

Programme Memorandum dated 16 March 2012




**Eqstra Corporation  
(Proprietary) Limited**

*(Incorporated in South Africa with limited liability under registration number 1984/007045/07)*  
unconditionally and irrevocably guaranteed by Eqstra Holdings Limited and the Subsidiary Guarantors

**R8 000 000 000 Domestic Medium Term Note Programme**

**NEDBANK  
CAPITAL**  
*Co-lead Arranger*

  
**ABSA CAPITAL**  
Affiliated with  **BARCLAYS  
CAPITAL**  
*Co-lead Arranger*

**WEBBER WENTZEL | ALN**   
*Attorneys to the Issuer and  
Co-lead Arrangers*

 **RAND  
MERCHANT  
BANK**  
A division of FirstRand Bank Limited  
**Debt Sponsor**

**Dealers**

**Absa Capital,  
a division of Absa Bank Limited**

**FirstRand Bank Limited,  
acting through its division, Rand Merchant Bank**

**Nedbank Limited,  
acting through its division, Nedbank Capital**

**The Standard Bank of South Africa Limited,  
acting through its division, Corporate and Investment Banking**

## PROGRAMME MEMORANDUM

### EQSTRA CORPORATION (PROPRIETARY) LIMITED

*(Incorporated with limited liability in South Africa under registration number 1984/007045/07)*

unconditionally and irrevocably guaranteed by Eqstra Holdings Limited ("**Eqstra Holdings**") and by the  
Subsidiary Guarantors

### R8 000 000 000 Domestic Medium Term Note Programme

The Subsidiary Guarantors have agreed to jointly and severally, irrevocably and unconditionally, guarantee to Noteholders the due and punctual performance by Eqstra Corporation (Proprietary) Limited of all its payment obligations under the Notes. The Issuer accordingly wishes to amend the provisions of the Programme Memorandum dated 18 June 2008 (the "**Previous Programme Memorandum**"). With effect from the date of signature of this revised Programme Memorandum, this revised Programme Memorandum shall supersede the Previous Programme Memorandum. This Programme Memorandum does not affect the Terms and Conditions of any Notes (as defined below) issued before the date of this Programme Memorandum.

Under this R8 000 000 000 Domestic Medium Term Note Programme (the "**Programme**"), Eqstra Corporation (Proprietary) Limited (the "**Issuer**") may from time to time issue unsecured registered notes (the "**Notes**") denominated in South African Rand, or, subject to all Applicable Laws and, in the case of Notes listed on the JSE, the rules of the JSE, such other currency within the Common Monetary Area as is specified in the Applicable Pricing Supplement, on the terms and conditions (the "**Terms and Conditions**") contained in the section of this Programme Memorandum headed "*Terms and Conditions of the Notes*".

Capitalised terms used below are defined in the section of this Programme Memorandum headed "*Terms and Conditions of the Notes*".

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 an Applicable Pricing Supplement based on the pro forma Applicable Pricing Supplement included in this Programme Memorandum, setting out details of such Notes. The Applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions (including additional definitions) which shall, to the extent so specified or to the extent inconsistent with the Terms and Conditions, replace or modify the Terms and Conditions for the purpose of such Tranche of Notes.

Each Note will be a Senior Note or a Subordinated Note, as indicated in the Applicable Pricing Supplement. Save as set out in this Programme Memorandum, the Notes will not be subject to any minimum or maximum maturity. The Programme Amount will not exceed R8 000 000 000 or its equivalent in the Specified Currency, unless such Programme Amount is increased as set out in the section of this Programme Memorandum headed "*General Description of the Programme*".

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

Unlisted Notes may also be issued under this 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 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 holders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the BESA Guarantee Fund Trust. Claims against the BESA Guarantee Fund Trust may only be made in respect of the trading of Notes listed on the JSE and in accordance with the rules of the BESA Guarantee Fund Trust.

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

Tranches of Notes issued under the Programme may be rated, and, if so, this rating will be available on the Issuer's website and contained in the Applicable Pricing Supplement

Eqstra Holdings (the "**Parent Guarantor**") has irrevocably and unconditionally guaranteed to Noteholders the due and punctual performance by the Issuer of all its obligations under the Notes on the terms and conditions of the Parent Guarantee as set out in the section of Programme Memorandum headed "*The Parent Guarantee*". Each Subsidiary Guarantor has irrevocably and unconditionally guaranteed to Noteholders the due and punctual performance by the Issuer of all its obligations under the Notes on the terms and conditions of the Subsidiary Guarantee as set out in the section of Programme Memorandum headed "*The Subsidiary Guarantee*".

#### **Issuer**

**EQSTRA CORPORATION  
(PROPRIETARY) LIMITED**

#### **Co-lead Arranger**

**Absa Capital, a division  
of Absa Bank Limited**

#### **Co-lead Arranger**

**Nedbank Limited,  
acting through its division, Nedbank Capital**

#### **Dealers**

**Absa Capital, a division,  
of Absa Bank Limited**

**FirstRand Bank Limited,  
acting through its division, Rand Merchant Bank**

**Nedbank Limited,  
acting through its division, Nedbank Capital**

**The Standard Bank of South Africa Limited,  
acting through its division, Corporate and Investment Banking**

**Capitalised terms used in this Programme Memorandum are defined in the section of this Programme Memorandum headed "Terms and Conditions of the Notes", unless separately defined in this Programme Memorandum and/or, in relation to any particular Tranche of Notes, the Applicable Pricing Supplement. Expressions defined in this Programme Memorandum will bear the same meanings in supplements to this Programme Memorandum which do not themselves contain their own definitions.**

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

*This Programme Memorandum is to be read in conjunction with all documents which are deemed to be incorporated herein by reference. 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 Issuer, having made all reasonable enquiries, confirms that this Programme Memorandum contains or incorporates all information which is material in the context of the issue and offering of any particular Tranche 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 intentions expressed in this Programme Memorandum are honestly held and that there are no other facts the omission of which would make this Programme Memorandum or any information or expression of any such opinions or intentions misleading in any material respect. In particular reference should be made to Risk Factors as included under the Issuer Description Section*

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

report or any other information incorporated by reference into this Programme Memorandum (as amended or restated from time to time).

No person is authorised to give any information or to make any representation concerning the issue of the Notes other than the information and representations contained in this Programme Memorandum. Nevertheless, if any such information is given or representation made, it must not be relied upon as having been authorised by the JSE, the Issuer, the Parent Guarantor, the Subsidiary Guarantors, the Debt Sponsor, the Co-lead Arrangers or the Dealers, or any of their respective subsidiary or holding companies or a subsidiary of their holding company ("**Affiliates**") or advisers. Neither the delivery of this Programme Memorandum nor any offer, sale, allotment or solicitation made in connection with the offering of the Notes shall, in any circumstances, create any implication or constitute a representation that there has been no change in the affairs of the Issuer since the date hereof or that the information contained in this Programme Memorandum is correct at any time subsequent to the date of this Programme Memorandum. The JSE, the Co-lead Arrangers, the Dealers, the Debt Sponsor and other advisers have not separately verified the information contained in this Programme Memorandum. Accordingly, neither the JSE, the Co-lead Arrangers, the Dealers, the Debt Sponsor nor any of their respective Affiliates or advisers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Programme Memorandum or any other information supplied in connection with the Programme. Each person receiving this Programme Memorandum acknowledges that such person has not relied on the JSE, the Co-lead Arrangers, the Dealers, the Debt Sponsor or any other person affiliated with the JSE, the Debt Sponsor, the Co-lead Arrangers or the Dealers in connection with its investigation of the accuracy of such information or its investment decision.

Neither this Programme Memorandum nor any other information supplied in connection with the Notes is intended to provide the basis of any credit or other evaluation, or should be considered as a recommendation by the JSE, the Issuer, the Parent Guarantor, the Subsidiary Guarantors, the Debt Sponsor, the Co-lead Arrangers or the Dealers that any recipient of this Programme Memorandum or any other information supplied in connection with the Programme should subscribe for or purchase any Notes. Each person contemplating making an investment in the Notes must make its own investigation and analysis of the financial condition and affairs, and its own appraisal of the credit worthiness, of the Issuer and the terms of the offering and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience, and any other factors which may be relevant to it in connection with such investment. The JSE, the Debt Sponsor, the Co-lead Arrangers and the Dealers do not undertake to review the financial condition or affairs of the Issuer nor to advise any investor or potential investor in the Notes of any information coming to the attention of the Debt Sponsor, Co-lead Arrangers or the Dealers.

The Notes will be obligations of the Issuer. The Parent Guarantor and each Subsidiary Guarantor has irrevocably and unconditionally guaranteed to Noteholders the due and punctual performance by the Issuer of all of its obligations under the Notes. The Notes will not be obligations of, or the responsibility of, or guaranteed by the Debt Sponsor, the Co-lead Arrangers or the Dealers. No liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes shall be accepted by, the Debt Sponsor,

the Co-lead Arrangers or the Dealers.

None of the Issuer, the JSE, the Debt Sponsor, the Co-Lead Arrangers or the Dealers makes any representation or warranties as to the settlement procedures of the Central Securities Depository or the JSE or any other relevant stock exchange.

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

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

The terms of this Programme Memorandum, if sent to persons resident in jurisdictions outside South Africa, may be affected by the laws of the relevant jurisdiction. Such persons should inform themselves about and observe any applicable legal requirements in any such jurisdiction. It is the responsibility of any such person wishing to subscribe for or purchase the Notes to satisfy itself as to the full observance of the laws of the relevant jurisdiction therewith. If and to the extent that this Programme Memorandum is illegal in any jurisdiction, it is not made in such jurisdiction and this document is sent to persons in such jurisdiction for information purposes only.

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

***In connection with the issue and distribution of any Tranche of Notes, the Issuer or a Dealer***

*disclosed as the approved stabilisation manager, if any, (the "Stabilisation Manager") in the Applicable Pricing Supplement may, to the extent permitted by applicable laws and regulations and with the prior approval of the JSE, over-allot or effect transactions for a limited period after the Issue Date with a view to supporting the market price of the Notes of which such Tranche forms a part at a level higher than that which might otherwise prevail for a limited period after the Issue Date. However, there may be no obligation on the Stabilisation Manager to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period and the price/yield and amount of Notes to be issued under this Programme will be determined by the Issuer and each Dealer and/or Lead Manager(s) at the time of issue in accordance with the prevailing market conditions.*

**TABLE OF CONTENTS**

	<i>Page</i>
Documents Incorporated by Reference	9
General Description of the Programme	11
Summary of the Programme	13
Form of the Notes	21
Risk Factors	23
Pro Forma Pricing Supplement	29
Terms and Conditions of the Notes	39
Use of Proceeds	92
Description of Eqstra Holdings Limited and description of the Issuer	93
The Parent Guarantee	107
The Subsidiary Guarantee	114
Settlement, Clearing and Transfers of Notes	124
South African Taxation	127
Exchange Control	129
Subscription and Sale	131
General Information	134
Corporate Information	136



## DOCUMENTS INCORPORATED BY REFERENCE

The documents listed below are deemed to be incorporated into, and to form part of, this Programme Memorandum and are available for inspection by investors, during normal office hours, at the Specified Offices of the Issuer:

- (a) the audited annual financial statements of the Issuer and each Subsidiary Guarantor, together with such statements, reports and notes attached to or intended to be read with such financial statements, for its 3 financial years ended prior to the Issue Date of any Tranche of Notes and for each financial year ended after the Issue Date of any Tranche of Notes;
- (b) the audited consolidated annual financial statements of the Parent Guarantor, together with such statements, reports and notes attached to or intended to be read with such financial statements, for its 3 financial years ended prior to the Issue Date of any Tranche of Notes and for each financial year ended after the Issue Date of any Tranche of Notes;
- (c) the Parent Guarantee issued by the Parent Guarantor in favour of the Noteholders;
- (d) the Subsidiary Guarantee issued by the Subsidiary Guarantors in favour of the Noteholders;
- (e) the memorandum of incorporation of the Issuer, as amended from time to time;
- (f) all information pertaining to the Issuer and/or the Parent Guarantor and/or the Subsidiary Guarantors which is relevant to the Notes which is electronically disseminated from time to time on SENS;
- (g) each Applicable Pricing Supplement;
- (h) each supplement to this Programme Memorandum circulated by the Issuer from time to time.

The Programme Memorandum and any amendments or supplements thereto and all Applicable Pricing Supplements will be made available on the website of the JSE ([www.jse.co.za](http://www.jse.co.za)) and on the website of the Parent ([www.eqstra.co.za](http://www.eqstra.co.za)). The financial statements of the Parent Guarantor referred to above will be available on the website of the Parent ([www.eqstra.co.za](http://www.eqstra.co.za)). The most recently obtained monthly beneficial disclosure report made available by the relevant Participants to the Central Securities Depository will also be available for inspection at the Specified Office of the Issuer.

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

The Issuer will, for so long as any Notes in a Tranche remain outstanding and listed on the Interest Rate Market of the JSE, publish a new Programme Memorandum or a supplement to this Programme Memorandum, as the case may be, if any of the information contained in this Programme Memorandum

becomes outdated in a material respect; provided that no new Programme Memorandum or supplement to this Programme Memorandum, as the case may be, is required in respect of the Issuer's or Eqstra Holding's, annual financial statements if such annual financial statements are incorporated by reference into this Programme Memorandum and such annual financial statements are published, as required by the Companies Act, and submitted to the JSE within six months after the financial year end of the Issuer and Eqstra Holdings. The Issuer's and Eqstra Holdings annual consolidated financial statements may include risk factors which may be updated from time to time.

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

## GENERAL DESCRIPTION OF THE PROGRAMME

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

Under the Programme, the Issuer may from time to time issue Notes denominated in the Specified Currency. The applicable terms of any Notes will be set out in the Terms and Conditions incorporated by reference into the Notes, as modified and supplemented by the Applicable Pricing Supplements relating to the Notes and any supplementary 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 an Applicable Pricing Supplement based on the pro forma Applicable 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 Terms and Conditions set out in this Programme Memorandum, replace or modify such Terms and Conditions for the purpose of such Tranche of Notes. Each Note will be a Senior Note or a Subordinated Note, as indicated in the Applicable Pricing Supplement.

Each Tranche of Notes may be listed on the Interest Rate market of the JSE or on such other or further exchange(s) as may be determined by the Issuer and the Dealer(s) and subject to any Applicable Laws. Unlisted Notes may also be issued under the Programme. Unlisted Notes are not regulated by the JSE. Claims against the BESA Guarantee Fund Trust may only be made in respect of the trading of Notes listed on Interest Rate Market of the JSE and in accordance with the rules of the BESA Guarantee Fund Trust.

In the event that any Tranche of Notes is listed on any exchange other than the JSE or the Issuer issues unlisted Notes, the Issuer will, no later than the last day of the month of issue of such Tranche, inform the JSE in writing of the aggregate Principal Amount, the Step-Up Date and the Final Redemption Date of such Tranche.

The Programme Amount will not exceed R8 000 000 000, unless such Programme Amount is increased as set out below. For the purpose of calculating the aggregate Principal Amount of Notes issued under the Programme from time to time:

- (a) the Rand equivalent of a Tranche of Notes denominated in another currency shall be determined, at or about the relevant Issue Date, on the basis of the spot rate at such time for the sale of such Rand amount against the purchase of such currency or unit of account in the Johannesburg inter-bank foreign exchange markets, as quoted by any leading bank selected by the Issuer;
- (b) the amount of a Tranche of Indexed Notes and a Tranche of partly paid Notes shall be calculated by reference to the aggregate Principal Amount of that Tranche of Notes (regardless of the Issue Price of

that Tranche of Notes); and

- (c) the amount of a Tranche of Zero Coupon Notes (and any other Tranche of Notes issued at a discount or a premium) shall be calculated with reference to the Principal Amount of that Tranche of Notes.

From time to time the Issuer may wish to increase the Programme Amount. Subject to the Programme Agreement, the requirements of the JSE and/or such other or further exchange(s) on which any Tranche of Notes may be listed and to any Applicable Law, the Issuer may, without the consent of Noteholders, increase the Programme Amount by delivering a notice thereof to the Noteholders and to the relevant exchange and by obtaining the consent of Eqstra Holdings. Upon such notice being given (and following compliance with the provisions of the Programme Agreement), all references in this Programme Memorandum, or any other agreement, deed or document relating to the Programme, to the Programme Amount will be, and will be deemed to be, references to the increased Programme Amount set out in such notice.

The Parent Guarantor will, in terms of the Parent Guarantee, irrevocably and unconditionally guarantee the performance by the Issuer of its obligations under the Notes to the Noteholders, on the terms and conditions contained in the Parent Guarantee. In respect of the Senior Notes, the obligations of the Parent Guarantor under the Parent Guarantee constitute unconditional, unsubordinated, unsecured principal obligations of the Parent Guarantor and will rank (subject to any obligations preferred by law) at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Parent Guarantor. In respect of the Subordinated Notes, the obligations of the Parent Guarantor under the Parent Guarantee constitute unconditional, subordinated, unsecured principal obligations of the Parent Guarantor and will rank (subject to any obligations preferred by law) at least *pari passu* with all other present and future unsecured and subordinated obligations of the Parent Guarantor.

Each Subsidiary Guarantor will, in terms of the Subsidiary Guarantee, irrevocably and unconditionally guarantee the performance by the Issuer of its obligations under the Notes to the Noteholders, on the terms and conditions contained in the Subsidiary Guarantee. In respect of the Senior Notes, the obligations of each Subsidiary Guarantor under the Subsidiary Guarantee constitute unconditional, unsubordinated, unsecured principal obligations of the Subsidiary Guarantor and will rank (subject to any obligations preferred by law) at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Subsidiary Guarantor. In respect of the Subordinated Notes, the obligations of each Subsidiary Guarantor under the Subsidiary Guarantee constitute unconditional, subordinated, unsecured principal obligations of each Subsidiary Guarantor and will rank (subject to any obligations preferred by law) at least *pari passu* with all other present and future unsecured and subordinated obligations of each Subsidiary Guarantor.

## SUMMARY OF THE PROGRAMME

*The information set out below is a brief summary of certain aspects of the Programme. This summary should be read in conjunction with, and is qualified in its entirety by, the remainder of this Programme Memorandum and, in relation to any particular Tranche of Notes, the Applicable Pricing Supplements.*

### Transaction Parties

<b>Issuer</b>	Eqstra Corporation (Proprietary) Limited (registration number 1984/007045/07).
<b>Debt Sponsor</b>	RMB.
<b>Co-lead Arrangers</b>	Absa Capital and Nedbank Capital.
<b>Dealer(s)</b>	Absa Capital, FirstRand Bank Limited, acting through its division, Rand Merchant Bank, Nedbank Capital, The Standard Bank of South Africa Limited, acting through its division, Corporate and Investment Banking; and/or such other person(s) appointed by the Issuer from time to time in terms of the Programme Agreement, which appointment may be for a specific issue of Notes or on an ongoing basis, as specified in the Applicable Pricing Supplement.
<b>Paying Agent</b>	Nedbank Limited, acting through its division, Nedbank Investor Services, or, in relation to a particular Tranche or Series of Notes, such other person appointed by the Issuer from time to time in terms of the Agency Agreement, as specified in the Applicable Pricing Supplement.
<b>Transfer Agent</b>	Nedbank Capital, or such other person appointed by the Issuer from time to time in terms of the Agency Agreement, as specified in the Applicable Pricing Supplement.
<b>Calculation Agent</b>	Nedbank Capital, or, in relation to a particular Tranche or Series of Notes, such other person appointed by the Issuer from time to time in terms of the Agency Agreement, as specified in the Applicable Pricing Supplement.

<b>Rating Agency</b>	Any rating agency of international standing as may be appointed by the Issuer from time to time.
<b>Auditor</b>	Deloitte or such other auditor (or firm of auditors) as may be selected by the Issuer from time to time.
<b>Noteholder(s)</b>	The holders of the Notes as recorded in the Register.
<b>Central Securities Depository</b>	Strate Limited (registration number 1998/022242/06) or any additional or alternate depository approved by the Issuer, the Dealer(s) and the JSE.
<b>Parent Guarantor</b>	Eqstra Holdings.
<b>Subsidiary Guarantors</b>	Each of Mutual Construction Company (Transvaal) (Pty) Ltd (Registration number 1988/002721/07), MCC Contracts (Pty) Ltd (Registration number 1983/008084/07), Saficon Industrial Equipment (Pty) Ltd (Registration number 1970/002074/07), Eqstra NH Equipment (Proprietary) Limited (Registration number 1959/001593/07), Eqstra TA Equipment (Pty) Ltd (trading as Terex Africa (Registration number 1974/002797/07) and any additional Subsidiary of Eqstra Holdings that accedes to the Subsidiary Guarantee, if and for so long as each such company is a party to the Subsidiary Guarantee in accordance with the provisions of the Terms and Conditions.
<i>Programme Description</i>	
<b>Description of the Programme</b>	Eqstra Corporation (Proprietary) Limited Domestic Medium Term Note Programme.
<b>Size of the Programme</b>	Up to R8 000 000 000 outstanding at any time. The Issuer may, without the consent of Noteholders, but with the consent of Eqstra Holdings, increase the Programme Amount in accordance with the Programme Agreement, Applicable Laws and subject to any required regulatory approvals. The Programme Amount at the time of the issue of any Tranche of Notes will be set out in the Applicable Pricing Supplement.

**Listing**

The Programme has been registered with 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 and any relevant Dealer(s) and subject to Applicable Laws. Unlisted Notes may also be issued under the Programme. The Applicable Pricing Supplement in respect of a Tranche of Notes will specify whether or not such Notes will be listed and, if so, on which exchange.

**Rating of Notes**

The Applicable Pricing Supplement will reflect the Rating, if any, which has been assigned to a Tranche of Notes, as well as the Rating Agency or Rating Agencies which assigned such Rating or Ratings. 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.

**Notes**

The description of, and terms and conditions applicable to, Notes other than those specifically described in this Programme Memorandum will be set out in the Applicable Pricing Supplements.

Notes may be:

- (a) interest-bearing or non-interest bearing;
- (b) issued at par, a premium or a discount;
- (c) issued in fully paid up or partly paid form;
- (d) exchangeable for other assets; and/or
- (e) issued with such other characteristics as may be specified in the Applicable Pricing Supplement.

**Form of Notes**

Notes will be issued in registered form as described in the section "*Form of the Notes*" below. Notes will not be issued in bearer form or in order form, unless otherwise agreed by the Issuer and any Dealer. The section "*Settlement, Clearing and Transfers of Notes*" describes how Beneficial Interests are created and what the rights of Beneficial Interest holders are.

**Currency**

Notes may only be issued in Rand, the lawful currency of South Africa, or such other currency within the Common Monetary Area as is specified in the Applicable Pricing Supplement.

**Terms and Conditions**

The terms and conditions of the Notes are set out in the section of this Programme Memorandum headed "*Terms and Conditions of the Notes*". The Applicable Pricing Supplements may specify other terms and conditions (which may replace, modify or supplement the Terms and Conditions) in relation to specific terms and conditions of the Notes of any Tranche of Notes issued.

**Issue Price**

Notes may be issued at an issue price which is at their Principal Amount or at a discount to, or premium over, their Principal Amount as specified in the Applicable Pricing Supplement.

**Denomination of Notes**

Notes will be issued with a minimum denomination of not less than R1 000 000, as specified in the Applicable Pricing Supplement.

**Maturities**

The Notes are not subject to any minimum or maximum maturity. The maturity of each Tranche of Notes will be specified in the Applicable Pricing Supplement.

**Interest Rate and Interest Payment Dates**

As specified in the Applicable Pricing Supplement.

**Redemption**

Save for optional redemption prior to the stated maturity of the Notes (as described below) and early redemption following an Event of Default, early redemption of the Notes will only be permitted for Tax reasons as described in Condition 8.3.

If so specified in the Applicable Pricing Supplement, Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part).

If so specified in the Applicable Pricing Supplement, Notes may be redeemed before their stated maturity at the option of the holders of Senior Notes (either in whole or in part).

If a Rating Downgrade Event occurs in respect of a



Change of Control (both as defined in Condition 8.6), Senior Notes may be redeemed before their stated maturity at the option of the holders of the Senior Notes (either in whole or in part).

**Status of Notes**

The Issuer may issue Senior Notes or Subordinated Notes, as specified in the Applicable Pricing Supplement.

**Status of the Senior Notes**

The Senior Notes constitute direct, unsubordinated, unconditional and (subject to the negative pledge) 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 unsecured obligations (other than unsecured subordinated obligations, if any) of the Issuer from time to time outstanding.

**Status of the Subordinated Notes**

The Subordinated Notes constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and will rank *pari passu* among themselves and (save for certain debts required to be preferred by law) at least equally with all other unsecured, subordinated obligations of the Issuer, if any, from time to time outstanding.

**Negative Pledge**

Condition 11.1 of the Terms and Conditions provides for a negative pledge in favour of the holders of Senior Notes.

**Cross Default**

Senior Notes will have the benefit of a cross-default to other Indebtedness for Borrowed Money of the Issuer or the Parent Guarantor or Subsidiary Guarantors above a threshold specified in Condition 12.

**Securities Transfer Tax**

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

**Withholding Tax**

Payments in respect of interest and principal will be made without withholding or deduction for Taxes unless such withholding or deduction is required by law. In the event that such withholding or deduction is required by law, the Issuer will be obliged to pay additional amounts in relation thereto.

**Parent Guarantee**

The Parent Guarantor has unconditionally and irrevocably guaranteed to the Noteholders the due and punctual performance by the Issuer of its obligations under the Notes, on the terms and conditions as contained in the Parent Guarantee, as described in the section "*The Parent Guarantee*". In respect of the Senior Notes, the obligations of the Parent Guarantor under the Parent Guarantee constitute unconditional, unsubordinated, unsecured principal obligations of the Parent Guarantor and will rank (subject to any obligations preferred by law) at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Parent Guarantor. In respect of the Subordinated Notes, the obligations of the Parent Guarantor under the Parent Guarantee constitute unconditional, subordinated, unsecured principal obligations of the Parent Guarantor and will rank (subject to any obligations preferred by law) at least *pari passu* with all other present and future unsecured and subordinated obligations of the Parent Guarantor.

**Subsidiary Guarantee**

Each Subsidiary Guarantor will, in terms of the Subsidiary Guarantee, irrevocably and unconditionally guarantee the performance by the Issuer of its obligations under the Notes to the Noteholders, on the terms and conditions contained in the Subsidiary Guarantee. In respect of the Senior Notes, the obligations of each Subsidiary Guarantor under the Subsidiary Guarantee constitute unconditional, unsubordinated, unsecured principal obligations of the Subsidiary Guarantor and will rank (subject to any obligations preferred by law) at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Subsidiary Guarantor. In respect of the Subordinated Notes, the obligations of each Subsidiary Guarantor under the Subsidiary

Guarantee constitute unconditional, subordinated, unsecured principal obligations of each Subsidiary Guarantor and will rank (subject to any obligations preferred by law) at least *pari passu* with all other present and future unsecured and subordinated obligations of each Subsidiary Guarantor.

**Tax Status**

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

**Governing Law**

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

**Distribution**

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

**Register**

The Register will be maintained by the Transfer Agent in accordance with the Terms and Conditions.

**Register Closed**

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

**Selling Restrictions**

The distribution of this Programme Memorandum and any offering or sale of a particular Tranche of Notes may be restricted by law in certain jurisdictions, and are restricted by law in the United States of America, the United Kingdom, the European Economic Area and South Africa. Any relevant selling restrictions and other restrictions as may be required to be met in relation to an offering or sale of a particular Tranche of Notes shall be included in the Applicable Pricing Supplement. Persons who come into possession of this Programme Memorandum or the Applicable Pricing Supplement must inform themselves about and observe such restrictions.

**Blocked Rand**

Blocked Rand may be used for the subscription for or purchase of Notes, subject to South African Exchange

Control Regulations, 1961, promulgated under the Currency and Exchanges Act, 1933.

## **FORM OF THE NOTES**

Each Tranche of Notes may be listed on the Interest Rate Market of the JSE or on such other or further exchange(s) as may be determined by the Issuer and the Dealer(s) and subject to any Applicable Laws. Unlisted Notes may also be issued under the Programme. Unlisted Notes are not regulated by the JSE.

Each Tranche of Notes (whether listed or unlisted) will be issued in the form of registered Notes in accordance with the Terms and Conditions and represented by (i) Individual Certificates, or (ii) no Certificate, if issued in uncertificated form in terms of section 37 of the Securities Services Act.

### **Notes issued in uncertificated form**

If the Notes are to be listed on the Interest Rate Market of the JSE, the Issuer will, subject to Applicable Laws, issue such Notes in uncertificated form. Unlisted Notes may also be issued in uncertificated form.

Notes issued in uncertificated form will not be represented by any certificate or written instrument.

All transactions in uncertificated securities as contemplated in the Securities Services Act will be cleared and settled in accordance with the Applicable Procedures. All the provisions relating to Beneficial Interests in the Notes held in the Central Securities Depository will apply to Notes issued in uncertificated form.

### **Beneficial Interests**

The Central Securities Depository will hold each Tranche of Notes issued in uncertificated form, subject to the Securities Services Act and the Applicable Procedures. Each Tranche of Notes issued in uncertificated form, will be registered in the name of the Central Securities Depository's Nominee, and the Central Securities Depository's Nominee will be named in the Register as the sole Noteholder of such Tranche of Notes.

Accordingly, and except where the contrary is provided in the Terms and Conditions, all amounts to be paid and all rights to be exercised in respect of the Notes issued in uncertificated form, will be paid to and may be exercised only by the Central Securities Depository's Nominee for the holders of Beneficial Interests in such Notes.

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

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

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

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

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

#### **Individual Certificates**

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

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

Payments of interest and principal in respect of Notes represented by Individual Certificates will be made in accordance with Condition 9 to the person reflected as the registered holder of such Individual Certificates in the Register at 17h00 (Johannesburg time) on the Last Day to Register, and the Issuer will be discharged by proper payment to or to the order of the registered holder of the Certificate in respect of each amount so paid.

#### **Other Notes**

The Issuer may, without the consent of Noteholders, agree with any Dealer appointed in relation to such Tranche that a Tranche of Notes be issued in bearer form or in order form or in another form not contemplated by the Terms and Conditions, in which case a supplement to this Programme Memorandum or the Applicable Pricing Supplement, if appropriate, will be issued which will describe the effect of the agreement reached in relation to such Tranche of Notes.

## RISK FACTORS

*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. In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described below. The value of the Notes could decline due to any of these risks, and investors may lose some or all of their investment. Risks affecting the business of the Issuer are discussed in the section of this Programme Memorandum headed "Description of Eqstra Holdings Limited and description of the Issuer".*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it, or which it may not currently be able to anticipate. Accordingly, the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive.*

*Prospective investors should also read the detailed information set out elsewhere in this Programme Memorandum as well as all documents incorporated by reference including in particular the consolidated annual financial statements of the Issuer to reach their own views prior to making any investment decision.*

*References below to a numbered "Condition" shall be to the relevant Condition under the Terms and Conditions.*

### **Risks Relating to the Notes**

#### ***The Notes may not be a suitable investment for all investors***

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Programme Memorandum or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such an investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

***There is no active trading market for the Notes***

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer.

***The Notes may be redeemed prior to maturity***

Unless in the case of any particular Tranche of Notes the Terms and Conditions provide otherwise, in the event that the Issuer is obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any Taxes, the Issuer may redeem all outstanding affected Tranches of Notes in accordance with the Terms and Conditions.

In addition, if in the case of any particular Tranche of Notes the Terms and Conditions provide that the Notes are redeemable at the Issuer's option in certain other circumstances, the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

***Because Notes listed on the Interest Rate Market of the JSE may be held by the Central Securities Depository, investors will have to rely on its procedures for transfer, payment and communication with the Issuer***

Each Tranche of Notes which is listed on the Interest Rate Market of the JSE and held in uncertificated form, will be held in the Central Securities Depository. Unlisted Notes may also be held in the Central Securities Depository. Except in the circumstances described in the Terms and Conditions, investors will not be entitled to receive Individual Certificates. The Central Securities Depository will maintain records of the Beneficial Interests in Notes held in the Central Securities Depository. While the Notes are held in the Central



Securities Depository, investors will be able to trade their Beneficial Interests in such Notes only through the Central Securities Depository.

While Notes are held in the Central Securities Depository the Issuer will discharge its payment obligations under such Notes by making payments to or to the order of the Central Securities Depository's Nominee (as the registered holder of such Notes), for distribution to the holders of Beneficial Interests in such Notes. A holder of a Beneficial Interest in Notes must rely on the procedures of the Central Securities Depository and Participants to receive payments under such Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, Beneficial Interests.

Holders of Beneficial Interests in such Notes will not have a direct right to vote in respect of such Notes.

#### ***Recourse to the BESA Guarantee Fund Trust***

The holders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the BESA Guarantee Fund Trust. Claims against the BESA Guarantee Fund Trust may only be made in respect of the trading of Notes listed on Interest Rate Market of the JSE and in accordance with the rules of the tBESA Guarantee Fund Trust. Unlisted notes are not regulated by the JSE

#### ***Credit Rating***

Tranches of Notes issued under the Programme may be rated or unrated. A rating is not a recommendation to subscribe for, buy, sell or hold Notes and may be subject to suspension, reduction or withdrawal at any time by the assigning Rating Agency. Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes issued under the Programme.

#### ***Risks related to the structure of a particular issue of Notes***

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

##### ***Notes subject to optional redemption by the Issuer***

An optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any such redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to re-invest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

### *Index-Linked Notes*

The Issuer may issue Notes the terms of which provide for interest or principal payable in respect of such Note to be determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a "**Relevant Factor**"). Potential investors should be aware that:

- the market price of such Notes may be volatile;
- no interest may be payable on such Notes;
- payments of principal or interest on such Notes may occur at a different time or in a different currency than expected;
- the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero;
- a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

### *Partly-paid Notes*

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.

### *Variable Rate Notes with a multiplier or other leverage factor*

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

### *Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the

rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

*Notes issued at a substantial discount or premium*

The market values of Notes issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

***Risks related to Notes generally***

*Modification and waivers*

The Terms and Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

*Change of law*

No assurance can be given as to the impact of any possible judicial decision or change to South African law or administrative practice after the Programme Date.

*Notes where denominations involve integral multiples: Individual Certificates*

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in the form of an Individual Certificate in respect of such holding and would need to purchase a Principal Amount of Notes such that its holding amounts to a minimum Specified Denomination.

If Individual Certificates are issued, holders should be aware that Individual Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

***Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

## PRO FORMA APPLICABLE PRICING SUPPLEMENT

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

### **Eqstra Corporation (Proprietary) Limited**

*(Incorporated with limited liability in South Africa under registration number 1984/007045/07)*

Unconditionally and irrevocably guaranteed by Eqstra Holdings and the Subsidiary Guarantors

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] with a Stock Code [     ]**  
**Under its R8 000 000 000 Domestic Medium Term Note Programme**

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

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum issued by Eqstra Corporation (Proprietary) Limited dated [     ], as may be amended or supplemented from time to time. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

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

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 contains all information required by Applicable Law and the JSE Listings Requirements. The Issuer accepts full responsibility for the information contained in the Programme Memorandum, the Applicable Pricing Supplements and the annual financial report and any amendments to the annual financial report or any supplements from time to time, except as otherwise stated therein.

The JSE assumes no responsibility or liability of whatsoever nature for the contents of the Programme Memorandum or this Applicable Pricing Supplement or the annual financial report or any other information incorporated by reference into the Programme Memorandum (as amended or restated from time to time), and the JSE makes no representation as to the accuracy or completeness of the Programme Memorandum or this Applicable Pricing Supplement, the annual financial report 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 this Programme Memorandum or this Applicable Pricing Supplement or the annual financial report or any other information incorporated by reference into this Programme Memorandum (as amended or restated from time to time)

#### DESCRIPTION OF THE NOTES

1. Issuer	Eqstra Corporation (Proprietary) Limited
2. Parent Guarantor	Eqstra Holdings
3. Subsidiary Guarantors	Each of Mutual Construction Company (Transvaal) (Pty) Ltd (Registration number 1988/002721/07), MCC Contracts (Pty) Ltd (Registration number 1983/008084/07), Saficon Industrial Equipment (Pty) Ltd (Registration number 1970/002074/07), Eqstra NH Equipment (Proprietary) Limited (Registration number 1959/001593/07), Eqstra TA Equipment (Pty) Ltd (trading as Terex Africa (Registration number 1974/002797/07) and any additional Subsidiary of Eqstra Holdings that accedes to the Subsidiary Guarantee, if and for so long as each such company is a party to the Subsidiary Guarantee in accordance with the provisions of the Terms and Conditions.
4. Status of the Notes	[Senior Notes / Subordinated Notes]
5. Security	[Unsecured]
6. Issue number	[       ]
7. Series number	[       ]
8. Tranche number	[       ]
9. Aggregate Principal Amount of this Tranche	[       ]
10. Interest/Payment Basis	[       ]
11. Issue Date(s) and first settlement date	[       ]
12. Minimum Denomination per Note	R1 000 000

13.	Specified Denomination (Principal Amount per Note)	[      ]
14.	Issue Price(s)	[      ]
15.	Applicable Business Day Convention, if different to that specified in the Terms and Conditions	[Following Business Day/Modified Business Day/Preceding Business Day/other convention – insert details]
16.	Interest Payment Dates	[      ]
17.	Interest Commencement Date(s)	[      ]
18.	Step-Up Date	[      ]
19.	Final Redemption Date	[      ]
20.	Specified Currency	[      ]
21.	Additional Business Centre	[      ]
22.	Maturity Amount	[      ]
23.	Set out the relevant description of any additional/other Terms and Conditions relating to the Notes	[      ]
24.	Additional covenants	[None]
25.	Additional events of default	[None]

#### **FIXED RATE NOTES**

26.	Fixed Interest Rate	[      ]% per annum nacq/nacm/nacs/naca
27.	Interest Payment Date(s)	[      ]
28.	Interest Period(s)	[      ]
29.	Initial Broken Amount	[      ]
30.	Final Broken Amount	[      ]
31.	Step-Up Rate	[      ]
32.	Any other items relating to the particular method of	[      ]

calculating interest

### FLOATING RATE NOTES

33. Interest Payment Date(s) [ ]
34. Interest Period(s) [ ]
35. Manner in which the Interest Rate is to be determined  
Screen Rate Determination/ISDA  
Determination/other (insert details)
36. Margin/Spread for the Interest Rate  
[(+/-) ( )% per annum to be added to/subtracted  
from the relevant Reference Rate]
37. Margin/Spread for the Step-Up Rate  
[(+/-) ( )% per annum to be added to/subtracted  
from the relevant Reference Rate/Interest Rate]
38. If Screen Determination
- (a) Reference Rate (including relevant period by  
reference to which the Interest Rate is to be  
calculated) [e.g. 3 month JIBAR]
- (b) Rate Determination Date(s) [The first Business Day of each Interest Period]
- (c) Relevant Screen page and Reference Code [ ]
39. If Interest Rate to be calculated otherwise than by  
reference to Screen Rate Determination, insert basis for  
determining Interest Rate/Margin/Fall back provisions [ ]
40. Any other terms relating to the particular method of  
calculating interest [ ]

### ZERO COUPON NOTES

41. (a) Implied Yield [ ] NACA, NACS, NACQ, NACM
- (b) Reference Price [ ]
- (c) Equivalent Discount Rate [ ]
- (d) Spread to Reference Rate [ ]
- (e) Maturity Date [ ]
- (f) Day Count [ ]



- (g) Any other formula or basis for determining amount payable [ ]

#### INDEXED NOTES

42. (a) Type of Indexed Notes [Indexed Interest Notes / Indexed Redemption Amount Notes]
- (b) Index/Formula by reference to which Interest Amount/Final Redemption Amount is to be determined [ ]
- (c) Manner in which the Interest Amount/Final Redemption Amount is to be determined [ ]
- (d) Interest Period [ ]
- (e) Interest Payment Date(s) [ ]
- (f) If different from the Calculation Agent, agent responsible for calculating amount of principal and interest [ ]
- (g) Provisions where calculation by reference to Index and/or Formula is impossible or impracticable [ ]

#### OTHER NOTES

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

#### PROVISIONS REGARDING REDEMPTION/ MATURITY

44. Redemption at the option of the Issuer: if yes: [Yes/No]
- (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 [      ]
- (d) If redeemable in part:
- Minimum Redemption Amount(s) [      ]
- Higher Redemption Amount(s) [      ]
- (e) Other terms applicable on Redemption [      ]
45. Redemption at the option of the holders of the Senior Notes (Put Option): if yes [Yes/No]
- (a) Optional Redemption Date(s) (Put) [      ]
- (b) Optional Redemption Amount(s) (Put) and method, if any, of calculation of such amount(s) [      ]
- (c) Minimum period of notice [      ]
- (d) If redeemable in part:
- Minimum Redemption Amount(s) [      ]
- Higher Redemption Amount(s) [      ]
- (e) Other terms applicable on Redemption [      ]
46. Early Redemption Amount(s) payable on redemption for Taxation reasons or Optional Redemption in terms of Condition 8.6 on Event of Default : if yes [Yes/No]
- Amount payable [as per Condition 8.7]

#### GENERAL

47. Additional selling restrictions [      ]
48. International Securities Numbering (ISIN) [      ]
49. Stock Code [      ]
50. Financial Exchange [      ]

51. Dealer(s)	[     ]
52. If syndicated, names of Lead Manager(s)	[     ]
53. Method of distribution	[     ]
54. Rating assigned to [the Issuer/the Programme/this Tranche of Notes (if any)], the date of such rating and date for review of such rating	[     ]
55. Rating Agency	[     ]
56. Governing Law	South Africa
57. Last Day to Register	[     ], being the Business Day preceding the Books Closed Period
58. Books Closed Period	[5 days prior to each Interest Payment Date and Redemption Date]
59. Calculation Agent	[     ]
60. Specified Office of the Calculation Agent	[     ]
61. Transfer Agent	[     ]
62. Specified Office of the Transfer Agent	[     ]
63. Paying Agent	[     ]
64. Specified Office of the Paying Agent	[     ]
65. Stabilisation Manager, if any	[     ]
66. Programme Amount	R8 000 000 000
67. Aggregate Outstanding Principal Amount of Notes in issue on the Issue Date of this Tranche	R[     ], excluding this Tranche of Notes and any other Tranche(s) of Notes to be issued on the Issue Date
68. Other provisions	[     ]

REPORT OF THE INDEPENDENT AUDITORS – SEE APPENDIX "A"

**Disclosure Requirements in terms of paragraph 3(5) of the Commercial Paper Regulations**

At the date of this Applicable Pricing Supplement:

Paragraph 3(5)(a)

The ultimate borrower is Eqstra Corporation (Proprietary) Limited.

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.

Paragraph 3(5)(c)

The auditor of the Issuer is [        ].

Paragraph 3(5)(d)

As at the date of this issue:

- (a) [the Issuer has not issued any Notes/the Outstanding Principal Amount of all Notes issued by the Issuer is R[        ]]; and
- (b) [it is not anticipated that the Issuer will issue additional Notes during the remainder of its current financial year/it is anticipated that the Issuer will issue additional Notes with an estimated nominal value of R[        ] during the remainder of its current financial year ended [        ], in addition to the Notes forming part of this issue of Notes].

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.

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.

Paragraph 3(5)(g)

The Notes issued will be [listed/unlisted], as stated in the Applicable Pricing Supplement.

Paragraph 3(5)(h)

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

Paragraph 3(5)(i)

The Notes are guaranteed in terms of the Parent Guarantee by the Parent Guarantor and by the Subsidiary Guarantors in terms of the Subsidiary Guarantee, but are otherwise unsecured.

Paragraph 3(5)(j)

[ ], the auditors of the Issuer, have confirmed that nothing has come to their 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 Tranche of the Notes, as from [ ], pursuant to the Eqstra Corporation (Proprietary) Limited Domestic Medium Term Note Programme.

**EQSTRA CORPORATION (PROPRIETARY) LIMITED (Issuer)**

By: \_\_\_\_\_

Director, duly authorised

Date: \_\_\_\_\_

By: \_\_\_\_\_

Director, duly authorised

Date: \_\_\_\_\_

## APPENDIX "A"

### REPORT OF THE INDEPENDENT AUDITOR OF THE ISSUER

The following is the text of the letter to the Issuer by the auditors appointed for this purpose by the Issuer, confirming that the issue of the Notes referred to in the Applicable Pricing Supplement complies in all respects with the provisions of the Commercial Paper Notice promulgated in Government Notice No. 2172 (Government Gazette 16167 of 14 December 1994) pursuant to the provisions of the Banks Act, 1990:

**"REPORT OF THE INDEPENDENT AUDITORS OF EQSTRA CORPORATION (PROPRIETARY) LIMITED ON COMPLIANCE OF THE PROPOSED ISSUE BY EQSTRA CORPORATION (PROPRIETARY) LIMITED OF R[ ] UNSECURED FLOATING/FIXED/MIXED RATE NOTES, WITH THE RELEVANT PROVISIONS OF THE COMMERCIAL PAPER REGULATIONS (GOVERNMENT NOTICE 2172, GOVERNMENT GAZETTE 16167 OF 14 DECEMBER 1994) ISSUED BY THE REGISTRAR OF BANKS, AS REQUIRED BY PARAGRAPH 3(5)(j) OF THE SAID NOTICE.**

#### Introduction

As required by paragraph 3(5)(j) of the Commercial Paper Regulations (Government Notice 2172, Government Gazette 16167 of 14 December 1994) issued by the Registrar of Banks (the "**Commercial Paper Regulations**"), we have reviewed whether or not the issue of R[ ] unsecured floating/fixed/mixed rate Notes by Eqstra Corporation (Proprietary) Limited (the "**Issuer**"), as documented in the Programme Memorandum dated [ ] (as amended or supplemented from time to time), in the Applicable Pricing Supplement dated [ ] (as amended or supplemented from time to time) and in the Certificates dated [ ] will be compliant with the relevant provisions of the Commercial Paper Regulations.

Compliance with the relevant provisions of the Commercial Paper Regulations is the responsibility of the Issuer. We report on such compliance.

#### Scope

Our review was generally limited to an examination of the Programme Memorandum and the Applicable Pricing Supplement in regard to compliance with the relevant provisions of the Commercial Paper Regulations.

It should be recognised that our review did not constitute an audit and may not necessarily have revealed all material facts.

#### Findings

The issue complies in all respects with the provisions of the Commercial Paper Regulations.

Yours faithfully

[insert auditors]  
[insert details]  
[date]"

## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes to be issued by the Issuer. 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 an Applicable Pricing Supplement based on the pro forma Applicable 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 (including additional definitions) which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace, modify or supplement the following Terms and Conditions for the purpose of such Tranche of Notes. The Terms and Conditions set out below and the Applicable Pricing Supplement will be deemed to be incorporated by reference into each Certificate evidencing any Notes.*

### 1. Interpretation

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

- |       |                                 |  |
|-------|---------------------------------|--|
| 1.1   | <b>"Absa Capital"</b>           | Absa Capital, a division of Absa Bank Limited, a company incorporated in accordance with the laws of South Africa, registration number 1989/004794/06, its successors-in-title or assigns;   |
| 1.2   | <b>"Actual Redemption Date"</b> | in relation to a Tranche of Notes, the date upon which the Notes in that Tranche are redeemed in full by the Issuer;   |
| 1.3   | <b>"Agency Agreement"</b>       | the agreement concluded between the Issuer, the Paying Agent, the Calculation Agent and the Transfer Agent, or a separate agreement with the Issuer and each of the Paying Agent, the Calculation Agent and the Transfer Agent, unless the Issuer itself acts in any of the abovementioned capacities; |
| 1.4   | <b>"Applicable Law"</b>         | in relation to a person, all and any:  |
| 1.4.1 |                                 | statutes and subordinate legislation;  |
| 1.4.2 |                                 | regulations, ordinances and directives;  |
| 1.4.3 |                                 | by-laws;   |

1.4.4		codes of practice, circulars, guidance notices, judgements and decisions of any competent authority; and
1.4.5		other similar provisions, from time to time,
1.5	<b>"Applicable Pricing Supplement"</b>	in relation to a Tranche of Notes, the pricing supplement completed and signed by the Issuer in relation to the issue of that Tranche of Notes, setting out such additional and/or other terms and conditions as are applicable to that Tranche of Notes, based upon the <i>pro forma</i> pricing supplement which is set out in the section of the Programme Memorandum headed " <i>Pro Forma Applicable Pricing Supplement</i> ";
1.6	<b>"Applicable Procedures"</b>	the rules and operating procedures for the time being of the Central Securities Depository, Settlement Agents and the JSE, as the case may be;
1.7	<b>"Auditor"</b>	the auditor of the Issuer, from time to time;
1.8	<b>"Beneficial Interest"</b>	in relation to a Note, an interest as co-owner of an undivided share in a Note held in uncertificated form, in accordance with the Securities Services Act;
1.9	<b>"BESA"</b>	The Bond Exchange of South Africa Limited, a duly licensed financial exchange in terms of the Securities Services Act, prior to its merger, on 1 July 2009, with the JSE;
1.10	<b>"BESA Guarantee Fund Trust"</b>	the Guarantee Fund Trust established and operated by BESA, prior to its merger with the JSE on 22 June 2009 and, as at the Programme Date, operated by the JSE as a separate Guarantee Fund Trust, in terms of the of the rules of the JSE, as required by sections 9(1)(e) and 18(2)(x) of the Securities Services Act or any successor fund;
1.11	<b>"Books Closed Period"</b>	in relation to a Tranche of Notes, as contemplated in Condition 15.2, the period of 5 days preceding



each Interest Payment Date and Redemption Date, as the case may be, or such other periods stipulated by the Issuer in the Applicable Pricing Supplement, as being the period or periods during which the Register is closed for purposes of giving effect to transfers, redemptions or payments in respect of that Tranche of Notes;

1.12	<b>"Business Day"</b>	a day (other than a Saturday, Sunday or statutory public holiday) on which commercial banks settle payments in Rand in Johannesburg or any Additional Business Centre specified in the Applicable Pricing Supplement, save that if the Specified Currency is not Rand, " <i>Business Day</i> " shall mean a day (other than a Saturday or Sunday) which is a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the Specified Currency and in each (if any) Additional Business Centre, save further that if the Applicable Pricing Supplement so provides, " <i>Business Day</i> " shall include a Saturday;
1.13	<b>"Business Day Convention"</b>	the business day convention, if any, specified as such and set out in the Applicable Pricing Supplement;
1.14	<b>"Calculation Agent"</b>	in relation to a Tranche or Series of Notes, such person with whom the Issuer enters into an agreement in terms of which such person agrees to perform various calculations in respect of the Notes;
1.15	<b>"Central Securities Depository"</b>	Strate Limited (registration number 1998/022242/06), or its nominee, a central securities depository operating in terms of the Securities Services Act, or any additional or alternate depository approved by the Issuer, the Dealer and the JSE;
1.16	<b>"Central Securities Depository's Nominee"</b>	any wholly owned subsidiary (as defined in the Companies Act) of the Central Securities Depository approved by the Registrar (as defined in

		the Securities Services Act) for purposes of, and as contemplated in, section 40 of the Securities Services Act and any reference to "Central Securities Depository's Nominee" shall, whenever the context permits, be deemed to include a reference to its successor operating in terms of the Securities Services Act;
1.17	<b>"Certificate"</b>	an Individual Certificate;
1.18	<b>"Co-lead Arrangers"</b>	Absa Capital and Nedbank Capital;
1.19	<b>"Commercial Paper Regulations"</b>	Government Notice number 2172 published in Government Gazette number 16167, dated 14 December 1994;
1.20	<b>"Common Monetary Area"</b>	the Kingdom of Lesotho, the Kingdom of Swaziland, the Republic of Namibia and South Africa;
1.21	<b>"Companies Act"</b>	the Companies Act, 2008;
1.22	<b>"Condition"</b>	a numbered term or condition of the Notes forming part of the Terms and Conditions;
1.23	<b>"Dealer"</b>	such person(s) appointed by the Issuer in terms of the Programme Agreement, which appointment may be for a specific issue of Notes or an ongoing basis;
1.24	<b>"Debt Sponsor"</b>	RMB;
1.25	<b>"Early Redemption Amount"</b>	the amount, as set out in Condition 8.7, at which the Notes will be redeemed by the Issuer pursuant to the provisions of Condition 8.3 (Tax reasons), Condition 8.6 (Rating Downgrade Event in respect of a Change in Control) and/or Condition 12 (Event of Default);
1.26	<b>"EBITDA"</b>	in respect of a Subsidiary or Eqstra Holdings, the trading profits before interest and tax and before the deduction of any amount attributable to the amortisation of intangible assets and the depreciation of tangible assets, calculated by reference to the last audited (consolidated or, as

the case may be, unconsolidated) annual or unaudited semi-annual accounts of the Subsidiary, whichever is the latest, and the latest annual or unaudited semi-annual consolidated accounts of Eqstra Holdings, whichever is the latest, in each case subject to Condition 6.8;

1.27	<b>"Eqstra Holdings"</b>	Eqstra Holdings Limited, a company incorporated in accordance with the laws of South Africa, registration number 1998/011672/06, its successors-in-title or assigns;
1.28	<b>"Event of Default"</b>	in relation to any Notes, any of the events specified as such in Condition 12 of the Terms and Conditions;
1.29	<b>"Final Broken Amount"</b>	in respect of a Tranche of Notes, the Interest Amount for the last Interest Period as specified in the Applicable Pricing Supplement;
1.30	<b>"Final Redemption Date"</b> ,	in relation to a Tranche of Notes, the final date upon which the Notes of that Tranche are to be redeemed, as set out in the Applicable Pricing Supplement;
1.31	<b>"Fitch"</b>	Fitch Ratings Limited (or (if applicable) any South African subsidiary or associated company of Fitch Ratings Limited) or any successor to its ratings business;
1.32	<b>"Fixed Rate Notes"</b>	Notes which will bear interest at a fixed Interest Rate, as specified in the Applicable Pricing Supplement;
1.33	<b>"Floating Rate Notes"</b>	Notes which will bear interest at a floating Interest Rate, as specified in the Applicable Pricing Supplement;
1.34	<b>"GAAP"</b>	generally accepted accounting practices in South Africa, including IFRS;
1.35	<b>"IFRS"</b>	international accounting standards within the meaning of the IAS Regulation (EC) No 1606/2002

		of the European Parliament and of the Council of the European Union;
1.36	<b>"Implied Yield"</b>	the yield accruing on the Issue Price of Zero Coupon Notes, as specified in the Applicable Pricing Supplement;
1.37	<b>"Income Tax Act"</b>	the Income Tax Act, 1962;
1.38	<b>"Indexed Notes"</b>	Notes which bear interest determined by reference to such index and/or formula specified in the Applicable Pricing Supplement;
1.39	<b>"Individual Certificate"</b>	as contemplated in the Terms and Conditions, a single certificate representing Notes in a Tranche of Notes, registered in the name of the relevant Noteholder;
1.40	<b>"Initial Broken Amount"</b>	in respect of a Tranche of Notes, the Interest Amount for the first Interest Period as specified in the Applicable Pricing Supplement;
1.41	<b>"Interest Amount"</b>	the amount of interest payable in respect of each Note, as determined in accordance with the Terms and Conditions;
1.42	<b>"Interest Commencement Date"</b>	in respect of a Tranche of Notes other than Zero Coupon Notes, the first date from which interest on such Notes will accrue, as specified in the Applicable Pricing Supplement;
1.43	<b>"Interest Payment Date(s)"</b>	the dates specified as such in the Applicable Pricing Supplement upon which Interest Amounts are due and payable in respect of the Notes;
1.44	<b>"Interest Period"</b>	each period, as specified in the Applicable Pricing Supplement, in respect of which interest accrues on the Notes, other than Zero Coupon Notes, commencing on (and including) each Interest Payment Date and ending on (but excluding) the following Interest Payment Date, provided that the first Interest Period in respect of any Tranche of Notes other than Zero Coupon Notes, shall be from (and including) the Interest Commencement Date to

		(but excluding) the next following Interest Payment Date thereafter and the final Interest Period shall be from (and including) the Interest Payment Date immediately preceding the Final Redemption Date to (but excluding) the Final Redemption Date;
1.45	<b>"Interest Rate"</b>	in relation to each Tranche of Notes, the interest rate specified in the Applicable Pricing Supplement;
1.46	<b>"Interest Rate Market of the JSE"</b>	the separate platform or sub-market of the JSE designated as the <i>"Interest Rate Market"</i> and on which (i) securities which were listed on BESA, prior to its merger with the JSE on 22 June 2009, may continue to be listed and (ii) debt securities (as defined in the JSE Debt Listings Requirements) may be listed, subject to all Applicable Laws;
1.47	<b>"ISDA"</b>	International Swaps and Derivatives Association, Inc;
1.48	<b>"ISDA Definitions"</b>	the 2006 ISDA Definitions as published by ISDA (as amended, supplemented, revised or republished from time to time);
1.49	<b>"Issue Date"</b>	in relation to each Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;
1.50	<b>"Issue Price"</b>	in relation to each Tranche of Notes, the price specified as such in the Applicable Pricing Supplement;
1.51	<b>"Issuer"</b>	Eqstra Corporation (Proprietary) Limited, a company incorporated in accordance with the laws of South Africa, registration number 1984/007045/07, its successors-in-title or assigns;
1.52	<b>"JSE"</b>	means the JSE Limited (Registration Number 2005/022939/06), licensed as an exchange in terms of the Securities Services Act, or any exchange which operates as a successor exchange to the JSE in terms of the Securities Services Act;

1.53	<b>"JSE Debt Listings Requirements"</b>	means all listings requirements promulgated by the JSE from time to time for the Interest Rate Market of the JSE;
1.54	<b>"Last Day to Register"</b>	with respect to a particular Tranche of Notes, by 17h00 on the Business Day preceding the first day during which the Register is closed for further transfers or entries, as specified in the Applicable Pricing Supplement;
1.55	<b>"Lead Manager(s)"</b>	in relation to the issue of a Tranche of Notes, one or more of the Dealer(s) appointed by the Issuer in respect of the placement of that Tranche of Notes, as specified in the Applicable Pricing Supplement;
1.56	<b>"Material Subsidiary"</b>	a member of the South African Group whose total assets or EBITDA exceed 5% of the consolidated total assets or consolidated EBITDA of the South African Group as a whole, calculated by reference to the last audited (consolidated or, as the case may be, unconsolidated) annual or unaudited semi-annual accounts of the Subsidiary, whichever is the latest, and the latest annual or unaudited semi-annual consolidated accounts of Eqstra Holdings, whichever is the latest, in each case subject to Condition 6.8;
1.57	<b>"Maturity Amount"</b>	the amount payable at maturity in respect of the Notes, as specified in the Applicable Pricing Supplement;
1.58	<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 or other Notes, each as specified in the Applicable Pricing Supplement;
1.59	<b>"Moody's"</b>	Moody's Investors Service Limited or any successor to its ratings business;
1.60	<b>"Nedbank Capital"</b>	Nedbank Limited, a company incorporated in accordance with the laws of South Africa, registration number 1951/000009/06, its

		successors-in-title or assigns, acting through its division, Nedbank Capital;
1.61	<b>"Noteholder"</b>	in respect of a Note, the holder of that Note, as recorded in the Register;
1.62	<b>"Noteholders"</b>	the holders of all Notes as recorded in the Register;
1.63	<b>"Notes"</b>	the Notes issued or to be issued by the Issuer under the Programme in terms of the Terms and Conditions;
1.64	<b>"Optional Redemption Amount(s)"</b>	has the meaning given in the Applicable Pricing Supplement;
1.65	<b>"Optional Redemption Date(s)"</b>	has the meaning given in the Applicable Pricing Supplement;
1.66	<b>"Ordinary Resolution"</b>	a resolution passed at a properly constituted meeting of Noteholders or Noteholders of the relevant Series of Notes, as the case may be, by a majority of the votes cast at a poll by Noteholders or Noteholders of the relevant Series of Notes, as the case may be, present in person or by proxy;
1.67	<b>"Outstanding Principal Amount"</b>	in relation to any Note, the Principal Amount of that Note less the aggregate amounts in respect of principal redeemed and paid to the Noteholder;
1.68	<b>"Parent"</b>	Eqstra Holdings, the holding company of the Issuer;
1.69	<b>"Parent Guarantee"</b>	the unconditional and irrevocable guarantee to be given by the Parent Guarantor to all Noteholders as contemplated in the Terms and Conditions, as amended, novated and/or substituted from time to time in accordance with its terms;
1.70	<b>"Parent Guarantor"</b>	Eqstra Holdings;
1.71	<b>"Participant"</b>	a person that holds in custody and administers securities or an interest in securities and that has been accepted by the Central Securities Depository as a participant in terms of the Securities Services Act;

1.72	<b>"Paying Agent"</b>	Nedbank Limited, acting through its division, Nedbank Investor Services, or, in relation to a particular Tranche or Series of Notes, such other person as specified in the Applicable Pricing Supplement;
1.73	<b>"Permitted Reorganisation"</b>	means a reorganisation on a solvent basis of a member of the Issuer or the Parent Guarantor where no Event of Default is then outstanding;
1.74	<b>"Principal Amount"</b>	in relation to each Note, the nominal amount of that Note, being the amount equivalent to the Specified Denomination set out in the Applicable Pricing Supplement;
1.75	<b>"Principal Payment"</b>	in respect of any Note, so much of the Principal Amount redeemed in respect of such Note on an Interest Payment Date;
1.76	<b>"Programme"</b>	the R8 000 000 000 domestic medium term note programme under which the Issuer may from time to time issue Notes;
1.77	<b>"Programme Agreement"</b>	the agreement concluded between the Issuer, the Parent Guarantor, the Subsidiary Guarantors and the Dealer(s) relating to the procuring of subscriptions for the Notes, as amended, novated and/or substituted from time to time in accordance with its terms;
1.78	<b>"Programme Amount"</b>	the maximum aggregate Outstanding Principal Amount of all of the Notes that may be issued under the Programme at any one point in time, being R8 000 000 000 or such increased amount as is determined by the Issuer from time to time subject to and in accordance with all Applicable Laws, the Programme Agreement, the requirements of the JSE and/or any such other exchange(s) on which the Notes may be listed;
1.79	<b>"Programme Date"</b>	the date of the Programme Memorandum, being 16 March 2012;



1.80	<b>"Programme Memorandum"</b>	this information memorandum to be issued by the Issuer providing information about the Issuer, the Notes and incorporating the Terms and Conditions, as amended, novated or supplemented from time to time;
1.81	<b>"Project Company"</b>	means a Subsidiary of Eqstra Holdings formed in connection with a particular transaction as a ring-fenced, special purpose company, that raises Project Financing; and any holding company formed for the sole purpose of owning the shares in such Subsidiary;
1.82	<b>"Project Financing"</b>	means any original financing or re-financing, provided that in the event of a default under the agreements governing such financing, the persons providing such financing do not have recourse to Eqstra Holdings or any of its Subsidiaries for the repayment of the monies advanced or any other claim under the agreements governing such financing, other than to the assets financed, the shares in the company that holds such assets, the revenues to be generated by the operation of such assets and the insurance proceeds with respect to the loss of, or damage to, such assets;
1.83	<b>"Put Option Notice"</b>	a written notice delivered by any holder of Senior Notes regarding the exercise of a right to redeem Senior Notes at the option of such Noteholder;
1.84	<b>"Rate Determination Date"</b>	in respect of each Interest Period for a Tranche of Floating Rate Notes, the day falling on the first day of that Interest Period or, if such day is not a Business Day, the first following day that is a Business Day, being the day upon which the Interest Rate in respect of that Tranche of Floating Rate Notes for that Interest Period will be determined by the Calculation Agent in accordance with the Terms and Conditions;
1.85	<b>"R" or "Rand"</b>	the lawful currency of South Africa, being South African Rand, or any successor currency;

1.86	<b>"Rating"</b>	in relation to a Tranche of Notes, the Programme or the Issuer or Eqstra Holdings, a rating, if any, granted by the Rating Agency, as specified in the Applicable Pricing Supplement;
1.87	<b>"Rating Agency"</b>	the rating agency or rating agencies, if any, appointed by the Issuer to assign a Rating to the Issuer or to any Notes issued by the Issuer or appointed by Eqstra Holdings to assign a Rating to Eqstra Holdings, as the case may be, as specified in the Applicable Pricing Supplement;
1.88	<b>"Redemption Date"</b>	each date on which any Notes are to be redeemed, partially or finally, as the case may be, in terms of the Terms and Conditions;
1.89	<b>"Reference Banks"</b>	Absa Bank Limited, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited and each of their successors-in-title;
1.90	<b>"Reference Price"</b>	in relation to a tranche of Zero Coupon Notes, the reference price specified in the Applicable Pricing Supplement;
1.91	<b>"Register"</b>	the register of Noteholders maintained by the Transfer Agent;
1.92	<b>"Relevant Date"</b>	the date on which a payment first becomes due and payable in accordance with these Terms and Conditions, except that in relation to monies payable to the Central Securities Depository's Nominee in accordance with these Terms and Conditions, the claim in respect of any payment under the Notes will prescribe 3 years after the date on which (i) the full amount of such monies have been received by the Central Securities Depository's Nominee, (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;

1.93	<b>"RMB"</b>	means Rand Merchant Bank Limited, a division of FirstRand Bank Limited, a company incorporated in accordance with the laws of South Africa, registration number 1929/001225/06, its successors-in-title or assigns;
1.94	<b>"Securities Services Act"</b>	the Securities Services Act, 2004;
1.95	<b>"Senior Notes"</b>	Notes issued with the status set out in Condition 5.1;
1.96	<b>"SENS"</b>	Securities Exchange News Service;
1.97	<b>"Series" or "Series of Notes"</b>	a Tranche of Notes which, together with any further Tranche or Tranches of Notes, are:
1.97.1		expressed to be consolidated and form a single series; and
1.97.2		identical in all respects (including listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Price;
1.98	<b>"Settlement Agents"</b>	those Participants which are approved by the JSE or any other relevant financial exchange from time to time, in terms of the Applicable Procedures of the JSE, as settlement agents to perform electronic settlement of funds and scrip on behalf of market participants;
1.99	<b>"South Africa"</b>	the Republic of South Africa;
1.100	<b>"South African Group"</b>	means Eqstra Holdings and those of its Subsidiaries incorporated in the Common Monetary Area;
1.101	<b>"Special Resolution"</b>	a resolution passed at a properly constituted meeting of Noteholders or Noteholders of the relevant Series of Notes, as the case may be, by a majority consisting of not less than 66.67% of the votes cast at a poll by Noteholders or Noteholders of the relevant Series of Notes, as the case may be, present in person or by proxy;

1.102	<b>"Specified Currency"</b>	the lawful currency of a country in the Common Monetary Area, as set out in the Applicable Pricing Supplement;
1.103	<b>"Specified Denomination"</b>	has the meaning given in the Applicable Pricing Supplement;
1.104	<b>"Specified Office"</b>	in relation to each of the Issuer, the Calculation Agent, the Paying Agent and the Transfer Agent, the address of the office specified in respect of such entity in the Applicable Pricing Supplement, or such other address as is notified by such entity (or, where applicable, a successor to such entity) to the Noteholders in accordance with the Terms and Conditions, as the case may be;
1.105	<b>"S&amp;P"</b>	Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, Inc. or any successor to its ratings business;
1.106	<b>"Step-Up Date"</b>	in relation to each Tranche of Notes, the date specified in the Applicable Pricing Supplement from which the Step-Up Rate will be applicable;
1.107	<b>"Step-Up Rate"</b>	in relation to each Tranche of Notes, the interest rate specified in the Applicable Pricing Supplement;
1.108	<b>"Subordinated Indebtedness"</b>	has the meaning given in Condition 5.2.3;
1.109	<b>"Subordinated Notes"</b>	Notes issued with the status set out in Condition 5.2;
1.110	<b>"Subsidiary"</b>	means:
1.110.1		a subsidiary within the meaning of section 1 of the Companies Act; and
1.110.2		an entity of which a person has direct or indirect control or owns directly or indirectly more than 50 per cent of the voting capital or similar right of ownership, and control for this purpose means the power to direct the management and the policies of the entity

whether through the ownership of voting capital, by contract or otherwise;

- |       |                               |   |
|-------|-------------------------------|---|
| 1.111 | <b>"Subsidiary Guarantee"</b> | the unconditional and irrevocable guarantee to be given by the Subsidiary Guarantors to all Noteholders as contemplated in the Terms and Conditions, as amended, novated and/or substituted from time to time in accordance with its terms;   |
| 1.112 | <b>"Subsidiary Guarantor"</b> | each of Mutual Construction Company (Transvaal) (Pty) Ltd (Registration number 1988/002721/07), MCC Contracts (Pty) Ltd (Registration number 1983/008084/07), Saficon Industrial Equipment (Pty) Ltd (Registration number 1970/002074/07), Eqstra NH Equipment (Proprietary) Limited (Registration number 1959/001593/07), Eqstra TA Equipment (Pty) Ltd (trading as Terex Africa (Registration number 1974/002797/07) and any additional Subsidiary of Eqstra Holdings that accedes to the Subsidiary Guarantee, if and for so long as each such company is a party to the Subsidiary Guarantee in accordance with the provisions of the Terms and Conditions; |
| 1.113 | <b>"Taxes"</b>                | all present and future taxes, levies, imposts, duties, charges, fees, deductions and withholdings imposed or levied by any governmental, fiscal or other competent authority in South Africa or any other jurisdiction from which any payment is made (and including any penalty payable in connection with any failure to pay, or delay in paying, any of the same) and "Tax" and "Taxation" shall be construed accordingly;   |
| 1.114 | <b>"Terms and Conditions"</b> | the terms and conditions incorporated in the section headed " <i>Terms and Conditions of the Notes</i> " of this Programme Memorandum, read with the Applicable Pricing Supplement, and in accordance with which the Notes will be issued;  |

1.115	<b>"Tranche"</b>	all Notes which are identical in all respects (including as to listing, if any) and are issued in a single issue;
1.116	<b>"Transfer Agent"</b>	Nedbank, acting through its division, Nedbank Capital or such other person with whom the Issuer enters into an agreement in terms of which such person agrees to provide note registry services to the Issuer;
1.117	<b>"Transfer Form"</b>	in relation to the transfer of a Note as contemplated in the Terms and Conditions, means a form of transfer in the usual form or in such other form approved by the Transfer Agent; and
1.118	<b>"Zero Coupon Notes"</b>	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.
1.119	In the Terms and Conditions, unless inconsistent with the context, any reference to:	
1.119.1	one gender includes a reference to the others;	
1.119.2	the singular includes the plural and <i>vice versa</i> ;	
1.119.3	natural persons include juristic persons and vice versa;	
1.119.4	any agreement or instrument is a reference to that agreement or instrument as amended, supplemented, varied, novated, restated or replaced from time to time, and <b>amended</b> or <b>amendment</b> will be construed accordingly;	
1.119.5	a provision of law is a reference to that provision as amended or re-enacted, and includes any subordinate legislation;	
1.119.6	a <b>regulation</b> includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, being of a type with which any person to which it applies is accustomed to comply) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;	
1.119.7	<b>assets</b> includes present and future properties, revenues and rights of every description;	
1.119.8	<b>disposal</b> means a sale, transfer, grant, lease or other disposal (whether voluntary or involuntary);	

- 1.119.9 **indebtedness** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- 1.119.10 an **authorisation** includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration or notarisation;
- 1.119.11 a Party or any other person includes that person's permitted successor, transferee, assignee, cessionary and/or delegate; and
- 1.119.12 a time of day is a reference to Johannesburg time.
- 1.120 If any provision in a definition is a substantive provision conferring rights or imposing obligations on any party, effect must be given to it as if it were a substantive provision in the body of the agreement, notwithstanding that it is contained in the interpretation clause.
- 1.121 Headings are inserted for the sake of convenience only and do not in any way affect the interpretation of the Terms and Conditions.
- 1.122 The use of the word **including** followed by specific examples will not be construed as limiting the meaning of the general wording preceding it, and the *eiusdem generis* rule must not be applied in the interpretation of such general wording or such specific examples.
- 1.123 The rule of construction that an agreement is to be interpreted against the party responsible for the drafting or preparation thereof must not be used in the interpretation of the Terms and Conditions.
- 1.124 A reference to a **month** or **months** is a reference to a period starting on one day in a calendar month and ending on the day preceding the numerically corresponding day in the next calendar month or the calendar month in which it is to end, except that:
  - 1.124.1 if the numerically corresponding day is not a Business Day, the period will end on the next Business Day in that month (if there is one) or the preceding Business Day (if there is not);
  - 1.124.2 if there is no numerically corresponding day in that month, that period will end on the last Business Day in that month; and
  - 1.124.3 notwithstanding 1.119.1 above, a period which commences on the last Business Day of a month will end on the last Business Day in the next month or the calendar month in which it is to end, as appropriate.
- 1.125 If any cost or financial liability of the Issuer which is expressed as an annual cost or financial liability is to be determined for any part of a year, it must be determined by pro rating that cost or financial liability.

## 2. Issue

- 2.1 Notes may be issued by the Issuer in Tranches pursuant to the Programme, without requiring the consent of Noteholders.
- 2.2 A Tranche of Notes may, together with a further Tranche or Tranches, form a Series of Notes issued under the Programme.
- 2.3 The Applicable Pricing Supplement for each Tranche of Notes is incorporated in these Terms and Conditions for the purposes of those Notes and supplements these Terms and Conditions. The Applicable Pricing Supplement may specify other terms and conditions (which may replace, modify, or supplement these Terms and Conditions), in which event such other terms and conditions shall, to the extent so specified in the Applicable Pricing Supplement or to the extent inconsistent with these Terms and Conditions, replace, modify or supplement these Terms and Conditions.

## 3. Form and Denomination

- 3.1 Notes will be issued in registered form with a minimum denomination of R1 000 000 each and otherwise in such denominations as may be determined by the Issuer and as specified in the Applicable Pricing Supplement.
- 3.2 Listed and/or unlisted Notes may be issued under the Programme.
- 3.3 Each Note shall be a Senior Note or a Subordinated Note, as specified in the Applicable Pricing Supplement.
- 3.4 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:
  - 3.4.1 be interest bearing or non-interest bearing;
  - 3.4.2 be issued at par, a premium or a discount;
  - 3.4.3 be issued in fully paid up or partly paid form;
  - 3.4.4 be exchangeable for other assets;
  - 3.4.5 have such other characteristics as may be specified in the Applicable Pricing Supplement.
- 3.5 The Notes in a Tranche of Notes will be issued in the form of registered Notes, represented by (i) Individual Certificates registered in the name, and for the account of, the relevant Noteholder or (ii) no Certificate, and held in uncertificated form in the Central Securities Depository in terms



of section 37 of the Securities Services Act, and registered in the name, and for the account of, the Central Securities Depository's Nominee. The Central Securities Depository will hold the Notes subject to the Securities Services Act and the Applicable Procedures.

#### **4. Title**

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

#### **5. Status of Notes**

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

The Senior Notes constitute direct, unconditional, unsubordinated and 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 unsecured obligations (other than unsecured subordinated obligations, if any) of the Issuer from time to time outstanding.

##### **5.2 Status of the Subordinated Notes**

- 5.2.1 Subordinated Notes constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank *pari passu* among themselves and (save for certain debts required to be preferred by law) at least *pari passu* with all other present and future unsecured and subordinated obligations of the Issuer.
- 5.2.2 Subject to Applicable Law, in the event of the dissolution of the Issuer or if the Issuer is placed into liquidation or 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. Accordingly, in any such event, and provided as aforesaid, no holder of a Subordinated Note shall be entitled to prove or tender to prove a claim in respect of the Subordinated Notes, and no amount shall be eligible for set-off or shall be payable to any or all the persons entitled to be paid amounts due in respect of Subordinated Notes 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.

- 5.2.3 **"Subordinated Indebtedness"** means for the purposes of this Condition 5.2 any indebtedness of the Issuer, including any guarantee given by 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 unsubordinated creditors of the Issuer in the event of the dissolution, winding-up or placing into liquidation of the Issuer.

## 6. Guarantees

- 6.1 The Issuer has procured that the obligations of the Issuer under the Notes are guaranteed by the Parent Guarantor on the terms and conditions as contained in the Parent Guarantee, as described in the section of the Programme Memorandum headed "*The Parent Guarantee*".
- 6.2 The Issuer has procured that the obligations of the Issuer under the Notes are guaranteed by the Subsidiary Guarantors on the terms and conditions as contained in the Subsidiary Guarantee, as described in the section of the Programme Memorandum headed "*The Subsidiary Guarantee*". Additional Subsidiary Guarantors may accede to the Subsidiary Guarantee from time to time. The Issuer shall notify the Noteholders in writing of such accession in accordance with Condition 16.
- 6.3 A Subsidiary Guarantor that ceases to be a Subsidiary of the Parent shall automatically cease to be a Subsidiary Guarantor, provided that no amount is then due under the Subsidiary Guarantee. The Issuer shall notify the Noteholders in writing of such cessation in accordance with Condition 16.
- 6.4 If a Subsidiary Guarantor ceases to be a Material Subsidiary of the Parent, the Issuer is entitled to remove such Subsidiary as a Subsidiary Guarantor, provided that no amount is then due under the Subsidiary Guarantee and provided that the provisions of Condition 6.6 have been satisfied. The Issuer shall notify the Noteholders in writing of such cessation in accordance with Condition 16.
- 6.5 If, after the Programme Date, any member of the South African Group is a Material Subsidiary, the Issuer must, subject to Condition 6.9 below, promptly procure that that Material Subsidiary becomes a Subsidiary Guarantor.

6.6 If at any time after the Programme Date:

6.6.1 the aggregate contribution of the Issuer and all the Subsidiary Guarantors to the consolidated total assets (excluding intangible assets, deferred tax assets, investments in Subsidiaries of Eqstra Holdings and loans to Subsidiaries of Eqstra Holdings) of Eqstra Holdings or the consolidated EBITDA of Eqstra Holdings,

is less than

6.6.2 80% of the consolidated total assets (excluding intangible assets, deferred tax assets, investments in Subsidiaries of Eqstra Holdings and loans to Subsidiaries of Eqstra Holdings) of Eqstra Holdings or the consolidated EBITDA of Eqstra Holdings (such shortfall being the **Financial Support Deficit**),

then the Issuer, subject to Condition 6.8 below, must procure, within 120 days of the end of each financial year end and financial half year end of Eqstra Holdings, that so many additional members of the South African Group become Subsidiary Guarantors as is necessary to ensure that there is no Financial Support Deficit.

6.7 If upon the acquisition or disposal of any business or entity:

6.7.1 the aggregate contribution of the Issuer and all the Subsidiary Guarantors to the consolidated total assets (excluding intangible assets, deferred tax assets, investments in Subsidiaries of Eqstra Holdings and loans to Subsidiaries of Eqstra Holdings) of Eqstra Holdings or the consolidated EBITDA of Eqstra Holdings,

is less than

6.7.2 80% of the consolidated total assets (excluding intangible assets, deferred tax assets, investments in Subsidiaries of Eqstra Holdings and loans to Subsidiaries of Eqstra Holdings) of Eqstra Holdings or the consolidated EBITDA of Eqstra Holdings (such shortfall being the **Financial Support Deficit**),

as determined from the latest audited consolidated financial statements of Eqstra Holdings, adjusted (where appropriate) to reflect the consolidated total assets (excluding intangible assets, deferred tax assets, investments in Subsidiaries of Eqstra Holdings and loans to Subsidiaries of Eqstra Holdings) and consolidated EBITDA of the company or business acquired or disposed of, then the Issuer, subject to Condition 6.9 below, must procure, within 120 days of the date of the relevant acquisition or disposal, that so many additional members of the South African Group become Subsidiary Guarantors as is necessary to ensure that there is no Financial Support Deficit.

6.8 All assets, debt, equity, net interest and EBITDA associated with Subsidiaries of Eqstra Holdings that are not members of the South African Group and associated with Project

Companies will be excluded from the calculations of the consolidated total assets and the consolidated EBITDA of Eqstra Holdings.

- 6.9 The Issuer is not required to comply with Conditions 6.5, 6.6 and 6.7 to the extent that:
- 6.9.1 it is unlawful for the relevant person to become a Subsidiary Guarantor; or
- 6.9.2 that person becoming a Subsidiary Guarantor would result in personal liability for its directors, officers or other management.

## **7. Interest**

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

#### **7.1.1 Fixed Interest Rate**

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

#### **7.1.2 Interest Payment Dates**

The interest due in respect of each Interest Period will be payable in arrear on the Interest Payment Date in respect of such Interest Period. The first payment of interest will be made on the Interest Payment Date following the Interest Commencement Date. If any Interest Payment Date falls upon a day which is not a Business Day, the provisions of Condition 9.3 shall determine the date of payment of interest due upon such Interest Payment Date.

#### **7.1.3 Calculation of Interest Amount**

The Calculation Agent will calculate the Interest Amount payable in respect of each Tranche of Fixed Rate Notes for each Interest Period. Unless stated otherwise in the Applicable Pricing Supplement, the Interest Amount for half yearly interest payments shall be calculated by multiplying the Interest Rate by the Outstanding Principal Amount of the Fixed Rate Note and then dividing such product by 2 (the resultant sum will be rounded to the nearest cent, half a cent being rounded upwards), provided that:

7.1.3.1 if an Initial Broken Amount is specified in the Applicable Pricing Supplement, then the first Interest Amount shall equal such Initial Broken Amount; and

7.1.3.2 if a Final Broken Amount is specified in the Applicable Pricing Supplement, then the final Interest Amount shall equal such Final Broken Amount.

Save as provided in the preceding paragraphs, if interest is required to be calculated for a period of other than one year (in the case of annual interest payments) or other than 6 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 days (including the first day and excluding the last day) in such period divided by 365.

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

### 7.2.1 **Interest Rate**

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

### 7.2.2 **Interest Payment Dates**

The interest due in respect of each Interest Period will be payable in arrear on the Interest Payment Date in respect of such Interest Period. The first payment of interest will be made on the Interest Payment Date following the Interest Commencement Date. If any Interest Payment Date falls upon a day which is not a Business Day, the provisions of Condition 9.3 shall determine the date of payment of interest due upon such Interest Payment Date. Interest in respect of any Interest Period shall accrue to and be paid on the relevant Interest Payment Date.

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

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

Note and then multiplying such product by the actual number of days elapsed in such Interest Period, divided by 365. The resultant sum will be rounded to the nearest cent, half a cent being rounded upwards.

#### 7.2.4 **Basis of Interest Rate**

7.2.4.1 The Interest Rate will be determined:

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

all as indicated in the Applicable Pricing Supplement.

#### 7.2.4.2 **ISDA Determination**

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

For the purposes of this Condition 7.2.4.2:

"**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by such agent as is specified in the Applicable Pricing Supplement under a notional interest rate swap transaction if that agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

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

"**Floating Rate**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those expressions in the ISDA Definitions. Other expressions used in this Condition 7.2.4.2 or in the Applicable Pricing

Supplement (where ISDA determination is specified) not expressly defined shall bear the meaning given to those expressions in the ISDA Definitions.

When this Condition 7.2.4.2 applies, in respect of each Interest Period such agent as is specified in the Applicable Pricing Supplement will be deemed to have discharged its obligations under Condition 7.2.3 in respect of the determination of the Interest Rate if it has determined the Interest Rate in respect of such Interest Period in the manner provided in this Condition 7.2.4.2.

#### 7.2.4.3

##### **Screen Rate Determination**

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

- (a) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (b) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0,000005 being rounded upwards) of the offered quotations (if there is more than one quotation on the Relevant Screen Page) and subject to adjustment in terms of the JSE's approved methodology,

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 Rate Determination Date in question, as determined and published by the JSE, plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent.

If the Relevant Screen Page is not available or if, in the case of (a) above in this Condition 7.2.4.3, no such offered quotation appears or, in the case of paragraph (b) above in this Condition 7.2.4.3, fewer than three such offered quotations appear, in each case at the time specified in the preceding paragraph, the Calculation Agent shall request the principal Johannesburg office of each of the Reference Banks (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 12h00 (Johannesburg time) on the Rate Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Interest Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0,000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

If the Interest Rate cannot be determined by applying the provisions of the preceding paragraphs of this Condition 7.2.4.3, the Interest Rate for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0,00005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks offered, at approximately 12h00 (Johannesburg time) on the relevant Rate Determination Date, in respect of deposits in an amount approximately equal to the Principal Amount of the Notes, for a period equal to that which would have been used for the Reference Rate, to Reference Banks in the Johannesburg inter-bank market plus or minus (as appropriate) the Margin (if any). If fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the Interest Rate for the relevant Interest Period will be determined by the Calculation Agent as the arithmetic mean (rounded as provided above) of the rates for deposits in an amount approximately equal to the Principal Amount of the Notes, for a period equal to that which would have been used for the Reference Rate, quoted at approximately 12h00 (Johannesburg time) on the relevant Rate Determination Date, by four leading banks in Johannesburg (selected by the Calculation Agent and approved by the Issuer) plus or minus (as appropriate) the Margin (if any). If the Interest Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the Interest Rate shall be determined as at the last preceding Rate Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that preceding Interest Period).

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

**"Reference Banks"** means for the purposes of this Condition 7.2.4.3 four leading banks in the South African inter-bank market selected by the Calculation Agent and approved by the Issuer (where the Issuer does not act as the Calculation Agent).

### 7.3 Interest on Mixed Rate Notes

- 7.3.1 Each Mixed Rate Note will bear interest at the Interest Rate or Step-Up Rate, if any, applicable to the relevant form of interest-bearing Note (be it a Fixed Rate Note, Floating Rate Note or Indexed Note) for such Interest Period(s), as is/are specified for this



purpose in the Applicable Pricing Supplement, from and including the Issue Date to but excluding the Final Redemption Date (or the Actual Redemption Date, if the Actual Redemption Date falls before or after the Final Redemption Date).

- 7.3.2 Unless otherwise specified in the Applicable Pricing Supplement, a Tranche of Mixed Rate Notes shall (i) for the Interest Period(s) during which such Tranche bears interest at the Interest Rate applicable to Fixed Rate Notes, be construed for all purposes as a Tranche of Fixed Rate Notes and (ii) for the Interest Period(s) during which such Tranche bears interest at the Interest Rate applicable to Floating Rate Notes, be construed for all purposes as a Tranche of Floating Rate Notes and (iii) for the Interest Period(s) during which such Tranche bears interest determined in accordance with an index or formula applicable to Indexed Notes, be construed for all purposes as a Tranche of Indexed Notes.

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

- 7.4.1 Each Indexed Note will bear interest at the Interest Rate or in the Interest Amount determined by reference to such index and/or formula specified in the Applicable Pricing Supplement, for such Interest Period(s) as is/are specified for this purpose in the Applicable Pricing Supplement, from and including the Interest Commencement Date to but excluding the earlier of the Final Redemption Date (or the Actual Redemption Date, if the Actual Redemption Date falls before or after the Final Redemption Date) and the Step-Up Date, if any. If the Step-Up Date occurs, each Indexed Note will bear interest at the Step-Up Rate or in the Interest Amount determined by reference to such index and/or formula specified in the Applicable Pricing Supplement, for such Interest Period(s) as is/are specified for this purpose in the Applicable Pricing Supplement, from and including the Step-Up Date to but excluding the Final Redemption Date (or the Actual Redemption Date, if the Actual Redemption Date falls before or after the Final Redemption Date).
- 7.4.2 The interest due in respect of each Interest Period will be payable in arrear on the Interest Payment Date in respect of such Interest Period. The first payment of interest will be made on the Interest Payment Date following the Interest Commencement Date. If any Interest Payment Date falls upon a day which is not a Business Day, the provisions of Condition 9.3 shall determine the date of payment of interest due upon such Interest Payment Date. Interest in respect of any Interest Period shall accrue to and be paid on the relevant Interest Payment Date.
- 7.4.3 The Calculation Agent will, on each Rate Determination Date, determine, if applicable, the Interest Rate applicable to each Tranche of Indexed Notes and, if applicable, calculate the Interest Amount payable in respect of each Indexed Note in that Tranche for that Interest Period.

## **7.5 Publication of Interest Rate and Interest Amount by the Calculation Agent**

7.5.1 The Calculation Agent will cause the Interest Rate for each Tranche of Notes (other than Fixed Rate Notes) determined upon each Rate Determination Date to be notified to the Noteholders (in the manner set out in Condition 16), the JSE and the Issuer as soon as practicable after such determination but in any event not later than 5 Business Days after such determination.

7.5.2 The Calculation Agent will, in relation to each Tranche of Notes, at least 2 Business Days before each Interest Payment Date, cause the aggregate Interest Amount payable for the relevant Interest Period in respect of such Tranche of Notes to be notified to the Noteholders (in the manner set out in Condition 16), the JSE and the Issuer.

## **7.6 Calculations final and limitation of liability**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained by the Calculation Agent pursuant to the exercise or non-exercise by it of its powers, duties and discretions under the Terms and Conditions, will, in the absence of wilful deceit, bad faith, or manifest error, be binding on the Issuer and all Noteholders, and the Calculation Agent will not have any liability to the Issuer or the Noteholders in connection therewith.

## **8. Redemption and purchases**

### **8.1 Redemption of Zero Coupon Notes at maturity**

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

### **8.2 Final Redemption of the Notes**

Unless previously redeemed or purchased and cancelled as specified below, each Note in a Tranche of Notes shall, subject to the Conditions, be redeemed by the Issuer at its Outstanding Principal Amount (together with interest accrued unpaid thereon) on the Final Redemption Date.

### **8.3 Redemption for tax reasons**

8.3.1 Notes may be redeemed at the option of the Issuer, 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 or Indexed Notes or Mixed Rate Notes), on giving not less than 20 days' notice to the Noteholders prior to such redemption, in accordance with

Condition 16 (which notice shall be irrevocable), if the Issuer is of the reasonable opinion that:

- 8.3.1.1 on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to deduct or withhold from any payment of principal or interest on the Notes any 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 South Africa or any political subdivision of, or any authority in, or of, South Africa 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
- 8.3.1.2 such obligation cannot be avoided by the Issuer taking reasonable measures available to it.
- 8.3.2 From the date of publication of any notice of redemption pursuant to this Condition 8.3, the Issuer shall make available at its Specified Office, for inspection by any holder of Notes so redeemed, a certificate signed by 2 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 to the effect that the Issuer has or will become obliged to make such deduction or withholding as a result of such change or amendment.
- 8.3.3 Notes may be redeemed by the Issuer in accordance with this Condition 8.3 in whole or in part. A redemption in part may be effected by the Issuer notwithstanding that such partial redemption may not entirely avoid such obligation to make such deduction or withholding as provided for or referred to in Condition 10.
- 8.3.4 Notes redeemed for tax reasons pursuant to this Condition 8.3 will be redeemed at:
  - 8.3.4.1 their Early Redemption Amount referred to in Condition 8.7, together with accrued interest (if any) from (and including) the immediately preceding Interest Payment Date to (but excluding) the date of redemption; or
  - 8.3.4.2 as specified in the Applicable Pricing Supplement.

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

If the Issuer is specified in the Applicable Pricing Supplement as having an option to redeem the Notes in a Tranche of Notes, the Issuer shall be entitled, having given not less than 20 days' notice to the Noteholders in accordance with Condition 16 (which notice shall be irrevocable) to redeem the Notes in that Tranche of Notes then outstanding, in whole or in part, 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 accrued unpaid interest (if any) from (and including) the immediately preceding Interest Payment Date to (but excluding) the Optional Redemption Date(s).

#### 8.5 **Redemption at the option of holders of Senior Notes**

If the holders of the Senior Notes are specified in the Applicable Pricing Supplement as having an option to redeem Notes in a Tranche of Notes, the Issuer shall, at the option of the holder of any Senior Note redeem such Senior Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) specified in, or determined in the manner specified in, the Applicable Pricing Supplement, together with accrued unpaid interest (if any) accrued to such date. In order to exercise the option contained in this Condition 8.5, the holder of a Senior Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit the Certificate, if any, representing such Senior Note with the Transfer Agent, together with a duly completed Put Option Notice in the form obtainable from the Transfer Agent. No Certificate, once deposited with a duly completed Put Option Notice in accordance with this Condition 8.5, may be withdrawn; *provided*, however, that if, prior to the relevant Optional Redemption Date (Put), the Senior Notes represented by any Certificate so deposited become immediately due and payable or, upon due presentation of any Certificate on the relevant Optional Redemption Date (Put), payment of the redemption monies is improperly withheld or refused, such Certificate shall, without prejudice to the exercise of the Put Option, be returned to the holder by registered mail at the address specified by such holder in the relevant Put Option Notice.

#### 8.6 **Optional Redemption if a Rating Downgrade Event occurs in respect of a Change of Control**

##### 8.6.1 A "Change of Control Event" shall occur if:

- (a) a Change of Control occurs; and
- (b) a Rating Downgrade occurs in respect of that Change of Control within the Change of Control Period.

##### 8.6.2 The Issuer must promptly notify the Noteholders, in accordance with Condition 16, if it becomes aware of any Change of Control Event and specify the nature of that Change of Control Event.

##### 8.6.3 After the occurrence of a Change of Control Event each Noteholder may, by notice to the Issuer delivered by that Noteholder to the Issuer, within the Election Period declare all or any part of the Notes in respect of that Noteholder, to be due and payable within 15 days of the expiry of the Election Period. Notes redeemed pursuant to this Condition 8.6 will be redeemed at their Early Redemption Amount referred to in Condition 8.7, together

with accrued unpaid interest (if any) from (and including) the immediately preceding Interest Payment Date to (but excluding) the date of redemption or such other amount specified in, or determined in the manner specified in, the Applicable Pricing Supplement.

Any such notice will take effect in accordance with its terms.

#### 8.6.4

For the purposes of this Condition 8.6:

- (a) **"Acting in Concert"** means a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition of shares in Eqstra Holdings by any of them, either directly or indirectly, to obtain or consolidate Control of Eqstra Holdings;
- (b) a **"Change of Control"** shall be deemed to have occurred at each time (whether or not approved by the senior management or board of directors of Eqstra Holdings) that any person (**"Relevant Person"**) at any time directly or indirectly acquires, or persons Acting in Concert or any person or persons acting on behalf of any such person(s), at any time directly or indirectly acquire, Control of Eqstra Holdings; provided that a Change of Control shall not be deemed to have occurred if the shareholders of the Relevant Person are also, or immediately prior to the event which would otherwise constitute a Change of Control were also, all of the shareholders of Eqstra Holdings;
- (c) **"Change of Control Period"** means, in relation to a Change of Control of Eqstra Holdings, the period ending 60 days before or after the date on which that Change of Control of Eqstra Holdings is publicly announced;
- (d) **"Control"** of Eqstra Holdings means:
  - (iii) the holding beneficially of more than 50% of the issued share capital of Eqstra Holdings (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital), or
  - (iv) the power to cast, or control the casting of, such number of the shares in the issued share capital of the Eqstra Holdings carrying more than 50% of the total number of votes that may be cast at a general meeting of the members of Eqstra Holdings;
- (e) **"Election Period"** means, in relation to a Change of Control Event, the period ending 45 days after the date on which the occurrence of that Change of Control Event is notified by Eqstra Holdings to the Noteholders;

- (f) **"Investment Grade Rating"** means a national scale rating of Baa3.za by Moody's or BBB-(zaf) by Fitch or zaBBB- by S&P or their equivalent for the time being, or better;
- (g) a **"Rating Downgrade"** shall be deemed to have occurred in respect of a Change of Control if, within the Change of Control Period:
  - (i) the rating previously assigned to Eqstra Holdings by any Rating Agency is (A) withdrawn, save in the case of the replacement of a rating issued by one Rating Agency with a rating issued by another Rating Agency, or (B) changed from an Investment Grade Rating to a non-Investment Grade Rating (i.e., to Ba1.za by Moody's, BB+(zaf) by Fitch or zaBB+ by S&P, or their equivalent for the time being, or worse); or
  - (ii) where the rating assigned to Eqstra Holdings by any Rating Agency is at the relevant time already below an Investment Grade Rating, such rating is lowered one full rating category (for example, Ba1.za to Ba2.za by Moody's or BB+(zaf) to BB(zaf) by Fitch or zaBB+ to zaBB by S&P, or such similar lower or equivalent rating);

and the notice published by the Rating Agency states that such rating action was or is as a result of the Change of Control.

## 8.7 **Early Redemption Amounts**

- 8.7.1 For the purpose of Conditions 8.3, 8.6 and 12 (unless otherwise as stated herein), the Notes will be redeemed at the Early Redemption Amount calculated as follows:
  - 8.7.1.1 in the case of Notes with a Maturity Amount equal to the Principal Amount, at the Maturity Amount thereof; or
  - 8.7.1.2 in the case of Notes (other than Zero Coupon Notes) with a Maturity Amount which is or may be less than or greater than the Issue Price, to be determined in the manner specified in the Applicable Pricing Supplement, at that Maturity Amount or, if no such amount or manner is so specified in the Applicable Pricing Supplement, at their Outstanding Principal Amount; or
  - 8.7.1.3 in the case of Zero Coupon Notes, at an amount equal to the sum of (i) the Reference Price and (ii) the product of the Implied Yield 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 Notes becomes due and payable, or such other amount as is provided in the Applicable Pricing Supplement.

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

**8.8 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 shall be held, resold or at the option of the Issuer cancelled.

**8.9 Cancellation**

All Notes which are redeemed in full will forthwith be cancelled. All Notes so cancelled and the Notes purchased and cancelled pursuant to Condition 8.8, cannot be re-issued or resold. Where only a portion of Notes represented by a Certificate are cancelled, the Transfer Agent shall deliver a Certificate to such Noteholder in respect of the balance of the Notes remaining after such cancellation. The Issuer shall notify the Central Securities Depository and the JSE of any cancellation or partial redemption of the Notes.

**8.10 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 8 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 Condition 8.7.1.3, 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 on which all amounts due in respect of such Zero Coupon Note have been paid.

**8.11 Partial redemption**

If the Notes are to be redeemed in part only on any date in accordance with these Terms and Conditions, each Note shall be redeemed in part in the proportion which the aggregate Principal Amount of the Notes to be redeemed on the relevant date fixed for redemption of such Notes bears to the aggregate Outstanding Principal Amount of all Notes on the relevant date fixed for redemption of such Notes.

**9. Payment**

**9.1 Method of payment**

- 9.1.1 Payments of interest and principal in respect of Notes held in uncertificated form in the Central Securities Depository will be made to the Central Securities Depository's Nominee, as the registered holder of such Notes, which in turn will transfer such funds,

via the Participants, to the holders of Beneficial Interests. Each of the persons reflected in the records of the Central Securities Depository or the relevant Participants, as the case may be, as the holders of Beneficial Interests shall look solely to the Central Securities Depository or the relevant Participant, as the case may be, for such persons share of each payment so made by the Issuer to, or for the order of, the registered holder of the Note held in uncertificated form. The Issuer will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of, Beneficial Interests, or for maintaining, supervising or reviewing any records relating to such Beneficial Interests. Payments of interest and principal in respect of Notes held in the Central Securities Depository in uncertificated form shall be recorded by the Central Securities Depository's Nominee, as the registered holder of the Notes, distinguishing between interest and principal, and such record of payments by the registered holder of the Notes shall be *prima facie* proof of such payments. Payments of interest and principal in respect of Notes represented by Individual Certificates shall be made to the person reflected as the registered holder of the Individual Certificate in the Register on the Last Day to Register.

- 9.1.2 The Issuer shall pay the interest and principal payable in respect of each Note, in immediately available and freely transferable funds, in Rands by electronic funds transfer, to the bank account of the Noteholder as set forth in the Register at 17h00 (Johannesburg time) on the Last Day to Register (whether or not such day is a Business Day) preceding the relevant Interest Payment Date or Redemption Date, as the case may be, or, in the case of joint Noteholders, the account of that one of them who is first named in the Register in respect of that Note. If two or more persons are entered into the Register as joint Noteholders, then without affecting the previous provisions of this condition, payment to any one of them of any monies payable on or in respect of the Note shall be an effective and complete discharge by the Issuer of the amount so paid, notwithstanding any notice (express or otherwise) which the Issuer may have of the right, title, interest or claim of any other person to or in any Note or interest therein.

- 9.1.3 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) such inability shall not constitute an Event of Default and the Issuer shall give notice to the Noteholders within 3 Business Days of such inability arising. Upon receipt of such notice any Noteholder may request the Issuer in writing to make payment of any such amounts by way of cheque (or by such number of cheques as may be required in accordance with applicable banking law and practice). Such notice shall specify the address of the payee entitled to payment in respect of the Note, and if the Noteholder so desires, a request to make such cheque available for



collection during business hours by a Noteholder or its duly authorised representative at the registered office of the Issuer.

- 9.1.4 All monies so payable by cheque shall, save if the Noteholder requests that the cheque be made available for collection as set out above (unless such cheque is not so collected within 2 Business Days of being made available for collection), be sent by post within 2 Business Days of the receipt by the Issuer of the notice from a Noteholder referred to in the preceding paragraph to:

- 9.1.4.1 the address of that Noteholder as set forth in the Register at 17h00 (Johannesburg time) on the relevant Last Day to Register; or

- 9.1.4.2 in the case of joint Noteholders, the address set forth in the Register of that one of them who is first named in the Register in respect of that Note.

Neither the Issuer nor the Paying Agent shall be responsible for any loss in transmission of cheques posted in terms of this Condition 9.1 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 9.1.

- 9.1.5 Only Noteholders, or, in the case of joint Noteholders, the one of them who is first named in the Register in respect of that Note, reflected in the Register at 17h00 (Johannesburg time) on the relevant Last Day to Register will be entitled to payments of interest and/or principal in respect of Notes.

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

## 9.2 **Surrender of Certificates**

- 9.2.1 On or before the Last Day to Register prior to any Redemption Date (including a Redemption Date relating to mandatory redemption in part), the holder of a Certificate, in respect of a Note to be redeemed (in part or in whole, as the case may be) shall deliver to the Transfer Agent the Certificates to be redeemed. This will enable the Transfer Agent to endorse the partial redemption thereon or, in the case of final redemption, to cancel the relevant Certificates.

- 9.2.2 Should the holder of a Certificate refuse or fail to surrender the Certificate for endorsement or cancellation on or before a Redemption Date, the amount payable to him in respect of such redemption, including any accrued unpaid interest, shall be retained by the Paying Agent for such Noteholder, at the latter's risk, until the Noteholder surrenders the necessary Certificate, and interest shall cease to accrue to such Noteholder from the Redemption Date in respect of the amount redeemed.

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

**9.3 Payment date**

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

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

In respect of Floating Rate Notes, interest shall accrue to and be paid on the relevant date of payment. In respect of Fixed Rate Notes, the holder shall not be entitled to further interest or other payment in respect of such delayed payment.

**9.4 Calculation and notice of principal payments**

The Calculation Agent will calculate the aggregate amount of principal due and payable by the Issuer for each Note on each date that payment of principal is due and payable as specified in the Applicable Pricing Supplement. The Calculation Agent will, at least 2 Business Days before each such date, cause such aggregate amount of principal to be notified to the Noteholders (in the manner set out in Condition 16), the Central Securities Depository, the JSE and the Issuer.

**10. Taxation**

- 10.1 All payments (whether in respect of principal, interest or otherwise) in respect of the Notes will be made without withholding or deduction for or on account of any Taxes, unless such withholding or deduction is required by Applicable Law.
- 10.2 If any such withholding or deduction is required by Applicable Law in respect of Taxes imposed or levied on any payments (whether in respect of principal, interest or otherwise) in respect of any Notes, the Issuer will, subject to the Issuer's rights to redeem such Notes in terms of Condition 8.3, make such payments after such withholding or deduction has been made and will account to the relevant authorities for the amount so required to be withheld or deducted. The Issuer will 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:

- 10.2.1 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 Republic of South Africa other than the mere holding of such Note or the receipt of principal or interest in respect thereof; or
- 10.2.2 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; or
- 10.2.3 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
- 10.2.4 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 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 day; or
- 10.2.5 if such withholding or deduction arises through the exercise by revenue authorities of special powers in respect of Tax defaulters; or
- 10.2.6 where the Noteholder is entitled to claim a Tax reduction, creditor or similar benefit in respect of such withholding or deduction in terms of the Noteholder's domestic tax laws or applicable double tax treaty.

For the purposes of this Condition 10:

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

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

**"Income Tax Act"** means the Income Tax Act.

## 11. Negative pledge

- 11.1 This Condition 11 shall apply only to Senior Notes. Subject to the remaining provisions of this Condition 11, after the Programme Date for as long as any Senior Notes remain outstanding the Issuer undertakes not to, and will procure that the Parent Guarantor and each Subsidiary Guarantor will not, create, or permit the creation of, any Encumbrance over any of its present or future businesses, undertakings, assets or revenues to secure any present or future Indebtedness of the Issuer or the Parent Guarantor or Subsidiary Guarantor without at the

same time securing the Senior Notes equally and rateably with such Indebtedness or providing such other security as may be approved by Special Resolution of the Noteholders of those Senior Notes. 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.

11.2 The provisions set out in Condition 11.1 shall not apply to:

11.2.1 any Encumbrance existing at the Programme Date; or

11.2.2 any Encumbrance created over any asset owned, acquired, developed or constructed by the Issuer or the Parent Guarantor or Subsidiary Guarantor, as the case may be, after the Programme Date if such Encumbrance was created for the sole purpose of financing or refinancing that asset by the Issuer or the Parent Guarantor or Subsidiary Guarantor, as the case may be; provided that 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 that asset or the cost of the acquisition, development or construction of that asset by the Issuer or the Parent Guarantor or Subsidiary Guarantor, as the case may be, (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 and such cost both apply, the higher of the two;

11.2.3 any Encumbrance created over or with respect to any receivables of the Issuer or the Parent Guarantor or Subsidiary Guarantor, as the case may be, after the Programme Date, if such Encumbrance was created pursuant to any securitisation 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;

11.2.4 any Encumbrance created over or with respect to any netting or set-off arrangement entered into by the Issuer or the Parent Guarantor or Subsidiary Guarantor, as the case may be, in the ordinary course of its banking arrangements for the purposes of netting credit and debit balances;

11.2.5 any Encumbrance created by operation of law in the ordinary course of the business of the Issuer or the Parent Guarantor or Subsidiary Guarantor, as the case may be;

11.2.6 any statutory Encumbrance;

11.2.7 any Encumbrance over or affecting any asset acquired by the Issuer or the Parent Guarantor or Subsidiary Guarantor, as the case may be, after the Programme Date if:

- 11.2.7.1 the Encumbrance was not created in contemplation of the acquisition of that asset by the Issuer or the Parent Guarantor or Subsidiary Guarantor, as the case may be; and
- 11.2.7.2 the principal amount secured has not increased in contemplation of or since the acquisition of that asset by the Issuer or the Parent Guarantor or Subsidiary Guarantor, as the case may be;
- 11.2.8 any Encumbrance arising in the ordinary course of trade of the Issuer or the Parent Guarantor or Subsidiary Guarantor, as the case may be;
- 11.2.9 any Encumbrance over deposit accounts securing a loan to the Issuer or the Parent Guarantor or Subsidiary Guarantor, as the case may be, of funds equal to the amount standing to the credit of such deposit accounts;
- 11.2.10 any Encumbrance to secure inter-company Indebtedness incurred between the Issuer or the Parent Guarantor or Subsidiary Guarantor, provided that the holder of such Encumbrance may not cede or assign its rights in terms thereof to any other person;
- 11.2.11 any Encumbrance over the assets of, or shares in, a Project Company;
- 11.2.12 any other Encumbrance, provided that the aggregate value of all of the assets of the Issuer or the Parent Guarantor or Subsidiary Guarantor, as the case may be, which is subject to such other Encumbrance does not, at any time, exceed 10% of the aggregate value of all of the assets of the Issuer or the Parent Guarantor or Subsidiary Guarantor, as the case may be, such value and such assets being determined by reference to the then most recent audited balance sheet of the Issuer or the Parent Guarantor or Subsidiary Guarantor, as the case may be, and, for purposes of this Condition 11.2.12, a report by the auditors of the Issuer that, in their opinion, (i) the amounts shown in a certificate provided by the Issuer (showing the assets of the relevant part and those assets expressed as a percentage of the total assets of the Issuer or the Parent Guarantor or Subsidiary Guarantor, as the case may be) have been correctly extracted from the accounting records of the Issuer or the Parent Guarantor or Subsidiary Guarantor, as the case may be, and (ii) the percentage of the assets of the relevant part to the total assets of the Issuer or the Parent Guarantor or Subsidiary Guarantor, as the case may be, has been correctly calculated shall, in the absence of manifest error, be *prima facie* evidence of the matters to which it relates;
- 11.2.13 any extension or renewal of any Encumbrance contemplated in Conditions 11.2.1 to 11.2.12 inclusive.
- 11.3 For purposes of this Condition 11:

- 11.3.1 **"Encumbrance"** means any mortgage, cession of rights, charge, lien, pledge, assignment, hypothecation, preferential right, or other security interest or arrangement creating real rights of security, but expressly excluding any guarantee, indemnity, suretyship or other arrangement creating personal rights of security;
- 11.3.2 **"Indebtedness"** means any indebtedness in respect of monies borrowed and guarantees or indemnities given, whether present or future, actual or contingent.

## 12. Events of Default

### 12.1 Events of Default relating to the Senior Notes

An Event of Default in relation to a Series of Senior Notes shall arise if any of the following events occurs and is continuing:

- 12.1.1 *Non-payment:* the Issuer fails to pay any amount of principal or interest or premium in respect of the Notes in that Series on the due date for payment thereof and such failure remains unremedied for 5 Business Days after written notice thereof has been delivered by any Noteholder to the Issuer; or
- 12.1.2 *Breach of other obligations:* the Issuer or the Parent Guarantor or a Subsidiary Guarantor fails to perform any of its other obligations under or in respect of the Notes in that Series or the Parent Guarantee or the Subsidiary Guarantee, as the case may be, and such failure remains unremedied for 5 Business Days after written notice thereof has been delivered by any Noteholder to the Issuer or the Parent Guarantor or the Subsidiary Guarantor, as the case may be; or
- 12.1.3 *Cross-default or security enforced:*
- (a) If any Indebtedness for Borrowed Money (as defined below) of the Issuer or the Parent Guarantor or a Subsidiary Guarantor becomes due and repayable prematurely by reason of an event of default (however described); or
  - (b) the Issuer or the Parent Guarantor or a Subsidiary Guarantor fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment (as extended by any originally applicable grace period); or
  - (c) any security given by the Issuer or the Parent Guarantor or a Subsidiary Guarantor for any Indebtedness for Borrowed Money becomes enforceable by reason of default in relation thereto and steps are taken to enforce such security; or
  - (d) if default is made by the Issuer or the Parent Guarantor or a Subsidiary Guarantor in making any payment due under any guarantee and/or indemnity (at the expiry of

any originally applicable grace period) given by it in relation to any Indebtedness for Borrowed Money of any other person;

provided that in each case no event shall constitute an Event of Default unless the Indebtedness for Borrowed Money or other relative liability either alone or when aggregated with other Indebtedness for Borrowed Money and/or other liabilities relative to all (if any) other events which shall have occurred equals or exceeds R25 000 000 (or its equivalent in any other currency).

For the purposes of this Condition 12.1.3 "**Indebtedness for Borrowed Money**" means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (i) money borrowed, (ii) liabilities under or in respect of any acceptance or acceptance credit, or (iii) any bonds, notes, debentures, debenture stock or loan stock.

For the purposes of this Condition 12.1.3, any indebtedness which is in a currency other than South African Rand shall be translated into South African Rand at the spot rate for the sale of South African Rand against the purchase of the relevant currency quoted by the Calculation Agent on the date of such Event of Default; or

- 12.1.4 *Winding-up*: an order is made or an effective resolution is passed for the winding-up, business rescue, liquidation or dissolution of the Issuer or the Parent Guarantor or a Subsidiary Guarantor, whether provisionally or finally, and whether voluntarily or compulsorily (otherwise than in respect of a Permitted Reorganisation or for purposes of a reorganisation approved by a Special Resolution of the Noteholders); or
- 12.1.5 *Financial difficulties*: if the Issuer or the Parent Guarantor or a Subsidiary Guarantor is unable to pay its debts as they fall due or threatens to stop payment of its debts (by reason of financial difficulties), commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness or makes a general assignment for the benefit of or a composition with its creditors generally; or
- 12.1.6 *Failure to take action*: 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 obligations for the issuance of the Notes or the Parent Guarantor or a Subsidiary Guarantor to comply with its obligations for the grant of the Parent Guarantee or the Subsidiary Guarantee, 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 remain in full force and effect, resulting in the Issuer or the Parent Guarantor or a Subsidiary Guarantor being unable to perform any of its payment or other obligations in terms of the Notes or the Parent Guarantee or the Subsidiary Guarantee, as the case may be, and the Issuer or the Parent Guarantor or a Subsidiary

Guarantor, as the case may be, fails to remedy such circumstances (if capable of remedy) within 30 Business Days of receiving written notice from the Noteholders demanding such remedy; or

- 12.1.7 *enforceability of Parent Guarantee or Subsidiary Guarantee:* the Parent Guarantee ceases to be, or is claimed by the Parent Guarantor not to be, in full force and effect or the Subsidiary Guarantee ceases to be, or is claimed by a Subsidiary Guarantor not to be, in full force and effect.

Upon the happening of such an Event of Default any holder of Senior Notes in that Series may, by notice to the Issuer, declare the Notes held by that Noteholder to be immediately due and payable, and require the Notes held by that Noteholder to be repaid at the Early Redemption Amount, together with any accrued unpaid interest thereon (if any).

## 12.2 **Events of Default related to Subordinated Notes**

- 12.2.1 An Event of Default in relation to a Series of Subordinated Notes shall arise if (i) the Issuer fails to pay any amount of principal, interest or premium in respect of any Notes in that Series on the due date for payment thereof and such failure remains unremedied for 7 Business Days after written notice thereof has been delivered by any Noteholder to the Issuer, or (ii) any one or more of the events referred to in Condition 12.1 (other than events referred to in 12.1.1, 12.1.2) occurs and is continuing.
- 12.2.2 Upon the happening of such an Event of Default, any holder of Subordinated Notes in that Series may, by notice to the Issuer, institute such proceedings against the Issuer as it may think fit to enforce the obligations of the Issuer under such Subordinated Notes, provided that the Issuer shall not be obliged, save in the case of the liquidation or winding up proceedings, to pay any sum or sums sooner than the same would otherwise have been payable by it.
- 12.2.3 In the event of the winding-up or liquidation, whether finally or provisionally, of the Issuer, otherwise than for the purposes of a solvent amalgamation, merger, consolidation or re-organisation, then any holder of Subordinated Notes may by written notice to the Issuer declare the Notes held by that Noteholder to be immediately due and payable, and require the Notes held by that Noteholder to be repaid at the Early Redemption Amount, together with any accrued unpaid interest thereon (if any); save that the holders of Subordinated Notes may only receive payment once all the other unsubordinated creditors of the Issuer have been paid in full.

## 12.3 **Notice of an Event of Default**

If an Event of Default occurs the Issuer will forthwith upon becoming aware of such Event of Default, give notice thereof in writing to the Transfer Agent, the Calculation Agent, the Debt



Sponsor, the Parent Guarantor, the Subsidiary Guarantors and the Noteholders of that Series and, if any Notes of the Series are listed on the Interest Rate Market of the JSE, to the JSE, to the Noteholders through SENS and to the Central Securities Depository..

### **13. Replacement of Notes**

#### **13.1 Costs**

Certificates shall be provided (whether by way of issue or delivery) by the Issuer without charge, save as otherwise provided in these Terms and Conditions. The costs and expenses of delivery of Certificates by a method other than ordinary post (if any) and, if the Issuer shall so require, taxes or governmental charges or insurance charges that may be imposed in relation to such mode of delivery, shall be borne by the Noteholder.

#### **13.2 Replacement**

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

#### **13.3 Death and sequestration or liquidation of Noteholder**

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

#### **13.4 Exchange of Beneficial Interests**

13.4.1 The holder of a Beneficial Interest in Notes may, in terms of the Applicable Procedures and subject to section 44 of the Securities Services Act, by written notice to the holder's nominated Participant (or, if such holder is a Participant, the Central Securities Depository), request that such Beneficial Interest be exchanged for Notes in definitive form represented by an Individual Certificate (the "Exchange Notice"). The Exchange Notice shall specify the name, address and bank account details of the holder of the Beneficial Interest.

13.4.2 The holder's nominated Participant will, following receipt of the Exchange Notice, through the Central Securities Depository, notify the Transfer Agent that it is required to exchange such Beneficial Interest for Notes represented by an Individual Certificate. The Transfer Agent will, as soon as is practicable but within 14 days after receiving such notice, in

accordance with the Applicable Procedures, procure that an Individual Certificate is prepared, authenticated and made available for delivery, on a Business Day falling within the aforementioned 14 day period, to the holder of the Beneficial Interest at the Specified Office of the Transfer Agent; 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.

- 13.4.3 In the case of the exchange of a Beneficial Interest in Notes issued in uncertificated form:
- 13.4.3.1 the Central Securities Depository's Nominee will surrender (through the Central Securities Depository system) such uncertificated Notes to the Transfer Agent at its Specified Office;
- 13.4.3.2 the Transfer Agent will obtain the release of such uncertificated Notes from the Central Securities Depository in accordance with the Applicable Procedures.
- 13.4.4 An Individual Certificate shall, in relation to a Beneficial Interest in any number of Notes issued in uncertificated form of a particular aggregate Principal Amount standing to the account of the holder thereof, represent that number of Notes of that aggregate Principal Amount, and shall otherwise be in such form as may be agreed between the Issuer and the Transfer Agent; provided that if such aggregate Principal Amount is equivalent to a fraction of R1 000 000 (or the equivalent thereof in the Specified Currency if the Specified Currency is not Rand) or a fraction of any multiple thereof, such Individual Certificate shall be issued in accordance with, and be governed by, the Applicable Procedures

#### **14. Transfer of Notes**

- 14.1 Beneficial Interests in the Notes may be transferred in terms of the Applicable Procedures through the Central Securities Depository.
- 14.2 The Central Securities Depository maintains accounts only for its Participants. Participants are in turn required to maintain securities accounts for their clients.
- 14.3 Transfers of Beneficial Interests to and from clients of Participants occur, in terms of existing law and practice, by way of electronic book entry in the securities accounts maintained by the Participants for their clients. Transfers of Beneficial Interests among Participants occur through electronic book entry in the central securities accounts maintained by the Central Securities Depository for the Participants. Such transfers of Beneficial Interests 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 Notes notwithstanding such transfers. Beneficial Interests may be transferred only in accordance with these Terms and Conditions, and the Applicable Procedures.

- 14.4 In order for any transfer of Notes to be recorded in the Register, and for such transfer to be recognised by the Issuer:
- 14.4.1 the transfer of such Notes must be embodied in the Transfer Form;
- 14.4.2 the Transfer Form must be signed by the registered Noteholder and the transferee, or any authorised representative of that registered Noteholder and/or transferee; and
- 14.4.3 the Transfer Form must be delivered to the Transfer Agent at its Specified Office together with the relevant Certificate, if any, for cancellation.
- 14.5 Transfers of Notes recorded in the Register will only be in a denomination of R1 000 000 or more. The transfer of Notes recorded in the Register may be transferred in whole or in part (in amounts of not less than R1 000 000).
- 14.6 Subject to the preceding provisions of this Condition 14, the Transfer Agent will, within 3 Business Days of receipt by it of a valid Transfer Form (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), record the transfer of Notes in the Register, and authenticate and deliver to the transferee at the Transfer Agent's Specified Office or, at the risk of the transferee, send by mail to such address as the transferee may request, a new Certificate, if applicable, in respect of such Notes reflecting the same Outstanding Principal Amount as the Notes transferred. Where a Noteholder has transferred part only of his holding of Notes represented by a Certificate, the Transfer Agent will authenticate and deliver to such Noteholder at the Transfer Agent's Specified Office or, at the risk of such Noteholder, send by mail to such address as such Noteholder may request, a new Certificate in respect of the balance of the Notes held by such Noteholder.
- 14.7 The transferor of any Notes will be deemed to remain the owner thereof until the transferee is registered in the Register as the holder thereof.
- 14.8 Before any transfer of any Notes is registered, all relevant transfer taxes (if any) must have been paid by the transferor and/or the transferee and such evidence must be furnished as the Transfer Agent reasonably requires as to the identity and title of the transferor and the transferee.
- 14.9 No transfer of any Notes will be registered while the Register is closed as contemplated in Condition 15.
- 14.10 If a transfer of any Notes is registered, the Transfer Form and cancelled Certificate, if any, will be retained by the Transfer Agent.

## 15. Register

- 15.1 The Register will be kept at the Specified Office of the Transfer Agent. The Register will contain the name, address and bank account details of the registered Noteholders. The Register will set out the Principal Amount of the Notes issued to any Noteholder and will show the date of such issue and the date upon which the Noteholder became registered as such. The Register will show the serial numbers of the Certificates issued. The Register will be open for inspection during the normal business hours of the Transfer Agent to any Noteholder or any person of proven identity authorised in writing by any Noteholder. The Issuer and the Transfer Agent will not be bound to enter any trust into the Register or to take any notice of or to accede to the execution of any trust (express, implied or constructive) to which any Note may be subject.
- 15.2 The Register will, in respect of a Tranche of Notes, be closed during the 5 days preceding each Interest Payment Date and Redemption Date, as the case may be, from 17h00 (Johannesburg time) on the Last Day to Register or such other Books Closed Period as is specified in the Applicable Pricing Supplement. All periods referred to for the closure of the Register may be shortened by the Issuer from time to time, upon notice thereof to the Noteholders in accordance with Condition 16.
- 15.3 The Transfer Agent will alter the Register in respect of any change of name, address or bank account number of any of the Noteholders of which it is notified in accordance with Condition 16.

## 16. Notices

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

- 16.4 All notices (including all communications, demands and/or requests under the Terms and Conditions) to be given by any Noteholder to the Issuer or the Transfer Agent, as the case may be, will be in writing and given by delivering the notice, by hand or by registered post, together with a certified copy of the relevant Certificate, to the Specified Office of the Issuer or the Specified Office of the Transfer Agent, as the case may be, and marked for the attention of the chief executive officer. Any notice to the Issuer or the Transfer Agent, as the case may be, will be deemed to have been received by the Issuer or the Transfer Agent, as the case may be, on the second Business Day after being delivered by hand to the Specified Office of the Issuer or the Transfer Agent, as the case may be, or on the 14<sup>th</sup> day after the day on which it is mailed by registered post to the Specified Office of the Issuer or the Transfer Agent, as the case may be.
- 16.5 Whilst any of the Notes are held in uncertificated form, notices to be given by any holder of a Beneficial Interest to the Issuer shall be given by such holder through such holder's Participant in accordance with the Applicable Procedures.
- 16.6 If any Notes are listed on the Interest Market of the JSE, any notices to Noteholders, including of meetings and any amendments to the Terms and Conditions, shall be published on SENS

#### **17. Amendment of the Terms and Conditions**

- 17.1 Subject to Condition 17.2 the Issuer may effect, without the consent of any Noteholder, any amendment to 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 South Africa. Any such amendment will be binding on Noteholders and such amendment will be notified to Noteholders in accordance with Condition 16 as soon as practicable thereafter.
- 17.2 In respect of an amendment that is not of a formal, minor or technical nature, such amendment may be made only (i) with the prior authorisation of a Special Resolution of all of the Noteholders or (ii) the Noteholders of a particular Series of Notes, as the case may be. The Issuer will call a meeting of all of the Noteholders or a meeting of the Noteholders of that Series, as the case may be. Such meeting or meetings will be regulated by the provisions set out in Condition 20. No proposed amendment will be made to the Terms and Conditions until such amendment has been approved by Special Resolution at such meeting or meetings and, in the case of listed Notes, in compliance with the JSE Debt Listings Requirements.

#### **18. No voting rights on Notes held by Issuer or group companies**

None of the Parent, the Issuer or any subsidiary of the Parent will have any voting rights on any Notes held by it.

#### **19. Prescription**

Any claim for payment of principal and/or interest in respect of the Notes will prescribe 3 years after the Relevant Date.

## 20. Meetings of Noteholders

### 20.1 Directions of Noteholders

- 20.1.1 The provisions with regard to meetings of Noteholders are set out in this Condition 20.
- 20.1.2 Every director, the secretary of and the attorney to the Issuer and every other person authorised in writing by the Issuer, may attend and speak at a meeting of Noteholders, but will not be entitled to vote, other than as a Noteholder or proxy or duly authorised representative of a Noteholder.
- 20.1.3 A meeting of Noteholders will have the power, in addition to all powers specifically conferred elsewhere in the Terms and Conditions:
- 20.1.3.1 by Ordinary Resolution of the Noteholders to give instructions to the Issuer in respect of any matter not covered by the Terms and Conditions (but without derogating from the powers or discretions expressly conferred upon the Issuer by the Terms and Conditions or imposing obligations on the Issuer not imposed or contemplated by the Terms and Conditions or otherwise conflicting with or inconsistent with the provisions of the Terms and Conditions); and
- 20.1.3.2 by Special Resolution:
- 20.1.3.2.1 of the Noteholders to bind all of the Noteholders to any compromise or arrangement;
- 20.1.3.2.2 of the Noteholders of a particular Series of Notes to agree to any variation or modification of any rights of the Noteholders of that Series which will then bind all of the Noteholders of such Series to such variation or modification of the rights of the Noteholders of that Series.
- 20.1.4 Unless otherwise specified, resolutions of Noteholders will require an Ordinary Resolution to be passed.

### 20.2 Convening of meetings

- 20.2.1 The Issuer may at any time convene a meeting of Noteholders or separate meetings of Noteholders of any Series of Notes (a "**meeting**" or the "**meeting**").
- 20.2.2 The Issuer will convene (i) a meeting of Noteholders upon the requisition in writing of Noteholders holding not less than 20% of the aggregate Outstanding Principal Amount of all of the Notes or (ii) a separate meeting of any Noteholders of any Series of Notes upon the requisition in writing of the Noteholders in that Series holding not less than 20% of the

aggregate Outstanding Principal Amount of the Notes held by that Series, as the case may be (a "**requisition notice**").

20.2.3 Whenever the Issuer wishes to convene a meeting, it will forthwith give notice in writing to the Noteholders in the manner prescribed in Condition 16 of the place, day and hour of the meeting, the nature of the business to be transacted at the meeting and the resolutions to be proposed and considered at the meeting.

20.2.4 All meetings of Noteholders will be held in Johannesburg.

### 20.3 **Requisition**

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

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

### 20.4 **Convening of meetings by requisitionists**

If the Issuer does not convene a meeting to be held within 30 days of the deposit of a requisition notice, the requisitionists may themselves convene the meeting, but the meeting so convened will be held within 90 days from the date of such deposit and will be convened as nearly as possible in the same manner as that in which meetings may be convened by the Issuer. Whenever the requisitionists are about to so convene any such meeting, requisitionists shall forthwith give notice of the meeting to the Issuer.

### 20.5 **Notice of meeting**

20.5.1 Unless the holders of at least 90% of the aggregate Outstanding Principal Amount of the Notes or Series of Notes, as the case may be, agree in writing to a shorter period, at least 21 days' written notice, specifying the place, day and time of the meeting, the nature of the business for which the meeting is to be held and the resolutions to be proposed and considered at the meeting, will be given to each Noteholder and to the Issuer if applicable.

20.5.2 The accidental omission to give such notice to any Noteholder or the Issuer, as the case may be, or the non-receipt of any such notice, will not invalidate the proceedings at a meeting.

### 20.6 **Quorum**

20.6.1 A quorum at a meeting shall:

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

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

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

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

## 20.7 **Chairman**

The chairman of the meeting shall be appointed by the Issuer. If the Issuer or the person appointed by the Issuer to preside as chairman of the meeting is not present within 10 minutes of the time appointed for the holding of the meeting, the Noteholders then present will choose one of their own number to preside as chairman.

## 20.8 **Adjournment**

20.8.1 Subject to the provisions of this Condition 20, the chairman may, with the consent of, and will on the direction of, the meeting adjourn the meeting from time to time and from place to place.

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

20.8.3 At least 14 days' written notice of the place, day and time of an adjourned meeting will be given by the Issuer to each Noteholder. In the case of a meeting adjourned in terms of Condition 20.6.3, the notice will state that the Noteholders present in person or by proxy at the adjourned meeting will constitute a quorum.



20.9 **How questions are decided**

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

20.9.2 In the case of an equality of votes, the chairman will not be entitled to a casting vote in addition to the vote, if any, to which he is entitled.

20.10 **Votes**

Voting shall only take place on a poll and not on a show of hands. On a poll every Noteholder, present in person or by proxy, will be entitled to that proportion of the total votes which the aggregate Outstanding Principal Amount of the Notes held by such Noteholder bears to the aggregate Outstanding Principal Amount of all of the Notes or Series of Notes, as the case may be. In relation to joint Noteholders, the vote may be exercised only by that Noteholder whose name appears first on the Register in the event that more than one of such Noteholders is present, in person or by proxy, at the meeting. The Noteholder in respect of Notes held in the Central Securities Depository in uncertificated form shall vote at any such meeting on behalf of the holders of Beneficial Interests in such Notes in accordance with the instructions to the Central Securities Depository's Nominee from the holders of Beneficial Interests conveyed through the Participants in accordance with the Applicable Procedures.

20.11 **Proxies and representatives**

20.11.1 Noteholders present either in person or by proxy may vote on a poll. A Noteholder may by an instrument in writing (a "**proxy form**") signed by the Noteholder (or his duly authorised agent) or, in the case of a juristic person, signed on its behalf by a duly authorised officer of the juristic person, appoint any person (a "**proxy**" or "**proxies**") to act on his or its behalf in connection with any meeting or proposed meeting.

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

20.11.3 The proxy form will be deposited at the Specified Office of the Issuer or at the Specified Office of the Transfer Agent, as the case may be, and a copy sent to the Debt Sponsor, not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such proxy proposes to vote.

20.11.4 No proxy form will be valid after the expiration of 6 months from the date named in it as the date of its execution.

20.11.5 Notwithstanding Condition 20.11.4, a proxy form will be valid for any adjourned meeting, unless the contrary is stated thereon.

20.11.6 A vote given in accordance with the terms of a proxy form will be valid notwithstanding the previous death or incapacity of the principal or revocation or amendment of the proxy

form or of any of the Noteholder's instructions pursuant to which the proxy form was executed or of the authority under which the proxy form was executed or the transfer of Notes in respect of which the proxy was given, provided that no intimation in writing of such death, incapacity, revocation or amendment shall have been received by the Issuer at its Specified Office or the Transfer Agent at its Specified Office, as the case may be, more than, and that the transfer has been given effect to less than, 12 hours before the commencement of the meeting or adjourned meeting at which the proxy is to be used.

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

## 20.12 Minutes

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

## 21. Calculation Agent and Transfer Agent

- 21.1 The Issuer is entitled to vary or terminate the appointment of the Calculation Agent and/or the Transfer Agent and/or to appoint additional or other agents.
- 21.2 There will at all times be a Calculation Agent and a Transfer Agent with a Specified Office. The Transfer Agent and the 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.

## 22. Governing law

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

**23. Further Issues**

The Issuer shall be at liberty from time to time, without the consent of Noteholders, to create and issue further Notes.

**24. Rating**


The Issuer undertakes to procure that Eqstra Holdings maintains a public credit rating with at least one Rating Agency.

**EQSTRA CORPORATION (PROPRIETARY) LIMITED (Issuer)**

By: 16 March 2012

Director, duly authorised

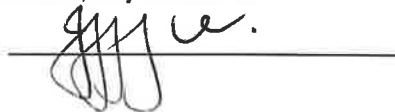
Date:



By: 16 March 2012

Director, duly authorised

Date:



**USE OF PROCEEDS**

The Issuer shall use the net proceeds of the Notes as operating capital for its general corporate purposes, as specified in the Applicable Pricing Supplement.

## **DESCRIPTION OF EQSTRA HOLDINGS LIMITED AND DESCRIPTION OF THE ISSUER INTRODUCTION AND BACKGROUND**

Eqstra Holdings Limited (1998/011672/07) ("Eqstra") is the holding company of the group of companies comprising Eqstra Corporation (Proprietary) Limited ("Eqstra Corporation") Ltd and other subsidiaries. It was formed from the unbundling of the leasing and capital equipment division of Imperial Holdings Limited.

Eqstra's core business is the distribution, long-term lease and rental of mobile capital equipment and the provision of related value-added annuity services to clients in the construction, mining, industrial and commercial sectors in South Africa, rest of Africa, the United Kingdom (UK) and Ireland.

Value is created for clients by providing equipment and support services which are vital for the efficient functioning of their core operations. Value is created in Eqstra through its ability to extract optimal value throughout the equipment lifecycle.

The group consists of four divisions which are managed as stand-alone and decentralised businesses. The golden thread within each division is the management of mobile capital equipment from distribution or purchase to disposal, with value-added throughout the lifecycle:

### **Contract mining and Plant Rental**

Drilling, blasting, hauling and rehabilitation on opencast mines. The division also provides short-term rental of construction and mining equipment.

### **Construction and Mining Equipment Distributorships**

Distribution and leasing of construction and mining equipment and the provision of aftermarket services.

### **Passenger and Commercial Vehicles**

Leasing, rental, fleet management, maintenance and related services for passenger and light, medium and heavy commercial vehicles.

### **Industrial Equipment**

Distribution, leasing, rental and value-added services for materials handling, industrial and agricultural equipment.

## **GROUP STRATEGY**

The group has a clear strategy of creating sustainable annuity revenue streams through the distribution, long-term lease and rental of mobile capital equipment, and the provision of related value-added services to clients in the construction, mining, industrial and commercial sectors. The divisions in the group are all established operations, with a number of them more than 27 years old.

Eqstra creates value through its ability to extract optimal value throughout the equipment lifecycle by:

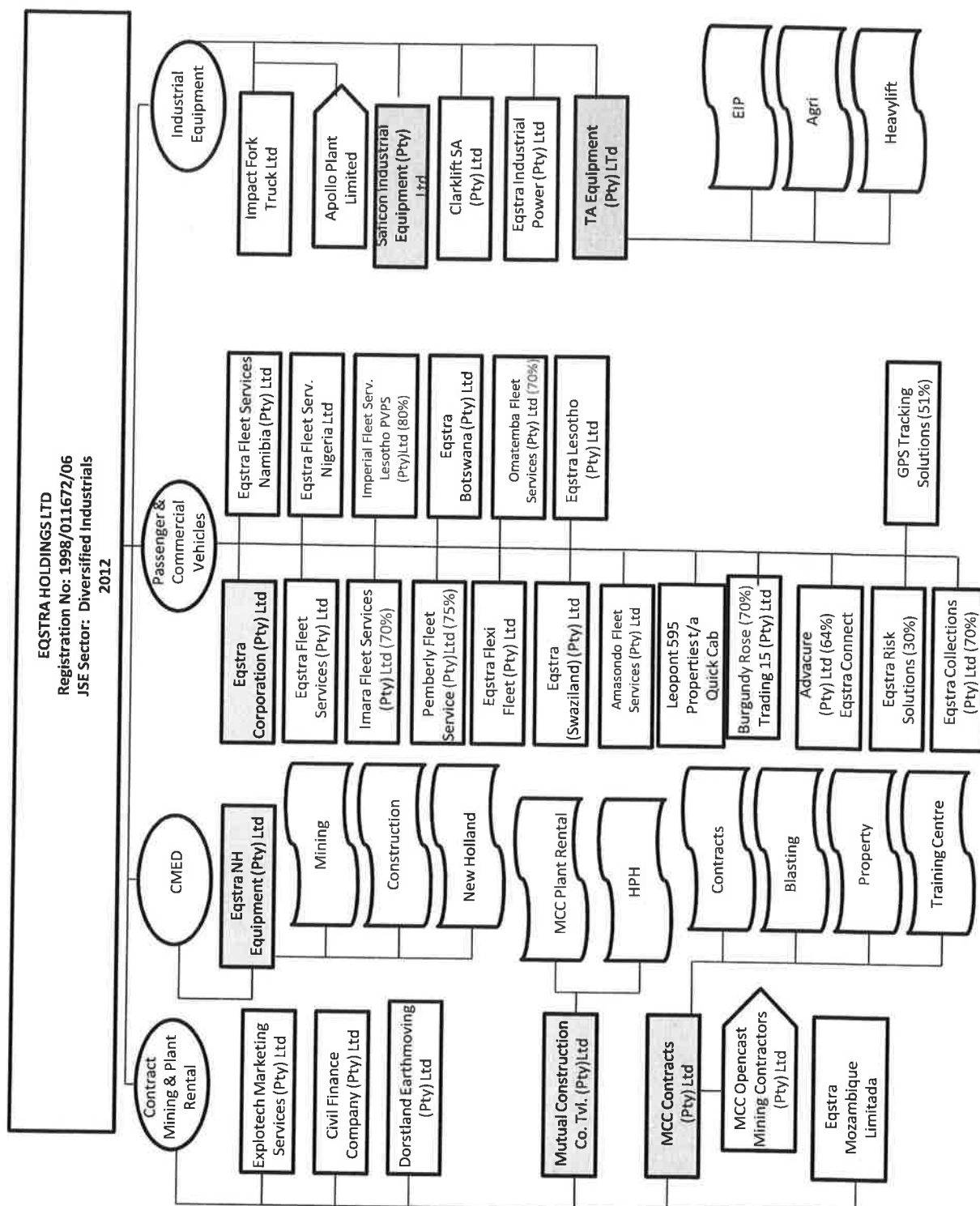
- Managing the use of mobile capital equipment from acquisition or distribution to the point of sale or scrapping of the used equipment (Contract Mining and Plant Rental, Construction and Mining Equipment Distributorships and Industrial Equipment)
- Managing vehicles from point of purchase to point of sale (Passenger and Commercial Vehicles)

This annuity income and highly cash generative business model ensure the effective servicing of debt in the group. Eqstra focuses on business to business clients and has limited direct retail exposure. The group only deals in core production mobile capital equipment with reputable brands, which results in strong tradability and residual values during the lifecycle of equipment.

Client contracts are generally between three to eight years and are priced in a way which ensures the full absorption of asset costs through value-added services. As a result, a profit is usually realised on disposal. These long-term asset-based contracts are matched by the long-term debt taken on by the group.

#### **Eqstra value-creation business model**

<b>DISTRIBUTE ASSET</b>	<b>LEASE OR RENT OUT ASSET</b>	<b>VALUE-ADDED MAINTENANCE, PARTS, INSURANCE</b>	<b>SELL ASSET AFTER LEASE PERIOD</b>
<b>Wholesale margin</b>	<b>Lease or Rent</b>	<b>Value-added Margin</b>	<b>Disposal Margin</b>
Captured at the initial point of the asset life by supplying the product directly and negotiating with OEM distributors or dealers.	Extracted through the ability of the group to leverage its balance sheet.  Strong annuity income streams are conducive to leveraging the group's balance sheet.	Extracted by providing the complete management of an asset.  This can include maintenance, fuel cards, driver training, best route tracking systems, batteries and insurance.  Contract mining provides mine management, planning and blasting services.	Captured on sale of the asset. The disposal margin is optimised by the careful upfront selection of asset class and brand, high-quality care and maintenance of the asset through its lifecycle and use of the group's established sales channels.



## **DESCRIPTION OF BUSINESS**

### **Contract Mining and Plant Rental**

The Contract Mining and Plant Rental division provides services covering all opencast mining requirements, which includes drilling, blasting, loading, hauling, rehabilitation and the rental of heavy earthmoving equipment. The division does not take on any geological risk, which remains with the mine owner.

The division has one of the largest fleets of mining equipment in southern Africa. The plant hire business unit, which presently accounts for 10% – 15% of divisional turnover, is the largest heavy equipment rental business in southern Africa. It operates from branches located across South Africa, Namibia and Mozambique.

MCC was heavily exposed to platinum and since 2008 diversification has been undertaken by geographical region, both to mitigate the impact of excessive rainfall as well as to diversify the potential concentration of political and commodity risk.

Diversification opportunities in the coal sector have been pursued and the breakdown of commodities represented is now more evenly balanced with platinum contracts accounting for approximately 35% of revenue, coal 45% and other commodities (currently nickel, chrome and uranium) approximately 20%.

Furthermore the additional benefit of diversifying from platinum (hard rock) to coal and other minerals (soft rock) plays an essential role in extending the life of equipment.

The Plant Rental has a large complement of heavy earthmoving equipment and today supports the largest earthmoving plant hire fleet, servicing the civil engineering and earthmoving industries in Southern Africa. It focuses on providing customers with pristine plant maintained and serviced by an infrastructure of qualified field service mechanics and a world class workshop and rebuild facility.

### **Construction and Mining Equipment Distributorships**

The Construction and Mining Equipment Distributorships division imports and distributes construction and mining equipment and provides aftermarket support services.

The construction equipment range includes skid steer loaders, backhoe loaders, telehandlers, graders, excavators, dozers and wheel loaders. In the mining sector, the range of equipment distributed includes large hydraulic excavators and shovels, articulated and rigid dump trucks and drill rigs.

Eqstra Construction Equipment includes the Terex Construction Rigid and Articulated Dump Truck Range and the New Holland Construction range, which have been consolidated into one business unit.

The division is progressing from being a pure distributor of equipment to providing an integrated aftermarket service in line with the Eqstra value-added business model. This will enable clients to achieve a high level of equipment availability at the lowest possible cost, which will give the division an annuity income stream to improve its resilience during the economic cycle.

The division works in partnership with OEMs to improve its technical and sales capacity and ensure the provision of superior service to clients. Parts and service revenues are annuity based. Expected growth in this area should result in enhanced operating margins. The division has established client relationships, often putting in place a permanent technical and aftermarket support function at the client's site.

### **Passenger and Commercial Vehicles**



The Passenger and Commercial Vehicles division provides leasing, rental and value-added services for passenger and commercial vehicles in South Africa and various other African countries. The division originated as a supplier of vanilla leasing products 27 years ago and has evolved to become a provider of a full fleet management solution to clients.

The core product offering of commercial and passenger vehicle leasing has been supplemented by value-added services, including vehicle tracking products and accident management solutions. Clients are able to derive tangible benefits from these services, particularly in view of current driving patterns and behaviour. This is supported by a proactive approach to accident management when incidents do occur, with a focus on intelligent procurement and cost control.

The introduction of a wide range of annuity income value-added services increases the ability of the division to perform strongly through the economic cycle. The value-added component, together with the division's unique re-marketing strategy for end of lease vehicles, also allows the division to take on an appropriate level of residual risk. The division applies a stringent approach to selecting and replacing contracts. Primarily blue chip clients are serviced, which ensures that the risk of bad debt is kept at a minimum.

The division operates under two primary business units:

- **Eqstra Fleet Management** delivers end-to-end fleet management solutions which enable clients to achieve efficiencies and cost savings over their entire fleet supply chain for passenger and light commercial vehicles. This is supported by a unique and comprehensive driver management approach.
- **Eqstra FlexiFleet** offers fleet management solutions in the medium and heavy commercial vehicle market, including leasing and rental. The division owns and operates a national network of commercial vehicle workshops and panel repair shops and has a commercial vehicle body and trailer manufacturing facility.

### **Industrial Equipment**

The Industrial Equipment division provides distribution, leasing, rental and value-added services for industrial, materials handling and agricultural equipment in South Africa, various other African countries, the UK and Ireland. The division primarily services blue chip clients in a wide range of sectors. These span retail, manufacturing, ports and container handling, mining, warehousing, airports, fast-moving consumer goods and agriculture. The division is the largest supplier of forklifts to the South African market (37% market share) and has the largest product support infrastructure in the region.

The division achieves value creation and a competitive advantage through high-quality aftermarket services. Client engagement is proactively handled at various levels through multi-tier relationships. Service support meetings are held at least monthly with key clients. The core business of the division is the sale, rental and aftermarket support of forklift equipment. Expansion of the division has been from this base and is driven by a clear strategic focus – offering clients a total materials handling solution to meet their requirements.

In line with this model, the division has supplemented its offering of forklift equipment with value-added services and products such as batteries and chargers for forklifts, industrial cleaning equipment for client's premises and more recently, the supply of compressed air.

The growth of the division's business into the agriculture sector was driven by the potential to leverage relationships built with agriculture sector clients during forklift sales to enter the high-volume tractor business.

In identifying expansion opportunities, the division targets globally recognised brands only. The division's range of cleaning equipment, for example, is sourced from Hako, the premier European cleaning equipment manufacturer. Due to the investment made in aftermarket support, the division targets only exclusive distributorships with original equipment manufacturers (OEMs).

### **Strengths**

Eqstra's strength lies in its long track record, vertical integration and diversity. Eqstra is focused along a central theme of extracting the maximum value from every asset through vertical integration and value-added products and services. Over a long period Eqstra has accumulated expertise in understanding the high-quality assets it leases out and owns. This often allows for the creation of a second lease life for most equipment. Eqstra's focus is on movable assets of high quality, which ensures that assets are easily tradable (sometimes internationally) and market value is readily achievable. Established relationships with equipment suppliers ensure that Eqstra's assets are revenue generating, rather than held for inventory, and as a result the business has a relatively low working capital requirement. The average length of the leasing contracts varies from 42 to 72 months, depending on the asset class. These leases provide annuity income that more than covers the related interest, amortisation and value-added costs.

### **RISK FACTORS**

The Issuer, the Parent Guarantor and the Subsidiary Guarantors believe that the following factors may affect the Issuer's ability to fulfill its obligations under the Notes issued under the Programme. Most of these risks are contingencies that may or may not occur and neither the Issuer nor the Parent Guarantor nor the Subsidiary Guarantors are in a position to express a view on the likelihood of any such contingencies occurring.

In this context, the following specific risks have been identified:

#### **Passenger and Commercial Vehicles**

- *Residual value of vehicles.* When used car prices decline as a result of competitive pricing for new vehicles or high interest rates, residual values and disposal profits may come under pressure. Sophisticated residual value management and modeling employed by the Group has been successful to date in limiting the impact of this pressure.
- *Credit Risk.* The division assumes corporate credit risk. This risk is successfully mitigated by a rigorous credit assessment process, as well as the Group's ability to dispose of used vehicles through Hyper Car, further assisting in limiting credit losses.

#### **Industrial Equipment**

- *Loss of distribution rights.* It may be possible to lose the distribution rights of some of our major brands. However Eqstra have maintained the Toyota forklift distribution rights for the last 25 years. Toyota, through Eqstra, enjoys a market share of 38% in the South African market.
- *Weaker currency.* A weaker Rand will increase the cost of importing new equipment but this will underpin the residual values of all the existing equipment.
- *Cheap imports.* There is a risk that an increase in cheaper Chinese imports may add additional competition to this market. However to date these products generally have a shorter useful lifespan with a higher percentage of down time.

- *Skills shortage.* Currently there is a shortage of qualified technicians in South Africa. Eqstra has identified this as a risk and has opened a training academy that is currently training about 200 new technicians.

#### **Contract Mining and Plant Rental**

- *Lower commodity prices.* In order to reduce the risk of lower commodity priced (especially platinum) the division has diversified into coal and other commodities.
- *Inclement weather.* Due to the nature of opencast mining, when there is a prolonged period of rain it is difficult to carry out mining operations. History has shown that the second half of Eqstra financial year i.e. January to June is wetter than the first period.
- *Skills shortage.* Eqstra has a training academy that provides onsite training for operators.
- *Industrial Action* – The division has a policy of active engagement and clear communication with union leaders and the CEO is involved in all IR negotiations.

#### **BOARD OF DIRECTORS**

The names, ages, business functions, qualifications, occupations, nationalities and brief resumes of the directors and senior management are set out below:

<b>Executive Directors</b>	
<p><i>Walter Hill (52)</i> <i>Chief Executive Officer</i></p> <p>Walter joined the Imperial group in 1998 as MD of Imperial Fleet Services. He was appointed to the executive committee of Imperial Holdings Limited in 2002 and to the board in 2006. He was CEO of the Leasing and Capital Equipment division of Imperial when it unbundled in April 2008 to become Eqstra Holdings. Walter has been the CEO of Eqstra since unbundling. Before joining Imperial, Walter had a diverse management career with Eskom from 1980 until 1997.</p>	<p><i>Jan Serfontein (36)</i> <i>Chief Financial Officer</i></p> <p>Jannie was appointed as CFO of Eqstra Holdings in January 2011. He started his career at Deloitte &amp; Touche in 1999. After completing his training contract, he spent two years in the United States of America in Deloitte &amp; Touche's Washington DC practice as part of their global development programme. He returned to South Africa in 2002. In 2007 he joined the Deloitte &amp; Touche partnership as an assurance partner in the Pretoria office</p>
<p><i>Erich Clarke (46)</i> <i>Divisional CEO: Contract Mining and Plant Rental</i></p> <p>Erich was appointed CEO of the Contract Mining and Plant Rental division in January 2011 after being Eqstra's CFO since April 2008. He joined Imperial in 1996 as financial director of Cargo Motors. In 2000 he moved to Imperial's corporate office as group financial controller. In 2004 he was appointed group audit and risk executive to establish the internal audit and risk management functions. In 2006 with the acquisition of the MCC group, he was appointed to the board of the MCC group.</p>	

<b>Non-executive</b>	
<p><i>Nkateko (Peter) Mageza (55)</i>  <i>Chairperson</i></p> <p>Peter was appointed chairperson of the board on 16 November 2011. Up until June 2009 he held the position of group chief operations officer, and was an executive director of, Absa Group Limited. Peter started his career within the audit environment at Coopers &amp; Lybrand and worked as an audit manager within Transnet Limited's group internal audit services. He became chief executive officer of Autonet in 1995, the road passenger and freight logistics division of Transnet. Peter is a non-executive director of Sappi Group Limited, Bidvest Limited, MTN Group Limited, Rainbow Chicken Limited and Remgro Group Limited.</p>	<p><i>Martin J Croucamp (66)</i>  <i>Independent Non-Executive Director</i></p> <p>Martin has spent his entire career in the banking sector, which included being managing director of MLS Bank Limited and a member of ABSA's executive team as well as a member of the ABSA enterprise risk management committee. He chaired the Imperial Bank risk and remuneration committees until November 2010. He has extensive general business management experience at executive level, with particular emphasis on strategy formulation, marketing and administration.</p>
<p><i>Sankie Dolly (60)</i>  <i>Independent Non Executive Director</i></p> <p>Sankie has been a deputy secretary-general of the African National Congress since 2002 and served in government as Housing Minister for eight years. She was awarded a doctorate by the Central University of Technology in the Free State in recognition of her work in this department.</p> <p>Sankie was the first female cabinet minister to act as State President for South Africa. Sankie is currently a director of ITB Manufacturing (Proprietary) Limited, Edwin Construction (Proprietary) Limited, DAWN Limited, Ma-Africa Film Productions (Proprietary) Limited and the Central Energy Fund (state owned enterprise). Board of directors (non-executive members)</p>	<p><i>Salukazi Dakile-Hlongwane (61)</i>  <i>Non-Executive Director</i></p> <p>Salu is the deputy-chairperson of Nozala Investments (Proprietary) Limited, a company she co-founded in 1996. Her early career experience included: senior investment officer at the Lesotho National Development Corporation (LNDC); African Development Bank; senior manager – Structured Finance Division at FirstCorp Merchant Bank, and assistant general manager at BOE Specialised Finance. Salu is a non-executive director of some of Nozala's investee companies that include: Enviroserv Holdings Limited, Woodlands Dairy (Proprietary) Limited, Afripack (Proprietary) Limited, Tsebo Outsourcing Group (Proprietary) Limited, Synergy Freight International (Proprietary) Limited and Natal Rubber Compounders (Proprietary) Limited. She is also a director of MultiChoice South Africa Holdings (Proprietary) Limited.</p>
<p><i>Anthony John Phillips (65)</i>  <i>Independent Non-Executive Director</i></p> <p>Tony was appointed MD of Barlow's Equipment Co in 1988, and MD of Finanzauto SA, Spain in 1992. He was appointed a director of Barloworld Limited in 1996 and was CEO from 1998 until 2006. From 2005 until 2007 Tony was the chairperson of Pretoria Portland Cement Company Limited. Tony is currently a director of Austro Group Limited</p>	<p><i>Tim Ross (67)</i>  <i>Independent Non-Executive Director</i></p> <p>Tim was a partner with Deloitte &amp; Touche for 36 years and retired in May 2008. He led the Deloitte Johannesburg audit practice and served on the executive as client service director as well as the board and remuneration committees. Tim was the lead advisory partner for a number of multinational clients and headed the Deloitte World Cup 2010</p>

<p>(chairperson), Newman Lowther and Associates (chairperson), Worldwide Fund for Nature, Business Leadership South Africa, NOAH (chairperson), Kwikspace Modular Buildings Limited, Freeworld Coatings Limited (vice chairperson) and Mpact Limited (chairperson).</p>	<p>initiative. He is an independent non-executive director of Liberty Life Limited where he chairs the audit and actuarial committee and is a member of the group risk committee. He is also a director of Pretoria Portland Cement Company Limited, Mpact Limited, Adcorp Holdings Limited and CIDA Empowerment (Proprietary) Limited, where he chairs the audit committees. Tim is also a member of the Mpact Limited remuneration and nomination committee.</p>
<p><i>Veli Joseph Mokoena (451</i>  <i>Non-Executive Director</i>  Veli is a director and co-founder of investment holding company Ninathi Investments Holdings (Proprietary) Limited. Until December 2010, Veli was CEO of Ukhamba Holdings (Proprietary) Limited. He was also previously an executive director of Imperial Fleet Services. Veli is currently a director of DAWN Limited, Executive Carport (Proprietary) Limited and chairperson of Giuricich Brothers Construction (Proprietary) Limited.</p>	

## CORPORATE GOVERNANCE

The Eqstra group is committed to embracing good corporate governance practices and subscribes to the philosophy of the Code of Corporate Practices and Conduct as set out in the King Code for South Africa (King III) and the additional requirements of the JSE Limited.

The board is in a process of assessing its governance practices and procedures against the King III report and are implementing adjustments where necessary. The group is committed to comply with legislation, regulations and best practices in the countries in which it operates.

The board of directors emphasises and expects high standards of financial management, accounting and reporting. The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). In addition, Eqstra reports with the Global Reporting Initiative's (GRI) sustainability reporting guidelines on environmental, economic and social performance in mind.

In guiding the group's development, the board attempts to balance and encourage entrepreneurial freedom within the constraints of good corporate governance to achieve maximum shareholder value.

### Board

Eqstra has a unitary board of ten directors, led by an independent non-executive chairperson. Six are independent non-executive directors, one non-executive director and three executive directors. There are no alternate or shadow directors and no block of directors can dominate the board.

The appointment of new directors is considered by the entire board, based on recommendations by the nomination and remuneration committee following a formal and transparent process. These recommendations are based on identified skills and experience requirements combined with personal and business attributes. Reappointment of

retiring directors is not automatic and is recommended by the board after consultation with the nomination and remuneration committee.

New directors are required to attend an induction course which includes a tour of the various divisions, focusing on their core business areas, key drivers and management teams. All directors are also provided with an explanation of their fiduciary duties and responsibilities.

Non-executive directors are required to devote sufficient time to the group's affairs. The strong independent composition of the board and clearly defined directors' responsibilities ensures

The board is ultimately responsible for directing the group towards achieving its objectives. Executing the strategy, operational performance and financial results are the responsibility of the group chief executive officer (CEO) and executive management team, within parameters set by the board. Management timeously reports to the board to enable them to make informed decisions.

The board believes the balance and composition of directors' knowledge, skills and experience support the group's vision to effectively lead the group in line with the recommendations of King III.

The board has a charter detailing its policies, roles and responsibilities in executing its mandate. The board is assisted by the following committees: asset and liability committee, audit committee, nomination and remuneration committee, risk committee and social and ethics committee. Each board committee is governed by a charter which was approved and adopted by the board. These charters are annually reviewed by the board. The board delegates the detailed planning and implementation of policy to management and formally reviews progress each quarter.

The company has a unitary board structure with the chairperson and the majority of directors being non-executive. The role of the chairman and chief executive officer is separated and performed by different individuals.

Directors are appointed on the basis of skill, experience and their level of contribution to, and their impact on, the activities of the group. The board decides on the appointment of directors based on recommendations from the Remuneration and Nominations Committee. New directors are provided with formal induction material to facilitate their understanding of the group.

At least one third of the non-executive directors retire by rotation each year and stand for re-election at the Annual General Meeting in accordance with the Articles of Association. In addition, the re-appointment of directors appointed during the year is submitted to the Annual General Meeting for confirmation

The board of directors is responsible for setting the direction of the group through the establishment of strategic objectives and key policies. Board meetings are held at least quarterly with additional meetings called as and when necessary. The quorum for meetings is the majority of directors. In addition, other senior executives are invited to attend meetings as and when required, to ensure comprehensive reporting to the board.

The responsibilities of the board include issues of strategic direction, business plans and annual budgets, major acquisitions and disposals, changes to the board on recommendation from the remuneration and nominations committee and other matters having a material effect on the group or required by statute.

Board members are required to regularly declare any interest that they might have in transactions with the group.

All directors are given access to such information as is needed to carry out their duties and responsibilities fully and effectively. Furthermore, all directors are entitled to seek independent professional advice about the affairs of the group, at the company's expense.

#### **Executive committee**

The CEO is supported in his duties by the executive committee (exco). The committee members are:

- Mr WS Hill (CEO),
- Mr JL Serfontein (CFO),
- Mr E Clarke (CEO of Contract Mining and Plant Rental),
- Ms JV Carr (CEO of Passenger and Commercial Vehicles),
- Mr GD Neubert (CEO of Industrial Equipment),
- Mr NF Weideman (human capital executive),
- Mr D Haripal (chief information officer) and
- Mr GE Bantam (risk, sustainability and investor relations executive).

The chairperson of the committee is the CEO. The company secretary acts as secretary.

This committee meets monthly. Its duties include:

- Financial, strategic, operational, governance, risk and functional issues;
- Formulation of group strategy and policy for approval by the board;
- Alignment of group initiatives;
- Monitoring market trends and performance, competition and benchmarking structures; and
- Measuring, monitoring and taking proactive action on divisional performance.

#### **Audit Committee**

The group audit committee comprises four independent non-executive directors, one of whom is appointed as chairperson. The CEO, CFO, internal and external auditors as well as certain management attend by invitation. A majority of members present constitutes a quorum. The group company secretary acts as secretary. In line with its plan, the committee met four times during the year.

Members of the group audit committee are Messrs TDA Ross (chairperson), MJ Croucamp, Dr SD Mthembi-Mahanyele and Mr AJ Phillips. Invitees to these meetings do not have voting rights.

Further to the board audit committee, divisional financial and risk review committees have been constituted to support and assist the committee. Each committee is chaired by an independent non-executive member of the group audit committee. The remaining members of the divisional committees comprise the group CFO and company secretary who are not associated with the day-to-day activities of that division, which ensures independence of the committees. These meetings are also attended by the management and internal and external auditors by invitation. Divisional audit committees report to the group audit committee and the company secretary acts as secretary. The group audit committee accepts overall responsibility.

The board satisfied itself that the committee fulfilled its responsibilities as set out in its charter and that the committee as a whole has a good understanding of financial risks and financial and internal controls. The committee has sufficient and relevant knowledge of corporate law, a thorough understanding of IFRS and other relevant frameworks applicable to the company.

#### **Risk Committee**

The board is responsible for the risk management process and is assisted in its responsibilities by the risk committee. The day-to-day responsibility for identifying, evaluating and managing risk resides with management.

The board's risk committee consists of two executive directors and four non-executive directors of whom three members, including the chairperson, are independent. The members of the committee are Messrs AJ Phillips (chairperson), WS Hill (CEO), VJ Mokoena, TDA Ross, JL Serfontein (CFO) and Ms S Dakile-Hlongwane. The company secretary acts as secretary. Invitees do not have voting rights.

The chairperson of the committee is also a member of the group audit committee to ensure the appropriate exchange of key issues between these committees. The committee believes that the group's risk management process is effective in identifying and evaluating risks.

The overall objective of the risk committee is to effectively communicate and oversee the process, models and frameworks for managing risk across the group to:

- safeguard the group's assets and investments;
- support business objectives and sustainability under normal as well as under adverse operating conditions;
- behave responsibly towards all stakeholders having a legitimate interest in the group.

The risk committee does not relieve the directors of any of their responsibilities, but assists them to fulfill those responsibilities. The duties and responsibilities of the members of the Committee are in addition to those as members of the board.

The risk committee is an advisory committee and not an executive committee. As such it shall not perform any management functions or assume any management responsibilities and shall have an objective independent role, operation as overseer and a maker of recommendations to the board for its approval or final decision. The role of the Committee is to assist the board to ensure that:-

- the company has implemented an effective policy and plan for risk management that will enhance the Company's ability to achieve its strategic objectives;
- the disclosure regarding risk is comprehensive, timely and relevant.

#### **Asset and Liability Committee**

The Group Asset and Liability Committee ("ALCO") is appointed by the board and consists of two Executive Directors, one of whom is the CFO, one Non-Executive Director, and the Group Treasurer attends as an ex officio participant.

The committee is responsible for implementing best practice asset and liability risk management policies. Its main objectives include managing liquidity risk, interest rate risk, foreign exchange risks and monitoring the capital adequacy of the group within acceptable risk profiles.

The board and the committee are committed to actively manage borrowings and assets to ensure covenants are not breached.

#### **BROAD-BASED BLACK ECONOMIC EMPOWERMENT**

Broad-based black economic empowerment (BBBEE) is both a business and moral imperative for Eqstra. In line with the Department of Trade and Industry's guidelines, Eqstra's approach to BBBEE centres on the principles of ownership, management control, employment equity, skills development, enterprise development, preferential procurement and corporate social investment. Based on the extent of the group's compliance to these principles, Eqstra is a level 3 contributor to BBBEE. This rating was achieved in November 2010.

The social and ethic committee oversees implementation of the principles of transformation in divisions as well as broader matters relating to the advancement of previously disadvantaged South Africans in the workplace and the formation of partnerships for the development of communities in which the group operates.



### INFORMATION ON SHAREHOLDERS

Eqstra shareholders, directly or indirectly, beneficially holding 5% or more of the issued share capital of Eqstra, excluding Eqstra directors, are as follows:

Name	Number of issued shares	% shareholding
Public Investment Corporation	R16.9m	14.45%
Old Mutual Group	R55.4m	12.94%
Coronation Fund Managers	R32.4m	7.57%

### COMPANY SECRETARY

Liezl Moller  
+27 (0) 11 966-2162  
email [lmoller@eqstra.co.za](mailto:lmoller@eqstra.co.za)

### AUDITORS

Deloitte & Touche

## DESCRIPTION OF EQSTRA CORPORATION (THE "ISSUER")

### 1. DETAILS AND BUSINESS OF THE ISSUER

Eqstra Corporation (Proprietary) Limited was incorporated in South Africa on 11 July 1984 in accordance with the laws of South Africa under registration number 1984/007045/07. Eqstra Corporation is a company and thus governed by the Companies Act.

Eqstra Corporation is a 100% owned subsidiary of Eqstra. This company provides value-added full maintenance leasing and fleet management for passenger cars and commercial vehicles in the South African market (excluding government contracts). It services the corporate market with fleet management outsourcing facilities and supplies the fleets to its clients on a comprehensive service offering.

The strength of this company is the supplementary value added fleet management solutions offered to its customers, such as comprehensive insurance, accident management services, procurement, disposals, fleet administration and fuel.

Hyper Car forms part of Eqstra Corporation and is used by the leasing divisions to sell the passenger vehicles once the leases have expired.

The Eqstra treasury forms part of Eqstra Corporation and all funding for the group is raised in Eqstra Corporation

**2. COMPANY SECRETARY**

Liezl Moller  
+27 (0) 11 966-2162  
email lmoller@eqstra.co.za

**3. BOARD OF DIRECTORS**

The following persons are currently on the board of Eqstra Corporation:

Walter Hill - Chief Executive Officer (Eqstra Holdings);

Jan Serfontein- Chief Financial Officer (Eqstra Holdings);

Jacqui Carr - Chief Executive Officer of Passenger and Commercial;

Paul Siddall – Group Treasurer

**4. REGISTERED ADDRESS**

The registered address for Eqstra and Eqstra Corporation is:

61 Maple Street

Pomona

Kempton Park

1619

**5. AUDITORS**

Deloitte & Touche

## THE PARENT GUARANTEE

### GUARANTEE

BY

EQSTRA HOLDINGS LIMITED

IN FAVOUR OF

THE NOTEHOLDERS IN TERMS OF THE R8 000 000 000 DOMESTIC MEDIUM TERM NOTE PROGRAMME OF EQSTRA CORPORATION (PROPRIETARY) LIMITED

#### 1. Interpretation

The terms defined in the pro forma terms and conditions of the Notes to be issued by Eqstra Corporation (Proprietary) Limited, in terms of the Eqstra Corporation (Proprietary) Limited R8 000 000 000 Domestic Medium Term Note Programme, as set out in the Programme Memorandum of Eqstra Corporation (Proprietary) Limited dated 18 June 2008 (as amended, novated or substituted) shall, except where the context otherwise requires and save where otherwise defined or provided for in this Guarantee, have the same meanings in this Guarantee and shall form part of this Guarantee.

#### 2. Stipulation

- 2.1 This Guarantee constitutes a stipulation in favour of each of the Noteholders and shall be deemed to have been accepted by each of them and to constitute a binding agreement with each of them (notwithstanding that the Noteholders shall not have executed this document) upon the issue or transfer of the Notes to such Noteholders, as the case may be.
- 2.2 On the Date of Signature of this Guarantee, the Guarantor shall deliver the original signed Guarantee to Nedbank, a Co-lead Arranger, which has, in accordance with the undertaking annexed to this Guarantee as **Schedule 1**, undertaken to hold such original Guarantee on behalf of the Noteholders and to make certified copies of this Guarantee available to the Noteholders upon written request by the Noteholders, in accordance with such undertaking.

#### 3. Guarantee

- 3.1 The Guarantor, irrevocably and unconditionally:
  - 3.1.1 guarantees to each Noteholder the punctual performance by the Issuer of all its obligations under the Notes in accordance with the Terms and Conditions;
  - 3.1.2 undertakes with each Noteholder that, whenever the Issuer does not pay any amount when due under or in connection with any Note, the Guarantor must immediately on demand by the relevant Noteholder pay that amount as if it were the principal obligor in respect of that amount; and

3.1.3 indemnifies each Noteholder immediately on demand against any cost, loss or liability suffered by that Noteholder if any obligation guaranteed by the Guarantor is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability to which this indemnity applies will be equal to the amount the Noteholder would otherwise have been entitled to recover.

3.2 The Guarantor's obligations in respect of the Senior Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Guarantor and will rank *pari passu* among themselves and (save for certain debts required to be preferred by law) at least equally with all other unsecured, unsubordinated obligations of the Guarantor, if any, from time to time outstanding.

3.3 The Guarantor's obligations in respect of the Subordinated Notes constitute direct, unconditional, unsecured and subordinated obligations of the Guarantor and will rank *pari passu* among themselves and (save for certain debts required to be preferred by law) at least equally with all other unsecured, subordinated obligations of the Guarantor, if any, from time to time outstanding.

#### 4. Continuing guarantee

This Guarantee is a continuing guarantee and will extend to the ultimate balance of all sums payable by the Issuer under the Notes, regardless of any intermediate payment or discharge in whole or in part..

#### 5. Reinstatement

5.1 If any payment by the Issuer, any discharge (whether in respect of the obligations of the Issuer or any security for those obligations or otherwise) or arrangement made in whole or in part on the faith of any payment, security or other disposition is avoided or reduced or must be restored or reinstated on insolvency, liquidation, administration or any similar event:

- (a) the liability of the Guarantor under this Guarantee will continue or be reinstated; and
- (b) the Noteholders will be entitled to recover the value or amount of that payment, discharge or arrangement from the Issuer,

as if that payment, discharge or arrangement had not occurred.

5.2 Each Noteholder may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

#### 6. Waiver of defences

The obligations of the Guarantor under this Guarantee will not be affected by an act, omission, matter or thing which, but for this provision, would reduce, release or prejudice any of its obligations under this Guarantee (whether or not known to it or any Noteholder), including:

- 6.1 any time, waiver or consent granted to, or composition with, the Issuer or other person;
- 6.2 the release of any person under the terms of any composition or arrangement with any creditor of the Issuer or the Guarantor;

- 6.3 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any person;
- 6.4 any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- 6.5 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Issuer or other person;
- 6.6 any amendment (however fundamental and whether or not more onerous) of the Terms and Conditions or any other document or security;
- 6.7 any unenforceability, illegality, invalidity or non-provability of any obligation of any person under the Notes or any other document or security;
- 6.8 any insolvency or similar proceedings;
- 6.9 any Noteholder receiving a dividend or benefit in any insolvency, liquidation or judicial management or any compromise or composition, whether in terms of any statutory enforcement or the common law;
- 6.10 any Noteholder granting any indulgences to the Issuer or not exercising any one or more of its rights under the Notes, either timeously or at all; and/or
- 6.11 any other fact or circumstance arising on which the Issuer might otherwise be able to rely on a defence based on prejudice, waiver or estoppel.

## **7. Immediate recourse**

The Guarantor waives any right it may have of first requiring any Noteholder (or any trustee or agent on its behalf) to proceed against or enforce any other right or security or claim payment from any person before claiming from the Guarantor under this Guarantee. This waiver applies irrespective of any law or any provision of the Terms and Conditions to the contrary.

## **8. Appropriations**

Until all amounts which may be or become payable by the Issuer under or in connection with the Notes have been irrevocably paid in full, each Noteholder (or any trustee or agent on its behalf) may without affecting the liability of the Guarantor under this Guarantee:

- 8.1 refrain from applying or enforcing any other moneys, security or rights held or received by that Noteholder (or any trustee or agent on its behalf) in respect of those amounts; or
- 8.2 apply and enforce any of those moneys, security or rights in such manner and order as it sees fit (whether against amounts payable under the Notes or otherwise); and
- 8.3 hold in an interest-bearing suspense account any moneys received from the Guarantor or on account of the Guarantor's liability under this Guarantee.

## 9. Deferral of rights

Unless all amounts which may be or become payable by the Issuer under or in connection with the Notes have been irrevocably paid in full, or the relevant Noteholder otherwise directs, the Guarantor will not, after a claim has been made or by virtue of any payment or performance by it under this Guarantee:

- 9.1 be indemnified by the Issuer;
- 9.2 be subrogated to any rights, security or moneys held, received or receivable by any Noteholder (or any trustee or agent on its behalf);
- 9.3 be entitled to any right of contribution in respect of any payment made or moneys received on account of the Guarantor's liability under this Guarantee;
- 9.4 claim, rank, prove or vote as a creditor of the Issuer or its estate in competition with any Noteholder (or any trustee or agent on its behalf); or
- 9.5 receive, claim or have the benefit of any payment, distribution or security from or on account of the Issuer, or exercise any right of set-off as against the Issuer.

The Guarantor must hold in trust for and immediately pay or transfer to the relevant Noteholder any payment or distribution or benefit of security received by it contrary to this Guarantee or in accordance with any directions given by the relevant Noteholder.

## 10. Additional rights

This Guarantee is in addition to and is not in substitution for or in any way prejudiced by:

- 10.1 any other rights a Noteholder has, or may at any time in the future have, against the Guarantor or any other person;
- 10.2 any other security now or subsequently held by any Noteholder (which that Noteholder may release as it sees fit, without prejudice to its rights hereunder).

## 11. Amendment

No amendment to this Guarantee may be effected unless in writing and signed by or on behalf of the Guarantor and approved by a Special Resolution of the Noteholders.

## 12. Addresses and notices

- 12.1 For the purposes of this Guarantee all notices to Noteholders shall be given in the manner contemplated in Condition 16 of the Terms and Conditions and the provisions of Condition 16 shall apply *mutatis mutandis* to the giving of such notice.
- 12.2 The Guarantor chooses the address to which notices may be given and at which documents in legal proceedings may be served (their *domicilia citandi et executandi*) in connection with this Guarantee, that identified with its name in the execution pages to this Guarantee.

12.3 The Guarantor may change its address chosen for the purposes of this Clause to another address in South Africa by giving 5 Business Days' notice to the Noteholders.

12.4 Any notice given to the Guarantor in connection with this Guarantee must be:

12.4.1 delivered in person; or

12.4.2 sent by prepaid registered post or by fax;

to the address chosen by the Guarantor.

12.5 This Clause will not operate so as to invalidate the giving or receipt of any notice which is actually received by the addressee other than by a method referred to above.

### 13. Governing Law

This Guarantee is governed by the laws of South Africa.

### 14. Jurisdiction

The parties consent to the non-exclusive jurisdiction of the Witwatersrand Local Division of the High Court of South Africa, to settle any dispute in connection with this Guarantee.

### SIGNATURE PAGE

For and on behalf of

**EQSTRA HOLDINGS LIMITED**

---

Name:

Date:

Address:

Fax:

Contact person

**SCHEDULE 1 TO THE GUARANTEE**

**The Noteholders in terms of the R8 000 000 000**

**Domestic Medium Term Note Programme of Eqstra Corporation**

c/o Eqstra Corporation (Proprietary) Limited

Dear Sirs

**Guarantee issued by Eqstra Holdings Limited in terms of the R8 000 000 000 Domestic Medium Term Note Programme ("Programme") of Eqstra Corporation (Proprietary) Limited, in favour of the Noteholders in terms of such Programme (the "Guarantee")**

We refer to the Guarantee. Capitalised terms not specifically defined in this undertaking shall have the meaning assigned to such terms in the Guarantee.

We hereby undertake in favour of each of the Noteholders to receive and hold in custody the original signed Guarantee to be delivered to us by the Guarantor on the Date of Signature of the Guarantee. This undertaking shall not imply any relationship of trust, duty of care or fiduciary obligation on our part to take any action in relation to the Guarantee.

We undertake, upon the written request by any Noteholder and at the cost of such Noteholder, to make available to the Noteholder, a certified copy of the Guarantee within 2 Business Days of receipt of such written request.

Upon the termination of the Guarantee in accordance with its terms and conditions, we shall deliver the original Guarantee to Eqstra Holdings Limited.

This undertaking constitutes an irrevocable stipulation in favour of the Noteholders and shall be deemed to have been accepted by them, *mutatis mutandis*, in the manner envisaged in clause 3 of the Guarantee.

Yours faithfully

For Nedbank Limited, acting through its division, Nedbank Capital

**in its capacity as a Co-lead Arranger in terms of the Programme**



## SUBSIDIARY GUARANTEE

### SUBSIDIARY GUARANTEE

BY

THE SUBSIDIARY GUARANTORS

IN FAVOUR OF

THE NOTEHOLDERS IN TERMS OF THE ZAR8,000,000,000 EQSTRA CORPORATION (PROPRIETARY) LIMITED DOMESTIC MEDIUM TERM NOTE PROGRAMME

#### 1. Interpretation

- 1.1 The terms defined in the pro forma terms and conditions of the Notes to be issued by Eqstra Corporation (Proprietary) Limited, in terms of the ZAR8,000,000,000 Eqstra Corporation (Proprietary) Limited Domestic Medium Term Note Programme, as set out in the Programme Memorandum of Eqstra Corporation (Proprietary) Limited dated 18 June 2008 (as revised, supplemented, amended, updated or replaced from time to time) shall, except where the context otherwise requires and save where otherwise defined or provided for in this Guarantee, have the same meanings in this Guarantee and shall form part of this Guarantee.
- 1.2 For the purposes of this document, the term "**this Guarantee**" means the guarantee embodied in this document.

#### 2. Stipulation

- 2.1 With effect from the date of signature of this Guarantee, this Guarantee constitutes a stipulation in favour of each of the Noteholders and shall be deemed to have been accepted by each of them and to constitute a binding agreement with each of them (notwithstanding that the Noteholders shall not have executed this document) upon the issue or transfer of the Notes to such Noteholders, as the case may be.
- 2.2 On the date of signature of this Guarantee, the Subsidiary Guarantors shall deliver the original signed Guarantee to Nedbank Limited, a Co-Lead Arranger, which has, in accordance with the undertaking annexed to this Guarantee as **Schedule 1**, undertaken to hold such original Guarantee on behalf of the Noteholders and to make certified copies of this Guarantee available to the Noteholders upon written request by the Noteholders, in accordance with such undertaking.

#### 3. Guarantee

- 3.1 Each Subsidiary Guarantor, jointly and severally, irrevocably and unconditionally:
  - 3.1.1 guarantees to each Noteholder the punctual performance by the Issuer of all its payment obligations under the Notes in accordance with the Terms and Conditions; and
  - 3.1.2 undertakes with each Noteholder that, whenever the Issuer does not pay any amount when due under or in connection with any Note in accordance with the Terms and Conditions, that Subsidiary

Guarantor shall immediately on written demand by the relevant Noteholder pay that amount as if it were the principal obligor in respect of that amount; and

3.1.3 indemnifies each Noteholder immediately on demand against any cost, loss or liability suffered by that Noteholder if any obligation guaranteed by a Subsidiary Guarantor is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability to which this indemnity applies will be equal to the amount the Noteholder would otherwise have been entitled to recover.

3.2 Each Subsidiary Guarantor's obligations in respect of the Senior Notes constitute direct, unconditional, unsecured and unsubordinated obligations of such Subsidiary Guarantor and will rank *pari passu* among themselves and (save for certain debts required to be preferred by law) at least equally with all other unsecured, unsubordinated obligations of such Subsidiary Guarantor, if any, from time to time outstanding.

3.3 Each Subsidiary Guarantor's obligations in respect of the Subordinated Notes constitute direct, unconditional, unsecured and subordinated obligations of such Subsidiary Guarantor and will rank *pari passu* among themselves and (save for certain debts required to be preferred by law) at least equally with all other unsecured, subordinated obligations of such Subsidiary Guarantor, if any, from time to time outstanding.

#### 4. Continuing Guarantee

This Guarantee is a continuing Guarantee and will extend to the ultimate balance of all sums payable by the Issuer under the Notes in accordance with the Terms and Conditions, regardless of any intermediate payment or discharge in whole or in part.

#### 5. Reinstatement

If any payment by the Issuer or any discharge given by the Noteholders (whether in respect of the obligations of the Issuer or any security for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event:

5.1 the liability of each Subsidiary Guarantor under this Guarantee will continue as if that payment discharge, avoidance or reduction had not occurred; and

5.2 the Noteholders will be entitled to recover the value or amount of that security or payment from each Subsidiary Guarantor

as if that payment, discharge, avoidance or reduction had not occurred,

#### 6. Waiver of defences

The obligations of each Subsidiary Guarantor under this Guarantee will not be affected by an act, omission, matter or thing which, but for this provision, would reduce, release or prejudice any of its obligations under this Guarantee (whether or not known to it or any Noteholder), including:

6.1 any time, waiver or consent granted to, or composition with, the Issuer or other person;

- 6.2 the release of any person under the terms of any composition or arrangement with any creditor of the Group;
- 6.3 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any person;
- 6.4 any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- 6.5 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Issuer or other person;
- 6.6 any amendment (however fundamental and whether or not more onerous) of the Terms and Conditions or any other document or security;
- 6.7 any unenforceability, illegality or invalidity of any obligation of any person under the Notes or any other document or security; and/or
- 6.8 any insolvency or similar proceedings;
- 6.9 any Noteholder receiving a dividend or benefit in any insolvency, liquidation or judicial management or any compromise or composition, whether in terms of any statutory enforcement or the common law;
- 6.10 any Noteholder granting any indulgences to the Issuer or not exercising any one or more of its rights under the Notes, either timeously or at all; and/or
- 6.11 any other fact or circumstance arising on which the Issuer might otherwise be able to rely on a defence based on prejudice, waiver or estoppel.

## **7. Immediate recourse**

Each Subsidiary Guarantor waives any right it may have of first requiring any Noteholder (or any trustee or agent on its behalf) to proceed against or enforce any other right or security or claim payment from any person before claiming from that Subsidiary Guarantor under this Guarantee. This waiver applies irrespective of any law or any provision of the Terms and Conditions to the contrary.

## **8. Appropriations**

Until all amounts which may be or become payable by the Issuer under or in connection with the Notes have been irrevocably paid in full, each Noteholder (or any trustee or agent on its behalf) may without affecting the liability of any Subsidiary Guarantor under this Guarantee:

- 8.1 refrain from applying or enforcing any other moneys, security or rights held or received by that Noteholder (or any trustee or agent on its behalf) in respect of those amounts; or
- 8.2 apply and enforce any of those moneys, security or rights in such manner and order as it sees fit (whether against amounts payable under the Notes or otherwise); and

- 8.3 hold in an interest-bearing suspense account any moneys received from any Subsidiary Guarantor or on account of that Subsidiary Guarantor's liability under this Guarantee.

**9. Deferral of rights**

Unless all amounts which may be or become payable by the Issuer under or in connection with the Notes have been irrevocably paid in full, or the relevant Noteholder otherwise directs, no Subsidiary Guarantor will exercise any rights which it may have by reason of performance by it of its obligations under this Guarantee:

- 9.1 to be indemnified by the Issuer;
- 9.2 to be subrogated to any rights, security or moneys held, received or receivable by any Noteholder (or any trustee or agent on its behalf); or
- 9.3 be entitled to any right of contribution in respect of any payment made or moneys received on account of that Subsidiary Guarantor's liability under this Guarantee;
- 9.4 claim, rank, prove or vote as a creditor of the Issuer or its estate in competition with any Noteholder (or any trustee or agent on its behalf); or
- 9.5 receive, claim or have the benefit of any payment, distribution or security from or on account of the Issuer, or exercise any right of set-off as against the Issuer.

Each Subsidiary Guarantor must hold in trust for and immediately pay or transfer to the relevant Noteholder any payment or distribution or benefit of security received by it contrary to this Guarantee or in accordance with any directions given by the relevant Noteholder.

**10. Additional rights**

This Guarantee is in addition to and is not in substitution for or in any way prejudiced by:

- 10.1 any other rights a Noteholder has, or may at any time in the future have, against any Subsidiary Guarantor or any other person;
- 10.2 any other security now or subsequently held by any Noteholder (which that Noteholder may release as it sees fit, without prejudice to its rights hereunder).

**11. Amendment**

No amendment to this Guarantee may be effected unless in writing and signed by or on behalf of all the Subsidiary Guarantors and approved by Special Resolution of the Noteholders.

**12. Addresses and notices**

- 12.1 For the purposes of this Guarantee all notices to Noteholders shall be given in the manner contemplated in Condition 16 of the Terms and Conditions and the provisions of Condition 16 shall apply mutatis mutandis to the giving of such notice.

- 12.2 Each Subsidiary Guarantor chooses the address to which notices may be given and at which documents in legal proceedings may be served (their *domicilia citandi et executandi*) in connection with this Guarantee, that identified with its name in the execution pages to this Guarantee.
- 12.3 Any Subsidiary Guarantor may change its address chosen for the purposes of this clause to another address in the Republic of South Africa by giving 5 Business Days' notice to the Noteholders.
- 12.4 Any notice given to a Subsidiary Guarantor in connection with this Guarantee must be:
- 12.4.1 delivered in person; or
- 12.4.2 sent by prepaid registered post or by fax;
- to the address chosen by that Subsidiary Guarantor.
- 12.5 This clause will not operate so as to invalidate the giving or receipt of any notice which is actually received by the addressee other than by a method referred to above.

### 13. **Governing Law**

This Guarantee is governed by the laws of the Republic of South Africa.

### 14. **Cessation of a Subsidiary Guarantor**

With effect from the date that a Subsidiary Guarantor ceases to be a Subsidiary of the Issuer, such Subsidiary Guarantor shall automatically cease to be a Subsidiary Guarantor under this Guarantee, provided that no amount is then due under the Guarantee. Such termination shall not affect any accrued rights and/or obligations of the Subsidiary Guarantor at the date of such termination.

### 15. **Accession Agreement**

If a party (the "**Additional Subsidiary Guarantor**") agrees to become a Subsidiary Guarantor after the date of this Guarantee, then such party shall become an Additional Subsidiary Guarantor upon the execution of a deed of adherence to this Guarantee, in substantially the form of Schedule 2 to this Guarantee (an "**Accession Agreement**").

### 16. **Jurisdiction**

The parties consent to the non-exclusive jurisdiction of the South Gauteng High Court, Johannesburg, to settle any dispute in connection with this Guarantee.

For and on behalf of

**MUTUAL CONSTRUCTION COMPANY (TRANSVAAL) (PROPRIETARY) LIMITED**

\_\_\_\_\_  
Name: Walter Hill

Date:

\_\_\_\_\_  
Name: Jannie Serfontein

Date:

Address: 61 Maple Road  
Pomona  
Kempton Park  
1619

Registration number: 1988/002721/07

Fax number: 086 532 1076

Attention: Paul Siddall

For and on behalf of

**MCC CONTRACTS (PROPRIETARY) LIMITED**

\_\_\_\_\_  
Name: Walter Hill

Date:

\_\_\_\_\_  
Name: Jannie Serfontein

Date:

Address: 61 Maple Road  
Pomona  
Kempton Park  
1619

Registration number: 1983/008084/07

Fax number: 086 532 1076

Attention: Paul Siddall

For and on behalf of  
**SAFICON INDUSTRIAL EQUIPMENT (PROPRIETARY) LIMITED**

---

Name: Walter Hill

Date:

---

Name: Jannie Serfontein

Date:

Address: 61 Maple Road  
Pomona  
Kempton Park  
1619

Registration number: 1970/002074/07  
Fax number: 086 532 1076  
Attention: Paul Siddall

For and on behalf of  
**EQSTRA NH EQUIPMENT (PROPRIETARY) LIMITED**

---

Name: Walter Hill

Date:

---

Name: Jannie Serfontein

Date:

Address: 61 Maple Road  
Pomona  
Kempton Park  
1619

Registration number: 1959/001593/07  
Fax number: 086 532 1076  
Attention: Paul Siddall

For and on behalf of  
**EQSTRA TA EQUIPMENT (PROPRIETARY) LIMITED, TRADING AS TEREX AFRICA**

---

Name: Walter Hill

Date:

---

Name: Jannie Serfontein

Date:

Address: 61 Maple Road  
Pomona  
Kempton Park  
1619

Registration number: 1974/002797/07  
Fax number: 086 532 1076  
Attention: Paul Siddall



**SCHEDULE 1 TO THE GUARANTEE**

The Noteholders in terms of the ZAR8,000,000,000

Eqstra Corporation (Proprietary) Limited Domestic Medium Term Note Programme

c/o [insert]

Dear Sirs

**Guarantee issued by the Subsidiary Guarantors in terms of the ZAR8 000 000 000 Eqstra Corporation (Proprietary) Limited Domestic Medium Term Note Programme (the "Programme"), in favour of the Noteholders in terms of such Programme (the "Guarantee")**

We refer to the Guarantee. Capitalised terms not specifically defined in this undertaking shall have the meaning assigned to such terms in the Guarantee.

We hereby undertake in favour of each of the Noteholders to receive and hold in custody the original signed Guarantee to be delivered to us by the Subsidiary Guarantors on the date of signature of the Guarantee. This undertaking shall not imply any relationship of trust, duty of care or fiduciary obligation on our part to take any action in relation to the Guarantee.

We undertake, upon the written request by any Noteholder and at the cost of such Noteholder, to make available to the Noteholder, a certified copy of the Guarantee within 5 Business Days of receipt of such written request.

Upon the termination of the Guarantee in accordance with its terms and conditions, we shall deliver the original Guarantee to Eqstra Corporation (Proprietary) Limited.

This undertaking constitutes an irrevocable stipulation in favour of the Noteholders and shall be deemed to have been accepted by them, mutatis mutandis, in the manner envisaged in clause 3 of the Guarantee.

Yours faithfully

For Nedbank Capital, a division of Nedbank Limited  
**in its capacity as Co-Lead Arranger in terms of the Programme**

For Nedbank Capital, a division of Nedbank Limited  
in its capacity as Co-Lead Arranger in terms of the Programme

## SCHEDULE 2 TO THE SUBSIDIARY GUARANTEE

### FORM OF ACCESSION AGREEMENT - ADDITIONAL SUBSIDIARY GUARANTOR

To: THE NOTEHOLDERS IN TERMS OF THE ZAR8,000,000,000 EQSTRA CORPORATION (PROPRIETARY) LIMITED DOMESTIC MEDIUM TERM NOTE PROGRAMME

From: EQSTRA CORPORATION (PROPRIETARY) LIMITED and [ADDITIONAL SUBSIDIARY GUARANTOR]

Date: [•]

**EQSTRA CORPORATION (PROPRIETARY) LIMITED (the Issuer) – Subsidiary Guarantee in favour of the Noteholders in terms of the ZAR8 billion domestic medium term note programme of the Issuer dated [•] 2012 (the "Guarantee")**

We refer to the Guarantee. This is an Accession Agreement and the terms used in this Accession Agreement shall have the same meaning as in the Guarantee.

This Accession Agreement is delivered to you pursuant to the provisions of Clause 15 of the Guarantee.

[Name of additional Subsidiary Guarantor] of [address, fax number] agrees to become a Subsidiary Guarantor and to be bound by the terms of the Guarantee as a Subsidiary Guarantor with effect from [ ].

This Accession Agreement is governed by South African law.

**EQSTRA CORPORATION (PROPRIETARY) LIMITED**

By:

**[ADDITIONAL SUBSIDIARY GUARANTOR]**

By:

## **SETTLEMENT, CLEARING AND TRANSFERS OF NOTES**

### **Notes held in the Central Securities Depository**

#### *Clearing systems*

Each Tranche of Notes which is listed on the Interest Rate Market of the JSE and issued in uncertificated form, will be cleared through the Central Securities Depository which, as the operator of an electronic clearing system, has been appointed by the JSE to match, clear and facilitate the settlement of transactions concluded on the JSE. Each such Tranche of Notes will be issued, cleared and transferred in accordance with the Applicable Procedures and the Terms and Conditions. Each such Tranche of Notes will be settled through Participants who will comply with the electronic settlement procedures prescribed by the JSE and the Central Securities Depository. The Notes may be accepted for clearance through any additional clearing system as may be agreed between the JSE, the Issuer and the Dealer(s).

A Tranche of unlisted Notes may also be held in the Central Securities Depository. With respect to Notes not listed on the Interest Rate Market of the JSE, the placement of such unlisted Notes may be reported through the JSE reporting system in order for the settlement of trades in such Tranche of Notes to take place in accordance with the electronic settlement procedures of the JSE and the Central Securities Depository.

#### *Participants*

As at the Programme Date, the Participants which are approved by the JSE, in terms of the rules of the JSE, as settlement agents to perform electronic settlement of funds and scrip are the South African Reserve Bank, Absa Bank Limited, Citibank NA, FirstRand Bank Limited, Nedbank Limited and The Standard Bank of South Africa Limited. Euroclear Bank S.A./N.V., as operator of the Euroclear System and Clearstream Banking société anonyme will settle offshore transfers through their South African Participant.

#### *Settlement and clearing*

### **Notes issued in uncertificated form**

The Issuer will, subject to Applicable Laws, issue Notes that are to be listed on the Interest Rate Market of the JSE in uncertificated form. Unlisted Notes may also be issued in uncertificated form.

Notes issued in uncertificated form will not be represented by any certificate or written instrument.

All transactions in uncertificated securities as contemplated in the Securities Services Act will be cleared and settled in accordance with the Applicable Procedures. All the provisions relating to Beneficial Interests in the Notes held in the Central Securities Depository will apply to Notes issued in uncertificated form.

### **Beneficial Interests**

The Central Securities Depository will hold each Tranche of Notes issued in uncertificated form, subject to the Securities Services Act and the Applicable Procedures. Each Tranche of Notes issued in uncertificated form, will be registered in the name of the Central Securities Depository's Nominee, and the Central Securities Depository's Nominee will be named in the Register as the sole Noteholder of such Tranche of Notes.

Accordingly, and except where the contrary is provided in the Terms and Conditions, all amounts to be paid and all rights to be exercised in respect of the Notes held in uncertificated form, will be paid to and may be exercised only by the Central Securities Depository's Nominee for the holders of Beneficial Interests in such Notes.

The Central Securities Depository maintains central securities accounts only for Participants.

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

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

Payments of interest and principal in respect of Notes held in uncertificated form, and registered in the name of the Central Securities Depository's Nominee, will be made in accordance with Condition 9 to the Central Securities Depository's Nominee, or such other registered holder of the uncertificated Notes as shown in the Register, and the Issuer will be discharged by proper payment to or to the order of the registered holder of the Certificate in respect of each amount so paid. The registered holder of such uncertificated Notes will in turn transfer such funds, via the Participants, to the holders of Beneficial Interests.

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

The Issuer will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of, Beneficial Interests, or for maintaining, supervising or reviewing any records relating to such Beneficial Interests.

#### *Transfers and exchanges*

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

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

Beneficial Interests may be exchanged for Notes represented by Individual Certificates in accordance with Condition 13.4.

**Individual Certificates**

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

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

Payments of interest and principal in respect of Notes represented by Individual Certificates will be made in accordance with Condition 9 to the person reflected as the registered holder of such Individual Certificates in the Register at 17h00 (Johannesburg time) on the Last Day to Register, and the Issuer will be discharged by proper payment to or to the order of the registered holder of the Certificate in respect of each amount so paid.

***BESA Guarantee Fund Trust***

The holders of Notes that are not listed on the Interest Market of the JSE will have no recourse against the BESA Guarantee Fund Trust. Claims against the BESA Guarantee Fund Trust may only be made in respect of the trading of Notes listed on the Interest Rate Market of the JSE and in accordance with the rules of the BESA Guarantee Fund Trust. Unlisted notes are not regulated by the JSE

**Notes listed on any exchange other than (or in addition to) the JSE**

Each Tranche of Notes which is listed on any exchange other than (or in addition to) the JSE will be issued, cleared and settled in accordance with the rules and settlement procedures of that exchange. The settlement, clearing and redemption procedures for trades of a Tranche of Notes issued on an exchange other than (or in addition to) the JSE will be specified in the Applicable Pricing Supplement.

## **SOUTH AFRICAN TAXATION**

*The comments below are intended as a general guide to the current position under the laws of South Africa. The contents of this section headed "South African Taxation" do not constitute tax advice and persons should consult their professional advisers.*

### **1. Securities Transfer Tax**

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

### **2. Withholding Tax**

Under current taxation law in South Africa, all payments made under the notes to resident and non-resident Noteholders will be made free of withholding or deduction for or on account of any taxes, duties, assessments or governmental charges. From 1 January 2013, withholding tax on interest in respect of certain debt instruments (which could include any Notes issued from this Programme) may be applicable to certain persons, who are regarded as non-resident for tax purposes in South Africa. Certain exemptions may or may not be applicable in this regard.

### **3. Income Tax**

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

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

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

#### **3.2 Position in respect of the current tax year**

Under current taxation law in South Africa:

- (a) a person ordinarily resident in South Africa will, subject to any available exemptions, be taxed on their worldwide income; and
- (b) a person not ordinarily 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.

#### 4. Capital gains

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 25% of the gain is taxable, and in the case of companies and trusts, 50% 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.

## EXCHANGE CONTROL

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

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

Dealings in the Notes, the performance by the Issuer of its obligations under the Notes and the performance by the Parent Guarantor of its obligations under the Parent Guarantee and by each Subsidiary Guarantor of its obligations under the Subsidiary Guarantee, may be subject to the Regulations.

#### **Blocked Rand**

Blocked Rands 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 Rands may not, in terms of the Regulations, be remitted out of South Africa or paid into any non-South African bank account. For the purposes of this clause, "Blocked Rands" are defined as 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, as amended.

#### **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 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 Rands 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**

Any Individual Certificates issued to Noteholders who are not resident in the Common Monetary Area will be endorsed "non-resident". In the event that a Beneficial Interest in Notes is held by a non-resident of the Common Monetary Area through the Central Securities Depository and its relevant Participants, the securities account of such Noteholder will be designated as a "non-resident" account.



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

## SUBSCRIPTION AND SALE

In terms of (and subject to) the Programme Agreement, Absa Bank Limited, acting through its division, Absa Capital, FirstRand Bank Limited, acting through its division, Rand Merchant Bank, Nedbank Limited, acting through its division, Nedbank Capital and The Standard Bank of South Africa Limited, acting through its division, Corporate and Investment Banking have been appointed as Dealers on an ongoing basis for the duration of the Programme. The Issuer may appoint one or more Dealers for a specific issue of one or more Tranches of Notes or on an ongoing basis. In terms of (and subject to) the Programme Agreement, the Issuer may from time to time agree with any Dealer(s) to issue, and any Dealer(s) may agree to place, one or more Tranches of Notes.

### South Africa

Prior to the issue of any Tranche of Notes under the Programme by the Issuer, each Dealer for that Tranche of Notes will be required to represent and agree that it will not solicit any offers for subscription for or sale of the Notes in that Tranche of Notes, and will itself not sell Notes, in South Africa, in contravention of the Companies Act, 1973, the Banks Act, 1990, the Exchange Control Regulations and/or any other applicable laws or regulations of South Africa in force from time to time. In particular, without limitation, the Programme Memorandum does not, nor is it intended to, constitute a prospectus (as that term is defined in the Companies Act) and each Dealer will be required to represent and agree that it will not make "an offer to the public" (as that term is defined in the Companies Act) of any of the Notes in that Tranche of Notes (whether for subscription or sale). Notes will not be offered for subscription to any single addressee for an amount of less than R1 000 000.

### United States of America

The Notes have not been and will not be registered under the United States Securities Act, 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account of or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Prior to the issue of any Tranche of Notes under the Programme by the Issuer, each Dealer for that Tranche of Notes will be required to represent and agree that:

- (i) the Notes in that Tranche have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account of or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;
- (ii) it has not offered, 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 days after completion of the distribution, as determined and certified by the Dealer or, in the case of an issue of such Notes on a syndicated basis, the relevant Lead Manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. person; and

- (iii) it will send to each dealer to which it sells any Notes in that Tranche during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of such Notes within the United States or to, or for the account or benefit of, U.S. person; 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 days after the commencement of the offering of a Series 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 US 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 Dealer for that Tranche of Notes will be required to represent and agree that:

- (i) it has not offered or sold, and prior to the expiry of a period six months from the Issue Date in respect of each Tranche of Notes will not offer or sell, any Notes in that Tranche to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations, 1995 of the United Kingdom;
- (ii) it has complied with and will comply with all applicable provisions of the Financial Services and Markets Act, 2000 (the "FSMA") with respect to anything done by it in relation to the Notes in that Tranche in, from or otherwise involving the United Kingdom; and
- (iii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in that Tranche in circumstances in which section 21(1) of the FSMA does not apply to the Issuer.

### **European Economic Area**

In relation to each Member State of the European Economic Area which has implemented the prospectus directive (each, a "**Relevant Member State**"), each of the Issuer and Dealer(s) has represented and agreed that, with effect from and including the date on which the prospectus directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**"), it has not made, and will not make an offer of Notes to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (a) in the period beginning on the date of publication of a prospectus in relation to those Notes which prospectus has been approved by the competent authority in that Relevant Member State in accordance with the prospectus directive and/or, where appropriate, published in another Relevant Member State and notified to the

competent authority in that Relevant Member State in accordance with Article 18 of the prospectus directive and ending on the date which is 12 months after the date of such publication;

- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) any time to fewer than 100 natural or legal persons (other than qualified investors defined in the prospective directive) subject to obtaining the prior consent of the relevant dealer or dealers nominated by the Issuer for any such offer; or ; 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, or pursuant to any applicable national law of any Relevant Member State.

Provided that no such offer of the Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to article 3 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 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 and regulations in force in each jurisdiction in which it purchases, subscribes or procures subscriptions for, offers or sells Notes in that Tranche or has in its possession or distributes the Programme Memorandum and will obtain any consent, approval or permission required by it for the purchase, subscription, offer or sale by it of Notes in that Tranche under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, subscriptions, offers or sales.

Each Dealer for a Tranche of Notes will be required to represent 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 any of the Dealers represent that Notes may at any time lawfully be subscribed for or sold in compliance with any applicable registration or other requirements in any jurisdiction or pursuant to any exemption available thereunder or assumes any responsibility for facilitating such subscription or sale.

## **GENERAL INFORMATION**

### **Authorisations**

All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of South Africa have been given for the establishment of the Programme and the issue of Notes under the Programme. No exchange control approval is required for the establishment of the Programme. If exchange control approval is required for the issue of any Tranche of Notes, such exchange control approval will be obtained prior to issue of such tranche of Notes

### **Listing**

This Programme has been registered by the JSE. Notes to be issued under the Programme may be listed on the Interest Rate Market of the JSE or any successor exchange and/or such other or further exchange(s) as may be agreed between the Issuer and the Dealer(s) and subject to any relevant ruling law. Unlisted Notes may also be issued. Unlisted Notes are not regulated by the JSE.

### **Clearing systems**

The Notes listed on the JSE have been accepted for clearance through the Central Securities Depository, which forms part of the JSE clearing system and may be accepted for clearance through any additional clearing system as may be agreed between the JSE, the Issuer and the Dealer(s).

The settlement, clearing and redemption procedures for trades of Notes issued on an exchange other than the JSE, irrespective of whether the Notes are listed on the Interest Rate Market of the JSE as well, will be specified in the Applicable Pricing Supplements.

### **Participants**

As at the date of this Programme Memorandum, the JSE recognised Participants are the South African Reserve Bank, Absa Bank Limited, Citibank NA, FirstRand Bank Limited, Nedbank Limited and The Standard Bank of South Africa Limited. Euroclear Bank S.A./N.V., as operator of the Euroclear System and Clearstream Banking société anonyme will settle offshore transfers through South African Settlement Agents.

### **Auditors**

Deloitte are the current auditors of the Issuer.

**Litigation**

The Issuer is not engaged (whether as defendant or otherwise) in any legal, arbitration, administration or other proceedings other than those disclosed in this Programme Memorandum, if any, the results of which might have or have had a material adverse effect on the financial position or the operations of the Issuer, nor is it aware of any such proceedings being threatened or pending.

**Material change**

Following due and careful enquiry, there has been no material change in the financial or trading position of the Issuer since the date of its last audited financial statements. No auditors have been involved confirming such statement.

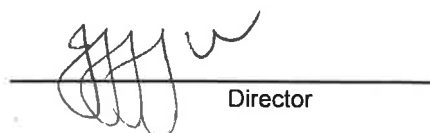
**Documents**

So long as any Note remains outstanding, one copy of this Programme Memorandum and each of the documents referred to in the section of this Programme Memorandum headed "*Documents Incorporated by Reference*" will be available for inspection by the Noteholders at the Specified Office of the Issuer.

Signed at Johannesburg on behalf of Eqstra Corporation (Proprietary) Limited on 16 March 2012

  
\_\_\_\_\_  
Director

Signed at Johannesburg on behalf of Eqstra Corporation (Proprietary) Limited on 16 March 2012

  
\_\_\_\_\_  
Director

**CORPORATE INFORMATION****ISSUER**

Eqstra Corporation (Proprietary) Limited  
 (Registration number 1984/007045/07)  
 61 Maple Street  
 Pomona  
 Kempton Park, 1619  
 Contact: The Group Treasurer, Paul Siddall

**CO-LEAD ARRANGER**

Absa Bank Limited, acting through its  
 division, Absa Capital  
 (Registration number 1986/004794/06)  
 15 Alice Lane  
 Sandton  
 2196  
 Contact: Head of DCM South Africa

**CO-LEAD ARRANGER**

Nedbank Limited, acting through its  
 division, Nedbank Capital  
 (Registration number 1951/000009/06)  
 135 Rivonia Road  
 Sandown  
 Sandton, 2196  
 Contact: Bradley Smart

**ATTORNEYS TO CO-LEAD ARRANGERS AND ISSUER**

Webber Wentzel  
 10 Fricker Road  
 Illovo Boulevard  
 Johannesburg, 2196  
 Contact: Karen Couzyn

**AUDITORS TO THE ISSUER**

Deloitte & Touche  
 The Woodlands Office Park  
 20 Woodlands Drive, Woodmead  
 Sandton  
 Contact: Martin Bierman

**PAYING AGENT**

Nedbank Limited-NIS Investor Services,  
 a division of Nedbank Limited  
 (Registration number 1951/000009/06)  
 33 Hoofd Street  
 Forum IV  
 Braampark  
 Braamfontein  
 Johannesburg, 2001  
 Contact: Oliver August

**CALCULATION  
AGENT**

Nedbank Limited, acting through its  
 division, Nedbank Capital  
 (Registration number 1951/000009/06)  
 135 Rivonia Road  
 Sandown  
 Sandton, 2196  
 Contact: Bradley Smart

**DEBT SPONSOR**

Rand Merchant Bank, a division of FirstRand Bank Limited  
 (Registration number 1929/001225/06)  
 1 Merchant Place  
 Cnr Fredman Drive & Rivonia Road  
 Sandton, 2196  
 Contact: Barry Martin

**TRANSFER AGENT**

Nedbank Limited, acting through its  
 division, Nedbank Capital  
 (Registration number 1951/000009/06)  
 135 Rivonia Road  
 Sandown  
 Sandton, 2196  
 Contact: Amelia Reynecke, Treasury  
 Operations