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**THIS DOCUMENT ("OFFERING CIRCULAR") IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to the action you should take, please consult your CSDP, banker, broker, legal advisor, accountant or other professional advisor immediately.

The definitions and interpretations set out in Part 3 (*Glossary of Defined Terms*) of this Offering Circular apply to this front cover and throughout this document unless otherwise stated.



**TRADEHOLD LIMITED**

(Registered in the Republic of South Africa)

(Registration No.1970/009054/06)

Share code: TDHP ISIN: ZAE000201166

("Tradehold" or "the Company")

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**OFFERING CIRCULAR**

Prepared as constituting an Offering Circular for JSE purposes and issued in terms of the Listings Requirements relating to the offer for subscription by Qualifying Investors of up to 65,000,000 (sixty five million) A Preference Shares and to the listing on the JSE of those shares which are subscribed for pursuant to such offer.

The salient dates of the Offer are provided below. Any changes to these dates and times will be released on SENS.

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<b>Opening date of the Offer (9:00)</b>	<b>Monday, 2 February 2015</b>
<b>Closing date of the Offer (14:30)</b>	<b>Wednesday, 4 February 2015</b>
<b>Date of Final Allotment of Shares (15:00)</b>	<b>Wednesday, 4 February 2015</b>
<b>Date that Qualifying Investors are to make payment (12:00)</b>	<b>Thursday, 5 February 2015</b>
<b>Date for the results of the offer announced on SENS</b>	<b>Thursday, 5 February 2015</b>
<b>Proposed Listing Date</b>	<b>Friday, 6 February 2015</b>
<b>Last day to register</b>	<b>Friday, 20 February 2015</b>

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**This document does not constitute an offer to the public in South Africa and therefore does not constitute a prospectus for the purpose of the SA Companies Act. The Offer only involves Qualifying Investors, being (i) those South African persons named in section 96(1)(a) of the SA Companies Act, or (ii) a single South African addressee acting as principal where the Subscription Price payable by such addressee is not less than ZAR1,000,000 (one million Rand).**

The A Preference Shares will be admitted as a listing on the JSE and will trade on the JSE in accordance with the terms and conditions of this Offering Circular. The number of A Preference Shares to be issued will be determined as at the Closing Date. The A Preference Shares of no nominal or par value will be issued at a Subscription Price of ZAR10 (ten Rand) each, irrespective of the date of issue thereof. It is envisaged that the A Preference Shares will be issued in 1 (one) tranche pursuant to the Preference Share Programme.

Application has been made to the JSE by the Company for the listing of the A Preference Shares, and the JSE has granted approval, for the Listing of the A Preference Shares on the JSE under the abbreviated name Tradehold P, with effect from the commencement of business on Friday, 6 February 2015. At the Listing Date, the authorised share capital of Tradehold will comprise 210,000,000 (two hundred and ten million Ordinary Shares, 89,250,000 (eighty nine million two hundred and fifty thousand) N Preference Shares, 65,000,000 (sixty five million) A Preference Shares and 40,000,000 (forty million) Unspecified Preference Shares. The issued share capital of Tradehold will comprise 156,132,877 (one hundred and fifty six million one hundred and thirty two thousand eight hundred and seventy seven) Ordinary Shares, 57,391,218 (fifty seven million three hundred and ninety one thousand two hundred and eighteen) N Preference Shares and 65,000,000 (sixty five million) A Preference Shares assuming that the entire Offer is taken up.

It is anticipated that the Listing will be effective from the commencement of business on the 2<sup>nd</sup> (second) Business Day following the Closing Date.

The A Preference Shares will only be traded in electronic form.

The Directors whose names are set out herein, collectively and individually, accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement false or misleading, and that they have made all reasonable enquiries to ascertain such facts and that this Offering Circular contains all information required by the Listings Requirements.

Applicants should ensure that they fully understand the nature of the A Preference Shares and the extent of the return and the potential exposure to risks. Applicants should consider the suitability of the A Preference Shares as an investment in light of their own financial position. All applicants must obtain their own advice in connection with any investment in the A Preference Shares in respect of, inter alia, any specific tax, financial and accounting consequences which may be applicable. **Applicants are referred to the risk factors set out in Part 7 (Risk Factors) of this Offering Circular.**

An abridged version of this Offering Circular will be released on SENS on 2 February 2015.

The signed Offering Circular shall be available via placement of the Offering Circular on the JSE and on the Company's website at least 5 (five) Business Days prior to the Listing.

Date of issue: 30 January 2015

Arranger and Underwriter and Preference  
Share Agent



Joint Debt Sponsors



Attorneys to Arranger and  
Underwriter



Transfer Secretary



Attorneys to the Company



Auditors



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## PART 1 IMPORTANT INFORMATION

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### 1. ABOUT THIS OFFERING CIRCULAR

This document comprises an Offering Circular relating to Tradehold prepared in accordance with the provisions of the Listings Requirements as regards to information contained in the Offering Circular, as well as the format, incorporation by reference, and publication of such Offering Circular and dissemination of advertisements.

This Offering Circular has been produced in connection with the private placement of the A Preference Shares and the admission of these shares to listing and trading on the JSE. In making any investment decision regarding the A Preference Shares, prospective investors must rely on their own examination of the Company, including the merits and risks involved in an investment in the Company.

The Company has not authorised any other person to provide prospective investors with any information or to make any representations in connection with the private placement. Prospective investors should rely only on the information contained in this Offering Circular. If anyone provides prospective investors with any information or makes any representations, such information or representations should not be relied upon. Prospective investors should assume that the information appearing in this Offering Circular is accurate only as of the date on the front cover of this Offering Circular, regardless of the time of delivery of this Offering Circular or of any future offer, issue, subscription or sale of the A Preference Shares. The business, financial condition, results of operations and prospects of the Company could have changed since that date. The Company expressly disclaims any duty to update this Offering Circular, except as required by applicable law.

The JSE accepts no responsibility for the contents of this Offering Circular, or the annual reports or interim reports (as amended or restated from time to time), makes no representation as to the accuracy or completeness of any of the foregoing documents and expressly disclaims any liability whatsoever for any loss however arising from or in reliance upon the whole or any part of the contents of this Offering Circular the annual reports or interim reports (as amended or restated from time to time). The Company accepts full responsibility for the accuracy of the information contained in this Offering Circular and the annual reports and interim reports or the amendments to the annual reports or interim reports, except as otherwise stated therein.

### 2. FORWARD-LOOKING STATEMENTS

This Offering Circular includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “intends”, “considers”, “expects”, “seeks”, “target”, “strategy”, “objective”, “aim”, “continue”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology.

These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this Offering Circular and include statements regarding the intentions, beliefs or current expectations of the Company concerning, among other things, the investment objective and investment policy, financing strategies, investment performance, results of operations, financial condition, liquidity, prospects and dividend payments and policy of the Company and the markets in which it, directly and indirectly, will invest and the resources available to it.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The actual investment performance of the Company, its results of operations, financial condition, liquidity, dividend payments and the development of its financing strategies and the operation

of the markets in which it is, directly or indirectly, invested and the actual resources available to them, may differ materially from the impression created by the forward-looking statements contained in this Offering Circular.

In addition, even if the investment performance, results of operations, financial condition, liquidity and dividend payments of the Company, the development of the financing strategies and the operation of the markets in which they are, directly or indirectly, invested are consistent with the forward-looking statements contained in this Offering Circular, those results or developments or markets or resources may not be indicative of results or developments or markets or resources in subsequent periods.

Important factors that may cause these differences include, but are not limited to the risk factors set forth in Part 7 (*Risk Factors*) of this Offering Circular, changes in economic conditions generally, legislative/regulatory changes, changes in taxation regimes, the Company's ability to invest the cash on its balance sheet in suitable investments or in a suitable manner on a timely basis, the cost and availability of capital for future investments, the availability and cost of suitable financing, the continued provision of services by the Company and the ability of the Company to attract and retain suitably qualified personnel.

These forward-looking statements speak only as at the Last Practicable Date. Subject to its legal and regulatory obligations, the Company expressly disclaims any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

The Company qualifies all of its forward-looking statements by these cautionary statements.

These forward-looking statements have not been reviewed by the Company, or their auditors.

### **3. RESTRICTIONS ON THE DISTRIBUTION**

The distribution of this document in jurisdictions other than South Africa may be restricted by law, and persons into whose possession this document comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. The A Preference Shares are fully transferable. However, no A Preference Shares will be offered by the Company pursuant to the Offer in any restricted territory as set out in section 4.7 of Part 4 (*The A Preference Shares and Placement Details*) of this Offering Circular. Accordingly, this document may not be supplied to the public in any jurisdiction in which any registration, qualification or other requirements exist or would exist in respect of any public offering of shares. This document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities other than the A Preference Shares by any person in any circumstances in which such offer or solicitation is unlawful and is not for distribution in or into Australia, Canada, Japan, the European Union or the United States.

### **4. CERTAIN DEFINED TERMS**

Certain capitalised terms are defined the first time they appear in this Offering Circular, although definitions may be repeated more than once for ease of reference. See also Part 3 (*Glossary of Defined Terms*) and Part 4 (*Detailed A Preference Share Terms*) for definitions of other capitalised terms and for certain legal and technical terms used in this Offering Circular (some of which are also defined in other sections of this Offering Circular).

### **5. PRESENTATION OF FINANCIAL INFORMATION**

Unless otherwise indicated, the financial information in this Offering Circular has been prepared in accordance with IFRS.

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## PART 2 CORPORATE INFORMATION

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### Directors of Tradehold

Dr C H Wiese (73) – Non-Executive Chairman  
Mr M J Roberts (68) – Independent Non-Executive  
Mr H R W Troskie (44) – Lead Independent Non-Executive Director  
Mr T A Vaughan (49) – Joint Chief Executive Director  
Adv J D Wiese (34) – Alternate to Dr C H Wiese  
Mr F H Esterhuysen (45) – Joint Chief Executive Director  
Mr D A Harrop (44) – Executive Director  
Ms K L Nordier (48) – Executive Financial Director  
Mr J M Wragge (67) – Non-Executive Director

### Company Secretary

F M ver Loren van Themaat  
B.Comm, LLB  
3<sup>rd</sup> Floor, Pepkor Building, 32 Stellenberg Road,  
Parow Industria, 7490, South Africa  
Tel: +27 21 929 4765  
Fax: +27 21 929 4850

### Registered Office of Tradehold

36 Stellenberg Road, Parow Industria, 7493, or  
PO Box 6100, Parow East, 7501  
Tel: +27 21 929 4800  
Fax: +27 21 929 4785

### Attorneys to Arranger & Underwriter

Cliffe Dekker Hofmeyr Inc.  
(Registration number: 2008/018923/21)  
11 Buitengracht Street, Cape Town, 8001,  
South Africa, or  
PO Box 695, Cape Town, 8000, South Africa  
Tel: +27 21 481 6300  
Fax: +27 21 481 6388

### Auditors to Tradehold

PricewaterhouseCoopers Inc.  
(Registration number:1998/012055/21)  
1 Waterhouse Place, Century City, Cape Town, 7441,  
South Africa, or  
PO Box 2799, Cape Town, 8000, South Africa  
Tel: +27 21 529 2000  
Fax: +27 21 529 3300

### Preference Share Agent, Arranger & Underwriter

Rand Merchant Bank, a division of FirstRand Bank  
Limited  
(Registration number: 1929/001225/06)  
1 Merchant Place, Cnr Fredman Drive & Rivonia  
Road, Sandton, 2196, South Africa, or  
PO Box 786273, Sandton, 2146, South Africa  
Tel: +27 11 282 8000  
Fax: +27 11 282 8008

### Transfer Secretary

Computershare Investor Services Proprietary Limited  
(Registration number: 2004/003647/07)  
Ground Floor, 70 Marshall Street, Johannesburg,  
2001, South Africa, or  
PO Box 61051, Marshalltown, 2107, South Africa  
Tel: +27 11 370 5000  
Fax: +27 11 668 5200

### Attorneys to the Company

Edward Nathan Sonnenbergs Inc.  
(Registration number:2006/018200/21)  
1 North Wharf Square, Loop Street, Foreshore, Cape  
Town, 8001,  
South Africa, or  
PO Box 2293, Cape Town, 8000, South Africa  
Tel: +27 21 410 2500  
Fax: +27 21 410 2555

**Joint Debt Sponsor**

Nodus Capital Proprietary Limited

(Registration number:2007/004535/07)

First Floor, Entrance 2, 32 Fricker Road, Illovo, 2196,  
South Africa, or

PO Box 55369, Northlands, 2116, South Africa

Tel: +27 11 327 6907

Fax: +27 11 327 6844

Mettle Specialised Finance Proprietary Limited

(Registration number: 2008/027610/07)

1 Melrose Boulevard, Suite 7, Melrose Arch, 2076,  
Johannesburg, South Africa, or

PO Box 1964, Saxonwold, Johannesburg, South  
Africa

Tel: +27 11 214 1000

Fax: +27 11 214 1005

Date of incorporation: 10/07/1970

Place of incorporation: Republic of South Africa

**This Offering Circular is available in English only. Copies may be obtained from the registered office of the Arranger, the Company and the Joint Debt Sponsors at the addresses set out above.**

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## PART 3 GLOSSARY OF DEFINED TERMS

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In this Offering Circular, unless otherwise stated or the context otherwise indicates, the words in the first column shall have the meanings stated opposite them in the second column, words in the singular shall include the plural and *vice versa*, words importing natural persons shall include corporations and associations of persons and an expression denoting any gender shall include the other gender. Capitalised words used in this Offering Circular shall, unless the context indicates otherwise, have the meaning ascribed thereto in Annexure 2 (*Detailed A Preference Share Terms*).

<b>“A Preference Share”</b>	a redeemable, cumulative class 'A' preference share with no nominal or par value in the Company's share capital which has the rights and privileges set out in the A Preference Share Terms;
<b>“A Preference Share Terms”</b>	the detailed terms and conditions attaching to the A Preference Shares as set out in clause 9.3 of the MOI, extracts of which are contained in Annexure 2 which forms part of this Offering Circular;
<b>“certificated shareholder”</b>	a Tradehold shareholder holding certificated shares;
<b>“certificated shares”</b>	Tradehold Shares which have not yet been dematerialised and which are represented by a paper share certificate or other physical document(s) of title;
<b>“Closing Date”</b>	14:30 on Wednesday, 4 February 2015, being the anticipated closing date of the Offer, or such later date on which the Offer closes, as determined by the Board;
<b>“Common Monetary Area”</b>	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
<b>“CSDP” or “Participant”</b>	means a participant, as defined in section 1 of the Financial Markets Act;
<b>“Debt Sponsor”</b>	the Joint Debt Sponsor's, being Mettle and Nodus;
<b>“dematerialised shareholder”</b>	a Tradehold Shareholder holding dematerialised shares;
<b>“dematerialised shares”</b>	Tradehold Shares which have been dematerialised;
<b>“dematerialised”</b>	the process by which certificated shares are converted to or held in an electronic form as uncertificated shares and recorded in the sub-register of shareholders maintained under Strate by a CSDP, broker or nominee;
<b>“Directors” or “the Board”</b>	the directors of Tradehold, whose names and details are given in paragraph 5 of Part 5 ( <i>Share Capital and Corporate Information</i> ) of this Offering Circular;
<b>“EUR”, “€” or “Euro”</b>	Euro, the lawful currency of those members states of the European Union who have adopted it as such;

<b>“Financial Markets Act”</b>	the South African Financial Markets Act, No 19 of 2012;
<b>“GBP”, or “£” or “Pound Sterling”</b>	British Pound Sterling, the lawful currency of the United Kingdom;
<b>“Group”</b>	Tradehold and each of its Subsidiaries;
<b>“Group Company”</b>	a member of the Group;
<b>“Holder” or “Preference Shareholder”</b>	in relation to an A Preference Share, the registered holder of that A Preference Share;
<b>“IFRS”</b>	International Financial Reporting Standards, as adopted from time to time by the Board of the International Accounting Standards Committee, or its successor body, and approved for use in South Africa from time to time by the Financial Reporting Standards Council established in terms of section 203 of the SA Companies Act;
<b>“JSE”</b>	the stock exchange operated by the JSE Limited, registration number 2005/022939/06 (which has been licensed as an exchange under the Financial Markets Act);
<b>“Last Practicable Date”</b>	the last practicable date prior to the finalisation of this Offering Circular, being 29 January 2015;
<b>“Listing”</b>	the listing of the A Preference Shares on the main board of the JSE subject to the conditions referred to in paragraph 4.3 of Part 4 ( <i>The A Preference Shares and Placement Details</i> ) of this Offering Circular;
<b>“Listing Date”</b>	the date on which the Listing of the A Preference Shares subscribed for and issued pursuant to the Offer becomes effective;
<b>“Listings Requirements”</b>	the JSE’s Debt Listings Requirements, as amended from time to time;
<b>“Luxembourg”</b>	the Grand-Duchy of Luxembourg;
<b>“Malta”</b>	the Republic of Malta;
<b>“Mettle”</b>	Mettle Specialised Finance Proprietary Limited, registration number 2008/027610/07, a private company duly incorporated in accordance with the laws of South Africa;
<b>“Mettle Group”</b>	Mettle Investments Proprietary Limited, registration number 2008/002061/07, a private company duly incorporated in accordance with the laws of South Africa, and all its Subsidiaries;
<b>“MOI”</b>	Memorandum of Incorporation as defined in section 1 of the SA Companies Act;
<b>“N Preference Shares”</b>	a non-participating, non-convertible, non-transferable redeemable preference share with a par value of R0.01 (one cent) each in the share capital of the Company, having the rights, privileges and conditions

	contained in clause 9 of the MOI;
<b>“Nodus”</b>	Nodus Capital Proprietary Limited, registration number 2007/004535/07, a private company duly incorporated in accordance with the laws of South Africa;
<b>“Offer”</b>	the offer for subscription contained in this Offering Circular in terms of a private placement with institutional investors, to subscribe for A Preference Shares;
<b>“Offering Circular”</b>	the offering circular contained in this document, including any annexure and the application form;
<b>“Ordinary Shareholders”</b>	holders of Ordinary Shares;
<b>“Ordinary Shares”</b>	ordinary shares with a nominal value of ZAR0.01 (one cent) each in the Company’s issued share capital;
<b>“Preference Share Agent” or “Arranger” or “Arranger and Underwriter” or “RMB”</b>	Rand Merchant Bank, a division of FirstRand Bank Limited, registration number 1929/001225/06, a public company duly incorporated in accordance with the laws of South Africa;
<b>“Preference Share Programme”</b>	<p>a programme pursuant to which the Company, as a means of raising capital, could, subject to various terms and conditions –</p> <ul style="list-style-type: none"> <li>• issue A Preference Shares with a maximum aggregate Subscription Price of ZAR650,000,000 (six hundred and fifty million Rand); and</li> <li>• list the A Preference Shares on the JSE,</li> </ul> <p>on the terms and conditions set out in Part 4 (<i>The A Preference Shares and the Placement Details</i>);</p>
<b>“Qualifying Investor”</b>	a South Africa resident (i) as envisaged in section 96(1)(a) of the SA Companies Act or (ii) who is a single addressee acting as principal and where the minimum Subscription Prices payable by such addressee is not less than ZAR1,000,000 (one million Rand), as envisaged in section 96(1)(b) of the SA Companies Act;
<b>“Quotation Date”</b>	in relation to any period for which a dividend rate is to be determined, the first day of that period;
<b>“registered office”</b>	the registered office of Tradehold, being 36 Stellenberg Road, Parow Industria, 7493;
<b>“Restricted Territories”</b>	the United States, Australia, Canada, Japan, the European Union and Namibia and any other jurisdiction where the Offer would be unlawful or in contravention of certain regulations;
<b>“SA Companies Act”</b>	the South Africa Companies Act, No 71 of 2008, and those provisions of the South African Companies Act, No 61 of 1973 that have not been repealed, as amended;
<b>“SA Tax Act”</b>	the South African Income Tax Act, No. 58 of 1962, as amended;

<b>“South Africa” or “SA”</b>	Republic of South Africa;
<b>“South Africa Exchange Control Regulations”</b>	the Exchange Control Regulations, 1961, as amended, promulgated in terms of section 9 of the South African Currency and Exchanges Act, No. 9 of 1933, as amended;
<b>“Strate”</b>	Strate Proprietary Limited, registration number 1998/022242/07, a private company duly incorporated in accordance with the laws of South Africa under and registered as a central securities depository in terms of the Financial Markets Act and responsible for the electronic custody and settlement system used by the JSE;
<b>“Subsidiary” or “Subsidiaries”</b>	a subsidiary, as defined in the SA Companies Act, and shall include any person who would, but for not being a company under the SA Companies Act, qualify as a subsidiary, as defined in the SA Companies Act;
<b>“Swiss Branch”</b>	the Swiss Finance Branch of Tradegro S.à r.l., with identification number CHE-109.980.352, and with its registered address at Bahnhofstrasse 30, 6300 Zug, Switzerland;
<b>“Tradegro”</b>	Tradegro S.à r.l., a limited liability company ( <i>société à responsabilité limitée</i> ), with registration number B 149.807, with a share capital of GBP94,927,327, duly incorporated in accordance with the laws of Luxembourg and acting, where applicable, through its duly authorised Swiss Branch;
<b>“Tradehold” or “the Company”</b>	Tradehold Limited, registration number 1970/009054/06, a company incorporated in accordance with the laws of South Africa;
<b>“Tradehold Shareholders”</b>	collectively, holders of Ordinary Shares, N Preference Shares and A Preference Shares, or any one of them, as the context may indicate;
<b>“Tradehold Shares”</b>	Ordinary Shares and/or N Preference Shares and/or A Preference Shares, as the context may indicate;
<b>“Trading Day”</b>	any day on which trading takes place on the JSE;
<b>“Transfer Secretary”</b>	Computershare Investor Services Proprietary Limited, registration number 2000/006082/06, a company incorporated in accordance with the laws of South Africa;
<b>“Underwriting Agreement”</b>	the written underwriting agreement entered into between the Arranger and Underwriter and the Company on or about 23 January 2015 in terms whereof the Arranger and Underwriter agrees to underwrite the Offer, as more fully described in section 4.9 of Part 4 ( <i>The A Preference Shares and Placement Details</i> ) of this Offering Circular;
<b>“Unspecified Shares”</b>	the four classes of redeemable preference shares of no par value, having the rights, privileges, restrictions and conditions as determined by the Issuer Board upon issue thereof, but which are intended to rank in priority to the N Preference Shares and Ordinary Shares in respect of dividends and on a winding up; and

**“ZAR” or “Rand” or “R”**

South African Rand, the lawful currency of South Africa.

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## PART 4 THE A PREFERENCE SHARES AND PLACEMENT DETAILS

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### 1. INTRODUCTION AND RATIONALE

Tradehold intends entering into a new capital raising programme in order to make capital available for investment and refinancing purposes.

The capital raising programme will be implemented through the Listing of A Preference Shares in terms of which a maximum number of 65,000,000 (sixty five million) A Preference Shares will be issued. The Preference Share Programme is expected to raise approximately R650,000,000 (six hundred and fifty million Rand) before expenses. The Subscription Price for the Preference Share Programme will be ZAR10 (ten Rand) per A Preference Share.

Any authorised, unissued A Preference Shares that have not been issued in terms of the Offer shall be issued by the Company as and when opportune, subject to the maximum of 65,000,000 (sixty five million) A Preference Shares and obtaining the consent of the Majority Holders. A maximum amount of R350,000,000 (three hundred and fifty million Rand) has been underwritten by the Arranger and Underwriter.

The A Preference Shares are subject to early and mandatory redemption in limited instances at the Company's election on the occurrence of certain events set out in this Offering Circular.

### 2. PURPOSE OF THE PREFERENCE SHARE PROGRAMME

Tradehold is an investment holding company predominantly focused on investing capital in property as well as developing and expanding its existing property portfolio, which is primarily based in the United Kingdom.

The Board has identified property investments in the United Kingdom and Africa, and is seeking to raise term capital through the issue of A Preference Shares into the South African market.

Tradehold's status in the South African financial markets allows the Company to capitalise on the positive market sentiment and appetite in South Africa and to raise funding at very attractive funding rates relative to the offshore market. The raising of funding through the issue of A Preference Shares is non-dilutionary for ordinary shareholders.

The funding would facilitate the improvement of the quality and growth of Tradehold's United Kingdom property portfolio in line with the Board's strategy to grow the net asset value of the group. The capital to be raised will be utilised for investment into commercial retail property in sub-Saharan Africa, to refurbish certain existing properties owned by the Group, as more fully described in section 3.3 below and repay debt incurred by the Group. Over time the growth in underlying assets should lead to an increase in the net asset value of Ordinary Shares.

Aligned to Tradehold's growth strategy, the proposed capital raising thus provides the following benefits:

- access to term capital at attractive funding rates and terms;
- further strengthens the Company's existing capital base;
- effectively lowers the Company's cost of capital;
- potential to diversify Tradehold's funder base; and
- no dilution to ordinary shareholders.

Tradehold will advance the Tradegro Loan to Tradegro under the Tradegro Facility Agreement, who will in turn on-lend such proceeds to the Relevant Group Companies. Each Relevant Group Company will guarantee the obligations of Tradegro under the Tradegro Facility Agreement and register a Relevant Group Company Charge

in favour of Tradehold for such obligations of the Relevant Group Company. The A Preference Shares are not secured.

### 3. SALIENT TERMS OF THE A PREFERENCE SHARES

The A Preference Shares are cumulative, redeemable non-convertible preference shares with no nominal or par value. The Subscription Price of the A Preference Shares issued pursuant of the Offer shall be at a Subscription Price of ZAR10 (ten Rand) per A Preference Share, irrespective of the date of issue of the A Preference Shares.

Tradehold has applied for a Listing of the A Preference Shares on the JSE.

The full terms of the A Preference Shares are set out in the Annexure 2 (*Detailed A Preference Share Terms*) which forms part of this Offering Circular.

*The summary set out herein is not conclusive or exhaustive, and potential investors should refer to Annexure 2 (Detailed A Preference Share Terms) for full particulars of the terms and conditions of the A Preference Shares. In the case of any divergences between this summary and the full terms as contained in the aforementioned Annexure 2, the latter shall prevail.*

#### 3.1. Entitlements to dividends

Dividends are payable quarterly on each Dividend Payment Date.

For each Dividend Period, each A Preference Share shall be entitled to a Scheduled A Dividend in an amount equal to the amount calculated on a Dividend Payment Date in accordance with the following formula:

$$a = (b + c) \times d \times e$$

in which formula:

- a* represents the amount payable on that Dividend Payment Date;
- b* represents the Subscription Price less any Capital Distribution in respect of that A Preference Share;
- c* represents the Accumulated A Dividends (if any) in respect of that A Preference Share at 17h00, Johannesburg time, on the Business Days immediately preceding the applicable Dividend Payment Date;
- d* represents if a Trigger Event (i) has not occurred, the Dividend Rate divided by 365 (three hundred and sixty five), or (ii) has occurred, the Default Dividend Rate divided by 365 (three hundred and sixty five); and
- e* represents the number of days during the applicable Dividend Period.

If JIBAR is to be determined by reference to the Reference Banks but a Reference Bank does not supply a quotation by 11h00 on the Quotation Date, JIBAR shall be determined on the basis of the quotations of the remaining Reference Banks.

If certain market disruption events occur which, in relation to all or a specific Beneficiary, makes it impossible to determine JIBAR, or JIBAR does not reflect the costs of funding in relation to a Beneficiary, JIBAR (in respect of all the Holders) shall be determined by the Preference Share Agent in accordance with clause 6 of the A Preference Share Terms.

If the Company voluntarily redeems the A Preference Shares from the proceeds of any Refinancing, the Holders shall be entitled to receive and be paid the Refinance A Preference Dividend. No Refinance A Preference Dividend shall be payable if:

- the A Preference Shares are voluntarily redeemed as a result of the occurrence of an Adjustment Event and the further circumstances described in paragraph 3.8 prevails; or
- where the Company wishes to issue further A Preference Shares and the consent of the Majority Holders is not obtained.

The Company shall be entitled to make Capital Distributions in respect of the A Preference Shares, provided that only one Capital Distribution is permitted during any consecutive six month period, a minimum capital

distribution of R1.00 per A Preference Share is made and the Capital Distribution must take place on a Dividend Payment Date.

### **3.2. Solvency and Liquidity**

The Company shall prior to the date on which any A Preference Dividends, Capital Distribution or the A Redemption Amount is to be paid by it, apply the Solvency and Liquidity Test and, once the directors of the Company are reasonably satisfied that the Issuer will satisfy such Solvency and Liquidity Test immediately after paying the relevant A Preference Dividend, Capital Distribution or A Redemption Amounts, as the case may be, the Board shall pass a resolution acknowledging that the Directors have applied the Solvency and Liquidity Test, and have reasonably concluded that the Company will satisfy the Solvency and Liquidity Test immediately after paying the relevant A Preference Dividend, Capital Distribution or A Redemption Amount, as the case may be.

### **3.3. Use of Preference Share Proceeds**

The Company shall procure that after a specified date, the UK Acquisition and Refurbishment Requirement has been complied with, and the Properties taken into account in complying with the UK Acquisition and Refurbishment Requirement shall also meet the following criteria, on a weighted average basis, based on the acquisition price:

- a minimum net yield (after taking into account any property specific expenses) of 4,5% (four comma five percent); and
- any Financial Indebtedness raised to acquire the Properties will not exceed 60% (sixty percent) of the acquisition price (on an interest only basis) of the Properties,

unless certain Financial Covenants are satisfied or the consent of the Preference Share Agent has been obtained.

### **3.4. Ordinary Share Distributions**

The Company shall not be permitted to pay any Distributions in respect of its Ordinary Shares if the dividends in respect of the A Preference Shares have not been paid in full or if the Financial Covenants have not been complied with.

### **3.5. Adjustment Events**

Tax Adjustment Event: The Company shall pay, in respect of the Outstanding A Preference Shares, an Additional A Dividend in accordance with the provisions and formulae in clauses 5.14, 5.15, 5.16 and 5.17 of the A Preference Share Terms:

- if as a result of the operation or application of any Applicable Laws relating to Tax (being those Applicable Laws which were applicable as at the Reference Date), the A Preference Dividends are or become subject to any SA Tax in the hands of all the Resident Beneficiaries who are SA Corporates; or
- if as a result of any amendment in the SA Tax Act (including the replacement of SA Tax Act with different legislation) or the introduction of any new Tax legislation which occurs after the Reference Date, the A Preference Dividends become subject to any SA Tax in the hands of all the Resident Beneficiaries who are SA Corporates;
- a Resident Beneficiary becoming liable for any Tax as a result only of the Issuer or any of its Subsidiaries becoming or being a “controlled foreign company”, as defined in section 1 of the SA Tax Act, which decreases the Return to any such Resident Beneficiary in respect of the Outstanding A Preference Shares held by it;
- the SA Corporate Tax Rate increases or decreases; or
- any amendment in any law of Malta (including the replacement of any such a law with different legislation) which occurs after the Reference Date, the A Preference Dividends become subject to Tax, imposed by any one of Malta, in the hands of all the Resident Beneficiaries who are SA Corporates,

but shall specifically exclude:

- any amendment envisaged in the first and fifth paragraphs above occurring, but the effect of such amendment is to subject Resident Beneficiaries or any other Beneficiaries who are not SA Corporates to the applicable Tax; or
- any A Preference Dividends which become subject to SA Tax in the hands of a Resident Beneficiary

who is a SA Corporate as a result of any act by that Resident Beneficiary who is a SA Corporate which renders the relevant A Preference Shares a "*hybrid equity instrument*" for purposes of section 8E of the SA Tax Act, or a "*third-party backed share*" for purposes of section 8EA of the SA Tax Act.

Increased Costs Event: The Company shall pay, in respect of the Outstanding A Preference Shares, an Additional A Dividend or adjust the Dividend Rate or the Default Dividend Rate, as the case may be, as may be necessary to compensate for the reduction in Return and to place the affected Beneficiary/ies in the same after-Tax position in respect of its A Preference Shares and/or ensure that all the affected Beneficiary/ies will receive at least the same Return, in either case, as if an Increased Costs Event had not occurred.

After the occurrence of an Adjustment Event, the Company is entitled to redeem:

- the A Preference Shares held by each Beneficiary requiring any Additional A Dividends or an adjustment to the Applicable Rates, provided that all the Affected Beneficiaries hold, in aggregate, less than 1/3 (one third) of the Outstanding A Preference Shares; or
- all the A Preference Shares held by each Affected Beneficiaries which requires Additional A Dividends or an adjustment to the Applicable Rates by more than 25 (twenty five) basis points.

### 3.6. Voting rights

The Holders are entitled to vote at any general meeting of the Shareholders if one of the following circumstances prevail at the date of such general meeting –

- any portion of the A Preference Dividends which is due and payable remains in arrear and unpaid;
- any portion of the Capital Distributions which is due and payable remains in arrear and unpaid;
- any portion of the A Redemption Final Payments which is due and payable remains in arrear and unpaid;
- any other resolution of the Company is proposed for the winding-up or liquidation, whether provisionally or finally, of the Company, or the reduction of the Company's capital.

At every general meeting at which the Holders are entitled to vote, as aforementioned, each A Preference Share shall confer on the Holder thereof such number of votes as is equal to 24,99% (twenty four comma nine nine percent) of the total voting rights exercisable at such general meeting, divided by the number of Outstanding A Preference Shares. In such instance, the Holders shall not vote as a separate class but shall vote together with the other Tradehold Shareholders.

### 3.7. Ranking and liquidation

The A Preference Dividends shall rank prior to the dividend rights of the Ordinary Shares and the N Preference Shares. All the A Preference Shares form part of the same class of share and all A Preference Shares for which listing will be applied, will rank *pari passu* in respect of all rights.

Each A Preference Share shall, on liquidation of the Company, confer on its Holder a right to a return of capital in an amount equal to the aggregate of the A Redemption Final Payments of that A Preference Share Calculated up to the day on which that return of capital is paid to the Holder of that A Preference Share. Such rights to a return of capital shall rank prior to the rights to a return of capital of the Ordinary Shares and the N Preference Shares.

### 3.8. Regulatory redemption option

If any one of the following Regulatory Events occur which results in the A Preference Shares becoming more expensive for the Company or any of its Shareholders by more than 25 (twenty five) basis points, the Company shall be entitled to redeem all (but not some) of the Outstanding A Preference Shares voluntarily:

- any change in the listings requirements of the JSE;
- any change in the exchange control regulations of South Africa, Luxembourg, England, Scotland or Malta;
- any change in the SA Tax Act or any other legislation which imposes any taxation of any nature whatsoever on the Company, in relation to the A Preference Shares, in Malta and/or South Africa; or
- any change in the Maltese Companies Act (Chapter 386 of the Laws of Malta), the SA Companies Act, the English Companies Act, 2006 and any other legislation, whether Maltese, English, Luxembourgish or South African which deals with companies generally.

### 3.9. Financial Covenants & Equity Cure

The Company must, at all times, maintain the Financial Covenants, but may use subordinated shareholder funds (“SH Funds”) so as to prevent a potential breach of Financial Covenants at the next Measurement Date. Any SH Funds introduced for this purpose must have repayment dates post the Scheduled A Redemption Date. Equity cures shall not be permitted (i) more than twice during the term of the A Preference Shares, and (ii) for any two consecutive Measurement Dates. The Company will not be obliged to use the proceeds of the SH Funds to redeem any portion of the A Preference Shares.

### 3.10. Trigger Events

If a Trigger Event occurs, and the Company fails to remedy the applicable Trigger Event within the relevant remedy period, the Company shall redeem all the Outstanding A Preference Shares. The Trigger Events are usual for these kinds of instruments, and include:

- the Company failing to declare and pay, on any Dividend Payment Date, an A Preference Dividend for any reason whatsoever;
- the Company failing to comply with any undertaking given by it to the Holders in terms of the Finance Documents;
- the Company failing to comply with any Financial Covenant;
- a Change of Control occurring without the prior written consent of the Preference Share Agent;
- certain insolvency events arising in relation to the Company, Tradegro Holdings or a Material Group Company;
- certain insolvency proceedings occurring in relation to the Company, Tradegro Holdings or a Material Group Company;
- the Company or any Material Group Company ceasing to carry on its business in the normal and ordinary course thereof;
- Tradegro or any Relevant Group Company incurring any Financial Indebtedness other than permitted under the A Preference Share Terms;
- Tradegro or any Relevant Group Company issuing, granting or giving any guarantee other than permitted under the A Preference Share Terms;
- the invalidity and/or unenforceability of any of the Group Documents, or any of the obligations or duties of Tradegro or any Relevant Group Company under any Group Document becoming illegal, invalid or unenforceable; and
- the Company, at any time, not having a legally valid and enforceable claim (in terms of a guarantee, indemnity, payment undertaking or otherwise) against each Relevant Group Company for payment of an amount at least equal to the lower of (i) the value as at the first Actual Issue Date or (ii) the market value of all the Properties owned by that Relevant Group Company, and which claim is secured by one or more legally valid and enforceable Relevant Group Company Charges against all such Property;
- any Relevant Group Company Charge is cancelled without a replacement Relevant Group Company Charge being entered into in respect of the Replacement Property;
- any Replacement Property is not owned by a Relevant Group Company;
- any asset of the Company, Tradegro Holdings or any Material Group Company being attached under a writ of execution;
- any Material Adverse Change occurring;
- the listing of any Outstanding A Preference Shares on the JSE being suspended or terminated without the prior written consent of the Preference Share Agent.

Appropriate remedy periods, where relevant, apply in respect of the Trigger Events.

### 3.11. Preference Share Agent

The Preference Share Agent has been appointed to exercise the rights, powers, authorities and discretions specifically given to the Preference Share Agent under or in connection with the A Preference Shares. The Preference Share Agent will, accordingly, represent the Holders in the following matters:

- the payment of any amounts which the Company must pay to any Holder under the Finance Documents;
- the granting or withholding of any consent or approval which the Company requires from the Holders;
- the receipt of any documents or information which the Company is obliged to supply the Holders;

- the receipt of any notices which the Company must deliver to the Holders;
- the giving of any notices to the Holders; and
- the enforcement of their rights under the Finance Documents, as more fully described in paragraph 3.12 below.

The role of the Preference Share Agent is purely administrative, and is usual for transactions of this nature (whether listed or unlisted). Unless a contrary indication appears, the Preference Share Agent shall exercise any right, power, authority or discretion vested in it in accordance with any instructions given to it by the Majority Holders. The granting or withholding of any consent or approval will be based upon the vote/consent given by the holders of the Preference Share. Amendments to the Preference Share Terms require the Holders' approval and consent. The Preference Share Agent cannot act without such approval and/or consent. Any decision taken in accordance with the A Preference Share Terms affecting the Holders will be announced on SENS.

The Preference Share Agent may resign and appoint one of its affiliates acting through an office in South Africa as successor by giving notice to the Holders and the Company, or may resign by giving 30 (thirty) days' notice to the Holders and the Company, in which case the Majority Holders (after consultation with the Company) may appoint a successor to such Preference Share Agent.

### 3.12. Holder Arrangements

The A Preference Share Terms contain inter-creditor arrangements usual for instruments such as the A Preference Shares. Any decisions taken by the Holders shall be communicated on SENS.

## 4. DETAILS OF THE OFFER

### 4.1. Particulars of the Offer

Subscription Price for dividend calculation purposes <sup>1</sup>	R10
Dividend Rate	72% of JIBAR, plus the Margin
Minimum amount to be raised in terms of the Offer	R350,000,000

<sup>1</sup>The Subscription Price payable in terms of the Offer will be ZAR10 (ten Rand) per A Preference Share, irrespective of the date of issue of the A Preference Shares issued pursuant to the Offer.

### 4.2. Salient Dates

Opening date of the Offer (09:00)	Monday, 2 February 2015
Closing date of the Offer (14:30)	Wednesday, 4 February 2015
Date of Final Allotment of Shares (15:00)	Wednesday, 4 February 2015
Date that Qualifying Investors are to make payment (12:00)	Thursday, 5 February 2015
Date for the results of the offer announced on SENS	Thursday, 5 February 2015
Proposed Listing Date	Friday, 6 February 2015
Last day to register	Friday, 20 February 2015

Any changes to these dates and times will be released on SENS.

### 4.3. Conditions to the Listing

Application has been made to the JSE to admit the A Preference Shares to trading on the JSE on the "Specialist Securities – Preference Shares" sector with abbreviated name "Tradehold P" alpha code "TDHP" and ISIN number ZAE000201166, subject to Tradehold meeting the requirements set out in the Listings Requirements in respect of the A Preference Shares. The number of A Preference Shares to be listed will be determined on the Closing Date.

On 22 December 2014, the shareholders of the Company resolved, by means of the Issuer Creation Resolution, to create 65,000,000 (sixty five million) A Preference Shares by amending the MOI to increase the authorised share capital by 65,000,000 (sixty five million) Preference Shares with no nominal or par value and by providing for the terms of the A Preference Shares. Tradehold Shareholders also authorised the issue of up to 65,000,000 (sixty five million) A Preference Shares at a Subscription Price per A Preference Share of ZAR10 (ten Rand) pursuant to the Preference Share Programme.

The approval by the JSE of the Listing of the A Preference Shares is not to be taken in any way as an indication of the merits of Tradehold. The JSE have not verified the accuracy and truth of the contents of the documentation and to the extent permitted by law, the JSE will not be liable for any claim of whatever kind.

#### **4.4. Applications**

Applications to subscribe for A Preference Shares in terms of the Offer must be made in accordance with the application procedure set out below:

##### **4.4.1. Application form**

Applications for A Preference Shares may only be made on the application form, which accompanies this Offering Circular, and in accordance with the requirements, terms and conditions set out in the application form and this Offering Circular.

Further copies of this Offering Circular, including the application form, can be obtained during normal business hours prior to Closing Date from the Company, 36 Stellenberg Road, Parow Industria, as well as from the Arranger and Underwriter and the Transfer Secretaries, the addresses of which are set out in Part 2 (*Corporate Information*) of this Offering Circular. Electronic copies of the application form may also be requested from the representative of the Arranger, Jo Maharaj (refer to the contact details in paragraph 4.4.8.3) ("Arranger's Representative").

##### **4.4.2. Qualifying Investors**

Only Qualifying Investors may apply to subscribe for A Preference Shares pursuant to the Offer.

##### **4.4.3. Minimum Subscription Consideration**

The minimum Subscription Prices per applicant, who is a single addressee acting as principal, is ZAR1,000,000 (one million Rand).

##### **4.4.4. Fractions**

Fractions of A Preference Shares will not be issued.

##### **4.4.5. Applications irrevocable**

Applications will be irrevocable and may not be withdrawn once received. Prospective investors will be advised of their final allocations by no later than 15:00 on Wednesday, 4 February 2015.

##### **4.4.6. Reservation of rights**

The Directors reserve the right to accept or refuse any application(s), either in whole or in part or to abate any or all application(s) (whether or not received timeously) in such manner as they may, in their sole and absolute discretion, determine. Note that this reservation of rights applies to all applications for the A Preference Shares received in respect of the Offer.

The Directors have the right to issue any A Preference Shares not subscribed for pursuant to the Offer, as and when opportune, by undertaking a separate private placement of A Preference Shares not subscribed for pursuant to the Offer.

#### 4.4.7. **Minors and deceased estates**

No documentary evidence of capacity to apply need accompany the application form, but the Company reserves the right to call upon any applicant to submit such evidence for noting, which evidence will be held on file with the Transfer Secretaries or returned to the applicant at the applicant's risk. A Preference Shares may not be applied for in the name of a deceased estate.

#### 4.4.8. **Submission of application forms**

##### 4.4.8.1. **Certificated A Preference Shares**

No applications for certificated A Preference Shares will be permitted.

##### 4.4.8.2. **Dematerialised A Preference Shares**

In respect of those applicants applying for dematerialised A Preference Shares, duly completed application forms must be sent to the applicants' duly appointed Participant or broker, in the manner and time stipulated in the agreement governing their relationship with such Participant or broker, together with the method of payment as stipulated in such agreement.

The Participant or broker must submit the application form via email to the Arranger's Representative to the email address noted in paragraph 4.4.8.3 below, to be received by not later than 14:30 on Wednesday, 4 February 2015.

No late applications will be accepted, unless approved by the Directors, in their sole and absolute discretion.

##### 4.4.8.3. **Contact details**

Jo Maharaj, RMB  
Tel: +27 11 282 8767  
Email: jo.maharaj@rmb.co.za

#### 4.4.9. **Allocation**

The allocation of the A Preference Shares to be issued in terms of the Offer will be made on an equitable basis as determined by the Arranger, after consultation with the Company.

Qualifying investors will be notified of the number and final allocation of shares by 15:00 on Wednesday, 4 February 2015. The results of the offer will be announced on SENS on Thursday, 5 February 2015.

#### 4.4.10. **Payment and delivery**

Each successful applicant must, after being notified of an allocation of A Preference Shares, instruct their Participant or broker to pay the Subscription Price, as advised by the Arranger's Representative, in Rands to their relevant Participant as required by their mandate. Provided the Subscription Price has been paid, the A Preference Shares allocated to the applicant will be credited, on the Listing Date, to the applicant's Participant's account or broker's account during Strate's settlement runs which occur throughout the day.

##### 4.4.10.1. **Issue of A Preference Shares**

The A Preference Shares applied for and subscribed for in terms of this Offering Circular will be issued on the Listing Date against payment of the Subscription Price, at the expense of Company.

All A Preference Shares issued in terms of this Offering Circular will be allotted and issued subject to the provisions of the MOI.

#### 4.4.10.2. **Trading of Preference Shares**

The JSE settles trades through Strate. The principal features of Strate are as follows:

- trades executed on the JSE must be settled on a T+5 basis, being five Business Days after the date of the trade;
- there are penalties for late settlement;
- electronic record of ownership replaces share certificates and physical delivery thereof; and
- all investors are required to appoint either a broker or Participant to act on their behalf and to handle their settlement requirements.

The A Preference Shares will only trade on the JSE in electronic (dematerialised) form, and through Strate.

The issue and trading of the A Preference Shares will adhere to the recognised and standardised electronic clearing and settlement procedures operated within the JSE environment.

Applicants who wish to hold A Preference Shares in certificated form will have to follow the normal procedure to obtain certificated shares, but must again dematerialise their A Preference Shares before such shares may be traded.

#### 4.4.10.3. **Receipts**

Receipts will be issued in respect of the application forms received. If an applicant does not receive an email acknowledging receipt, such applicant should contact the Arranger's Representative, Jo Maharaj (refer to the contact details in paragraph 4.4.8.3 above), to ensure that the application form has been received timeously.

### 4.5. **Details of the A Preference Shares**

The rights and privileges attaching to the A Preference Shares are set out in Annexure 2. For purposes of the Listings Requirements, the following features of the A Preference Shares are summarised:

- 4.5.1. The A Preference Dividends are linked to a variable rate, calculated for each Dividend Period according to a Dividend Rate. Upon the expiry of each Dividend Period, the Board is obliged to calculate the Scheduled A Dividend in respect of each A Preference Share in an amount equal to the aggregate amounts calculated during the Dividend Period in accordance with the applicable Dividend Rate. A Preference Dividends are payable in relation to each Dividend Period on the last day of the Dividend Period.
- 4.5.2. The Scheduled A Redemption Date of the A Preference Shares is the date 3 (three) years and 1 (one) day after the day immediately following the Actual Issue Date of the A Preference Share last issued, which is anticipated to be 30 June 2015. Such date will be published on SENS and once the last A Preference Share under the Preference Share Programme has been issued.
- 4.5.3. There are no specific legal restrictions under which the A Preference Shares will be offered, sold, transferred or delivered.
- 4.5.4. There are covenants such as negative pledge, cross default and other financial covenants. The particularity of such covenants, including cross-default, is set out in Annexure 2. Although the A Preference Shares are structurally equity, they rank ahead of Ordinary Shares and N Preference Shares, but behind the Company's creditors.
- 4.5.5. The A Preference Shares are governed by South Africa law. All transactions arising from the provisions of this Offering Circular will be governed by and be subject to the laws of South Africa.
- 4.5.6. The A Preference Shares shall be issued in Rand.
- 4.5.7. The A Preference Shares have no relation to other debt, either listed or unlisted, of Tradehold or the

Group.

- 4.5.8. The A Preference Shares are redeemable on a single future date, and as such there are no arrangements for the amortisation of the Preference Shares. The Company is entitled to make Capital Distributions in respect of the A Preference Shares, subject to certain limits and requirements. However, the repayment and redemption procedures, are set out in Annexure 2.
- 4.5.9. The rights conferred upon the Holder of the A Preference Shares include redemption of the A Preference Shares at the A Redemption Final Amounts, and dividends based on the Dividend Rate from the Actual Issue Date to the A Redemption Date. The particularity of such rights, including voting rights, is set out in Annexure 2.
- 4.5.10. Any changes to the terms and conditions of the A Preference Shares require the Majority Holders approving such changes to the terms and conditions except in certain circumstances where the unanimous consent of the Holders will be required. Any meeting of Holders of the A Preference Shares will be published on SENS.

#### **4.6. Dividend and redemption payments**

The Transfer Secretary shall implement payments due to dematerialised shareholders, by electronic payment via the applicants' duly appointed CSDP or broker to the relevant Participant.

#### **4.7. Restrictions**

##### **4.7.1. General**

No action has been or will be taken in any jurisdiction that would permit a public offering of the A Preference Shares. The A Preference Shares may not be offered or sold, directly or indirectly, and neither this document nor any other offering material or advertisement in connection with the A Preference Shares may be distributed or published in or from any country or jurisdiction other than South Africa except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Persons into whose possession this document comes should inform themselves about and observe any restrictions on the distribution of this document and the Offer contained in this document. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute an offer to subscribe for any of the A Preference Shares offered hereby to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

##### **4.7.2. United States**

The A Preference Shares have not been and will not be registered under the US Securities Act of 1933 (the "Securities Act") and, subject to certain exceptions, may not be offered or sold within the United States. The A Preference Shares are being offered and sold outside of the United States in reliance on Regulation S of the Securities Act.

In addition, until 40 (forty) days after the commencement of the offering of the A Preference Shares an offer or sale of A Preference Shares within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act.

##### **4.7.3. European Union**

The A Preference Shares have not been and will not be offered or sold within the European Union.

#### **4.8. South African Exchange Control Regulations**

This following summary is intended only as a guide and is, therefore, not comprehensive. If you are in any doubt as to the appropriate course of action or regarding the South African Exchange Control Regulations, you should consult an appropriate professional advisor.

No Exchange Control approval from the Financial Surveillance Department of the South African Reserve Bank is required for purposes of the Preference Share Programme.

Whilst this Offer only involves South African residents, the following will apply if non-residents or emigrants from South Africa acquire A Preference Shares.

##### **4.8.1. Former Residents of the Common Monetary Area**

A former resident of the Common Monetary Area who has emigrated may use emigrant blocked funds to subscribe for A Preference Shares in terms of this Offering Circular. All payments in respect of the Offer by an emigrant using emigrant blocked funds must be made through the authorised dealer in foreign exchange controlling the blocked assets.

Any A Preference Shares issued pursuant to the use of emigrant blocked funds, will be credited to their blocked share accounts at the Participant controlling their blocked portfolios.

The A Preference Shares purchased in respect of any further issues of the A Preference Shares with blocked funds, where certificates are in fact issued, such A Preference Shares certificates will be endorsed "non-resident" in terms of the South African Exchange Control Regulations and will be sent to the authorised dealer in foreign exchange through whom the payment was made.

To the extent applicable, refund monies payable in respect of unsuccessful applications or partly successful applications, as the case may be, emanating from emigrant blocked accounts, for any future issue of A Preference Shares, will be returned to the authorised dealer in foreign exchange through whom the payments were made, for credit to such applicants' emigrant blocked accounts.

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

Non-residents of the Common Monetary Area may acquire A Preference Shares on the JSE, provided that payment is received in a foreign currency or Rand from a non-resident account. There is no South African Exchange Control Regulation restriction on the number of A Preference Shares they choose to invest in. The non-resident should obtain advice as to whether any governmental and/or legal consent is required and/or whether any other formality must be observed to enable a subscription pursuant to any future issue of A Preference Shares.

#### **4.9. Underwriting**

The Board and the Arranger and Underwriter have entered into the Underwriting Arrangement. The minimum amount of R350,000,000 (three hundred and fifty million Rand) has been underwritten by the Arranger and Underwriter.

As a result of such pre-placement, the Arranger and Underwriter will be paid market-related fees for the subscription of A Preference Shares of R1,000,000 (one million Rand) excluding value-added tax (if any).

The only conditions to the Listing are the conditions referred to in paragraph 4.3 of Part 4 (*The A Preference Shares and Placement Details*) of this Offering Circular. The directors have satisfied themselves that the Arranger and Underwriter has the financial means to underwrite the Offer.

A copy of the Underwriting Agreement is available for inspection as set out in paragraph 10 of Part 8 (*Additional Information*) of this Offering Circular.

**4.10. Over-subscriptions**

In the event of an over-subscription, the allocation of the A Preference Shares to be issued in terms of the Offer will be made on an equitable basis as determined by the Arranger, after consultation with the Company and within the limit of the number of authorised A Preference Shares.

**4.11. Brokerages and commissions**

No commission is payable to brokers and/or intermediaries who place A Preference Shares in terms of the Offer.

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## PART 5 SHARE CAPITAL AND CORPORATE INFORMATION

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### 1. COMPANY OVERVIEW

Tradehold was incorporated in South Africa on 10 July 1970 and is an investment holding company listed on the main board of the JSE Limited. Although listed on the JSE, the bulk of the operating assets of Tradehold Limited is located in the UK. The registered address of the Company is set out on page 7.

#### Nature of business

The bulk of the operating assets of the Company is located in the UK. These assets consist primarily of a holding in the property-owning Moorgarth Group of companies and an indirect holding, through Reward, in the two operating Reward LLP's, Reward Capital and Reward Commercial Finance. The latter two entities focus on short-term, asset-backed loans to small and medium-sized businesses and on invoice-discounting facilities to similar businesses, respectively. By far the largest investment is in Moorgarth Group which manages a £91.9million portfolio of retail, commercial and industrial buildings.

The Company conducts treasury activity through its wholly owned finance company, Tradegro. The majority of transactions within the Company relates to Moorgarth Group, which acquires, lets and sells property assets. At year end the Moorgarth Group owned and managed 19 commercial properties. The Company's subsidiaries include Moorgarth Props (UK), Moorgarth Props (Lux), Reward and Tradegro.

The Portfolio has been recently valued by Knight Frank, a summary of the valuation report is included as Annexure 5.

#### Current Prospects

As at the Last Practicable Date, the Directors believe that this has been a significant year for Tradehold, capped by strong financial performance.

The Board believes that the Group is adequately funded, with approximately £18,8million available to fund new investment opportunities (excluding the proceeds from the A Preference Shares), and that Tradehold is adequately funded to invest the proceeds from the issue of the A Preference Shares in new property investments in the UK and Africa.

The Directors hold the view that, having regard to the purpose for which the Company was incorporated as set out above, Tradehold will continue to conduct its business in the foreseeable future.

### 2. SHARE CAPITAL OF THE COMPANY

#### 2.1. Authorised and issued share capital before the Offer

Authorised shares		ZAR'000s
210,000,000	Ordinary Shares	2,100
89,250,000	N Preference Shares	892.5
65,000,000	A Preference Shares	No par value
40,000,000	Unspecified Shares	No par value

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<b>Issued shares</b>		
156,132,877	Ordinary Shares	1,902,250
57,391,218	N Preference Shares	574

## 2.2. Authorised and issued share capital after the Offer

The table below is for illustrative purposes only and sets out the authorised and issued capital of Tradehold (assuming a total Subscription Price of ZAR650,000,000 (three hundred and fifty million Rand) for A Preference Shares):

<b>Authorised shares</b>		<b>ZAR'000s</b>
210,000,000	Ordinary Shares	2,100
89,250,000	N Preference Shares	892.5
65,000,000	A Preference Shares	No par value
40,000,000	Unspecified Shares	No par value

<b>Issued shares assuming a total subscription of R650,000,000 (six hundred and fifty million Rand)</b>		
156,132,877	Ordinary Shares	1,902,250
57,391,218	N Preference Shares	574
65,000,000	A Preference Shares	650,000

Other than the Tradehold Shares described above, no other class of Tradehold securities exists.

The Ordinary Shares of Tradehold are listed on the JSE and not on any other securities exchange.

## 3. CREDIT RATING

The Company has not applied for a rating of the A Preference Shares. If the A Preference Shares are ever rated, or such rating is ever amended, an announcement in this regard will be made on SENS.

## 4. KING REPORT AND CODE STATEMENT

Tradehold is committed to upholding good ethical standards and the application of corporate governance principles relevant to the size of its business. During the year Tradehold reviewed the principles contained in the King Report on Governance for South Africa ("King III") and assessed their relevance and applicability to the Group. Due to size and nature of its operations, the board does not consider the application of all principals contained in King III appropriate.

In compliance with the regulations of the JSE, a complete list of the King III principals and the Company's compliance therewith is summarised in Annexure 4.

## 5. DIRECTORS OF TRADEHOLD

### **Dr C H Wiese (73) – Non-Executive Chairman**

*BA, LLB, D.Com (h.c.)*

Nationality: South African

Date of appointment: 29 September 2000

Business Address: 36 Stellenberg Road, Parow Industria, Cape Town, 7493

Committees: N/A

Other significant directorships: Chairman and majority shareholder of Pepkor Holdings (Proprietary) Limited, Shoprite Holdings Limited and Invicta Holdings Limited, director of Brait SE and various other companies. He also serves on the boards of Steinhoff International Holdings Limited and Pallinghurst Limited.

*Dr Wiese retired as an Executive director in terms of the MOI of the Company, and was re-appointed as a Non-Executive director on 27 May 2014.*

*He is the Chairman and majority shareholder of Pepkor Holdings Limited, Shoprite Holdings Limited, Tradehold Limited, Brait SE and Invicta Holdings Limited. He also serves on the boards of Steinhoff International Holdings Limited and Pallinghurst Resources Limited. Dr Wiese is the former Chairman of The Industrial Development Corporation of SA Limited, Tulca (Proprietary) Limited (trading as Mango, a low cost airline, subsidiary of SA Airways), and Instore plc (UK). He was also a former director of Primedia, PSG, KWV, Sasol Limited, Sanlam Limited, Santam Limited, SA Reserve Bank, BOE Bank Limited, and Mettle Limited. Dr Wiese served on the Stellenbosch University Council for many years.*

*He is the owner of the Lourensford Wine Estate in Somerset West, producer of internationally acclaimed wines located in one of South Africa's top wine producing regions, and owner of a private game reserve in the Kalahari.*

*Dr Wiese has received various awards, amongst others:*

*1988 – nominated one of South Africa's Top Businessmen of the Year*

*1991 – nominated Kaapstad Sakekamer / Die Burger's Business Leader of the Year*

*1993 – Cape Times Business Personality of the Year*

*1996 – The Sunday Times Business Leader of the Year*

**Mr M J Roberts (68) – Independent Non-Executive**

*BA, SEDP, Post Grad (Advanced Taxation)*

Nationality: British

Date of appointment: 28 February 2012

Business Address: Maitland Malta Limited, 4<sup>th</sup> Floor, Avantech Building, St Julians Road, San Gwann, Malta

Committees: Audit Committee member, Remuneration Committee member and Social & Ethics Committee member.

Other significant directorships: Maitland Malta Limited

*Melvin spent over 40 years with various banks and corporate service providers in the UK, South Africa and Malta.*

**Mr H R W Troskie (44) – Lead Independent Non-Executive Director**

*B Juris, LLB, LLM*

Nationality: Dutch

Date of appointment: 27 April 2006

Business Address: 56 Rue Charles Martel, L-2134, Luxembourg

Committees: Audit Committee member, Remuneration Committee member and Social & Ethics Committee member.

Other significant directorships: Brait SE, Ardagh Group S.A. and Southern View Finance Limited.

*Herman Troskie is the Managing Partner of M Partners S.à r.l., the Luxembourg law firm in the Maitland network of law firms. Maitland is an international firm providing multi-jurisdictional administrative, advisory and fiduciary services to private, corporate and institutional clients. Herman has extensive experience in European cross-border investment and financing structures. His practice also includes advising on the listing of companies and investment funds on different European stock exchanges. Herman is a non-executive director of a number of private and public companies, including Brait SE, Southern View Finance Limited, Puma Brandenburg Limited and Ardagh Group SA. He qualified as a South African Attorney in 1997, and as a Solicitor of the Senior Courts of England and Wales in 2001. Herman is a member of the Luxembourg Bar.*

**Mr T A Vaughan (49) – Joint Chief Executive Director**

*BSc (Hons) Member of the Royal Institution of Chartered Surveyors (MRICS)*

Nationality: British

Date of appointment: 13 October 2003

Business Address: 17-19 York Place. Leeds, W Yorks, England, LS1 2EX, United Kingdom

Committees: N/A

Other significant directorships: Managing director of Moorgarth Group

*Tim joined the Tradehold group of companies in 2003 to establish the UK real estate investment vehicle. Tim has grown the property business from an £8m to £100m vehicle over the period. Although Tim's training is in Real Estate Asset Management and this remains his primary focus, he also established the Reward Investments Limited subsidiary in 2010 to offer the SME market short term secured asset based finance.*

Moorgarth group of companies have moved from initially being an opportunistic investor to being solely focussed on investing in retail throughout the UK and central London offices.

Tim qualified as a Chartered surveyor in 1990 and having graduated and started work for the Real Estate Consultants Savills in London, Tim moved to Lambert Smith Hampton. In 1996 Tim moved to Arthur Andersen to head their real estate consulting team for the UK Regions and here he coordinated, amongst other things, the acquisition of a number of UK real estate businesses, undertook extensive due diligence on both investment and development real estate portfolios to establish true value and advised on many asset management strategies for real estate assets. Tim moved to Ernst and Young in 2002 with his team to fulfil the same role.

**Adv J D Wiese (34) – Alternate to Dr CH Wiese**

BA, LLB, MCom

Nationality: South African

Date of appointment: 10 November 2010

Business Address: Titan (Pepkor Building) 36 Stellenberg Road, Parow Industria, 7493

Committees: N/A

Other significant directorships: Shoprite Holdings Limited, Digicor Holdings Limited, Pepkor Holdings (Proprietary) Limited, Invicta Holdings Limited and Premier Group.

Advocate Jacob D Wiese obtained a BA degree in Value & Policy Studies at the University of Stellenbosch. In 2004 he completed his Masters in International Economics & Management at Università Commerciale Luigi Bocconi, Italy. He graduated from the University of Cape Town in 2008 with a Bachelor of Laws (LLB) after which he completed his pupillage at The Cape Bar and was admitted as an advocate of the High Court of South Africa in 2009. In 2010 he joined the investment committee of the Titan Group of companies, through which the Wiese family owns controlling stakes in Africa's largest food and clothing retailers and holds other private and publicly listed investments.

He has been an Independent Non-Executive Director of Fairvest Property Holdings Limited since June 2014 and also serves on the board of various publicly listed companies. Jacob is also extensively involved with the management of Lourensford Wine Estate, one of South Africa's largest and most prestigious wine farms, situated in the renowned Stellenbosch wine region.

**Mr F H Esterhuysen (45) – Joint Chief Executive Director**

B.Acc Hons, M Com (Tax), CA(SA)

Nationality: South African

Date of appointment: 27 May 2014

Business Address: Mettle, 1<sup>st</sup> Floor, Willie van Schoor Avenue, Bellville, 7530. P O Box 3991, Tygervalley, 7536

Committees: N/A

Other significant directorships: Managing director of the Mettle group of companies

After his articles, Friedrich specialised in corporate and international tax in the Cape Town and Amsterdam offices of PricewaterhouseCoopers where he gained extensive experience in the areas of transaction structuring, re-organisations, mergers and acquisitions, international group structures and investment to and from South Africa. Friedrich lectured part-time at the University of Stellenbosch ("US") and the US Business School in the MBA Programme. In 2001 Friedrich joined Mettle's Debt Division where he has been involved in the successful structuring and implementation of several large funding transactions. Friedrich was appointed to the board of directors in November 2004 and is currently the CEO of the group. He was appointed as Joint CEO of JSE listed Tradehold Limited on 27 May 2014.

**Mr D A Harrop (44) – Executive Director**

BA (Hons) History, ACA

Nationality: British

Date of appointment: 27 May 2014

Business Address: 17-19 York Place. Leeds, W Yorks, England, LS1 2EX, United Kingdom

Committees: N/A

Other significant directorships: Finance director of Moorgarth Group

- Deloitte Audit and Corporate Finance (UK and Australia) – Associate Director 1993 – 2000.
- Leeds United plc – Head of Business Analysis 2000 – 2003
- Arriva Trains Limited – Worked on bid for ScotRail franchise 2003 – 2004
- Bradford Centre Regeneration, Finance Director 2004 – 2007

- Scarborough Property Group, Finance Director Forsyth Business Centres (2007 – 2010) and Sheffield United Football Club (2010 – 2011)  
- Moorgarth / Reward, Finance Director 2011 – present

**Ms K L Nordier (48) – Executive Financial Director**

B.Acc Hons, CA(SA)

Nationality: South African

Date of appointment: 27 May 2014

Business Address: Bahnhofstrasse, 30 CH-6300, Zug, Switzerland

Committees: N/A

Other significant directorships: Director of Moorgarth group companies and Reward group companies.

*After her articles, Karen joined Ernst and Young London office where she gained international audit experience on investment property and industrial listed companies. In 1997 Karen joined the Mettle group, where she performed numerous and varied roles including financial management, group risk management and compliance, transaction implementation and management, internal audit, implementation and documentation of processes and controls, business reorganization and restructuring, turnaround management, operations management and HR management, and served as director on various group company boards, and as member of various group credit, investment and executive committees. She was appointed as Financial Director of Tradehold Limited on 27 May 2014.*

**Mr J M Wragge (66) – Independent Non-Executive Director**

Nationality: South African

Date of appointment: 27 May 2014

Business Address: Suite 107, Marina Centre, West Quay Road, V&A Waterfront, Cape Town, 8001

Committees: Audit Committee member and Social & Ethics Committee member

Other significant directorships: Chairman of Gritprop Investments (Proprietary) Limited

*Mr Wragge has many years' experience in the retail and commercial property sector. He has been the driving force behind a number of iconic property developments in South Africa and internationally.*

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## PART 6 TAXATION

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### 1. Introduction

The following statements on taxation are based on advice received by the Board regarding the law and practice in force in South Africa at the date of this Offering Circular. Tradehold is currently not a Tax resident in South Africa and is therefore not subject to South African Tax.

The following summaries are only intended as a brief and general guide to the main aspects of income tax rules in South Africa. It is not intended to provide specific advice and no action should be taken or omitted to be taken in reliance upon it. Investors are urged to seek professional tax advice in respect of the Tradehold Preference Shares, including the acquisition, holding and disposal as well as any income or gains derived therefrom or made on their disposal.

The summaries are based on an interpretation of the relevant tax legislation as known to the Board at the date of this Offering Circular. Tradehold shareholders are reminded that tax laws and their interpretation may change from time to time.

### 1.1. Malta – Taxation of the Company and Preference Shareholders

#### Income Tax

Malta resident companies are defined for tax purposes as companies that have either their seat of registration in Malta or, in the case of foreign registered companies, that have their control and management exercised in Malta. As a company with its seat of registration in Malta and, consequently, Malta tax resident, the Company is subject to income tax on its worldwide income.

The information below is based on the following assumptions:

- (i) The Company does not own immovable property situated in Malta, or any rights over such property, whether directly or indirectly.
- (ii) The Company (or its direct underlying company incorporated or registered in Malta, as applicable) holds at least 10% of the 'equity' shares of its respective direct underlying companies (i.e.: a 'participating holding') and which 'equity' shares confer a right in favour of the Company (or its direct underlying company incorporated or registered in Malta) to any 2 of the following 'equity holding' criteria:
  - (a) A right to votes;
  - (b) A right to profits available for distribution; and
  - (c) A right to assets available for distribution on a winding up of a company.
- (iii) The business interests of the Company and its subsidiaries and sub-subsidiaries are all situated outside of Malta.
- (iv) The Company as well as its subsidiaries and sub-subsidiaries each have the following attributes:
  - (a) a separate legal personality distinct from that of its shareholders;
  - (b) capital divided into, and represented by, shares;
  - (c) the shareholders' liability is limited to the amount, if any, unpaid on the shares respectively held by each of the shareholders;
  - (d) the ability to distribute profits in favour of their respective shareholders.
- (v) None of the Company's subsidiaries and sub-subsidiaries has more than 50% of its income derived from 'passive interest or royalties' which is defined in Malta income tax law as interest or royalty income which is not derived, directly or indirectly, from a trade or business and where such interest or royalties have not suffered or suffered any foreign tax, directly, by way of withholding or otherwise, at a rate which is less than 5%.

#### Malta Participation Exemption on qualifying dividends and capital gains

Subject to the above assumptions, any income or gains derived by a company registered in Malta from a 'participating holding' or from the transfer of such holding, should be exempt from Malta income tax in terms of a 'participation exemption'.

The application of the said 'participation exemption' in respect of dividend income is conditional on *any one* of the following conditions being satisfied by the body of persons in which the 'participating holding' is held:

- (a) it is resident or incorporated in a country or territory which forms part of the European Union; or
- (b) it is subject to any foreign tax of at least 15%; or
- (c) it does not have more than 50% of its income derived from 'passive interest or royalties'.

Should none of the above criteria (a) to (c) be met, it would nonetheless be possible for the 'participation

exemption' to apply if and to the extent that the body of persons in which the 'participating holding' is held satisfies *all* of the following additional conditions:

- (a) the holding in the said body of persons is not a portfolio investment; and
- (b) the said body of persons shall not derive more than 50% of its income from portfolio investments; and
- (c) the said body of persons or the income which it derives from passive interest or royalties would have been subject to tax at a rate of not less than 5%.

#### **Capital transfer duty**

Generally, a transfer of 'marketable securities', which includes any share, stock, debenture, bond and any interest in any company or corporation and any document representing the same, attracts capital transfer duty at the rate of 2% (5%, if the Company's assets consist primarily of, directly or indirectly, immovable property or any right over such property) on the higher of the consideration paid or the market value of the securities, unless exempted from the imposition of capital transfer duty in terms of a determination issued by the (Malta) Director General (Inland Revenue). Such a determination may be procured on the basis that the Company (and/or its related party, as applicable) shall, whether directly or indirectly, carry on business or have business interests to the extent of more than 90% outside Malta.

#### **Net wealth tax**

There is no wealth tax in Malta.

#### **Dividend withholding tax**

In view of the application in Malta of a full imputation tax system, there is no dividend withholding tax (DWT) imposed on a distribution of profits by a Malta company. Profits realised by the Company and in respect of which the Malta Participation Exemption was applied shall be allocated, for Malta tax accounting purposes to the Company's Final Tax Account and in respect of which a distribution out of the Final Tax Account shall not be subject to any further Malta income taxation in the hands of the shareholder of the Company, irrespective of whether or not the said shareholder is resident in Malta. In the case of a Malta resident individual as shareholder of the Company, and where a distribution of profits is made by the Company from its Untaxed Account, the said Malta resident individual will be subject to a 15% final withholding tax,

#### **Exposure of non-residents to Malta taxation on the sale of the Company's shares**

Generally, a non-Malta resident shareholder may dispose of shares in the Company without incurring Malta income tax provided that the said non-Malta resident shareholder is not owned and controlled by, directly or indirectly, nor acts on behalf of an individual or individuals who are ordinarily resident and domiciled in Malta.

### **1.2. South Africa – Taxation of the Company and Preference Shareholders**

#### **Residents**

A natural person is a resident of South Africa for Tax purposes if (i) he is ordinarily resident in South Africa, or (ii) he is not ordinarily resident in South Africa but is physically present in South Africa for certain periods specified in the SA Tax Act. A juristic person is a resident of South Africa for tax purposes if it is incorporated, established or formed in South Africa or if it has its place of effective management in South Africa. South African Tax residents are subject to SA Tax on their worldwide income. A non-resident is subject to SA Tax only in respect of income derived from a South African source.

#### **The Company**

The Company is not a South African Tax resident and is accordingly not subject to SA Tax.

#### **Dividends**

A Preference Dividends which accrue to Preference Shareholders who are South African tax residents will, subject to the exemptions currently contained in section 10B of the SA Tax Act, be subject to SA Tax.

#### **Dividends Tax**

Subject to certain exemptions dividends which are paid in respect of shares which are listed on the JSE are subject to SA Dividend Tax (which is currently levied at a rate of 15% (fifteen percent)). Currently the SA Tax Act contains various exemptions from the SA Dividends Tax, notably that a company which is a resident for South African Tax purposes is not subject to that Tax.

## **Taxation of capital gains and losses**

### **South African resident shareholders – individuals**

A disposal of shares by an individual shareholder who is resident in South Africa for tax purposes may give rise to a gain (or loss) for the purposes of capital gains tax (“CGT”). The capital gain (or loss) on disposal of the shares is equal to the difference between the disposal proceeds and the base cost. A shareholder’s base cost in the shares will generally be the consideration paid for those shares. The base cost in the shares may be increased by one-third of any interest incurred to finance the cost of acquiring the shares, and other direct costs incurred in acquiring the shares, to the extent that such amounts are not otherwise allowable for deduction in the determination of taxable income. A gain on a disposal of shares, together with other capital gains, less allowable capital losses in a year of assessment, is subject to tax at the individual’s marginal tax rate (maximum 40% (forty percent)) to the extent that it exceeds the annual exclusion (ZAR30,000 (thirty thousand Rand) for the years of assessment ended 28 February 2014 and 28 February 2015). Only 33.3% (thirty three point three percent) of the net capital gain is included in taxable income, resulting in a maximum effective tax rate on capital gains of 13.3% (thirteen point three percent). On the death of a taxpayer, there is a deemed disposal of the shares at market value, unless the shares are bequeathed to, or in favour of, a surviving spouse. Deemed disposals to a surviving spouse, who is a South African resident, are treated, in practical effect, as taking place at no gain or loss. The annual exclusion where death occurs during the year of assessment ending 28 February 2015 is ZAR300,000 (three hundred thousand Rand). Where a taxpayer emigrates (i.e. gives up his or her South African tax residence) there will also be a deemed disposal of the shares at market value and this may trigger CGT.

### **South African resident shareholders – corporates**

A disposal of shares by a South African resident corporate shareholder may give rise to a capital gain (or loss) for the purposes of taxation of capital gains. The capital gain (or loss) on disposal of the shares is equal to the difference between the disposal proceeds and the base cost. A shareholder’s base cost in the shares will generally be the consideration paid for the shares. The base cost in the shares may be increased by one third of any interest incurred to finance the cost of acquiring the shares, and other direct costs incurred in acquiring the shares, to the extent that such amounts are not otherwise allowable for deduction in the determination of taxable income. A capital gain on a disposal of shares by a corporate shareholder, together with other capital gains, less allowable losses in a year of assessment, is subject to tax at the normal tax rate for companies (currently 28% twenty eight percent). Only 66.6% (sixty six point six percent) of the net capital gain is included in taxable income, resulting in a maximum effective tax rate on capital gains of 18.6% (eighteen point six percent).

### **Estate duty**

Where a person who is ordinarily resident in South Africa holds shares at the date of his or her death, the market value of such shares will be included in the estate. Estate duty is levied at a flat rate of 20% (twenty percent) on the dutiable amount of the deceased estate to the extent that it exceeds ZAR3,500,000 (three million and five hundred thousand rand) per estate. In determining the dutiable amount of an estate, deductions are, inter alia, allowed for the value of bequests and property left to a surviving spouse, and estate liabilities, including capital gains tax paid on the deemed disposal of the shares on date of death. Estate duty is currently under review, given, inter alia, the limited revenue that it raises and the administrative burden it creates.

### **Securities transfer tax**

Securities transfer tax (“STT”) of 0.25% (zero point twenty five percent) of the applicable taxable amount is payable in respect of every “transfer” of securities issued by a company incorporated in South Africa. “Transfer” includes any cancellation or redemption of a security, but does not include the issue of a security or any event that does not result in a change in beneficial ownership of a security. A purchase of shares from or through the agency of a JSE registered broker is subject to STT of 0.25% (zero point twenty five percent) of the purchase consideration. The STT is payable by the broker, which may recover it from the transferee. Where shares are not purchased from or through the agency of a broker, but the change in beneficial ownership is effected by a Participant, STT of 0.25% (zero point twenty five percent) of the greater of the declared purchase consideration or the JSE closing price of shares on the date of the transaction is payable by the Participant, which may recover it from the transferee.

In any other case of a change in beneficial ownership of shares, STT of 0.25% (zero point twenty five percent) of the greater of the declared purchase consideration or the JSE closing price of shares is payable by the transferee through the broker or Participant, which holds the shares in custody.

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## PART 7 RISK FACTORS

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### 1. RISK FACTORS

Investors should carefully consider the risk factors described below and all other information contained in this Offering Circular before deciding to invest in the A Preference Shares. If any of the following risk factors, as well as other risks and uncertainties that are not currently known to the Company or that it currently believes are not material, actually occur, the Company's business, financial condition and results of operations could be materially and adversely affected. Accordingly, the trading price of the A Preference Shares could decline, and investors may lose part or all of their investment.

#### 1.1. Risks related to Tradehold's business

##### 1.1.1. Investments may be sold at prices below acquisition cost

There is no guarantee on the price of the A Preference Shares or any returns thereon. There can be no assurance that the Company's investments will not be sold at prices below their acquisition costs. Future performance, market conditions, political environment and macro and micro economic conditions are uncertain and may require disposal of an investment at a price below the acquisition cost.

##### 1.1.2. Higher risk inherent in investment in unlisted securities

Companies whose securities are unlisted are not subject to the same disclosure and other investor protection requirements that are applicable to companies with listed securities. These investments may be difficult to value and to sell or otherwise liquidate, and the risk of investing in such companies is generally much greater than the risk of investing in listed or publicly traded companies.

##### 1.1.3. Tradehold may have difficulty or be unable to dispose of its investments

Tradehold may have difficulty exiting its investments by way of disposal or public market exit. The Company may not be able to find a buyer to conclude a disposal of its assets.

##### 1.1.4. Tradehold cannot provide assurances that it will be able to choose, make and realise investments in any particular company or portfolio of companies

There can be no assurance that the Company will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the type of companies and transactions described herein. There can be no assurance that any investor will receive any scheduled distribution from the Company or that the A Preference Shares will be redeemed. Accordingly, an investment in the Company should only be considered by persons who can afford a loss of their entire investment. Past activities of investment entities associated with the Company and their affiliates provide no assurance of future success.

##### 1.1.5. Tradehold may hold non-controlling interests in its investments

The Company may hold a non-controlling interest in certain investments and therefore, may have a limited ability to protect its position in such investments.

##### 1.1.6. In connection with the financing of certain investments, the Company may employ hedging techniques designed to reduce the risks of adverse movements in interest rates, securities prices and currency exchange rates and may under certain circumstances structure investments using total return swaps or other derivative instruments

While such transactions may reduce certain types of risks, such transactions themselves may entail certain other risks. Thus, while the Company may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices, or currency exchange rates may result in a poorer overall performance for the Company than if it had not entered into such hedging transactions. In the event of an imperfect correlation between a position in a hedged instrument and the investment that it is intended to protect, the desired protection may not be obtained, and the Company may be exposed to

risk of loss. In addition, it is not possible to hedge fully or perfectly against any risk, and hedging entails its own costs which will be borne by the Company.

## **1.2. Risks related to Tradehold's industry**

### **1.2.1. Market Risk – General fluctuations and volatility in the market prices may affect the value of the investments held by the Company**

Instability in the securities markets may also increase the risks inherent in the Company's investments. The ability of the Company's investments to refinance debt securities may depend on their ability to sell new securities in the public high-yield debt market or otherwise or to raise capital in the leveraged finance debt markets, which historically have been cyclical with regard to the availability of financing.

### **1.2.2. Market Risk – Foreign currency exchange risk**

The Group operates internationally predominantly within the UK, whilst certain functions are carried out in Switzerland, Luxembourg, Malta and South Africa. The Group is therefore exposed to various forms of foreign exchange risk, primarily with respect to Pound Sterling, the Swiss Franc, South African Rand and the Euro. Foreign exchange risk arises in respect of those recognised monetary financial assets and liabilities that are not in the functional currency of the respective Group entity. The exposure to foreign exchange is managed and monitored by Group treasury. The Group's policy is not to enter into any currency hedging transactions, but the Group has a number of natural hedges for currency risk in place through loans held within the group denominated in different currencies.

### **1.2.3. Market Risk – Interest rate risk**

The Group's income and operating cash flows are exposed to interest rate risk due to the extent of borrowings and market related interest rate arrangements, with the exception of borrowings of £17,545,000 (2013: £nil) bearing interest at a rate of 2.75% + 3 month Libor. The group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Group calculates the impact on the statement of comprehensive income and loss of a defined interest rate shift. The Group continues to review its interest rate risk and the policies in place to manage the risk. No derivative instruments have been entered into to manage interest rates during the year. Trade receivables and payables are interest-free and have settlement dates within one year.

### **1.2.4. Market Risk – Price risk**

The Group is exposed to equity securities price risk because of investments held by the group and classified as at fair value through profit or loss. No financial instruments or derivatives have been employed to hedge this risk. The group is not exposed to commodity price risk.

### **1.2.5. Credit Risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge on obligation. The Group has no significant concentrations of credit risk. Credit risk arises from cash and cash equivalents held at banks and trade receivables, including rental receivables from lessees.

## **1.3. Risks related to the Offer**

### **1.3.1. Liquidity risk**

There is no guarantee that a more active trading market for the A Preference Shares will develop and be sustained after the Listing. If a more active volume traded in the A Preference Shares does not develop or is not sustained after the Listing, this could have a material adverse effect on the liquidity and consequently the market price of the Preference Shares. The initial Subscription Price is ZAR10 (ten Rand). The Subscription Price may not be indicative of the market price of A Preference Shares after a Listing.

1.3.2. **The market price of A Preference Shares may prove to be volatile and is subject to fluctuations, including significant decreases**

The market price of A Preference Shares could be volatile and subject to significant fluctuations due to a variety of factors, some of which do not relate to the Company's financial performance, including changes in general market conditions, general movements in local and international markets, the general performance of the JSE, changing factors that affect the investment and property climate, changes in sentiment in the market regarding the A Preference Shares (or securities similar to them), regulatory changes affecting the Company's operations, variations in the Company's operating results, business developments of the Company or its competitors, the operating and share price performance of other companies in the industries and markets in which the Company operates, speculation about the Company's business in the press, media or the investment community, or changes in the political, social or economic conditions in South Africa or the surrounding region. Furthermore, the Company's operating results and prospects from time to time may be below the expectations of market analysts and investors. Any of these events could affect the level of trading and could result in a decline in the market price of A Preference Shares.

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## PART 8 ADDITIONAL INFORMATION

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### 1. STATEMENT AS TO ADEQUACY OF CAPITAL

The Board is of the opinion that the issued share capital of the Company is sufficient and will be adequate for the Company's present requirements and for the purposes of the business of the Company for at least the next 12 (twelve) months from the date of this Offering Circular.

### 2. ANNOUNCEMENTS OF INFORMATION

Tradehold will ensure that relevant information regarding Tradehold or the A Preference Shares will be made available to all Holders equally via announcement on SENS, and where such information affects all the Holders.

### 3. REPORT BY DIRECTORS AS TO MATERIAL CHANGES

The Board reports that, save for the material changes listed below, there have been no other material changes in the financial or trading position, or the assets and liabilities, of the Company and/or its Subsidiaries that have occurred since 31 August 2014, the end of the last interim period prior to the Last Practicable Date.

In March 2014 Tradehold bought the South African financial services business Mettle Group, which will continue as a separate business within the Group. Considerable synergies exist between Mettle Group's operations and those of Reward's two subsidiaries.

Tradehold has entered into binding agreements with the KwaZulu-Natal-based Collins Property Proprietary Limited, part of the Collins group of companies (the "Collins Group") and their associates. This fourth-generation family-owned property development business has built up an excellent track record with regards to the development and management of commercial properties across Southern Africa and beyond. In terms of these agreements, Tradehold will acquire the bulk of the Collins Group's international (non-South African) commercial property portfolio that includes assets in the UK, Namibia, Botswana, Zambia and Mozambique. The intention is to pay the purchase consideration in cash, but that the vendors of such properties subscribe for new Tradehold ordinary shares, which will make the Collins Group a strategic shareholder in Tradehold. Whilst the greater part of Tradehold's property business will remain focused on the UK, Tradehold intends to build up a significant property portfolio across Africa (excluding South Africa).

Tradehold has furthermore concluded an in-principal agreement with the Windhoek-based Safland Property Development International Proprietary Limited ("Safland") in respect of the future development and management of Tradehold's African property portfolio. Safland has an existing relationship with Collins Group and through the proposed transaction Tradehold will gain access to the combined resources and property expertise of both businesses.

As previously advised, the Company entered into an agreement with Timothy Andrew Vaughan to acquire all his shares in Reward and Moorgarth Holdings, resulting in the Company, indirectly, holding 100% in Reward and 95% in Moorgarth Holdings.

### 4. SUBSIDIARY INFORMATION

Information relating to the subsidiaries of Tradehold are contained in Annexure 3 (*Information on Tradehold subsidiaries*) attached hereto.

### 5. RESPONSIBILITY STATEMENT

The Company certifies that to the best of its knowledge and belief there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made as well as that the Offering Circular contains all information required by law and the Listings Requirements. The Company accepts full responsibility for the accuracy of the information contained in the Offering Circular and the annual financial report, the amendments to the annual financial report from time to time, except as otherwise stated therein.

## 6. JSE RESPONSIBILITY AND LIABILITY

The JSE takes no responsibility for the contents of this Offering Circular, or the annual reports and interim reports (as amended or restated from time to time), makes no representation as to the accuracy or completeness of any of the foregoing documents and expressly disclaims any liability whatsoever for any loss however arising from or in reliance upon the whole or any part of the contents of this Offering Circular or the annual reports and interim reports (as amended or restated from time to time). The Company accepts full responsibility for the accuracy of the information contained in this Offering Circular and the annual reports and interim reports or the amendments to the annual reports and interim reports, except as otherwise stated therein.

## 7. AUDITED CONSOLIDATED HISTORICAL FINANCIAL STATEMENTS OF THE GROUP TRADEHOLD AND ITS SUBSIDIARIES FOR THE YEARS ENDED 28 FEBRUARY 2014, 2013 AND 2012

The financial information for the three financial years ended 28 February 2014, 2013 and 2012 and the interim reports for the periods ending 31 August 2014, 2013 and 2012 have been incorporated by reference in this Offering Circular and are available on Tradehold's website ([www.tradehold.co.za](http://www.tradehold.co.za)).

## 8. DIVIDENDS POLICY

- 7.1 No dividends have been declared or paid by the Company since 23 June 2014.
- 7.2 No dividends will be declared or paid in relation to the Ordinary Shares until May 2015.
- 7.3 Dividends will be declared or paid in relation to the Ordinary Shares, but will rank behind any dividends declared in relation to the A Preference Shares.
- 7.4 Extracts from Tradehold MOI of the provisions relating to dividends on Ordinary Shares and the A Preference Shares are set out in, respectively, Annexure 1 and Annexure 2 to this Offering Circular.

## 9. EXPERTS' CONSENTS

Each of the Attorneys, Auditors and Debt Sponsor have given their consent in writing to act in the capacities stated and have not, prior to the publication of this Offering Circular, withdrawn their written consents to act in their respective capacities and to the inclusion of their names in this Offering Circular and, where applicable, the inclusion of their reports in the Offering Circular, in the form and context as they appear.

## 10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of Tradehold, 36 Stellenberg Road, Parow Industria, 7493, South Africa and at the offices of the Debt Sponsor, 1 Melrose Boulevard, Suite 7, Melrose Arch, 2076, Johannesburg, South Africa, or First Floor, Entrance 2, 32 Fricker Road, Illovo, 2196, South Africa, during normal Business Days from the date of issue of this Offering Circular until the last A Preference Share is redeemed:

- the MOI of Tradehold;
- the amendments to the MOI of Tradehold submitted on 22 December 2014;
- the audited financial statements of the Group for the 3 (three) financial years ended 28 February 2012, 28 February 2013 and 28 February 2014 which contain the annual reports of the Group for these financial years as well as all subsequent financial information;
- the signed Underwriting Agreement;
- the written consents of the experts listed in paragraph 9 of Part 8 (*Additional Information*) of this Offering Circular;
- a signed copy of this Offering Circular; and
- any supplementary documents published since the current Offering Circular was published.

Copies of the signed Offering Circular and any supplementary documents published since the current Offering Circular was published will be made available on the JSE website at [www.jse.co.za](http://www.jse.co.za) and Group's website at [www.tradehold.co.za](http://www.tradehold.co.za).

The annual and interim reports of Tradehold and the Group for the years ended 28 February 2012, 2013, 2014 and for the periods ending 31 August 2012, 2013, 2014 respectively, as well as subsequent financial information, will also be made available on the Group's website at [www.tradehold.co.za](http://www.tradehold.co.za).

Signed in Cape Town on behalf of KL Nordier and MJ Roberts on Friday, 30 January 2015 in terms of a power of attorney dated Wednesday, 28 January 2015.

By order of the Board

TRADEHOLD LIMITED

Handwritten signature in black ink, appearing to read 'FM ver Loren Van Themaat'.

**FM ver Loren Van Themaat**  
*Company Secretary*

**30 January 2015**

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**SUMMARY OF THE MOI**


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Extracts from the MOI of the Company providing for the issue of shares, appointment, qualification, remuneration and borrowing powers, interests of directors and dividends are set out below:

“10 **VARIATION OF SHARE CAPITAL**

10.1 *Notwithstanding the provisions of section 36(3) of the Act, the Board shall not have the power to:*

10.1.1 *increase or decrease the number of authorised Securities of any class of Securities;*

10.1.2 *reclassify any classified Securities that have been authorised but not issued;*

10.1.3 *classify any unclassified Securities that have been authorised but are not issued,*

*which powers shall only be capable of being exercised by the Shareholders, as contemplated in clause 10.3, provided that the Board shall have the power to determine the preferences, rights, limitations or other terms of any class of shares contemplated in section 36(1)(d) of the Act.*

10.2 *Each Share issued by the Company shall entitle its holder to vote on any proposal to amend the preferences, rights, limitations or other terms associated with that Share.*

10.3 *The Shareholders may, by amendment to the MOI by way of a Special Resolution:*

10.3.1 *increase or decrease the number of authorised Shares of any class of the Shares; 10.3.2 reclassify any classified Shares that have been authorised but not issued;*

10.3.3 *classify any unclassified Shares that have been authorised but not issued;or*

10.3.4 *determine the preferences, rights, limitations or other terms of any Shares;*

10.3.5 *create any class of Shares;*

10.3.6 *convert one class of Shares into one or more other classes of Shares, including the conversion of par value shares into no par value shares;*

10.3.7 *consolidate or subdivide any class of Securities;*

10.3.8 *change the name of the Company; or*

10.3.9 *vary any preferences rights, limitations or other terms of any class of Shares already in issue, but no such variation shall be implemented unless -*

10.3.9.1 *it has been approved by a Special Resolution adopted by the holders of that class of Shares at a separate meeting or it has been consented to in writing by the holders of all the issued Shares of that class; and*

10.3.9.2 *if there is any other class/es of Shares in issue, it has also been approved by a Special Resolution of all of the Shareholders of the Company entitled to vote thereon, which Special Resolution shall only be proposed after the Special Resolution referred to in 10.3.9.1 has been passed.*

10.4 *The preferences, rights, limitations or any other terms of any class of Shares must not be varied in response to any objectively ascertainable external fact or facts as provided for in sections 37(6) and 37(7) of the Companies Act and the powers of the Board are limited accordingly.*

10.5 *No further Securities ranking in priority to, or pari passu with, existing preference Shares, of any class, shall be created without a Special Resolution passed at a separate General Meeting of such preference Shareholders.*

“13 **REGISTER AND CERTIFICATES**

13.1 *The Securities issued by the Company shall be issued in Certificated or Uncertificated form.*

13.2 *The Company shall establish or cause to be established, and shall maintain, a Securities Register in accordance with the Companies Act and the Regulations and, to the extent that the form of and the*

manner of maintaining the Securities Register is not prescribed, the Board shall determine the form and manner thereof.

- 13.3 The Company shall enter into its Securities Register the transfer of any Certificated Securities which is effected in accordance with clause 14 and shall include in such entry the information required by section 51(5) of the Companies Act.
- 13.4 The certificates evidencing any Certificated Securities of the Company shall comply with the requirements set out in section 51(1) of the Companies Act and shall otherwise be in such form as may be determined by the Board.
- 13.5 If any certificate is defaced, lost or destroyed, it may be replaced on payment of such fee, if any, and on such terms as the Board may determine.
- 13.6 The conversion of Certificated Securities to Uncertificated Securities or of Uncertificated Securities to Certificated Securities shall occur in accordance with the Regulations, any applicable provisions of the Securities Services Act and any applicable requirements or rules of the JSE, STRATE and the relevant CSDP or Central Securities Depository.

#### **14 TRANSFER OF SECURITIES**

- 14.1 Save in the case of a transfer which is effected by operation of law and overrides the requirements of this MOI, no person may transfer any Securities in the Company to any other person without first complying with the requirements for transfer as set out in this MOI.
- 14.2 Transfer of ownership in any Uncertificated Securities and Certificated Securities shall be effected in accordance with the provisions of the Companies Act.
- 14.3 The Company shall not enter into its Securities Register the transfer of any Certificated Securities, unless -
- 14.3.1 the transfer is evidenced by a proper instrument of transfer signed by the transferor and transferee, the form of which shall be determined by the Board from time to time, which has been delivered to the Company at its Registered Office together with -
- 14.3.1.1 such proof as the Board may require of the authority of the signatory/ies to that instrument of transfer; and
- 14.3.1.2 the certificate in respect of Securities being transferred; or
- 14.3.2 the transfer was effected by operation of law.
- 14.4 Subject to the provisions of this Memorandum of Incorporation, every instrument of transfer and accompanying documents received by the Company referred to in clause 14.3.1 shall be deemed to remain in full force, and the Company may allow the same to be acted upon, until written notice of revocation thereof is lodged at the Registered Office. Even after the lodging of such notice of revocation, the Company may give effect to any duly signed instrument of transfer which was accepted to any officer of the Company as being in order before the lodging of such notice of revocation.
- 14.5 Fully paid Securities shall not be subject to any lien in favour of the Company and shall be freely transferable.

#### **16 ACQUISITION OF SHARES ISSUED BY THE COMPANY**

Subject to the provisions of the Companies Act and the JSE Listings Requirements, the Company may acquire any Shares issued by the Company on the basis that -

- 16.1 all or a portion of the price payable on such acquisition may be paid out of the funds of or available to the Company whether or not such payment results in a reduction of the share capital, stated capital, reserves, any capital redemption reserve fund and/or any other account of the Company; and
- 16.2 the Shares so acquired shall be restored to the status of unissued shares and the authorised share capital of the Company shall remain unaltered.

#### **17 DEBT INSTRUMENTS**

- 17.1 The Board may authorise the Company to issue secured or unsecured debt instruments as defined and set out in section 43(2) of the Companies Act; provided that the Board shall not be entitled to issue any debt instruments that grants the holder thereof any rights regarding -
- 17.1.1 attending and voting at general meetings and the appointment of Directors; and

17.1.2 *the receipt by the holder thereof of anything other than repayment of the capital amount thereof and payment of interest thereon, all in cash, without the approval of the Shareholders by way of a Special Resolution. Without limiting the foregoing, it is recorded that a debt instrument may not confer on its holder any right to receive any Shares or other Securities of the Company or any other Entity or any other property (whether on conversion or redemption or repurchase of the debt instrument or otherwise) without the approval of a Special Resolution.*

17.2 *The authority of the Board to authorise the Company to issue secured or unsecured debt instruments, as set out in section 43(2), is accordingly limited or restricted by this Memorandum or Incorporation.*

### **“32 AUTHORITY OF THE BOARD OF DIRECTORS**

32.1 *The business and affairs of the Company shall be managed by or under the direction of the Board, which shall have the authority to exercise all of the powers and perform all of the functions of the Company, except to the extent that the Companies Act or this MOI provides otherwise.*

32.2 *The Board may delegate to any one or more Persons any of its powers, authority and functions (including the power to sub-delegate).*

32.3 *If the Securities of the Company are no longer listed on the 3SE and the Company has only one Director -*

32.3.1 *that Director may exercise any power or perform any function of the Board at any time, without notice or compliance with any other internal formalities;*

32.3.2 *sections 71(3) to (7) of the Companies Act shall not apply to the governance of the Company; and*

32.3.3 *the provisions of clauses 37 and 38 shall not apply to the governance of the Company.*

### **33 APPOINTMENT OF DIRECTORS**

33.1 *The Board shall comprise not less than four Directors and not more than twenty.*

33.2 *Subject to clauses 33.3 and 33.4 all of the Directors and any Alternate Directors shall be elected by an Ordinary Resolution of the Shareholders at a Shareholders Meeting. The provisions of section 68(2) of the Companies Act shall apply to the election of Directors, provided that a Director may not be elected by written vote in accordance with clause 31. There shall be no ex officio directors, as contemplated in section 66(4)(a)(1) of the Companies Act, and no Person, except the Board in term of clauses 33.3 or 33.4 hereunder, shall have the right to effect the direct appointment or removal of one or more Directors as contemplated in section 66(4)(a)(1) of the Companies Act.*

33.3 *The Board may appoint a person who satisfies the requirements for election as a Director to fill any vacancy and serve as a Director of the Company on a temporary basis until the earlier of the date of the next Annual General Meeting of the Company and the date on which the vacancy has been filled by election in terms of clause 33.2. During that period any person so appointed has all of the powers, functions and duties, and is subject to all of the liabilities, of any other Director of the Company. The authority of the Board in this regard is not limited or restricted by this MOI.*

33.4 *Subject to the Companies Act, the Board may appoint a person who satisfies the requirements for election as a Director to serve as an additional Director of the Company until the date of the next Annual General Meeting of the Company. During that period any person so appointed has all of the powers, functions and duties, and is subject to all of the liabilities, of any other Director of the Company. The appointment if that person as a Director will terminate at the next Annual General Meeting of the Company, unless that Person is elected as a Director at that Annual General Meeting. The Board may also at any time by resolution of the Board terminate the appointment of such a person as Director. The Board may nominate such a person for election at such next Annual General Meeting.*

33.5 *The Directors shall retire from office in accordance with the following provisions of this clause 33.5 -*

33.5.1 *at each Annual General Meeting, Directors comprising one third of the aggregate number of Directors (excluding the Chief Executive Officer and any other Director who is an executive Director) or, if their number is not three or a multiple thereof, then the number nearest to but not less than one third of the aggregate number of Directors (excluding the Chief Executive Officer and any Director who is an executive Director) shall retire from office;*

33.5.2 *the Directors to retire in terms of clause 33.5.1 shall exclude any Chief Executive Officer and any executive Director and shall be those who have been longest in office since their last election, provided that if more than one of them were elected Directors on the same day, those to retire shall be determined by lot unless those Directors agree otherwise between themselves;*

- 33.5.3 *any Director appointed as such by the Directors after the conclusion of the Company's preceding Annual General Meeting shall, in addition to the Directors retiring in terms of clause 33.5.1 , retire from office at the conclusion of the Annual General Meeting held immediately after his appointment unless he is re-elected as a Director at that Annual General Meeting;*
- 33.5.4 *a retiring Director is eligible for re-election and may, be re-elected and, if re-elected, shall be deemed for all purposes other than clauses 33.5.1 to 33.5.3 not to have vacated his office;*
- 33.5.5 *no Person other than a retiring Director shall be eligible for election as a Director at any Annual General Meeting unless -*
- 33.5.5.1 *the Directors nominate or recommend such other Person for election; or*
- 33.5.5.2 *that Person has been nominated in accordance with clause 33.11;*
- 33.6 *A retiring Director is eligible for re-election and may be re-elected (without having to be nominated for election in terms of clause 33.7 hereunder) and, if re-elected, shall be deemed for all purposes other than clauses 33.5.1 to 33.5.3 not to have vacated his office.*
- 33.7 *No person other than a retiring Director shall be eligible for election as a Director at any Annual General Meeting unless -*
- 33.7.1 *the Directors nominate or recommend such person for election (which may take place at any time prior to the Annual General Meeting) ; or*
- 33.7.2 *that person has been nominated in accordance with clause 33.11.*
- 33.8 *A retiring Director shall continue to act as Director throughout the Annual General Meeting at which he retires and his retirement shall become effective only at the end of such meeting.*
- 33.9 *For the avoidance of doubt, it is recorded that life directorships and directorships for an indefinite period are not permitted.*
- 33.10 *The Board may in the notice of the Annual General Meeting at which the re-election of a retiring Director is proposed, provide the Shareholders with a recommendation as to which retiring Directors should be re-elected, taking into account that Director's past performance and contribution.*
- 33.11 *Any Shareholder shall be entitled to nominate any Person for election as a Director at any Shareholders Meeting, provided that such nomination, together with the consent of that person to be elected as a Director, shall be received by the Company no later than four Business Days prior to the date of such Shareholders Meeting.*
- 33.12 *The Company may not permit a Person to serve as Director if that Person is ineligible or disqualified in terms of the Companies Act.*
- 33.13 *In addition to the grounds of ineligibility and disqualification of Directors as contained in section 69 of the Companies Act, a Director shall cease to be eligible to continue to act as a Director if:*
- 33.13.1 *he absents himself from all meetings of the Board occurring within a period of six consecutive months without the leave of the Board, and the Board resolves that his office shall be vacated; provided that this clause 33.13.1 shall not apply to a Director who is represented by an Alternate Director who does not so absent himself.*
- 33.13.2 *if he becomes insolvent, or assigns his estate for the benefit of his creditors, or suspends payment or files a petition for the liquidation of his affairs, or compounds generally with his creditors; or*
- 33.13.3 *if he becomes of unsound mind; or*
- 33.13.4 *if he is removed in terms of any provision of the Act; or*
- 33.13.5 *1 (one) month or, with the permission of the directors earlier, after he has given notice in writing of his intention to resign; or*
- 33.13.6 *if a written notice removing him from office is delivered to the registered office of the Company, provided that such written notice is signed by Shareholders who hold not less than 50% (fifty per cent) of the Voting Rights in the company in the aggregate.*
- 33.14 *This MOI does not impose any minimum shareholding or other qualifications to be met by the Directors of the Company in addition to the ineligibility and disqualification provisions of the Companies Act and clause 33.13.*

- 33.15 Section 70 of the Companies Act shall apply to any vacancy on the Board which may arise from time to time.
- 33.16 If the number of Directors falls below the minimum number fixed in accordance with this Memorandum of Incorporation, the remaining Directors must, as soon as possible and in any event not later than three months from the date that the number falls below such minimum, fill the vacancy/ies in accordance with clause 33.3 or convene a Shareholders Meeting for the purpose of filling the vacancies, and the failure by the Company to have the minimum number of Directors during the said three month period does not limit or negate the authority of the Board or invalidate anything done by the Board while their number is below the minimum number fixed in accordance with this Memorandum of Incorporation.
- 33.17 The Directors in office may act notwithstanding any vacancy in their body, but if their number remains reduced below the minimum number fixed in accordance with this Memorandum of Incorporation after the expiry of the three month period contemplated in clause 33.16, they may, for as long as their number is reduced below such minimum, act only for the purpose of filling vacancies in their body in terms of section 68(3) of the Companies Act or of summoning general meetings of the Company, but not for any other purpose.

“39 **EXECUTIVE DIRECTORS**

The Board may appoint, from time to time, one or more of the Directors as executive Directors, who shall be employees of the Company and/or any Subsidiary of the Company, on such terms and conditions of employment as to remuneration and otherwise as may be determined from time to time by a disinterested quorum of the Board.

40 **PAYMENTS TO DIRECTORS**

- 40.1 The Company may pay remuneration to its Directors for their services as such and, without detracting from the foregoing, may pay any additional remuneration as referred to in clause 40.3; provided that such remuneration must have been approved by a Special Resolution passed by the Shareholders within the two previous years and the authority of the Board in this regard is not restricted or limited by this MOI. For the avoidance of doubt it is recorded that this clause does not apply to remuneration paid to executive directors for their services as employees of the Company which is governed by clause 39.
- 40.2 Each Director shall be paid all travelling, subsistence and other expenses properly incurred by him in the execution of his duties as a Director (including attending meetings of the Board or of the Board committees); provided that such expenses shall first have been authorised or ratified by the Directors.
- 40.3 Any Director who is required to —
- 40.3.1 devote special attention to the business of the Company; or
- 40.3.2 travel or reside outside the Republic for the purpose of the Company; or
- 40.3.3 otherwise perform services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director,
- may be paid such extra remuneration or allowances (either in addition to or in substitution for any other remuneration to which he may be entitled as a Director), as a disinterested quorum of the Board may from time to time determine.

41 **BORROWING POWERS**

The -

- 41.1 borrowing powers of the Company; and
- 41.2 powers of the Company to mortgage or encumber its undertaking and property or any part thereof and to issue debentures or debenture stock (whether secured or unsecured), whether outright or as security for any debt, liability or obligation of the Company or of any third party,
- shall be unlimited and shall be exercised by the Directors.”

“45 **DISTRIBUTIONS**

- 45.1 Subject to the provisions of the Companies Act and this MOI, the Board may declare any Distribution and a Shareholders Meeting may declare any Distribution which is authorised by resolution of the Board.
- 45.2 Shareholders may by Ordinary Resolution declare a Distribution provided that such a Distribution is authorised by a resolution of the Board, and provided further that such Distribution is permitted under clause 9.3.

- 45.3 *No larger Distribution shall be declared by a Shareholders Meeting than is recommended by the Board, but the Shareholders Meeting may declare a smaller distribution.*
- 45.4 *The Company may transmit any Distribution or amount payable in respect of a Share by -*
- 45.4.1 *ordinary post to the postal address of the Shareholder thereof (or, where two or more Persons are registered as the joint Shareholders of any Share, to the address of the joint holder whose name stands first in the Securities Register) recorded in the Securities Register or such other address as the holder thereof may previously have notified to the Company in writing for this purpose; or*
- 45.4.2 *electronic bank transfer to such bank account as the holder thereof may have notified to the Company in writing for this purpose, and the Company shall not be responsible for any loss in transmission.*
- 45.5 *Any Distribution or other money payable to Security Holders, -*
- 45.5.1 *which is unclaimed, may be retained by the Company and held in trust indefinitely and may while so retained be invested as the Board may deem fit until claimed by the Security Holder concerned or until the Security Holder's claim therefore prescribes in terms of clause 45.5.2;*
- 45.5.2 *may be claimed for a period of three years from the date on which it accrued to Security Holders, after which period the Security Holders' claim therefor shall prescribe and the amount of that Distribution shall, unless the Board decides otherwise be forfeited for the benefit of the Company.*
- 45.6 *shall not bear interest against the Company, and the Board shall, for the purpose of facilitating the winding-up or deregistration of the Company before the date of any such prescription, be entitled to delegate to any bank, registered as such in accordance with the laws of the Republic, the liability for payment of any such Distribution or other money, the claim for which has not been prescribed in terms of the foregoing.*
- 45.7 *Distributions (in the form of a dividend or otherwise) shall be paid to Shareholders registered as at a Record Date subsequent to the date of declaration or, if applicable, date of confirmation of the Distribution, whichever is the later date.*

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**DETAILED A PREFERENCE SHARE TERMS**


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**9.3. A PREFERENCE SHARES****9.3.1 DEFINITIONS**

- 9.3.1.1 *In these A Preference Share Terms, unless inconsistent with or otherwise indicated by the context –*
- 9.3.1.1.1 **“A Preference Dividends”** means, in respect of each A Preference Share, the applicable Scheduled A Dividends and Additional A Dividends;
- 9.3.1.1.2 **“A Preference Share”** means a redeemable, cumulative class ‘A’ preference share with no nominal or par value in the Issuer’s share capital which has the rights and privileges set out in the A Preference Share Terms, and **“A Preference Shares”** means all or some of them, as the context requires;
- 9.3.1.1.3 **“A Preference Share Terms”** means the rights and privileges set out in this document;
- 9.3.1.1.4 **“A Redemption Final Payments”** means, in respect of an A Preference Share and without double counting, the aggregate of –
- 9.3.1.1.4.1 *the Subscription Price of that A Preference Share; plus*
- 9.3.1.1.4.2 *the Scheduled A Dividend for the Dividend Period which ends on the Actual A Redemption Date of that A Preference Share; plus*
- 9.3.1.1.4.3 *any Accumulated A Dividends in respect of that A Preference Share on its Actual A Redemption Date; less*
- 9.3.1.1.4.4 *any Capital Distribution in respect of that A Preference Share prior to the Actual A Redemption Date;*
- 9.3.1.1.5 **“Acceleration”** means any action taken or claim made by the Preference Share Agent pursuant to a Trigger Event that has the effect of accelerating the due date for redemption of the A Preference Shares, and **“Accelerate”**, **“Accelerated”** or any other derivative thereof shall be construed accordingly, as the context requires;
- 9.3.1.1.6 **“Acceleration Notice”** means a written notice delivered by the Preference Share Agent to the Issuer requiring immediate redemption of any and/or all the Outstanding A Preference Share;
- 9.3.1.1.7 **“Acceptable Bank”** means –
- 9.3.1.1.7.1 *a bank or financial institution which has a rating for its long-term unsecured and non-credit-enhanced debt obligations of BBB+ or higher by Standard & Poor’s Rating Services or Fitch Ratings Ltd or Baa1 or higher by Moody’s Investors Service Limited or a comparable rating from an internationally recognised credit rating agency; or*
- 9.3.1.1.7.2 *any other bank or financial institution approved by the Preference Share Agent;*
- 9.3.1.1.8 **“Account Bank”** means an Acceptable Bank appointed by the Issuer from time to time;
- 9.3.1.1.9 **“Accounting Principles”** means generally accepted accounting principles in South Africa, including IFRS;
- 9.3.1.1.10 **“Accumulated A Dividends”** means, in respect of each A Preference Share and on any day, the aggregate of –
- 9.3.1.1.10.1 *any Scheduled A Dividend for any prior Dividend Period which has not been paid by the Issuer by the Dividend Payment Date in respect of that Dividend Period; plus*
- 9.3.1.1.10.2 *any Additional A Dividends which the Issuer should have paid in terms of clause 9.3.5.11 of these A Preference Share Terms, but which the Issuer has failed to pay;*
- 9.3.1.1.11 **“Actual Issue Date”** means, in relation to each A Preference Share, the date on which the Issuer issues that A Preference Share to its first Holder, which date shall coincide with a Dividend Payment Date;

- 9.3.1.1.12 **“Actual A Redemption Date”** means, in relation to each A Preference Share, the date (if any) on which the Issuer redeems that A Preference Share;
- 9.3.1.1.13 **“Additional A Dividend”** means, in respect of each A Preference Share, the dividends (over and above the Scheduled A Dividend in respect of that A Preference Share) envisaged in clause 9.3.5.14 of these A Preference Share Terms;
- 9.3.1.1.14 **“Adjustment Event”** means a Tax Adjustment Event and/or an Increased Costs Event;
- 9.3.1.1.15 **“Adjustment Notice”** has the meaning specified in clause 9.3.5.10;
- 9.3.1.1.16 **“Agency Matters”** has the meaning specified in clause 9.3.3.2;
- 9.3.1.1.17 **“Applicable Laws”** means, from time to time, any law (including statutory, common or customary law), statute, constitution, decree, treaty, regulation, judgment, directive, by-law, order, or other legislative measure, requirement, request or guidance (whether or not having the force of law but, if not having the force of law, is generally complied with by the person to whom it is addressed or applied) of any government, supranational, local government, statutory, regulatory or self-regulatory or similar body or authority or court;
- 9.3.1.1.18 **“Applicable Rate”** means the Dividend Rate or the Default Dividend Rate, as the context may indicate;
- 9.3.1.1.19 **“Approved Valuer”** means Knight Frank, CB Richard Ellis, Savills, Jones Lang Lasalle, or such other approved valuer as the Issuer and Preference Share Agent may agree to from time to time, provided that the Preference Share Agent may, by notice in writing to the Issuer from time to time, designate any additional person or entity as an Approved Valuer or determine that any person or entity is no longer an Approved Valuer;
- 9.3.1.1.20 **“Authorised User”** means each authorised user who (as envisaged in the Financial Markets Act) is authorised by the JSE to hold any A Preference Share for the Beneficiary of such A Preference Share;
- 9.3.1.1.21 **“Beneficiary”** means, in relation to an A Preference Share, the beneficial owner of that A Preference Share;
- 9.3.1.1.22 **“Broken Period”** means, in relation to an A Preference Share, the first Dividend Period of that A Preference Share and the final Dividend Period of that A Preference Share, in each case only to the extent they are less than 91 (ninety one) days;
- 9.3.1.1.23 **“Business Day”** means any day other than a Saturday, Sunday or statutory public holiday in either South Africa or Malta;
- 9.3.1.1.24 **“Capital Distribution”** means any Distribution made by the Issuer which results in a reduction of the stated capital arising upon the subscription for the A Preference Shares;
- 9.3.1.1.25 **“Cash”** means, on the last day of any Measurement Period, cash in hand or at bank and (in the latter case) credited to an account in the name of any Group Company with an Acceptable Bank and to which that Group Company is alone (or together with another Group Company) beneficially entitled and for so long as –
- 9.3.1.1.25.1 that cash is repayable on demand or within 30 (thirty) days after the relevant date of calculation;
- 9.3.1.1.25.2 repayment of that cash is not contingent on the prior discharge of any other indebtedness of any person whatsoever or on the satisfaction of any other condition other than notice or demand therefor;
- 9.3.1.1.25.3 there is no Security Interest over that cash constituted by a netting or set-off arrangement entered into by a Group Company in the ordinary course of its banking arrangements; and
- 9.3.1.1.25.4 the cash is freely and (except as permitted in clause 9.3.1.1.25.1) immediately available;
- 9.3.1.1.26 **“Cash Collection Account”** means the interest bearing bank account held by Tradegro (acting through its Swiss Branch, where applicable) with the Account Bank;
- 9.3.1.1.27 **“Cash Equivalent Investments”** means on the last day of any Measurement Period –
- 9.3.1.1.27.1 certificates of deposit maturing within 1 (one) year after the relevant date of calculation and issued by an Acceptable Bank;
- 9.3.1.1.27.2 any investment in marketable debt obligations issued or guaranteed by the government of South

*Africa, the United States of America, the United Kingdom, any member state of the European Economic Area or any Participating Member State, maturing within 1 (one) year after the relevant date of calculation and not convertible or exchangeable to any other security;*

- 9.3.1.1.27.3 *commercial paper not convertible or exchangeable to any other security:*
- 9.3.1.1.27.3.1 *for which a recognised trading market exists;*
- 9.3.1.1.27.3.2 *issued by an issuer incorporated in South Africa, the United States of America, the United Kingdom, any member state of the European Economic Area or any Participating Member State;*
- 9.3.1.1.27.3.3 *which matures within 90 (ninety) days after the relevant date of calculation; and*
- 9.3.1.1.27.3.4 *which has a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investors Service Limited, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating;*
- 9.3.1.1.27.4 *any investment in money market funds which (i) have a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investors Service Limited, (ii) which invest substantially all their assets in securities of the types described in clauses 9.3.1.1.27.3.1 to 9.3.1.1.27.3.4, and (iii) can be turned into cash on not more than 30 days' notice; or*
- 9.3.1.1.27.5 *any other debt security approved by the Preference Share Agent,*  
*in each case, denominated in ZAR, USD, GBP or EUR, and to which any Group Company is alone (or together with other Group Company beneficially entitled at that time and which is not issued or guaranteed by any Group Company or subject to any Security Interest;*
- 9.3.1.1.28 **"Change of Control"** means –
- 9.3.1.1.28.1 *Titan Group, directly or indirectly, ceasing to Control Titan Premier; or*
- 9.3.1.1.28.2 *Titan Premier, directly or indirectly, ceasing to Control the Issuer; or*
- 9.3.1.1.28.3 *the Issuer, directly or indirectly, ceasing to Control Tradegro;*
- 9.3.1.1.29 **"Clumber Park"** means *Clumber Park LLP, registration number OC321529, a limited liability partnership duly incorporated in accordance with the laws of England and Wales;*
- 9.3.1.1.30 **"Compliance Certificate"** means *a certificate substantially in the form set out in Annexure "1" (Form of Compliance Certificate);*
- 9.3.1.1.31 **"Constitutional Documents"** means *the constitutional documents of a company;*
- 9.3.1.1.32 **"Continuing"** means, *in relation to a Trigger Event or a Potential Trigger Event, that it has occurred and that it has neither been remedied within the time period provided for such remedy in the applicable A Preference Share Terms, if any, nor waived by the Preference Share Agent;*
- 9.3.1.1.33 **"Control"** means –
- 9.3.1.1.33.1 *the power (whether by way of ownership of shares, proxy, contract, agency or otherwise), directly or indirectly, to –*
- 9.3.1.1.33.1.1 *cast, or control the casting of, more than 50% (fifty percent) of the maximum number of votes that might be cast at a general meeting of the shareholders of the Issuer or Tradegro, as the case may be; or*
- 9.3.1.1.33.1.2 *appoint or remove all, or the majority, of the directors or other equivalent officers of the Issuer or Tradegro, as the case may be; or*
- 9.3.1.1.33.1.3 *give directions with respect to the operating and financial policies of the Issuer or Tradegro, as the case may be with which the directors or other equivalent officers of the Issuer or Tradegro, as the case may be are obliged to comply; and/or*
- 9.3.1.1.33.2 *the holding beneficially of more than 50% (fifty percent) of the Equity Shares in the Issuer or Tradegro, as the case may be;*
- 9.3.1.1.34 **"Debt to Equity Ratio"** means, *on each Measurement Date, the ratio between Net Debt and Equity;*

- 9.3.1.1.35      **“Decision”** means –
- 9.3.1.1.35.1    the agreement or disagreement to –
- 9.3.1.1.35.1.1        any proposed waiver (including the granting or withholding of any waiver); and
- 9.3.1.1.35.1.2        the giving or withholding of any consent, agreement or approval;
- 9.3.1.1.35.2    the decision as to –
- 9.3.1.1.35.2.1        whether or not to exercise any Remedy; or
- 9.3.1.1.35.2.2        the exercise or Enforcement or not of any other right, power or remedy; or
- 9.3.1.1.35.2.3        the making of any determination, notification or other decision or the giving of any instruction,
- in each case under, pursuant to or in respect of any of the provisions of the Finance Documents (and, where the context requires, “Decide”, “Decided” or any other derivative thereof shall be construed accordingly), to be made by the relevant Holder and in accordance with the further provisions of the A Preference Share Terms;*
- 9.3.1.1.36      **“Decision Date”** means the date by which each of the Holders must provide the Preference Share Agent with instructions in relation to the Decision specified in the relevant Decision Request, such date being, the date falling 5 (five) Business Days after the date of a Decision Request (or, if a longer period is, in the reasonable opinion of the Preference Share Agent, required for purposes of making the applicable Decision, such later date as the Preference Share Agent may specify in the relevant Decision Request);
- 9.3.1.1.37      **“Decision Request”** means, in relation to any Decision, a notice from the Preference Share Agent to the Holders which specifies –
- 9.3.1.1.37.1        the Decision to be made;
- 9.3.1.1.37.2        whether the Decision is a Decision which is required to be made by all the Holders or by the Majority Holders;
- 9.3.1.1.37.3        all relevant facts and advice made available to the Preference Share Agent relating to such matter and the various voting options available to the relevant Parties; and
- 9.3.1.1.37.4        the Decision Date;
- 9.3.1.1.38      **“Default Dividend Rate”** means, subject to adjustment in accordance with the Rate Adjustment Clauses, a rate equal to the Dividend Rate plus 3% (three percent);
- 9.3.1.1.39      **“Dispose”** means any sale, lease, licence, transfer, loan, cession, assignment, alienation, donation, renunciation, surrender, waiver, relinquishment, exchange or other disposal of any nature whatsoever by a person of any asset, undertaking or business (whether by a voluntary or involuntary single transaction or series of transactions); and **“Disposed”** or **“Disposal”** shall be construed accordingly;
- 9.3.1.1.40      **“Distribution”** means –
- 9.3.1.1.40.1        any distribution, as defined in section 1 of the SA Companies Act; or
- 9.3.1.1.40.2        any distribution of profits or capital made by a company to its shareholders, irrespective of the manner in which that distribution is made (and includes the declaration and payment of any dividend, the repurchase or redemption of any shares of any class and the payment of any interest and capital on any loans made by the shareholders of the applicable company); and
- 9.3.1.1.40.3        the payment of any interest or capital by a company in respect of any Financial Indebtedness which that company owes to any shareholder;
- 9.3.1.1.41      **“Dividend Payment Date”** means 1 March, 1 June, 1 September and 1 December of each year, with the first Dividend Payment Date being 1 March 2015;
- 9.3.1.1.42      **“Dividend Period”** means each 3 (three) month period which commences on a Dividend Payment Date, and which ends on the day before the next Dividend Payment Date, provided that –
- 9.3.1.1.42.1        the first Dividend Period in respect of any particular A Preference Share shall (i) commence on the Actual Issue Date on which the Issuer issues that A Preference Share to its first Holder, and (ii) end on the day before the first Dividend Payment Date which occurs after that Actual Issue Date; and

- 9.3.1.1.42.2 *the last Dividend Period in respect of any particular A Preference Share shall be the period which (i) commences on the last Dividend Payment Date which occurs prior to the Actual A Redemption Date on which the Issuer redeems that A Preference Share, and (ii) ends on the day before that Actual A Redemption Date;*
- 9.3.1.1.43 **“Dividend Rate”** means, subject to adjustment in accordance with the Rate Adjustment Clauses, a rate equal to –
- 9.3.1.1.43.1 72% (seventy two percent) of JIBAR, plus
- 9.3.1.1.43.2 the Margin;
- 9.3.1.1.44 **“EBITDA”** means, for each Measurement Period, earnings before interest, other finance charges, Tax, depreciation, amortisation and adjustments for fair value gains and losses for such Measurement Period, as determined in accordance with the Accounting Principles and as ascertained from the Reference Accounts for that Measurement Period;
- 9.3.1.1.45 **“Enforcement”** means –
- 9.3.1.1.45.1 any action taken or claim made by a Holder against the Issuer and to exercise all rights, powers, authorities, discretions and Remedies in connection therewith;
- 9.3.1.1.45.2 the suing for, commencing or joining any legal or arbitration proceedings against the Issuer to recover any amount under the Finance Documents or to obtain or enforce any judgment against the Issuer arising from or in connection with any Finance Document; or
- 9.3.1.1.45.3 the petitioning, applying for, voting for or taking of any steps (including the appointment of a liquidator, receiver, business rescue practitioner, administrator or similar officer) in relation to the winding up, dissolution, administration, placement under supervision or business rescue proceedings or reorganisation of the Issuer or any suspension of payments or moratorium of any indebtedness of the Issuer or any analogous procedure or step,
- and **“Enforce”**, **“Enforced”** or any other derivative thereof shall be construed accordingly, as the context requires;
- 9.3.1.1.46 **“Equity”** means, on each Measurement Date, and as ascertained from the Reference Accounts for the relevant Measurement Period, the aggregate of share capital and share premium in respect of Ordinary Shares, subordinated shareholder loans, and distributable and non-distributable reserves (excluding any revaluation reserves);
- 9.3.1.1.47 **“Equity Cure”** has the meaning set out in clause 9.3.8.3;
- 9.3.1.1.48 **“Equity Cure Funding”** means funding provided to the Issuer in the form of loans subordinated, or in the form of share capital, or in the form of a combination of such subordinated loans and share capital, for the purpose of avoiding the occurrence of a breach of the Financial Covenants, alternatively for the purpose of remedying a Potential Trigger Event of the nature contemplated in clause 9.3.12.9 which has occurred, in the latter instance subject always to the provisions of clause 9.3.8.3;
- 9.3.1.1.49 **“Equity Share”** means any share in a company excluding any share that, neither as respects dividends nor as respects returns of capital, carries any right to participate beyond a specified amount in a Distribution;
- 9.3.1.1.50 **“EUR”**, **“€”** or **“Euro”** means Euro, the lawful currency of the European Union;
- 9.3.1.1.51 **“Final Discharge Date”** means the date which is 5 (five) years following the date upon which the last A Preference Share is redeemed;
- 9.3.1.1.52 **“Finance Documents”** means –
- 9.3.1.1.52.1 the A Preference Share Terms;
- 9.3.1.1.52.2 the Offering Circular;
- 9.3.1.1.52.3 the Issuer Creation Resolution;
- 9.3.1.1.52.4 any other document which is designated as a Finance Document by agreement between the Preference Share Agent and the Issuer,
- and **“Finance Document”** shall refer to any one of them, as the context may indicate;

- 9.3.1.1.53 **“Financial Covenants”** means the financial covenants and ratios set out in clause 9.3.8;
- 9.3.1.1.54 **“Financial Indebtedness”** means, without double counting, any indebtedness for or in respect of –
- 9.3.1.1.54.1 moneys borrowed or credit obtained;
- 9.3.1.1.54.2 any amount raised by acceptance under any acceptance credit facility or dematerialized equivalent;
- 9.3.1.1.54.3 any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument, including the A Preference Shares;
- 9.3.1.1.54.4 any amount raised pursuant to any issue of shares which are expressed to be redeemable at the instance of the holder of such shares;
- 9.3.1.1.54.5 any liability in respect of any lease, hire purchase contract or licence agreement which would, in accordance with the Accounting Principles, be treated as a finance or capital lease;
- 9.3.1.1.54.6 any liability in respect of any advance or deferred purchase agreement if one of the primary reasons for entering into such agreement is to raise finance or if such agreement is not in the ordinary course of business;
- 9.3.1.1.54.7 receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- 9.3.1.1.54.8 any agreement or option to re-acquire an asset if one of the primary reasons for entering into such agreement or option is to raise finance;
- 9.3.1.1.54.9 any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- 9.3.1.1.54.10 any Treasury Transaction and, for the purpose of calculating the amount of any person’s Financial Indebtedness, a Treasury Transaction shall be valued at an amount equal to (i) the marked to market value thereof, plus (ii) if an amount owing by that person under the applicable Treasury Transaction has not been paid, that amount;
- 9.3.1.1.54.11 any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- 9.3.1.1.54.12 any liability in respect of any guarantee, indemnity or suretyship for any of the items referred to in clauses 9.3.1.1.54.1 to 9.3.1.1.54.11;
- 9.3.1.1.55 **“Financial Markets Act”** means the South African Financial Markets Act, No 19 of 2012;
- 9.3.1.1.56 **“Financial Statements”** means –
- 9.3.1.1.56.1 in respect of the Issuer, audited annual consolidated (if applicable) financial statements, including the notes (if any) thereto; and
- 9.3.1.1.56.2 in respect of any other Group Company, annual finance statements (audited, if prepared) certified by two directors of such Group Company;
- 9.3.1.1.57 **“Financial Year”** means each one of the Issuer’s financial years;
- 9.3.1.1.58 **“GBP”, “£” or “Pound Sterling”** means British Pound Sterling, the lawful currency of the United Kingdom;
- 9.3.1.1.59 **“Gross-up Notice”** has the meaning specified in clause 9.3.5.8.3;
- 9.3.1.1.60 **“Group”** means the Issuer and each of its Subsidiaries;
- 9.3.1.1.61 **“Group Company”** means a member of the Group, and **“Group Companies”** means all or some of them, as the context requires;
- 9.3.1.1.62 **“Group Documents”** means –
- 9.3.1.1.62.1 the Tradegro Facility Agreement;
- 9.3.1.1.62.2 the Tradegro Hedging Agreement;
- 9.3.1.1.62.3 each Relevant Group Company Guarantee;
- 9.3.1.1.62.4 each Relevant Group Company Charge,

and “**Group Document**” shall refer to any one of them, as the context may indicate;

- 9.3.1.1.63 “**Group Structure Chart**” means the group structure chart in the agreed form setting out the structure of the Group as at the first Actual Issue Date;
- 9.3.1.1.64 “**Half Year**” means the first 6 (six) calendar months of each Financial Year;
- 9.3.1.1.65 “**Hedge Counterparty**” means the counter-party under the Tradegro Hedging Agreement;
- 9.3.1.1.66 “**Hedged Exchange Rate**” means the ZAR: GBP (ZAR per GBP) rate of exchange, as set out in –
- 9.3.1.1.66.1 any Tradegro Hedging Agreement which was entered into prior to the first Actual Issue Date, as restructured to extend the term and amend the rate of exchange to cover the remaining term of the Tradegro Facility Agreement; and
- 9.3.1.1.66.2 each Tradegro Hedging Agreement which is entered into following the first Actual Issue Date, at which the Hedge Counterparty and Tradegro (acting through its Swiss Branch, where applicable) will exchange ZAR amounts for GBP amounts on each date on which the Issuer makes further advances on account of the Tradegro Loan to Tradegro (acting through its Swiss Branch, where applicable) in terms of the Tradegro Facility Agreement;
- 9.3.1.1.67 “**Holder**” means, in relation to an A Preference Share, the registered holder of that A Preference Share;
- 9.3.1.1.68 “**IFRS**” means the International Financial Reporting Standards, as adopted from time to time by the Board of the International Accounting Standards Committee, or its successor body, and approved for use in South Africa from time to time by the Financial Reporting Standards Council established in terms of section 203 of the SA Companies Act;
- 9.3.1.1.69 “**Inception**” means Inception Holdings S.à r.l, a limited liability company (société à responsabilité limitée), with registration number B 161.565 and with a share capital of GBP12,500, duly incorporated in accordance with the laws of Luxembourg;
- 9.3.1.1.70 “**Increased Costs Event**” means any of the following events –
- 9.3.1.1.70.1 if, for so long as there is one or more Beneficiary which is both (i) a SA Corporate and (ii) a bank, or a financial institution duly registered as such with any statutory or monetary authority, or a Subsidiary of such bank or financial institution, each time there is any –
- 9.3.1.1.70.1.1 proposal or measure implemented pursuant to any version of the International Convergence of Capital Measurement and Capital Standards (Basel Accord) on a basis materially different to that which is in force as at the Reference Date;
- 9.3.1.1.70.1.2 directive of any central bank or any other fiscal, monetary, regulatory or other authority in South Africa having jurisdiction in respect of such bank, financial institution or Subsidiary, as the case may be;
- 9.3.1.1.70.1.3 change in practice as it affects or is applied generally by such banks, financial institutions or Subsidiaries, as the case may be, in South Africa;
- 9.3.1.1.70.1.4 requirement or request by any central bank or statutory or monetary authority with which such banks, financial institutions or Subsidiaries, as the case may be, in South Africa generally comply, to pay any amounts or maintain any special deposits or reserve assets in addition to those paid or maintained or reserved by the relevant Holder at the Reference Date; or
- 9.3.1.1.70.1.5 compliance by the relevant Beneficiary with any reserve, cash ratio, special deposit, capital adequacy or liquidity requirement (or any other similar requirement) whether or not having the force of law, in respect of the relevant Outstanding A Preference Shares, with which such banks, financial institutions or Subsidiaries, as the case may be, in South Africa generally comply in addition to those applicable as at the Reference Date,
- which is applicable to any such Beneficiary, and which decreases the Return to that Beneficiary; and
- 9.3.1.1.70.2 if, for so long as there is one or more Beneficiary which is both (i) a SA Corporate and (ii) a bank, or a financial institution duly registered as such with any statutory or monetary authority, or a Subsidiary of such bank or financial institution, each time there is any change in Applicable Law or in the interpretation or general application thereof (whether in force before or after the Actual Issue Date), or the introduction of any new Applicable Law, which increases or

decreases the Return to any such Beneficiary in respect of the Outstanding A Preference Shares held by it, including as a result of any event which reduces the after-Tax A Preference Dividend receipt by the relevant Beneficiary in respect of the relevant A Preference Dividends (even if not all the Beneficiaries suffer such decrease in Return),

other than an event which also constitutes a Tax Adjustment Event;

9.3.1.1.71 “**Interest Cover Ratio**” means, for each Measurement Period, the consolidated EBITDA of the Group for that Measurement Period divided by Net Finance Charges for that Measurement Period;

9.3.1.1.72 “**Interim Discharge Date**” means, in relation to the A Preference Shares, the Actual A Redemption Date on which the Issuer redeems the last Outstanding A Preference Share, provided that the Issuer has –

9.3.1.1.72.1 paid the A Preference Dividends in respect of all the A Preference Shares; and

9.3.1.1.72.2 paid all other amounts which have become due and payable by it to the Holders on account of the A Preference Shares and under the Finance Documents;

9.3.1.1.73 “**Internally Generated Cash Flows**” means the Issuer’s internally generated cash flows from time to time, including Distributions received on account of the Issuer’s holding in any of the Group Company, and/or the Disposal of Equity Shares in a Group Company, and/or the Disposal of any Property by a Group Company, but specifically excluding –

9.3.1.1.73.1 the proceeds received by the Issuer pursuant to the issue of any shares;

9.3.1.1.73.2 the proceeds from a Refinancing; and

9.3.1.1.73.3 the proceeds of any Financial Indebtedness directly or indirectly incurred by the Issuer;

9.3.1.1.74 “**Issuer**” means Tradehold Limited, registration number 1970/009054/06, a limited liability company duly incorporated in accordance with the laws of South Africa;

9.3.1.1.75 “**Issuer Account**” means the following bank account –

Account Name:	Tradehold Ltd
Bank:	First National Bank
Branch:	204109
Account Number:	6202 1520566

9.3.1.1.76 “**Issuer Board**” means the board of directors of the Issuer;

9.3.1.1.77 “**Issuer Creation Resolution**” means a resolution by the Issuer which creates at least 65,000,000 (sixty five million) A Preference Shares;

9.3.1.1.78 “**JIBAR**” means, on each relevant Quotation Date for a Dividend Period –

9.3.1.1.78.1 the applicable Screen Rate; or

9.3.1.1.78.2 (if no Screen Rate is available on a Quotation Date or for the Dividend Period of that A Preference Share) the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Preference Share Agent, at its request, quoted by the Reference Banks to leading banks in the Johannesburg interbank market,

as of 11h00 on the Quotation Date for the offering of deposits in ZAR for a period comparable to the Dividend Period; provided that for any Broken Period, JIBAR shall be determined by the Preference Share Agent in accordance with the following formula –

$$r = r1 + (t- t1) \times (r2-r1) / (t2-t1)$$

where –

r represents JIBAR to be determined for that Broken Period;

r1 represents JIBAR for the period closest to but less than the Broken Period plus, if this would result in r1 being equal to the JIBAR Overnight Deposit Rate, 0.01% (zero point zero one percent);

r2 represents JIBAR for the period closest to but greater than the Broken Period;

*t1* represents the number of days applicable to the period for which *r1* is quoted on the first day of the Broken Period;

*t2* represents the number of days applicable to the period for which *r2* is quoted on the first day of the Broken Period; and

*t* represents the number of days in the Broken Period;

- 9.3.1.1.79 “**JIBAR Overnight Deposit Rate**” means, on any relevant date for its determination, the rate for overnight deposits in Rand which appears on the Reuters Screen SAFETY Page alongside the caption “SFXROD” as of 11h00, Johannesburg time on that date;
- 9.3.1.1.80 “**JSE**” means the securities exchange known as the JSE (which has been licensed as an exchange in terms of the Financial Markets Act), owned and operated by the JSE Limited, registration number 2005/022939/06;
- 9.3.1.1.81 “**Loan to Value Ratio**” means, for each Measurement Period, the ratio between –
- 9.3.1.1.81.1 the consolidated Financial Indebtedness of –
- 9.3.1.1.81.1.1 the Issuer;
- 9.3.1.1.81.1.2 Tradegro;
- 9.3.1.1.81.1.3 each Relevant Group Company;
- 9.3.1.1.81.1.4 Inception;
- 9.3.1.1.81.1.5 New UK PropCo; and
- 9.3.1.1.81.1.6 any other Group Company that owns any Property in the United Kingdom,
- on the last day of such Measurement Period, excluding Financial Indebtedness pursuant to inter-company loans, and
- 9.3.1.1.81.2 the Portfolio Market Value on the last day of the Measurement Period plus the market value of the Properties owned by the entities listed in clauses 9.3.1.1.81.1.1 to 9.3.1.1.81.1.6 which are located in the United Kingdom, as reflected in the most recent Financial Statements;
- 9.3.1.1.82 “**London Office**” means London Office S.à r.l, a limited liability company (société à responsabilité limitée), with registration number B 183.145 and with a share capital of GBP12,500, duly incorporated in accordance with the laws of Luxembourg;
- 9.3.1.1.83 “**Luxembourg**” means the Grand-Duchy of Luxembourg;
- 9.3.1.1.84 “**Majority Holders**” means a Holder or Holders who hold/s more than 2/3 (two thirds) of the Outstanding A Preference Shares;
- 9.3.1.1.85 “**Malta**” means the Republic of Malta;
- 9.3.1.1.86 “**Margin**” means 2,65% (two comma six five percent);
- 9.3.1.1.87 “**Material Adverse Change**” means the occurrence of any facts, events and/or circumstances, or combination of facts, events and/or circumstances, which has, or is reasonably likely to have, a material adverse effect on –
- 9.3.1.1.87.1 the business, operations, property, condition (whether financial or otherwise) and/or the prospects of the Issuer and/or Tradegro (acting through its Swiss Branch, where applicable), and/or any Relevant Group Company and/or the Group taken as a whole, and/or
- 9.3.1.1.87.2 the ability of the Issuer to comply with its obligations or undertakings arising under any of the Finance Documents to which it is a party; and/or
- 9.3.1.1.87.3 the validity and/or enforceability of any of the Finance Documents (or any of them), or the rights or remedies of the Holders under the Finance Documents;
- 9.3.1.1.88 “**Material Group Company**” means, at any time, –
- 9.3.1.1.88.1 any New UK PropCo;
- 9.3.1.1.88.2 Inception;
- 9.3.1.1.88.3 Reward;

- 9.3.1.1.88.4 any Restricted Entity; or
- 9.3.1.1.88.5 any, direct or indirect, Subsidiary (including any non-wholly-owned Subsidiary) of the Issuer which has –
- 9.3.1.1.88.5.1 Net Asset Value representing 5% (five percent) or more of the consolidated Net Asset Value of the Group; or
- 9.3.1.1.88.5.2 earnings before interest, Tax, depreciation and amortisation (calculated on the same basis as EBITDA) representing 5% (five percent) or more of the consolidated EBITDA of the Group,  
and whether a Subsidiary meets the criteria set out in clause 9.3.1.1.88.5 shall be determined with reference to the most recent Financial Statements of that Subsidiary (consolidated in the case of a Subsidiary which itself has Subsidiaries) and the latest consolidated Financial Statements of the Group;
- 9.3.1.1.89 “**Measurement Dates**” means 28 February and 31 August of each year, and “**Measurement Date**” means either one of such dates, as the context requires;
- 9.3.1.1.90 “**Measurement Period**” means each period of 12 (twelve) months ending on a Measurement Date;
- 9.3.1.1.91 “**Memorandum of Incorporation**” shall have the meaning ascribed thereto in the SA Companies Act;
- 9.3.1.1.92 “**Moorgarth Investments**” means Moorgarth Properties Investments Ltd, registration number 6545410, a limited liability company duly incorporated in accordance with the laws of England and Wales;
- 9.3.1.1.93 “**Moorgarth Holdings**” means Moorgarth Holdings (Luxembourg) S.à r.l., a limited liability company (société à responsabilité limitée), with registration number B 156.358 and with a share capital of GPB12,500, duly incorporated in accordance with the laws of Luxembourg;
- 9.3.1.1.94 “**Moorgarth Leisure**” means Moorgarth Leisure Ltd, registration number 05953379, a limited liability company duly incorporated in accordance with the laws of England and Wales;
- 9.3.1.1.95 “**Moorgarth Props (Lux)**” means Moorgarth Properties (Luxembourg) S.à r.l., a limited liability company (société à responsabilité limitée), with registration number B 99.968 and with a share capital of GBP4,859,850, duly incorporated in accordance with the laws of Luxembourg;
- 9.3.1.1.96 “**Moorgarth Props (UK)**” means Moorgarth Properties Ltd, registration number 06545410, a limited liability company duly incorporated in accordance with the laws of England and Wales;
- 9.3.1.1.97 “**N Preference Shares**” means non-convertible, non-participating, non-transferable redeemable preference shares with a par value of R0.01 (one cent) each in the share capital of the Issuer;
- 9.3.1.1.98 “**Net Debt**” means, on the last day of each Measurement Period, the Group’s consolidated Financial Indebtedness minus the aggregate amount of Cash and Cash Equivalent Investments held by any Group Company at that time;
- 9.3.1.1.99 “**Net Asset Value**” means assets (fairly valued) less liabilities (fairly valued), but excluding assets and liabilities arising from any inter-company loans;
- 9.3.1.1.100 “**Net Finance Charges**” means, for any Measurement Period –
- 9.3.1.1.100.1 the consolidated amount of the accrued interest (excluding any development finance charges which are capitalised to the loan balance until completion of the development), commission, fees, discounts, prepayment fees, premiums, dividends or charges and other finance payments in respect of Financial Indebtedness paid or payable by any Group Company (calculated on a consolidated basis) in cash or capitalised in respect of that Measurement Period; minus
- 9.3.1.1.100.2 any interest received in that Measurement Period by any Group Company (other than from another Group Company pursuant to an inter-company loan);
- 9.3.1.1.101 “**New Africa PropCo**” means a New PropCo which owns a Property in Africa;
- 9.3.1.1.102 “**New PropCo**” means each Subsidiary of the Issuer, other than a Relevant Group Company, incorporated or acquired for purposes of holding a Property, other than a Replacement Property;
- 9.3.1.1.103 “**New UK PropCo**” means a New PropCo which owns a Property in the United Kingdom;
- 9.3.1.1.104 “**Nominee**” means each nominee who holds any A Preference Share in custody for the beneficiary of

such A Preference Share whether as contemplated in section 76 of the Financial Markets Act or otherwise;

- 9.3.1.1.105 **“Nordic Lime”** means Nordic Lime Street Lux S.à r.l, a limited liability company (société à responsabilité limitée), with registration number B 170.671 and with a share capital of GBP2,392,000, duly incorporated in accordance with the laws of Luxembourg;
- 9.3.1.1.106 **“OFAC Sanctions”** means sanctions imposed from time to time by the Office of Foreign Assets Control of the Department of Treasury of the United States of America;
- 9.3.1.1.107 **“Offering Circular”** means an offering circular in respect of the Preference Share Programme to be issued by the Issuer (and which incorporates these A Preference Share Terms);
- 9.3.1.1.108 **“Ordinary Share”** means ordinary shares in the Issuer’s share capital;
- 9.3.1.1.109 **“Outstanding A Preference Shares”** means, at any time, any A Preference Shares which have not been redeemed by the Issuer at that time in accordance with the A Preference Share Terms;
- 9.3.1.1.110 **“Participant”** means each central securities depository participant who (as envisaged in section 31 of the Financial Markets Act) holds any A Preference Share in custody for the Beneficiary or Authorised User of a Beneficiary of such A Preference Share;
- 9.3.1.1.111 **“Participating Member State”** means any member state of the European Union that has the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union;
- 9.3.1.1.112 **“Permitted Guarantee”** means –
- 9.3.1.1.112.1 any guarantee or indemnity arising under the Finance Documents or the Group Documents;
- 9.3.1.1.112.2 any guarantee permitted pursuant to any Permitted Indebtedness; and
- 9.3.1.1.112.3 any other guarantee given with the prior approval of the Preference Share Agent;
- 9.3.1.1.113 **“Permitted Indebtedness”** means –
- 9.3.1.1.113.1 any Financial Indebtedness owing by any Restricted Entity (other than the Issuer) to another Restricted Entity on account of inter-company loans made by Restricted Entity to such other Restricted Entity;
- 9.3.1.1.113.2 any Financial Indebtedness incurred by any Group Company, other than the Issuer, under Permitted Trade Credit;
- 9.3.1.1.113.3 any Financial Indebtedness which the Issuer incurs by issuing further redeemable preference shares (including any A Preference Shares issued in terms of the Preference Share Programme after the first Actual Issue Date) in the share capital of the Issuer, provided that the Majority Holders have approved the issue of such redeemable preference shares;
- 9.3.1.1.113.4 any Financial Indebtedness which any Group Company (other than a Restricted Entity) incur, provided that the provider/s of such Financial Indebtedness shall have no recourse to any Restricted Entity;
- 9.3.1.1.113.5 any Financial Indebtedness which the Issuer incurs under the Finance Documents;
- 9.3.1.1.113.6 any Financial Indebtedness which a Restricted Entity incurs under the Group Documents;
- 9.3.1.1.113.7 the existing Financial Indebtedness incurred by Tradegro (acting through its Swiss Branch, where applicable) to UBS AG in an amount of approximately CHF9,500,000 (nine million five hundred thousand Swiss Francs) plus accrued interest, provided that any Security Interest granted in respect of such Financial Indebtedness is limited to shares held by Tradegro (acting through its Swiss Branch, where applicable) in UBS AG and such cash of Tradegro (acting through its Swiss Branch, where applicable) on the first Actual Issue Date plus accrued interest, and UBS AG has no recourse to any Group Company;
- 9.3.1.1.113.8 any Financial Indebtedness which the Issuer or any other Group Company incurs for purposes of a Refinance, provided that all, and not only some of, the Outstanding A Preference Shares are redeemed from the proceeds of such Financial Indebtedness; and
- 9.3.1.1.113.9 any Financial Indebtedness which the Issuer or any other Group Company incurs with the prior written approval of the Preference Share Agent;

- 9.3.1.1.114 **“Permitted Loans”** means –
- 9.3.1.1.114.1 any loan made by the Issuer in terms of the Group Documents;
- 9.3.1.1.114.2 any loan made by the Issuer prior to the first Actual Issue Date; and
- 9.3.1.1.114.3 any loan made by the Issuer with the prior approval of the Majority Holders;
- 9.3.1.1.115 **“Permitted Security Interest”** means any Security Interest –
- 9.3.1.1.115.1 created under any Finance Document or the Group Documents;
- 9.3.1.1.115.2 created over the assets of a Group Company other than a Restricted Entity or created by a Group Company other than a Restricted Entity over any new assets acquired by it on account of any Permitted Financial Indebtedness incurred by the relevant entity in which the new assets are held;
- 9.3.1.1.115.3 created with the prior written approval of the Preference Share Agent;
- 9.3.1.1.115.4 created by Tradegro (acting through its Swiss Branch, where applicable) in respect of the Financial Indebtedness contemplated in clause 9.3.1.1.115.7, provided that such Security Interest is limited to shares held by Tradegro (acting through its Swiss Branch, where applicable) in UBS AG and the cash of Tradegro contemplated in clause 9.3.1.1.115.7 on the first Actual Issue Date plus accrued interest (acting through its Swiss Branch, where applicable), and UBS AG has no recourse to any Group Company; or
- 9.3.1.1.115.5 arising pursuant to the operation of law in the normal and ordinary course of the Issuer’s or any other Group Company’s business;
- 9.3.1.1.116 **“Permitted Trade Credit”** means trade credit which –
- 9.3.1.1.116.1 is payable within 90 (ninety) days;
- 9.3.1.1.116.2 is entered into in the ordinary course of the day-to-day business of the relevant entity; and
- 9.3.1.1.116.3 is on the relevant supplier’s standard terms;
- 9.3.1.1.117 **“Portfolio”** means the portfolio of Properties owned by Relevant Group Companies from time to time, which shall, initially, be those Properties listed in Annexure “2” (Initial Portfolio);
- 9.3.1.1.118 **“Portfolio Market Value”** means, on any day, subject to clause 9.3.10.6, the market value of the Portfolio, being the lower of the value as reflected in the most recent Financial Statements of the Issuer and the Valuation in terms of clause 9.3.10.6.2;
- 9.3.1.1.119 **“Potential Trigger Event”** means the occurrence of any facts, events and/or circumstances which will become a Trigger Event if those facts, events and/or circumstances are not remedied –
- 9.3.1.1.119.1 within the applicable grace period (if any) stipulated in the A Preference Share Terms; or
- 9.3.1.1.119.2 after any notice required by the applicable A Preference Share Terms has been given and has expired;
- 9.3.1.1.120 **“Preference Dividend Cover Ratio”** means, for each Measurement Period, –
- 9.3.1.1.120.1 the aggregate EBITDA of the Relevant Group Companies (calculated on a consolidated basis, i.e. excluding any interest paid and received by Relevant Group Companies pursuant to inter-company loans) for that Measurement Period, divided by
- 9.3.1.1.120.2 the aggregate amount of the A Preference Dividends due and payable in respect of that Measurement Period;
- 9.3.1.1.121 **“Preference Share Agent”** means RMB, or such other persons may be appointed as Preference Share Agent from time to time in accordance with clause 9.3.3.36 or 9.3.3.38;
- 9.3.1.1.122 **“Preference Share Programme”** means a programme on which the Issuer has embarked, pursuant to which the Issuer could –
- 9.3.1.1.122.1 issue A Preference Shares with aggregate Subscription Prices of up to ZAR650,000,000 (six hundred and fifty million Rand); and
- 9.3.1.1.122.2 list the A Preference Shares thus issued by it on the JSE;
- 9.3.1.1.123 **“Preference Share Purpose”** means the requirement that the proceeds of the issue of the A

Preference Shares must be applied, to advance loans to Tradegro (acting through its Swiss Branch, where applicable) in terms of the Tradegro Facility Agreement and to repay any amounts due by the Issuer to RMB;

- 9.3.1.1.124 **“Preference Share to Value Ratio”** means, for each Measurement Period, the ratio between –
- 9.3.1.1.124.1 the aggregate Subscription Prices less any Capital Distributions of the Outstanding A Preference Shares on the last day of such Measurement Period, and
- 9.3.1.1.124.2 the Portfolio Market Value on the last day of the Measurement Period;
- 9.3.1.1.125 **“Properties”** means the immovable properties owned by the Group, and shall include any Replacement Property, and “Property” shall refer to any one of them, as the context may indicate;
- 9.3.1.1.126 **“Quotation Date”** means in relation to any period for which a dividend rate is to be determined, the first day of that period;
- 9.3.1.1.127 **“Rate Adjustment Clauses”** means clauses 9.3.5.14, 9.3.5.15 and 9.3.5.16 of these A Preference Share Terms;
- 9.3.1.1.128 **“Realisation Proceeds”** means proceeds, less any realisation costs, received by a Relevant Group Company from the Disposal of a Property;
- 9.3.1.1.129 **“Reference Accounts”** means, for each Measurement Period, –
- 9.3.1.1.129.1 for purposes of measuring the Loan to Value Ratio, the Debt to Equity Ratio and the Interest Cover Ratio, if that Measurement Period –
- 9.3.1.1.129.1.1 ends on the last day of a Financial Year, the Issuer’s consolidated Financial Statements for that Financial Year; or
- 9.3.1.1.129.1.2 ends on the last day of a Half Year, the Issuer’s unaudited financial statements for the first 6 (six) calendar months of the then current Financial Year and the Issuer’s Financial Statements for the previous Financial Year after the results of the first 6 (six) calendar months of the previous Financial Year have been extracted therefrom;
- 9.3.1.1.129.2 for purposes of measuring the Preference Share to Value Ratio and the Preference Dividend Cover Ratio, the Relevant Group Companies’ management accounts for the applicable Measurement Period, provided that the Portfolio Market Value used in the calculation of any Financial Covenant shall be the lower of (i) the value attributed thereto in the most recent Financial Statements of the Relevant Group Companies at the time that such value is determined and (ii) the value attributed thereto in any Valuation performed pursuant to clause 9.3.10.6, provided such Valuation was delivered not more than 12 (twelve) months prior to the applicable Measurement Date;
- 9.3.1.1.130 **“Redemption Notice”** has the meaning specified in clause 9.3.5.9.2;
- 9.3.1.1.131 **“Reference Banks”** means Absa Bank Limited, FirstRand Bank Limited, Nedbank Limited, and The Standard Bank of South Africa Limited or such other bank or banks as may from time to time be agreed in writing between the Issuer and the Preference Share Agent;
- 9.3.1.1.132 **“Reference Date”** means 1 December 2014;
- 9.3.1.1.133 **“Refinancing”** means the repayment, prepayment or replacement of the A Preference Shares (in whole) funded by way of the incurral by the Issuer or any Group Company of indebtedness from, or the issue of shares by the Issuer, any Group Company or any such other person to, any third party (and for purposes of this clause 9.3.1.1.33 Titan Group and any company which is a Subsidiary or Holding Company of Titan Group shall not be regarded as a third party), and **“Refinance”** and **“Refinanced”** shall be construed accordingly;
- 9.3.1.1.134 **“Refinance A Dividend Date”** means, in relation to the Refinance A Preference Dividend, the date contemplated in clause 9.3.5.6;
- 9.3.1.1.135 **“Refinance A Preference Dividend”** means, subject to clause 9.3.5.7, the following preference cash dividend in respect of each A Preference Share redeemed from the proceeds of a Refinancing –
- 9.3.1.1.135.1 3% (three percent) of the Subscription Price less any Capital Distribution of each A Preference Share redeemed during the period from (and including) the first Actual Issue Date to (and including) 28 February 2016;
- 9.3.1.1.135.2 2% (two percent) of the Subscription Price less any Capital Distribution of each A Preference

Share redeemed during the period from (but excluding) 1 March 2016 to (and including) 28 February 2017; and

- 9.3.1.1.135.3 0% (zero percent) of the Subscription Price of each A Preference Share redeemed thereafter;
- 9.3.1.1.136 “**Regulatory Event**” means any change in –
- 9.3.1.1.136.1 the listing requirements of the JSE;
- 9.3.1.1.136.2 the exchange control regulations of South Africa, Luxembourg, England, Scotland or Malta;
- 9.3.1.1.136.3 the SA Tax Act or any other legislation which imposes any taxation of any nature whatsoever on the Issuer, in relation to the A Preference Shares, in Malta and/or South Africa; or
- 9.3.1.1.136.4 the Maltese Companies Act (Chapter 386 of the Laws of Malta), the SA Companies Act, the English Companies Act, 2006 and any other legislation, whether Maltese, English, Luxembourgish or South African which deals with companies generally;
- 9.3.1.1.137 “**Relevant Group Company**” means each of –
- 9.3.1.1.137.1 Moorgarth Props (Lux);
- 9.3.1.1.137.2 Moorgarth Props (UK);
- 9.3.1.1.137.3 Moorgarth Investments;
- 9.3.1.1.137.4 Moorgarth Leisure;
- 9.3.1.1.137.5 St Catherines (1);
- 9.3.1.1.137.6 Nordic Lime;
- 9.3.1.1.137.7 London Office;
- 9.3.1.1.137.8 any company, corporation, partnership or entity within the Group which owns a Replacement Property from time to time,
- 9.3.1.1.137.9 Clumber Park; and
- 9.3.1.1.137.10 River Street,
- and “**Relevant Group Companies**” shall refer to all of them, as the context may indicate;
- 9.3.1.1.138 “**Relevant Group Company Charge**” means each written charge entered into from time to time between a Relevant Group Company which owns a Property and the Issuer in terms whereof the Relevant Group Company grants a charge against the Property held by such Relevant Group Company, including any Replacement Property, and assigns in security to the Issuer all its rights title and interests in and to lease agreements and insurance policies entered into from time to time by such Relevant Group Company as security for the due and proper compliance by such Relevant Group Company under the applicable Relevant Group Company Guarantee and for any other obligations which it may from time to time owe to the Issuer;
- 9.3.1.1.139 “**Relevant Group Company Guarantee**” means each written guarantee agreement entered into from time to time between each Relevant Group Company and the Issuer in terms whereof the Relevant Group Company guarantees, as a principal obligation, the due and proper compliance by Tradegro (acting through its Swiss Branch, where applicable) of its obligations to the Issuer under the Tradegro Facility Agreement;
- 9.3.1.1.140 “**Remedy**” means any remedy or right provided in or conferred by the Finance Documents (including Acceleration) or otherwise arising at law, equity or otherwise, and where the context requires, “**Remedies**” shall be construed accordingly;
- 9.3.1.1.141 “**Replacement Property**” means any new immovable property, which property shall be located in the United Kingdom (unless otherwise agreed to by the Preference Share Agent), acquired utilising the proceeds from the disposal of a Property owned by a Relevant Group Company, provided that the written approval of the Preference Share Agent shall be obtained prior to such Replacement Property being acquired if –
- 9.3.1.1.141.1 the WALE in respect of all the leases in respect of such Replacement Property is less than the shorter of (1) the WALE of the Property the disposal proceeds of which are used to acquire the Replacement Property, and (2) 5 (five) years; or

- 9.3.1.1.141.2 the Preference Dividend Cover Ratio in respect of the immediately succeeding 2 (two) Measurement Dates, calculated on the proposed date of such acquisition on a pro forma basis as if the Replacement Property has been acquired, will be less than 3 (three) times;
- 9.3.1.1.142 “**Required Levels**” means the levels in respect of the Financial Covenants which the Issuer is required to maintain, as set out in clause 9.3.8.2;
- 9.3.1.1.143 “**Resident Beneficiary**” means any Beneficiary of an A Preference Share if that Beneficiary is a “resident” (of South Africa) as defined in the SA Tax Act;
- 9.3.1.1.144 “**Restricted Entity**” means the Issuer, Tradegro and each Relevant Group Company, and “**Restricted Entities**” means all or some of them, as the context requires;
- 9.3.1.1.145 “**Return**” means the overall –
- 9.3.1.1.145.1 financial return (net of charges, costs, imposts, levies, capital adequacy or liquidity requirements in respect of which an Adjustment Event as envisaged in any Rate Adjustment Clause may apply); and
- 9.3.1.1.145.2 after-Tax return (net of all Taxes payable in respect of, or in connection with, the A Preference Shares),
- to be achieved by the relevant Holder in respect of the A Preference Shares (determined as at the Reference Date);
- 9.3.1.1.146 “**Reward**” means Reward Investments Limited, registration number 07385919, a limited liability company duly incorporated in accordance with the laws of England and Wales, and each of its Subsidiaries;
- 9.3.1.1.147 “**River Street**” means River Street Properties Ltd, registration number 05443252, a limited liability company duly incorporated in accordance with the laws of England and Wales;
- 9.3.1.1.148 “**RMB**” means FirstRand Bank Limited (acting through its Rand Merchant Bank Division), registration number 1929/001225/06, a public company duly incorporated in accordance with the laws of South Africa;
- 9.3.1.1.149 “**SA Companies Act**” means the South Africa Companies Act, No 71 of 2008, and those provisions of the South African Companies Act, No 61 of 1973 that have not been repealed;
- 9.3.1.1.150 “**SA Corporate**” means a Resident Beneficiary of an A Preference Share which is a company, and which is not subject to any special tax dispensation under the SA Tax Act, including, without limitation, any REIT, small business corporation, personal service provider, a gold mining company, a long term insurance company or a Tax holiday company;
- 9.3.1.1.151 “**SA Corporate Tax**” means the income tax levied on the taxable income of companies from time to time in terms of the SA Tax Act;
- 9.3.1.1.152 “**SA Corporate Tax Rate**” means the maximum SA Corporate Tax (expressed as a decimal) levied on SA Corporates from time to time in terms of the SA Tax Act;
- 9.3.1.1.153 “**SA Dividend Tax**” means the dividends tax imposed under Part VIII of Chapter II of the SA Tax Act;
- 9.3.1.1.154 “**SA Dividend Tax Rate**” means the rate at which the SA Dividend Tax is levied from time to time;
- 9.3.1.1.155 “**SA Tax**” refers to any Tax levied under the Applicable Laws of South Africa;
- 9.3.1.1.156 “**SA Tax Act**” means the South African Income Tax Act, No 58 of 1962;
- 9.3.1.1.157 “**Sanctioned Country**” means a country or territory which is subject to the Sanctions;
- 9.3.1.1.158 “**Sanctions**” means OFAC Sanctions or UK Sanctions, as applicable;
- 9.3.1.1.159 “**Sanctions List**” means the SDN List or UK Sanctions List, as applicable;
- 9.3.1.1.160 “**Scheduled A Dividend**” means, in respect of each A Preference Share and for each Dividend Period, the A Preference Dividend calculated in accordance with the formula contained in clause 9.3.5.3;
- 9.3.1.1.161 “**Scheduled A Redemption Date**” means the date 3 (three) years and 1 (one) day after the first day following the Actual Issue Date of the A Preference Share last issued, and the Preference Share Agent shall procure that the Issuer publishes such date on SENS as soon as practicable after such last Actual Issue Date;

- 9.3.1.1.162 “**Screen Rate**” means the mid market rate for deposits in Rand for the relevant period which appears on the Reuters Screen SAFEY Page alongside the caption “YLD” at the applicable time. If the agreed page is replaced or service ceases to be available, the Preference Share Agent may specify another page or service displaying the appropriate rate after consultation with the Issuer;
- 9.3.1.1.163 “**SDN List**” means the Specially Designated Nationals and Blocked Persons List, as published by the United States Department of the Treasury Office of Foreign Asset Control from time to time, and available on the world-wide internet at the following website - <http://www.treas.gov/offices/enforcement/ofac/sdn/index.html> or any official successor website, which identifies terrorist organisations, individual terrorists and states which sponsor terrorism that are, in each instance, restricted from doing business with the United States of America and/or American companies and/or Americans;
- 9.3.1.1.164 “**Security Interest**” means any mortgage bond, notarial bond, pledge, security cession, lien, charge, hypothecation, assignment, deposit by way of security or any other agreement or arrangement which has a similar effect (including set off and title retention);
- 9.3.1.1.165 “**SENS**” means the JSE’s service known as the “Stock Exchange News Service”;
- 9.3.1.1.166 “**Solvency and Liquidity Test**” shall have the meaning ascribed to “solvency and liquidity test” in the SA Companies Act;
- 9.3.1.1.167 “**South Africa**” means the Republic of South Africa;
- 9.3.1.1.168 “**STT**” means securities transfer tax, levied in terms of the South African Securities Transfer Tax Act, No 25 of 2007;
- 9.3.1.1.169 “**St Catherines (1)**” means St Catherines Perth (1) S.à r.l, a limited liability company (société à responsabilité limitée), with registration number B 171.952 and with a share capital of GBP12,500, duly incorporated in accordance with the laws of Luxembourg;
- 9.3.1.1.170 “**Subscriber**” means, in respect of each A Preference Share, the subscriber of such A Preference Share on the Actual Issue Date thereof;
- 9.3.1.1.171 “**Subscription Date**” means in respect of each A Preference Share the date upon which the Subscription Price in respect of that A Preference Share was paid to the Issuer;
- 9.3.1.1.172 “**Subscription Price**” means, in relation to each A Preference Share, an amount of ZAR10.00 (ten Rand), being the price obtained by the Issuer for the issue of that A Preference Share to its first Holder;
- 9.3.1.1.173 “**Subsidiary**” means a subsidiary, as defined in the SA Companies Act, and shall include any person who would, but for not being a company under the SA Companies Act, qualify as a subsidiary, as defined in the SA Companies Act;
- 9.3.1.1.174 “**Swiss Branch**” means the Swiss Finance Branch of Tradegro S.à r.l., with identification number CHE-109.980.352, and with its registered address at Bahnhofstrasse 30, 6300 Zug, Switzerland;
- 9.3.1.1.175 “**Tax**” means any tax, levy, impost, duty or other charge or withholding of a similar nature, levied in accordance with any law and includes any additional tax, penalties and/or interest levied on any such tax, levy, impost, duty or other charge or withholding;
- 9.3.1.1.176 “**Tax Adjustment Event**” means –
- 9.3.1.1.176.1 that, for any reason whatsoever, including as a result of –
- 9.3.1.1.176.1.1 the operation or application of any Applicable Laws relating to Tax (being those Applicable Laws which were applicable as at the Reference Date), the A Preference Dividends are or become subject to any SA Tax in the hands of all the Resident Beneficiaries who are SA Corporates; or
- 9.3.1.1.176.1.2 any amendment in the SA Tax Act (including the replacement of SA Tax Act with different legislation) or the introduction of any new Tax legislation which occurs after the Reference Date, the A Preference Dividends become subject to any SA Tax in the hands of all the Resident Beneficiaries who are SA Corporates;
- 9.3.1.1.176.2 a Resident Beneficiary becoming liable for any Tax as a result only of the Issuer or any of its Subsidiaries becoming or being a “controlled foreign company”, as defined in section 1 of the SA Tax Act, which decreases the Return to any such Resident Beneficiary in respect of the Outstanding A Preference Shares held by it;

- 9.3.1.1.176.3 the SA Corporate Tax Rate increases or decreases;
- 9.3.1.1.176.4 any amendment in any law of Malta (including the replacement of any such a law with different legislation) which occurs after the Reference Date, the A Preference Dividends become subject to Tax, imposed by any one of Malta in the hands of all the Resident Beneficiaries who are SA Corporates;
- and, for clarity, it is specifically recorded that no Tax Adjustment Event shall occur if –
- 9.3.1.1.176.5 any amendment envisaged in clause 9.3.1.1.176.1 or 9.3.1.1.176.4 occurs, but the effect of such amendment is to subject Resident Beneficiaries or any other Beneficiaries who are not SA Corporates to the applicable Tax; or
- 9.3.1.1.176.6 any A Preference Dividends become subject to SA Tax in the hands of a Resident Beneficiary who is a SA Corporate as a result of any act by that Resident Beneficiary who is a SA Corporate which renders the relevant A Preference Shares a “hybrid equity instrument” for purposes of section 8E of the SA Tax Act, or a “third-party backed share” for purposes of section 8EA of the SA Tax Act;
- 9.3.1.1.177 “**Titan Group**” means Titan Group Investments Proprietary Limited, registration number 1979/000777/07, a company incorporated in accordance with the laws of South Africa;
- 9.3.1.1.178 “**Titan Premier**” means Titan Premier Investments Proprietary Limited, registration number 1979/000776/07, a company incorporated in accordance with the laws of South Africa;
- 9.3.1.1.179 “**Tradegro**” means Tradegro S.à r.l., a limited liability company (société à responsabilité limitée), with registration number B 149.807, with a share capital of GBP94,927,327, duly incorporated in accordance with the laws of Luxembourg and acting, where applicable, through its duly authorised Swiss Branch;
- 9.3.1.1.180 “**Tradegro Board**” means the board of directors of Tradegro;
- 9.3.1.1.181 “**Tradegro Facility Agreement**” means the written loan facility agreement entered into on or about 8 October 2014 between the Issuer and Tradegro (acting through its Swiss Branch, where applicable) in terms whereof the Issuer makes a ZAR-denominated loan facility available to Tradegro (acting through its Swiss Branch, where applicable);
- 9.3.1.1.182 “**Tradegro Hedging Agreement**” means any master agreement, confirmation, schedule or other agreement entered into between Tradegro (acting through its Swiss Branch, where applicable) and a Hedge Counterparty for the purpose of hedging the currency risks relating to the amounts payable by Tradegro under the Tradegro Facility Agreement;
- 9.3.1.1.183 “**Tradegro Holdings**” means Tradegro Holdings Proprietary Limited, registration number 1921/006793/07, a company duly incorporated in accordance with the laws of South Africa;
- 9.3.1.1.184 “**Tradegro Loan**” means the ZAR-denominated, on-demand, interest-bearing term loan, repayable on 1 May 2018, advanced by the Issuer to Tradegro (acting through its Swiss Branch, where applicable) pursuant to the Tradegro Facility Agreement;
- 9.3.1.1.185 “**Trading Day**” means any day on which trading takes place on the JSE;
- 9.3.1.1.186 “**Treasury Transaction**” means any currency or interest purchase, cap or collar agreement, forward rate agreement, interest rate or currency future or option contract, foreign exchange or currency purchase or sale agreement, interest rate swap, currency swap or combined interest rate and currency swap agreement and any other similar agreement;
- 9.3.1.1.187 “**Trigger Event**” means any event listed in clause 9.3.12 of these A Preference Share Terms;
- 9.3.1.1.188 “**UK Acquisition and Refurbishment Requirement**” means the requirement that a minimum of 52% (fifty two percent) of the proceeds of the issue of all the A Preference Shares and loans advanced to the Issuer by RMB prior to the first Actual Issue Date must be utilised to acquire or refurbish Properties in the United Kingdom;
- 9.3.1.1.189 “**UK Sanctions**” means sanctions imposed from time to time by Her Majesty’s Treasury in the United Kingdom of Britain and Northern Ireland and/or the Bank of England;
- 9.3.1.1.190 “**UK Sanctions List**” means any of the sanction lists of Her Majesty’s Treasury in the United Kingdom of Britain and Northern Ireland, the Bank of England and/or the United Nations Security Council (each as amended, supplemented or substituted from time to time) and includes the consolidated list of financial sanctions targets published by the Bank of England;

- 9.3.1.1.191 **“United Kingdom”** means the United Kingdom of Britain and Northern Ireland;
- 9.3.1.1.192 **“Unspecified Shares”** means redeemable preference shares of no par value, having the rights, privileges, restrictions and conditions as determined by the Issuer Board upon issue thereof, but which are intended to rank in priority to the N Preference Shares and Ordinary Shares in respect of dividends and on a winding up;
- 9.3.1.1.193 **“Valuation”** means a valuation performed by an Approved Valuer;
- 9.3.1.1.194 **“Voluntary A Redemption Date”** has the meaning specified in clause 9.3.7.4.1;
- 9.3.1.1.195 **“WALE”** means weighted average lease expiry term;
- 9.3.1.1.196 **“Weighted Hedged Exchange Rate”** means, in respect of each Measurement Period, the amount weighted average Hedged Exchange Rate during that particular Measurement Period in accordance with the provisions of the Tradegro Hedging Agreement, determined in the event of a dispute between the Issuer and any Holder or if, at any time during the relevant Measurement Period no valid or enforceable Tradegro Hedging Agreement is in place, by the Preference Share Agent, acting as an expert, not as an arbitrator; and
- 9.3.1.1.197 **“ZAR”** or **“Rand”** or **“R”** means South African Rand (which is the lawful currency of the Republic of South Africa).
- 9.3.1.2 Unless inconsistent with the context or a contrary indication appears, any reference in these A Preference Share Terms to –
- 9.3.1.2.1 authority includes any court or any governmental, intergovernmental or supranational body, agency, department or any regulatory, self-regulatory or other authority;
- 9.3.1.2.2 repay (or any derivative form of that word) includes prepay (or any derivative form of that word);
- 9.3.1.2.3 a provision of law is a reference to that provision as amended or re-enacted from time to time;
- 9.3.1.2.4 a time of day shall be construed as a reference to Johannesburg time;
- 9.3.1.2.5 where any party is required to provide any consent, approval or to agree to the actions of any other party, the request for such consent, approval or agreement shall be made in writing and such consent, approval or agreement shall be in writing; and
- 9.3.1.2.6 where any party is required, entitled or obliged to provide a notice to any other party, such notice shall be in writing.
- 9.3.1.3 Clause headings are for reference purposes only.
- 9.3.1.4 If any provision in a definition is a substantive provision conferring rights or imposing obligations on any party, notwithstanding that it appears only in a definitions clause, effect shall be given to it as if it were a substantive provision of these A Preference Share Terms.
- 9.3.1.5 Unless inconsistent with the context, an expression in these A Preference Share Terms which denotes –
- 9.3.1.5.1 any one gender includes the other genders;
- 9.3.1.5.2 a natural person includes an artificial or juristic person and vice versa; and
- 9.3.1.5.3 the singular includes the plural and vice versa.
- 9.3.1.6 Where figures are referred to in numerals and in words in these A Preference Share Terms, if there is any conflict between the two, the words shall prevail.
- 9.3.1.7 Unless a contrary indication expressly appears, where any number of days is to be determined from or after a particular day, such number of days shall be determined so as to include that particular day and to exclude the last day of such period; provided that if such last day falls on a day which is not a Business Day, such last day shall be the next succeeding Business Day.
- 9.3.1.8 If the due date for performance of any obligation in terms of these A Preference Share Terms is a day which is not a Business Day then (unless otherwise stipulated) the due date for performance of the relevant obligation shall be the immediately succeeding Business Day.
- 9.3.1.9 Where any term is defined within the context of any particular clause in these A Preference Share Terms, the term so defined, unless it is clear from the clause in question that the term so defined has limited application to the relevant clause, shall bear the same meaning as ascribed to it for all purposes in terms of these A Preference Share Terms, notwithstanding that that term has not been defined in clause 9.3.1.

9.3.1.10 *The use of any expression in these A Preference Share Terms covering a process available under South African law such as winding-up, business rescue, judicial management, administration and liquidation (without limitation eiusdem generis) shall be construed as including any equivalent or analogous proceedings under the law of any other applicable jurisdiction.*

9.3.1.11 *Any reference in these A Preference Share Terms to any agreement or document shall be construed as a reference to such agreement or document, as amended, varied, novated or supplemented from time to time.*

### 9.3.2 **APPLICABILITY**

9.3.2.1 *These A Preference Share Terms shall apply to each A Preference Share which the Issuer issues as part of the Preference Share Programme, whether that Preference Share is issued as part of the initial issue under the Preference Share Programme or as part of any subsequent issue under that programme.*

9.3.2.2 *No issue of any shares of any class in the Issuer's share capital after the Actual Issue Date on which the Issuer issues any A Preference Share under the Preference Share Programme, shall in any manner detract from or vary the rights which attach to the A Preference Shares.*

9.3.2.3 *Nothing in these A Preference Share Terms shall confer on any Holder the right to participate in all or part of the benefits attaching to any share or any interest of a similar nature in any Group Company, other than the Issuer.*

### 9.3.3 **PREFERENCE SHARE AGENT**

#### **Appointment**

9.3.3.1 *Each Holder authorises the Preference Share Agent to exercise the rights, powers, authorities and discretions specifically given to the Preference Share Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.*

9.3.3.2 *The Preference Share Agent will represent the Holders in connection with the following matters (the "Agency Matters") –*

9.3.3.2.1 *the payment of any amounts (whether in respect of the A Preference Dividends or otherwise) which the Issuer has agreed to pay to any Holder under the Finance Documents (or any of them);*

9.3.3.2.2 *the granting or withholding of any consent or approval which the Issuer requires from the Holders under the Finance Documents (or any of them);*

9.3.3.2.3 *the receipt of any financial statements and/or other documents or information which, in terms of the Finance Documents (or any of them), the Issuer becomes obliged to supply the Holders;*

9.3.3.2.4 *the receipt of any notices which, in terms of the Finance Documents (or any of them), the Issuer wishes to deliver to the Holders;*

9.3.3.2.5 *the giving of any notices which, in terms of the Finance Documents (or any of them), the Holders wish to deliver to the Issuer; and*

9.3.3.2.6 *the Enforcement of their rights under the Finance Documents (or any of them).*

#### **Duties of the Preference Share Agent**

9.3.3.3 *The Preference Share Agent shall forward to a Holder the original or a copy of any document which is delivered to the Preference Share Agent for that Holder by any the Issuer as soon as reasonably practicable after having received that original or copy document, as the case may be.*

9.3.3.4 *Except where a Finance Document specifically provides otherwise, the Preference Share Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to a Holder.*

9.3.3.5 *If the Preference Share Agent receives notice from the Issuer referring to these A Preference Share Terms, describing a Trigger Event or Potential Trigger Event, and stating that the circumstance described is a Trigger Event or Potential Trigger Event, it shall promptly notify each Holder.*

9.3.3.6 *If the Preference Share Agent is, in its capacity as Preference Share Agent, aware of the non-payment of any redemption amount, dividend, or any fee payable to a Holder under these A Preference Share Terms it shall promptly notify the Holders.*

9.3.3.7 *The duties of the Preference Share Agent under the Finance Documents are solely mechanical and administrative in nature.*

**No Fiduciary Duties**

- 9.3.3.8 *Nothing in these A Preference Share Terms constitutes the Preference Share Agent as a trustee or fiduciary of any other person.*
- 9.3.3.9 *The Preference Share Agent shall not be bound to account to any Holder for any sum or the profit element of any sum received by them for their own account.*

**Dealings**

- 9.3.3.10 *The Issuer shall deal with the Preference Share Agent in connection with all the Agency Matters and the Issuer shall not deal, in respect of any Agency Matter whatsoever, with any Holder (except if such Holder has been appointed as the Preference Share Agent). Notwithstanding the provisions of this clause 9.3.3.10 the Issuer shall, however, be entitled to deal directly with any Holder if, for any reason whatsoever, the Preference Share Agent is not available to deal with the applicable matter.*
- 9.3.3.11 *The Issuer shall be entitled to assume that the Preference Share Agent has authority to represent the Holders in connection with the Agency Matters and in particular, but without limitation, the Issuer shall be entitled to assume that the Preference Share Agent has been authorised by each Holder to receive, on behalf of that Holder, any amount which becomes payable to the relevant Holder by the Issuer under the Finance Documents.*
- 9.3.3.12 *If the Holders replace any person who has been appointed as the Preference Share Agent with a different person –*
- 9.3.3.12.1 *the Holders shall give written notice of such appointment to the Issuer and the aforesaid notice shall be signed by each Holder; and*
- 9.3.3.12.2 *until such written notice has been delivered, the Issuer shall be entitled to continue dealing with the person who was the Preference Share Agent prior to such new appointment.*
- 9.3.3.13 *Any reference in these A Preference Share Terms to anything done or to be done by the Preference Share Agent (including the receipt by the Preference Share Agent of any payment, the exercise of any discretion by the Preference Share Agent and/or the giving or withholding of any consent by the Preference Share Agent) is a reference to the Preference Share Agent acting as the duly authorised agent of the Holders.*
- 9.3.3.14 *Nothing in these A Preference Share Terms shall preclude the Holders from enforcing any of their rights under the Finance Documents in their own names to the extent that such action is permitted in any Finance Document.*

**Business**

- 9.3.3.15 *The Preference Share Agent may accept deposits from, lend money to and generally engage in any kind of banking or other business with the Issuer.*

**Rights and Discretions of the Preference Share Agent**

- 9.3.3.16 *The Preference Share Agent may rely on –*
- 9.3.3.16.1 *any representation, notice or document believed by it to be genuine, correct and appropriately authorised; and*
- 9.3.3.16.2 *any statement made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.*
- 9.3.3.17 *The Preference Share Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Holders) that –*
- 9.3.3.17.1 *no Trigger Event has occurred (unless it has actual knowledge of a Trigger Event arising); and*
- 9.3.3.17.2 *any right, power, authority or discretion vested in any person has not been exercised.*
- 9.3.3.18 *The Preference Share Agent may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts.*
- 9.3.3.19 *The Preference Share Agent may act in relation to the Finance Documents through its personnel and agents.*
- 9.3.3.20 *The Preference Share Agent may disclose to any Holder any information it reasonably believes it has received as agent under these A Preference Share Terms.*

9.3.3.21 Notwithstanding any other provision of any Finance Document to the contrary, the Preference Share Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

#### **Holders' Instructions**

- 9.3.3.22 Unless a contrary indication appears in a Finance Document, the Preference Share Agent shall –
- 9.3.3.22.1 exercise any right, power, authority or discretion vested in it as Preference Share Agent in accordance with any instructions given to it by the Majority Holders (or, if so instructed by the Majority Holders, refrain from exercising any right, power, authority or discretion vested in it as Preference Share Agent); and
- 9.3.3.22.2 not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with an instruction of the Majority Holders.
- 9.3.3.23 Unless a contrary indication appears in a Finance Document, any instructions given by the Majority Holders will be binding on all the Holders.
- 9.3.3.24 The Preference Share Agent may refrain from acting in accordance with the instructions of the Majority Holders until it has received such security as it may require for any cost, loss or liability (together with any associated VAT) which it may incur in complying with the instructions.
- 9.3.3.25 In the absence of instructions from the Majority Holders, the Preference Share Agent may act (or refrain from taking action) as it considers to be in the best interest of the Holders.
- 9.3.3.26 The Preference Share Agent is not authorised to act on behalf of a Holder (without first obtaining that Holder's consent) in any legal or arbitration proceedings relating to any Finance Document, provided that this clause 9.3.3.26 shall not apply to any proceedings relating to the perfection, preservation or protection of rights under, or enforcement of, the Finance Documents.

#### **Responsibility for Documentation**

- 9.3.3.27 The Preference Share Agent –
- 9.3.3.27.1 is not responsible for the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by the Preference Share Agent, the Issuer or any other person given in or in connection with any Finance Document;
- 9.3.3.27.2 is not responsible for the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with any Finance Document; or
- 9.3.3.27.3 is not responsible for any determination as to whether any information provided or to be provided to any Holder is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

#### **Exclusion of Liability**

- 9.3.3.28 Without limiting clause 9.3.3.29, the Preference Share Agent will not be liable (including for negligence or any other category of liability whatsoever) for any action taken by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct.
- 9.3.3.29 No Holder may take any proceedings against any officer, employee or agent of the Preference Share Agent in respect of any claim it might have against the Preference Share Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document and any officer, employee or agent of the Preference Share Agent may rely on this clause.
- 9.3.3.30 The Preference Share Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Preference Share Agent if the Preference Share Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Preference Share Agent for that purpose.
- 9.3.3.31 Nothing in these A Preference Share Terms shall oblige the Preference Share Agent to carry out any "know your customer" or other checks in relation to any person on behalf of any Holder, and each Holder confirms to the Preference Share Agent that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Preference Share Agent.

#### **Holder's indemnity to the Preference Share Agent**

- 9.3.3.32 Each Holder shall (in proportion to holding of Outstanding A Preference Shares) indemnify the Preference Share Agent, within 3 (three) Business Days of demand, against, and pay to the Preference Share Agent, any cost, loss or liability incurred by the Preference Share Agent (otherwise than by reason of the Preference Share Agent's gross negligence or wilful misconduct) in acting as the Preference Share Agent under the Finance Documents (unless the Preference Share Agent has been reimbursed by the Issuer pursuant to a Finance Document).

#### **Issuer Indemnities**

- 9.3.3.33 The Issuer shall not have any claim of any nature whatsoever against the Preference Share Agent for the recovery of any losses and/or damages which it may suffer as a result of anything which the Preference Share Agent does, or omits to do, in performing its functions as the Preference Share Agent, other than as a direct result of the wilful default or gross negligence of the Preference Share Agent.
- 9.3.3.34 The Issuer hereby indemnifies the Preference Share Agent and holds the Preference Share Agent harmless against any claims which may be made against it by any third person whatsoever, arising out of anything done, or omitted to be done, by the Preference Share Agent in relation to the Agency Matters, other than as a direct result of the wilful default or gross negligence of the Preference Share Agent.
- 9.3.3.35 The Issuer shall promptly indemnify and pay to the Preference Share Agent any properly evidenced third party cost, loss or liability incurred by the Preference Share Agent as a result of –
- 9.3.3.35.1 acting in its capacity as Preference Share Agent or performing its functions as such in terms of the Finance Documents;
- 9.3.3.35.2 investigating or taking any action in connection with any event which it reasonably believes is a Potential Trigger Event or a Trigger Event;
- 9.3.3.35.3 acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised,

other than (i) the Preference Share Agent's own internal costs and/or (ii) any such costs, loss or liability incurred as a result of the wilful default or gross negligence of the Preference Share Agent.

#### **Resignation of the Preference Share Agent**

- 9.3.3.36 The Preference Share Agent may resign and appoint one of its affiliates acting through an office in South Africa as successor by giving notice to the Holders and the Issuer.
- 9.3.3.37 Alternatively, the Preference Share Agent may resign by giving 30 (thirty) days' notice to the Holders and the Issuer, in which case the Majority Holders (after consultation with the Issuer) may appoint a successor to such Preference Share Agent.
- 9.3.3.38 If the Majority Holders have not appointed a successor Preference Share Agent in accordance with clause 9.3.3.37 within 20 (twenty) days after notice of resignation was given, the retiring Preference Share Agent (after consultation with the Issuer) may appoint a successor Preference Share Agent (acting through an office in South Africa).
- 9.3.3.39 The retiring Preference Share Agent shall, at its own cost, make available to the successor Preference Share Agent such documents and records and provide such assistance as the successor Preference Share Agent may reasonably request for the purposes of performing its functions as a Preference Share Agent under the Finance Documents.
- 9.3.3.40 The Preference Share Agent's resignation notice shall only take effect upon the appointment of a successor.
- 9.3.3.41 Upon the appointment of a successor, the retiring Preference Share Agent shall be discharged from any further obligation in respect of the Finance Documents. Any successor and each of the Holders and the Issuer shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original party.
- 9.3.3.42 After consultation with the Issuer, the Majority Holders may, by notice to the Preference Share Agent require it to resign in accordance with clause 9.3.3.37. In this event, the Preference Share Agent shall resign in accordance with paragraph 9.3.3.37.

#### **Confidentiality**

- 9.3.3.43 In acting as agent for the Holders, the Preference Share Agent shall be regarded as acting through its

agency division which shall be treated as a separate entity from any other of its divisions or departments.

- 9.3.3.44 If information is received by another division or department of the Preference Share Agent, it may be treated as confidential to that division or department and the Preference Share Agent shall not be deemed to have notice of it.

**Relationship with the Holders**

- 9.3.3.45 The Preference Share Agent may treat the person shown in its records as Holder at the opening of business (in the place of the Preference Share Agent's principal office as notified to the Holder from time to time) as the Holder –

9.3.3.45.1 entitled to or liable for any payment due under any Finance Document on that day; and

9.3.3.45.2 entitled to receive and act upon any notice, request, document or communication or make any decision or determination under any Finance Document made or delivered on that day,

unless it has received not less than 5 (five) Business Days' prior notice from that Holder to the contrary in accordance with the terms of these A Preference Share Terms.

- 9.3.3.46 Any Holder may by notice to the Preference Share Agent appoint a person to receive on its behalf all notices, communications, information and documents to be made or despatched to that Holder under the Finance Documents. Such notice shall contain the address, fax number and email address.

**9.3.4 SOLVENCY AND LIQUIDITY**

- 9.3.4.1 The Issuer shall on the date on which any payment of A Preference Dividends, Capital Distributions or the A Redemption Final Payments is made by it to the Holders, deliver to the Preference Share Agent, certified copies of all resolutions of the Issuer Board or of the Shareholders of the Issuer, as the case may be, which have been passed in order to lawfully effect payment of such A Preference Dividends, Capital Distributions or A Redemption Final Payments to each such Holder in respect of the A Preference Shares held by such Holder, including all resolutions so required in terms of the provisions of section 46 of the SA Companies Act. The Issuer shall procure that subject to the provisions of the SA Companies Act, each such resolution is passed by the Issuer Board or such shareholders, as the case may be, in sufficient time to allow the payment of such A Preference Dividends, Capital Distributions or A Redemption Final Payments on the dates on which same are required to be so paid under these A Preference Share Terms.

- 9.3.4.2 Without limiting the generality of clause 9.3.4.1, on or before the payment by the Issuer of any A Preference Dividend, Capital Distribution or A Redemption Final Payments on any of the A Preference Shares, the Issuer shall apply the Solvency and Liquidity Test and, once the directors of the Issuer are reasonably satisfied that the Issuer will satisfy such Solvency and Liquidity Test immediately after paying the relevant A Preference Dividend, Capital Distribution or A Redemption Final Payments, the directors of the Issuer shall pass a resolution acknowledging that they have applied the Solvency and Liquidity Test, and have reasonably concluded that the Issuer will satisfy the Solvency and Liquidity Test immediately after paying the relevant A Preference Dividend, Capital Distribution or A Redemption Final Payments.

**9.3.5 DIVIDENDS**

**Entitlement**

- 9.3.5.1 Each Holder shall be entitled, in respect of each A Preference Share held by it to the A Preference Dividends calculated in accordance with the provisions of this clause 9.3.5.

- 9.3.5.2 The A Preference Dividends shall rank prior to the dividend rights of any other classes of shares in the Issuer's share capital (including the Ordinary Shares).

**Scheduled A Dividends**

- 9.3.5.3 For each Dividend Period and subject to clauses 9.3.5.4 of these A Preference Share Terms, each A Preference Share shall be entitled to a Scheduled A Dividend in an amount equal to the amount calculated on a Dividend Payment Date in accordance with the following formula –

$$a = (b + c) \times d \times e$$

in which formula –

a = the amount for that Dividend Payment Date;

b = the Subscription Price of that A Preference Share less any Capital Distribution in

respect of that A Preference Share;

c = the Accumulated A Dividends in respect of that A Preference Share at 17h00, Johannesburg time, on the Business Day immediately preceding the applicable Dividend Payment Date;

d = if a Trigger Event (i) has not occurred, the Dividend Rate divided by 365 (three hundred and sixty five), or (ii) has occurred, the Default Dividend Rate divided by 365 (three hundred and sixty five); and

e = the number of days during the applicable Dividend Period.

9.3.5.4 If (i) the Scheduled A Dividend for a Dividend Period is calculated in accordance with the formula contained in clause 9.3.5.3 of these A Preference Share Terms for any Dividend Period, and (ii) at the time of that calculation no Trigger Event has occurred, but (iii) a Trigger Event occurs after such calculation, the Scheduled A Dividend for the applicable Dividend Period shall be recalculated at the Default Rate with effect from the date upon with the Trigger Event occurred.

9.3.5.5 The Issuer shall (i) prior to each Dividend Payment Date, ensure that the Issuer Board considers the requirements of section 46 of the SA Companies Act, and (ii) if the Issuer Board by resolution confirms that it is satisfied that the Issuer will comply with the requirements of section 46 of the SA Companies Act, declare and pay A Preference Dividends equal to the aggregate of (i) the Scheduled A Dividend for the Dividend Period which ends on that Dividend Payment Date, and (ii) the Accumulated A Dividends as at that Dividend Payment Date.

#### **Refinance A Preference Dividend**

9.3.5.6 Subject to clause 9.3.5.7, if, pursuant to clause 9.3.7.3, the Issuer elects to voluntarily redeem the A Preference Shares with the proceeds of any Refinancing, such A Preference Shares shall have associated with them the right of the Holder registered as such on the date on which such A Preference Share is redeemed, to receive and be paid the Refinance A Preference Dividend, on the A Redemption Date (the "**Refinance A Dividend Date**") of such A Preference Share.

9.3.5.7 The Issuer shall not be required to pay a Refinance A Preference Dividend on the redemption if the Issuer Refinances the A Preference Shares –

9.3.5.7.1 in the circumstances contemplated in clause 9.3.5.9.1; or

9.3.5.7.2 as a result of the occurrence of a Regulatory Event and, as a result of such occurrence, the raising of funding by the Issuer by means of the issue of the A Preference Shares becomes more expensive for the Issuer or any of its shareholders by more than 25 (twenty five) basis points; or

9.3.5.7.3 in any instances where the approval is sought from the Majority Holders by the Issuer in accordance with the circumstances contemplated in clause 9.3.1.1.113.3 and such approval is not given.

#### **Adjustment Events**

9.3.5.8 If an Adjustment Event occurs the Preference Share Agent shall –

9.3.5.8.1 determine whether, as a result of such occurrence (i) Additional A Dividends must be paid by the Issuer in respect of the Outstanding A Preference Shares, or (ii) the Applicable Rates must be adjusted;

9.3.5.8.2 calculate the amount of the Additional A Dividends or the adjusted Applicable Rates (as the case may be); and

9.3.5.8.3 notify (the "**Gross-up Notice**") the Issuer in writing of the amount of the Additional A Dividends and/or the adjusted Applicable Rates, and the identity of and number of Outstanding A Preference Shares held by the Holders affected by the Gross-up Notice.

9.3.5.9 In circumstances where the Issuer receives a Gross-up Notice, –

9.3.5.9.1 the Issuer shall be entitled to redeem –

9.3.5.9.1.1 the A Preference Shares held by each Beneficiary (each an "**Affected Beneficiary**") requiring any Additional A Dividends or an adjustment to the Applicable Rates, provided that all the Affected Beneficiaries hold, in aggregate, less than  $\frac{1}{3}$  (one third) of the Outstanding A Preference Shares; or

9.3.5.9.1.2 all the A Preference Shares held by each Affected Beneficiaries which requires Additional A Dividends or an adjustment to the Applicable Rates by more than 25 (twenty five) basis points,

*failing which, the Issuer shall pay the Additional A Dividends or adjust the Applicable Rates;*

- 9.3.5.9.2 *the Issuer shall within 5 (five) Business Days of receipt of a Gross-up Notice, notify (the “Redemption Notice”) the Affected Beneficiary should it elect to voluntarily redeem the A Preference Shares of the Affected Beneficiary;*
- 9.3.5.9.3 *a Redemption Notice shall be revocable at the instance of the Issuer and shall not oblige the Issuer to redeem any Outstanding A Preference Share whether on the Voluntary A Redemption Date set out in that Redemption Notice or on any other date;*
- 9.3.5.9.4 *the Affected Beneficiary shall within 15 (fifteen) Business Days present its A Preference Shares for redemption by the Issuer by written notice to that effect;*
- 9.3.5.9.5 *if, pending redemption by the Issuer of the Affected Beneficiary’s A Preference Shares, the Affected Beneficiary transfers some or all of its A Preference Shares or fails to present the A Preference Shares in accordance with clause 9.3.5.9.3, the Gross-up Notice and the Redemption Notice, shall in respect of the A Preference Shares so transferred or not so presented, lapse and be of no force and effect, and the Issuer shall not be obliged (1) to pay the Additional A Dividends or adjust the Applicable Rates (as the case may be), or (2) to redeem the A Preference Shares so transferred or not presented; and*
- 9.3.5.9.6 *the Issuer shall, subject to clause 9.3.5.9.5, against presentation of the A Preference Shares by the Affected Beneficiary redeem the A Preference Shares of the Affected Beneficiary.*
- 9.3.5.10 *The Preference Agent shall procure that the Issuer publishes an announcement (an “Adjustment Notice”) on SENS which sets out (i) the details of the Adjustment Event which has occurred, and (ii) whether, as a result of such occurrence, it will pay Additional A Dividends or whether (subject to the A Preference Shares not having being redeemed in accordance with clause 9.3.5.9) the Applicable Rates will be adjusted, and (iii) the amount of the Additional A Dividends or the adjusted Applicable Rates (as the case may be).*
- 9.3.5.11 *If the Issuer becomes obliged to pay Additional A Dividends as a result of the occurrence of any Adjustment Event, the Additional A Dividends shall be calculated from the date on which the Adjustment Event occurred and the Issuer shall pay those dividends on the earlier of (i) the next Dividend Payment Date, (ii) the day 30 (thirty) days after the date on which the applicable Adjustment Event occurs or (iii) the date of redemption of the A Preference Shares in accordance with clause 9.3.5.9.1.*
- 9.3.5.12 *If the Applicable Rates must be adjusted as a result of the occurrence of an Adjustment Event that adjustment shall take effect on the first day of the Dividend Period commencing after the Dividend Period in which the Adjustment Event occurred, unless the Issuer has redeemed the A Preference Shares.*
- 9.3.5.13 *The Issuer shall, as soon as it becomes aware of any requirement to effect an adjustment as contemplated in clause 9.3.5.8, effect such adjustment in accordance with clause 9.3.5.8. Any Holder or the Preference Share Agent may, if it believes that the Issuer should effect an adjustment as contemplated in clause 9.3.5.8, deliver written notice to the Issuer to such effect, and in such notice set out the information necessary to enable the Issuer to effect the adjustment.*

#### **Tax Adjustment Events**

- 9.3.5.14 *If a Tax Adjustment Event envisaged in clause 9.3.1.1.176.1 or 9.3.1.1.176.4 occurs in relation to any A Preference Dividend which the Issuer has already paid in respect of any Outstanding A Preference Share, the Issuer shall pay, in respect of each Outstanding A Preference Share, an Additional A Dividend calculated in accordance with the following formula –*

$$a = [b \div (1 - c)] - b$$

*in which formula –*

*a = the Additional A Dividend per A Preference Share;*

*b = the amount of the Scheduled A Dividends (in respect of one A Preference Share) which has become subject to the applicable Tax; and*

*c = the rate at which the applicable Scheduled A Dividend has become subject to Tax (whether in South Africa or Malta) in the hands of the Resident Beneficiaries who are SA Corporates.*

- 9.3.5.15 *If (i) a Tax Adjustment Event envisaged in clause 9.3.1.1.176.1 or 9.3.1.1.176.4 occurs, and (ii) as a result of such occurrence any A Preference Dividends which have not yet been paid will become subject*

to Tax, each Applicable Rate shall each be increased in accordance with the following formula –

$$a = b \div (1 - c)$$

in which formula –

a = the increased Applicable Rate;

b = the Applicable Rate, prior to its adjustment in accordance with this clause 9.3.5.15; and

c = the rate at which the applicable Scheduled A Dividend has become subject to Tax (whether in South Africa, or Malta) in the hands of those of those the Resident Beneficiaries which are SA Corporates.

If (i) the Applicable Rates are increased in accordance with this clause 9.3.5.15, and after such increase the rate (the “**Adjustment Rate**”) envisaged in the definition of “b” above increases or decreases, the Applicable Rate shall, with effect from the date on which the Adjustment Rate increases or decreases, be the rate calculated in accordance with the formula contained in this clause 9.3.5.15 on the basis that (i) the value of “a” in that formula shall be the Applicable Rates immediately prior to the occurrence of the Tax Adjustment Event, and (ii) the value of “c” in that formula shall be the increased or decreased Adjustment Rate.

9.3.5.16 If a Tax Adjustment Event envisaged in clause 9.3.1.1.176.3 occurs, the Dividend Rate will be recalculated in accordance with the following formula and will be adjusted accordingly -

$$a = b \times (1 - c) / (1 - d)$$

in which formula –

a = the new Dividend Rate to be determined, expressed as a percentage;

b = the Dividend Rate applicable immediately prior to the occurrence of such Tax Adjustment Event, expressed as a percentage;

c = the new SA Corporate Tax Rate applicable pursuant to such Tax Adjustment Event, expressed as a percentage;

d = the SA Corporate Tax Rate applicable immediately prior to the occurrence of such Tax Adjustment Event, expressed as a percentage.

The new Dividend Rate calculated in accordance with this clause 9.3.5.16 shall be applied retrospectively in re-calculating any A Preference Dividends which have accrued, but which have not yet been paid at that time.

9.3.5.17 If a Tax Adjustment Event envisaged in clause 9.3.1.1.176.2 occurs, the Issuer shall declare and pay Additional A Dividends in respect of all the Outstanding A Preference Shares (i.e. those held by all Holders and not only the affected Holder) as may be necessary to compensate for the reduction in Return and to ensure that all the affected Resident Beneficiaries will receive at least the same Return, as if the relevant Tax Adjustment Event had not occurred.

#### **Increased Costs Event**

9.3.5.18 If an Increased Costs Event occurs, the Issuer shall (i) declare and pay Additional A Dividends in respect of all the Outstanding A Preference Shares (i.e. those held by all Holders and not only the affected Holder), or (ii) adjust the Applicable Rates in respect of all the Outstanding A Preference Shares, as may be necessary to compensate for the reduction in Return and to ensure that all the affected Resident Beneficiaries will receive at least the same Return, as if the relevant Increased Costs Event had not occurred.

#### **Declaration and Payment**

9.3.5.19 The Issuer shall pay –

9.3.5.19.1 the Scheduled A Dividend for each Dividend Period on the first Dividend Payment Date which occurs after that Dividend Period;

9.3.5.19.2 any Additional A Dividends which it becomes obliged to pay, by the later of (i) the next Dividend Payment Date, or (ii) the date 30 (thirty) days after the date on which the applicable Adjustment Event occurs; and

- 9.3.5.19.3 any Accumulated A Dividends which remain as at the Actual A Redemption Date on which it redeems any A Preference Share, on that Actual A Redemption Date.

**Ordinary Shares**

- 9.3.5.20 The Issuer shall not make any Distributions in respect of its Ordinary Shares except if –
- 9.3.5.20.1 it has paid, in full, the Accumulated A Dividends (if any) up to the last day of the last Dividend Period which occurs prior to the date on which the Issuer makes that Distribution; and
- 9.3.5.20.2 the Issuer complies with all the Financial Covenants immediately prior to completion of the proposed Distribution, and will continue to comply with all the Financial Covenants immediately after completion of the proposed Distribution.

**Post-Redemption Payment**

- 9.3.5.21 If the effect of an Adjustment Event only becomes apparent or the Holders only become aware of the effects of such Adjustment Event after all of the A Preference Shares have been redeemed, the Issuer shall and hereby does indemnify and hold the Holders harmless against the effect of such Adjustment Event and, accordingly, shall pay to the Holders, on demand, such amount as may be required to place the Holders in the same after-Tax position as they would have been in had the Adjustment Event not occurred. The provisions of this clause 9.3.5.21 shall survive the redemption of the A Preference Shares and shall remain enforceable against the Issuer by the Holders until the Final Discharge Date.

**9.3.6 DETERMINATION AND CHANGES TO THE CALCULATION OF JIBAR**

**Absence of Quotations**

- 9.3.6.1 Subject to clause 9.3.6.2, if JIBAR is to be determined by reference to the Reference Banks but a Reference Bank does not supply a quotation by 11h00 on the Quotation Date, JIBAR shall be determined on the basis of the quotations of the remaining Reference Banks.

**Market Disruption**

- 9.3.6.2 If a Market Disruption Event contemplated in clause 9.3.6.4.2 occurs in relation to any Dividend Period in relation to a specific Beneficiary, then JIBAR (in respect of all the Holders) shall be determined by the Preference Share Agent as the weighted average percentage rate per annum determined by the Preference Share Agent based on any rate provided by any Reference Bank to the other Beneficiaries in respect of a period similar to the Dividend Period.
- 9.3.6.3 If a Market Disruption Event contemplated in clause 9.3.6.4.1 occurs in relation to any Dividend Period, then the Preference Share Agent shall determine JIBAR based on the weighted average of each rate notified to the Preference Share Agent by each Holder as soon as practicable and in any event before dividends are due to be paid in respect of that Dividend Period, to be that which expresses as a percentage rate per annum the cost to each Beneficiary of funding their holdings of the Preference Shares from whatever source(s) that Beneficiary may reasonably select.
- 9.3.6.4 In these A Preference Share Terms “**Market Disruption Event**” means –
- 9.3.6.4.1 at or about noon on the Quotation Date for the relevant Dividend Period the Screen Rate is not available and none of the Reference Banks supplies a rate to the Issuer to determine JIBAR for the relevant Dividend Period; or
- 9.3.6.4.2 before close of business in Johannesburg on the Quotation Date, the cost to a Beneficiary of holding its A Preference Shares from whatever source(s) it may reasonably select would be in excess of JIBAR.

**Alternative Basis of JIBAR**

- 9.3.6.5 Without prejudice to the generality of clauses 9.3.6.2 and 9.3.6.3, if a Market Disruption Event occurs and the Issuer or all the Holders so require, the Issuer and Preference Share Agent (representing all the Holders) shall enter into negotiations (for a period of not more than 30 (thirty) days) with a view to agreeing a substitute basis for determining JIBAR.
- 9.3.6.6 Any alternative basis agreed pursuant to clause 9.3.6.5 shall, with the prior consent of all the Holders and the Issuer, be binding on all the Issuer and all Holders.

### 9.3.7 REDEMPTION

#### **Scheduled Redemption**

9.3.7.1 *The Issuer shall, on the Scheduled A Redemption Date, be obliged to redeem (to the extent that same have not already been redeemed) all the A Preference Shares.*

#### **Compulsory Redemption – Trigger Events**

9.3.7.2 *If a Trigger Event occurs –*

9.3.7.2.1 *the Preference Share Agent shall be entitled (but not obliged) to deliver written notice (a “**Cure Notice**”) to the Issuer in which the Preference Share Agent requires the Issuer to remedy that Trigger Event; and*

9.3.7.2.2 *if a Cure Notice is delivered and the Issuer does not remedy the applicable Trigger Event by 17h00, Johannesburg time, on the 1<sup>st</sup> (first) Business Day after receipt of the Cure Notice by it, the Issuer shall redeem all the Outstanding A Preference Shares on the next Business Day.*

#### **Voluntary Redemption**

9.3.7.3 *The Issuer shall be entitled to redeem all (and not only some of) the Outstanding A Preference Shares voluntarily at any time, unless the voluntary redemption is pursuant to the provisions of clause 9.3.5.9.*

#### **Procedure – Voluntary Redemption**

9.3.7.4 *If the Issuer wishes to redeem the Outstanding A Preference Shares voluntarily –*

9.3.7.4.1 *the Issuer shall publish, on SENS, an announcement (a “**Redemption Announcement**”) which sets out (i) the grounds on which the Issuer believes that it has become entitled to redeem the Outstanding A Preference Shares, and (ii) the date (the “**Voluntary A Redemption Date**”) on which the Issuer will redeem the Outstanding A Preference Shares, the Voluntary A Redemption Date to be a Dividend Payment Date which occurs at least 10 (ten) Business Days after the publication of the Issuer’s Redemption Announcement;*

9.3.7.4.2 *the publication of a Redemption Announcement shall be revocable at the instance of the Issuer and shall not oblige the Issuer to redeem any Outstanding A Preference Share whether on the Voluntary A Redemption Date set out in that Redemption Announcement or on any other date; and*

9.3.7.4.3 *if the Issuer publishes a Redemption Announcement and thereafter elects not to redeem the Outstanding A Preference Shares the Issuer shall (i) make an announcement to such effect on SENS by the Voluntary A Redemption Date set out in the Redemption Announcement, and (ii) not thereafter be entitled to redeem the Outstanding A Preference Shares voluntarily without again publishing a Redemption Announcement.*

#### **Capital Distributions**

9.3.7.5 *The Issuer shall, at any time, be entitled (but not obliged), to make Capital Distributions in respect of all (and not only some) of the Outstanding A Preference Shares from internally generated cash flows of the Issuer (which shall in particular, but without limitation, exclude any proceeds from any Refinance), provided that –*

9.3.7.5.1 *no Trigger Event or Potential Trigger Event is Continuing at the time, and no Trigger Event or Potential Trigger Event would arise as a result, of the making of the proposed Capital Distribution;*

9.3.7.5.2 *the Capital Distribution shall be made pro rata to each Outstanding A Preference Share;*

9.3.7.5.3 *no more than 1 (one) Capital Distribution during any consecutive 6 (six) month period shall be permitted; and*

9.3.7.5.4 *the Capital Distribution shall be not less than R1,00 (one rand) per Outstanding A Preference Shares.*

#### **Procedure – Capital Distribution**

9.3.7.6 *If the Issuer wishes to make a Capital Distribution –*

9.3.7.6.1 *the Issuer shall publish, on SENS, an announcement (a “**Capital Distribution Announcement**”) which sets out (i) the amount of the Capital Distribution per Outstanding A Preference Shares, and (ii) the date (the “**Capital Distribution Date**”) on which the Issuer will make the Capital Distribution, the Capital Distribution Date to be a Dividend Payment Date which occurs at least 10 (ten) Business Days after the publication of the Issuer’s Capital Distribution Announcement;*

- 9.3.7.6.2 *the publication of a Capital Distribution Announcement shall be revocable at the instance of the Issuer and shall not oblige the Issuer to make the Capital Distribution whether on the Capital Distribution Date set out in that Capital Distribution Announcement or on any other date; and*
- 9.3.7.6.3 *if the Issuer publishes a Capital Distribution Announcement and thereafter elects not to make the Capital Distribution the Issuer shall (i) make an announcement to such effect on SENS by the Capital Distribution Date set out in the Capital Distribution Announcement, and (ii) not thereafter be entitled to make the Capital Distribution without again publishing a Capital Distribution Announcement.*
- 9.3.7.7 *If the Issuer wishes to make a Capital Distribution in accordance with clause 9.3.7.5, the Issuer shall (i) prior to the Capital Distribution Date, ensure that the Issuer Board considers the requirements of section 46 of the SA Companies Act, and (ii) if the Issuer Board by resolution confirms that it is satisfied that the Issuer will comply with the requirements of section 46 of the SA Companies Act, make and complete the Capital Distribution.*

**A Redemption Final Payments**

- 9.3.7.8 *If the Issuer elects to redeem the Outstanding A Preference Shares voluntarily the Issuer shall, on the applicable Voluntary A Redemption Date, pay –*
- 9.3.7.8.1 *firstly, any Accumulated A Dividends in respect of that A Preference Share on its Actual A Redemption Date*
- 9.3.7.8.2 *thereafter, the Scheduled A Dividend for the Dividend Period which ends on the Actual A Redemption Date of that A Preference Share; and*
- 9.3.7.8.3 *thereafter, the Subscription Price less any Capital Distributions in respect of that A Preference Share.*

**9.3.8 FINANCIAL COVENANTS**

**Measurement**

- 9.3.8.1 *The Issuer shall, within 75 (seventy five) days of each Measurement Date, deliver to the Preference Share Agent a Compliance Certificate which sets out compliance by the Issuer with the applicable Required Levels as at the Measurement Date to which such Compliance Certificate relates. The functional currency of the Group is GBP, and, accordingly, all Financial Covenants will be measured on a GBP basis and where an amount is denominated in ZAR, such amount shall be converted to GBP at the Weighted Hedged Exchange Rate.*

**Required Levels**

- 9.3.8.2 *The Issuer shall ensure that –*
- 9.3.8.2.1 *the Debt to Equity Ratio on each Measurement Date does not exceed 60:40 (sixty to forty);*
- 9.3.8.2.2 *the Loan to Value Ratio on each Measurement Date does not exceed 60% (sixty percent);*
- 9.3.8.2.3 *the Interest Cover Ratio on each Measurement Date does not fall below 2.25 (two point two five) times;*
- 9.3.8.2.4 *the Preference Share to Value Ratio on each Measurement Date does not exceed 55% (fifty five percent); and*
- 9.3.8.2.5 *the Preference Dividend Cover Ratio on each Measurement Date does not fall below 2.75 (two point seven five) times.*

**Equity Cure**

- 9.3.8.3 *Should –*
- 9.3.8.3.1 *it be anticipated by the Issuer that any Financial Covenant will be breached in respect of any Measurement Period; or*
- 9.3.8.3.2 *any Financial Covenant is breached in respect of any Measurement Period as reflected in the Compliance Certificate,*

*the Issuer may in each instance, should it wish to avoid the occurrence of a Potential Trigger Event, or remedy a Potential Trigger Event, of the nature contemplated in clause 9.3.12.9 which has occurred, (i) restore such Financial Covenant to the Required Levels in terms of clause 9.3.8.2 by utilising Equity Cure Funding and (ii) ensure that the Equity Cure Funding so utilised is sufficient to ensure that a breach of such Financial Covenant will not occur in the next Measurement Period (an “Equity Cure”), subject to*

clause 9.3.8.4.

- 9.3.8.4 *An Equity Cure may only take place on the following terms and conditions –*
- 9.3.8.4.1 *an Equity Cure may only be effected on a date prior to the date falling 15 (fifteen) Business Days after the earlier of –*
- 9.3.8.4.1.1 *the date on which the Issuer is required to deliver the relevant Compliance Certificate; and*
- 9.3.8.4.1.2 *the date on which the Compliance Certificate is received by the Preference Share Agent;*
- 9.3.8.4.2 *no more than 2 (two) Equity Cures may be effected prior to the Interim Discharge Date;*
- 9.3.8.4.3 *no more than 1 (one) Equity Cure may be effected during any 2 (two) consecutive Measurement Periods;*
- 9.3.8.4.4 *upon effecting an Equity Cure –*
- 9.3.8.4.4.1 *the Issuer shall be obliged to deliver a certificate signed by a director of the Issuer which certificate must –*
- 9.3.8.4.4.1.1 *stipulate the reason for the breach (or anticipated breach) of the Financial Covenant to be cured pursuant to the Equity Cure;*
- 9.3.8.4.4.1.2 *be accompanied by a pro forma revised set of management accounts of the Group, the Relevant Group Companies or the New UK PropCos, as the case may be, taking into account the applicable Equity Cure Funding on the basis set out in clause 9.3.8.4.4.2, and demonstrating compliance with all Financial Covenants;*
- 9.3.8.4.4.2 *upon the Issuer implementing any Equity Cure in accordance with clause 9.3.8.3 and 9.3.8.4, the Equity Cure Funding shall be applied as if the Outstanding A Preference Shares have been reduced and redeemed (notwithstanding that the Outstanding A Preference Shares were not redeemed), and shall be applied in the recalculation of the Financial Covenants as follows –*
- 9.3.8.4.4.2.1 *the Debt to Equity Ratio shall be recalculated, on a pro forma basis, as if the Equity Cure Funding had been applied in reducing the Outstanding A Preference Shares on the Measurement Date on which the relevant Financial Covenant was breached (or was anticipated to be breached), so as to reduce the Net Debt on that Measurement Date; and/or*
- 9.3.8.4.4.2.2 *the Interest Cover Ratio shall be recalculated, on a pro forma basis, as if the Equity Cure Funding had been applied in reducing the Outstanding A Preference Shares at the beginning of the Measurement Period which ends on the Measurement Date on which the relevant Financial Covenant was breached (or was anticipated to be breached), so as to reduce the Net Finance Charges for that Measurement Period; and/or*
- 9.3.8.4.4.2.3 *the Preference Dividend Cover Ratio shall be recalculated, on a pro forma basis, as if the Equity Cure Funding had been applied in reducing the Outstanding A Preference Shares at the beginning of the Measurement Period which ends on the Measurement Date on which the relevant Financial Covenant was breached (or was anticipated to be breached), so as to reduce the Preference Dividends paid, payable, accrued or in respect of the Outstanding A Preference Shares for that Measurement Period; and/or*
- 9.3.8.4.4.2.4 *the Loan to Value Ratio and the Preference Share to Value Ratio shall be recalculated, in each instance on a pro forma basis, as if the Equity Cure Funding had been applied in reducing the Outstanding A Preference Shares at the beginning of the Measurement Period which ends on the Measurement Date on which the relevant Financial Covenant was breached (or was anticipated to be breached), so as to reduce the number of the Outstanding A Preference Shares on that Measurement Date.*
- 9.3.8.5 *If, after application of the provisions of clauses 9.3.11.24 and 9.3.8.3 of these A Preference Share Terms, the requirements of the Financial Covenants are met, there shall (be deemed to have been no breach of the Financial Covenants and any resulting Trigger Event or Potential Trigger Event shall be deemed remedied and waived for the applicable Measurement Period, provided that the Equity Cure Funding is sufficient to ensure that the requirements of clause 9.3.8 are met in respect of the Financial Covenants in respect of the immediately following Measurement Period on a forecasted basis.*
- 9.3.8.6 *Nothing in clauses 9.3.8.3 and 9.3.8.4 shall oblige the Issuer to redeem any Outstanding A Preference Shares.*

### **Publication**

- 9.3.8.7 *If clause 9.3.15 applies, the Issuer shall publish an announcement on SENS which sets out the Issuer's determination of the Financial Covenants.*

### **Form of Compliance Certificate**

- 9.3.8.8 *The Compliance Certificate shall be signed by the chief executive officer and financial director of the Issuer, and be in the form of Annexure "1" (Form of Compliance Certificate), or in such other form as may be agreed between the Issuer and the Preference Share Agent.*

## **9.3.9 WARRANTIES**

- 9.3.9.1 *In addition to any warranties given elsewhere in the Finance Documents by the Issuer to the Holders, the Issuer hereby gives the warranties contained in this clause 9.3.9 to the Holders. Each such warranty –*

- 9.3.9.1.1 *is a separate and distinct warranty;*  
9.3.9.1.2 *shall be deemed to be material except if the Issuer proves otherwise;*  
9.3.9.1.3 *has induced the Holders to subscribe for or acquire the A Preference Shares; and*  
9.3.9.1.4 *is given, except where otherwise indicated, as at each Actual Issue Date, each Dividend Payment Date, each Actual A Redemption Date, the Interim Discharge Date and each day in between until the Interim Discharge Date.*

### **Status**

- 9.3.9.2 *The Issuer and each Group Company is a company or limited liability partnership, as the case may be, duly incorporated and validly existing under the laws of its jurisdiction of incorporation.*  
9.3.9.3 *The Issuer and each Group Company have the power to own its assets and carry on its business as it is being conducted.*

### **Capacity, powers and authority**

- 9.3.9.4 *The Issuer has the legal capacity and power to conclude each Finance Document and to perform its obligations under those Finance Documents.*

### **Legal validity**

- 9.3.9.5 *As at each Actual Issue Date, the obligations of the Issuer, as contained in the Finance Documents to which it is a party, are valid, binding and enforceable against the Issuer in accordance with their respective terms and do not conflict with any Applicable Laws which are binding on the Issuer.*

### **Non-conflict with other obligations**

- 9.3.9.6 *The entry into, the performance by the Issuer of, and the transactions contemplated by the Finance Documents do not –*  
9.3.9.6.1 *conflict with the Issuer's Constitutional Documents or any other contract or document which is binding on the Issuer; or*  
9.3.9.6.2 *constitute a default or termination event (however described) under any contract or document which is binding on the Issuer.*

### **Share Capital**

- 9.3.9.7 *As at the first Business Day after the first Subscription Date –*  
9.3.9.7.1 *the Issuer will have an authorised share capital consisting of –*  
9.3.9.7.1.1 *210,000,000 (two hundred and ten million) Ordinary Shares; and*  
9.3.9.7.1.2 *89,250,000 (eighty nine million two hundred and fifty thousand) N Preference Shares;*  
9.3.9.7.1.3 *40,000,000 (forty million) Unspecified Shares;*  
9.3.9.7.1.4 *65,000,000 (sixty five million) A Preference Shares; and*  
9.3.9.7.2 *the Issuer will have an issued share capital consisting of –*  
9.3.9.7.2.1 *156,132,877 Ordinary Shares;*  
9.3.9.7.2.2 *57,391,218 N Preference Shares; and*

9.3.9.7.2.3 such number of A Preference Shares issued on the first Actual Issue Date;

**Authorisations**

9.3.9.8 All authorisations required by the Issuer in connection with the entry into, performance, validity and enforceability of, and the transactions contemplated by, the Finance Documents to which they are party have been obtained or effected (as appropriate) and are in full force and effect.

9.3.9.9 All authorisations required by the Issuer and each Material Group Company to carry on its business in the ordinary course and in all material respects as it is being conducted have been obtained or effected (as appropriate) and are in full force and effect.

**Financial statements**

9.3.9.10 The Financial Statements or reviewed consolidated financial statements for a Half Year most recently delivered to the Preference Share Agent pursuant to clause 9.3.10.1 have been prepared in accordance with the requirements of the Accounting Principles, consistently applied, except as expressly disclosed to the contrary in those financial statements or in writing to the Preference Share Agent.

**Legal proceedings**

9.3.9.11 As at the Actual Issue Date (save as disclosed in writing to the Preference Share Agent prior to the Actual Issue Date pursuant to clause 9.3.10.7.3), no litigation, arbitration, expert determination, alternative dispute resolution or administrative proceedings of or before any court, arbitral body or agency are current or, to the best of the each of the Issuer's knowledge and belief, pending or threatened against the Issuer or any Group Company, (i) the aggregate value of which litigation, arbitration, expert determination, alternative dispute resolution or administrative proceedings exceeds £25,000 (twenty five thousand Pounds Sterling), or (ii) which, if awarded against the Issuer and/or the relevant Group Company, would result or is reasonably likely to result in a Material Adverse Change.

**Payment of Taxes**

9.3.9.12 Neither the Issuer nor any Group Company is overdue in the filing of any Tax returns or filings relating to any amount of Tax, nor is it overdue in the payment of any Tax, in excess of £100,000 (one hundred thousand Pounds Sterling), save to the extent that payment of any such Tax is being contested in good faith, adequate reserves are being maintained for payment of that Tax and payment of such Tax can be lawfully withheld.

9.3.9.13 As at the Actual Issue Date, no claims or investigations by any Tax authority are being made, conducted or, to the best of the Issuer's knowledge and belief and after having made reasonable enquiries, are reasonably likely to be made or conducted against the Issuer or any Group Company.

**No default**

9.3.9.14 No Trigger Event or Potential Trigger Event is Continuing or will result from the conclusion of, or the performance of any transaction contemplated by, any Finance Document.

9.3.9.15 As at the Actual Issue Date (save as disclosed in writing to the Preference Share Agent prior to the Actual Issue Date), neither the Issuer nor any Group Company is in breach of or in default under any material agreement to which it is a party or which is binding on any of its assets, or under any of its Constitutional Documents.

**Compliance with laws**

9.3.9.16 The Issuer and each Group Company has complied with all its obligations under all Applicable Laws which are binding on it and material to the conduct of its business, to the extent to which any failure to so comply would result in any liability for any Group Company, or the Group (taken as a whole), for an aggregate value which exceeds £25,000 (twenty five thousand Pounds Sterling).

**Insolvency**

9.3.9.17 As at the Actual Issue Date, each Dividend Payment Date and each Actual A Redemption Date, none of the circumstances listed in clause 9.3.12.16 (Insolvency) or clause 9.3.12.17 (Insolvency Proceedings) of the A Preference Share Terms has occurred and is Continuing in relation to the Issuer or any Group Company.

**Information**

9.3.9.18 All information provided by or on behalf of the Issuer to any Holder in connection with the Finance Documents is true and accurate in all material respects as at the date it was provided or as at the date (if

any) at which it is stated to be given, except to the extent to which any such information is untrue and/or inaccurate as a result of any bona fide error made in the disclosure thereof and if the Issuer wishes to contend that any information disclosed by it (or on its behalf) to any Holder was untrue and/or inaccurate in a material respect due to a bona fide error, the onus of proving both that an error was committed and that it was bona fide shall be on the Issuer.

9.3.9.19 No information has been withheld by the Issuer which, if disclosed, might result in any information which has been supplied by or on behalf of the Issuer being untrue or misleading in any material respect.

9.3.9.20 Subject to the exception contained in clause 9.3.9.18 (which shall apply to this clause 9.3.9.20 with the necessary changes) any representation or statement made in any notice or other document, certificate or statement required to be delivered by the Issuer pursuant to these A Preference Share Terms and/or any other Finance Document to which it is a party, will be true and accurate in all material respects as at the date on which the relevant representation or statement is made.

#### **The A Preference Shares**

9.3.9.21 Each Preference Share will be validly issued to the relevant Subscribers thereof and, as a result of the holding of each such Preference Share, each Holder will (in respect of that A Preference Share) be entitled to the rights and privileges set out in the A Preference Share Terms.

#### **Dividends and Tax**

9.3.9.22 Each A Preference Dividend will, in respect of the full amount of such A Preference Dividend –

9.3.9.22.1 be made in compliance with section 46 of the SA Companies Act and the Issuer undertakes to comply with the requirements of section 46 of the SA Companies Act prior to paying any A Preference Dividend and undertakes to maintain appropriate records as proof of such compliance;

9.3.9.22.2 constitute a “foreign dividend” as defined in section 1 of the SA Tax Act, and a “dividend” as defined in section 64D of the SA Tax Act; and

9.3.9.22.3 be generally exempt from SA Corporate Tax in the hands of all Resident Beneficiaries who are SA Corporates; and

9.3.9.22.4 be generally subject to SA Dividends Tax, but on the basis that SA Corporates are exempt from such SA Dividends Tax.

#### **Group Companies**

9.3.9.23 The Issuer, directly or indirectly, holds 100% (one hundred percent) of the issued Equity Shares of Tradegro Holdings and Tradegro.

9.3.9.24 On the first Actual Issue Date, Tradegro (acting through its Swiss Branch, where applicable), directly or indirectly, holds 85% (eighty five percent) of the issued Equity Shares of Moorgarth Holdings.

9.3.9.25 Moorgarth Holdings, directly or indirectly, holds 100% (one hundred percent) of the issued Equity Shares of each Relevant Group Company.

#### **Group Structure Chart**

9.3.9.26 The Group Structure Chart delivered to the Preference Share Agent prior to the first Actual Issue Date is true, complete and accurate in all material respects and shows the following information –

9.3.9.26.1 each member of the Group, including current name and company registration number, its jurisdiction of incorporation and/or establishment, a list of shareholders and indicating whether a company is a dormant Subsidiary or is not a company with limited liability; and

9.3.9.26.2 all minority interests in any member of the Group and any person in which any member of the Group holds shares in its issued share capital or equivalent ownership interest of such person.

#### **Use of Proceeds**

9.3.9.27 None of the proceeds from the issue of any A Preference Shares shall be invested in South Africa or placed in deposit in a South African bank account.

#### **Sanctions**

9.3.9.28 None of the Issuer nor any Group Company –

9.3.9.28.1 is using or will use the proceeds of the issue of the A Preference Shares for the purpose of financing or making funds available, directly or indirectly, to any person or entity which is currently listed on a

*Sanctions List or located in a Sanctioned Country, to the extent such financing or provision of funds is prohibited by Sanctions or would otherwise cause any person to be in breach of Sanctions;*

- 9.3.9.28.2 *is contributing or will contribute or otherwise make available the proceeds of the issue of the A Preference Shares to any other person or entity for the purpose of financing the activities of any person or entity which is currently listed on a Sanctions List or located (or ordinarily resident) in a Sanctioned Country, to the extent such contribution or provision of proceeds is prohibited by Sanctions or would otherwise cause any person to be in breach of Sanctions; or*
- 9.3.9.28.3 *has been or is targeted under any Sanctions or has been included in any Sanctions List; or*
- 9.3.9.28.4 *has violated or is violating any applicable Sanctions.*

#### **9.3.10 INFORMATION UNDERTAKINGS**

##### **Financial Statements**

- 9.3.10.1 *Until the Interim Discharge Date the Issuer shall, in sufficient copies for all the Holders, supply to the Preference Share Agent –*
  - 9.3.10.1.1 *as soon as they are available but in any event within 120 (one hundred and twenty) days after the last day of each Financial Year which ends after the Actual Issue Date, its Financial Statements for that Financial Year; and*
  - 9.3.10.1.2 *as soon as they are available but in any event within 120 (one hundred and twenty) days after the last day of each Half Year which ends after the Actual Issue Date its reviewed semi-annual consolidated financial statements for that Half Year.*

##### **Compliance Certificate**

- 9.3.10.2 *In each Compliance Certificate delivered by the Issuer to the Preference Share Agent in terms of clause 9.3.8.1, the chief executive officer and the financial director of the Issuer (acting in his/her capacity as such) shall –*
  - 9.3.10.2.1 *certify that no Trigger Event or Potential Trigger Event has occurred; or*
  - 9.3.10.2.2 *if a Trigger Event or a Potential Trigger Event has occurred, set out the details of that event and, if the Trigger Event or Potential Trigger Event is Continuing, the steps which the Issuer has taken or proposes to take in order to remedy that event.*

##### **Requirements for Financial Statements**

- 9.3.10.3 *The Issuer shall ensure that each set of Financial Statements supplied by it under these A Preference Share Terms –*
  - 9.3.10.3.1 *consists of at least a balance sheet, a profit and loss account, a cashflow statement and a statement of changes in its equity for the financial period then ended; and*
  - 9.3.10.3.2 *is prepared in accordance with the Accounting Principles and complies with the requirements of the SA Companies Act.*
- 9.3.10.4 *Until the Interim Discharge Date the Issuer shall notify the Preference Share Agent of any material change to its accounting policies or the manner in which its Financial Statements delivered under clause 9.3.10.1 are prepared by way of an announcement on SENS.*
- 9.3.10.5 *If requested by a Holder, the Issuer shall promptly supply to that Holder –*
  - 9.3.10.5.1 *a full description of any change notified under clause 9.3.10.4 above; and*
  - 9.3.10.5.2 *sufficient information to enable the Preference Share Agent to make a proper comparison between the financial position reflected by the set of Financial Statements prepared on the changed basis and the most recent Financial Statements delivered to the Preference Share Agent under these A Preference Share Terms.*

##### **Valuations**

- 9.3.10.6 *Until the Interim Discharge Date, the Issuer shall cause to be prepared –*
  - 9.3.10.6.1 *a Valuation of each Property owned by a Relevant Group Company or each New UK PropCo in writing at least once in every 3 (three) consecutive year period; and*
  - 9.3.10.6.2 *without derogating from clause 9.3.10.6.1, upon the written request of the Preference Share Agent a*

Valuation of all or any Property/ies (or any portion thereof) owned by a Relevant Group Company and any Replacement Property, at the Issuer's cost.

**Information: Miscellaneous**

- 9.3.10.7 *Until the Interim Discharge Date, the Issuer shall supply to the Preference Share Agent –*
- 9.3.10.7.1 *copies of each Valuation contemplated in clause 9.3.10.6, any internal valuations of any one or more Properties performed by or on behalf of the Issuer as soon as practicable after they have been prepared;*
- 9.3.10.7.2 *copies of all documents despatched by it to its creditors generally, or any class of them, and its shareholders generally, or any class of them, at the same time as they are despatched;*
- 9.3.10.7.3 *promptly upon becoming aware of them, details of any litigation, arbitration, expert determination, alternative dispute resolution or administrative proceedings which are current, threatened or pending against it or any other Material Group Company, the aggregate value of which litigation, arbitration, expert determination, alternative dispute resolution or administrative proceedings exceeds £1,500,000 (one million five hundred thousand Pounds Sterling); and*
- 9.3.10.7.4 *promptly on request, such further information regarding its consolidated financial condition, business and/or operations as the Preference Share Agent may reasonably request; and*
- 9.3.10.7.5 *promptly upon the disposal of any asset or assets (whether in a single transaction or in a series of related transactions) with an aggregate value of £1,500,000 (one million five hundred thousand Pounds Sterling) or more, details of the assets disposed of and the value for which such assets were disposed of.*
- 9.3.10.8 *Until the Interim Discharge Date, the Issuer shall advise the Preference Share Agent in writing if –*
- 9.3.10.8.1 *it dismisses or replaces its auditors, such advice to be delivered to the Preference Share Agent within 10 (ten) days after the date of such dismissal or replacement; and*
- 9.3.10.8.2 *it changes the end of its Financial Year, such advice to be delivered to the Preference Share Agent within 10 (ten) days after it adopts a resolution for such change.*

**Notification of Events**

- 9.3.10.9 *Until the Interim Discharge Date, the Issuer shall notify the Preference Share Agent of the occurrence of any Trigger Event or Potential Trigger Event (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.*

**9.3.11 GENERAL UNDERTAKINGS**

**Giving of Undertakings**

- 9.3.11.1 *The Issuer hereby gives the undertakings contained in this clause 9.3.11 to each Holder. Each such undertaking –*
- 9.3.11.1.1 *is a separate and distinct undertaking;*
- 9.3.11.1.2 *is given, except where otherwise indicated, for the entire period which commences on the Actual Issue Date and ends on the Interim Discharge Date; and*
- 9.3.11.1.3 *shall not be qualified by any other undertaking contained in the Finance Documents (except if that other undertaking specifically qualifies the applicable undertaking).*

**Applicable Laws**

- 9.3.11.2 *The Issuer shall –*
- 9.3.11.2.1 *obtain all authorisations required under any Applicable Laws to enable it to perform its obligations under the Finance Documents and to ensure the legality, validity, enforceability and/or admissibility into evidence of each such Finance Document;*
- 9.3.11.2.2 *obtain, and procure that each Group Company obtains, all approvals which it may require, in terms of any Applicable Law, for the conduct of its business;*
- 9.3.11.2.3 *take, and procure that each Group Company takes, all reasonable steps to maintain, and to comply with the terms of, each authorisation envisaged in clause 9.3.11.2.1 or 9.3.11.2.2;*
- 9.3.11.2.4 *comply, and procure that each Group Company complies, with all Applicable Laws which are binding*

on it and each Group Company and material for the conduct of its and each Group Company's business.

#### **Taxation**

- 9.3.11.3 *The Issuer shall, and the Issuer shall procure that each other Group Company shall, duly and punctually pay and discharge all Taxes imposed upon it or its assets within the period allowed under the Applicable Laws, without incurring penalties, save to the extent that payment of any such Tax is being contested in good faith, adequate reserves are being maintained for payment of that Tax and payment of such Tax can be lawfully withheld*
- 9.3.11.4 *The Issuer shall be in compliance with the provisions of clause 9.3.11.3 if the failure by the Issuer or a Group Company to duly and punctually pay or discharge any Taxes is in respect of an amount of Tax of less than £100,000 (one hundred Pounds Sterling).*
- 9.3.11.5 *The Issuer shall not, and the Issuer shall procure that each other Group Company shall not, change its residence for Tax purposes without the Preference Share Agent's prior written consent.*

#### **Merger**

- 9.3.11.6 *The Issuer shall not, and the Issuer shall procure that each other Material Group Company shall not, prior to the Interim Discharge Date, enter into any amalgamation, demerger, merger or corporate reconstruction with a company other than another Group Company without the Preference Share Agent's prior written consent, provided that after the Interim Discharge Date the Preference Share Agent shall not unreasonably withhold such consent if the contingent liability of the Issuer to the Holders on account of the A Preference Shares and under these A Preference Share Terms until the Interim Discharge Date is assumed and/or retained by an entity to the satisfaction of the Preference Share Agent.*

#### **Change of Business**

- 9.3.11.7 *The Issuer shall not (and the Issuer shall procure that each other Material Group Company shall not) make any substantial change to the general nature of its business from that which it carried on as at the Actual Issue Date.*

#### **Arms' Length Basis**

- 9.3.11.8 *The Issuer shall not, and the Issuer shall procure that each other Material Group Company shall not, enter into any transaction with any person except on arms' length terms and at fair market value (save to the extent that assets are acquired by the Issuer or Material Group Company at a discount to market value).*

#### **Conduct of Business**

- 9.3.11.9 *The Issuer shall not, and the Issuer shall procure that each other Material Group Company shall not, enter into any transaction, arrangement or contract with any person other than in the ordinary course of its business.*
- 9.3.11.10 *The Issuer shall not make any loans or otherwise provide any other financial assistance to any other person other than (i) in the manner and to the extent envisaged by the Finance Documents, (ii) with the prior written consent of the Preference Share Agent, or (iii) pursuant to inter-company loans to other members of the Group in the ordinary course of business.*

#### **Negative Pledge**

- 9.3.11.11 *In clause 9.3.11.13, "Quasi-Security" means an arrangement or transaction described in clause 9.3.11.12.2.*
- 9.3.11.12 *Except as permitted under clause 9.3.11.13 –*
- 9.3.11.12.1 *the Issuer shall not create or permit to subsist any Security Interest over any of its assets; and*
- 9.3.11.12.2 *the Issuer shall not –*
- 9.3.11.12.2.1 *sell, transfer or otherwise Dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by the Issuer or any other member of the Group;*
- 9.3.11.12.2.2 *sell, transfer or otherwise Dispose of any of its receivables on recourse terms;*
- 9.3.11.12.2.3 *enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or*

9.3.11.12.2.4 enter into any other preferential arrangement having a similar effect,  
in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

9.3.11.13 Clause 9.3.11.12 does not apply to any Security Interest or (as the case may be) Quasi-Security which is a Permitted Security Interest.

**Guarantees**

9.3.11.14 Except as permitted under clause 9.3.11.15, the Issuer shall not issue, grant or give any guarantee in favour of a third party.

9.3.11.15 Clause 9.3.11.14 does not apply to any guarantee which is Permitted Guarantee.

**Access**

9.3.11.16 The Issuer shall permit the Preference Share Agent and/or its accountants or other professional advisors and/or contractors, free and reasonable access at all reasonable times and on reasonable notice, at its own risk and cost to (i) its and each Group Company's premises, assets, books, accounts and records, and (ii) meet and discuss matters with its and each Group Company's senior managers, and (iii) meet and discuss matters with its and each Group Company's auditors.

**Financial Indebtedness**

9.3.11.17 The Issuer shall not incur any Financial Indebtedness other than Permitted Indebtedness.

**Loans or credit**

9.3.11.18 Save for any Permitted Loans, the Issuer shall not be a creditor in respect of any Financial Indebtedness, or provide any financial assistance to any third party.

**Constitutional Documents**

9.3.11.19 Save pursuant to the adoption of the Issuer Creation Resolution, the Issuer shall not amend its Constitutional Documents other than with the Preference Share Agent's prior written consent.

9.3.11.20 The Issuer shall do all things necessary to maintain its corporate existence.

**Auditors**

9.3.11.21 The Issuer shall not change its auditors other than to any one of Ernst & Young, KPMG, Deloitte or PricewaterhouseCoopers.

**Exemption in relation to SA Dividends Tax**

9.3.11.22 Should the Issuer be required in terms of any Applicable Law to obtain any information, declaration or document be required from any Beneficiaries in order to satisfy the requirements of any applicable exemption in relation to SA Dividends Tax, then the Issuer shall timeously request such information, declaration or document from the Preference Share Agent by written notice, and the Holders shall (on behalf of the relevant Beneficiaries) be obliged to provide such information, declaration or document by the date determined by the Issuer.

**Distributions**

9.3.11.23 The Issuer shall not, without the Preference Share Agent's prior written consent, make any Distributions save for –

9.3.11.23.1 the A Preference Dividends;

9.3.11.23.2 Capital Distributions in respect of the A Preference Shares;

9.3.11.23.3 the redemption of the Outstanding A Preference Shares; and

9.3.11.23.4 dividends to the holders of its Ordinary Shares ("**Ordinary Dividends**"), provided that –

9.3.11.23.4.1 a Trigger Event or Potential Trigger Event has not occurred and will not occur as a result of the payment of the relevant Ordinary Dividends;

9.3.11.23.4.2 the Issuer has complied with the Financial Covenants immediately prior to the declaration of such Ordinary Dividends, and will continue to comply with the Financial Covenants after the Ordinary Dividends are paid;

- 9.3.11.23.4.3 as at the date of the declaration of the proposed Ordinary Dividend, all the A Preference Dividends and Capital Distributions which the Issuer has contracted to pay under the A Preference Share Terms up to and including such date have been paid in full.

**Equity Cure**

- 9.3.11.24 If the Issuer wishes to utilise Equity Cure Funding in the circumstances and in accordance with the provisions of clause 9.3.8.3, the Issuer shall procure that the Equity Cure Funding is immediately paid into the Issuer Account.

**Application of the Preference Share Proceeds**

- 9.3.11.25 The Issuer shall procure that –
- 9.3.11.25.1.1 by the not later than the 1st (first) Measurement Period after the issue of the last A Preference Share that the UK Acquisition and Refurbishment Requirement has been complied with; and
- 9.3.11.25.1.2 the Properties taken into account in complying with the UK Acquisition and Refurbishment Requirement shall also meet the following criteria on a weighted average basis, based on acquisition price, –
- 9.3.11.25.1.2.1 a minimum net yield (after taking into account any property specific expenses) of 4.5% (four comma five percent); and
- 9.3.11.25.1.2.2 Financial Indebtedness raised to acquire the Properties will not exceed 60% (sixty percent) of the acquisition price (on an interest only basis) of the Properties,
- unless either –
- 9.3.11.25.1.2.3 the Interest Cover Ratio in respect of the immediately 2 (two) succeeding Measurement Dates, following the last acquisition of a Property in the United Kingdom using the proceeds from the issue of the A Preference Shares, are equal to or exceed 2.5 (two point five) times; or
- 9.3.11.25.1.2.4 the written consent of the Preference Share Agent is obtained in respect of the acquisition which causes the non-compliance with 9.3.11.25.1.1 and 9.3.11.25.1.2.2 prior to such acquisition taking place.

**Loans on Demand**

- 9.3.11.26 The Issuer shall procure that any inter-company loans advanced to Restricted Entities shall be repayable on demand, and shall not be subordinated in favour of third parties.

**Group Companies**

- 9.3.11.27 The Issuer shall procure that, within 6 (six) months following the first Actual Issue Date, Tradegro (acting through its Swiss Branch, where applicable) will hold not less than 95% (ninety five percent) of the issued Equity Shares in Moorgarth Holdings, during which period Tradegro (acting through its Swiss Branch, where applicable) will acquire an additional 10% (ten percent) of the issued Equity Shares in Moorgarth Holdings it did not already own at the commencement of the Preference Share Programme.

**Preference Share Purpose**

- 9.3.11.28 The Issuer shall apply the proceeds of the issue of the A Preference Shares for the Preference Share Purpose.

**Sanctions**

- 9.3.11.29 Notwithstanding any other provision in these A Preference Share Terms, the Issuer shall not –
- 9.3.11.29.1 use the proceeds of the issue of any A Preference Shares for the purpose of financing directly or indirectly (or otherwise make available) the activities of (or otherwise making available to) any person or entity which is currently listed on any Sanctions List or in a country which is currently subject to any Sanctions, to the extent such financing would currently be prohibited by the Sanctions if conducted by a person in the United States of America or the United Kingdom; and/or
- 9.3.11.29.2 contribute or otherwise make available the proceeds of the issue of any A Preference Shares to any other person or entity if the Issuer has actual knowledge that such party intends to use such proceeds for the purpose of financing the activities of any person or entity which is currently on any Sanctions List or in a country which is subject to any Sanctions, to the extent such financing would currently be prohibited by any Sanctions if conducted by a person in the United States of America or

the United Kingdom.

- 9.3.11.29.3 *Each Holder discloses to the Issuer that it complies and will or may in future comply with international and local anti-money laundering, counter terrorist financing, financial sanctions and prohibited business activity laws, regulations, policies and requirements. Therefore, each Holder may initially screen, verify and process all the Issuer and related information and thereafter monitor all information, instructions and transactions by and on behalf of the Issuer in relation to all transactions and to the business relationship on a continuous basis.*
- 9.3.11.29.4 *The operation of the provisions of clause 9.3.11.29.3 may result in the prohibition, limitation, delay in the execution of instructions or transactions and even in the declaring or terminating of any transaction or the business relationship between the Issuer and a Holder. To the extent permitted, a Holder shall advise the Issuer of any action it intends to take in terms hereof.*
- 9.3.11.29.5 *The Issuer acknowledges and confirms that neither any Holder nor its Affiliates, employees, officers, or directors, shall be liable for any direct, indirect or consequential loss, damage, costs or expenses whatsoever that may be suffered or incurred by the Issuer or any member of the Group as a result of, arising from or relating to any such prohibition, limitation, delay, decline or termination due to the implementation of this clause 9.3.11.29.*

#### **Novation of Tradegro Hedging Agreement**

- 9.3.11.30 *The Issuer undertakes to procure that if Tradegro (acting through its Swiss Branch, where applicable) commits an event of default under the Tradegro Facility Agreement and the Issuer exercises its right under a Relevant Group Company Guarantee, the Issuer shall procure that Tradegro (acting through its Swiss Branch, where applicable) novates the relevant Tradegro Hedging Agreements to the applicable Relevant Group Company to enable the applicable Relevant Group Company to convert the GBP proceeds to ZAR in terms of the Tradegro Hedging Agreement to enable the Relevant Group Company to meet its obligations in terms of the Relevant Group Company Guarantee.*

#### **9.3.12 TRIGGER EVENTS**

- 9.3.12.1 *Each of the events or circumstances set out in this clause 9.3.12 is a Trigger Event, whether or not the occurrence of such event is within the Issuer's control.*

#### **Failure to comply with section 46 of the SA Companies Act**

- 9.3.12.2 *The Issuer fails to comply with the requirements of section 46 of the SA Companies Act in respect of the payment of any A Preference Dividend, Capital Distribution or A Redemption Final Payments and such failure is not remedied within 5 (five) Business Days of receipt of written notice from the Preference Share Agent calling upon the Issuer to remedy such failure.*

#### **Failure to pay Dividends**

- 9.3.12.3 *On any Dividend Payment Date the Issuer fails to declare and pay A Preference Dividends in the amount determined in accordance with clause 9.3.5.3 of these A Preference Share Terms for any reason whatsoever, and the Issuer fails to remedy such breach within 1 (one) Business Day of receipt of written notice from the Preference Share Agent.*

- 9.3.12.4 *No Trigger Event under clause 9.3.12.3 will occur if the failure to pay is caused by administrative or technical error and payment is made within 2 (two) Business Days of its due date.*

#### **Scheduled Redemption**

- 9.3.12.5 *The Issuer fails to redeem all the Outstanding A Preference Shares on the Scheduled A Redemption Date and/or fails to declare and pay all the A Preference Dividends in respect of all the A Preference Shares by the Scheduled A Redemption Date, and the Issuer fails to remedy such breach within 1 (one) Business Day of receipt of written notice from the Preference Share Agent.*

- 9.3.12.6 *No Trigger Event under clause 9.3.12.5 will occur if the failure to pay is caused by administrative or technical error and payment is made within 2 (two) Business Days of its due date.*

#### **Breach of Undertakings**

- 9.3.12.7 *The Issuer fails to comply with any undertaking given by it to the Holders in terms of the Finance Documents except if that non-compliance –*

9.3.12.7.1 *is capable of remedy; and*

9.3.12.7.2 *is remedied within 10 (ten) Business Days after the date on which the Preference Share Agent gives*

notice of the breach to the Issuer.

**Breach of other obligations**

- 9.3.12.8 *The Issuer fails to comply with any obligation imposed on it under any Finance Document, other than an obligation envisaged in clauses 9.3.12.3, 9.3.12.5 and 9.3.12.7 except if that non-compliance –*
- 9.3.12.8.1 *is capable of remedy; and*
- 9.3.12.8.2 *is remedied within 10 (ten) Business Days after the date on which the Preference Share Agent gives written notice of the breach to the Issuer.*

**Financial Covenants**

- 9.3.12.9 *Subject to clause 9.3.8.3, the Issuer fails to comply with any Financial Covenant.*

**Change of Control**

- 9.3.12.10 *A Change of Control occurs without the prior written consent of the Preference Share Agent.*

**Misrepresentation**

- 9.3.12.11 *Any warranty given by the Issuer to the Holders in any Finance Document is incorrect or misleading in any material respect, and the Issuer fails to remedy such breach within 5 (five) Business Day of receipt of written notice from the Preference Share Agent.*

**Cross-default**

- 9.3.12.12 *Any of the following occurs in respect of the Issuer, Tradegro Holdings or any Material Group Company –*
- 9.3.12.12.1 *any of its Financial Indebtedness is not paid when due, after the expiry of any originally applicable grace period;*
- 9.3.12.12.2 *any of its Financial Indebtedness is declared to be or otherwise becomes due and payable before its specified maturity, is placed on demand or is capable of being declared by or on behalf of a creditor to be prematurely due and payable or of being placed on demand, in each case, as a result of an event of default (howsoever described);*
- 9.3.12.12.3 *any of its creditors becomes entitled to foreclose on any security interest given to secure any of its Financial Indebtedness,*
- and the Issuer, Tradegro Holdings or such Material Group Company fails to remedy such breach within 5 (five) Business Days of receipt of written notice from the Preference Share Agent.*

**Group Companies**

- 9.3.12.13 *The Issuer ceasing to hold, directly or indirectly, 100% (one hundred percent) of the issued Equity Shares of Tradegro Holdings and Tradegro.*
- 9.3.12.14 *The Issuer, after the expiry of the 6 (six) month period contemplated in clause 9.3.9.23, ceasing to hold, directly or indirectly, 95% (ninety five percent) of the issued Equity Shares of Moorgarth Holdings.*
- 9.3.12.15 *Moorgarth Holdings ceasing to hold, directly or indirectly, 100% (one hundred percent) of the issued Equity Shares of each Relevant Group Company.*

**Insolvency**

- 9.3.12.16 *Any of the following occurs in respect of the Issuer, Tradegro Holdings or any Material Group Company –*
- 9.3.12.16.1 *it is, or is deemed for the purposes of any Applicable Law to be, insolvent or unable to pay its debts as they fall due;*
- 9.3.12.16.2 *it admits an inability to pay its debts as they fall due;*
- 9.3.12.16.3 *it suspends making payments of all or any category of its debts or announces an intention to do so;*
- 9.3.12.16.4 *by reason of actual or anticipated financial difficulties, it begins negotiations with any creditor for the rescheduling of any of its indebtedness;*
- 9.3.12.16.5 *the value of its assets is less than its liabilities (taking into account contingent and prospective liabilities); or*
- 9.3.12.16.6 *a moratorium is declared in respect of any of its indebtedness (in which event the ending of the moratorium will not remedy any Trigger Event caused by that moratorium),*

and the Issuer, Tradegro Holdings or such Material Group Company fails to remedy such breach within 1 (one) Business Day of receipt of written notice from the Preference Share Agent.

#### **Insolvency Proceedings**

- 9.3.12.17 Any of the following occurs in respect of the Issuer, Tradegro Holdings or any Material Group Company –
- 9.3.12.17.1 any step (including an application or a petition to court, proposal or convening of a meeting) is taken with a view to a moratorium or a composition or similar arrangement with any of its creditors;
- 9.3.12.17.2 the proposal of any resolution by it to commence business rescue proceedings or the taking of any step by it pursuant to which it contemplates the commencement of business rescue proceedings;
- 9.3.12.17.3 a meeting of its shareholders or directors is convened for the purpose of considering a resolution for its voluntary liquidation;
- 9.3.12.17.4 any person brings an application, or files documents with a court or any registrar, for its winding-up, judicial management, business rescue or dissolution except if such application or filing is spurious or vexatious (and if a dispute arises between any Holder and the Issuer, in relation to any question whether any such application or filing is spurious or vexatious, the onus to prove that the filing is spurious and/or vexatious shall be on the Issuer);
- 9.3.12.17.5 it is or is deemed by any authority or legislation to be financially distressed (as defined in the SA Companies Act);
- 9.3.12.17.6 an order for its winding-up, judicial management, dissolution, reorganisation (by way of a scheme of arrangement or otherwise) or business rescue is made;
- 9.3.12.17.7 any liquidator, business rescue practitioner, administrator or similar officer is appointed in respect of it or any of its assets;
- 9.3.12.17.8 its shareholders, directors or other officers request the appointment of, or give notice of their intention to appoint, a liquidator, judicial manager, business rescue practitioner or similar officer; or
- 9.3.12.17.9 any other analogous step or procedure is taken in any jurisdiction,

and the Issuer, Tradegro Holdings or such Material Group Company fails to remedy such breach within 1 (one) Business Day of receipt of written notice from the Preference Share Agent.

#### **Creditors' Process**

- 9.3.12.18 Any asset of the Issuer, Tradegro Holdings or any Material Group Company is attached under a writ of execution and the Issuer, Tradegro Holdings or such Material Group Company fails to ensure that such writ is lifted or stayed within 30 (thirty) days after the date on which it first becomes aware thereof.

#### **Cessation of Business**

- 9.3.12.19 The Issuer or a Material Group Company ceases to carry on its business in the normal and ordinary course thereof, and the Issuer or such Material Group Company fails to remedy such breach within 1 (one) Business Day of receipt of written notice from the Preference Share Agent.

#### **Unlawfulness of Finance Documents**

- 9.3.12.20 It is or becomes unlawful for the Issuer or a Group Company to perform any of its obligations under the Finance Documents, unless such unlawfulness –
- 9.3.12.20.1 is capable of remedy; and
- 9.3.12.20.2 is remedied within 5 (five) Business Days of the earlier of the Preference Share Agent giving notice of the unlawfulness to the Issuer becoming aware of the unlawfulness.

#### **Repudiation**

- 9.3.12.21 The Issuer repudiates any of the Finance Documents, and the Issuer fails to remedy such breach within 1 (one) Business Day of receipt of written notice from the Preference Share Agent.

#### **Material Adverse Change**

- 9.3.12.22 Any Material Adverse Change occurs.

#### **Financial Indebtedness**

- 9.3.12.23 Tradegro (acting through its Swiss Branch, where applicable) or any Relevant Group Company incurs

any Financial Indebtedness other than a Permitted Indebtedness.

**Guarantee**

- 9.3.12.24 *Tradegro (acting through its Swiss Branch, where applicable) or any Relevant Group Company issues, grants or gives any guarantee other than a Permitted Guarantee in favour of a third party.*

**Security Interest**

- 9.3.12.25 *Tradegro (acting through its Swiss Branch, where applicable) or any Relevant Group Company creates or permits to subsist any Security Interest other than a Permitted Security Interest over any of its assets.*

**Group Documents**

- 9.3.12.26 *The invalidity and/or unenforceability of any of the Group Documents (or any of them), or any of the obligations or duties of Tradegro or any Relevant Group Company under any Group Document to which it is a party becomes illegal, invalid or unenforceable.*

**Issuer recourse to Relevant Group Companies**

- 9.3.12.27 *The Issuer at any time does not have a legally valid and enforceable claim (in terms of a guarantee, indemnity, payment undertaking or otherwise) against each Relevant Group Company for payment, on demand in accordance with the terms of such guarantee, indemnity, payment undertaking or other obligation, of an amount at least equal to the lower of (i) the value as at the first Actual Issue Date or (ii) the market value of all the Properties owned by that Relevant Group Company, and which claim is secured by one or more legally valid and enforceable Relevant Group Company Charges against all such Properties and all the lease and insurance rights related thereto.*

**Cancellation of Relevant Group Company Charge**

- 9.3.12.28 *Any Relevant Group Company Charge is cancelled without a replacement Relevant Group Company Charge being entered into in respect of the Replacement Property.*

**Tradegro Hedging Agreement**

- 9.3.12.29 *If the Outstanding A Preference Shares are not redeemed in full on or before the date on which the Tradegro Hedging Agreement expires and/or terminates (for reasons other than an event of default (howsoever described) under the Tradegro Hedging Agreement), the Issuer fails to procure that Tradegro extends the duration of the Tradegro Hedging Agreement to a date not earlier than the date of redemption of all the Outstanding A Preference Shares.*

**Replacement Properties**

- 9.3.12.30 *Any Replacement Property is not owned by a Relevant Group Company.*

**Realisation Proceeds**

- 9.3.12.31 *The Realisation Proceeds are not (1) used to acquire a Replacement Property within 6 (six) months from receipt of such Realisation Proceeds (or such longer period as the Preference Share Agent may permit in writing), or (2) paid into the Cash Collection Account.*

**Listing Suspended**

- 9.3.12.32 *The listing of any Outstanding A Preference Shares on the JSE is suspended or terminated without the prior written consent of the Preference Share Agent, provided that such suspension or termination is not as a result of a technical error or failure by the JSE.*

**Expropriation**

- 9.3.12.33 *Any seizure, expropriation or nationalisation by or on behalf of any governmental, regulatory or other authority of the whole or the greater part of the Issuer's and/or any other Material Group Company's business and/or assets.*

**Authorisations**

- 9.3.12.34 *Any material authorisation required by the Issuer or a Material Group Company to carry on its business in the ordinary course and in all material respects as it is being conducted is revoked or cancelled by any government or regulatory authority and such authorisation is not reinstated within 5 (five) Business Days of the date upon the Issuer or a Group Company becomes aware of such revocation or termination.*

### **Audit Qualification**

- 9.3.12.35 *The Issuer's auditors qualify their report on any Financial Statements of the Issuer for any period which ends after the Actual Issue Date.*

### **9.3.13 RETURN OF CAPITAL**

- 9.3.13.1 *On the liquidation of the Issuer, each A Preference Share shall confer on its Holder a right to a return of capital in an amount equal to the aggregate of the A Redemption Final Payments of that A Preference Share calculated up to the day on which that return of capital is paid to the Holder of that A Preference Share.*
- 9.3.13.2 *The A Preference Shares' rights to a return of capital shall rank prior to the rights to a return of capital of all other classes of shares in the Issuer's share capital, including the Ordinary Shares and the N Preference Shares.*
- 9.3.13.3 *Save as envisaged in clause 9.3.13.1 of these A Preference Share Terms, the A Preference Shares shall not be entitled to participate in the Issuer's excess assets on its liquidation.*

### **9.3.14 STT INDEMNITY**

*The Issuer shall and hereby does indemnify and hold the Holder harmless against any STT and/or any other similar duty which may be or become payable by the Holder in respect of the redemption of any A Preference Shares and, accordingly, the Issuer shall pay to the Holder, on demand, such amount as may be required to place the Holder in the same after-Tax position it would have been in had such STT and/or any other similar duty not been payable.*

### **9.3.15 VOTING RIGHTS AND GENERAL MEETINGS**

- 9.3.15.1 *The Holders shall not be entitled to vote, either in person or by proxy, at any meeting of the shareholders of the Issuer, unless one or more of the following circumstances prevail at the date of the meeting –*
- 9.3.15.1.1 *any portion of the A Preference Dividends which is due and payable remains in arrear and unpaid;*
- 9.3.15.1.2 *any portion of the Capital Distributions which is due and payable remains in arrear and unpaid;*
- 9.3.15.1.3 *any portion of the A Redemption Final Payments which is due and payable remains in arrear and unpaid;*
- 9.3.15.1.4 *any other resolution of the Issuer is proposed for the winding-up or liquidation, whether provisionally or finally, of the Issuer, or the reduction of the Issuer's capital.*
- 9.3.15.2 *The Issuer shall be obliged to give the Holders notice, in terms of the SA Companies Act, of any general or adjourned general meeting of the Issuer, whether or not the Holders are entitled to vote at such meeting. At every general or adjourned general meeting at which the Holders are entitled to vote, the provisions of the Issuer's Memorandum of Incorporation relating to general or adjourned general meetings of shareholders of the Issuer shall apply, mutatis mutandis, and each A Preference Share shall, subject to the JSE's listings requirements from time to time, confer on the Holder thereof such number of votes as is equal to 24,99% (twenty four comma nine nine percent) of the total voting rights exercisable at such general meeting, divided by the number of Outstanding A Preference Shares.*

### **9.3.16 NON VARIATION**

- 9.3.16.1 *The Issuer shall not issue any shares of any class which ranks prior to the A Preference Shares either in relation to dividends or in relation to returns of capital, without the consent of all the Holders.*
- 9.3.16.2 *The Issuer shall not alter these A Preference Share Terms in any manner whatsoever, without the approval of a Majority Holders.*
- 9.3.16.3 *Any notice of a meeting of the Holders convened for purposes of clause 9.3.16.1 or 9.3.16.2 shall be published on SENS.*

### **9.3.17 PAYMENT MECHANICS**

#### **Payments to the Preference Share Agent**

- 9.3.17.1 *On each date on which the Issuer is required to make a payment under any Finance Document, the Issuer shall make the same available in ZAR for value by no later than 10h00 (Johannesburg time) on the due date and such payment shall be made in accordance with the rules of the relevant central securities depository.*

#### **Distributions by the Preference Share Agent**

- 9.3.17.2 Each payment received by the Preference Share Agent under the Finance Documents for a Holder shall, subject to clauses 9.3.17.3 and 9.3.17.4 be made available by the Preference Share Agent, in the case of any payment received by the Preference Share Agent by no later than 12h00 (Johannesburg time), on the date of receipt and, in the case of any payment received by the Preference Share Agent at or after 12h00 (Johannesburg time), on the immediately following Business Day to the Holder entitled to receive payment in accordance with these A Preference Share Terms, to such account as that Holder may notify to the Preference Share Agent by not less than 5 (five) Business Days' notice with a bank in South Africa in writing.

#### **Clawback**

- 9.3.17.3 Where a sum is to be paid to the Preference Share Agent under the Finance Documents for a Holder, the Preference Share Agent is not obliged to pay that sum to a Holder (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.
- 9.3.17.4 If the Preference Share Agent pays an amount to a Holder and it proves to be the case that the Preference Share Agent had not actually received that amount, then the Holder to whom that amount (or the proceeds of any related exchange contract) was paid by the Preference Share Agent shall on demand refund the same to the Preference Share Agent together with interest on that amount from the date of payment to the date of receipt by the Preference Share Agent, calculated by the Preference Share Agent to reflect its cost of funds.

#### **Partial Payments**

- 9.3.17.5 If the Preference Share Agent receives a payment that is insufficient to discharge all the amounts then due and payable by the Issuer under any Finance Documents (the "**Relevant Finance Documents**") the Preference Share Agent shall apply that payment as soon as reasonably practical in reduction of the payment obligations of the Issuer under the Relevant Finance Documents and on a pro rata basis to the Holders under the Relevant Finance Documents in such order of appropriation as the Preference Share Agent deems fit and has notified the Issuer.
- 9.3.17.6 Clause 9.3.17.5 will override any appropriation made by the Issuer.

#### **Deduction from Amounts Payable**

- 9.3.17.7 If any Holder owes an amount to the Preference Share Agent under the Finance Documents the Preference Share Agent may, after giving notice to that Holder, deduct an amount not exceeding that amount from any payment to that Holder which the Preference Share Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Holder shall be regarded as having received any amount so deducted.

#### **No set-off by Issuer**

- 9.3.17.8 All payments to be made by the Issuer under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

#### **Business Days**

- 9.3.17.9 Unless otherwise provided in these A Preference Share Terms, any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not). In the event that the day for performance of any obligation to be performed in terms of any Finance Document (other than a payment obligation) should fall on a day which is not a Business Day, the relevant day for performance shall be the succeeding Business Day.
- 9.3.17.10 If the due date (the "**Due Date**") of payment of any amount under the Finance Documents is Business Day in South Africa but not in Malta, the Issuer shall, notwithstanding clause 9.3.17.9, be obliged to pay such amount in the Due Date.

#### **Currency of Account**

- 9.3.17.11 Subject to clauses 9.3.17.12, ZAR is the currency of account and payment for any sum due from the Issuer under any Finance Document.
- 9.3.17.12 Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs,

expenses or Taxes are incurred.

**Disruption to Payment Systems etc.**

- 9.3.17.13 *If either a Holder determines (in its discretion) that a Disruption Event has occurred or the Preference Share Agent is notified by a Holder that a Disruption Event has occurred –*
- 9.3.17.13.1 *the Holder may, and shall if requested to do so by the Issuer, consult with the Issuer with a view to agreeing with the Issuer such changes to the operation or administration of the A Preference Shares as the Holder may deem necessary in the circumstances;*
- 9.3.17.13.2 *the Holder shall not be obliged to consult with the Issuer in relation to any changes mentioned in clause 9.3.17.13.1 if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;*
- 9.3.17.13.3 *any such changes agreed upon by the Holder and the Issuer shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Issuer as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents; and*
- 9.3.17.13.4 *no Holder shall be liable for any damages, costs or losses whatsoever arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this clause 9.3.17.13, save where such damage, cost or loss is attributable to the wilful misconduct or gross negligence of such Holder.*
- 9.3.17.14 *For purposes of clause 9.3.17.13 “Disruption Event” means either or both of –*
- 9.3.17.14.1 *a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the A Preference Shares (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Holders and the Issuer; or*
- 9.3.17.14.2 *the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payment operations of a Holder or the Issuer preventing that, or any other person –*
- 9.3.17.14.2.1 *from performing its payment obligations under the Finance Documents; or*
- 9.3.17.14.2.2 *from communicating with the Preference Share Agent, the Issuer or the Holder, as the case may be, in accordance with the terms of the Finance Documents,*
- and which (in either such case) is not caused by, or is beyond the control of, the person whose operations are disrupted.*

**9.3.18 SET-OFF**

*A Holder may set off any matured obligation due from the Issuer under the Finance Documents (to the extent beneficially owned by that Holder) against any matured obligation owed by that Holder to the Issuer, subject always to Applicable Laws.*

**9.3.19 CALCULATIONS AND CERTIFICATES**

**Accounts**

- 9.3.19.1 *In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Holder are prima facie evidence of the matters to which they relate.*

**Certificates and Determinations**

- 9.3.19.2 *Any certification or determination by a Holder of a rate or amount under any Finance Document is, in the absence of manifest error, prima facie evidence of the matters to which it relates.*

**Day Count Convention**

- 9.3.19.3 *Any interest, dividend, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 365 days (irrespective of whether the year in question is a leap year).*

### 9.3.20 NOTICES

#### **Issuer Communication to Holders**

9.3.20.1 *The issuer shall deliver any notice or make any communication to be made by it under or in connection with the Finance Documents to the Preference Share Agent.*

#### **Communications in writing and English**

9.3.20.2 *Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax or letter.*

9.3.20.3 *Any notice or other document given under or in connection with any Finance Document must be in English.*

### 9.3.21 HOLDER ARRANGEMENTS

#### 9.3.21.1 **Decision Making Procedure**

9.3.21.1.1 *Save as otherwise provided in this clause 9.3.21.1, all Decisions under the Finance Documents shall be taken by the Preference Share Agent on behalf of the Holders acting as set out in these A Preference Share Terms.*

9.3.21.1.2 *In the case of any Decision which is expressly stated to be taken by the Preference Share Agent in these A Preference Share Terms or under any other Finance Document on the instructions of (or only with the consent of) one or more Holders, the Preference Share Agent shall act on the instructions of (and only with the consent of) that or those Holders.*

9.3.21.1.3 *In the case of any Decision to be taken by any Holder under these A Preference Share Terms in relation to any indemnities or similar protection against loss afforded to that Holder, that Decision may be taken by that Holder without the consent of any other Holders.*

9.3.21.1.4 *In the case of any Decision in respect of any matter set out in clause 9.3.21.4, the Preference Share Agent shall act on the unanimous instructions of all the Holders.*

9.3.21.1.5 *Subject to the provisions of clauses 9.3.21.3 and 9.3.21.4, any Decision in respect of any proposed Amendment to or in respect of these A Preference Share Terms, may only be made with the consent of the Majority Holders.*

9.3.21.1.6 *In the case of all other Decisions, the Preference Share Agent shall (unless otherwise expressly stated in these A Preference Share Terms or any other Finance Document) act (or refrain from acting) on the instructions of the Majority Holders.*

9.3.21.1.7 *If any Decision is to be made in respect of which the Preference Share Agent is requested to, is obliged to, or wishes to, seek the instructions of the Holders, the Preference Share Agent shall as soon as reasonably possible deliver a Decision Request to each Holder whose consent or instruction is required in respect of that Decision.*

9.3.21.1.8 *Each Holder shall, by no later than the Decision Date specified in a Decision Request, provide a certificate to the Preference Share Agent –*

9.3.21.1.8.1 *setting out, as at the date of that Decision Request the Outstanding A Preference Shares held by that Holder at that time; and*

9.3.21.1.8.2 *setting out instructions to the Preference Share Agent as to the matter on which its instructions were sought.*

#### *Decisions to be Binding*

9.3.21.1.9 *Each Decision taken in accordance with the provisions of these A Preference Share Terms shall be binding on all the Holders, and each Holder shall, where relevant, implement such Decision in accordance with its obligations under the Finance Documents.*

#### *Convening Meetings*

9.3.21.1.10 *The Preference Share Agent may, at any time (and shall, if requested to do so by any Holder), convene a meeting of the Holders as soon as reasonably practicable, provided that, unless otherwise agreed by all of the Holders, or where the proposed meeting relates to a Decision to be taken in relation to a Trigger Event or Potential Trigger Event (in which case each Holder shall be entitled to not less than 12 (twelve) hours' notice), each Holder shall be entitled to not less than 3 (three) Business Days' notice of any such proposed meeting.*

*Notification of Decisions*

- 9.3.21.1.11 *The Preference Share Agent shall, within 3 (three) Business Days (unless otherwise provided for), notify each Holder which was entitled to partake in each Decision, of the applicable Decision made under these A Preference Share Terms.*
- 9.3.21.1.12 *The Preference Share Agent may implement, or instruct any Holder or other relevant person to implement, in each case on behalf of any Holder, any Decision made in accordance with these A Preference Share Terms.*

*Variations to Voting Entitlements*

- 9.3.21.1.13 *If the Preference Share Agent does not receive a certificate from any Holder (a “**Non-Voting Holder**”) specifying its vote or instructions in respect of a Decision by the close of business in South Africa on the Decision Date, the Preference Share Agent shall re-issue its request for instructions from the Holders to the Non-Voting Holder(s) (copied to each other Holder) and shall request that such Non-Voting Holder respond to such request for instructions within 1 (one) Business Day of the Decision Date (the “**Extension Period**”). In the event the Non-Voting Holder(s) fail to give their instructions within the Extension Period, then, for the purpose of calculating the aggregate voting entitlements in order to determine whether the matter in question has been approved, the Preference Share Agent shall disregard the number of Outstanding A Preference Shares of Non-Voting Holders for the purposes of determining the aggregate voting entitlements for the purpose of that Decision.*

**9.3.21.2 Exercise of Remedies and Enforcement**

*Notice of Default*

- 9.3.21.2.1 *If (in the opinion of any Holder) a Trigger Event or Potential Trigger Event has occurred which is Continuing, that Holder may deliver a notice to the Preference Share Agent which –*
- 9.3.21.2.1.1 *identifies (and gives particulars of) that Trigger Event or Potential Trigger Event; and*
- 9.3.21.2.1.2 *requests the Preference Share Agent to seek instructions as to whether –*
- 9.3.21.2.1.2.1 *Acceleration action or any other Remedies (and if so, which Remedies) should be taken or exercised in respect of that Trigger Event or Potential Trigger Event; or*
- 9.3.21.2.1.2.2 *to request redemption of the Outstanding A Preference Shares.*

*Decisions as to Enforcement*

- 9.3.21.2.2 *If a Trigger Event has occurred and is Continuing, any Decision to take Acceleration action shall be taken by the Majority Holders.*
- 9.3.21.2.3 *Should the Majority Holders Decide to take Acceleration action or to require redemption of all the Outstanding A Preference Shares, the Holders and the Preference Share Agent shall proceed in accordance with the procedure set out in clause 9.3.21.2.4.*

*Enforcement Procedure*

- 9.3.21.2.4 *If, pursuant to clause 9.3.21.2, the Majority Holders Decide to take Acceleration action or exercise any Remedies, the Preference Share Agent shall –*
- 9.3.21.2.4.1 *issue an Acceleration Notice; and/or*
- 9.3.21.2.4.2 *exercise such Remedies as it is instructed to by the Majority Holders, including (if instructed) any of the Remedies contemplated by clauses 9.3.21.2.5 and 9.3.21.2.6;*
- and the other Holders shall be bound by such action of the Preference Share Agent.*

*Exercise of Remedies*

- 9.3.21.2.5 *If so instructed in accordance with clause 9.3.21.2.1, the Preference Share Agent shall exercise any or all the Remedies as instructed by the Majority Holders, including commencing any proceedings giving rise to an insolvency event in respect of the Issuer.*
- 9.3.21.2.6 *No Holder or any person on its behalf or appointed by it (other than the Preference Share Agent acting on the instructions of the Majority Holders) hereunder shall –*
- 9.3.21.2.6.1 *discharge, sue for or enforce any obligation under the Finance Document or any part thereof owed to it by legal proceedings, attachment, set-off, execution or otherwise; or*

9.3.21.2.6.2 *institute or commence any proceedings against the Issuer giving rise to an event contemplated in clause 9.3.12.16.*

### 9.3.21.3 **Waivers**

9.3.21.3.1 *Subject to clauses 9.3.21.1.1 to 9.3.21.1.7, 9.3.21.3.3, 9.3.21.3.4 and 9.3.21.4, a Decision of the Majority Holders obtained in accordance with the procedure set out in clauses 9.3.21.1.1 to 9.3.21.1.7 shall be required for the waiver of any provision of a Finance Document.*

9.3.21.3.2 *The Preference Share Agent may affect, on behalf of any Holder, any waiver permitted by this clause 9.3.21.3.*

9.3.21.3.3 *Any waivers which the Preference Share Agent reasonably believes –*

9.3.21.3.3.1 *to be inconsequential, minor, administrative or operational; and*

9.3.21.3.3.2 *shall not have a material and adverse effect on the interests of the Holders,*

*may be Decided by the Preference Share Agent in its absolute discretion (subject to the consent therefor having been obtained from the other Holders in accordance with the terms hereof), provided that the Preference Share Agent notifies each other Holder in writing of such Decision within 10 (ten) Business Days of such Decision having been taken.*

9.3.21.3.4 *Notwithstanding the other provisions of these A Preference Share Terms, any waiver which would impose any new obligation or liability on, or change any existing obligation or liability of, any Holder may not be effected without the consent of all the Holders.*

9.3.21.3.5 *Any waiver made in accordance with the provisions of this clause 9.3.21.3 or otherwise in accordance with the provisions of these A Preference Share Terms, shall be binding on all the Holders.*

9.3.21.3.6 *The relevant Holder shall notify the Preference Share Agent as soon as practicable after the making of any waiver under these A Preference Share Terms pursuant to clause 9.3.21.3.3.*

9.3.21.3.7 *The Preference Share Agent shall promptly notify the Holders of any waiver made pursuant to this clause 9.3.21.3.*

### 9.3.21.4 **Unanimous Decisions**

9.3.21.4.1 *All Decisions in respect of the matters set out in this clause 9.3.21.4.1 require the unanimous instructions of all of the Holders. Any Decision in relation to any provision of a Finance Document which, if implemented, would –*

9.3.21.4.1.1 *give a consent in respect of “Permitted Indebtedness”, “Permitted Guarantee”, “Permitted Loan” or “Permitted Security Interest”;*

9.3.21.4.1.2 *change the scheduled date for the redemption of any A Preference Shares or payment of any dividend due by the Issuer;*

9.3.21.4.1.3 *increase or decrease any amount of any redemption amount, dividend, fees or commission payable to any Holder under any Finance Document;*

9.3.21.4.1.4 *change the method of calculation of redemption amounts, dividends, fees or commission payable to any Holder, or change the currency thereof;*

9.3.21.4.1.5 *change any existing obligation or liability or impose any new obligation or liability on any Holder towards the Issuer; or*

9.3.21.4.1.6 *change the proportion to which any Holder is entitled of any amount received or recovered in respect of its obligations under the Finance Documents.*

### 9.3.22 **GENERAL**

9.3.22.1 *Notwithstanding any provisions to the contrary in these A Preference Share Terms, but subject to clause 9.3.16, –*

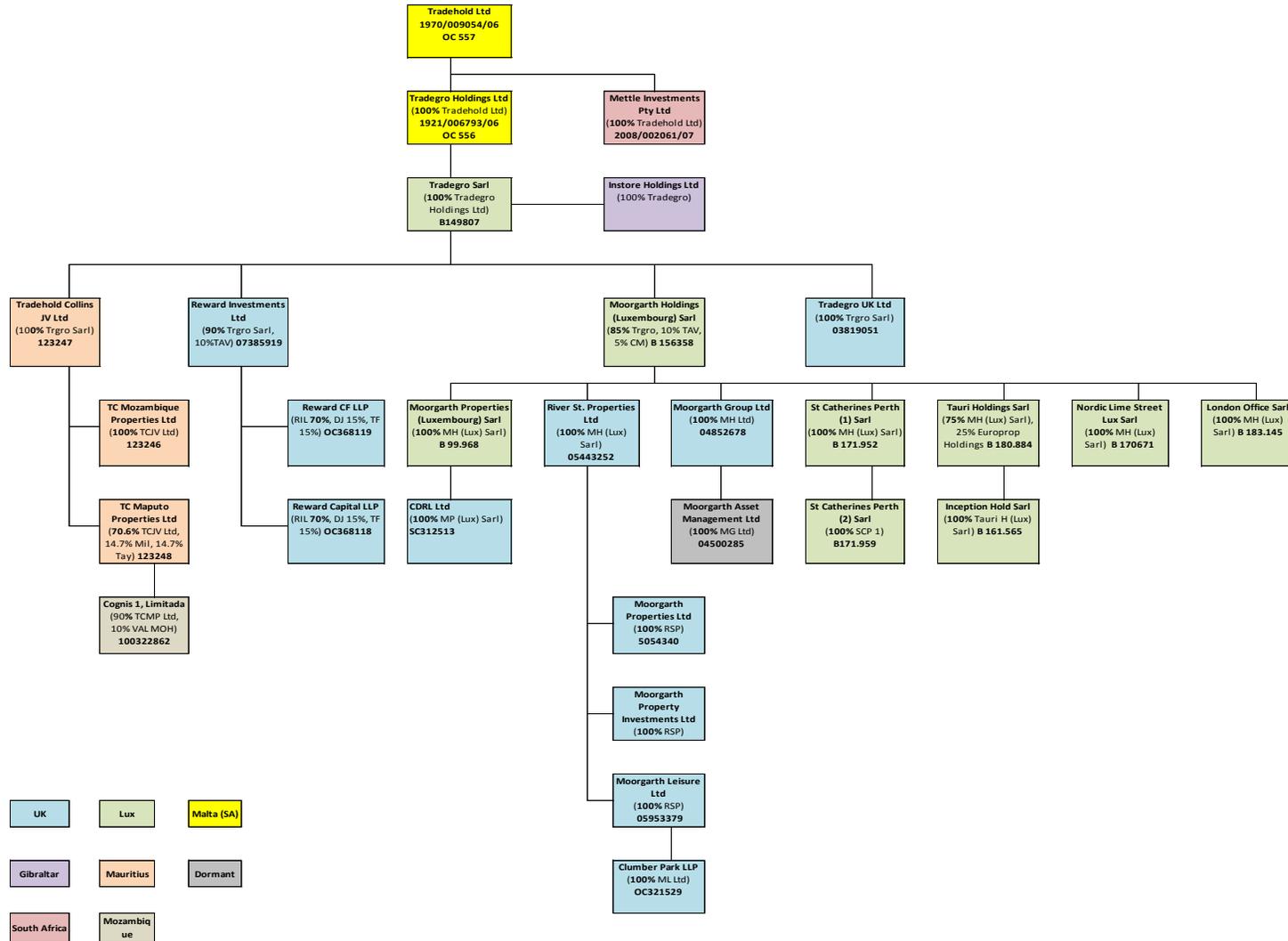
9.3.22.1.1 *the number of authorised shares of the Issuer of any class of shares may not be increased or decreased, provided that the Issuer may issue further redeemable preference shares in the share capital of the Issuer with the prior consent of the Majority Holders;*

9.3.22.1.2 *the preferences, rights, limitations and other terms of any class of other shares may not be determined; and/or*

- 9.3.22.1.3 *no shares of the Issuer ranking in any manner (including as regards rights to dividends or redemption, or on a winding-up as regards return of capital) pari passu with the A Preference Shares shall be authorised, created or issued,*
- without the prior sanction by a decision of the Majority Holders or a resolution passed by the Majority Holders at a separate class meeting of the Holders held on written notice to the Holders.*
- 9.3.22.2 *Any provision of these A Preference Share Terms which contemplates performance or observance subsequent to any termination or expiration of the Preference Share Programme or the redemption of the A Preference Shares shall survive any such termination, expiration or redemption and continue in full force and effect and shall be enforceable by the Issuer or the Holders or their successors in title or assigns.*
- 9.3.22.3 *The Issuer shall pay all and any properly evidenced costs and expenses (including legal fees) incurred by the Holders in connection with –*
- 9.3.22.3.1 *any amendment, waiver or consent requested by the Issuer under the Finance Documents;*
- 9.3.22.3.2 *any other matter which is not of an ordinary administrative nature arising out of or in connection with any Finance Document; and*
- 9.3.22.3.3 *all other costs and expenses due under the Finance Documents.*
- 9.3.22.4 *The Issuer shall pay the amount of all costs and expenses (including legal fees on an attorney and own client scale) incurred by the Preference Share Agent and/or the Holders in connection with the enforcement of, or the preservation of any rights under any Finance Documents.”*

INFORMATION ON TRADEHOLD'S SUBSIDIARIES

Group Structure:



**Material Subsidiary Details:**

Name	Registration number	Registered Office	Field of activity	Proportion capital held	Issued capital	Reserves as at 28 Feb 2014	Profit/(loss) for year ended 28 Feb 2014	Value in Tradehold's books as at 28 Feb 2014	Dividends received in last financial year	Date and place of incorporation	Date on which the company became a subsidiary of Tradehold
Tradegro Holdings Limited	OC 556 & 1921/006793/06	Level 4 Avantech Building St. Julian's Road San Gwann Malta SGN 2805	Investment holding company	100% by Tradehold Limited	R40 000	(R590 451 790)	R6 979 500	R1 041 182 000	R6 979 500	21 June 1921. Incorporated in SA, but tax resident in Malta	10-Jul-70
Mettle Investments Proprietary Limited	2008/002061/07	1st Floor, Fed Group Place, Willie van Schoor Avenue, Bellville, Cape Town, South Africa	Investment holding company for subsidiaries conducting incremental housing finance, outsourced debtor administration, invoice discounting and corporate advisory services	100% by Tradehold Limited	only acquired after 28 Feb 2014	only acquired after 28 Feb 2014	only acquired after 28 Feb 2014	only acquired after 28 Feb 2014	only acquired after 28 Feb 2014	only acquired after 28 Feb 2014	03-Mar-14
Tradegro S.à.r.l	B149807	56, rue Charles Martel L-2134 Luxembourg	Investment holding company and Swiss finance branch performing group treasury and group accounting function	100% by Tradegro Holdings Limited	£94 927 327	£8 153 159	£4 684 010	R1 061 073 082	£0	29 October 2009, Luxembourg	29-Oct-09
Instore Holdings Limited	106604	Suite 1, Burns House, 19 Town Range, Gibraltar	Dormant (previously held UK retail business Brown and Jackson)	100% Tradegro S.à.r.l	EUR12 500	£1 408 603	£152 206	£11 128	£0	21 September 2011, Gibraltar	01-Oct-08
Moorgarth Holdings (Luxembourg) S.à.r.l	B 156358	56, rue Charles Martel L-2134 Luxembourg	Investment holding company for subsidiaries conducting acquiring, refurbishment, letting and selling of property assets	95% by Tradegro S.à.r.l	£12 500	(£36 635)	(£16 428)	£10 625	£0	27 October 2010, Luxembourg	27-Oct-10

Name	Registration number	Registered Office	Field of activity	Proportion capital held	Issued capital	Reserves as at 28 Feb 2014	Profit/(loss) for year ended 28 Feb 2014	Value in Tradehold's books as at 28 Feb 2014	Dividends received in last financial year	Date and place of incorporation	Date on which the company became a subsidiary of Tradehold
Moorgarth Properties (Luxembourg) S.à.r.l	B 99.968	56, rue Charles Martel L-2134 Luxembourg	Property holding company, holds 9 UK properties Bitterne Precinct(Southampton), Bromsgrove, Felling, Middlesborough, Doncaster, Barrhead, Skelmersdale, Prestwick and Wigmore St.	100% by Moorgarth Holdings (Luxembourg) S.à.r.l	£4,859,850	(£5,492,161)	£221,512	£0	£0	17 March 2004 Luxembourg	17-Mar-04
Cairnduff Developments Rutherglen Limited	SC312513	17-19 York Place, Leeds, LS1 2EX United Kingdom	Property holding company, holds 1 UK shopping centre property Rutherglen	100% by Moorgarth Properties (Luxembourg) S.à.r.l	£10,575,771	(£9,191,217)	£510,040	£436,200	n/a	24.11.06 United Kingdom	31-May-12
River Street Properties Limited	5443252	17-19 York Place, Leeds, LS1 2EX United Kingdom	Holding company	100% by Moorgarth Properties (Luxembourg) S.à.r.l	£3,823,000	(£1,132,379)	(£100,342)	£101	n/a	4.5.05 United Kingdom	04-May-05
Moorgarth Properties Limited	5054340	17-19 York Place, Leeds, LS1 2EX	Property holding company, holds 2 UK properties Oldham and Harrogate(Southfield)	100% by River St. Properties Limited	£1	(£1,580,581)	(£205,765)	£5,000	n/a	24/02/2004 United Kingdom	24-Feb-04
Moorgarth Property Investments Limited	6545410	17-19 York Place, Leeds, LS1 2EX	Property holding company, holds 7 UK properties Ballieston, Berwick-upon-Tweed, Girvan, Irvine, Johnstone, Wilmington Grove(Leeds) and Cookridge Street(Leeds)	100% by River St. Properties Limited	£1	(£5,655,420)	(£304,809)	£5,000	n/a	26.3.08 United Kingdom	26-Mar-08
Moorgarth Leisure Limited	5953379	17-19 York Place, Leeds, LS1 2EX	Owns freehold of Clumber Park Hotel and adjoining woodland	100% by River St. Properties Limited	£1	(£219,913)	(£52,273)	£5,000	n/a	2.10.06 United Kingdom	02-Oct-06
Clumber Park Hotel LLP	OC321529	17-19 York Place, Leeds, LS1 2EX	Operation of the Clumber Park Hotel and Spa	100% by Moorgarth Leisure Limited	n/a partnership	(£1,397,863)	(£128,415)	£5,000	n/a	10.8.06 United Kingdom	21-Sep-06

Name	Registration number	Registered Office	Field of activity	Proportion capital held	Issued capital	Reserves as at 28 Feb 2014	Profit/(loss) for year ended 28 Feb 2014	Value in Tradehold's books as at 28 Feb 2014	Dividends received in last financial year	Date and place of incorporation	Date on which the company became a subsidiary of Tradehold
Moorgarth Group Limited	4852678	17-19 York Place, Leeds, LS1 2EX	Holding company of property subsidiaries	100% by Moorgarth Holdings (Luxembourg) S.à.r.l	£100	(£102,530)	£74,940	£101	n/a	31.7.03 United Kingdom	31-Jul-03
Moorgarth Asset Management Limited	4500285	17-19 York Place, Leeds, LS1 2EX	Holding company of property subsidiaries	100% by Moorgarth Group Limited	£1	£1	£0	£0	£0	31.7.02 United Kingdom	31-Jul-02
St Catherines Perth (1) S.à.r.l	B 171.952	56, rue Charles Martel L-2134 Luxembourg	Property holding company, holds 1 UK property St Catherines, Perth	100% by Moorgarth Holdings (Luxembourg) S.à.r.l	£12,500	(£506,687)	£277,435	£12,498	£0	27 September 2012, Luxembourg	01-Sep-12
St Catherines Perth (2) S.à.r.l	B171.959	56, rue Charles Martel L-2134 Luxembourg	Holding company of property subsidiaries	100% by St Catherines Perth (1) S.à.r.l	£147,900	(£9,666)	(£9,666)	£14,700	£0	27 September 2012 Luxembourg	01-Sep-12
Tauri Holdings S.à.r.l	B 180.884	56, rue Charles Martel L-2134 Luxembourg	Property holding company	75% by Moorgarth Holdings (Luxembourg) S.à.r.l	£12,500	(€ 7,270)	(£7,295)	€8,173	£0	30.10.13 Luxembourg	30-Oct-13
Inception Holdings S.à.r.l	B 161.565	56, rue Charles Martel L-2134 Luxembourg	Property holding company, holds 1 UK shopping centre property Bolton in Manchester	100% Tauri Holdings S.à.r.l	€12,500	€93,904	€98,524	£0	£0	15 June 2011 Luxembourg	15-Jun-2011 Luxembourg
Nordic Lime Street Lux Sarl	B 170671	56, rue Charles Martel L-2134 Luxembourg	Property holding company, holds 1 UK property Lime Street	100% by Moorgarth Holdings (Luxembourg) S.à.r.l	incorporated/ acquired after 28 Feb 2014	incorporated/ acquired after 28 Feb 2014	13 December 2013, Luxembourg	23-Apr-14			
London Office S.à.r.l	B 183.145	56, rue Charles Martel L-2134 Luxembourg	Property holding company, holds UK property Grays Inn Road	100% by Moorgarth Holdings (Luxembourg) S.à.r.l	incorporated/ acquired after 28 Feb 2014	incorporated/ acquired after 28 Feb 2014	21 May 2014, Luxembourg	21-May-14			
Tradegro UK Limited		17-19 York Place, Leeds, LS1 2EX	Dormant, former holding company	100% by Tradegro S.à.r.l	£2	(£17,086,625)	(£5,486)	£1	n/a	29.7.99 United Kingdom	29-Jul-99
Reward Investments Limited	07385919	17-19 York Place, Leeds, LS1 2EX	Holding company	90% by Tradegro S.à.r.l	£1	£690,000	£344,000	£10 001	£659 000	23.9.10 United Kingdom	23-Sep-10
Reward Capital LLP	OC368118	17-19 York Place, Leeds, LS1 2EX	Advances of secured short-term loans to third parties against security	70% by Reward Investments Limited	n/a partnership	£1,587,000	£2,014,000	£0	n/a	16 September 2011 United Kingdom	16-Sep-2011 United Kingdom



## CORPORATE GOVERNANCE

In compliance with the regulations of the JSE, a complete list of the King III principals and the Company's compliance therewith is summarised in the table below.

Principal refs#	Area	Principle	Status (implemented - yes/no)	Comments - evidence of implementation
1	<b>Ethical leadership and corporate citizenship</b>	1.1 The board should provide effective leadership based on an ethical foundation	yes	
2		1.2 The board should ensure that the company is and is seen to be a responsible corporate citizen	yes	
3		1.3 The board should ensure that the company's ethics are managed effectively	yes	
4	<b>Role and function of the board</b>	2.1 The board should act as the focal point for and custodian of corporate governance	yes	
5		2.2 The board should appreciate that strategy, risk, performance and sustainability are inseparable	yes	
6		2.3 The board should provide effective leadership based on an ethical foundation	yes	
7		2.4 The board should ensure that the company is and is seen to be a responsible corporate citizen	yes	
8		2.5 The board should ensure that the company's ethics are managed effectively	yes	
9		2.6 The board should ensure that the company has an effective and independent audit committee	yes	
10		2.7 The board should be responsible for the governance of risk	yes	
11		2.8 The board should be responsible for information technology (IT) governance	no	Given the size and nature of the business information technology is not crucial.
12		2.9 The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards	yes	
13		2.10 The board should ensure that there is an effective risk-based internal audit	no	The size and nature of the business does not warrant an internal audit function.
14		2.11 The board should appreciate that stakeholders'	yes	

		perceptions affect the company's reputation		
15		2.12 The board should ensure the integrity of the company's integrated report	yes	
16		2.13 The board should report on the effectiveness of the company's system of internal controls	yes	
17		2.14 The board and its directors should act in the best interests of the company	yes	
18		2.15 The board should consider business rescue proceedings or other turnaround mechanisms as soon as the company is financially distressed as defined in the Act	yes	
19		2.16 The board should elect a chairman of the board who is an independent non-executive director. The CEO of the company should not also fulfill the role of chairman of the board.	no	Tradehold has a Non-executive Chairman who the board considers the best person for the position.
20	<b>Composition of the board</b>	2.17 The board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent	yes	
21	<b>Board appointment process</b>	2.18 Directors should be appointed through a formal process	no	All the directors are part of the appointment process for new directors.
22	<b>Director development</b>	2.19 The induction of and ongoing training and development of directors should be conducted through formal processes	no	This is not considered necessary given the scope and size of the business.
23	<b>Company secretary</b>	2.20 The board should be assisted by a competent, suitably qualified and experienced company secretary	yes	
24	<b>Performance assessment</b>	2.21 The evaluation of the board, its committees and the individual directors should be performed every year	yes	
25	<b>Board committees</b>	2.22 The board should delegate certain functions to well-structured committees but without abdicating its own responsibilities	yes	
26	<b>Group boards</b>	2.23 A governance framework should be agreed between the group and its subsidiary boards	yes	
27	<b>Remuneration of directors and senior</b>	2.24 Companies should remunerate directors and	yes	

	<b>executives</b>	executives fairly and responsibly		
28		2.25 Companies should disclose the remuneration of each individual director and certain senior executives	yes	
29		2.26 Shareholders should approve the company's remuneration policy	yes	
30	<b>Audit committees</b>	3.1 The board should ensure that the company has an effective and independent audit committee	yes	
31	<b>Membership and resources of the audit committee</b>	3.2 Audit committee members should be suitably skilled and experienced independent non-executive directors	yes	
32		3.3 The audit committee should be chaired by an independent non-executive director	yes	
33	<b>Responsibilities of the audit committee</b>	3.4 The audit committee should oversee integrated reporting	yes	
34	<b>Assisted by an ad hoc Committee of the Board</b>	3.5 The audit committee should ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities	yes	
35	<b>Internal assurance providers</b>	3.6 The audit committee should satisfy itself of the expertise, resources and experience of the company's finance function	yes	
36		3.7 The audit committee should be responsible for overseeing of internal audit	no	The size of the business does not warrant a separate internal audit function.
37		3.8 The audit committee should be an integral component of the risk management process	yes	
38	<b>External assurance providers</b>	3.9 The audit committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process	yes	
39	<b>Reporting</b>	3.10 The audit committee should report to the board and shareholders on how it has discharged its duties	yes	
40	<b>The governance of risk</b>	4.1 The board should be responsible for the governance of risk	yes	
41		4.2 The board should determine the levels of risk tolerance	yes	
42	<b>Assisted by a Committee of the Board</b>	4.3 The risk committee or audit committee should assist the board in carrying out its	yes	

		risk responsibilities		
43	<b>Management's responsibility for risk</b>	4.4 The board should delegate to management the responsibility to design, implement and monitor the risk management plan	yes	
44	<b>Risk assessment</b>	4.5 The board should ensure that risk assessments are performed on a continual basis	yes	
45		4.6 The board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks	yes	
46	<b>Risk response</b>	4.7 The board should ensure that management considers and implements appropriate risk responses	yes	
47	<b>Risk monitoring</b>	4.8 The board should ensure continual risk monitoring by management	yes	
48	<b>Risk assurance</b>	4.9 The board should receive assurance regarding the effectiveness of the risk management process	yes	
49	<b>Risk disclosure</b>	4.10 The board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders	yes	
50	<b>The governance of information technology</b>	5.1 The board should be responsible for information technology (IT) governance	no	Given the scope of the business information technology does not play an important role.
51		5.2 IT should be aligned with the performance and sustainability objectives of the company	no	see comment under 5.1
52		5.3 The board should delegate to management the responsibility for the implementation of an IT governance framework	no	see comment under 5.1
53		5.4 The board should monitor and evaluate significant IT investments and expenditure	no	see comment under 5.1
54		5.5 IT should form an integral part of the company's risk management	no	see comment under 5.1
55		5.6 The board should ensure that information assets are managed effectively	no	see comment under 5.1
56		5.7 A risk committee and audit committee should assist the board in carrying out its IT responsibilities	no	see comment under 5.1
57	<b>Compliance with laws, rules, codes</b>	6.1 The board should ensure that the company complies	yes	

	<b>and standards</b>	with applicable laws and considers adherence to nonbinding rules codes and standards		
58	<b>Assisted by a management Committee</b>	6.2 The board and each individual director should have a working understanding of the effect of the applicable laws, rules, codes and standards on the company and its business	yes	
59		6.3 Compliance risk should form an integral part of the company's risk management process	yes	
60		6.4 The board should delegate to management the implementation of an effective compliance framework and processes	yes	
61	<b>The need for and role of internal audit</b>	7.1 The board should ensure that there is an effective risk based internal audit	no	The size and scope of the business does not warrant a separate internal audit function.
62	<b>Internal audit's approach and plan</b>	7.2 Internal audit should follow a risk based approach to its plan	no	see comment under 7.1
63		7.3 Internal audit should provide a written assessment of the effectiveness of the company's system of internal controls and risk management	no	see comment under 7.1
64		7.4 The audit committee should be responsible for overseeing internal audit	no	see comment under 7.1
65	<b>Internal audit's status in the company</b>	7.5 Internal audit should be strategically positioned to achieve its objectives	no	see comment under 7.1
66	<b>Governing stakeholder relationships</b>	8.1 The board should appreciate that stakeholders' perceptions affect a company's reputation	yes	
67		8.2 The board should delegate to management to proactively deal with stakeholder relationships	yes	
68		8.3 The board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the company	yes	
69		8.4 Companies should ensure the equitable treatment of shareholders	yes	
70		8.5 Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence	yes	
71	<b>Dispute resolution</b>	8.6 The board should ensure that disputes are resolved as	yes	

		effectively, efficiently and expeditiously as possible		
72	<b>Integrated reporting and disclosure , Transparency and accountability</b>	9.1 The board should ensure the integrity of the company's integrated report	yes	
73	<b>Assisted by an ad hoc Committee of the Board</b>	9.2 Sustainability reporting and disclosure should be integrated with the company's financial reporting	no	The company is in the process of considering an overall sustainability strategy, and will in due course report on this matter as it becomes appropriate.
74		9.3 Sustainability reporting and disclosure should be independently assured	no	Not applicable, as the company does not currently have a sustainability report.

## VALUATION OF PROPERTY PORTFOLIO

Address	Actual Cost	Value 31 August 2014
<b>Moorgarth Property Investments Limited</b>		
1 Main Street, Baillieston	£237,000	£395,000
2 Berwick-Upon-Tweed	£310,000	£310,000
3 Dalrympal Street, Girvan	£281,000	£400,000
4 High Street, Irvine	£300,000	£290,000
5 High Street, Johnstone	£335,000	£600,000
6 Wilmingtone Grove, Leeds	£3,470,000	£1,150,000
7 Broderick Buildings, Cookridge Street, Leeds	£2,752,000	£1,800,000
Company Total	£7,685,000	£4,945,000
<b>Moorgarth Properties Limited</b>		
8 Constantine Street, Oldham	£1,552,000	£1,650,000
9 Southfield, Harrogate	£1,830,000	£1,100,000
Company Total	£3,382,000	£2,750,000
<b>Moorgarth Leisure Limited</b>		
10 Clumber Park Hotel	£6,018,000	£4,850,000
<b>Moorgarth Properties (Luxembourg) S.à r.l</b>		
11 Bitterne Precinct, 426-444 Bitterne Road, Bitterne, Southampton	£1,756,000	£2,075,000
12 High Street, Bromsgrove	£1,272,000	£1,100,000
13 Bath Road, Felling	£1,100,000	£700,000
14 Ogden Road Industrial Park, Ogden Road, Doncaster	£3,954,000	£2,800,000
15 Westbourne Centre, Barrhead	£4,085,000	£2,300,000
16 128 Wigmore Street, London	£6,176,000	£6,400,000
17 Boundary Road, Prestwick	£1,249,000	£1,425,000
18 J4 Technology Park, Skelmersdale	£2,862,000	£1,600,000
19 Rutherglen Exchange Shopping Centre, South Lanarkshire	£9,374,000	£9,431,000
Company Total	£31,828,000	£27,831,000
<b>St Catherines Perth (1) S.à r.l</b>		
20 St Catherine's Retail Park South, Perth	£12,132,000	£12,600,000
<b>Nordic Lime Street Lux S.à r.l</b>		
21 Lime Street	£5,758,000	£6,000,000
<b>London Office S.à r.l</b>		
22 Gray's Inn Road	£6,628,000	£6,628,000
<b>Overall Total Portfolio Value</b>	<b>£73,431,000</b>	<b>£65,604,000</b>

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## PRIVATE PLACEMENT APPLICATION FORM

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### TRADEHOLD LIMITED

(Registered in the Republic of South Africa)

(Registration No.1970/009054/06)

Share code: TDHP ISIN: ZAE000201166

("Tradehold" or "the Company")

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The definitions and interpretations set out in Part 3 (*Glossary of Defined Terms*) and Annexure 2 (*Detailed A Preference Share Terms*) of the Offering Circular to which this application form is enclosed, apply to this application form unless otherwise stated.

**The Offer is only made to and may only be applied for by Qualifying Investors, being (i) those South African persons named in section 96(1)(a) of the SA Companies Act, or (ii) a single South African addressee acting as principal where the Subscription Price payable by such addressee is not less than R1,000,000. The Company will reject any application that does not comply with this condition.** It is the responsibility of the applicant to ensure that he is legally entitled to apply for the Offer.

Please refer to the instructions at the end of this application form before completing this application form.

Application forms must be sent to the applicants' duly appointed CSDP or broker, in the manner and time stipulated in the agreement governing their relationship with such Participant or broker, together with the method of payment as stipulated in such agreement.

The Participant or broker must submit the application form via email to the Arranger's Representative to the email address stated below, to be received by not later than 14:30 on Wednesday, 4 February 2015.

#### **Delivery of application form**

This application form must be emailed to the Arranger's Representative, namely, Jo Maharaj at RMB (at the email addresses stated below) by no later than 14:30 on Wednesday, 4 February 2015

Jo Maharaj, RMB  
Tel: +27 11 282 8767  
Email: jo.maharaj@rmb.co.za

Successful applicants will be informed of their final allocation via email on Wednesday, 4 February 2015 by 15:00.

#### **Payment for the Subscription Price**

Each successful applicant must, after being notified of their allocation of A Preference Shares instruct their Participant or broker to pay the Subscription Price, as advised by the Arranger's Representative, in Rands, to their relevant CSDP as required by their mandate. Provided the Subscription Price has been paid, the A Preference Shares allocated to the applicant will be credited, on the Listing Date, to the applicant's Participant's account or broker's account during Strate's settlement runs which occur throughout the day.

NO LATE APPLICATIONS WILL BE ACCEPTED UNLESS APPROVED BY THE DIRECTORS IN THEIR SOLE DISCRETION.

#### **Reservation of rights and exclusion of liability**

The Directors reserve the right to accept or refuse any application(s), either in whole or in part, or to pro rate any or all application(s) (whether or not received timeously) in such manner as they may, in their sole and absolute discretion, determine.

The Directors reserve the right to accept or decline any application, in whole or in part, particularly if the instructions overleaf and as set out in the Offering Circular are not properly complied with.

The Company accepts no responsibility and will not be liable for the correctness of any allocation of the A Preference Shares pursuant to payment of the Subscription Price being made or alleged to have been made by way of electronic transfer due to proof of such payment not being received or purported proof of such payment being insufficient or defective or for the Company, for any reason, not being able to reconcile a payment or purported payment with a particular application for A Preference Shares.

**To the Directors:**

I/We, the undersigned, confirm that I/we am/are a Qualifying Investor (as defined in Part 3 of the Offering Circular (*Glossary of Defined Terms*)) and have full legal capacity to contract and, having read the Offering Circular, hereby irrevocably apply for and request you to accept my/our application for the under mentioned number of A Preference Shares in the Company or any lesser number that may, in your absolute discretion, be allotted to me/us.

I/We understand that the issue of A Preference Shares in terms of the Offering Circular is conditional on the Listing of the A Preference Shares by 6 February 2015, or such later date as the Directors may determine.

Dated

Telephone number (office hours)

Cellphone number

Signature

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<b>A: SOUTH AFRICAN RESIDENT INDIVIDUAL APPLICANT</b>	
Surname of individual	Mr Mrs Miss Other title
First names in full	
Identity number	
Temporary resident permit number (if applicable)	
Passport number	
Passport Country	
Tax number	
Street address*	
	Postal code:
Contact name	
Email	
Fax number	
Telephone Number (    )	
Cellphone Number (    )	

<b>B: SOUTH AFRICAN RESIDENT JURISTIC ENTITY APPLICANT</b>	
Name of entity*	
Registration number*	
Tax number	
VAT number	
Entity street address*	
	Postal code:
Entity contact name	
Entity email	
Entity fax number	
Entity telephone Number (    )	

<b>C: ALL APPLICANTS</b>	
TOTAL VALUE OF A PREFERENCE SHARES APPLIED FOR	R (Enter figures only – not words, in Rands)

\* Mandatory information to be supplied.

**A:** This section to be completed by South African resident individuals.

**B:** This section to be completed by South African resident juristic entities.

**C:** This section to be completed by all applicants.

**APPLICANTS MUST CONTACT THEIR PARTICIPANT OR BROKER.**

The Participant or broker is to confirm that a securities account in your name is held in their books, and is to forward an application, duly authenticated, in terms of Strate for processing the application. Payment will be effected on a delivery versus payment basis.

*Required information must be completed by Participant or broker with their stamp and signature affixed thereto.*

<b>Participant, broker or nominee name</b>	
<b>Participant, broker or nominee contact person</b>	
<b>Participant, broker or nominee contact telephone number</b>	
<b>CSA or bank CSD account number</b>	
<b>Scrip account number</b>	
<b>Settlement bank account number</b>	
<b>Stamp and signature of Participant or broker</b>	

This application form constitutes a legal contract between Tradehold and the applicant.

**INSTRUCTIONS:**

1. Applications may be made on this application form only.
2. This application form should be sent to Jo Maharaj at RMB (jo.maharaj@rmb.co.za) via email.
3. Applications are irrevocable and may not be withdrawn once submitted.
4. Please refer to the terms and conditions of the Offer set out in Part 4 (*The A Preference Shares and Placement Details*) of the Offering Circular. Applicants should consult their stockbroker, banker or other professional advisor in case of doubt as to the correct completion of this application form.
5. Applicants must submit only one application form.
6. Each application submitted must be in one name only and show only one address.
7. Receipts will not be issued for application forms, application monies or any supporting documentation.
8. All alterations on this application form must be authenticated by a full signature.