest Payment Date (in the case of Floating Rate Notes, Indexed Notes or Mixed Rate Notes having an interest rate then determined on a floating or indexed basis), on giving not less than 30 (thirty) nor more than 60 (sixty) calendar days' notice to the Noteholders in accordance with Condition 17 (which notice shall be irrevocable), if the Issuer is of the reasonable opinion that:

- (a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided for or referred to in Condition 10 as a result of any change in or amendment to, the laws or regulations of the country of domicile (or residence for tax reasons) of the Issuer or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date; and
- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 (ninety) calendar days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. On the date of publication of any notice of redemption pursuant to this Condition 9.2, the Issuer shall deliver to the Transfer Agent and the Paying Agent at their registered offices, for inspection by any holder of Notes so redeemed, a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed for tax reasons pursuant to this Condition 9.2 will be redeemed at their Early Redemption Amount referred to in Condition 9.5, together (if appropriate) with interest accrued to (but excluding) the date of redemption.

## 9.3 **Redemption at the option of the Issuer**

If the Issuer is specified in the Applicable Pricing Supplement as having an option to redeem, the Issuer shall be entitled, having given:

- (a) the required notice set out in the Applicable Pricing Supplement to the Noteholders in accordance with Condition 17; and
- (b) not less than 7 (seven) calendar days before giving the notice referred to in (a) above, notice to the Transfer Agent,

(both of which notices shall be irrevocable) to redeem all or some of the Notes then Outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the Applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).

Any such redemption amount must be of a nominal amount equal to or greater than the Minimum Redemption Amount or equal to or less than a Higher Redemption Amount, both as indicated in the Applicable Pricing Supplement. In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemable Notes**") will be selected:

- (a) in the case of Redeemable Notes represented by Individual Certificates individually by lot; and
- (b) in the case of Redeemable Notes issued in uncertificated form in accordance with the Applicable Procedures,

and in each such case not more than 30 (thirty) calendar days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**").

A list of the serial numbers of the Certificates of Certificated Notes will be published in accordance with Condition 17 not less than 15 (fifteen) calendar days prior to the date fixed for redemption.

No exchange of Beneficial Interests in Notes issued in uncertificated form for Individual Certificates will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this Condition 9.3 and notice to that effect shall be given by the Issuer to the Noteholders in the notice to Noteholders contemplated in paragraph (a) above.

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

#### 9.4 **Redemption at the option of Senior Noteholders**

If Noteholders of Senior Notes are specified in the Applicable Pricing Supplement as having an option to redeem any Senior Notes, such Noteholders may redeem the Senior Notes represented by an Individual Certificate, by delivering to the Issuer and the Transfer Agent in accordance with Condition 17, a duly executed notice ("**Put Notice**"), at least 15 (fifteen) calendar days but not more than 30 (thirty) calendar days, prior to the applicable Optional Redemption Date. The redemption amount specified in

such Put Notice in respect of any such Senior Note must be of a nominal amount equal to or greater than the Minimum Redemption Amount or equal to or less than the Higher Redemption Amount, each as indicated in the Applicable Pricing Supplement.

The redemption of the Senior Notes issued in uncertificated form shall take place in accordance with the Applicable Procedures.

Where a Noteholder redeems the Senior Notes represented by an Individual Certificate, such Noteholder shall deliver the Individual Certificate, to the Transfer Agent for cancellation by attaching it to a Put Notice. A holder of an Individual Certificate shall specify its payment details in the Put Notice for the purposes of payment of the Optional Redemption Amount.

The Issuer shall proceed to redeem such Senior Notes (in whole but not in part) in accordance with the terms of the Applicable Pricing Supplement, at the Optional Redemption Amount and on the Optional Redemption Date, together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).

The delivery of Put Notices shall be required to take place during normal office hours of the Transfer Agent. Put Notices shall be available from the registered office of the Issuer.

The Issuer shall have no obligation to remedy any defects in any Put Notice or bring any such defects to the attention of any Noteholder and shall not be liable whatsoever for any claims or losses arising in connection with a defective or invalid Put Notice.

## 9.5 Early Redemption Amounts

For the purpose of Condition 9.2 and Condition 12 (and otherwise as stated herein), the Notes will be redeemed at the Early Redemption Amount calculated as follows:

- (a) in the case of Notes with a Final Redemption Amount equal to the Principal Amount, at the Final Redemption Amount thereof; or
- (b) in the case of Notes (other than Zero Coupon Notes) with a Final Redemption Amount which is or may be less or greater than the Issue Price, to be determined in the manner specified in the Applicable Pricing Supplement, at that Final Redemption Amount or, if no such amount or manner is so specified in the Applicable Pricing Supplement, at their Principal Amount; or
- (c) in the case of Zero Coupon Notes, at an amount (the "**Amortised Face Amount**") equal to the sum of: (i) the Reference Price; and (ii) the product of the Implied Yield (compounded semi-annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or, as the case may be, the date upon which such Note becomes due and payable, or such other amount as is provided in the Applicable Pricing Supplement.

Where such calculation is to be made for a period which is not a whole number of years, it shall be calculated on the basis of actual calendar days elapsed

divided by 365, or such other calculation basis as may be specified in the Applicable Pricing Supplement.

#### 9.6 **Instalment Notes**

Instalment Notes will be redeemed at the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 9.5.

#### 9.7 **Exchangeable Notes**

If the Notes are Exchangeable Notes, they will be redeemed, whether at maturity, early redemption or otherwise in the manner indicated in the Applicable Pricing Supplement.

Exchangeable Notes in respect of which Mandatory Exchange is indicated in the Applicable Pricing Supplement as applying, or upon the exercise by the Noteholder of the Noteholders' Exchange Right (if applicable), will be redeemed by the Issuer delivering to each Noteholder so many of the Exchange Securities as are required in accordance with the Exchange Price. The delivery by the Issuer of the Exchange Securities in the manner set out in the Applicable Pricing Supplement shall constitute the in specie redemption in full of such Notes.

#### 9.8 **Purchases**

The Issuer may at any time purchase Notes at any price in the open market or otherwise. In the event of the Issuer purchasing Notes, such Notes may (subject to restrictions of any applicable law, including the common law) be held, resold or, at the option of the Issuer, cancelled.

#### 9.9 **Cancellation**

All Notes which are redeemed will forthwith be cancelled. 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.

#### 9.10 **Late payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note, pursuant to Condition 9 or upon its becoming due and repayable as provided in Condition 12, is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (c) under Condition 9.5, as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of: (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and (ii) where relevant, 5 (five) calendar days after the date on which the full amount of the moneys payable has been received by the Central Securities Depository, and notice to that effect has been given to the Noteholders in accordance with Condition 17.

## 10 TAXATION

- 10.1 With effect from 1 March 2015, withholding tax on interest in respect of certain Debt Instruments (as defined below) is applicable to certain persons who are regarded as non-resident for tax purposes in South Africa. Should the Issuer be required to withhold any such withholding tax or make any other deduction for or on account of taxes levied in South Africa from any payments to be made to Noteholders who are non-residents, the Issuer shall not be obliged to pay any additional amounts to such non-resident Noteholders for purposes of ensuring that the net amounts received by such non-resident Noteholders shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of such Notes in the absence of such withholding or deduction.
- 10.2 As at the date of this Programme Memorandum but subject to Condition 10.1, all payments of principal and/or interest in respect of the Notes will be made without withholding or deduction for or on account of any taxes, duties, assessments or governmental charges ("**taxes**") of whatever nature imposed or levied by or in or on behalf of the country of domicile (or residence for tax reasons) of the Issuer or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. The payment of any taxes by the Issuer as an agent or representative taxpayer for a Noteholder shall not constitute a withholding or deduction for the purposes of this Condition 10.
- 10.3 In the event of any such withholding or deduction in respect of taxes being levied or imposed on interest or principal payments on Debt Instruments (as defined below after the date of this Programme Memorandum), the Issuer shall pay such additional amounts as shall be necessary in order that the net amounts received by the Noteholders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, as the case may be, in the absence of such withholding or deduction except that no such additional amounts shall be payable with respect to any Note:
- 10.3.1 held by or on behalf of a Noteholder, who is liable for such taxes in respect of such Note by reason of it having some connection with the country of domicile (or residence for tax purposes) of the Issuer other than the mere holding of such Note or the receipt of principal or interest in respect thereof; or
- 10.3.2 held by or on behalf of a Noteholder which would not be liable or subject to the withholding or deduction by complying with any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority (the effect of which is not to require the disclosure of the identity of the relevant Noteholder); or
- 10.3.3 where such withholding or deduction is in respect of taxes levied or imposed on interest or principal payments only by virtue of the inclusion of such payments in the Taxable Income or Taxable Gains (each as defined below) of any Noteholder; or
- 10.3.4 where (in the case of any payment of principal or interest which is conditional on surrender of the relevant Certificate in accordance with

these Terms and Conditions) the relevant Certificate is surrendered for payment more than 30 (thirty) calendar days after the Relevant Date except to the extent that the relevant Noteholder would have been entitled to an additional amount on presenting the Certificate for payment on such thirtieth calendar day; or

10.3.4.1 if such withholding or deduction arises through the exercise by revenue authorities of special powers in respect of tax defaulters; or

10.3.4.2 where the Noteholder is entitled to claim a tax reduction, credit or similar benefit in respect of such withholding or deduction in terms of the Noteholder's domestic tax laws or applicable double tax treaty.

10.4 For the purposes of this Condition 10.3:

10.4.1 "**Debt Instrument**" means any "**instrument**" as defined in section 24J(1) of the Income Tax Act;

10.4.2 "**Taxable Income**" means any "**taxable income**" as defined in section 1 of the Income Tax Act;

10.4.3 "**Taxable Gain**" means any "**taxable capital gain**" as defined in paragraph 1 of Schedule 8 to the Income Tax Act; and

10.4.4 "**Income Tax Act**" means the Income Tax Act, 1962, as amended.

## 11 PRESCRIPTION

The Notes will become void unless presented for payment of principal and interest within a period of three years after the Relevant Date therefor.

## 12 EVENTS OF DEFAULT

12.1 An Event of Default in relation to any Senior Notes shall occur if:

12.1.1 the Issuer fails to pay any principal or interest under the Notes on its due date for payment and such failure continues for a period of 5 (five) Business Days after written notice thereof has been delivered by any Noteholder to the Issuer; or

12.1.2 the Issuer fails to perform or observe any of its other obligations under any of the Terms and Conditions and such failure continues for a period of 15 (fifteen) Business Days after receipt by the Issuer of a notice from any Noteholder requiring same to be remedied; or

12.1.3 the Issuer, defaults in the payment of the principal or interest, or any obligations in respect of Material Indebtedness of, or assumed or guaranteed by, the Issuer, when and as the same shall become due and payable and where notice has been given to the Issuer, of the default and, if such default shall have continued for more than the notice period (if any) applicable thereto and the time for payment of such interest or principal or other obligation has not been effectively extended or if any such obligation in respect of Material Indebtedness of, or assumed or guaranteed by, the Issuer, shall have become repayable before the due



date thereof as a result of acceleration of maturity by reason of the occurrence of an event of default thereunder; or

- 12.1.4 any action, condition or thing, including the obtaining of any consent, licence approval or authorisation now or in future necessary to enable the Issuer to comply with its respective obligations under the Notes or the Programme is not taken, fulfilled or done, or any such consent, licence, approval or authorisation shall be revoked, modified, withdrawn or withheld or shall cease to be in full force and effect resulting in the Issuer being unable to perform any of its payment or other obligations under the Notes or the Programme and such failure or cessation continues for more than 15 (fifteen) Business Days after the Issuer becomes aware of such event; or
- 12.1.5 the Issuer, becomes subject to any liquidation order, whether provisional or final, or any process similar thereto or is dissolved or wound up, or if any trustee, liquidator, curator, business rescue practitioner or any similar officer is appointed in respect of the Issuer; or
- 12.1.6 any business rescue proceedings under the Companies Act is commenced against the Issuer or a meeting of the Issuer is convened to consider or pass a resolution to commence business rescue proceedings against the Issuer; or
- 12.1.7 an attachment, execution or other legal process is levied, enforced, issued or sued out on or against any Material Assets of the Issuer, and is not discharged or stayed within 20 (twenty) calendar days; or
- 12.1.8 the Issuer, initiates or consents to judicial proceedings relating to itself under any applicable compromise with creditors, liquidation, winding-up, insolvency or business rescue proceedings or other similar laws or compromises or attempts to compromise with its creditors generally (or any significant class of creditors) or any meeting of creditors is convened by the Issuer, to consider a proposal for an arrangement or compromise with its creditors generally (or any significant class of its creditors); or
- 12.1.9 the Issuer is unable to pay its debts, suspends or threatens to suspend payment of its Material Indebtedness, commences negotiations or takes any other step with a view to the deferral, rescheduling or other re-adjustment of its Material Indebtedness, proposes or makes a general assignment or an arrangement with or for the benefit of its creditors or a moratorium is agreed or declared in respect of the Material Indebtedness of the Issuer; or
- 12.1.10 proceedings are initiated against the Issuer, or any step is taken by any person with a view to the seizure, compulsory acquisition or expropriation of Material Assets of the Issuer, or
- 12.1.11 the Issuer or any Security Provider fails to perform any of its material obligations under the Security Documents of that Tranche or Series, as the case may be, and such failure remains unremedied for 15 (fifteen) Business Days after written notice thereof has been delivered by any Noteholder to the Issuer; or

- 12.1.12 any security interest granted or purported to be granted by any Security Provider pursuant to any of the Security Documents of that Tranche or Series, as the case may, becomes unenforceable for any reason whatsoever; or
- 12.1.13 any mortgage, pledge, lien or other Encumbrance, present or future, created or assumed by the Issuer, in respect of any Material Indebtedness of the Issuer, is enforced by the holder thereof; or
- 12.1.14 any final judgement in respect of a claim of more than ZAR50 000 000 (fifty million rand) in respect of the Issuer, or its equivalent in any other currency, is given by a court of competent jurisdiction against the Issuer or against the assets or revenues of the Issuer, and is not discharged or contested within 10 (ten) Business Days of the final judgement being granted; or
  - 12.1.14.1 if such judgement is appealable, fails to appeal against such judgement within the time limits provided by law or fails to diligently prosecute such appeal thereafter or ultimately fails in such appeal; and/or
  - 12.1.14.2 if such judgement is a default judgement, fails to apply for the recession thereof within the time limits prescribed by law or fails to diligently prosecute such application thereafter or ultimately fails in such application; and/or
  - 12.1.14.3 is such judgement is reviewable, fails to institute proceedings for the review thereof within the time limits provided by law or fails to diligently prosecute such proceedings thereafter or ultimately fails in such proceedings;
- 12.2 If the Issuer becomes aware of the occurrence of any Event of Default, the Issuer shall forthwith notify all Noteholders, the JSE, the Security SPV and the Rating Agency in writing and if the Notes are listed on the Interest Rate Market of the JSE, to the Noteholders through the Securities Exchange News Service (SENS).
- 12.3 Upon the happening of an Event of Default, any Noteholder may, by written notice to the Issuer and/or the Security SPV, as the case may be, at its registered office, effective upon the date of receipt thereof by the Issuer or the Security SPV, as the case may be, declare the Notes held by such Noteholder to be forthwith due and payable. Upon receipt of that notice, such Notes, together with accrued interest (if any) to the date of payment, shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 9.5). The Security SPV shall, as soon as an Event of Default comes to its notice (whether as a result of having been informed by a Noteholder or otherwise), by written notice to the Issuer declare the Notes and any amounts owing under the Notes, to be forthwith repaid by the Issuer. In the event that the Issuer fails to forthwith repay all amounts that have become due and payable under the Notes, the Security SPV shall take all necessary steps, including legal proceedings, to enforce the rights of the Noteholders under the Security Documents.
- 12.4 A holder of secured Notes shall not be entitled to enforce its rights under those Notes, but all rights of enforcement shall vest in the Security SPV, provided

that if the Security SPV refuses to enforce a Noteholder's rights, or the Security SPV is liquidated or if the Guarantee and/or Counter-Indemnity are not enforceable, then a holder of secured Notes shall be entitled to take action itself to enforce its claims directly against the Issuer.

## **12.5 Events of Default relating to Subordinated Notes**

An Event of Default shall occur in respect of Subordinated Notes if –

- 12.5.1 the Issuer fails to pay any amount of principal or interest under such Subordinated Notes on the due date for payment thereof and such failure continues for a period of 10 (ten) Business Days after written notice thereof has been delivered by any Noteholder to the Issuer; or
- 12.5.2 any one or more of the events contemplated in 12.1.3 to 12.1.4 (both inclusive) above shall have occurred and be continuing, in which event the provisions of Conditions 12.2, 12.3 and 12.4 shall apply mutatis mutandis.

## **13 DELIVERY, EXCHANGE AND REPLACEMENT OF CERTIFICATES**

- 13.1 Upon the issue of Uncertificated Notes, or upon notice from a Central Securities Depository Participant pursuant to Condition 13.3 requesting the exchange or partial exchange of a Beneficial Interest in an Uncertificated Note for an Individual Certificate(s), the Transfer Agent shall deliver the relevant Individual Certificate(s).
- 13.2 Notes of each Tranche listed on the Interest Rate Market of the JSE will be issued in the form of Uncertificated Notes and will be lodged and immobilised in the Central Securities Depository and registered in the name, and for the account, of the Central Securities Depository's Nominee.
- 13.3 Any person holding a Beneficial Interest in Uncertificated Notes may, in terms of the Applicable Procedures and through its nominated Central Securities Depository Participant, direct a written request to the Transfer Agent for an Individual Certificate representing the number of Notes to be delivered by the Issuer in exchange for such Beneficial Interest. The aggregate of the Principal Amount of the Notes represented by such Individual Certificate shall be equivalent to the amount of such Beneficial Interest. The Transfer Agent shall deliver such Individual Certificate upon such written request no later than 14 (fourteen) calendar days after receiving the written request of the holder of such Beneficial Interest in accordance with the Applicable Procedures, provided that, joint holders of a Beneficial Interest shall be entitled to receive only one Individual Certificate in respect of that joint holding and delivery to one of those joint holders shall be delivery to all of them.
- 13.4 Upon the receipt of a written request for delivery of an Individual Certificate, in terms of Condition 13.3 the Uncertificated Notes shall, in terms of the Applicable Procedures, be presented to the Transfer Agent for splitting and a new Note for the balance of the Uncertificated Notes (if any) still held by the Central Securities Depository's Nominee shall be delivered to the Central Securities Depository.
- 13.5 Individual 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 Individual Certificates and/or the transfer of Notes whether Certificated Notes or Uncertificated Notes, may be levied by other persons, such as a Central Securities Depository Participant, under the Applicable Procedures (in the case of Uncertificated Notes) and such costs and expenses shall not be borne by the Issuer. The costs and expenses of delivery of Individual Certificates otherwise than by 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.

- 13.6 A Noteholder shall be entitled to receive an Individual Certificate evidencing the Notes transferred to that Noteholder within 7 (seven) calendar days after registration of that transfer in accordance with Condition 14 (and which will apply *mutatis mutandis* to such Individual Certificate), provided that joint Noteholders will be entitled to receive only one Individual Certificate in respect of that joint holding, and the delivery to one of those Noteholders shall be delivery to all of them.
- 13.7 Any person becoming entitled to Certificated Notes or Uncertificated Notes as a consequence of the death, sequestration or liquidation of the holder of such Notes may upon producing such evidence that he holds the position in respect of which he proposes to act under this Condition 13 or of his title as the Issuer and the Transfer Agent shall require, be registered himself as the holder of such Notes or, subject to the requirements of the Applicable Procedures and of this Condition 13, may transfer such Notes. The Issuer and the Paying Agent shall be entitled to retain any amount payable upon the Notes to which any person is so entitled until such person shall be registered as aforesaid or shall duly transfer the Notes.
- 13.8 If an Individual Certificate is worn out or defaced then, within 14 (fourteen) calendar days of its presentation by the Noteholder to the Transfer Agent at the Transfer Agent's registered office, the Transfer Agent shall, on payment by the relevant Noteholder of such costs and expenses as may be incurred by the Transfer Agent in connection therewith, cancel that Individual Certificate and issue a new Individual Certificate in its place.
- 13.9 If an Individual Certificate is stolen, lost or destroyed then upon proof thereof to the satisfaction of the Transfer Agent, a new Individual Certificate in lieu thereof may be issued to the person entitled to that stolen, lost or destroyed Individual Certificate provided that the Noteholder shall provide the Transfer Agent and the Issuer with an indemnity in a form to the satisfaction of the Issuer and the Transfer Agent and pay any out-of-pocket expenses incurred in connection with the indemnity. The new Individual Certificate shall be issued within 14 (fourteen) calendar days from the date that the conditions for issuing such Individual Certificate have been fulfilled.
- 13.10 An entry as to the issue of a new Individual Certificate and indemnity (if any) shall be made in the Register (in respect of Certificated Notes) upon the date of issue of the new Individual Certificate.

## 14 TRANSFER OF NOTES

### 14.1 Certificated Notes

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

- (a) must be embodied in a Transfer Form;
- (b) must be signed by the relevant Noteholder and the transferee, or any authorised representatives of that registered Noteholder and/or transferee;
- (c) shall only be in the Specified Denomination or a multiple thereof and consequently the Issuer will not recognise any fraction of the Specified Denomination; and
- (d) must be made by way of the delivery of the Transfer Form to the Transfer Agent together with the Certificate in question for cancellation or, if only part of the Notes represented by a Certificate is transferred, a new Certificate for the balance will be issued to the transferor and the cancelled Individual Certificate will be retained by the Transfer Agent.

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

Before any transfer is registered all relevant transfer taxes (if any) must have been paid and such evidence must be furnished as the Issuer may reasonably require as to the identity and title of the transferor and the transferee.

The Transfer Agent will, within 3 (three) Business Days of receipt by it of a valid Transfer Form (or such longer period as may be required to comply with any applicable taxation or other laws, regulations or Applicable Procedures), authenticate and deliver to the transferee (at the risk of the transferee) a new Certificate in respect of the Notes transferred.

No transfer will be registered while the Register is closed.

In the event of a partial redemption of Notes under Conditions 9.3 or 9.4 the Issuer and the Transfer Agent shall not be required:

- (a) to register the transfer of any Notes during the period beginning on the tenth calendar day before the date of the partial redemption and ending on the date of the partial redemption (both inclusive); or
- (b) to register the transfer of any Note, or part of a Note, called for partial redemption.

### 14.2 Uncertificated Notes

Beneficial Interests in Uncertificated Notes held with the Central Securities Depository may be transferred only in terms of the Applicable Procedures.

Transfers of Beneficial Interests to and from clients of Central Securities Depository Participants occur by way of electronic book entry in the securities account maintained by the Central Securities Depository Participants for their clients, in accordance with the Applicable Procedures.

Transfers of Beneficial Interests among Central Securities Depository Participants occurs through electronic book entry in the central securities accounts maintained by the Central Securities Depository for the Central Securities Depository Participants, in accordance with the Applicable Procedures.

Transfers of Beneficial Interests in Notes represented by Uncertificated Notes will not be recorded in the Register and the Central Securities Depository's Nominee will continue to be reflected in the Register as the Noteholder of such Notes notwithstanding such transfers.

In the event of a partial redemption of Notes under Conditions 9.3 or 9.4 the Issuer and the

Transfer Agent shall not be required:

- (a) to register the transfer of any Notes during the period beginning on the tenth calendar day before the date of the partial redemption and ending on the date of the partial redemption (both inclusive); or
- (b) to register the transfer of any Note, or part of a Note, called for partial redemption.

## 15 REGISTER

- 15.1 The Register shall be kept at the registered office of the Transfer Agent or unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as Transfer Agent in which event that other entity shall act as Transfer Agent in respect of that Tranche or Series of Notes, then at the office of that Transfer Agent specified in the Applicable Pricing Supplement. The Register shall reflect the number of Notes issued and Outstanding and whether they are Certificated Notes or Uncertificated Notes. The Register shall contain the name, address, and bank account details of the Noteholders. The Register shall set out the Principal Amount of the Notes issued to such Noteholder and shall show the date of such issue. The Register shall show the serial number of Certificates issued in respect of Certificated Notes (if any). The Register shall be open for inspection during the normal business hours of the Issuer to any Noteholder or any person authorised in writing by any Noteholder. The Transfer Agent shall not be obliged to record any transfer while the Register is closed. The Transfer Agent shall not be bound to enter any trust into the Register or to take notice of any or to accede to any trust executed, whether express or implied, to which any Note may be subject. The Register shall be closed during the Books Closed Period.
- 15.2 The Transfer Agent shall alter the Register in respect of any change of name, address or bank account number of any of the Noteholders which it is notified in accordance with these Terms and Conditions.

## 16 **TRANSFER AGENT, CALCULATION AGENT AND PAYING AGENT**

The Issuer is entitled to vary or terminate the appointment of the Transfer Agent, the Calculation Agent and/or the Paying Agent and/or appoint additional or other agents and/or approve any change in the specified office through which any agent acts, provided that there will at all times be a Transfer Agent, Calculation Agent and Paying Agent with an office in such place as may be required by the Applicable Procedures. The Transfer Agent, Paying Agent and Calculation 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.

## 17 **NOTICES**

17.1 All notices to Noteholders will be valid if –

17.1.1 sent by registered mail or delivered by hand to their addresses appearing in the Register; or

17.1.2 published in an English language daily newspaper of general circulation in South Africa; or

17.1.3 for so long as the Notes are listed on the Interest Rate Market of the JSE or such other financial exchange upon which the Notes are listed, a daily newspaper of general circulation in the city in which the JSE or such other financial exchange is situated, and any such notices shall be deemed to have been given on the date of first publication; or

17.1.4 for so long as the Notes are listed on the Interest Rate Market of the JSE and held in their entirety by the Central Securities Depository, there may be substituted for publication as contemplated in this Condition 17.1, the delivery of the relevant notice to the Central Securities Depository and the Securities Exchange News Service of the JSE (SENS) for communication by them to the holders of Beneficial Interests in the Uncertificated Notes and any such notices shall be deemed to have been given on the date of the first publication.

17.2 A notice given to Noteholders in terms of Condition 17.1.1 shall be deemed to have been received by a Noteholder on the seventh calendar day after the calendar day on which it is mailed, and on the calendar day of delivery, if delivered.

17.3 A notice to be given by any Noteholder to the Issuer shall be in writing and given by lodging (either by hand delivery or posting by registered mail) that notice, together with a certified copy of the relevant Certificate, at the office of the Transfer Agent specified in the Applicable Pricing Supplement. In respect of Uncertificated Notes, notice may be given by any holder of a Beneficial Interest in those Notes to the Issuer via the relevant Central Securities Depository Participant in accordance with the Applicable Procedures, in such manner as the Issuer and the relevant Central Securities Depository Participant may approve for this purpose. Such notices shall be deemed to have been received by the Issuer, if delivered by hand, on the 2nd (second) Business Day after being hand delivered, or, if sent by registered mail, 7 (seven) calendar days after posting.

## 18 MEETINGS OF NOTEHOLDERS

- 18.1 A Noteholder, may by an instrument in writing (a "**form of proxy**") signed by the Noteholder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation, appoint any person (a "**proxy**" or "**proxies**") to act on his or its behalf in connection with any meeting or proposed meeting of a Class of Noteholders.
- 18.2 Any proxy appointed pursuant to Condition 18.1 or a Representative shall, so long as the appointment remains in force, be deemed for all purposes in connection with any meeting or proposed meeting of that Class of Noteholders specified in the appointment, to be the holder of the Notes to which the appointment relates and the actual beneficial holder of the Notes shall be deemed for such purposes not to be the Noteholder.
- 18.3 The proxies and Representatives need not be Noteholders.
- 18.4 Each form of proxy (or certified copy thereof) shall be deposited at such place as the Transfer Agent shall approve not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the proxies named in the form of proxy propose to vote and the form of proxy shall not be treated as valid unless the Chairman of the meeting decides otherwise before such meeting or adjourned meeting proceeds to business. The Transfer Agent shall not thereby be obliged to investigate or be concerned with the validity of or the authority of the proxies named in any such form of proxy.
- 18.5 Any vote given in accordance with the terms of a proxy shall be valid notwithstanding the previous revocation or amendment of the form of proxy or of any of the Noteholders' instructions pursuant to which it was executed provided that no intimation in writing of such revocation or amendment shall have been received by the Transfer Agent or the Issuer at its specified office (or such other place as may have been approved by the Transfer Agent for the purpose) by the time being 24 hours before the time appointed for holding the meeting or adjourned meeting at which the form of proxy is to be used.
- 18.6 The Issuer may at any time and, upon a requisition in writing of any Class of Noteholders holding not less than 20% of the aggregate Principal Amount of the Notes for the time being Outstanding in that Class of Noteholders, convene a meeting of the Noteholders and if the Issuer defaults for a period of 7 (seven) Business Days in convening such a meeting the same may be convened by the requisitionists. Whenever the Issuer or any Class of Noteholders, as the case may be, is/are about to convene any such meeting it/they shall forthwith give notice in writing to the Transfer Agent, the Arranger and the Dealer of the calendar day, time and place thereof and of the nature of the business to be transacted thereat. Every such meeting shall be held at such time and place as the Transfer Agent may approve.
- 18.7 At least 21 (twenty one) Business Days' notice (exclusive of the calendar day on which the notice is given and the calendar day on which the meeting is held) specifying the place, calendar day and hour of meeting shall be given to the Class of Noteholders (and the Issuer, if the meeting is convened by any Class of Noteholders) prior to any meeting of the Noteholders of that Class in the manner provided by Condition 17. Such notice shall state generally the Class of Noteholders which are to meet, the nature of the business to be



transacted at the meeting, the date, place and time of the meeting and the terms of any resolution to be proposed. Such notice shall include a statement to the effect that proxy forms may be deposited with the Transfer Agent for the purpose of appointing proxies not less than 24 hours before the time fixed for the meeting.

- 18.8 A person (who may 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 thirty minutes after the time appointed for holding the meeting, the Noteholders of the relevant Class present shall choose a Noteholder of that Class to be Chairman.
- 18.9 At any such meeting one or more Noteholders in that Class present or represented by proxies or Representatives and holding or representing in the aggregate not less than one third of the aggregate Principal Amount of the Notes for the time being Outstanding shall (except for the purpose of passing an Extraordinary Resolution) form a quorum for the transaction of business and no business (other than the choosing of a Chairman) shall be transacted at any meeting unless the requisite quorum be present at the commencement of business. The quorum at any such meeting for passing an Extraordinary Resolution shall (subject as provided below) be one or more Noteholders of that Class present or represented by proxies or Representatives and holding or representing in the aggregate not less than a clear majority (i.e. more than 50%) of the aggregate Principal Amount of the Notes held by the applicable Class for the time being Outstanding. At any meeting the business of which includes any of the following matters, shall only be capable of being effected after having been approved by Extraordinary Resolution namely –
- 18.9.1 modification of the Redemption Date of any Notes or reduction or cancellation of the Principal Amount payable upon maturity or earlier redemption or repayment or variation of the method of calculating the amount payable upon maturity or earlier redemption or repayment; or
- 18.9.2 reduction or cancellation of the amount payable or modification of the payment date in respect of any interest in respect of the Notes or variation of the method of calculating the Interest Rate in respect of the Notes; or
- 18.9.3 reduction or increase of any Minimum Interest Rate and/or Maximum Interest Rate specified in the Applicable Pricing Supplement of any Note; or
- 18.9.4 modification of the currency in which payments under the Notes are to be made; or
- 18.9.5 modification of the majority required to pass an Extraordinary Resolution; or
- 18.9.6 the sanctioning of any such scheme or proposal as is described in paragraph 18.21.7 below; or
- 18.9.7 alteration of this proviso or the proviso to paragraph 18.10 below;

at any meeting whose business includes any of such matters, the quorum shall be one or more Noteholders of that Class present or represented by proxies or Representatives and holding or representing in the aggregate not less than two thirds of the aggregate Principal Amount of the Notes of that Class for the time being Outstanding. An Extraordinary Resolution passed at any meeting of the holders of Notes of that Class will be binding on all holders of Notes, whether or not they are present at the meeting. No amendment to or modification of the Conditions may be effected without the written agreement of the Issuer.

- 18.10 If within thirty minutes after the time appointed for any such meeting a quorum is not present the meeting shall, if convened upon the requisition of Noteholders, be dissolved. In any other case it shall stand adjourned to such date and time being not less than 14 (fourteen) Business Days nor more than 21 (twenty one) Business Days thereafter, and at the same time and place, except in the case of a meeting at which an Extraordinary Resolution is to be proposed in which case it shall stand adjourned for such period not being less than 14 (fourteen) Business Days, and at such place as may be appointed by the Chairman and approved by the Transfer Agent. At such adjourned meeting one or more Noteholders of the applicable Class present or represented by proxies or Representatives (whatever the Principal Amount of the Notes so held or represented by them) shall (subject as provided below) form a quorum and shall (subject as provided below) have power to pass any Extraordinary Resolution or other resolution and to decide upon all matters which could properly have been dealt with at the original meeting had the requisite quorum been present, provided that at any adjourned meeting the business of which includes any of the matters specified in the proviso to paragraph 18.9 above, the quorum shall be one or more Noteholders in that Class present or represented by proxy or Representatives and holding or representing in the aggregate not less than one third of the aggregate Principal Amount of the Notes for the time being Outstanding.
- 18.11 Notice of any adjourned meeting at which an Extraordinary Resolution is to be submitted shall be given in the same manner as notice of an original meeting but as if 14 (fourteen) were substituted for 21 (twenty one) in paragraph 18.7 above and such notice shall (except in cases where the proviso to paragraph 18.10 above shall apply when it shall state the relevant quorum) state that one or more Noteholders in that Class present or represented by proxies or Representatives at the adjourned meeting whatever the Principal Amount of the Notes held or represented by them will form a quorum.
- 18.12 Except where otherwise provided, every resolution proposed to be passed at a meeting shall be decided in the first instance by a show of hands and in case of equality of votes the Chairman shall both on a show of hands and on a poll as contemplated in 18.14 below have a casting vote in addition to the vote or votes (if any) to which he may be entitled as a Noteholder or as a proxy or as a Representative.
- 18.13 At any meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman, the Issuer or by one or more Noteholders present or represented by proxies or Representatives (whatever the Principal Amount of the Notes so held by them), a declaration by the Chairman that a resolution has been carried or carried by a particular majority or not carried by a particular majority shall be conclusive evidence of the fact

without proof of the number or proportion of the votes recorded in favour of or against such resolution.

- 18.14 Subject to paragraph 18.16 below, if at any such meeting a poll is so demanded it shall be taken in such manner and subject as hereinafter provided either at once or after an adjournment as the Chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the motion on which the poll has been demanded.
- 18.15 The Chairman may with the consent of (and shall if directed by) any such meeting adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully (but for the lack of required quorum) have been transacted at the meeting from which the adjournment took place.
- 18.16 Any poll demanded at any such meeting on the election of a Chairman or on any question of adjournment shall be taken at the meeting without adjournment.
- 18.17 Any officer or director of the Issuer, and/or its nominated Representative and/or its lawyers and the Transfer Agent may attend and speak at any meeting. Save as aforesaid, but without prejudice to the proviso to the definition of "*Outstanding*", no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting of the Noteholders or join with others in requisitioning the convening of such a meeting unless he/she either produces proof acceptable to the Issuer that he/she is the Noteholder or is a proxy or a Representative. The Issuer shall not be entitled to vote at any meeting in respect of Notes held by it for the benefit of any person and no other person shall be entitled to vote at any meeting in respect of Notes held by it for the benefit of any other person unless duly authorised as contemplated herein. Nothing herein contained shall prevent any of the proxies named in any form of proxy or any representative from being a director, an officer or Representative of or otherwise connected with the Issuer.
- 18.18 Save as provided in paragraph 18.12 hereof at any meeting, on a show of hands or pursuant to a poll, every Noteholder who is present in person and produces proof acceptable to the Issuer that he/she is the Noteholder or is a proxy or a Representative shall have one vote per ZAR1 000 000's worth of Outstanding Notes (or the nearest rounded off multiple thereof) which he/she holds or which the person which he/she represents or for whom he/she acts as proxy, holds.
- 18.19 Notwithstanding any other provision contained in this Condition 18, the holder of an Uncertificated Note shall vote on behalf of holders of Beneficial Interests of such Uncertificated Notes on any resolution proposed to be passed at a meeting, in accordance with the Applicable Procedures.
- 18.20 Without prejudice to the obligations of the proxies or Representatives any person entitled to more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.

- 18.21 A meeting of a Class of Noteholders shall in addition to the powers hereinbefore given have the following powers exercisable by Extraordinary Resolution only (subject to the provisions relating to quorum contained in Conditions 18.9 and 18.10 above and subject to the provisos of any applicable statute), namely –
- 18.21.1 power to sanction any compromise or arrangement proposed to be made between the Issuer and the Class of Noteholders or any of them;
  - 18.21.2 power to approve the substitution of any entity for the Issuer which shall be proposed by the Issuer;
  - 18.21.3 power to sanction any abrogation, modification, compromise or arrangement in respect of the rights of the Class of Noteholders against the Issuer or against any of its property whether such rights shall arise under the Notes or otherwise;
  - 18.21.4 power to assent to any modification of the provisions contained in the Terms and Conditions which shall be proposed by the Issuer;
  - 18.21.5 power to give any authority or sanction which under the Terms and Conditions is required to be given by Extraordinary Resolution;
  - 18.21.6 power to appoint any persons (whether Noteholders or not) as a committee or committees to represent the interests of the Noteholders of that Class and to confer upon such committee or committees any powers or discretions which the Noteholders could themselves exercise by Extraordinary Resolution;
  - 18.21.7 power to sanction any scheme or proposal for the exchange or sale of the Notes for, or the conversion of the Notes into or the cancellation of the Notes in consideration of, shares, stocks, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any entity (corporate or otherwise) formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration for cash.
- 18.22 Any resolution passed at a meeting of a Class of Noteholders duly convened and held in accordance with the provisions hereof shall be binding upon all the Noteholders of that Class whether present or not present at such meeting and whether or not voting, and all the Noteholders of the applicable Class shall be bound to give effect thereto accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof. Notice of the result of the voting on any resolution duly considered by the Noteholders shall be published in accordance with Condition 17 of the Conditions by the Issuer within 14 (fourteen) Business Days of such result being known provided that the non-publication of such notice shall not invalidate such resolution.
- 18.23 A majority, upon a show of hands or if a poll be duly demanded then by a majority consisting of the votes given on such poll, shall be required to ordinarily pass a resolution of Noteholders.

- 18.24 Minutes of all resolutions and proceedings at every such meeting as aforesaid shall be recorded and maintained by the Transfer Agent and duly entered in books to be from time to time provided for that purpose by the Issuer and any such minutes as aforesaid if purporting to be signed by the Chairman of the meeting at which such resolutions were passed or proceedings had, shall be conclusive evidence of the matters therein contained. Until the contrary is proven every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed or proceedings had thereat to have been duly passed or had.

## 19 MODIFICATION

- 19.1 No modification of these Terms and Conditions may be effected without the written agreement of the Issuer and the JSE and compliance with the JSE Debt Listings Requirements, to the extent required. The Issuer may effect, without the consent of the relevant Class of Noteholders any modification of the Terms and Conditions which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated and the governing law in accordance with which Notes are issued. Any such modification shall be binding on the relevant Class of Noteholders and any such modification shall be notified to the relevant Class of Noteholders in accordance with Condition 17 as soon as practical thereafter. For the avoidance of doubt, the provision of any rights of security to or for the benefit of any Class of Noteholders in accordance with Condition 6.1 or the exercise by the Issuer of its rights under Condition 16 or the increase of the Programme amount in accordance with the provisions of the Programme Agreement shall not constitute a modification of these Terms and Conditions.
- 19.2 Save as provided in Condition 19.1, no modification of these Terms and Conditions may be effected unless:
- 19.2.1 formal approval of the proposed change is obtained from the JSE prior to sending the proposed change to Noteholders or obtaining the approval of Noteholders;
- 19.2.2 in writing and signed by or on behalf of the Issuer and by or on behalf of the members of the relevant Class of Noteholders holding not less than 66.67%, in nominal amount, of the Notes in that Class for the time being Outstanding; or
- 19.2.3 sanctioned by an Extraordinary Resolution.
- 19.2.4 For the purposes of 19.2.3, the Extraordinary Resolution may be:
- 19.2.4.1 sanctioned by Noteholders at a general meeting; or
- 19.2.4.2 may be voted on, in writing, by the Noteholders entitled to exercise voting rights in relation to the proposed written resolutions within 15 (fifteen) Business Days after submission of the written resolutions to Noteholders.

Any such written resolution shall be adopted if it is supported by Noteholders entitled to exercise sufficient voting rights for it to have been

adopted as an Extraordinary Resolution at a meeting of Noteholders duly constituted and held.

## **20 FURTHER ISSUES**

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

## **21 GOVERNING LAW**

The provisions of the Programme Memorandum and the Notes are governed by, and shall be construed in accordance with, the laws of the Republic of South Africa.

---

## USE OF PROCEEDS

---

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

For purposes of the Commercial Paper Regulations, it is recorded that the "*Ultimate Borrower*" as defined in the Commercial Paper Regulations, of the net proceeds from each Tranche of Notes will be the Issuer unless otherwise indicated in the Applicable Pricing Supplement.

The net proceeds from the issue of the Notes will be applied by the Issuer for general business purposes, unless otherwise indicated in the Applicable Pricing Supplement.

---

## DESCRIPTION OF THE ISSUER

---

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

### 1 BACKGROUND AND HISTORY

Investec Property Fund Limited ("**Issuer**" or "**IPF**" or "**The Fund**") is a South African Real Estate Investment Trust, which listed on the JSE in the Real Estate Holdings and Development Sector on 14 April 2011. The Issuer currently comprises a portfolio of 80 properties in South Africa with a total gross lettable area ("**GLA**") of 831 990m<sup>2</sup> valued at R8.2 billion and a R0.5 billion investment in Investec Australia Property Fund Limited ("**IAPF**"). The Issuer was formed with the purpose of investing in direct real estate, where the Directors believe there is potential for income generation and capital growth.

The Issuer was incorporated in South Africa as a public company under the name Afropulse 405 Limited on 7 May 2008 with the main business of property investment. On 1 October 2008, the Issuer's name was changed to Investec Property Fund SA Limited, and has subsequently been renamed Investec Property Fund Limited.

The Issuer has a financial year which ends on 31 March of each year.

The Issuer includes a geographic and sectoral spread of assets underpinned by strong rental income. The intention is to grow the Issuer by acquiring income producing properties that will enhance the overall capital and income returns of the Issuer in the medium to long term.

In August 2013, the Issuer converted from a property loan stock ("**PLS**") to a Real Estate Investment Trust ("**REIT**").

The attractiveness of the Issuer is reflected both in the nature and quality of the property portfolio and the proven experience and track record of Investec Property Proprietary Limited ("**the Manager**" or "**Investec Property**").

The Issuer currently holds investment properties in the retail, office and industrial sectors in South Africa. The Issuer's types of investments are restricted to -

- physical property assets, specifically investment grade income generating properties;
- securities in listed property funds or companies, and
- undivided shares in income producing properties.

The Investec Property management team has a long history of success in the listed property sector dating back to the mid-1990s. The senior management team and board is highly experienced not only in direct real estate but in the listed space as well.



The driving force behind the Fund is a combination of experienced, entrepreneurial and young professionals who are committed to achieving the Fund's objectives, while maintaining strong adherence to the principles of sound corporate governance and long- term sustainability.

In April 2011 when the Issuer listed on the JSE, the property portfolio comprised 29 properties in South Africa with a total GLA of 369 189m<sup>2</sup>, and a value of R1.7 billion. Subsequent to listing, the portfolio has grown to a value of R8.7 billion, to include 80 properties with a GLA of 831 990m<sup>2</sup> valued at R8.2 billion and a R500 million investment in IAPF as at 31 March 2015.

Since 31 March 2015, the Issuer has announced the acquisition of two portfolios (Griffin and Zenprop) for a combined value of R7.9bn.

Investment property comprises land and buildings held to generate rental income and capital growth over the long term. Should any properties no longer meet the Issuer's investment criteria the properties will then be sold and the capital redeployed.

Whilst the Issuer is an independently listed company, it shares a common ethos and ethical foundation with Investec. A common brand and culture provide the foundation for ethics and governance principles adopted by the Issuer. The Fund also recognizes the importance of the vast network that its relationship with Investec brings. The Issuer is managed and operated by the Manager in terms of an asset management and property management agreement.

On 5 June 2015, the Issuer announced an acquisition between Griffin Holdings as the seller and the Fund as the purchaser in terms of which the Fund acquired a portfolio of 22 properties for a purchase consideration of R826 million; and on 11 August 2015, the Issuer announced the intention to acquire the Zenprop Portfolio for an aggregate acquisition value of R7.06 billion at a blended yield of 7.5%. All graphs "Pre" refers to the portfolio as at 31 March 2015 before the Griffin and Zenprop acquisitions and "Post" include the Griffin and Zenprop acquisitions.

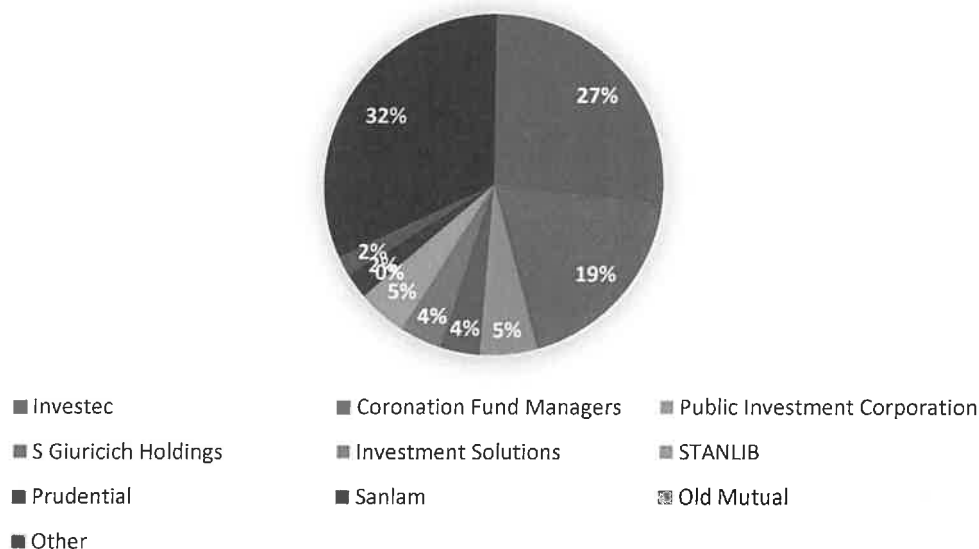
## 2 OWNERSHIP AND CONTROL

As at 26 June 2015, the Issuer's shareholding comprises of the following -

<b>Top 10 Beneficial Shareholders</b>	<b>26/06/2015</b>	<b>%</b>	<b>31/03/2015</b>	<b>%</b>
<b>Investec</b>	<b>115,183,628</b>	<b>26.93</b>	<b>148,128,784</b>	<b>33.955</b>
<b>Coronation Fund Managers</b>	<b>83,147,113</b>	<b>18.69</b>	<b>95,997,801</b>	<b>22</b>
<b>Public Investment Corporation</b>	<b>30,072,333</b>	<b>5.47</b>	<b>19,388,601</b>	<b>4.44</b>
<b>S Giuricich Holdings</b>	<b>16,817,794</b>	<b>3.93</b>	<b>17,448,666</b>	<b>4.00</b>
<b>Investment Solutions</b>	<b>17,383,714</b>	<b>4.06</b>	<b>14,626,142</b>	<b>3.35</b>
<b>STANLIB</b>	<b>21,098,813</b>	<b>4.74</b>	<b>12,252,915</b>	<b>2.81</b>
<b>Arzteversorgung Niedersachsen</b>	<b>0</b>	<b>0</b>	<b>9,645,551</b>	<b>2.21</b>
<b>Prudential</b>	<b>1,956,692</b>	<b>0.46</b>	<b>7,884,558</b>	<b>1.81</b>
<b>Sanlam</b>	<b>8,261,372</b>	<b>1.93</b>	<b>7,550,670</b>	<b>1.73</b>
<b>Old Mutual</b>	<b>8,376,056</b>	<b>1.96</b>	<b>7,381,094</b>	<b>1.69</b>
<b>Total</b>	<b>289,189,689</b>	<b>68.02</b>	<b>340,304,782</b>	<b>77.99</b>

Upon completion of the Griffin transaction, the Fund will issue Investec with 35,761,709 shares to part fund the total consideration. This will take Investec's shareholding to 31.40%.

### Top 10 Beneficial Shareholders



### 3 DESCRIPTION OF BUSINESS

The Issuer was formed with the purpose of investing in direct real estate, where the Directors believe there is potential for income generation and capital growth.

The Investec Property Proprietary Limited management team has a long history of success in the listed property sector dating back to the mid 1990s. The board and senior management team is highly experienced not only in direct real estate but in the listed space as well.

The driving force behind the Issuer is a combination of experienced, entrepreneurial and young professionals who are committed to achieving the Issuer's objective while maintaining strong adherences to the principles of sound corporate governance and long term sustainability.

The objective of the Issuer is to grow its asset base by investing in well-priced income-producing properties in the office, industrial and retail sectors to optimise capital and income returns over time for shareholders. The Issuer has executed its investment strategy with this objective in mind, which has proved successful to date. Management has and will continue to focus on its core philosophy of hands-on active management of physical property, in conjunction with efficient management of its balance sheet to enhance both the yield and the quality of the portfolio.

The Issuer acquired an initial property portfolio from the Investec Group for R1,696,500,000 as part of the initial listing of the Issuer. Subsequent to listing, the Issuer has grown its portfolio organically through acquisition with the portfolio

standing at R8.78bn at 31 March 2015. On 5 June 2015, the Issuer announced an acquisition between Griffin Holdings as the seller and the Issuer as the purchaser in terms of which the Issuer acquired a portfolio of 22 properties for a purchase consideration of R826 million; and on 11 August 2015, the Issuer announced the intention to acquire the Zenprop Portfolio for an aggregate acquisition value of R7.06 billion.

### 3.1 Analysis of property portfolio as at 31 March 2015

The Issuer currently comprises a diverse base of 80 quality retail, office and industrial properties in South Africa with a total GLA of 831,990m<sup>2</sup> valued at R8.2 billion and a R0.5 billion investment in Investec Australia Property Fund Limited ("**IAPF**").

<b>Portfolio as at 31 March 2015</b>	<b>Total</b>	<b>Office</b>	<b>Industrial</b>	<b>Retail</b>	<b>IAPF</b>
Number of properties	80	21	26	33	-
Asset Value	R8.7bn	R3.2bn	R1.5bn	R3.5bn	R0.5bn
GLA	831 990	164 159	374 114	239 717	-
Vacancy	2.8%	5.2%	3.0%	1.2%	-
WALE (years)	4.4	4.9	4.0	4.1	-

### 3.2 Analysis of Griffin and Zenprop acquisitions

The Griffin Portfolio worth R826 million is an attractive, well-located portfolio with strong property fundamentals which consists of 22 properties: 18 industrial properties, 2 office properties, and 2 motor dealerships.

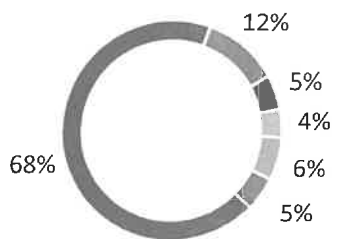
The Zenprop Portfolio worth R7.1 billion contains award winning properties, with exceptional and striking architectural designs, along with strong property fundamentals, and consists of 27 properties: 12 office properties, 11 industrial properties and 4 retail properties.

<b>Portfolio Post Zenprop and Griffin acquisitions</b>	<b>Total</b>	<b>Office</b>	<b>Industrial</b>	<b>Retail</b>	<b>IAPF</b>
Number of properties	129	35	55	39	-
Asset Value	R16.4bn	R6.4bn	R3.9bn	R5.8bn	R0.3bn
GLA	1 349 427	278 839	653 393	417 195	-
Vacancy	2.1%	3.3%	2.1%	1.4%	-
WALE (years)	4.1	4.0	4.1	3.7	-

#### 3.2.1 Geographic Spread by Gross Revenue and GLA

The majority of the property portfolio is situated in Gauteng. Going forward the Issuer will look to acquire more geographically diversified properties but this will depend on the investment opportunities that become available to the Issuer and will be based on the property fundamentals of each acquisition opportunity.

Pre - revenue

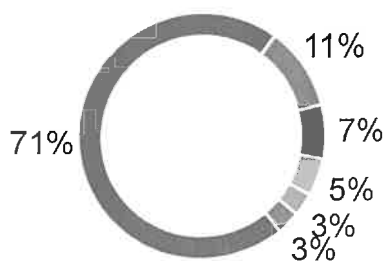


■ Gauteng ■ Kwa-Zulu Nat  
■ Free state ■ Limpopo

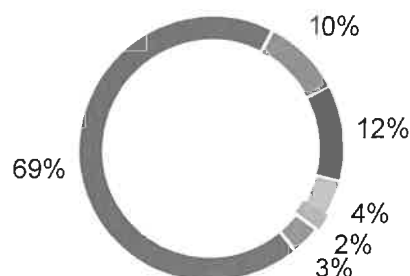
Post - revenue



Pre - GLA



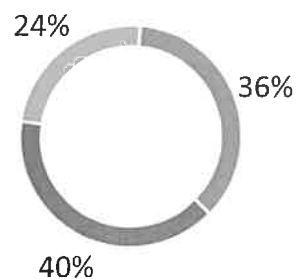
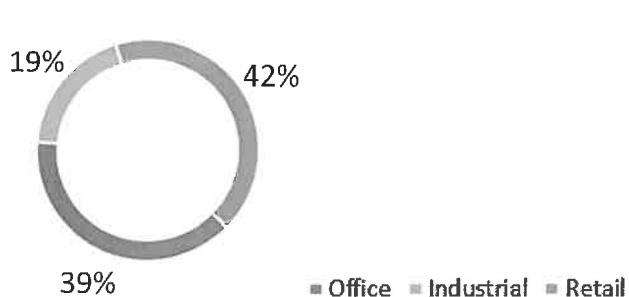
Post - GLA



### 3.2.2 Sectoral Spread

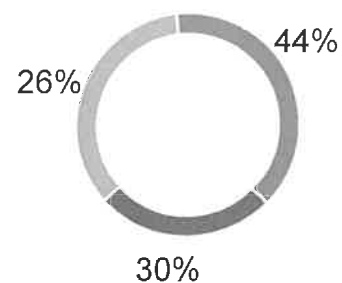
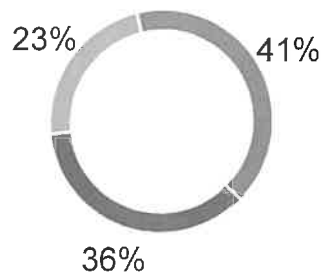
Although the graphs suggest an even diversification of assets across sectors, the Fund's acquisition decisions are on the underlying property fundamentals of each asset.

#### 3.2.2.1 By asset value

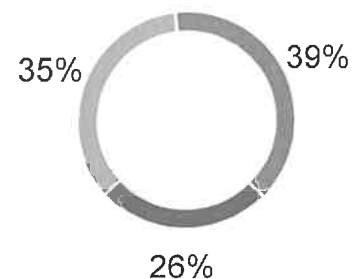
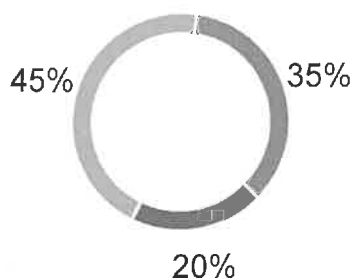


■ Office ■ Industrial ■ Retail

### 3.2.2.2 By revenue



### 3.2.2.3 By GLA



### 3.2.3 Tenant spread

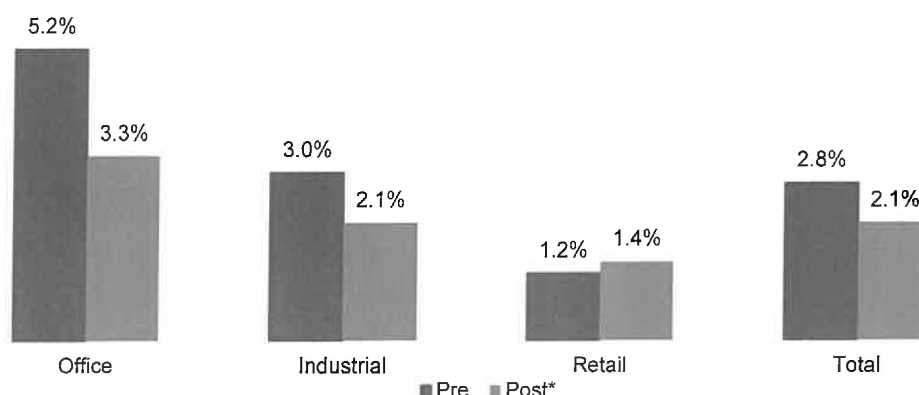
The property portfolio has a strong tenant base which is weighted toward national and listed tenants.

For the graphs below the following key is applicable -

- A Large national tenants, large listed tenants, Government and major franchises (such as Wimpy, KFC, Spur), large professionals (such as Ernst & Young Inc, KPMG, PWC, Deloitte, Edward Nathan Sonnenbergs, Bowman Gilfillan and Werksmans) and parastatals (e.g. Eskom, South African Airways, Telkom, Transnet). The Issuer considers large listed tenants to be those with a market capitalisation in excess of R2 billion. The Issuer tenants in this category include inter alia: Astral, Bidvest, Investec, Pep, Shoprite, Standard Bank, Tiger Brands, Value Logistics and Woolworths.
- B Small national tenants, listed tenants below R2 billion market capitalisation, Local Government (e.g. City of Tshwane Metropolitan Council), quasi-government, and medium professional firms (Advocates Chambers).
- C Other comprises all other tenants that do not fall into either of the other two categories.



### 3.2.4 Vacancy profile by sector



### 3.3 Title to the properties

All the properties except for one, are acquired on a freehold basis. Woolworths House is acquired on a long-term leasehold basis. This lease commenced in 1997 and will remain in place for five consecutive ten-year periods. It will be deemed to be renewed at the end of each period unless written notice is provided by the tenant, and will expire in 2047.

### 3.4 Investment strategy

The objective of the Issuer is to grow its asset base by investing in well priced income producing properties to optimise capital and income returns over time for shareholders. The Issuer may also, from time to time, redevelop properties to enhance value and support longer -term income and capital growth.

The primary objectives of the Issuer are to -

- provide an income stream through the acquisition and redevelopment of office, retail and industrial investment properties;
- invest in a well-diversified property portfolio that provides good growth opportunities;
- optimise and secure long-term distribution and capital growth; and

- allow shareholders to participate in the net income (after providing for related expenditure) by distributing significantly all the net income to shareholders.

Should the opportunity arise, the Issuer may consider the acquisition of or investment in other listed property funds that will contribute favourably over time to the capital and income returns for shareholders.

### 3.5 Growth strategy

It is the objective of the Issuer to grow its asset base by investing in fairly valued income producing properties that will enhance the overall capital and income returns of the Issuer in the medium to long term.

Redevelopment opportunities will be selectively considered.

## 4 BOARD OF DIRECTORS AND BOARD COMMITTEES

### 4.1 Details of Directors

The overall direction, supervision and management of the Issuer will be the responsibility of the board of directors of the Issuer (the "**Board**") who will be entitled to delegate certain of these functions to the Manager and the Investment Committee.

The memorandum of incorporation of the Issuer provides that the Board must comprise of no less than four directors.

At the date of this Programme Memorandum, the directors are -

Full name	Age	Capacity	Business Address
Sam Hackner	60	Non-executive chairman	100 Grayston Drive, Sandown, Sandton, 2196
Samuel R Leon	65	Non-executive deputy chairman	100 Grayston Drive, Sandown, Sandton, 2196
Nicholas P Riley	36	Chief executive officer	100 Grayston Drive, Sandown, Sandton, 2196
Andrew R Wooler	33	Chief financial officer	100 Grayston Drive, Sandown, Sandton, 2196
Graham R Rosenthal	71	Lead Independent non-executive director	1 Melford Manor 33 Melrose Street Melrose Estate Johannesburg 2196
Luigi LM Giuricich	54	Non-executive director	2 <sup>nd</sup> Floor, Rigi House 5 third street, Wynberg, 2090

Full name	Age	Capacity	Business Address
Suliman Mahomed	67	Independent non-executive director	Solly's discount world, Mahome Cnr Songozwi and Louis Trichardt, 0920 Limpopo
Constance H Mashaba	53	Independent non-executive director	14 Ellman Street Sunderland Ridge, Centurion, 0001
Moses M Ngoasheng	58	Independent non-executive director	Safika Holdings 89 Central Street, Houghton 2198
Khumo L Shuenyane	44	Independent non-executive director	95 Waterstone Estate Waterstone Drive, Benmore Garden, 2196

All the directors are experienced directors and have a clear understanding of their fiduciary duties as directors of the Issuer. The Board will at all times exercise due care and diligence in the performance of its duties in accordance with the highest possible standard.

#### 4.2 **Qualification, borrowing powers and appointment of directors**

Subject to the provisions of Applicable Laws, the directors may exercise all the powers of the Issuer to borrow money, indemnify, guarantee, mortgage or charge its undertaking, property, assets (present and future) or any part or parts thereof and to issue debentures whether secured, unsecured or subordinated and whether convertible into shares of any class or not and other securities, whether outright or as collateral security for any debt, liability or obligation of the Issuer or of any third party.

It is the intention of the Board to limit the borrowings of the Issuer to a maximum of 50% of the total value of the Property Portfolio at any particular time. In practise a lower threshold will be targeted in the range of 30% to 40%.

The directors of the Manager are appointed at the discretion of the Manager's shareholders.

The Board schedules to meet at least four times per year.

Andrew Robert Wooler has been appointed as Financial Director of the Issuer. Prior to the appointment of Mr Wooler as financial director, the Nominations Committee and Audit and Risk Committee of the Issuer considered his appointment and was satisfied that he has the appropriate expertise and experience to be appointed in such capacity.

#### 4.3 **Board meetings**

As a matter of course, unanimity will be sought at Board meetings. If a disagreement arises, the Chairman or Lead Independent Director depending on the circumstances will endeavour to reconcile the different viewpoints between the directors. If this is not successful, the matter **will** be decided in accordance with the provisions of the paragraph below.



Matters for decision by the Board will be decided by a simple majority vote. Each director will have one vote. Any director who is absent from any meeting may nominate any other director to act as his alternate and to attend, speak and vote in his place at the meeting.

The Board of the Issuer, set strategic objectives of the Issuer and determine the investment and performance criteria and are also responsible for the proper management, control compliance and ethical behaviour of the Issuer as a whole.

The Issuer's Board has clear division of responsibilities to ensure a balance of power and authorities such as no director has unfettered powers of decision making. The directors of the Manager are responsible for managing the Issuer under direction and instruction of the Issuer's Board.

#### **4.4 Company Secretary**

The Company Secretary is the company secretarial division of Investec Bank Limited which will provide the Board as a whole and directors individually with detailed guidance as to how their responsibilities should be properly discharged in the best interest of the Issuer. The Company Secretary is responsible for ensuring compliance with the listings requirements of the JSE and will provide a central source of guidance and advice to the Board, and within the Issuer, on matters of ethics and good corporate governance. Directors have access to the services and advice of the Company Secretary. The Company Secretary will be subjected to an annual evaluation by the Board. The address of the Company Secretary is 100 Grayston Drive, Sandown, Sandton, 2196.

### **Committees**

#### **4.5 Audit and Risk Committee**

The audit and risk committee comprises of four independent non-executive Directors as set out below -

- Graham Rosenthal, Lead Independent Non-Executive Director (Chairman of the Audit and Risk Committee);
- Constance Moshaba, Independent Non-Executive Director;
- Moses Ngoasheng, Independent Non-Executive Director;
- Khumo Shuenyane, Independent Non-Executive Director.

The Audit and Risk Committee will review the expertise, experience and performance of the Issuer's Financial Director annually and will report on whether or not it is satisfied therewith. The Audit and Risk Committee has determined that it is satisfied with the current expertise, experience and performance of the Issuer's financial function.

The Audit and Risk Committee will meet at least four times a year and its responsibilities include reviewing the Issuer's risk management function, internal control systems, risk philosophy, strategies and policies and risk-related performance measures and indicators. Executives and managers of the Manager responsible for finance will also be in attendance and have a

responsibility to comment on financial statements and accounting practices. The Audit and Risk Committee will also meet with the internal and external auditors, outside of meetings, as frequently as is necessary.

#### 4.6 **Remuneration Committee**

The Board is of the view that a Remuneration Committee is not required. The operations of the Fund are undertaken by the Manager; accordingly the Fund does not have any employees. The Executive Directors are employed by the Manager and are not remunerated for their services as directors of the Fund. The remuneration of the Non-Executive Directors is determined by the Board.

#### 4.7 **Investment Committee**

The Investment Committee will comprise of at least five members, of which the majority must be Independent Non-Executive Directors. The Chairperson of the Board acts as the Chairperson of the Investment Committee unless there is a potential conflict of interest when the meeting will be chaired by the Lead Independent Director, or failing him, one of the Non-Executive Directors.

The Investment Committee's roles and responsibilities include -

- Review and approve any proposed -
  - Acquisitions or disposals of investment properties or related investments;
  - Development or redevelopment opportunities;
  - Any other investments or disinvestments for which the Board may require investment committee approval;
- Ensure all investment proposals approved by them are in the best interests of the Fund;
- Assess whether any proposed deal is capable of causing significant risk, conflict of interest or embarrassment to the Fund.

The Investment Committee comprises -

- Sam Hackner (Chairman, Non-Executive)
- Sam Leon (Deputy Chairman, non-Executive)
- Luigi Giuricich (Non-Executive)
- Moses Ngoasheng (Independent Non-Executive)
- Suliman Mahomed (Independent Non-Executive)

#### 4.8 **Nominations Committee**

The Nominations Committee will comprise a minimum of 3 members, but most not exceed 6 members, the majority of which should be Independent Non-Executive Directors, having due regard to King III Report (as defined below).

The Nominations Committee members comprises –

- Sam Hackner (Non-Executive)
- Mosses Ngoasheng (Independent Non-Executive)
- Graham Rosenthal (Independent Non-Executive)

The Nominations Committee roles and responsibilities include –

- Identifying and nominating suitable candidates to fill vacancies on the Board as and when they arise;
- Determining and evaluating the adequacy, efficiency and appropriateness of the corporate governance structure and practices;
- Establishing and maintaining a Board directorship continuity programme to –
  - Review the performance of an planning for successors for the executive directors and chairperson of the Board;
  - Ensure the continued presence of Non-Executive Directors;
  - Conduct an annual self-assessment of the Board as a whole as well as the contribution of each individual director;
- Regularly reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board;
- Making recommendations to the Board with regard to any proposed Board changes;
- Making recommendations to the Board for the retention of a current director;
- Assisting the Board in defining the role of the LID as required by King III Code;
- Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of commitment and committee service; and
- Performing such further functions as may be required.

The Nominations Committee has delegated the duty of ensuring compliance with all applicable laws, regulations and codes of conduct and practices to the Company's Audit and Risk Committee. The Audit and Risk Committee will provide assurance to the Nominations Committee that all these requirements have been met.

## 5 CORPORATE GOVERNANCE AND REGULATORY FRAMEWORK

The King Report on Corporate Governance for South Africa, 2009 ("**King III Report**") distinguishes between statutory provisions, voluntary principles and recommended practices. The King III Report provides best practice

recommendations, whereas the Code of Corporate Practices and Conduct set out in the King III Report ("**King Code**") provides the principles that all entities should apply. In keeping with the principle of "apply or explain", the Issuer aims to comply as far as possible with the King Code and to explain how it will achieve those principles that it does not comply with. This is a constantly evolving process and remains foremost as a strategic goal.

The Board is of the opinion that, in the year under review, the Issuer has fully complied with King III, except for the following instances of non-compliance -

- the chairman of the Board is not independent, however a Lead Independent Director was appointed in the form of an independent non-executive director, as required in the case where the chairman is not independent;
- the audit committee does not ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities; and
- the Issuer does not currently apply the principle of independent assurance of the sustainability reporting and disclosure by an external expert, however this report has been overseen by the audit committee.

## 6 **MANAGEMENT STRATEGY**

### 6.1 **Management of the Issuer**

The Manager has been appointed by the Issuer in terms of the Asset Management and Property Management Agreement, to provide the Asset Management Services and the Property Management Services to the Issuer.

The Issuer is managed by the Manager in terms of the Asset Management and Property Management Agreement. The management team of the Manager has significant experience and a reputable track record in the creating, managing and developing of large property funds. This management team will be responsible for managing the Issuer in an efficient manner, diligently and in good faith in accordance with acceptable and prevailing industry standards, within an approved budget, so as to obtain the optimum long-term yield and capital growth of the Issuer.

The Manager is a wholly-owned subsidiary of Investec.

The Asset Management and Property Management Agreement shall be for an initial period of seven years and in the event of breach, may be terminated on six months' notice by the Issuer with the approval of a majority of the votes cast by shareholders (excluding the votes of any shareholders who are related parties of the Manager and their associates) in a general meeting of the Issuer called by the Issuer or the shareholders.

During the contract period, if the Manager is not in default and shareholders require the termination of the Asset Management and Property Management Agreement, the Manager shall be entitled to sell the asset management business to the Issuer which shall be obliged to purchase the business for fair market value. Fair market value shall be an amount determined as equivalent to the anticipated aggregate fees payable to the Manager in terms of the Asset Management and Property Management Agreement for the year following the

date of termination, determined by multiplying the last month's fees payable prior to the date of termination by 12, capitalized at a rate equivalent to the forward yield of the Issuer determined as at the date of termination. In the event of any dispute between the parties as to the calculation of the termination purchase price the dispute shall be referred to an expert for determination.

## **7 FINANCIAL PERFORMANCE**

Potential investors are hereby referred to the Issuer's financial statements incorporated herein by reference and available at [www.investecpropertyfund.com](http://www.investecpropertyfund.com) and/or at the Issuer's registered office as set out at the end of this Programme Memorandum, for a summary of the Group's financial performance.

---

## **RISK FACTORS**

---

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

The Issuer believes that the factors outlined below may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

### **Risk Management Approach**

The Issuer's comprehensive risk management process involves identifying, quantifying, managing and mitigating the risks associated with the business.

Risk awareness, control and compliance are embedded in all the Issuer's day-to-day activities. Investec Group Risk Management monitors, manages and reports on the Issuer's risks to ensure it is within the stated risk appetite as mandated by the Board of directors through the operational risk function.

The Issuer is ultimately responsible for specific risks that arise.

The Issuer monitors and controls risk exposure through Operational, Compliance and Legal Risk reporting teams. This approach is core to assuming a tolerable risk and reward profile, helping the Issuer to pursue sustainable growth across its business.

### **Operational risk**

The Issuer endeavours to manage operational risk exposures and events by maintaining and embedding an operational risk management framework which supports sound operational risk management practices.

Policies and procedures are developed at an Investec group level to ensure that operational risk is managed in an appropriate and consistent manner. The embedded risk managers ("**ERMs**") manage operational risk through review, challenge and escalation of issues. Significant risk exposures and events are subject to action and escalation by the ERMs in terms of the operational risk appetite policy. This policy sets out the operational risk exposure that the group is willing to accept or retain.

With oversight from the Board, management implements and embeds policies and procedures to manage operational risk and ensures alignment with the approved risk appetite.

### **Insurance**

The Issuer maintains the requisite insurance to cover key insurable risks. The insurance process and Risk Management and Group Insurance Risk Management ensure that there is an exchange of information in order to enhance the mitigation of operational risks.

## **Business continuity management**

In the event of a major disruption, an incident management framework is used to manage the disruption. Continuity is achieved through an orchestrated response, which includes relocating impacted business to the designated recovery site(s). Dedicated resources ensure all governance processes are in place with business and technology teams responsible for activating and managing the recovery process.

The Issuer conducts regular exercises and testing of recovery procedures to ensure that its recovery capability remains appropriate.

## **Legal risk management**

Legal risk is the risk of loss resulting from any of the Issuer's rights not being fully enforceable or from the Issuer's obligations not being properly performed. This includes the Issuer's rights and obligations under contracts entered into with counterparties.

The Issuer seeks to actively mitigate these risks by identifying them, setting minimum standards for their management and allocating clear responsibility for such management to legal risk managers, as well as ensuring compliance through proactive monitoring.

Overall responsibility for this policy rests with the Board. The Board delegates responsibility for implementation of the policy to the head of legal risk.

Risk	Impact	Mitigation
<b>Operational risk due to inadequate or failed internal processes</b>	Loss or volatility of earnings	<ul style="list-style-type: none"> <li>Promotion of appropriate and relevant operational risk management practices</li> </ul>
<b>Business continuity risk</b>	Loss of important management information, delays in billing and collections in revenue or payment of expenditure resulting in client queries and inaccurate expenses with the property management companies	<ul style="list-style-type: none"> <li>The [Manager] forms part of the Investec global business continuity management capability which focuses on building an appropriate level of resilience into Investec's operations</li> <li>to mitigate the risk of severe operational disruptions occurring and with information security being a key area of focus. Regular testing exercises are conducted annually, to ensure that its recovery capability remains appropriate.</li> <li>The property management process is sub-contracted to the various property management companies, which adopt a similar process to mitigate the risk of operational disruptions at its business. The Issuer has confirmed these processes with the property management companies.</li> </ul>
<b>Interest rate risk</b>	Movements in interest rates will result in increased borrowing costs, and hence reduce the distributable earnings	<ul style="list-style-type: none"> <li>At least 75% of the borrowings are hedged using interest rate swaps</li> <li>Monitoring of the costs of borrowings and restructuring the borrowings whenever appropriate.</li> </ul>
<b>Liquidity risk</b>	Loss of important management information, delays in billing and collections in revenue or payment of expenditure resulting in client queries and inaccurate expenses	<ul style="list-style-type: none"> <li>Manage the Issuer's cash flows and monitor the liquidity needs via accurate forecasts of cash requirements</li> <li>Manage the maturity of debt to ensure evenly spread</li> <li>Ensure there is a contingency funding plan (the R500 million bridge loan facility).</li> </ul>



Risk	Impact	Mitigation
<b>Investment risk</b>	<ul style="list-style-type: none"> <li>• Buying properties at prices above market rates</li> <li>• Making investments where the yield does not cover the cost of financing</li> <li>• Capital erosion</li> <li>• Reduction of distributable earnings</li> </ul>	<ul style="list-style-type: none"> <li>• Investment committee reviews and approves all investments with reference to internal valuations and forecasts</li> <li>• Detailed due diligence process</li> <li>• Ensuring a fairly conservative approach seeking to acquire properties that offer good value with consistent and reliable income streams.</li> </ul>
<b>Poor service from the property managers (Broll, Finlays, Periscopic and Hermans and Romans)</b>	<p>Client dissatisfaction and non-renewal of leases</p>	<ul style="list-style-type: none"> <li>• Service level agreements with the property managers outlining minimum service levels expected</li> <li>• Constant and open communication with the property managers to ensure their goals are aligned with those of the Issuer</li> <li>• Communication with clients to identify any deficiencies in the quality of service.</li> </ul>
<b>Vacancies</b>	<ul style="list-style-type: none"> <li>• Loss of revenue</li> <li>• Decreased distributable earnings</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring the tenancy schedules to ensure vacancies are known about in advance</li> <li>• Asset managers continually looking for prospective clients and meeting their needs</li> </ul>
<b>Lease expiries concentrated in a single period</b>	<ul style="list-style-type: none"> <li>• Erosion of rental income and increases in property holding costs</li> <li>• Increases in tenant installation and letting commissions</li> <li>• Potential of discounting the rental rates to below market rates</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring the lease expiry profiles</li> <li>• Concentration of management on tenant retention and renewals</li> <li>• Dedicated team of external brokers focused on securing long-term leases.</li> </ul>
<b>Reputational risk and conflicts of interest</b>	<ul style="list-style-type: none"> <li>• Reputation tarnished and return to shareholders reduced</li> <li>• Investments inappropriate due to conflicts of interests</li> </ul>	<ul style="list-style-type: none"> <li>• Board of directors committed to integrity and honesty</li> <li>• Board-approved policy statement in place to ensure that the Issuer complies with all relevant public disclosure obligations and upholds the Board's communication and disclosure philosophy</li> <li>• Investment committee comprises a majority of</li> </ul>

Risk	Impact	Mitigation
<b>Property damage or destruction risk</b>	<ul style="list-style-type: none"> <li>• Unforeseen damage to properties could increase expenses and thus reduce the distributable earnings</li> </ul>	<p>independent directors to mitigate any potential conflicts of interest that may arise when considering acquisition opportunities from the Investec group.</p> <ul style="list-style-type: none"> <li>• The [Manager] maintains adequate insurance to cover key insurable risks of the Issuer</li> </ul>
<b>Regulatory and compliance risk</b>	<ul style="list-style-type: none"> <li>• Potential non-compliance with any regulatory requirements may result in reputational risk and possible penalties</li> </ul>	<ul style="list-style-type: none"> <li>• The Board members endeavour to comply with the highest professional standards of integrity and behaviour, which builds trust</li> <li>• The Investec Group Compliance and Group Legal functions ensure that the Issuer and the [Manager] continuously comply with existing and emerging regulations that impact on its operations.</li> </ul>
<b>Information security risk</b>	<ul style="list-style-type: none"> <li>• Leaks of information could result in reputational risk and loss of clients</li> </ul>	<ul style="list-style-type: none"> <li>• Strong controls are in place over information systems and data management</li> <li>• Group ERM focuses on ensuring confidentiality, integrity and integrity of information.</li> </ul>
<b>Foreign exchange risk</b>	<ul style="list-style-type: none"> <li>• Volatility of distributions from investments in foreign entities declaring distributions in currencies other than Rands</li> </ul>	<ul style="list-style-type: none"> <li>• Hedging strategies are implemented by taking out forward exchange contracts and swap derivatives to offset currency variation.</li> </ul>
<b>Business continuity</b>	<ul style="list-style-type: none"> <li>• Major disruption to business or technology</li> </ul>	<ul style="list-style-type: none"> <li>• An incident management framework which achieves continuity through an orchestrated response and relocation of the impacted business to a designated recovery site.</li> <li>• The group conducts regular exercises and testing of recovery procedures</li> </ul>

Risk	Impact	Mitigation
<b>Legal risk</b>	<ul style="list-style-type: none"> <li>• Rights not being enforceable or obligations not performed properly including under contracts with counterparties</li> </ul>	<ul style="list-style-type: none"> <li>• Identification of risks</li> <li>• Setting minimum standards for management</li> <li>• Setting clear responsibility to legal risk managers who report to the Board.</li> </ul>

## Capital Management

In terms of its Memorandum of incorporation, the Issuer has unlimited borrowing capacity. The Issuer is funded partly by stated share capital and partly by external borrowings.

In terms of its covenants entered into during the year, the Issuer is committed to a maximum value of external borrowings of 50% of the value of investment property and investment assets. In practice, the Issuer aims to keep gearing levels between 30% and 40% over the long term. At 31 March 2015, the nominal value of borrowings was equal to 23.6% of the value of investment property.

The Board's policy is to maintain a strong capital base, comprising its shareholders' interest, so as to promote investor, creditor and market confidence and to sustain future development of the business. It is the Issuer's stated purpose to deliver medium to long-term sustainable growth in distributions per share. All net profits are distributed on a six-monthly basis. The Board monitors the level of distributions to shareholders and ensures that no profits of a capital nature are distributed. There were no changes in the Issuer's approach to capital management during the year. The company is not subject to externally imposed capital requirements.

---

## SETTLEMENT, CLEARING AND TRANSFERS OF NOTES

---

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

### Uncertificated Notes

Uncertificated Notes listed on the Interest Rate Market of the JSE will be registered in the name, and for the account of the Central Securities Depository's Nominee, which forms part of the settlement system of the Interest Rate Market of the JSE. The Central Securities Depository's Nominee will be the sole Noteholder in respect of the Uncertificated Notes.

The Central Securities Depository holds Uncertificated Notes subject to the Financial Markets Act and the Rules of the Central Securities Depository. The Rules of the Central Securities Depository as at the date of this Programme Memorandum have most recently been updated by the Registrar of the Securities Services in Government Gazette No. 35517 of 20 July 2012.

While the Uncertificated Notes are held in the Central Securities Depository, the Central Securities Depository's Nominee will be reflected as the Noteholder in the Register. Accordingly, in terms of the Terms and Conditions relating to the Uncertificated Notes, all amounts to be paid and all rights to be exercised in respect of the Uncertificated Notes held in the Central Securities Depository, will be paid to and may be exercised only by the Central Securities Depository's Nominee, for the holders of Beneficial Interests in the Uncertificated Notes held by the Central Securities Depository.

The Central Securities Depository maintains accounts only for the Central Securities Depository Participants who are also approved settlement agents of the JSE. As at the date of this Programme Memorandum, the Central Securities Depository Participants which are approved by the Interest Rate Market of the JSE as Settlement Agents to perform electronic settlement of funds and script are the South African Reserve Bank, Société Générale, Johannesburg branch, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited, Citibank N.A., South Africa branch and Standard Chartered Bank, Johannesburg branch. The Central Securities Depository Participants are in turn required to maintain securities accounts for their clients. The Central Securities Depository Participants are in turn required to maintain securities accounts for their clients. The clients of Central Securities Depository Participants may include the holders of Beneficial Interests or their custodians. The clients of Central Securities Depository Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Uncertificated Notes held by them in the Central Securities Depository only through the Central Securities Depository Participants. Euroclear Bank SA/N.V., as operator of the Euroclear System and Clearstream Banking société anonyme (Clearstream, Luxembourg) may hold Uncertificated Notes through their JSE Settlement Agent, which is currently The Standard Bank of South Africa Limited.

Transfers of Beneficial Interests in the Central Securities Depository to and from clients of Central Securities Depository Participants, who are also Settlement Agents, occur by electronic book entry in the securities accounts of the clients with Settlement Agents. Transfers among Central Securities Depository Participants of Uncertificated Notes held

in the Central Securities Depository occur through electronic book entry in the Central Securities Depository Participant's central security accounts with the Central Securities Depository.

Beneficial Interests in Uncertificated Notes held may be exchanged for Individual Certificates in accordance with the Terms and Conditions.

Payments of interest and principal in respect of Uncertificated Notes held in the Central Securities Depository and registered in the name of the Central Securities Depository's Nominee, will be made in accordance with Condition 8 of the Terms and Conditions to the Central Securities Depository or such other registered holder of the Uncertificated Notes as shown in the Register and the Issuer will be discharged of its payment obligations under the Uncertificated Note by proper payment to, or to the order of the registered holder of the Uncertificated Note in respect of each amount so paid. Each of the persons shown in the records of the Central Securities Depository and the Central Securities Depository Participants as the holders of Beneficial Interests, as the case may be, shall look solely to the Central Securities Depository or the Central Securities Depository 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 Uncertificated 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.

### **Certificated Notes**

All Notes not being Uncertificated Notes shall be issued in definitive form and represented by Individual Certificates.

Title to Certificated Notes issued in the definitive form will pass upon registration of transfer in the Register. The Issuer shall regard the Register as a conclusive record of title to the Certificated Notes.

Payments of Interest and principal in respect of Individual Certificates in respect of Certificated Notes will be made to Noteholders in accordance with Condition 8.

---

## **SOUTH AFRICAN TAXATION**

---

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

***The information contained below is intended to be a general guide to the relevant tax laws of South Africa as at the date of this Programme Memorandum and is not intended as comprehensive advice and does not purport to describe all of the considerations that may be relevant to a prospective purchaser of Notes. Prospective investors in Notes should consult their own professional advisers in regard to the purchase of Notes and the tax implications thereof. Accordingly, the Issuer makes no representation and gives no warranty or undertaking, express or implied, and accepts no responsibility for the accuracy or completeness of the information contained in this paragraph. The information contained below sets out guidelines on the current position regarding South African taxation for taxpayers who hold the Notes as capital assets. Investors in these Notes should consult their own 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.

### **3 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.

#### 4 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.

#### 5 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.

#### 6 INCOME TAX: INTEREST

##### 6.1 Nature of any original issue discount or premium

Any original issue discount to the face value of the Notes will be treated as interest for tax purposes and will be deemed to accrue under section 24J of the Income Tax Act, 1962 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.

##### 6.2 Tax on interest on Notes

Under current taxation law in South Africa -

- (a) a person who is tax resident in South Africa will, subject to any available exemptions, be taxed on their worldwide income including all interest on the Notes; and
- (b) a person not tax resident in South Africa will be exempt from tax in South Africa on any interest received or accrued on the Notes, unless that person -
  - (i) is a natural person who was physically present in South Africa for a period exceeding 183 days in aggregate in the tax year; or

- (ii) at any time during this tax year carried on business through a permanent establishment in South Africa.

As from 1 March 2015, a withholding tax on interest applies in relation to interest received by or accrued to foreign Noteholders, subject to any available tax treaty relief, and provided the interest is not subject to normal tax in terms of the rule explained above. The withholding tax will also not apply to Noteholders who are controlled foreign companies. In respect of listed Notes, the interest on such Notes will, however, be exempt from the withholding tax on interest.

## 7 PROFITS ON DISPOSAL OTHER THAN INTEREST

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

Capital gains are taxable at normal tax rates, but in the case of a natural person only one-third of the gain is taxable, and in the case of companies and trusts, two-thirds of the capital gain is taxable.

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.

## 8 VALUE-ADDED TAX

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

Commissions, fees or similar charges raised for the facilitation of these services will be subject to VAT at the standard rate (currently 14%), except where the recipient is a non-resident for tax purposes, in which case a zero rate may apply.



---

## SUBSCRIPTION AND SALE

---

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

The Notes will be distributed by the Dealer and/or any person appointed as dealer by the Issuer in terms of the Programme Agreement dated on or about 5 April 2012 relating to the Programme.

The Notes may be distributed by private placement or public auction.

### Republic of South Africa

The Issuer and the Dealer have represented and agreed that they will not solicit any offers for subscription for the Notes in contravention of the Companies Act or the Banks Act, 1990, the Exchange Control Regulations and/or any other applicable laws or regulations of South Africa in force from time to time.

### United States of America

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended ("**the Securities Act**") and may not be offered or sold within the United States or to, or for the account 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, each of the Issuer and the Dealer will be required to represent and agree that -

- (i) the Notes in that Tranche have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, US persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;
- (ii) it has not offered, sold or delivered any Notes in that Tranche and will not offer, sell or deliver, any Notes in that Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 (forty) calendar days after completion of the distribution, as determined and certified by the Dealer of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, US persons;
- (iii) it will send to each dealer to which it sells any Notes in that Tranche during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of such Notes within the United States or to, or for the account or benefit of, US persons; and
- (iv) it, its affiliates and any persons acting on its or any of its affiliates behalf have not engaged and will not engage in any directed selling efforts with respect to the Notes in that Tranche and it, its affiliates and any persons acting on its or any of

its affiliates' behalf have complied and will comply with the offering restrictions requirements of Regulation S.

Until 40 (forty) calendar 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, each of the Issuer and the Dealer will be required to represent and agree that -

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as 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 the Notes would otherwise constitute a contravention of section 90 of the Financial Services and Markets Act, 2000 ("**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 circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

### European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), the Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (a) if the applicable final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Public Offer**"), following the date of publication of a prospectus in relation to those Notes which has been approved by the competent authority in that Relevant Member State in accordance with the Prospectus Directive or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by

the applicable final terms contemplating such Public Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or such final terms, as applicable and the issuer has consented in writing to its use for the purpose of that Public Offer;

- (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 Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer;
- (c) at any time to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43,000,000; and (iii) an annual net turnover of more than €50,000,000 as shown in its last annual or consolidated accounts; or
- (d) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) and (c) above shall require the Issuer or Dealer to publish a prospectus pursuant to Article 3 of the Prospective 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), as amended, superseded or re-instated and includes any relevant implementing measure in each Relevant Member State.

## General

Prior to the issue of any Tranche of Notes under the Programme, each 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 subscriptions for, offers or sells Notes in that Tranche or has in its possession or distributes this Programme Memorandum and will obtain any consent, approval or permission required by it for the purchase, subscription, offer or sale by it of Notes in that Tranche under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, subscriptions, offers or sales.

Each 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 represents 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.

---

## **SOUTH AFRICAN EXCHANGE CONTROL**

---

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

The comments below are intended as a general guide to the 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 investor in any Notes. Prospective investors in Notes who are non-South African residents or who are emigrants from the Common Monetary Area are urged to seek further professional advice in regard to the subscription for, or purchase of any Notes.

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

Dealings in the Notes and the performance by the Issuer of its obligations under the Notes may be subject to the Regulations.

#### **Blocked Rand**

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

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

Any Individual Certificates issued to Noteholders who are emigrants from the Common Monetary Area will be endorsed "emigrant". Such restrictively endorsed Individual Certificates will be deposited with an authorised foreign exchange dealer controlling such emigrant's blocked assets.

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

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

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

In terms of the Regulations, non-residents of the Common Monetary Area may invest in the Notes.

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 Central Securities Depository Participants, the securities account of such Noteholder will be designated as a "*non-resident*" account.

It will be incumbent on any such non-resident to instruct the non-resident's nominated or authorised dealer in foreign exchange as to how any funds due to such non-resident in respect of Notes are to be dealt with. Such funds may, in terms of the Regulations, be remitted abroad only if the relevant Notes are acquired with foreign currency introduced into South Africa and provided that the relevant Certificate or securities account is designated "non-resident".

For the purposes of these paragraphs –

**"Common Monetary Area"** comprises South Africa, the Republic of Namibia, the Kingdom of Lesotho and the Kingdom of Swaziland; and

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

---

## GENERAL INFORMATION

---

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

### Authorisation

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

### Listing

The Programme has been registered with the Interest Rate Market of the JSE. Notes issued under the Programme may be listed on the Interest Rate Market of the JSE or such other or further exchange(s) as may be selected by the Issuer. Unlisted Notes may also be issued under the Programme.

### Documents Available

So long as Notes are in issue under the Programme, copies of the documents incorporated under the section headed "*Documents Incorporated by Reference*" will, when published, be available from the registered office of the Issuer as set out at the end of this Programme Memorandum. This Programme Memorandum, together with any supplement and/or amendment thereto and the Applicable Pricing Supplements for listed Notes will also be available on the Issuer's website at [www.investecpropertyfund.com](http://www.investecpropertyfund.com). In addition, this Programme Memorandum together with any supplement and/or amendment thereto and the Applicable Pricing Supplements for listed Notes will be filed with the JSE which will publish such documents on its website at <http://www.jse.co.za>.

### Clearing Systems

The Notes listed on the Interest Rate Market of the JSE as well as unlisted Notes that are held by the Central Securities Depository will be cleared and settled in accordance with the rules of the JSE and the Central Securities Depository System, or their successors. The Notes may also be accepted for clearance through any additional clearing system as may be selected by the Issuer.

### Settlement Agents

As at the date of this Programme Memorandum, the JSE-recognised Settlement Agents, who are also Central Securities Depository Participants, are The South African Reserve Bank, Société Générale, Johannesburg branch, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited, Citibank N.A., South Africa Branch and Standard Chartered Bank, Johannesburg Branch. Euroclear and Clearstream, Luxembourg will settle offshore transfers through South African Settlement Agents.

## Material Change

As at the date of this Programme Memorandum, and after due and careful enquiry, there has been no material change in the financial or trading position of the Issuer since the date of its latest audited financial statements or unaudited interim financial statements, as the case may be, to the date of the Programme Memorandum. No auditors have been involved in making the aforementioned statement.

## Litigation


Save as disclosed herein, the Issuer is not engaged (whether as defendant or otherwise) in any legal, arbitration, administration or other proceedings, the results of which if adversely decided might have or have had a material effect on the financial position or the operations of the Issuer, nor is it aware of any such proceedings being threatened or pending.

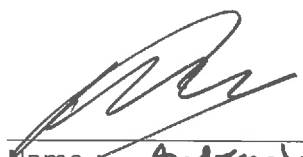
## Auditors

Ernst & Young Inc will act as the auditors of the financial statements of the Issuer for each of the financial years occurring after the date of this Programme Memorandum.

Signed at SANDTON this 11<sup>th</sup> day of NOVEMBER 2015.

For and on behalf of  
**INVESTEC PROPERTY FUND LIMITED**

  
Name : NICHOLAS RILEY  
Capacity : Director  
Who warrants that his/her authority hereto

  
Name : Andrew Wades  
Capacity : Director  
who warrants his/her authority hereto

### **ISSUER**

**Investec Property Fund Limited**  
(Registration Number 2008/011366/06)  
100 Grayston Drive  
Sandown  
Sandton  
2196  
Contact: Andrew Wooler  
E-mail: Andrew.Wooler@investec.co.za

### **ARRANGER AND DEALER**

**Investec Bank Limited**  
(Registration Number 1969/00463/06)  
100 Grayston Drive  
Sandown  
Sandton  
2196  
Contact: Louis Dirker  
Tel: +27 (0) 11 286 7799  
E-mail: Louis.Dirker@investec.co.za

### **CALCULATION AGENT, PAYING AGENT AND TRANSFER AGENT**

**Investec Bank Limited**  
(Registration Number 1969/00463/06)  
100 Grayston Drive  
Sandown  
Sandton  
2196  
Contact: Louis Dirker  
Tel: +27 (0) 11 286 7799  
E-mail: Louis.Dirker@investec.co.za

### **LEGAL ADVISERS TO THE ARRANGER, DEALER AND ISSUER**

**Werksmans Incorporated**  
(Registration Number 1990/007215/21)  
155 – 5th Street  
Sandown  
Sandton, 2196  
South Africa  
Contact: Mr R Roothman/Ms T L Janse van Rensburg

### **AUDITORS TO THE ISSUER**

**Ernst & Young Inc**  
Wanderer's Office Park  
52 Corlett Drive  
Illovo  
Johannesburg  
South Africa  
Contact: Rosanne de Lange  
Tel: +27 (0) 11 772 3817  
E-mail: Rosanne.delange@za.ey.com



**DEBT SPONSOR**

**Investec Bank Limited**

(Registration Number 1969/004763/06)

100 Grayston Drive

Sandown

Sandton

2196

Contact: Louis Dirker

Tel: +27 (0) 11 286 7799

E-mail: Louis.Dirker@investec.co.za