

Series Supplement dated 12 August 2015

**SOUTH AFRICAN SECURITISATION PROGRAMME (RF) LIMITED**

*(incorporated on 21 May 1991 with limited liability under registration number 1991/002706/06 in the Republic of South Africa)*

**ZAR 5 BILLION MULTI-SELLER SEGREGATED ASSET BACKED NOTE PROGRAMME**

**SERIES 1 ("EQUIPMENT RENTAL SECURITISATION SERIES")**

The restated and amended Series Supplement published by the South African Securitisation Programme (RF) Limited (the "**Issuer**") dated 13 August 2013, (the "**Previous Series Supplement**") is replaced and superseded by this Series Supplement, on and with effect from 12 August 2015, and all references to the "Series Supplement" in any agreement and/or document relating to or prepared in connection with the Previous Series Supplement shall mean this Series Supplement.

Under the South African Securitisation Programme (RF) Limited ZAR5 billion Multi-Seller Segregated Asset Backed Note Programme (the "**Programme**"), the Issuer may from time to time issue limited recourse secured notes (the "**Notes**") pursuant to the restated and amended Programme Memorandum, dated 13 August 2013 and as amended and restated on 12 August 2015 (the "**Programme Memorandum**").

This document constitutes the Series Supplement relating to Series 1 ("*Equipment Rental Securitisation Series*"), under the Programme.

References in this Series Supplement to (i) the Terms and Conditions are to Section 8 of the Programme Memorandum headed "*Terms and Conditions of the Notes*" and (ii) the Series Conditions are to Section 7 of this Series Supplement headed "*Series Conditions*". Capitalised terms used in this Series Supplement are defined in Section 19 of the Programme Memorandum headed "*Definitions*" unless separately defined in this Series Supplement (see Section 4 of this Series Supplement headed "*Definitions*") or, in relation to a Tranche of Notes in this Series, unless separately defined in the Applicable Pricing Supplement relating to that Tranche.

This Series Supplement must be read in conjunction with the Programme Memorandum and, in relation to each Tranche of Notes in this Series, the Applicable Pricing Supplement relating to that Tranche. To the extent that there is any conflict or inconsistency between the provisions of this Series Supplement and the Programme Memorandum, the provisions of this Series Supplement shall prevail. To the extent that there is any conflict or inconsistency between the provisions of the Applicable Pricing Supplement relating to a Tranche of Notes in this Series and this Series Supplement and/or the Programme Memorandum, the provisions of the Applicable Pricing Supplement shall prevail.

The Programme Manager will assist the Issuer in ensuring that the Series Assets and the Series Liabilities, respectively, relating to this Series are identified in the Accounting Records as being attributable solely to this Series, and that the Series Assets and the Series Liabilities, respectively, relating to this Series are segregated from the Series Assets and the Series Liabilities, respectively, relating to each other Series. A separate Series Security SPV (ERS No.1 Security SPV Proprietary Limited) has been incorporated, in respect of this Series, for the benefit of the Noteholders and the other Series Secured Creditors.

The Notes in this Series will be issued in individual Tranches which, together with other Tranches, may form a Sub-Series of Notes in this Series. A Tranche of Notes in this Series will be issued on, and subject to, the Applicable Terms and Conditions of that Tranche of Notes. The Applicable Terms and Conditions of a Tranche of Notes in this Series are the Terms and Conditions, as replaced, amended and/or supplemented by the Series Conditions, and as further replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement relating to that Tranche of Notes.

The Series Conditions and certain additional information in respect of this Series (which is not set out in the Programme Memorandum) are set out in this Series Supplement (or will be set out in one or more Series Supplement Annexures). The Applicable Pricing Supplement relating to a Tranche of Notes in this Series will set out, among other things, the terms and conditions of the Notes in that Tranche which (in addition to and/or in the place of any of the Terms and Conditions and/or any of the Series Conditions) are applicable to the Notes in that Tranche.

A Tranche of Notes in this Series (other than Zero Coupon Notes) will bear interest at the fixed interest rate and/or floating interest rate specified in the Applicable Pricing Supplement relating to that Tranche. The interest due on the Notes in a Tranche will be payable in arrear on the Interest Payment Dates specified as such in the Applicable Pricing Supplement relating to that Tranche.

If the Issuer has exercised the Refinancing Option or the Prefinancing Option, as the case may be, in respect of a Tranche of Notes in this Series and not withdrawn the Refinancing Notice or the Prefinancing Notice, as the case may be, or if the Issuer has entered into a Note Specific Liquidity Facility Agreement (or, where applicable, executed a Note Specific Liquidity Supplement) in respect of a Tranche of Notes which has a Scheduled Maturity Date which falls 364 days (or less) after the Issue Date, as the case may be, the Issuer will redeem each Note in that Tranche at its Outstanding Principal Amount on the Scheduled Maturity Date, together with interest (if any) accrued to the Scheduled Maturity Date, as more fully described in Condition 7.2 of the Terms and Conditions and Series Condition 4.3 of the Series Conditions.

The Issuer may, at its option, redeem each Note in a Tranche of Notes in this Series, at its Outstanding Principal Amount on any Interest Payment Date, together with interest (if any) accrued to such Interest Payment Date, for tax reasons, as more fully described in Condition 7.3 of the Terms and Conditions or, where there has been a change in Applicable Law (other than taxation laws), as more fully described in Condition 7.4 of the Terms and Conditions. If the Issuer has not exercised the Refinancing Option or the Prefinancing Option, as the case may be, in respect of a Tranche of Notes in this Series, the Issuer may at its option, redeem each Note in that Tranche, at its Outstanding Principal Amount on any Interest Payment Date falling after the Scheduled Maturity Date, together with interest (if any) accrued to such Interest Payment Date, as more fully described in Series Condition 4.2 of the Series Conditions.

On each Interest Payment Date that falls on the Amortisation Date or during the Amortisation Period, the Issuer will partially redeem each Note in each Tranche of Notes in this Series, in reducing order of rank (and *pari passu* if of equal rank) as determined by the respective Classes of all of such Notes, to the extent permitted by and in accordance with the Pre-Enforcement Priority of Payments applicable during the Amortisation Period, as more fully described in Series Condition 4.1 of the Series Conditions.

If the Notes in a Tranche are Amortising Notes, the Issuer will partially redeem each Amortising Note on each Interest Payment Date on and as from the Issue Date, in reducing order of rank (and *pari passu* if of equal rank) as determined by the respective Classes of all of the Amortising Notes, to the extent permitted by and in accordance with the Pre-Enforcement Priority of Payments applicable during the Revolving Period, until the Outstanding Principal Amount of such Amortising Note is reduced to zero, as more fully described in Series Condition 4.4 of the Series Conditions.

Save as is set out above and subject to the Applicable Terms and Conditions, each Note in a Tranche will be redeemed at its Outstanding Principal Amount on the Final Maturity Date, together with interest (if any) accrued to the Final Maturity Date, as more fully described in Condition 7.1 of the Terms and Conditions.

The Series Security SPV has guaranteed the Issuer's obligations to the Noteholders and the other Series Secured Creditors in terms of the Series Guarantee. The Issuer has, in terms of the Series Indemnity, indemnified the Series Security SPV in respect of claims made against the Series Security SPV under the Series Guarantee. In terms of the Series Issuer Security Agreement, the Issuer's obligations to the Series Security SPV under the Series Indemnity have been secured by (i) a pledge and (ii) a pledge and cession *in securitatem debiti*, of the Series Assets in favour of the Series Security SPV (see Section 10 of the Programme Memorandum headed "*Security Structure*" and Section 11 of this Series Supplement headed "*Security Arrangements*").

All payments to be made to the Noteholders and the other Series Secured Creditors, whether made by the Issuer or by the Series Security SPV (following a Guarantee Event) will be made to the extent permitted by and strictly in accordance with the Priority of Payments (see Section 9 of this Series Supplement headed "*Priority of Payments*").

The Issuer accepts full responsibility for the accuracy of the information contained in this Series Supplement, the Programme Memorandum, the annual financial statements and report (incorporated herein by reference), the amendments to any such annual financial statements and report or any supplements from time to time, except as may be otherwise stated herein. The Issuer certifies that to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained or incorporated in the Programme Memorandum and this Series Supplement is in accordance with the facts, complies with all applicable laws and the Debt Listings Requirements and does not omit anything likely to affect the import of such information.

The JSE assumes no responsibility or liability of whatsoever nature for the contents of this Series Supplement, the Programme Memorandum, any Applicable Pricing Supplement, or the annual report or any other information incorporated by reference into the Programme Memorandum (as amended or restated from time to time), and the JSE makes no representation as to the accuracy or completeness of this Series Supplement, the Programme Memorandum, or any Applicable Pricing Supplement, the annual report or any other information incorporated by reference into the Programme Memorandum (as amended or restated from time to time). The JSE expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of this Series Supplement, the Programme Memorandum or any Applicable Pricing Supplement or the annual report or any other information incorporated by reference into the Programme Memorandum (as amended or restated from time to time).

The Registrar of Banks confirmed, on 12 July 2007 (as read with the approval letter from the Registrar of Banks dated 20 January 2011), that the Issuer is authorised to issue the Notes in this Series under the Programme, pursuant to the Programme Memorandum as read with this Series Supplement, for purposes of the securitisation scheme contemplated in the Programme, in accordance with and subject to the Securitisation Regulations. The restated and amended Programme Memorandum and Series Supplement were approved by the JSE on 12 August 2015.

**Arranger, Debt Sponsor and Dealer:** Sasfin Bank Limited

**Legal Advisers to the Arranger, the Issuer and the Series Security SPV:** Edward Nathan Sonnenbergs Inc.

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## Section 1

### DOCUMENTS INCORPORATED BY REFERENCE

As contemplated in Section 1 of the Programme Memorandum headed "*Documents Incorporated by Reference*", the following documents and agreements are deemed to be incorporated by reference into, and to form part of, this Series Supplement:

- the memorandum of incorporation of the Series Security SPV;
- the Series Common Terms Agreement;
- the Series Manager Agreement;
- the Series Servicer Agreement;
- the Series Preference Share Subscription Agreement;
- each Series Sale Agreement;
- each Series Subordinated Loan Agreement;
- each Series First Loss Loan Agreement;
- each Standby Liquidity Collateral Account Bank Agreement (if any);
- each Series Bank Agreement;
- each Series Hedge Agreement;
- the Master Note Specific Liquidity Facility Agreement (if any);
- each Note Specific Liquidity Facility Agreement (if any);
- the Guaranteed Investment Agreement;
- the Series Guarantee;
- the Series Indemnity;
- the Series Issuer Security Agreement;
- the Programme Memorandum;
- each Series Supplement Annexure;
- each Applicable Pricing Supplement relating to each Tranche of Notes in this Series;
- each monthly register made available by the CSD Participants to the CSD.

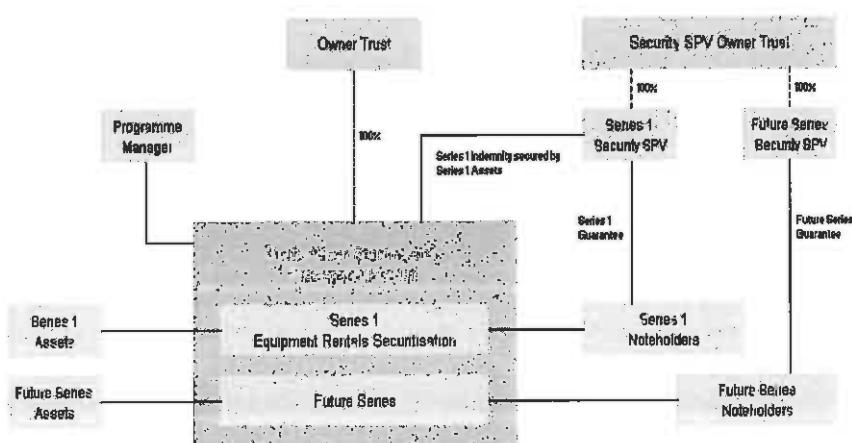
The Issuer will provide at the address of the Issuer as set out at the end of this Series Supplement, without charge, a copy of any or all of the documents which are incorporated herein by reference, unless such documents have been modified or superseded, in which case the modified or superseding documentation will be provided (including without limitation, the most recently obtained register made available by the CSD Participants to the CSD). All documents incorporated herein by reference will further be made available on the Issuer's website at [www.sasfin.co.za](http://www.sasfin.co.za). Should any person have difficulty in attaining the documents incorporated by reference, they may contact the JSE or the Issuer for assistance. Requests for such documents should be directed to the Issuer at its address as set out at the end of this Series Supplement.

## Section 2

### SERIES OVERVIEW

A summary of the principal features of this Series is set out below. The summary does not purport to be complete and is taken from, and should be read in conjunction with, the Programme Memorandum, the remainder of this Series Supplement and, in relation to a Tranche of Notes in this Series, the Applicable Pricing Supplement relating to that Tranche.

### STRUCTURE DIAGRAM



The Issuer may, in terms of the Series Sale Agreement(s), purchase Equipment Leases on a non-recourse basis from the Series Seller(s) during the Revolving Period, subject to the satisfaction of certain conditions precedent prior to each purchase and to the Eligibility Criteria. These purchases will be made from Available Funds under the Priority of Payments and the proceeds of the issue of Equipment Lease Financing Notes.

Sasfin, as the Series Servicer, will continue to manage the Equipment Leases, as agent on behalf of the Issuer, in the ordinary course of Sasfin's credit management business. Should a Series Servicer Event of Default occur and not be waived by the Series Security SPV and the Rating Agency, then the Standby Series Servicer (if any), will continue the functions of the Series Servicer.

The Series Security SPV has been incorporated for the benefit of the Noteholders and the other Series Secured Creditors.

The Applicable Subordinated Loan and the Applicable First Loss Loan will be utilised to partially fund the Reserve Fund. In addition, the Applicable Subordinated Loan may be utilised to fund any Over-Collateralisation up to the Over-Collateralisation Required Amount. To the extent that surplus funds are available on the Restatement Date after funding the Reserve Fund and the Arrears Reserve to their required amounts, the surplus funds will be paid into the Transaction Bank Account and distributed in accordance with the Priority of Payments on the next Payment Date.

The Reserve Fund will serve as credit enhancement for the Notes in this Series and the First Loss Loan and the Subordinated Loan will be subordinated to the Notes in this Series. Additional credit enhancement may be provided by Over-Collateralisation, to be funded by the Applicable Subordinated Loan up to the Over-Collateralisation Required Amount. The Applicable Subordinated Loan Agreement and the Applicable First Loss Loan Agreement includes a provision that outstanding capital and interest shall not amortise until all the Notes in issue have been fully redeemed. In



respect of each proposed issue of additional Tranche(s) of Notes in this Series, the Reserve Fund Required Amount and the Over-Collateralisation Required Amount will be reviewed by the Rating Agency following an evaluation of the Equipment Leases owned by the Issuer as at the Issue Date of such Tranche(s) of Notes and, if applicable, the Equipment Leases to be acquired by the Issuer on that Issue Date. The amount that is required to stand to the credit of the Arrears Reserve (the Arrears Reserve Target Amount), as at the Restatement Date or on any Measurement Date thereafter during the Revolving Period, is an amount equal to the aggregate Net Present Value of the Delinquent Equipment Leases. See Section 19 of this Series Supplement headed "*Description of the Credit Enhancement Arrangements*").

In terms of the Master Note Specific Liquidity Facility Agreement, the Master Note Specific Liquidity Facility Provider will, among other things, use reasonable commercial endeavours to procure that the Issuer enters into appropriate Note Specific Liquidity Facility Agreement(s) (or, where applicable, executes appropriate Note Specific Liquidity Supplement(s)) in respect of one or more Tranche(s) of Notes, selected by the Issuer, having Scheduled Maturity Date(s) which fall 364 days (or less) after the Issue Date(s). The Master Note Specific Liquidity Facility Provider as at the Restatement Date is Sasfin. The relevant Note Specific Liquidity Facility Agreement(s) will be entered into by the Issuer and the relevant Note Specific Liquidity Provider(s) (or, where applicable, the Note Specific Liquidity Supplement(s) will be executed by the Issuer and the relevant Note Specific Liquidity Provider(s)), on or before the close of business on the Business Day immediately preceding the Issue Date(s) of the relevant Tranche(s) of Notes. The Issuer may only draw down amounts under the relevant Note Specific Liquidity Facility Agreement in order to provide for and/or cover timing mismatches between receipt(s) by the Issuer of Equipment Lease Payments and payment(s) by the Issuer of the Outstanding Principal Amount of the relevant Tranche(s) of Notes on the Scheduled Maturity Date(s). All and any amounts drawn down by the Issuer under the relevant Note Specific Liquidity Facility Agreement may only be used by the Issuer to meet its obligations to pay the Outstanding Principal Amount of the relevant Tranche(s) of Notes on the Scheduled Maturity Date(s), subject to and in accordance with the Pre-Enforcement Priority of Payments. The amount of each Note Specific Liquidity Commitment will be the amount required to enable the Issuer to fund payment, on the Scheduled Maturity Date, of the aggregate Outstanding Principal Amount of the relevant Tranche of Notes (see Section 18 of this Series Supplement headed "*Description of the Note Specific Liquidity Facility Agreements*").

## SECTION 3

### SUMMARY OF THE SERIES

*A summary of this Series is set out below.*

***The summary does not purport to be complete and is taken from, and should be read in conjunction with, the Programme Memorandum (in particular, Section 4 of the Programme Memorandum headed "Summary of the Programme"), the remainder of this Series Supplement and, in relation to a Tranche of Notes in this Series, the Applicable Pricing Supplement relating to that Tranche.***

|                                      |                                                                                                                                                                                                                                                                                                                                                                                                                               |
|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Description of the Programme</b>  | South African Securitisation Programme (RF) Limited ZAR5 billion Multi-Seller Segregated Asset Backed Note Programme.                                                                                                                                                                                                                                                                                                         |
| <b>Programme Amount</b>              | The Programme Amount is ZAR5 billion, unless such amount is increased by the Issuer as set out in Section 3 of the Programme Memorandum headed " <i>General Description of the Notes</i> ".                                                                                                                                                                                                                                   |
| <b>Series description</b>            | Series 1 (" <i>Equipment Rental Securitisation Series</i> ") under the Programme, to which this Series Supplement is applicable.                                                                                                                                                                                                                                                                                              |
| <b>Issuer</b>                        | South African Securitisation Programme (RF) Limited.                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Series Seller(s)</b>              | Sasfin (see Section 12 of this Series Supplement headed " <i>Description of Sasfin</i> ") and each other person selected by the Issuer as a Series Seller for purposes of this Series. A description of the business of each Series Seller (other than Sasfin) will be set out in a Series Supplement Annexure as and when such Series Seller is selected by the Issuer as a Series Seller for purposes of this Series.       |
| <b>Series Secured Creditors</b>      | Each of the creditors of the Issuer in respect of this Series (including the Noteholders) set out in the Priority of Payments that is a party to a Series Transaction Agreement (see Section 9 of this Series Supplement headed " <i>Priority of Payments</i> ").                                                                                                                                                             |
| <b>Series Security SPV</b>           | ERS No.1 Security SPV Proprietary Limited.                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Series Manager</b>                | Sasfin or such other person as may be appointed as Series Manager under the terms of the Series Manager Agreement (see Section 17 of this Series Supplement headed " <i>Description of the Series Manager and the Management Services</i> ").                                                                                                                                                                                 |
| <b>Series Servicer</b>               | Sasfin or such other person as may be appointed as Series Servicer under the terms of the Series Servicer Agreement (see Section 16 of this Series Supplement headed " <i>Description of the Series Servicer and the Services</i> ").                                                                                                                                                                                         |
| <b>Series Standby Servicer</b>       | If the appointment of the Series Servicer is terminated in terms of the Series Servicer Agreement, then such person as may be appointed in terms of the Series Servicer Agreement as Series Standby Servicer (if any), will act as Series Standby Servicer under the terms of the Series Servicer Agreement (see Section 16 of this Series Supplement headed " <i>Description of the Series Servicer and the Services</i> "). |
| <b>Series Preference Shareholder</b> | The registered holder from time to time of the Preference Share relating to this Series, initially being Sasfin. The Series Preference Shareholder will hold such                                                                                                                                                                                                                                                             |

|                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                         | <p>Preference Share pursuant to the Series Preference Share Subscription Agreement. The Preference Share relating to this Series will entitle the Series Preference Shareholder to participate in the profits of the Issuer available for distribution on each Preference Dividend Payment Date by way of a Preference Dividend, to the extent permitted by and strictly in accordance with the Priority of Payments.</p>                                                                                                                                                          |
| <b>Series Subordinated Lender(s)</b>                    | <p>Sasfin and each other person selected by the Issuer as a Series Subordinated Lender for purposes of this Series.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Series First Loss Loan Provider(s)</b>               | <p>Hollard and each other person selected by the Issuer as a First Loss Loan Provider for purposes of this Series.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Series Hedge Counterparty(ies)</b>                   | <p>Each Eligible Institution having the Required Credit Rating or which the Rating Agency, after having been furnished with 10 Business Days' prior written notice, has not informed the Issuer that its respective current Rating(s) of the Notes in that Series then in issue would be adversely affected, as the case may, selected by the Series Manager (as agent for the Issuer) as a Series Hedge Counterparty for purposes of this Series. The Series Hedge Counterparty as at the Restatement Date is Sasfin.</p>                                                         |
| <b>Master Note Specific Liquidity Facility Provider</b> | <p>Sasfin or such other Master Note Specific Liquidity Facility Provider, selected by the Issuer, in terms of the Master Note Specific Liquidity Facility Agreement, as a Master Note Specific Liquidity Facility Provider for purposes of this Series.</p>                                                                                                                                                                                                                                                                                                                        |
| <b>Note Specific Liquidity Facility Provider(s)</b>     | <p>Each Eligible Institution having the Required Credit Rating or which the Rating Agency, after having been furnished with 10 Business Days' prior written notice, has not informed the Issuer that its respective current Rating(s) of the Notes in that Series then in issue would be adversely affected, as the case may be, selected by the Issuer as a Note Specific Liquidity Provider for purposes of one or more Tranche(s) of Notes in this Series (selected by the Issuer) having Scheduled Maturity Date(s) which fall 364 days (or less) after the Issue Date(s).</p> |
| <b>Series Account Bank</b>                              | <p>Nedbank, or such other Eligible Institution which is a Bank having the Required Credit Rating or which the Rating Agency, after having been furnished with 10 Business Days' prior written notice, has not informed the Issuer that its respective current Rating(s) of the Notes in that Series then in issue would be adversely affected, as the case may, selected by the Issuer and the Series Security SPV as a Series Account Bank for purposes of this Series.</p>                                                                                                       |
| <b>Standby Collateral Account Bank</b>                  | <p>The Eligible Institution which is a Bank, having the Required Credit Rating or which the Rating Agency, after having been furnished with 10 Business Days' prior written notice, has not informed the Issuer that its respective current Rating(s) of the Notes in that Series then in issue would be adversely affected, as the case may, selected by the Issuer as the Standby Collateral Account Bank for purposes of this Series.</p>                                                                                                                                       |
| <b>Rating Agency</b>                                    | <p>Fitch, Standard &amp; Poor's or such other Rating Agency as may be appointed by the Issuer with the prior written consent of the Series Security SPV.</p>                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Series Assets</b>                                    | <p>The Series Assets relating to this Series are the assets of the Issuer in respect of</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

this Series (whether in cash or other property), including:

- a) subject to paragraph 2 of Section 4 of this Series Supplement headed "*Definitions*", the Equipment Leases purchased by the Issuer in terms of the Series Sale Agreement(s);
- b) all of the Issuer's right, title and interest in and to the Permitted Investments and all principal, income and other amounts accrued in respect of the Permitted Investments;
- c) all of the Issuer's right, title and interest in and to the Series Bank Accounts and the Account Monies;
- d) all of the Issuer's rights and claims under the Series Transaction Agreements including, without limitation, the benefit of all representations, warranties, undertakings, covenants, indemnities and promises made by any party in favour of the Issuer under the Series Transaction Agreements; and
- e) all proceeds of any of the above.

The Issuer will only be able to purchase Equipment Leases from the Series Seller(s) if the Eligibility Criteria have been complied with. The Eligibility Criteria are set out in paragraph 7 of Section 14 of this Series Supplement headed "*Description of the Equipment Leases and the Series Sale Agreements*". The Programme Manager will assist the Issuer in ensuring that the Series Assets relating to this Series are identified in the Accounting Records as being attributable solely to this Series, and that the Series Assets relating to this Series are segregated from the Series Assets relating to each other Series.

**Series Liabilities**

The Series Liabilities relating to this Series are the liabilities of the Issuer in respect of this Series. The Programme Manager will assist the Issuer in ensuring that the Series Liabilities relating to this Series are identified in the Accounting Records as being attributable solely to this Series, and that the Series Liabilities relating to this Series are segregated from the Series Liabilities relating to each other Series.

**Series Bank Accounts**

All of the bank accounts held with the Series Account Bank by or on behalf of the Issuer in relation to and for purposes of this Series, including the Transaction Bank Account, the Collections Accounts, the Provisioning Account, the Arrears Reserve Account and the Reserve Account.

**Standby Liquidity  
Collateral Accounts**

All of the standby liquidity collateral bank accounts held from time to time with the Standby Collateral Account Bank by or on behalf of each Note Specific Liquidity Facility Provider in terms of the relevant Standby Liquidity Collateral Account Bank Agreement.

**Permitted Investments**

The Permitted Investments specified in Series Condition 2.4 of the Series Conditions.

**Types of Notes**

Each Tranche of Notes in this Series may be issued in any form including, without limitation, Fixed Rate Notes, Floating Rate Notes, Mixed Rate Notes, Zero Coupon Notes, Index-Linked Notes and/or such other type of Note as may be determined by the Issuer and specified in the Applicable Pricing Supplement relating to that

Tranche. A Tranche of Notes in this Series will not (save as is set out in the Applicable Pricing Supplement relating to that Tranche) be subject to any minimum or maximum maturity (see Section 3 of the Programme Memorandum and Section 6 of this Series Supplement, each headed "*General Description of the Notes*").

|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Form of Notes</b>                | Each Tranche of Notes in this Series will be issued in registered form (see Section 5 of the Programme Memorandum headed " <i>Form of the Notes</i> ").                                                                                                                                                                                                                                                                                                                                                               |
| <b>Noteholders</b>                  | Subject to Condition 4 of the Terms and Conditions, the holders of Notes in this Series.                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>JSE approval and listing</b>     | The restated and amended Programme Memorandum and Series Supplement were approved by the JSE on 12 August 2015. The Notes are listed on the Interest Rate Market of the JSE. Each Tranche of Notes in this Series may be listed or unlisted. Listed Notes in this Series will be listed on the Interest Rate Market of the JSE or on such other exchange(s) as may be determined by the Issuer and the relevant Dealer(s) subject to Applicable Laws.                                                                 |
| <b>Securitisation Regulations</b>   | The Registrar of Banks confirmed, on 12 July 2007 (as read with the approval letter from the Registrar of Banks dated 20 January 2011), that the Issuer is authorised to issue the Notes in this Series, pursuant to the Programme Memorandum as read with this Series Supplement, for purposes of the securitisation scheme contemplated in the Programme, in accordance with and subject to the Securitisation Regulations (see Section 21 of this Series Supplement headed " <i>Securitisation Regulations</i> "). |
| <b>Exchange Control Regulations</b> | Unless specified otherwise in the Applicable Pricing Supplement, the Notes will not be issued to non-South African residents and, accordingly, the Exchange Control Regulations are not applicable to the issuance of the Notes in this Series.                                                                                                                                                                                                                                                                       |
| <b>Issue Date</b>                   | The date specified as such in the Applicable Pricing Supplement relating to that Tranche.                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Issue Price</b>                  | The price specified as such in the Applicable Pricing Supplement relating to the relevant Tranche.                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Scheduled Maturity Date</b>      | The date specified as such in the Applicable Pricing Supplement relating to the relevant Tranche.                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Final Maturity Date</b>          | The date specified as such in the Applicable Pricing Supplement relating to the relevant Tranche.                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Interest Rate</b>                | The fixed interest rate per annum and/or floating interest rate per annum specified as such in the Applicable Pricing Supplement relating to that Tranche. A Tranche of Zero Coupon Notes will not bear interest.                                                                                                                                                                                                                                                                                                     |
| <b>Step-Up Margin</b>               | If any Tranche of Notes in this Series (where applicable) is not redeemed in full on or before the Scheduled Maturity Date, the step-up margin (if any) specified as such in the Applicable Pricing Supplement relating to that Tranche will be added to the Interest Rate applicable to that Tranche.                                                                                                                                                                                                                |
| <b>Determination Date and</b>       | The day falling on the first day of each Interest Period.                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

**Note Reset Date****Interest Periods**

The Interest Period(s) specified as such in the Applicable Pricing Supplement relating to the relevant Tranche. The first Interest Period will commence on and include the Issue Date and the last Interest Period will end on but exclude the Actual Redemption Date.

**Interest Payment Dates**

Subject to Condition 11.6 of the Terms and Conditions, the date(s) specified as such in the Applicable Pricing Supplement relating to that Tranche.

**Final redemption**

Subject to the Applicable Terms and Conditions, the Issuer shall redeem each Note in a Tranche of Notes in this Series at its Outstanding Principal Amount on the Final Maturity Date, together with interest (if any) accrued to the Final Maturity Date, as more fully described in Condition 7.1 of the Terms and Conditions.

**Scheduled redemption**

Subject to the Applicable Terms and Conditions, if the Issuer has exercised the Refinancing Option or the Prefinancing Option, as the case may be, in respect of a Tranche of Notes in this Series and not withdrawn the Refinancing Notice, or the Prefinancing Notice, as the case may be, the Issuer shall redeem each Note in that Tranche at its Outstanding Principal Amount on the Scheduled Maturity Date, together with interest (if any) accrued to the Scheduled Maturity Date, as more fully described in Condition 7.2 of the Terms and Conditions. If the Issuer has entered into a Note Specific Liquidity Facility Agreement (or, where applicable, executed a Note Specific Liquidity Supplement) in respect of a Tranche of Notes which has a Scheduled Maturity Date which falls 364 days (or less) after the Issue Date, the Issuer shall redeem each Note in that Tranche at its Outstanding Principal Amount on the Scheduled Maturity Date, together with interest (if any) accrued to the Scheduled Maturity Date, as more fully described in Series Condition 4.3 of the Series Conditions.

**Optional redemption following the Scheduled Maturity Date**

If the Issuer has not exercised the Refinancing Option or the Prefinancing Option, as the case may be, in respect of a Tranche of Notes in this Series, the Issuer may at its option, redeem each Note in that Tranche at its Outstanding Principal Amount, on any Interest Payment Date falling after the Scheduled Maturity Date, together with interest (if any) accrued to such Interest Payment Date, as more fully described in Series Condition 4.2 of the Series Conditions.

**Optional redemption for tax reasons**

The Issuer may, at its option, redeem each Note in a Tranche of Notes in this Series, on any Interest Payment Date, at its Outstanding Principal Amount together with interest (if any) accrued to such Interest Payment Date, for tax reasons, as more fully described in Condition 7.3 of the Terms and Conditions.

**Optional redemption for change in Applicable Law**

The Issuer may, at its option, redeem each Note in a Tranche of Notes in this Series, on any Interest Payment Date, at its Outstanding Principal Amount together with interest (if any) accrued to such Interest Payment Date, where there has been a change in Applicable Law (other than taxation laws), as more fully described in Condition 7.4 of the Terms and Conditions.

**Mandatory redemption in part (Amortising Notes)**

If the Notes in a Tranche are Amortising Notes, the Issuer will partially redeem each Amortising Note on each Interest Payment Date on and as from the Issue Date, in reducing order of rank (and *pari passu* if of equal rank) as determined by

the respective Classes of all of the Amortising Notes, to the extent permitted by and in accordance with the Pre-Enforcement Priority of Payments applicable during the Revolving Period, until the Outstanding Principal Amount of such Amortising Note is reduced to zero, as more fully described in Series Condition 4.4 of the Series Conditions.

|                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Mandatory redemption in part (Amortisation Period)</b> | On each Interest Payment Date that falls on the Amortisation Date or during the Amortisation Period, the Issuer will partially redeem each Note in each Tranche of Notes in this Series (regardless of the Scheduled Maturity Dates of such Tranches of Notes), in reducing order of rank (and <i>pari passu</i> if of equal rank) as determined by the respective Classes of all of such Notes, to the extent permitted by and in accordance with the Pre-Enforcement Priority of Payments applicable during the Amortisation Period, until the Outstanding Principal Amount of such Note is reduced to zero, as more fully described in Series Condition 4.1 of the Series Conditions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Mandatory redemption following a Guarantee Event</b>   | Following a Guarantee Event, the Notes in this Series will be immediately due and payable, and such Notes will be redeemed in accordance with Condition 13.2 of the Terms and Conditions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Revolving Period</b>                                   | The Revolving Period is the period from and including the Restatement Date to but excluding the Revolving Period End Date during which, among other things, the Issuer may purchase Equipment Leases and may issue one or more further Tranche(s) of Notes in this Series, as contemplated in Series Condition 2 of the Series Conditions. The Restatement Date is 12 August 2015 and the Revolving Period End Date is the earlier of (i) the Series Termination Date or (ii) the Amortisation Date or (iii) the Enforcement Date.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Amortisation Event</b>                                 | <p>An Amortisation Event is:</p> <ul style="list-style-type: none"> <li>a) the occurrence of a Series Servicer Event of Default (as contemplated in Series Condition 3.2 of the Series Conditions); or</li> <li>b) the occurrence of a Breach of a Performance Test; or</li> <li>c) the occurrence of the first failure by the Issuer to redeem in full, on a Scheduled Maturity Date, one or more Tranches of Notes having that Scheduled Maturity Date where the Issuer is obliged to redeem such Tranche(s) of Notes in terms of Condition 7.2 of the Terms and Conditions or Series Condition 2.2.2.3 of the Series Conditions or Series Condition 4.3 of the Series Conditions, as the case may be; or</li> <li>d) a Hedge Counterparty Default occurs in respect of a Series Hedge Counterparty and the Series Hedge Agreement(s) to which that Series Hedge Counterparty is a party is/are not assigned to a replacement Series Hedge Counterparty within 30 days of the occurrence of such Hedge Counterparty Default; or</li> <li>e) the occurrence of a failure by the Series Manager to procure the transfer into the Top-Up Provision of the amount by which the Principal Redemption Amount exceeds the amount utilised to acquire Equipment Leases for 3 (three) consecutive Payment Dates; or</li> </ul> |

- f) upon the occurrence of a Deferred Tax Liability Increase during the Revolving Period, as notified in writing by the Series Servicer to the Issuer and the Security SPV ("**Series Servicer Notice**"), the failure by the Issuer to acquire within 30 Business Days from the occurrence of a Deferred Tax Liability Increase so many additional Equipment Leases to cover such Deferred Tax Liability Increase as shall be determined by the Series Servicer and specified in the Series Servicer Notice.

|                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Amortisation Period</b>                    | The Amortisation Period is the period from and including the Amortisation Date to and including the earlier of (i) the Enforcement Date or (ii) the Series Termination Date. The Amortisation Date is (following the occurrence of an Amortisation Event), the Business Day immediately following the date on which an Amortisation Notice is delivered by or on behalf of the Series Security SPV to the Issuer in terms of Series Condition 3.1.1.2 of the Series Conditions. During the Amortisation Period no Equipment Leases may be purchased by the Issuer, no further Tranches of Notes in this Series will be issued and Tranche(s) of Notes in this Series will be redeemed in accordance with Series Condition 4.1 of the Series Conditions.                                                                                        |
| <b>Further issues of Notes in this Series</b> | The Issuer may, without the consent of any Noteholder, issue one or more further Tranche(s) of Notes in this Series for the purposes expressly permitted in Series Condition 2.2 of the Series Conditions and/or the Applicable Pricing Supplement(s) relating to that/those Tranche(s), subject to the satisfaction (or waiver) of the Conditions Precedent to Issue.                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Use of proceeds</b>                        | The Issuer will apply the net proceeds from the issue of a Tranche of Notes in this Series only to the Series Liabilities relating to this Series and then only for the purposes expressly permitted in Series Condition 2.2 (as read with Series Condition 2.3) of the Series Conditions and/or the Applicable Pricing Supplement relating to that Tranche.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Status and subordination</b>               | The Notes in this Series are direct, limited recourse, secured obligations of the Issuer. The claims of each Series Secured Creditor (including each Noteholder) against the Issuer under the Applicable Terms and Conditions or, following a Guarantee Event, against the Series Security SPV under the Series Guarantee, as the case may be, are subordinated, in accordance with the Priority of Payments, to the claims of the Issuer's creditors in respect of this Series (including the other Series Secured Creditors) that rank prior to such Secured Creditor in the Priority of Payments.                                                                                                                                                                                                                                           |
| <b>Priority of Payments</b>                   | The Priority of Payments is set out in Section 9 of this Series Supplement headed " <i>Priority of Payments</i> ". The Priority of Payments is the sequence in which the Issuer or, following a Guarantee Event, the Series Security SPV, as the case may be, will make payments to the Issuer's creditors in respect of this Series (including the Noteholders and the other Series Secured Creditors). The Pre-Enforcement Priority of Payments will apply prior to the Enforcement Date. The Pre-Enforcement Priority of Payments set out in paragraph 2 of Section 9 will apply during the Revolving Period. The Pre-Enforcement Priority of Payments set out in paragraph 3 of Section 9 will apply during the Amortisation Period. The Post-Enforcement Priority of Payments set out in paragraph 4 of Section 9 will apply, following a |



Guarantee Event, on and after the Enforcement Date. Each Noteholder will be contractually bound by the Priority of Payments in terms of the Series Guarantee and the Applicable Terms and Conditions. Each other Series Secured Creditor will be contractually bound by the Priority of Payments in terms of the Series Common Terms Agreement and/or the relevant Series Transaction Agreements. All payments to be made to the Noteholders and the other Series Secured Creditors, whether made by the Issuer or by the Series Security SPV (following a Guarantee Event), will be made to the extent permitted by and strictly in accordance with the Priority of Payments.

**Security structure**

The Series Security SPV has guaranteed the Issuer's obligations to the Noteholders and the other Series Secured Creditors in terms of the Series Guarantee. The Issuer has, in terms of the Series Indemnity, indemnified the Series Security SPV in respect of claims made against the Series Security SPV under the Series Guarantee. In terms of the Series Issuer Security Agreement, the Issuer's obligations to the Series Security SPV under the Series Indemnity have been secured by (i) a pledge and (ii) a pledge and cession *in securitatem debiti*, of the Series Assets in favour of the Series Security SPV. For a fuller description of the security structure relating to the Notes in this Series see Section 10 of the Programme Memorandum headed "*Security Structure*" and Section 11 of this Series Supplement headed "*Security Arrangements*".

## Section 4

### DEFINITIONS

1. Capitalised terms used in this Series Supplement are defined in Section 19 of the Programme Memorandum headed "*Definitions*" and this Section 4, unless separately defined in this Series Supplement or, in relation to a Tranche of Notes in this Series, unless separately defined in the Applicable Pricing Supplement relating to that Tranche. Subject as aforesaid, the following expressions shall have the following meanings:

**"Account Monies"** means all monies held from time to time in all Series Bank Accounts;

**"Agency Collections"** means:

- (a) amounts received by the Issuer and due to other parties in respect of matters not provided for in the Series Transaction Agreements;
- (b) any VAT refunded to the Issuer which a Series Seller previously paid on behalf of the Issuer;
- (c) amounts invoiced to and collected from Lessees by the Series Servicer in respect of services rendered or charges raised by the Series Servicer on its own account or as agent on behalf of third parties;

**"Amortisation Date"** means, following the occurrence of an Amortisation Event, the Business Day immediately following the date on which an Amortisation Notice is delivered by or on behalf of the Series Security SPV to the Issuer in terms of Series Condition 3.1.1.2 of the Series Conditions;

**"Amortisation Event"** means:

- (a) the occurrence of a Series Servicer Event of Default; or
- (b) the occurrence of a Breach of a Performance Test; or
- (c) the occurrence of the first failure by the Issuer to redeem in full, on a Scheduled Maturity Date, one or more Tranches of Notes having that Scheduled Maturity Date where the Issuer is obliged to redeem such Tranche(s) of Notes in terms of Condition 7.2 of the Terms and Conditions or Series Condition 2.2.2.3 of the Series Conditions or Series Condition 4.3 of the Series Conditions, as the case may be; or
- (d) a Hedge Counterparty Default occurs in respect of a Series Hedge Counterparty and the Series Hedge Agreement(s) to which that Series Hedge Counterparty is a party is/are not assigned to a replacement Series Hedge Counterparty within 30 (thirty) days of the occurrence of such Hedge Counterparty Default; or
- (e) the occurrence of a failure by the Series Manager to procure the transfer into the Top-Up Provision of the amount by which the Principal Redemption Amount exceeds the amount utilised to acquire Equipment Leases for 3 (three) consecutive Payment Dates; or
- (f) upon the occurrence of a Deferred Tax Liability Increase during the Revolving Period, as notified in writing by the Series Servicer to the Issuer and the Security SPV ("**Series Servicer Notice**"), the failure by the Issuer to acquire within 30 Business Days from the occurrence of a Deferred Tax Liability Increase so many additional Equipment Leases to cover such Deferred Tax Liability Increase as shall be determined by the Series Servicer and specified in the Series Servicer Notice.

**"Amortisation Notice"** means a written notice delivered by or on behalf of the Series Security SPV, to the Issuer pursuant to Series Condition 3.1.1.2 of the Series Conditions (following an Amortisation Event) notifying the Issuer that an Amortisation Event has occurred and that the Amortisation Period has commenced;

**"Amortisation Period"** means the period from and including the Amortisation Date to and including the earlier of the Enforcement Date or the Series Termination Date;

**"Amortising Notes"** means a Tranche of Notes in this Series (designated as such in the Applicable Pricing Supplement) that allows for repayment of principal over time on the basis set out in the Applicable Pricing Supplement;

**"Applicable First Loss Loan(s)"** means the First Loss Loan(s) advanced by the relevant Series First Loss Loan Provider(s) to the Issuer in the amount and in respect of the Tranche specified in the relevant First Loss Loan Certificate(s) and the Applicable Pricing Supplement relating to that Tranche;

**"Applicable Payment Date"** means, in relation to each Equipment Lease, the Payment Date on which the relevant Series Seller sells (or proposes to sell) that Equipment Lease to the Issuer in terms of the relevant Series Sale Agreement;

**"Applicable Subordinated Loan(s)"** means the Subordinated Loan(s) advanced by the relevant Series Subordinated Lender(s) to the Issuer in the amount and in respect of the Tranche specified in the relevant Subordinated Loan Certificate(s) and the Applicable Pricing Supplement relating to that Tranche;

**"Applicable Terms and Conditions"** means, in relation to a Tranche of Notes in this Series, the Terms and Conditions, as replaced, amended and/or supplemented by the Series Conditions, and as further replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement relating to that Tranche;

**"Arrears Reserve"** means the monies standing to the credit of the Arrears Reserve Account, in an amount up to the Arrears Reserve Target Amount, established as an arrears reserve available (if necessary) to provide (among other things) liquidity where the Revenue received in a particular Due Period during the Revolving Period is not sufficient to pay Senior Expenses and Note Interest in that Due Period;

**"Arrears Reserve Account"** means the Series Bank Account into which amounts representing the Arrears Reserve are held;

**"Arrears Reserve Target Amount"** means:

- (a) at the Restatement Date or on any Measurement Date thereafter during the Revolving Period, an amount equal to the aggregate Net Present Value of the Delinquent Equipment Leases; or
- (b) during the Amortisation Period, an amount equal to zero; or
- (c) during the Post-Enforcement Period, an amount equal to zero;

**"Authorised Officer"** means, in relation to the Series Servicer or the Series Manager, as the case may be, any officer of or other person who is duly authorised by the Series Servicer or the Series Manager, as the case may be, to represent and/or to act for the Series Servicer or the Series Manager, as the case may be;

**"Balloon Equipment Lease"** means an Equipment Lease in respect of which the final Equipment Lease Payment exceeds the maximum escalation per annum of 15% in circumstances where such final Equipment Lease Payment is payable by the Lessee under that Equipment Lease;

**"Balloon Equipment Lease Advance"** means, in relation to a Balloon Equipment Lease as at any date, an amount equal to the present value, as at that date, of the final Equipment Lease Payment payable by the Lessee under that Balloon Equipment Lease, determined by discounting the final Equipment Lease Payment on a monthly basis (assuming a calendar year consisting of 365 days) at a rate equal to the discount rate applicable to that Balloon Equipment Lease;

**"Balloon Equipment Lease Advance Provision"** means a provision in the Provisioning Account into which amounts received in respect of Balloon Equipment Lease Advances are transferred on the Applicable Payment Date;

**"Bank"** means a bank registered as a bank under the Banks Act, and duly licensed thereunder to conduct the business of a bank in South Africa;

**"Benchmark"** means, in relation to all of the Equipment Leases as at a Payment Date, 4.5% multiplied by the aggregate Net Present Value of all of the Equipment Leases (excluding any Equipment Leases which are Equipment Leases in Default) at the last day of the Due Period relating to that Payment Date (or such other and/or amended Benchmark as is (i) determined by the Issuer from time to time and (ii) specified in a Series Supplement Annexure);

**"Breach of a Performance Test"** means:

- (a) the occurrence of a Reserve Fund Test Event; or
- (b) the occurrence of a Net Default Test Event; or
- (c) the occurrence of a Yield Test Event; or
- (d) the occurrence of an Over-Collateralisation Test Event,

or such other and/or amended and/or additional Breach of a Performance Test (i) which the Rating Agency, after having been furnished with 10 Business Days' prior written notice, has not informed the Issuer that its respective current Rating(s) of the Notes in that Series then in issue would be adversely affected and (ii) which is specified in a Series Supplement Annexure;

**"Capital Provision"** means a provision in the Provisioning Account into which amounts are transferred whenever Principal Payments are due but not yet payable and if a Payment Date is not an Interest Payment Date; provided that amounts standing to the credit of this provision will be transferred to the Transaction Bank Account on Interest Payment Dates;

**"Class" or "Class of Notes"** means each Tranche of Notes in this Series having the same ranking in the Priority of Payments, designated by a letter of the alphabet (such as Class A Notes and Class B Notes), on the basis that a Tranche of Notes in this Series identified by a letter closer to the beginning of the alphabet will rank higher in the Priority of Payments than a Tranche of Notes in this Series identified by a letter closer to the end of the alphabet, it being recorded that a Class may comprise separate Series of Notes having different Interest Rates, Scheduled Maturity Dates, Final Maturity Dates and other terms as set out in the Applicable Pricing Supplement and, in this

event, each such Series of Notes will be designated by a letter of the alphabet followed by a numeral, such as Class A1 Notes and Class A2 Notes;

**"Clause 4 Series Seller Warranties"** means, in relation to a Series Seller, the Series Seller Warranties set out in clause 4 of Schedule 1 to the Series Sale Agreement to which that Series Seller is a party and as summarised in section 14 of this Series Supplement under the sub-heading entitled *"Clause 4 Series Seller Warranties and the Eligibility Criteria"*;

**"Closing Balance on the Principal Deficiency Ledger"** means the amount, calculated on each Payment Date, equal to the Principal Deficiency Amount on that Payment Date; provided that the Closing Balance on the Principal Deficiency Ledger shall never be less than zero;

**"Closing Balance on the Principal Redemption Control Ledger"** means the amount, calculated on each Payment Date, equal to (i) the Principal Redemption Amount on that Payment Date less (ii) the cash applied in accordance with Items Seventh and Ninth of the Priority of Payments applicable during the Revolving Period (a) to purchase Equipment Leases on that Payment Date and/or (b) to repay capital due and payable to the relevant Note Specific Liquidity Facility Provider(s) on that Payment Date and/or (c) to pay (on any Payment Date other than an Interest Payment Date) into the Capital Provision the aggregate Principal Payment which is due and payable in respect of each Class of Amortising Notes on the Interest Payment Date following that Payment Date and/or (d) to pay (on the relevant Interest Payment Date) the aggregate Outstanding Principal Amount of each Class of Amortising Notes which is due and payable on the relevant Interest Payment Date; provided that the Closing Balance on the Principal Redemption Control Ledger shall never be less than zero;

**"Collateral Security"** means, in relation to an Equipment Lease, all collateral security provided or granted in respect of that Equipment Lease including, without limitation, all suretyships, guarantees, indemnities, cessions, endorsements or rights to payment in respect of Insurance Contracts, pledges, liens, cessions of rights (including claims, rights of action, receivables and insurance policies), mortgage bonds, notarial bonds, security deposits and any other security executed by the Lessee under that Equipment Lease or any Surety(ies) in terms of the Series Servicer's customary policies to secure the obligations of that Lessee under that Equipment Lease;

**"Collections Accounts"** means the Series Bank Accounts into which Equipment Lease Payments received in respect of the Equipment Leases are deposited to the extent to which such Equipment Lease Payments are not deposited directly into the Transaction Bank Account;

**"Collections Agent Amounts"** means, individually or collectively as the context requires, the Agency Collections and the Revenue Amount;

**"Consumer Price Index"** means the weighted average consumer price index for all areas for June of each year as published by Statistics South Africa or any successor;

**"Credit Agreements Act"** means the Credit Agreements Act, No. 75 of 1980, as amended or replaced;

**"Credit Enhancement Amount"** means, as at any Issue Date after the Restatement Date, the total amount of credit enhancement:

- (a) to be provided to the Issuer on or before that Issue Date through (i) the issue of subordinated Classes of Notes; and/or (ii) deposits into the Reserve Fund (held in the Reserve Account) up to the Reserve Fund Required Amount and/or (iii) Over-Collateralisation up to the Over-Collateralisation Required Amount; and

- (b) which the Rating Agency, after having been furnished with 10 Business Days' prior written notice, has not informed the Issuer that its respective current Rating(s) of the Notes in that Series then in issue would be adversely affected,

it being recorded that the Credit Enhancement Amount will be determined on the basis set out in Section 19 of this Series Supplement headed "*Description of the Credit Enhancement Arrangements*";

**"Credit Risk Rating"** means a public and/or non-public credit risk rating assigned by the Rating Agency to the relevant entity from time to time;

**"Cut-Off Date"** means the close of business on 31 March 2015;

**"Date of Signature"** means, in relation to a Series Transaction Agreement, the date of signature of that Series Transaction Agreement by the party signing that Series Transaction Agreement last in time;

**"Deferred Tax Liability"** means the amount of income taxes payable by the Issuer, in terms of the Income Tax Act, in future periods, calculated from time to time in accordance with IFRS;

**"Deferred Tax Liability Increase"** means an increase of the Deferred Tax Liability during the Revolving Period as determined by the Series Servicer;

**"Deficit"** means, in relation to and as at a Payment Date:

- (a) if there is a Revenue Amount as at that Payment Date, (i) the Revenue Amount as at that Payment Date less (ii) any amount by which the Benchmark exceeds the Net Yield as at the immediately preceding Payment Date; or
- (b) if the Benchmark exceeds the Net Yield as at that Payment Date, the amount by which the Benchmark exceeds the Net Yield as at that Payment Date plus the amount of any Deficit as at the immediately preceding Payment Date,

provided that the Deficit shall never be greater than zero;

**"Delinquent Equipment Lease"** means an Equipment Lease in respect of which more than 30% of any one Equipment Lease Payment which is due and payable under that Equipment Lease is more than 60 (sixty) days but less than 150 (one hundred and fifty) days overdue as at a Measurement Date;

**"Discounted Present Value"** means, in relation to an Equipment Lease as at any date, an amount equal to the present value, as at that date, of all remaining scheduled Equipment Lease Payments (including unreceived scheduled Equipment Lease Payments, the final Equipment Lease Payment of a Residual Equipment Lease and the final Equipment Lease Payment of a Balloon Equipment Lease), determined by discounting each such Equipment Lease Payment on a monthly basis (assuming a calendar year consisting of 365 days), at a rate equal to the discount rate applicable to that Equipment Lease;

**"Due Period"** means, in relation to a Payment Date, the calendar month prior to the month in which that Payment Date occurs;

**"Early Repayment Equipment Lease"** means an Equipment Lease in respect of which there has been a Termination Payment prior to the original stated maturity of that Equipment Lease;

**"Eligible Equipment Lease"** means an Equipment Lease that complies with the Eligibility Criteria;

**"Eligible Institution"** means a Bank or financial institution having the Required Credit Rating, or such other institution as may be approved by the Rating Agency from time to time;

**"Eligibility Criteria"** means, in relation to any Equipment Lease, the criteria set out in the Clause 4 Series Seller Warranties;

**"Enforcement Date"** means, following an Event of Default, the date on which an Enforcement Notice is delivered by or on behalf of the Series Security SPV to the Issuer in terms of Condition 13.2.3 of the Terms and Conditions;

**"Enforcement Notice"** means a written notice delivered by or on behalf of the Series Security SPV, to the Issuer pursuant to Condition 13.2.3 of the Terms and Conditions (following an Event of Default) declaring all of the Notes in this Series and all amounts owing by the Issuer under the Series Transaction Agreements (whether or not due for payment) to be immediately due and payable;

**"Equipment"** means, in relation to an Equipment Lease, all equipment, excluding software equipment, which is the subject of that Equipment Lease;

**"Equipment Lease Financing Notes"** means the Notes in this Series (including Prefinancing Notes, to the extent that the proceeds of the issue thereof are used to finance the Equipment Lease Purchase Amount payable in respect of any Equipment Leases purchased by the Issuer) issued by the Issuer in order to finance the aggregate Equipment Lease Purchase Amount payable in respect of Equipment Leases sold and delivered by the relevant Series Seller(s) to the Issuer in terms of the relevant Series Sale Agreement(s), as contemplated in Series Condition 2.2.3 of the Series Conditions;

**"Equipment Leases"** means (subject, where applicable, to paragraph 2 below):

- (a) all Operating Rental Agreements (each as amended, novated and/or substituted from time to time in accordance with its terms) to which Sasfin is a party (whether originally or as a permitted assignee) (i) which comply with the Eligibility Criteria and (ii) which are selected from time to time by Sasfin for inclusion in this Series;
- (b) all Operating Rental Agreements (each as amended, novated and/or substituted from time to time in accordance with its terms) to which a Series Seller (other than Sasfin) is a party (whether originally or as a permitted assignee) (i) which comply with the Eligibility Criteria and (ii) which are selected from time to time by the Issuer for inclusion in this Series;

**"Equipment Lease in Arrears"** means, in relation to and as at a Payment Date, an Equipment Lease in respect of which more than 30% of any one Equipment Lease Payment which is due and payable under that Equipment Lease is more than 30 (thirty) days overdue as at the last day of the Due Period relating to that Payment Date;

**"Equipment Lease in Default"** means, in relation to and as at a Payment Date:

- (a) an Equipment Lease in respect of which any Equipment Lease Payment which is due and payable under that Equipment Lease is more than 150 (one hundred and fifty) days overdue as at the last day of the Due Period relating to that Payment Date; or

- (b) an Equipment Lease which the Series Servicer has determined to be uncollectable, in accordance with the Series Servicer's customary practices, prior to the last day of the Due Period relating to that Payment Date;

**"Equipment Lease Payment"** means, in relation to an Equipment Lease, a periodic payment payable by the Lessee under that Equipment Lease up to the expiry date of that Equipment Lease (and after such expiry date where the Lessee continues making such payments); provided that Insurance Proceeds, Retainable Deposits, Termination Payments, prepayments of rent or principal required pursuant to the terms of that Equipment Lease at or before the commencement date of that Equipment Lease, any Revenue Amount and any Agency Collections shall not be an Equipment Lease Payment in relation to that Equipment Lease and, in calculating the Discounted Present Value of that Equipment Lease, the amount of such Insurance Proceeds, Retainable Deposits, Termination Payments, prepayments of rent or principal, Revenue Amount and Agency Collections shall not be included;

**"Equipment Lease Purchase Amount"** means, in relation to an Equipment Lease, the purchase price payable by the Issuer to the relevant Series Seller, in terms of the relevant Series Sale Agreement, for the purchase of that Equipment Lease, being an amount equal to the Net Present Value of that Equipment Lease, calculated on the Applicable Payment Date;

**"Event of Default"** means each Event of Default set out in Series Condition 5 of the Series Conditions and each Event of Default set out in Condition 13.1 of the Terms and Conditions;

**"Excess Spread"** means, in relation to and as at a Payment Date:

- (a) the Revenue received in the Due Period relating to that Payment Date; plus
- (b) all amounts receivable under the Series Hedge Agreement(s) during the Due Period relating to that Payment Date; less
- (c) Senior Expenses payable on that Payment Date (excluding any VAT payable on such Senior Expenses); less
- (d) the aggregate Note Interest accrued to the Noteholders in terms of the Applicable Terms and Conditions, and Note Specific Liquidity Interest accrued to Note Specific Liquidity Facility Provider(s) in terms of the Note Specific Liquidity Facility Agreement(s), in the Due Period relating to that Payment Date;

**"Financial Services Board"** and **"FSB"** means the Financial Services Board established in terms of the Financial Services Board Act, No. 97 of 1990;

**"First Loss Loan(s)"** means each first loss loan advanced to the Issuer by a Series First Loss Loan Provider pursuant to a Series First Loss Loan Agreement;

**"First Loss Loan Certificate"** means the loan certificate, in such form as is agreed by the Issuer and the relevant Series First Loss Loan Provider, signed by the Issuer and the relevant Series First Loss Loan Provider on or prior to the date of the borrowing of the relevant Applicable First Loss Loan by the Issuer, and specifying, among other things, the principal amount of that Applicable First Loss Loan;

**"Fitch"** means Fitch Southern Africa Proprietary Limited (incorporated with limited liability under registration number 1990/002436/07 in South Africa);



**"Fitch Criteria"** means Counterparty Criteria for Structured Finance Transactions published 14 May 2014 by Fitch, as may be modified, updated or replaced from time to time;

**"GAAP"** means generally accepted accounting practice in South Africa, consistently applied;

**"General Provision"** means a provision in the Provisioning Account into which such amounts in respect of (i) potential creditors of the Issuer relating to this Series and/or (ii) Series Sundry Expenses as are required by the Issuer and/or the Series Security SPV to be paid into this provision are transferred on a Payment Date; provided that when such amounts become due and payable, such amounts standing to the credit of this provision will be transferred, on the relevant Payment Date, to the Transaction Bank Account;

**"Guaranteed Investment Agreement"** means the written agreement entitled "*Guaranteed Investment Agreement*" entered into between the Issuer, the GIC Provider and the Series Security SPV, as amended, novated and/or substituted from time to time in accordance with its terms;

**"GIC Provider"** means the Eligible Institution having the Required Credit Rating (or which the Rating Agency, after having been furnished with 10 Business Days' prior written notice, has not informed the Issuer that its respective current Rating(s) of the Notes in that Series then in issue would be adversely affected, as the case may) selected by the Issuer as a GIC Provider for purposes of this Series;

**"Hollard"** means The Hollard Life Assurance Company Limited (incorporated with limited liability under registration number 1993/001405/06 in South Africa);

**"Income Tax Provision"** means a provision in the Provisioning Account into which Tax that has accrued but which is not yet due and payable will be transferred; provided that when such Tax becomes due and payable, the amounts standing to the credit of this provision will be transferred, on the relevant Payment Date, to the Transaction Bank Account;

**"Insurance Contract(s)"** means, in relation to an Equipment Lease, the insurance policy(ies) which provide cover, in accordance with the terms of such policy(ies), from losses arising due to the theft, loss of, or damage to, the Equipment which is the subject of that Equipment Lease and all other and/or additional policies which may be taken out at any time to provide cover from losses arising due to the theft, loss of, or damage to, that Equipment (whether pursuant to that Equipment Lease or otherwise);

**"Insurance Proceeds"** means, in relation to an Insurance Contract, all payments under such Insurance Contract made in accordance with the terms of such Insurance Contract;

**"Interest Deferral Event"** means, in relation to a Class of Notes (other than Class A Notes), an event where, as at a Payment Date while the Notes in any higher ranking Class of Notes remain outstanding, the Closing Balance on the Principal Deficiency Ledger less the balance on the Reserve Fund as at the immediately preceding Payment Date exceeds the aggregate Outstanding Principal Amount of (i) that Class of Notes and (ii) each other Class of Notes which ranks lower than that Class of Notes on that immediately preceding Payment Date;

**"Interest Provision"** means a provision in the Provisioning Account into which Note Interest that has accrued, but which is not yet payable, will be transferred on a monthly basis; provided that on the relevant Interest Payment Date the amounts to the credit of the Interest Provision will be transferred to the Transaction Bank Account;

**"Interest Rate Market of the JSE"** means the separate platform or sub-market of the JSE designated as the "Interest Rate Market" and on which notes (and other debt securities) may be listed;

**"JIBAR"** means the following rate determined by the Series Manager in accordance with Condition 10 of the Terms and Conditions:

- (a) the mid-market rate for 3-month deposits in rand for the relevant Interest Period which appears on the Reuters screen SAFEY page under caption "Yield" (or on the SAFEX nominated successor screen for JIBAR) as of approximately 11h00, Johannesburg time, on the relevant Note Reset Date, rounded to the third decimal point; or
- (b) if such rate does not so appear on the Reuters screen SAFEY page (or on the SAFEX nominated successor screen for JIBAR) for any reason whatsoever, the rate determined on the basis of the average of the mid-market 3-month deposit rates for rand quoted by at least 2 (two) of the Reference Banks at approximately 11h00, Johannesburg time, on the relevant Note Reset Date and, for this purpose, the Series Manager will request the principal Johannesburg office of each of the Reference Banks to provide a quotation of its rate in respect of 3-month deposits for Rand; or
- (c) if on any Note Reset Date in respect of which sub-paragraph (b) applies, fewer than 2 (two) such quotations are provided by the Reference Banks, the rate will be determined by the Series Manager, acting in good faith and in a commercially reasonable manner, using a representative 3-month rate;

**"the JSE"** means the JSE Limited (registration number 2005/022939/06), a duly licensed financial exchange in terms of the Financial Markets Act, No. 19 of 2012, or any exchange which operates as a successor exchange to the JSE;

**"Junior Series Subordinated Lender(s)"** means Sasfin and its successors-in-title and each other person selected by the Issuer as a Junior Series Subordinated Lender for purposes of this Series;

**"Lessee"** means, unless expressly otherwise stated or where the context otherwise requires:

- (a) in relation to an Equipment Lease, the person or persons defined as the "lessee" or the "hirer" in that Equipment Lease;
- (b) in relation to an Equipment Lease which is a Residual Equipment Lease, the person or persons (other than those contemplated in paragraph (a) above) who is or are obliged to make the final Equipment Lease Payment under that Residual Equipment Lease;

**"Management Fee"** means the fee payable to the Series Manager in terms of the Series Manager Agreement;

**"Management Services"** means the Management Services defined as such in the Series Manager Agreement;

**"Master Note Specific Liquidity Facility Agreement"** means the written agreement entitled "*Master Note Specific Liquidity Facility Agreement*", dated on or about 21 September 2007, entered into between the Issuer and Sasfin, as amended pursuant to an addendum, dated on or about 27 January 2011, as amended, novated and/or substituted from time to time in accordance with its terms;

**"Master Note Specific Liquidity Facility Provider"** means Sasfin or such other Master Note Specific Liquidity Facility Provider having the Required Credit Rating, or which the Rating Agency, after having been furnished with

10 Business Days' prior written notice, has not informed the Issuer that its respective current Rating(s) of the Notes in that Series then in issue would be adversely affected, as the case may, selected by the Issuer, in terms of the Master Note Specific Liquidity Facility Agreement, as a Master Note Specific Liquidity Facility Provider for purposes of this Series;

**"Measurement Date"** means the last day of the calendar month preceding each Payment Date;

**"National Credit Act"** means the National Credit Act, No. 34 of 2005, as amended or replaced;

**"Nedbank"** means Nedbank Limited (incorporated with limited liability under registration number 1951/000009/06 in South Africa);

**"Net Default Test Event"** means an event where the Net Default Test exceeds 2.625%;

**"Net Default Test"** means, for purposes of a Due Period, the net of the following:

- (a) the aggregate Net Present Value of Equipment Leases in Default which occurred in the past 12 (twelve) months ending on the last day of that Due Period; less
- (b) the aggregate amount of the Recoveries collected in the past 12 (twelve) months ending on the last day of that Due Period; divided by the aggregate of
- (c) the average Net Present Value of Equipment Leases for the past 12 (twelve) months ending on the last day of that Due Period;

**"Net Present Value"** means, in relation to an Equipment Lease as at any date, an amount equal to (i) the Discounted Present Value of that Equipment Lease at that date plus (ii) the Equipment Lease Payments in respect of that Equipment Lease not, as at that date, paid on the due date thereof and that remain due as at that date less (iii) the Equipment Lease Payments in respect of that Equipment Lease due after that date but paid prior to the due date thereof;

**"Net Yield"** means, as at a Payment Date:

- (a) the Revenue for the Due Period relating to that Payment Date; less
- (b) the aggregate Net Present Value of Equipment Leases in Default which became Equipment Leases in Default during the Due Period relating to that Payment Date; less
- (c) any fees or premiums payable to the providers of guarantees, credit derivatives or other arrangements in terms in of the Related Agreements for the Due Period relating to that Payment Date; less
- (d) the Note Interest accrued for the Due Period relating to that Payment Date and any other interest payable for the Due Period relating to that Payment Date, as the case may be; plus
- (e) all amounts receivable under the Series Hedge Agreement(s) for the Due Period relating to that Payment Date; less
- (f) all amounts payable under the Series Hedge Agreement(s) for the Due Period relating to that Payment Date;

**"Non-Scheduled Equipment"** means bakkies, buses, capital equipment, catering equipment, industrial equipment, industrial tools and equipment, sundries, vehicle rentals, vehicles not exceeding 1.5 tons and such other items as are determined by the Issuer from time to time to be Non-Scheduled Equipment;

**"Noteholders" and "holders of Notes"** means, subject to Condition 4 of the Terms and Conditions, the holders of Notes in this Series;

**"Note Interest"** means the interest that accrues from time to time on each Class of Notes in this Series;

**"Note Specific Liquidity Facility Agreement(s)"** means each liquidity facility agreement entered into between the Issuer and a Note Specific Liquidity Facility Provider in respect of one or more Tranches of Notes in this Series (selected by the Issuer) having Scheduled Maturity Date(s) which fall 364 days (or less) after the Issue Date(s), as amended, novated and/or substituted from time to time in accordance with its terms;

**"Note Specific Liquidity Commitment"** means, in relation to a Tranche of Notes in this Series (selected by the Issuer) having a Scheduled Maturity Date which falls 364 days (or less) after the Issue Date and in respect of which a Note Specific Liquidity Agreement has been entered into (or, where applicable, a Note Specific Liquidity Supplement has been executed), an amount equal to the aggregate Outstanding Principal Amount of that Tranche of Notes on the Scheduled Maturity Date;

**"Note Specific Liquidity Facility Interest"** means the interest that accrues from time to time in respect of Note Specific Liquidity Facility Agreement(s);

**"Note Specific Liquidity Facility Provider(s)"** means each Eligible Institution having the Required Credit Rating or which the Rating Agency, after having been furnished with 10 Business Days' prior written notice, has not informed the Issuer that its respective current Rating(s) of the Notes in that Series then in issue would be adversely affected, as the case may, selected by the Issuer as a Note Specific Liquidity Facility Provider for purposes of this Series;

**"Note Specific Liquidity Supplement"** means a schedule (in the form prescribed in the relevant Note Specific Liquidity Facility Agreement) completed in respect of a Tranche of Notes in this Series (selected by the Issuer) having a Scheduled Maturity Date which falls 364 days (or less) after the Issue Date(s), signed by the Issuer and the relevant Note Specific Liquidity Facility Provider prior to the Issue Date of that Tranche of Notes, and setting out, among other things, details of that Tranche of Notes and the Note Specific Liquidity Commitment;

**"Officers' Certificate"** means, in relation to the Series Servicer or the Series Manager, as the case may be, a certificate signed by 2 (two) Authorised Officers of the Series Servicer or the Series Manager, as the case may be;

**"Operating Rental Agreement"** means an Equipment Lease, excluding Balloon Equipment Leases and Residual Equipment Leases, pursuant to which the Lessee hires the relevant Equipment from the lessor on the basis that the ownership of the Equipment shall at all times remain vested in the lessor and shall not, in any circumstances, be transferred to the Lessee;

**"Over-Collateralisation"** shall bear the meaning assigned thereto in Section 19 of this Series Supplement headed *"Description of the Credit Enhancement Arrangements"*;

**"Over-Collateralisation Amount"** means as at the relevant Measurement Date, an amount equal to the sum of the aggregate Net Present Value of all Performing Equipment Leases minus the aggregate Outstanding Principal Amount of all the Notes in issue;

**"Over-Collateralisation Required Amount"** means an amount equal to 12.54% of the aggregate Outstanding Principal Amount of all the Notes in issue from time to time, it being recorded that, in respect of each proposed subsequent issue of additional Tranche(s) of Notes in this Series, the Over-Collateralisation Required Amount will be reviewed by the Rating Agency following an evaluation of the Equipment Leases owned by the Issuer as at the Issue Date of such Tranche(s) of Notes and, if applicable, the Equipment Leases to be acquired by the Issuer on that Issue Date;

**"Over-Collateralisation Test Event"** means the failure by the Issuer to maintain, as at the relevant Measurement date, the Over-Collateralisation Amount in an amount equal to or greater than the Over-Collateralisation Required Amount;

**"Payment Date"** means the 17th day of each calendar month (or, (i) for purposes of the sale of Equipment Leases by the relevant Series Seller to the Issuer pursuant to the relevant Series Sale Agreement, such other day of each calendar month as may be determined by the Issuer and that Series Seller and specified in the relevant Schedule or (ii) for any other purposes, such other day of each calendar month as may be determined by the Issuer, after 15 November 2008, and specified in a Series Supplement Annexure, as the case may be) or, if such day is not a Business Day, the immediately succeeding Business Day;

**"Payment Instruction"** means the Payment Instruction as defined in the Series Manager Agreement;

**"Payment Schedule"** means the Payment Schedule as defined in the Series Manager Agreement;

**"Performance Test"** means the test to be performed by the Series Manager in terms of the Series Manager Agreement, on a monthly basis, to ascertain if a Breach of a Performance Test has occurred;

**"Performing Equipment Lease"** means an Equipment Lease which, as at the relevant Measurement Date, is not a Delinquent Equipment Lease nor an Equipment Lease in Default;

**"Permitted Investments"** means the Permitted Investments defined as such in Series Condition 2.4 of the Series Conditions;

**"Person"** means a natural person, firm, company, corporation, partnership, association, unincorporated body of persons, trust, state or governmental authority, or any other entity, whether acting in an individual, financing or other capacity, and such person's permitted successors;

**"Portfolio Concentration Limits"** means, in relation to all of the Equipment Leases as at any date, the following concentration limits (or such other and/or amended and/or additional concentration limit(s) (i) which the Rating Agency, after having been furnished with 10 Business Days' prior written notice, has not informed the Issuer that its respective current Rating(s) of the Notes in that Series then in issue would be adversely affected and (ii) which are specified in a Series Supplement Annexure);

- (a) the aggregate Net Present Value of the Equipment Leases relating to the ten largest Lessees (including Affiliates of such Lessees), the ten largest Lessees being determined by reference to the aggregate Net Present Value of Equipment Leases in respect of which such Lessees (or their respective Affiliates) are Lessees, shall not exceed 5% of the aggregate Net Present Value of all of the Equipment Leases of the Issuer on the last day of any Due Period;

- (b) the total number of all Lessees, excluding Lessees who are parties to Equipment Leases in Default and Equipment Leases with a Net Present Value of zero or less, shall be 5000 (five thousand) or more;
- (c) the aggregate Net Present Value of all Equipment Leases relating to Non-Scheduled Equipment shall not exceed 10% of the aggregate Net Present Value of all of the Equipment Leases of the Issuer on the last day of any Due Period and the aggregate Net Present Value of all of such Equipment Leases relating to any one Lessee (including Affiliates of such Lessee), shall not exceed 5% of the aggregate Net Present Value of all Equipment Leases relating to Non-Scheduled Equipment on the last day of any Due Period;
- (d) the aggregate Net Present Value of Equipment Leases relating to any one Lessee (including any Affiliates of such Lessee), shall not exceed 0,5% of the aggregate Net Present Value of all of the Equipment Leases of the Issuer on the last day of any Due Period;
- (e) the aggregate Net Present Value of all Equipment Leases where the Equipment which is the subject of such Equipment Leases is located outside the Common Monetary Area may not exceed 5% of the aggregate Net Present Value of all of the Equipment Leases of the Issuer on the last day of any Due Period;
- (f) the aggregate Net Present Value of all Equipment Leases in respect of which the Services (as contemplated in the Series Servicer Agreement) are to be performed by a party other than the Series Servicer (the **"Delegate Series Servicer"**), may not exceed 50% of the aggregate Net Present Value of all Equipment Leases on the last day of any Due Period;
- (g) the aggregate Net Present Value of all Equipment Leases in respect of which the Services (as contemplated in the Series Servicer Agreement) are to be performed by one individual Delegate Series Servicer, may not exceed 10% of the aggregate Net Present Value of all Equipment Leases on the last day of any Due Period unless the Rating Agency, after having been furnished with 10 Business Days' prior written notice, has not informed the Issuer that the performance of such Services by such individual Series Delegate Servicer would cause the Rating(s) of the Notes in this Series then in issue to be downgraded or withdrawn by the Rating Agency;
- (h) the aggregate Net Present Value of the Equipment Leases relating to the 20 (twenty) largest Lessees (including Affiliates of such Lessees), the 20 (twenty) largest Lessees being determined by reference to the aggregate Net Present Value of Equipment Leases in respect of which such Lessees (or their respective Affiliates) are Lessees, shall not exceed 10% of the aggregate Net Present Value of all of the Equipment Leases of the Issuer on the last day of any Due Period;
- (i) the aggregate Net Present Value of the Equipment Leases relating to the 300 (three hundred) largest Lessees (including Affiliates of such Lessees), the 300 (three hundred) largest Lessees being determined by reference to the aggregate Net Present Value of Equipment Leases in respect of which such Lessees (or their respective Affiliates) are Lessees, shall not exceed 40% of the aggregate Net Present Value of all of the Equipment Leases of the Issuer on the last day of any Due Period and, thereafter, of the remaining individual Lessees (including Affiliates of such Lessees), any one shall not exceed 0.05% of the aggregate Net Present Value of all of the Equipment Leases of the Issuer on the last day of any Due Period;

**"Post-Enforcement Period"** means, following a Guarantee Event, the period from and including the Enforcement Date to but excluding the earlier of the Programme Termination Date or the Series Termination Date;

**"Post-Enforcement Priority of Payments"** means the order in which (following a Guarantee Event) payments shall be made to the Issuer's creditors in respect of this Series (including the Noteholders and the other Series Secured Creditors) on and after the Enforcement Date, as set out in paragraph 4 of Section 9 of this Series Supplement headed *"Priority of Payments"*;

**"Pre-Enforcement Priority of Payments"** means the order in which payments shall be made to the Issuer's creditors in respect of this Series (including the Noteholders and the other Series Secured Creditors) prior to the Enforcement Date (i) during the Revolving Period, as set out in paragraph 2 of Section 9 of this Series Supplement headed *"Priority of Payments"* or (ii) during the Amortisation Period, as set out in paragraph 3 of Section 9 of this Series Supplement headed *"Priority of Payments"*, as the case may be;

**"Prefinanced Notes"** means the Notes in this Series which are to be redeemed from the proceeds of the Prefinancing Notes, as specified in the Applicable Pricing Supplement and as more fully contemplated in Series Condition 2.2.2.4 of the Series Conditions;

**"Prefinancing Notes"** means the Notes in this Series issued by the Issuer pursuant to an exercise by the Issuer of the Prefinancing Option, as set out in Series Condition 2.2.2.4 of the Series Conditions;

**"Prefinancing Option"** means the right of the Issuer to issue Prefinancing Notes during a Prefinancing Period, in order (i) to redeem Prefinanced Notes, as contemplated in Series Condition 2.2.2.4 of the Series Conditions, or (ii) to finance the Equipment Lease Purchase Amount payable in respect of any Equipment Leases purchased by the Issuer, provided that the Issuer may not exercise the Prefinancing Option if it has already exercised the Refinancing Option to redeem the same Notes;

**"Prefinancing Period"** means, in relation to a Tranche of Notes, the period of 4 (four) months prior to (and including) the Scheduled Maturity Date of that Tranche of Notes, during which the Issuer is entitled to exercise the Prefinancing Option;

**"Prime"** means the publicly quoted annual prime lending rate of interest from time to time levied by Nedbank on unsecured overdrawn current accounts (as certified by any manager of Nedbank whose authority and/or appointment need not be proved), nominal annual compounded monthly in arrear;

**"Principal Collections"** means the aggregate amount of Equipment Lease Payments, Termination Payments, Revenue Amounts, Insurance Proceeds and Equipment Lease Purchase Amounts (to the extent that such amounts relate to principal);

**"Principal Deficiency Amount"** means the amount, calculated on each Payment Date, equal to:

- (a) the Closing Balance of the Principal Deficiency Ledger as at the immediately preceding Payment Date; plus
- (b) the aggregate Net Present Value of Equipment Leases in Default that became Equipment Leases in Default during the Due Period relating to that Payment Date; less
- (c) the Excess Spread as calculated on that Payment Date;

**"Principal Redemption Amount"** means the amount, calculated on each Payment Date, equal to:

- (a) the Closing Balance on the Principal Redemption Control Ledger as at the immediately preceding Payment Date; plus

- (b) the Principal Collections received during the Due Period relating to that Payment Date; plus
- (c) the aggregate Net Present Value of Equipment Leases in Default that became Equipment Leases in Default during the Due Period relating to that Payment Date; plus
- (d) increases in the Deferred Tax Liability during the Due Period relating to that Payment Date; less
- (e) decreases in the Deferred Tax Liability during the Due Period relating to that Payment Date;

**"Priority of Payments"** means the Pre-Enforcement Priority of Payments or, following a Guarantee Event, the Post-Enforcement Priority of Payments, as the case may be;

**"Provisioning Account"** means the Series Bank Account made up of the following ledger accounts:

- (a) the Income Tax Provision;
- (b) the Interest Provision;
- (c) the Top-Up Provision;
- (d) the Capital Provision;
- (e) the General Provision;
- (f) the Seller Advance Provision;
- (g) the Balloon Equipment Lease Advance Provision; and
- (h) the Residual Equipment Lease Advance Provision;

**"Quarterly Payment Date"** means each third consecutive Payment Date, namely the 17<sup>th</sup> of each of February, May, August and November of each year, or if such day is not a Business Day, the immediately succeeding Business Day;

**"Recoveries"** means all amounts of whatever nature received by the Issuer in respect of Equipment Leases in Default;

**"Refinanced Notes"** means the Notes in this Series which are to be redeemed from the proceeds of the Refinancing Notes and the Applicable Subordinated Loan(s) (if any) and/or the Applicable First Loss Loan(s) (if any) borrowed in respect of the Refinancing Notes, as set out in Series Condition 2.2.2 of the Series Conditions;

**"Refinancing Notes"** means the Notes in this Series issued by the Issuer pursuant to an exercise by the Issuer of the Refinancing Option, as set out in Series Condition 2.2.2 of the Series Conditions;

**"Refinancing Option"** means the right of the Issuer to issue Refinancing Notes and to borrow one or more Applicable Subordinated Loan(s) and/or Applicable First Loss Loan(s) during a Refinancing Period in order to redeem Refinanced Notes and to repay the Applicable Subordinated Loan(s) (if any) and/or the Applicable First Loss Loan(s) (if any) borrowed in respect of the Refinanced Notes, as set out in Series Condition 2.2.2 of the Series Conditions and provided that the Issuer may not exercise the Refinancing Option if it has already exercised the Prefinancing Option to redeem the same Notes;



**"Refinancing Period"** means, in relation to a Tranche of Notes in this Series having a Scheduled Maturity Date which falls 364 days (or less) after the Issue Date, the period of 5 (five) days prior to (and including) that Scheduled Maturity Date and, in relation to any other Tranche of Notes, the period of 60 (sixty) days prior to (and including) the Scheduled Maturity Date of that Tranche of Notes, during which the Issuer is entitled to exercise the Refinancing Option;

**"Related Agreements"** means, in relation to an Equipment Lease, all guarantees, credit derivatives and/or other agreements (if any) in terms of which the credit quality or Credit Risk Rating of that Equipment Lease is enhanced;

**"Replacement Date"** means, in relation to a Replaced Equipment Lease, the date upon which the replacement of that Replaced Equipment Lease with one or more Replacement Equipment Leases in terms of the relevant Series Sale Agreement becomes effective and unconditional;

**"Replaced Equipment Lease"** means an Equipment Lease that is replaced with one or more Replacement Equipment Leases in terms of the relevant Series Sale Agreement;

**"Replacement Equipment Lease(s)"** means the Equipment Lease(s) that replace a Replaced Equipment Lease in terms of the relevant Series Sale Agreement;

**"Required Credit Rating"** means:

a) where the Rating Agency is Fitch:

- 1 in respect of each Note Specific Liquidity Facility Provider, a short-term rating of at least F1+(zaf) (or the equivalent thereof);
- 2 in respect of the GIC Provider, a short-term rating of at least F1(zaf) (or the equivalent thereof) and a long-term rating of at least A(zaf) (or the equivalent thereof) or such other rating, if any, which Fitch confirms in writing will not adversely affect its respective current Rating(s) of the Notes in this Series then in issue, as the case may be;
- 3 in respect of each Series Hedge Counterparty, a short-term rating of at least F1(zaf) (or the equivalent thereof) and a long-term rating of at least A(zaf) (or the equivalent thereof) or such other rating, if any, which Fitch confirms in writing will not adversely affect its respective current Rating(s) of the Notes in this Series then in issue, as the case may be;
- 4 in respect of the Series Account Bank, a short-term rating of at least F1(zaf) (or the equivalent thereof) and a long-term rating of at least A(zaf) (or the equivalent thereof) or such other rating, if any, which Fitch confirms in writing will not adversely affect its respective current Rating(s) of the Notes in this Series then in issue, as the case may be;
- 5 in respect of all Permitted Investments having a maturity of 30 (thirty) days or shorter, a short-term rating of at least F1(zaf) (or the equivalent thereof) or a long-term rating of at least A(zaf) (or the equivalent thereof) or such other rating, if any, which Fitch confirms in writing will not adversely affect its respective current Rating(s) of the Notes in this Series then in issue, as the case may be;
- 6 in respect of all Permitted Investments having a maturity of greater than 30 (thirty) days but less than 364 (three hundred and sixty four) days, a short-term rating of at least F1+(zaf) (or the equivalent thereof) or a long-term rating of at least AA-(zaf) (or the equivalent thereof) or such other rating, if any,

which Fitch confirms in writing will not adversely affect its respective current Rating(s) of the Notes in this Series then in issue, as the case may be;

- 7 in the case of each other party to a Series Transaction Agreement required to hold a Required Credit Rating in terms of that Series Transaction Agreement, the same national scale, national currency credit rating as the Rating (if any) that is assigned by Fitch to the highest-ranking Notes in this Series then in issue (or the equivalent thereof) or such other rating, if any, which Fitch confirms in writing will not adversely affect its respective current Rating(s) of the Notes in this Series then in issue, as the case may be;

b) where the Rating Agency is Standard & Poor's:

- 1 in respect of each Note Specific Liquidity Facility Provider, a short-term rating of at least zaA-1 (or the equivalent thereof);
- 2 in respect of the GIC Provider, a short-term rating of at least zaA-1 (or the equivalent thereof) and a long-term rating of at least zaA+ (or the equivalent thereof) or such other rating, if any, which Standard & Poor's confirms in writing will not adversely affect its respective current Rating(s) of the Notes in this Series then in issue, as the case may be;
- 3 in respect of each Series Hedge Counterparty, a short-term rating of at least zaA-1 (or the equivalent thereof) and a long-term rating of at least zaA+ (or the equivalent thereof) or such other rating, if any, which Standard & Poor's confirms in writing will not adversely affect its respective current Rating(s) of the Notes in this Series then in issue, as the case may be;
- 4 in respect of the Series Account Bank, a short-term rating of at least zaA-2 (or the equivalent thereof) and a long-term rating of at least zaBBB+ (or the equivalent thereof) or such other rating, if any, which Standard & Poor's confirms in writing will not adversely affect its respective current Rating(s) of the Notes in this Series then in issue, as the case may be;
- 5 in respect of all Permitted Investments, a short-term rating of at least zaA-1 (or the equivalent thereof) or a long-term rating of at least zaA+ (or the equivalent thereof) or such other rating, if any, which Standard & Poor's confirms in writing will not adversely affect its respective current Rating(s) of the Notes in this Series then in issue, as the case may be;
- 6 in the case of each other party to a Series Transaction Agreement required to hold a Required Credit Rating in terms of that Series Transaction Agreement, the same Rating (if any) that is assigned by Standard & Poor's to the highest-ranking Notes in this Series then in issue (or the equivalent thereof) or such other rating, if any, which Standard & Poor's confirms in writing will not adversely affect its respective current Rating(s) of the Notes in this Series then in issue, as the case may be;

**"Reserve Account"** means the Series Bank Account in which amounts representing the Reserve Fund are held;

**"Reserve Fund"** means the monies standing to the credit of the Reserve Account, in an amount up to the Reserve Fund Required Amount, established as a reserve available (if necessary) to provide liquidity where the Revenue received in a particular Due Period during the Amortisation Period is not sufficient to pay Senior Expenses and Note Interest in that Due Period;

**"Reserve Fund Required Amount"** means an amount equal to at least 4.46% of the aggregate Outstanding Principal Amount of all the Notes in issue from time to time, it being recorded that, in respect of each proposed subsequent issue of additional Tranche(s) of Notes in this Series, the Reserve Fund Required Amount will be reviewed by the Rating Agency following an evaluation of the Equipment Leases owned by the Issuer as at the Issue Date of such Tranche(s) of Notes and, if applicable, the Equipment Leases to be acquired by the Issuer on that Issue Date;

**"Reserve Fund Test Event"** means an event where the balance on the Reserve Account is less than the Reserve Fund Required Amount required on any Payment Date or the balance on the Arrears Reserve Account is less than the Arrears Reserve Target Amount on any 3 (three) consecutive Payment Dates, as the case may be;

**"Residual Equipment Lease"** means an Equipment Lease in respect of which the final Equipment Lease Payment exceeds the maximum escalation per annum of 15% in circumstances where such final Equipment Lease Payment is payable by a person other than the Lessee under that Equipment Lease;

**"Residual Equipment Lease Advance"** means, in relation to a Residual Equipment Lease as at any date, an amount equal to the present value, as at that date, of the final Equipment Lease Payment payable by the relevant person (other than the Lessee) under that Residual Equipment Lease, determined by discounting the final Equipment Lease Payment on a monthly basis (assuming a calendar year consisting of 365 days) at a rate equal to the discount rate applicable to that Residual Equipment Lease;

**"Residual Equipment Lease Advance Provision"** means a provision in the Provisioning Account into which amounts received in respect of Residual Equipment Lease Advances are transferred on the Applicable Payment Date;

**"Restatement Date"** means 12 August 2015;

**"Retainable Deposits"** means all security and deposits which the Series Servicer has determined, in accordance with its customary servicing practices, are not refundable to the Lessees;

**"Revenue"** means, for purposes of a Due Period:

- (a) the aggregate of Equipment Lease Payments, Termination Payments, Revenue Amounts, Insurance Proceeds, Equipment Lease Purchase Amounts and Recoveries (to the extent that such amounts do not relate to principal) received in that Due Period; plus
- (b) the income on Permitted Investments received in that Due Period; plus
- (c) any interest raised on any Equipment Lease Payment that is paid in that Due Period after its respective due date therefor;

**"Revenue Amount"** means, in relation to all of the Equipment Leases as at a Payment Date:

- (a) the amount by which the Net Yield exceeds the Benchmark on that Payment Date; less
- (b) any Deficit on the immediately preceding Payment Date,

provided that the Revenue Amount shall never be less than zero;

**"Revolving Period"** means the period from and including the Restatement Date to but excluding the Revolving Period End Date;

**"Revolving Period End Date"** means the earlier of:

- (a) the Series Termination Date; or
- (b) the Amortisation Date; or
- (c) the Enforcement Date;

**"Sale Agreement"** means the written agreement entitled "*Initial Sale Agreement (Amending and Restating the Sale Agreement)*", dated on or about 21 September 2007, as amended and restated pursuant to the written agreement entitled "*Restated and Amended Initial Sale Agreement*", dated on or about 16 November 2009, entered into between the Issuer, Sasfin and the Series Security SPV, and as further amended pursuant to an addendum, dated on or about 27 January 2011 and thereafter as amended, novated and/or substituted from time to time in accordance with its terms;

**"Sasfin"** means Sasfin Bank Limited (incorporated with limited liability under registration number 1951/002280/06 in South Africa);

**"Schedule"** means, in relation to a Series Sale Agreement, each schedule to that Series Sale Agreement which sets out, among other things, specific details of the Equipment Leases to be purchased by the Issuer from the relevant Series Seller in terms of that Series Sale Agreement, the Equipment Lease Purchase Amount and the Applicable Payment Date;

**"Securitisation Services"** means Outsourced Securitisation Services Proprietary Limited (incorporated with limited liability in South Africa under registration number 2008/020146/07) and beneficially owned by Deloitte & Touche, a partnership duly established under the laws of the Republic of South Africa under Practice No. 902276 and a member firm of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee;

**"Seller Advance"** means, in relation to an Equipment Lease (where applicable), an amount equal to the first Equipment Lease Payment payable under that Equipment Lease as at the Applicable Payment Date multiplied by 2 (two);

**"Seller Advance Provision"** means a provision in the Provisioning Account into which amounts received in respect of Seller Advances are transferred on the Applicable Payment Date;

**"Senior Expenses"** means those expenses listed as Items First to Fifth (inclusive) in the Pre-Enforcement Priority of Payments applicable during the Revolving Period;

**"Senior Series Subordinated Lender(s)"** means Investec Asset Management Proprietary Limited (registration number 1984/011235/07), Sanlam Credit Conduit Proprietary Limited (registration number 2006/000709/07) and Sanlam Capital Markets Limited (registration number 1996/004744/06) or any one of them, as the context may require, each successor-in-title and each other person selected by the Issuer as a Senior Series Subordinated Lender for purposes of this Series;

**"this Series"** means Series 1 ("*Equipment Rental Securitisation Series*") under the Programme, to which this Series Supplement is applicable;

**"Series Account Bank"** means Nedbank, or such other Eligible Institution which is a Bank having the Required Credit Rating or which the Rating Agency, after having been furnished with 10 Business Days' prior written notice, has not informed the Issuer that its respective current Rating(s) of the Notes in that Series then in issue would be adversely affected, as the case may, as is selected by the Issuer and the Series Security SPV as a Series Account Bank for purposes of this Series;

**"Series Assets"** means the assets of the Issuer in respect of this Series (whether in cash or other property) identified in the Accounting Records (by way of the prefixing of a unique numeral) as being attributable solely to this Series, including:

- (a) subject to paragraph 2 below, all of the Issuer's right, title and interest in and to, and rights and claims under each Equipment Lease (as defined in paragraph 2 below) purchased by the Issuer in terms of the Series Sale Agreement(s);
- (b) all of the Issuer's right, title and interest in and to the Series Bank Accounts and the Account Monies;
- (c) all of the Issuer's right, title and interest in and to the Permitted Investments and all principal, income and other amounts accrued in respect of the Permitted Investments;
- (d) all of the Issuer's rights and claims under the Series Transaction Agreements including, without limitation, the benefit of all representations, warranties, undertakings, covenants, indemnities and promises made by any party in favour of the Issuer under the Series Transaction Agreements; and
- (e) all proceeds of any of the above;

**"Series Bank Accounts"** means the bank accounts (existing and future) held from time to time with the Series Account Bank by or on behalf of the Issuer for purposes of this Series, including the Transaction Bank Account, the Collections Accounts, the Provisioning Account, the Arrears Reserve Account and the Reserve Account, individually or collectively, as the context requires;

**"Series Bank Agreements"** means the Series Bank Agreement (the Accounts other than the Collections Accounts), the Series Bank Agreement (the Collections Accounts) and each other written agreement entered into between the Series Manager, the Issuer, the Series Security SPV and the Series Account Bank in respect of this Series, each as amended, novated and/or substituted from time to time in accordance with its terms;

**"Series Bank Agreement (the Accounts other than the Collections Accounts)"** means the written agreement entitled *"Series Bank Agreement (Amending and Restating the Bank Agreement (the Accounts other than the Collections Accounts))"*, dated on or about 21 September 2007, entered into between Nedbank, the Issuer and the Series Security SPV, and thereafter as amended, novated and/or substituted from time to time in accordance with its terms;

**"Series Bank Agreement (the Collections Accounts)"** means the written agreement entitled *"Series Bank Agreement (Amending and Restating the Bank Agreement (the Collections Accounts))"*, dated on or about 21 September 2007, entered into between Nedbank, the Issuer and the Series Security SPV, and thereafter as amended, novated and/or substituted from time to time in accordance with its terms;

**"Series Common Terms Agreement"** means the written agreement entitled *"Series Common Terms Agreement (Amending and Restating the Master Definitions Agreement)"*, dated on or about 21 September 2007 entered into between the Issuer, Sasfin, Nedbank and the Series Security SPV, as amended and restated pursuant to the

written agreement entitled "*Restated and Amended Common Terms Agreement*", dated on or about 27 January 2011, entered into between the Issuer, Sasfin, Nedbank, the Series Security SPV, Securitisation Services, Hollard, the Issuer Owner Trustee and the Security SPV Owner Trustee, and thereafter as amended, novated and/or substituted from time to time in accordance with its terms;

**"Series Conditions"** means the Series Conditions set out in Section 7 of this Series Supplement headed "*Series Conditions*";

**"Series First Loss Loan Agreement(s)"** means each written first loss loan agreement entered into between the Issuer, a Series First Loss Loan Provider and the Series Security SPV in respect of this Series, as amended, novated and/or substituted from time to time in accordance with its terms;

**"Series First Loss Loan Provider(s)"** means Hollard and each other person selected by the Issuer as a Series First Loss Loan Provider for purposes of this Series;

**"Series Guarantee"** means the written deed of guarantee entitled "*Series Guarantee (Amending and Restating the Guarantee)*", dated on or about 21 September 2007, executed by the Series Security SPV in favour of the Series Secured Creditors, as amended pursuant to an addendum, dated on or about 27 January 2011, and thereafter as amended, novated and/or substituted from time to time in accordance with its terms;

**"Series Hedge Agreement(s)"** means the written interest rate swap agreement entered into between the Issuer and Sasfin (as Series Hedge Counterparty) in respect of this Series and each other interest rate swap agreement, forward rate agreement, hedging agreement (or other similar agreement) entered into between the Issuer and a Series Hedge Counterparty in order to mitigate the interest rate risk arising from amounts payable to the Issuer in respect of the Equipment Leases and/or the Notes in this Series and/or (ii) in order to mitigate any other risk or exposure the Issuer may have in relation to this Series, as amended, novated and/or substituted from time to time in accordance with its terms;

**"Series Hedge Counterparty(ies)"** means each Eligible Institution having the Required Credit Rating or which the Rating Agency, after having been furnished with 10 Business Days' prior written notice, has not informed the Issuer that its respective current Rating(s) of the Notes in that Series then in issue would be adversely affected, as the case may, selected by the Issuer as a Series Hedge Counterparty for purposes of this Series;

**"Series Hedge Counterparty Default"** means, in relation to a Series Hedge Counterparty, an event of default by that Series Hedge Counterparty in terms of the Series Hedge Agreement(s) to which that Series Hedge Counterparty is a party;

**"Series Indemnity"** means the written indemnity entitled "*Series Indemnity (Amending and Restating the Indemnity)*", dated on or about 21 September 2007, executed by the Issuer in favour of the Series Security SPV, as amended pursuant to an addendum, dated on or about 27 January 2011 and thereafter as amended, novated and/or substituted from time to time in accordance with its terms;

**"Series Issuer Security Agreement"** means the written deed of cession entitled "*Series Issuer Security Agreement (Amending and Restating the Cession in Security Agreement)*", dated on or about 21 September 2007, executed by the Issuer in favour of the Series Security SPV, as amended pursuant to an addendum, dated on or about 27 January 2011 and thereafter as amended, novated and/or substituted from time to time in accordance with its terms;

**"Series Liabilities"** means the liabilities of the Issuer in respect of this Series identified in the Accounting Records (by way of the prefixing of a unique numeral) as being attributable solely to this Series;

**"Series Manager"** means Sasfin and its successors-in-title or such other person as may be appointed as Series Manager in terms of the Series Manager Agreement;

**"Series Manager Agreement"** means the written agreement entitled "*Series Manager Agreement (Amending and Restating the Issuer Manager Agreement)*", dated on or about 21 September 2007, entered into between the Issuer, Nedbank and the Series Security SPV, as amended in terms of addenda dated 15 December 2008 and 16 November 2009 and as amended and restated pursuant to the written agreement entitled "*Restated and Amended Series Manager Agreement*" dated 27 January 2011, entered into between the Issuer, the Series Security SPV and Securitisation Services and as further amended pursuant to an addendum, dated on or about 24 April 2013 and thereafter as amended, novated and/or substituted from time to time in accordance with its terms;

**"Series Manager Event of Default"** means each Series Manager Event of Default specified as such in the Series Manager Agreement;

**"Series Sale Agreement(s)"** means (i) the Sale Agreement and (ii) each other written agreement so entitled entered into between the relevant Series Seller, the Issuer, the Series Servicer and the Series Security SPV in respect of this Series and in terms of which the relevant Series Seller agrees to sell and deliver the Equipment Lease(s) to the Issuer, as amended, novated and/or substituted from time to time in accordance with its terms;

**"Series Secured Creditors"** means each of the creditors of the Issuer set out in the Priority of Payments that is a party to a Series Transaction Agreement;

**"Series Security Agreements"** means the Series Guarantee, the Series Issuer Security Agreement, the Series Indemnity and the Series Undertaking and Cession in Security Agreement;

**"Series Security SPV"** means ERS No. 1 Security SPV Proprietary Limited (incorporated with limited liability under registration number 2003/014352/07 in South Africa);

**"Series Seller(s)"** means Sasfin and its successors-in-title and each other person selected by the Issuer as a Series Seller for purposes of this Series;

**"Series Seller Warranties"** means, in relation to a Series Seller, each of the warranties and representations set out in Schedule 1 to the Series Sale Agreement to which that Series Seller is a party;

**"Series Servicer"** means Sasfin and its successors-in-title or such other person as may be appointed as Series Servicer in terms of the Series Servicer Agreement;

**"Series Servicer Agreement"** means the written agreement entitled "*Series Servicer Agreement (Amending and Restating the Servicer and Standby Servicer Agreement)*", dated on or about 21 September 2007, entered into between the Issuer, Sasfin, Nedbank and the Series Security SPV, as amended pursuant to an addendum dated 16 November 2009 and as amended and restated pursuant to the written agreement entitled "*Restated and Amended Series Servicer Agreement*" dated 27 January 2011, entered into between the Issuer, Sasfin, Securitisation Services and the Security SPV and as amended and restated pursuant to the written agreement entitled "*Restated and Amended Series Servicer Agreement*", entered into between the Issuer, Sasfin and the

Security SPV and thereafter as amended, novated and/or substituted from time to time in accordance with its terms;

**"Series Servicer Event of Default"** means each Series Servicer Event of Default set out in Series Condition 3.2 of the Series Conditions;

**"Series Standby Servicer"** means (where applicable) the person appointed as Series Standby Servicer in terms of the Series Servicer Agreement and its successors-in-title;

**"Series Statutory Expenses"** means that portion of the Programme Statutory Expenses allocated by the Programme Manager (in the manner required by the Issuer) to this Series on the basis set out in the Programme Management Agreement;

**"Series Subordinated Lender(s)"** means Sasfin and its successors-in-title and each other person selected by the Issuer as a Series Subordinated Lender for purposes of this Series;

**"Series Subordinated Loan Agreement(s)"** means each written subordinated loan agreement entered into between the Issuer, a Series Subordinated Lender and the Series Security SPV in respect of this Series, as amended, novated and/or substituted from time to time in accordance with its terms;

**"Series Sundry Expenses"** means that portion of the Programme Sundry Expenses allocated by the Programme Manager (in the manner required by the Issuer) to this Series on the basis set out in the Programme Management Agreement; provided that the amount of the Series Sundry Expenses incurred in respect of any financial year of the Issuer shall not exceed the Series Sundry Expense Limit for that financial year;

**"Series Sundry Expense Limit"** means ZAR1 140 000 (one million one hundred and forty thousand Rand), inclusive of VAT, per financial year of the Issuer, adjusted at the commencement of each financial year of the Issuer by the percentage increase or decrease in the Consumer Price Index over the previous financial year; provided that if the Series Sundry Expense Limit for any financial year of the Issuer exceeds the aggregate amount of the Series Sundry Expenses incurred in respect of that financial year, such excess may be carried over to (and added to the Series Sundry Expense Limit for) the subsequent financial year, and provided further that (i) the Series Sundry Expense Limit may be adjusted from time to time subject to the Issuer furnishing the Rating Agency with 10 Business Days' prior written notice of such adjustment and the failure by the Rating agency to inform the Issuer that such adjustment would adversely affect its respective current Rating(s) of the Notes in this Series then in issue and (ii) such adjustment will be specified in a Series Supplement Annexure;

**"Series Supplement"** means this Series Supplement relating to this Series;

**"Series Supplement Annexure"** means each annexure to this Series Supplement which is designated as a Series Supplement Annexure, signed by the Issuer and the Series Security SPV, and which sets out any supplementary information and/or provisions and/or particulars relating to this Series including, without limitation, a description of the business of each Series Seller (other than Sasfin) as and when such Series Seller is selected by the Issuer as a Series Seller for purposes of this Series;

**"Series Transaction Agreements"** means those of the Series Transaction Documents which are agreements entered into between, among others, the Issuer and one or more parties;

**"Series Transaction Documents"** means the memorandum of incorporation of the Issuer, the trust deed of the Issuer Owner Trust, the trust deed of the Security SPV Owner Trust, the Non-Disposal Agreement, the Issuer



Owner Trustee Pledge, the Series Common Terms Agreement, the Programme Management Agreement, the Programme Dealer Agreement, the Paying Agent Agreement, the Transfer Agent Agreement (if any), the memorandum of incorporation of the Series Security SPV, the Series Servicer Agreement, the Series Manager Agreement, the Series Security Agreements, the Series Preference Share Subscription Agreement, each Series Bank Agreement, each Series Subordinated Loan Agreement, each Series First Loss Loan Agreement, the Master Note Specific Liquidity Facility Agreement, each Note Specific Liquidity Facility Agreement, the Guaranteed Investment Agreement, each Standby Liquidity Collateral Account Bank Agreement, each Series Sale Agreement, each Series Hedge Agreement, the Programme Memorandum, this Series Supplement, each Series Supplement Annexure, each Applicable Pricing Supplement relating to each Tranche of Notes in this Series, the Notes in this Series and the Applicable Terms and Conditions of each Tranche of Notes in this Series;

**"Series Undertaking and Cession In Security Agreement"** means the written agreement entitled *"Undertaking and Cession in Security Agreement"*, dated on or about 31 January 2005, entered into between the Issuer, Sasfin and the Series Security SPV;

**"Services"** means the Services defined as such in the Series Servicer Agreement;

**"Servicing Fee"** means the fee payable to the Series Servicer in terms of the Series Servicer Agreement;

**"Signature Date"** means, in relation to a Series Transaction Agreement, the date of signature of that Series Transaction Agreement by the signatory which signs it last;

**"Specified Denomination"** means, for the purpose of Series 1 under the Programme and notwithstanding anything to the contrary contained in the Programme Memorandum:

- (i) in relation to each Note in a Tranche of Notes that is listed on the Interest Rate Market of the JSE or such other exchange as may be applicable, the amount specified as such in the Applicable Pricing Supplement; and
- (ii) in relation to each Note in a Tranche of Notes that is not listed on any exchange, the amount specified as such in the Applicable Pricing Supplement, provided that such amount shall not be less than ZAR1 000 000;

**"Standard & Poor's"** means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies Incorporated (registration number 1996/014081/10), its successors-in-title and assigns;

**"Standby Collateral Account Bank"** means (where applicable) the Eligible Institution which is a Bank, having the Required Credit Rating or which the Rating Agency, after having been furnished with 10 Business Days' prior written notice, has not informed the Issuer that its respective current Rating(s) of the Notes in that Series then in issue would be adversely affected, as the case may, selected by the Issuer as the Standby Collateral Account Bank for purposes of this Series;

**"Standby Liquidity Collateral Account(s)"** means (where applicable) the standby liquidity collateral bank accounts held from time to time with the Standby Collateral Account Bank by or on behalf of each Note Specific Liquidity Facility Provider in terms of the relevant Standby Liquidity Collateral Account Bank Agreement;

**"Standby Liquidity Collateral Account Bank Agreement(s)"** means (where applicable) each written agreement entered into (or to be entered into) between the relevant Note Specific Liquidity Facility Provider, the Issuer, the Series Security SPV and the Standby Collateral Account Bank, in the circumstances envisaged in the relevant

Note Specific Liquidity Facility Agreement, each as amended, novated and/or substituted from time to time in accordance with its terms;

**"Standby Servicing Fee"** means (where applicable) the standby servicing fee payable to the Series Standby Servicer in terms of the Series Servicer Agreement;

**"Subordinated Loan(s)"** means each subordinated loan advanced to the Issuer by a Series Subordinated Lender pursuant to a Series Subordinated Loan Agreement;

**"Subordinated Loan Certificate"** means the loan certificate, in such form as is agreed by the Issuer and the relevant Series Subordinated Lender, signed by the Issuer and the relevant Series Subordinated Lender on or prior to the date of the borrowing of the relevant Applicable Subordinated Loan by the Issuer, and specifying, among other things, the principal amount of that Applicable Subordinated Loan;

**"Substitute Series Manager"** means the person appointed as Substitute Series Manager in terms of the Series Manager Agreement;

**"Surety(ies)"** means, in relation to an Equipment Lease, the person(s) who stand surety for or guarantee the obligations of the Lessee under that Equipment Lease and/or who provide(s) any other Collateral Security for that Lessee's obligations under that Equipment Lease;

**"Terminated Equipment Lease"** means an Equipment Lease (excluding an Equipment Lease in Default) that is terminated prior to its original stated maturity;

**"Termination Payment"** means, in relation to a Terminated Equipment Lease, a payment paid or payable by the Lessee under that Terminated Equipment Lease as a prepayment in full in respect of the termination of that Terminated Equipment Lease;

**"Terms and Conditions"** means the Terms and Conditions of the Notes set out in Section 8 of the Programme Memorandum headed *"Terms and Conditions of the Notes"*;

**"Top-Up Provision"** means a provision in the Provisioning Account into which amounts will be transferred when there are insufficient Eligible Equipment Leases available to be purchased on any Payment Date during the Revolving Period; provided that any amount in the Top-Up Provision may be utilised at any time to acquire Eligible Equipment Leases and may not exceed 10% of the Outstanding Principal Amount of the Notes in this Series in issue for 3 (three) or more consecutive Payment Dates;

**"Transaction Bank Account"** means the Series Bank Account described as such in the Series Bank Agreement (the Accounts other than the Collections Accounts);

**"Usury Act"** means the Usury Act, No. 73 of 1968, as amended or replaced;

**"Yield"** means, for purposes of a Due Period, the aggregate of all Equipment Lease Payments accrued during that Due Period (to the extent that such Equipment Lease Payments (or any portion thereof) do not relate to principal) less the aggregate amount of any fees and premiums due and payable, in that Due Period, to the counterparties of the Related Agreements;

**"Yield Test"** means, for purposes of and as at a Payment Date:

- (a) the Yield for the Due Period immediately preceding that Payment Date less any payments to the providers of guarantees, credit derivatives or other arrangements in terms of the Related Agreements for the Due Period preceding that Payment Date in terms of such Related Agreements; divided by
- (b) the aggregate Net Present Value of all of the Equipment Leases (excluding Equipment Leases in Default) at the start of the Due Period immediately preceding that Payment Date; multiplied by
- (c) 12 (twelve),

expressed as a percentage;

**"Yield Test Event"** means an event where Prime plus 5% exceeds the Yield Test.

2. In this Series Supplement, unless expressly otherwise stated or unless the context clearly otherwise requires, **"Equipment Lease"** means, collectively:

- (a) the relevant Equipment Lease (as defined in paragraph 1) *"Equipment Leases"* above;
- (b) all Equipment, excluding software equipment, which is the subject of that Equipment Lease;
- (c) all Collateral Security (if any) relating to that Equipment Lease;
- (d) all Related Agreements (if any) relating to that Equipment Lease;
- (e) all Insurance Contracts relating to that Equipment Lease,

(but expressly excluding (i) all obligations of whatsoever nature in respect of any maintenance or repair of Equipment, (ii) all and any of the Series Seller's right, title and interest in and to, and rights and claims under, the Revenue Amount or any portion thereof, and (iii) all and any Agency Collections), as described in the relevant Series Sale Agreement, and each purchase (or repurchase) and sale of an Equipment Lease in terms of the relevant Series Sale Agreement shall be construed accordingly. The provisions of this paragraph 2 shall apply *mutatis mutandis* to all references to **"Replacement Equipment Lease"**.

## Section 5

### INVESTMENT CONSIDERATIONS

*Prospective investors should, prior to investing in the Notes in this Series, carefully consider the investment considerations set out in Section 13 of the Programme Memorandum headed "Investment Considerations" as well as the following investment considerations (in addition to the matters described elsewhere in this Series Supplement).*

#### Segregation of each Series

A separate Series of Notes will be issued in respect of this Series. The Series Assets and the Series Liabilities, respectively, relating to this Series will comprise a separate sub-set of the assets and the liabilities, respectively, of the Issuer in respect of this Series. The Programme Manager will assist the Issuer in ensuring that the Series Assets and the Series Liabilities, respectively, relating to this Series are identified in the Accounting Records (by way of the prefixing of a unique numeral) as being attributable solely to this Series, and that the Series Assets and the Series Liabilities, respectively, relating to this Series are segregated from the Series Assets and the Series Liabilities, respectively, relating to each other Series. The proceeds from the issue of each Tranche of Notes in this Series may only be applied by the Issuer to the Series Liabilities relating to this Series and then only for the purposes expressly permitted in Series Condition 2.2 of the Series Conditions and/or the Applicable Pricing Supplement relating to that Tranche. The Series Security SPV is a separate legal entity and will be independent from each other Series Security SPV.

The Issuer will, in making payments to the Noteholders and the other Series Secured Creditors in terms of the Applicable Terms and Conditions and the other Series Transaction Agreements, rely solely on the Series Assets relating to this Series.

Following a Guarantee Event, the Series Security SPV will, in making payments to the Noteholders and the other Series Secured Creditors in terms of the Series Guarantee, rely solely on the amounts which the Series Security SPV recovers pursuant to the Series Security Agreements and from the realisation of the Series Assets relating to this Series.

#### The Issuer's ability to meet its obligations under the Notes in this Series

The ability of the Issuer to meet its obligations to pay principal and interest in respect of Tranche(s) of Notes in this Series will be dependent on the receipt by it of payments under the Equipment Leases purchased by the Issuer and the Permitted Investments (such Equipment Leases and the Permitted Investments forming part of the Series Assets relating to this Series).

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

#### Series Seller Warranties

Neither the Issuer nor the Series Security SPV has undertaken or will undertake any investigations, searches or other actions in respect of the Equipment Leases, and each will rely on the Series Seller Warranties given by the relevant Series Seller(s) in the relevant Series Sale Agreement(s). The sole remedy (save as described below) of each of the

Issuer and the Series Security SPV in respect of a breach of a Clause 4 Series Seller Warranty will be the requirement that the relevant Series Seller repurchase the Equipment Lease which is the subject of that breach for an amount equal to the Net Present Value of such Equipment Lease. This will not limit any other remedies available to the Issuer and/or the Series Security SPV if the relevant Series Seller fails to repurchase the relevant Equipment Lease when obliged to do so. There can be no assurance that the relevant Series Seller will have the financial resources to honour its obligations under the relevant Series Sale Agreement. Such obligations are not guaranteed by, nor will they be the responsibility of, any person other than the relevant Series Seller, and neither the Issuer nor the Series Security SPV will have any contractual recourse to any other person in the event that the relevant Series Seller, for whatever reason, fails to meet such obligations.

#### **Non-recourse obligations**

The Notes in this Series will be limited recourse obligations solely of the Issuer and, subject to the Series Guarantee, will not be obligations of, or the responsibility of, or guaranteed by, any other person, and no liability for any failure by the Issuer to pay any amount due under the Notes in this Series will be accepted by any other person. The recourse of the Noteholders and the other Series Secured Creditors will be limited to the aggregate amount recovered by the Series Security SPV pursuant to the Series Security Agreements and from the realisation of the Series Assets relating to this Series. The liability of the Series Security SPV, under the Series Guarantee, will never exceed the aggregate amount recovered by the Series Security SPV pursuant to the Series Security Agreements and from the realisation of the Series Assets relating to this Series.

In terms of the relevant Series Sale Agreement(s) the Issuer will own the Equipment which is the subject of the relevant Equipment Lease(s) and not merely have a security interest in such Equipment. The Issuer and the Series Security SPV will have no recourse to Sasfin (in its capacity as Series Manager) or Sasfin (in its capacity as Arranger) or, other than as provided in the Series Transaction Agreements, to the relevant Series Seller(s), the Series Servicer, the Series Standby Servicer (if any), the Series Hedge Counterparty(ies), the Series Manager, the Programme Manager, the Series Subordinated Loan Provider(s), the Series First Loss Loan Provider(s) or any other entity.

#### **Geographic concentration**

Certain geographic regions will from time to time experience weaker regional economic conditions than will other regions and, consequently, will experience higher rates of loss and delinquency on Equipment Leases generally. There are concentrations of Equipment Leases within certain regional areas, which may present risk considerations different from those without such concentrations.

#### **Early repayment of principal on the Notes**

The yield to maturity of a Tranche of Notes in this Series will depend on, *inter alia*, the amount and timing of payments on the Equipment Leases purchased by the Issuer, the price paid by the Issuer and the availability from time to time of a sufficient number of Equipment Leases for purchase by the Issuer during the Revolving Period which meet the Eligibility Criteria.

Payments under the Equipment Leases purchased by the Issuer will include scheduled payments, prepayments resulting from refinancing of new Equipment permitted by the Series Servicer based on the terms of the relevant Equipment Lease, any Recoveries and Insurance Proceeds. In addition, payments for repurchases of Equipment Leases by the relevant Series Seller on account of a breach of any Clause 4 Series Seller Warranty will have the same effect as early prepayment of such Equipment Leases.

Sasfin has a number of years of data supporting the historical Lessee prepayment rates with respect to the Equipment Leases. However, past performance may not be an accurate predictor of the level of prepayments in the future. The rate of payment under the Equipment Leases as described above is influenced by a wide variety of economic factors. Therefore, no assurance can be given as to the level of prepayments that the Equipment Leases purchased by the Issuer will experience and accordingly the rate of payment of a portion of the Outstanding Principal Amount in respect of Tranche(s) of Notes in this Series during the Amortisation Period cannot be accurately predicted.

Subject to certain limitations set out in the Sale Agreement, the Issuer is required to purchase Equipment Leases offered to it for sale by Sasfin during the Revolving Period. The yield to maturity of a Tranche of Notes in this Series may be adversely affected by the failure of the relevant Series Seller(s) to originate Equipment Leases for sale to the Issuer. Such failure cannot be predicted and may be determined by a variety of causes, including lower interest rates offered by competitors and a change in the commercial policy pursued by the relevant Series Seller(s). Therefore, no assurance can be given as to the likely effect that any such market developments and/or policy adjustments may have on the yield to maturity of a Tranche of Notes in this Series.

Subject to certain limitations set out in the relevant Series Sale Agreement(s), the Issuer may elect to replace an Equipment Lease which has been partially or fully repaid or upgraded with one or more Replacement Equipment Leases and the Issuer may oblige the relevant Series Seller to repurchase Equipment Leases sold to the Issuer by that Series Seller in respect of which there has been a breach of any Clause 4 Series Seller Warranty. Replacements and repurchases may affect the rate or amount of payments under the Equipment Leases as a whole, the rate at which funds are distributed in respect of a Tranche of Notes in this Series and the yield to the Noteholders.

The risk of re-investing unscheduled distributions resulting from early repayments of principal in respect of a Tranche of Notes in this Series will be borne by the Noteholders.

Each Tranche of Notes in this Series is expected to be redeemed on the Scheduled Maturity Date pursuant to the exercise by the Issuer of the Refinancing Option or the Prefinancing Option, as the case may be (although the Issuer is not obliged to exercise the Refinancing Option or the Prefinancing Option). If the Issuer has entered into a Note Specific Liquidity Facility Agreement (or, where applicable, executed a Note Specific Liquidity Supplement) in respect of a Tranche of Notes having a Scheduled Maturity Date which falls 364 days (or less) after the Issue Date, the Issuer must redeem that Tranche of Notes on the Scheduled Maturity Date. No person has underwritten or guaranteed the redemption of a Tranche of Notes on the Scheduled Maturity Date and, accordingly, Tranches of Notes in this Series will (where applicable) have been assigned a Rating on the basis that the Outstanding Principal Amount will be repaid by the Final Maturity Date and interest will be repaid on each Interest Payment Date.

#### **Defaults under the Equipment Leases**

The collectability of amounts due under the Equipment Leases purchased by the Issuer is subject to credit and liquidity risks and will generally fluctuate in response to, among other things, general economic conditions and the financial standing of the Lessees under such Equipment Leases, all of which may lead to an increase in delinquencies in respect of such Lessees and could ultimately have an adverse impact on the ability of such Lessees to meet their payment obligations under such Equipment Leases. Performance information in relation to the Equipment Leases purchased by the Issuer will be provided to the Noteholders by the Series Manager on a quarterly basis.

If a sufficient number of Lessees under the Equipment Leases purchased by the Issuer default, the Issuer may be unable to pay the Series Secured Creditors (including the Noteholders). By virtue of the manner in which the claims of the holders of Notes in lower ranking Class(es) are subordinated to the claims of the holders of Notes in higher ranking

Class(es), this risk will be borne first by the First Loss Loan Provider, then the Subordinated Lender, then the holders of the lowest ranking Class(es) of Notes and thereafter, successively, by the holders of higher ranking Class(es) of Notes.

To reduce the risk of such default, the relevant Series Seller(s) will apply certain credit criteria in concluding Equipment Leases. The purpose of the credit criteria is to avoid a concentration of assets to a relatively small number of Lessees and to limit exposure to certain lower quality assets.

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

Following a Guarantee Event, the ability of the Series Security SPV to realise the Series Assets pursuant to the Series Security Agreements in an amount sufficient to pay the Series Secured Creditors (including the Noteholders) will be largely dependent upon the then existing market for the Equipment Leases and the related Equipment purchased by the Issuer. There can be no assurance that such Equipment Leases and/or such Equipment can be disposed of at prices sufficient to pay, in terms of the Series Guarantee, the remaining amounts due to the Series Secured Creditors under the Applicable Terms and Conditions and the other Series Transaction Agreements.

### **Priority of Payments**

The Priority of Payments is set out in Section 9 of this Series Supplement headed "*Priority of Payments*". The Pre-Enforcement Priority of Payments will apply prior to the Enforcement Date. The Pre-Enforcement Priority of Payments applicable during the Revolving Period is set out in paragraph 2 of Section 9. The Pre-Enforcement Priority of Payments applicable during the Amortisation Period is set out in paragraph 3 of Section 9. The Post-Enforcement Priority of Payments set out in paragraph 4 of Section 9 will, following a Guarantee Event, apply on and after the Enforcement Date.

Each Noteholder will be contractually bound by the Priority of Payments in terms of the Series Guarantee and the Applicable Terms and Conditions. Each other Series Secured Creditor will be contractually bound by the Priority of Payments in terms of the Series Common Terms Agreement and/or the relevant Series Transaction Agreements.

The Priority of Payments may be disturbed by the claims of creditors of the Issuer who are not contractually bound by the Priority of Payments (and who are therefore not Series Secured Creditors). However, as described in "*Liquidation of the Issuer*" below, the Issuer is an insolvency remote, ring-fenced special purpose vehicle, which limits the risk of such claims.

### **Limited liquidity of the Notes in this Series**

Each Tranche of Notes in this Series may be listed or unlisted. Listed Notes in this Series will be listed on the Interest Rate Market of the JSE or on such other exchange(s) as may be determined by the Issuer and the relevant Dealer(s) subject to Applicable Laws. The continued listing of any Tranche of Notes on the Interest Rate Market of the JSE (or on such other exchange(s)) is subject to the rules of the JSE (or such other exchange(s)) in force from time to time and the continued functioning of the JSE (or such other exchange(s)). There can accordingly be no assurance that the listing of any Tranche of Notes in this Series on the Interest Rate Market of the JSE (or on such other exchange(s)) will continue until the Actual Redemption Date.

There is currently no secondary market for the Notes in this Series. There can be no assurance that a secondary market for any of the Notes in this Series will develop or, if a secondary market does develop, that it will provide the Noteholders with liquidity of investment or that it will continue until the Actual Redemption Date.

### **Interest rate risk of the Issuer**

The Issuer has interest rate exposure based on the yield earned on the Equipment Leases purchased by the Issuer and the rates of interest paid on its funding. Interest is charged when applicable on the Equipment Leases purchased by the Issuer at a rate determined with reference to Prime. The Issuer will enter into Series Hedge Agreement(s) with the Series Hedge Counterparty(ies) in order to hedge the exposure between the interest earned on such Equipment Leases and the interest payable on Tranche(s) of Notes in this Series. The Notes bear interest on a JIBAR linked basis. The risk of the Notes repricing at JIBAR and the yield of such Equipment Leases adjusting with changes in Prime will firstly be covered by the Series Hedge Agreement(s) referred to above and, if required, by taking into account the sizing of the relevant credit enhancement. However, no representation is made that such increase in credit enhancement is sufficient to cover such risk.

The Series Transaction Agreements allow fixed rate Equipment Leases to be purchased by the Issuer. In these circumstances, the Issuer shall enter into one or more Series Hedge Agreement(s) on the basis that all Equipment Leases purchased by the Issuer earning a fixed rate will be directly swapped out to JIBAR. Pursuant to such Series Hedge Agreement(s), the Series Hedge Counterparty(ies) will agree to make payments to the Issuer under certain circumstances as described in the Series Hedge Agreement(s). There is a risk that the Series Hedge Counterparty(ies) may not perform their respective obligations under the Series Hedge Agreement(s) and this may affect the value of the Notes in this Series and the ability of the Issuer to pay Note Interest and/or the Outstanding Principal Amount (or any portion thereof) of the Notes in this Series. This risk has been mitigated by requiring the Series Hedge Counterparty(ies) to be Eligible Institutions having the Required Credit Rating or which the Rating Agency, after having been furnished with 10 Business Days' prior written notice, has not informed the Issuer that its respective current Rating(s) of the Notes in that Series then in issue would be adversely affected. If the rating of a Series Hedge Counterparty is downgraded by Fitch to below the Required Credit Rating, then such Series Hedge Counterparty shall:

- (a) within 14 (fourteen) days after becoming aware of such downgrade, post cash collateral in an amount equal to the mark-to-market value of the relevant interest rate swap and/or other derivative contract contemplated in the relevant Series Hedge Agreement, as determined in accordance with the applicable Rating Agency criteria and verified by the Reference Bank nominated by the Series Manager; or
- (b) within 30 (thirty) days after becoming aware of such downgrade, procure the appointment of a suitable Eligible Institution to act as Series Hedge Counterparty in its place; or
- (c) within 30 (thirty) days after becoming aware of such downgrade, obtain a guarantee from a suitable Eligible Institution in respect of its obligations to the Issuer.

### **Series Guarantee and Series Indemnity**

The Series Security SPV has guaranteed the Issuer's obligations to the Noteholders and the other Series Secured Creditors in terms of the Series Guarantee. The Issuer has, in terms of the Series Indemnity, indemnified the Series Security SPV in respect of claims made against the Series Security SPV under the Series Guarantee. In terms of the Series Issuer Security Agreement, the Issuer's obligations to the Series Security SPV under the Series Indemnity have been secured by (i) a pledge and (ii) a pledge and cession *in securitatem debiti*, of the Series Assets relating to this Series, in favour of the Series Security SPV.

The Issuer has received a legal opinion stating that the entering into of the Series Guarantee and the Series Indemnity will enable the security structure in favour of the Noteholders and the other Series Secured Creditors to be enforced by



the Series Security SPV in the manner set out in the Programme Memorandum as read with this Series Supplement. There is no certainty that a court will reach the same conclusion as that in the legal opinion obtained by the issuer.

If any of the Series Security Agreements are not enforceable, then the Noteholders and the other Series Secured Creditors will, following a Guarantee Event, be entitled to take action themselves to enforce their claims directly against the Issuer. However, in such circumstances, the Series Assets pledged and ceded in favour of the Series Security SPV pursuant to the Series Issuer Security Agreement may no longer be effective as a means of achieving a distribution of the realisation proceeds in accordance with the Post Enforcement Priority of Payments.

The Series Security SPV has not taken or obtained (and will not take or obtain) any independent legal or other advice or opinions in relation to the Issuer or any other person or any of the Series Transaction Documents (including the Series Security Agreements). The Series Security SPV has not taken or obtained (and will not take or obtain) any independent legal or other advice or opinions in relation to any of the transactions contemplated by any of the Series Transaction Documents.

### **Series Security SPV**

The interests of the Series Secured Creditors will be represented by the Series Security SPV. Following a Guarantee Event (and promptly after the Enforcement Date), the Series Security SPV will, in terms of the Series Guarantee:

- enforce the remedies available to the Series Security SPV under the Series Security Agreements (and such other remedies as may be available to it at law) and realise the Series Assets relating to this Series for the benefit of the Noteholders and the other Series Secured Creditors;
- subject to the Guarantee Conditions, out of the aggregate amount recovered by the Series Security SPV pursuant to the Series Security Agreements and from the realisation of the Series Assets relating to this Series, pay the Noteholders and the other Series Secured Creditors, to the extent permitted by and strictly in accordance with the Post-Enforcement Priority of Payments.

Subject to Condition 14.2 of the Terms and Conditions, only the Series Security SPV may enforce the security created in favour of the Series Security SPV by the Series Security Agreements, subject to and in accordance with the Series Security Agreements and the other Series Transaction Agreements.

### **Insolvency of the Series Security SPV**

It is possible for the Series Security SPV to be wound-up, liquidated or placed under Business Rescue, which could adversely affect the rights of the Noteholders and the other Series Secured Creditors. Following a Guarantee Event, the liability of the Series Security SPV, under the Series Guarantee, will never exceed the aggregate amount recovered by the Series Security SPV pursuant to the Series Security Agreements and from the realisation of the Series Assets relating to this Series. Accordingly, it is improbable that the Series Security SPV itself will be insolvent (and therefore be wound-up, liquidated or placed under Business Rescue), unless there were to be, for example, dishonesty or fraudulent conduct or breach of contract on the part of the Series Security SPV (or any officer of the Series Security SPV), for instance by its directors or officers entering into an unauthorised transaction on behalf of the Series Security SPV.

If the Series Security SPV is wound-up, liquidated and/or placed under Business Rescue, the Noteholders and the other Series Secured Creditors will, subject to Condition 14.2 of the Terms and Conditions, be entitled to take action themselves to enforce their claims directly against the Issuer.

### **Liquidation of the Issuer**

The Issuer has been structured as an insolvency remote, ring-fenced special purpose vehicle. This structure limits the risk that the Priority of Payments may be disturbed by the claims of creditors of the Issuer who are not contractually bound by the Priority of Payments (and who are therefore not Series Secured Creditors). All payments to be made to the Series Secured Creditors, whether made by the Issuer or by the Series Security SPV (following a Guarantee Event) will be made to the extent permitted by and strictly in accordance with the Priority of Payments. To the best of the knowledge and belief of the Issuer, all of the creditors of the Issuer who are not contractually bound by the Priority of Payments (and who are therefore not Series Secured Creditors), including the tax authorities and administrative creditors, are provided for in, and rank as creditors at the top of, the Priority of Payments. The Noteholders have agreed, in terms of the Applicable Terms and Conditions, and the other Series Secured Creditors have agreed, in terms of the Series Common Terms Agreement and/or the relevant Series Transaction Agreements, that they will have no claim against the Issuer to the extent that there are no Available Funds to pay them in accordance with the Priority of Payments.

The Noteholders have agreed, in terms of the Applicable Terms and Conditions, and the other Series Secured Creditors have agreed, in terms of the Series Common Terms Agreement and/or the relevant Series Transaction Agreements, (i) not to bring an application for the liquidation of the Issuer until two years following the Programme Termination Date and (ii) that, subject to Condition 14.2 of the Terms and Conditions, only the Series Security SPV may enforce the security created in favour of the Series Security SPV by the Series Security Agreements and realise the Series Assets pursuant to the Series Security Agreements.

The Series Security SPV has acknowledged in the Series Common Terms Agreement that it holds the Series Assets pledged and ceded in favour of the Series Security SPV pursuant to the Series Issuer Security Agreement for the benefit of the Noteholders and the other Series Secured Creditors and that, following a Guarantee Event (subject to the Guarantee Conditions) the proceeds from the realisation of the Series Assets will be distributed in accordance with the Post-Enforcement Priority of Payments.

If, notwithstanding the ring-fenced structure of the Issuer, a creditor of the Issuer who is not contractually bound by the Priority of Payments, makes a claim against the Issuer on the liquidation of the Issuer, such creditor will, depending on the statutory preference of claims in terms of the Insolvency Act (if applicable), rank *pari passu* with or ahead of the Series Security SPV in regard to the assets of the Issuer.

### **Reliance on the Series Servicer and the Series Standby Servicer**

Each of the Issuer and the Series Security SPV will rely, to a certain extent, on the Series Servicer to exercise the rights and obligations described in the Series Servicer Agreement in relation to the administration and management of and the collection of monies due on the Equipment Leases purchased by the Issuer. If the appointment of Sasfin as the Series Servicer is terminated under the terms of the Series Servicer Agreement, then such person as may be appointed in terms of the Series Servicer Agreement as the Series Standby Servicer (if any), will take over this administration and management function. The Series Standby Servicer (if any), as agent of the Issuer, is required to employ reasonable endeavours to service the Equipment Leases purchased by the Issuer. However, neither the Series Servicer nor the Series Standby Servicer (if any) is under any obligation to fund payments owed in respect of this Series, absorb losses incurred in respect of the Equipment Leases purchased by the Issuer or otherwise compensate the Noteholders for losses incurred in respect of this Series.

### **Commingling Risk**

The Series Servicer may receive amounts in respect of the Equipment Leases, which amounts are to be paid to the Issuer. Unless these monies are somehow kept separate from the Series Servicer and are clearly identified as the property of the Issuer, they will fall into the ownership of the Series Servicer by operation of law relating to *commixtio*, with consequent risk to the Issuer in the event of the liquidation of the Series Servicer. The same commingling risk is present where the Services in respect of a particular Equipment Lease are performed by a party other than the Series Servicer.

To mitigate this risk, the Series Servicer Agreement provides that if the Series Servicer receives any amounts which are to be paid to the Issuer, the Series Servicer will forthwith upon receipt thereof pay such amounts to the Issuer or into the relevant Series Bank Accounts as contemplated in the Series Servicer Agreement, or as otherwise directed by the Series Manager. Furthermore, any payments received by the relevant Series Seller(s) on behalf of the Issuer will be deposited by the Series Servicer into the Transaction Bank Account within 1 (one) Business Day of receipt thereof by the Series Servicer.

In the event that the Services in respect of a particular Equipment Lease are to be performed by a party other than the Series Servicer, the Series Seller shall, as a condition precedent to any sale to the Issuer of such Equipment Lease, advance and remit to the Issuer a Seller Advance in an amount equal to the first Equipment Lease Payment payable under such Equipment Lease as at the Applicable Payment Date multiplied by 2 (two), and the Series Seller shall ensure that the Seller Advance is at all times maintained in an amount equal to two successive Equipment Lease Payments as may be payable on any given date.

### **Suitability of investment**

The Programme Memorandum and this Series Supplement identifies some of the information that a prospective investor should consider prior to making an investment in the Notes in this Series. However, neither the Programme Memorandum nor this Series Supplement purports to provide all of the information or the comprehensive analysis necessary to evaluate the economic and other consequences of investing in the Notes in this Series. Therefore, a prospective investor should conduct its own thorough analysis, including its own accounting, legal and tax analysis, prior to deciding whether to invest in the Notes in this Series. A prospective investor should make an investment in the Notes in this Series only after it has determined that such investment is suitable for its financial investment objectives. Neither the Programme Memorandum nor this Series Supplement is and/or purports to be investment advice.

### **National Credit Act**

Transactions which occur in respect of the Equipment Leases may fall within the provisions of the National Credit Act and, prior to the effective date of the National Credit Act, may have fallen within the provisions of the Usury Act and the Credit Agreements Act. Despite the repeal of the Usury Act and the Credit Agreements Act, rights enjoyed and obligations imposed in terms of the Usury Act and the Credit Agreements Act are preserved, subject to certain transitional provisions of the National Credit Act. In addition, certain provisions of the National Credit Act apply to agreements concluded prior to the effective date of the National Credit Act.

If an Equipment Lease purchased by the Issuer in terms of the relevant Series Sale Agreement is unenforceable due to non-compliance with any applicable law, including the National Credit Act, the Credit Agreements Act or the Usury Act, the Issuer will be entitled, in terms of that Series Sale Agreement, to enforce the remedies set out in that Series Sale Agreement for breach of a Warranty by the relevant Series Seller. The Issuer is further indemnified by the relevant

Series Seller against any damages which the Issuer may suffer as a result of any non-compliance by the relevant Series Seller with applicable law.

## Section 6

### GENERAL DESCRIPTION OF THE NOTES

*A general description of the Notes in this Series is set out below.*

***The general description does not purport to be complete and is taken from, and should be read in conjunction with, the Programme Memorandum, the remainder of this Series Supplement and, in relation to a Tranche of Notes in this Series, the Applicable Pricing Supplement relating to that Tranche.***

Each Tranche of Notes in this Series may be issued in the form of Fixed Rate Notes, Floating Rate Notes, Mixed Rate Notes, Zero Coupon Notes, Index-Linked Notes, and/or such other type of Note as may be determined by the Issuer and specified in the Applicable Pricing Supplement. A Tranche of Notes in this Series will not (save as is set out in the Applicable Pricing Supplement) be subject to any minimum or maximum maturity.

Each Tranche of Notes in this Series will be issued for purposes of the securitisation scheme contemplated in the Programme in accordance with and subject to the Securitisation Regulations. The Registrar of Banks confirmed, on 12 July 2007 (as read with the approval letter from the Registrar of Banks dated 20 January 2011), that the Issuer is authorised to issue Notes in this Series, pursuant to the Programme Memorandum as read with this Series Supplement, for purposes of the securitisation scheme contemplated in the Programme, in accordance with and subject to the Securitisation Regulations.

For a further general description of the Notes in this Series see Section 3 of the Programme Memorandum headed "General Description of the Notes".

## Section 7

### SERIES CONDITIONS

*The following is the text of the Series Conditions.*

***The Series Conditions supplement the Terms and Conditions and must be read together with the Terms and Conditions.***

#### 1. APPLICABLE TERMS AND CONDITIONS

A Tranche of Notes in this Series will be issued on, and subject to, the Applicable Terms and Conditions of that Tranche. In the case of unlisted Notes, the Applicable Terms and Conditions of a Tranche are incorporated by reference into the Certificate(s) representing the Notes in that Tranche.

#### 2. ISSUE

##### 2.1. Conditions Precedent to Issue

2.1.1. One or more further Tranche(s) of Notes may be issued by the Issuer pursuant to the Programme and this Series Supplement (each, the "**relevant Tranche of Notes**") for the purposes expressly permitted in Series Condition 2.2 and/or the Applicable Pricing Supplement relating to the relevant Tranche of Notes; provided that the following Conditions Precedent to Issue shall have been satisfied in the manner contemplated in Condition 2.1.2 of the Terms and Conditions on or before the close of business on the Business Day immediately preceding the Issue Date:

- 2.1.1.1. the additional approval(s) from the South African Reserve Bank, if and to the extent required in terms of the Securitisation Regulations, shall have been procured in writing;
- 2.1.1.2. a further report from the Auditors of the Issuer, if and to the extent, required in terms of the Securitisation Regulations, shall have been obtained;
- 2.1.1.3. the aggregate Principal Amount of the relevant Tranche of Notes, when added to the aggregate Outstanding Principal Amount of all Notes outstanding on the Issue Date, shall not exceed the Programme Amount;
- 2.1.1.4. if the relevant Tranche of Notes is to be issued in order to finance the Equipment Lease Purchase Amount payable in respect of Equipment Leases pursuant to a Series Sale Agreement, the relevant Series Seller and the Issuer shall have signed a Series Sale Supplement in respect of such Equipment Leases and, in the circumstances set out in Series Condition 2.2.3.2, the relevant Series Seller shall have provided its prior written consent, as contemplated in Series Condition 2.2.3.2;
- 2.1.1.5. if a Rating has been assigned by a Rating Agency to any Tranche of Notes in this Series already in issue, a Rating Affirmation shall have been obtained by the Rating Agency;

- 2.1.1.6. if a Rating is to be assigned to the relevant Tranche of Notes, a Rating of the relevant Tranche of Notes shall have been obtained from the Rating Agency;
- 2.1.1.7. there shall have been no breach by the Issuer of any of its material obligations under any of the Transaction Agreements;
- 2.1.1.8. the Rating Agency shall have confirmed in writing, following the issue of the relevant Tranche of Notes, the Credit Enhancement Amount will be sufficient for the purposes of the relevant Tranche of Notes and this Series;
- 2.1.1.9. no Event of Default shall have occurred and be continuing;
- 2.1.1.10. no Enforcement Notice shall have been issued;
- 2.1.1.11. no Amortisation Event shall have occurred and be continuing;
- 2.1.1.12. no Amortisation Notice shall have been issued;
- 2.1.1.13. the Series Manager shall have certified that, following the issue of the relevant Tranche of Notes:
  - 2.1.1.13.1. the hedging arrangements provided in terms of the Series Hedge Agreement(s) as at the Issue Date will be sufficient to hedge the interest rate risk to which the Issuer may be exposed (including, without limitation, any interest rate risk arising from any fixed rate Equipment Leases purchased by the issuer) or (ii) the Issuer has entered into such additional Series Hedge Agreement(s) with the Series Hedge Counterparty(ies) as will be sufficient to hedge the interest rate risk to which the Issuer may be exposed (including, without limitation, any interest rate risk arising from any fixed rate Equipment Leases purchased by the issuer) as the case may be;
  - 2.1.1.13.2. the Series Assets as at the Issue Date will be greater than the Series Liabilities as at the Issue Date;
- 2.1.1.14. if the relevant Tranche of Notes has a Scheduled Maturity Date which falls 364 days (or less) after the Issue Date and the Issuer has elected to enter into a Note Specific Liquidity Facility Agreement (or, where applicable, to execute a Note Specific Liquidity Supplement) in respect of the relevant Tranche of Notes, the Series Manager shall have certified that:
  - 2.1.1.14.1. such Note Specific Liquidity Facility Agreement has been entered into by the Issuer and the relevant Note Specific Liquidity Facility Provider (or, where applicable, such Note Specific Liquidity Supplement has been executed by

the Issuer and the relevant Note Specific Liquidity Facility Provider); and

2.1.1.14.2. following the issue of the relevant Tranche of Notes, the liquidity facilities provided in terms of such Note Specific Liquidity Facility Agreement (or, where applicable, such Note Specific Liquidity Supplement) as at the Issue Date will be sufficient for the purposes of the relevant Tranche of Notes;

2.1.1.15. if Applicable Subordinated Loan(s) and/or Applicable First Loss Loan(s) are to be borrowed in respect of the relevant Tranche of Notes, the Issuer and the relevant Series Subordinated Lender(s) and/or the relevant Series First Loss Loan Provider(s) shall have signed the Subordinated Loan Certificate(s) and/or First Loss Loan Certificate(s) reflecting the amount(s) of such Applicable Subordinated Loan(s) and/or Applicable First Loss Loans(s);

2.1.1.16. all of the Series Transaction Documents shall be in full force and effect;

2.1.1.17. the Board of Directors of the Issuer shall have passed a resolution authorising the issue of the relevant Tranche of Notes;

2.1.1.18. the Series Security SPV shall have provided its prior written consent to the issue of the relevant Tranche of Notes;

2.1.1.19. where the relevant Tranche of Notes is to be issued pursuant to the exercise by the Issuer of the Refinancing Option, or the Prefinancing Option, as the case may be, the relevant Series Seller shall have provided its prior written consent, as contemplated in Series Condition 2.2.2.1 or 2.2.2.4, as the case may be; and

2.1.1.20. the Applicable Pricing Supplement relating to the relevant Tranche of Notes shall have been signed by 2 (two) directors of the Issuer.

2.1.2. For purposes of Condition 2.1.5 of the Terms and Conditions, the Series Manager may not waive any of the Conditions Precedent set out in Series Conditions 2.1.1.1, 2.1.1.2, 2.1.1.5, 2.1.1.6, 2.1.1.17 and 2.1.1.20.

## **2.2. Permitted purposes**

### **2.2.1. General**

A Tranche of Notes may be issued, as contemplated in Series Condition 2.1, and one or more Applicable Subordinated Loan(s) and/or Applicable First Loss Loan(s) may be borrowed in respect of that Tranche of Notes, for the purposes expressly permitted in this Series Condition 2.2 and/or the Applicable Pricing Supplement relating to that Tranche.



## 2.2.2. *Redemption of Notes*

### Refinancing Notes

- 2.2.2.1. The Issuer may, subject to the relevant Series Seller's prior written consent (but without requiring the consent of any Noteholder), be entitled, upon written notice (the "**Refinancing Notice**") to the Noteholders given at any time during the Refinancing Period, issue one or more Tranche(s) of Notes (the "**Refinanced Notes**") and borrow one or more Applicable Subordinated Loan(s) and/or Applicable First Loss Loan(s) in respect of the Refinancing Notes on or before any Scheduled Maturity Date in order to redeem all, but not some only, of the Notes in each Tranche of Notes having that Scheduled Maturity Date (the "**Refinanced Notes**") and to repay the Applicable Subordinated Loan(s) (if any) and/or the Applicable First Loss Loan(s) (if any) borrowed in respect of the Refinanced Notes.
- 2.2.2.2. Subject to Series Condition 2.2.2.3, the Issuer will be entitled to withdraw its Refinancing Notice at any time prior to the issue of the Refinancing Notes and, following such withdrawal, will not be entitled to issue any further Tranche of Notes for the purpose mentioned in this Series Condition 2.2.2 with respect to such Refinanced Notes and will not be obliged to redeem the Refinanced Notes on the Scheduled Maturity Date or to repay the Applicable Subordinated Loan(s) (if any) and/or the Applicable First Loss Loan(s) (if any) borrowed in respect of the Refinanced Notes.
- 2.2.2.3. If the Refinanced Notes in respect of which a Refinancing Notice has been given (i) have a Scheduled Maturity Date which falls 364 days (or less) after the Issue Date(s) of such Refinanced Notes and (ii) the Issuer has entered into Note Specific Liquidity Facility Agreement(s) (or, where applicable, executed Note Specific Liquidity Supplement(s)) in respect of such Refinanced Notes, the Issuer will not be entitled to withdraw the Refinancing Notice and the Issuer will be obliged to redeem such Refinanced Notes on the Scheduled Maturity Date and to repay the Applicable Subordinated Loan(s) (if any) and/or the Applicable First Loss Loan(s) (if any) borrowed in respect of such Refinanced Notes.

### Prefinancing Notes

- 2.2.2.4. The Issuer shall be entitled, subject to the relevant Series Seller's prior written consent (but without requiring the consent of any Noteholder), upon written notice (the "**Prefinancing Notice**") to the Noteholders given at any time during the Prefinancing Period, to issue one or more Tranche(s) of Notes (the "**Prefinancing Notes**") during the Prefinancing Period and to borrow one or more Applicable Subordinated Loan(s) (if applicable) and/or Applicable First Loss Loan(s) (if applicable) in respect of the Prefinanced Notes on or before any Scheduled Maturity Date in order to redeem all, but not some only, of the Prefinanced Notes.

2.2.2.5. The Issuer will be entitled to withdraw its Prefinancing Notice at any time prior to the issue of the Prefinancing Notes and, following such withdrawal, will not be entitled to issue any further Tranche of Notes for the purpose mentioned in Series Condition 2.2.2.4 with respect to such Prefinanced Notes and will not be obliged to redeem the Prefinanced Notes on the Scheduled Maturity Date or to repay the Applicable Subordinated Loan(s) (if applicable) and/or Applicable First Loss Loan(s) (if applicable) borrowed in respect of the Prefinanced Notes.

### 2.2.3. *Purchase of Equipment Leases*

2.2.3.1. Where, in terms of the Sale Agreement, the Issuer is obliged, on the Applicable Payment Date falling within the Revolving Period, to purchase Equipment Leases offered for sale by Sasfin, the Issuer shall, subject to the terms of the Sale Agreement and a Rating Agency Confirmation (but without requiring the consent of any Noteholder), on the Applicable Payment Date, issue one or more Tranche(s) of Notes including Prefinancing Notes and (if required) borrow one or more Applicable Subordinated Loan(s) and/or Applicable First Loss Loan(s) in respect of such Tranche(s) of Notes in order to finance the Equipment Lease Purchase Amount payable in respect of such Equipment Leases.

2.2.3.2. Where, in terms of a Series Sale Agreement (other than the Sale Agreement), the Issuer elects, on the Applicable Payment Date falling within the Revolving Period, to purchase Equipment Leases offered for sale by the relevant Series Seller, the Issuer may, with the prior written consent of that Series Seller and subject to the terms of that Series Sale Agreement and a Rating Agency Confirmation (but without requiring the consent of any Noteholder), on the Applicable Payment Date, issue one or more Tranche(s) of Notes including Prefinancing Notes and (if required) borrow one or more Applicable Subordinated Loan(s) and/or Applicable First Loss Loan(s) in respect of such Tranche(s) of Notes in order to finance the Equipment Lease Purchase Amount payable in respect of such Equipment Leases.

## 2.3. **Use of proceeds**

2.3.1. The proceeds of the issue of a Tranche of Notes in this Series (and the Applicable Subordinated Loan(s) (if any) and/or Applicable First Loss Loan(s) (if any) borrowed in respect of that Tranche of Notes) may only be applied by the Issuer to the Series Liabilities relating to this Series and then only for the purposes expressly permitted in Series Condition 2.2 and/or the Applicable Pricing Supplement relating to that Tranche of Notes, and no Noteholder (other than, where applicable, a holder of the Refinanced Notes or the Prefinanced Notes) or any other Series Secured Creditor (other than, where applicable, the relevant Series Subordinated Lender(s), the relevant First Loss Loan Provider(s) or the relevant Series Seller) will have any claim to such proceeds.

- 2.3.2. All and any amounts drawn down by the Issuer under a Note Specific Liquidity Facility Agreement entered into by the Issuer (or, where applicable, a Note Specific Liquidity Supplement executed by the Issuer) in respect of one or more Tranche(s) of Notes having Scheduled Maturity Date(s) which fall 364 days (or less) after the Issue Date(s), may only be used by the Issuer to meet its obligations to pay the Outstanding Principal Amount of such Tranche(s) of Notes on such Scheduled Maturity Date(s).
- 2.3.3. Notwithstanding the Priority of Payments, the proceeds of the issue of any Refinancing Notes shall, subject to Series Conditions 2.3.4 and 2.3.5, only be used by the Issuer to redeem Refinanced Notes the Scheduled Maturity Date of which corresponds with the expiry of the Refinancing Period, as specified in the Applicable Pricing Supplement. Accordingly, no Noteholder (other than Noteholder(s) holding the relevant Refinanced Notes) or any other creditor of the Issuer shall have any claim to such proceeds during the Refinancing Period.
- 2.3.4. Subject to Series Condition 2.3.5, the proceeds of the issue of Refinancing Notes shall, during the Refinancing Period, be invested by the Issuer in Permitted Investments having maturity dates which fall on or prior to the Scheduled Maturity Date of the Refinanced Notes.
- 2.3.5. The proceeds of the issue of any Refinancing Notes issued to refinance Notes having Scheduled Maturity Date(s) which fall 364 days (or less) after the Issue Date(s) and in respect to which the Issuer has entered into Note Specific Liquidity Facility Agreement(s) (or, where applicable, in respect of which Note Specific Liquidity Supplement(s) have been executed by the Issuer) will first be used to repay any amounts drawn down by the Issuer under the relevant Note Specific Liquidity Facility Agreement, subject to and in accordance with the Pre-Enforcement Priority of Payments.
- 2.3.6. Notwithstanding the Priority of Payments, the proceeds of the issue of any Prefinancing Notes shall, subject to Series Condition 2.3.7, only be used by the Issuer (i) to redeem Prefinanced Notes or, (ii) alternatively, to finance the Equipment Lease Purchase Amount payable in respect of any Equipment Leases purchased by the Issuer, as specified in the Applicable Pricing Supplement.
- 2.3.7. The proceeds of the issue of Prefinancing Notes shall be invested by the Issuer in Permitted Investments having maturity dates which fall on or prior to the Scheduled Maturity Date of the Prefinanced Notes.

#### 2.4. **Permitted Investments**

The proceeds of the issue of a Tranche of Notes in this Series (and the Applicable Subordinated Loan(s) (if any) and/or the Applicable First Loss Loan(s) (if any) borrowed in respect of that Tranche of Notes) may, pending application in accordance with Series Conditions 2.2 and 2.3, subject to Series Condition 2.3.4, only be invested by the Issuer in the following investments having the Required Credit Rating or which the Rating Agency, after having been furnished with 10 Business Days' prior written notice, has not informed the Issuer that its respective current Rating(s) of the Notes in that Series then in issue would be adversely affected, as the case may, (the "**Permitted Investments**"):

- 2.4.1. bonds, notes or other securities issued by the central government of South Africa or any province of South Africa;
- 2.4.2. securities, deposits or loans secured or guaranteed by the central government of South Africa or any province of South Africa;
- 2.4.3. deposits or loans secured by bonds, notes or other securities issued or guaranteed by the central government of South Africa or any province of South Africa;
- 2.4.4. certificates of deposit or any other debt security which is issued by an entity which is an Eligible Institution;
- 2.4.5. deposits with, loans to, or purchase of bills of exchange, promissory notes, certificates of deposit or other negotiable instruments accepted, drawn or endorsed by, an Eligible Institution;
- 2.4.6. investments in money market funds that maintain the highest money market fund rating from Fitch or Standard & Poor's or at least 2 (two) other global rating agencies; and
- 2.4.7. unleveraged repurchase obligations entered into between the Issuer and an Eligible Institution with respect to an investment of the nature referred to in Series Conditions 2.4.1 to 2.4.6 inclusive, provided that such investment is purchased at or below par value,

provided that each investment contemplated in Series Conditions 2.4.1 to 2.4.7 inclusive (a) matures at least 2 (two) Business Days prior to the Interest Payment Date on which the cash represented by such investment is required by the Issuer, (b) is denominated in the same currency as that of the cash used to make such investment and (c) is purchased at or below par value, if applicable.

### 3. AMORTISATION

#### 3.1. General

- 3.1.1. Upon an Amortisation Event being determined by the Series Manager as having occurred:
  - 3.1.1.1. the Series Manager will forthwith inform the Series Security SPV, the Rating Agency, the Series Servicer and the JSE thereof; and
  - 3.1.1.2. the Series Security SPV will, as soon as such Amortisation Event comes to its notice (whether as a result of having been informed by the Series Manager thereof pursuant to Series Condition 3.1.1.1 or otherwise), notify the Issuer in writing (an "**Amortisation Notice**") that an Amortisation Event has occurred and that the Amortisation Period has commenced.
- 3.1.2. The Series Security SPV will not be required to take any steps to ascertain whether an Amortisation Event has occurred and, until the Series Security SPV has actual knowledge or has been served with express notice thereof, it will be entitled to assume that no such Amortisation Event has occurred.

- 3.1.3. During the Amortisation Period no Equipment Leases may be purchased by the Issuer, no further Tranches of Notes in this Series will be issued and Tranche(s) of Notes in this Series will be redeemed in accordance with Series Condition 4.1.

### 3.2. **Series Servicer Event of Default**

For purposes of the definition of "*Amortisation Event*", a Series Servicer Event of Default in respect of this Series (and each Tranche of Notes in this Series) will occur if:

- 3.2.1. the Series Servicer fails to deposit, or to procure the deposit, into the Transaction Bank Account or the Collections Accounts, as the case may be, any amount required to be paid into the Transaction Bank Account or the Collections Accounts, as the case may be, within the relevant time period specified in the Series Servicer Agreement, and such failure is not remedied within 3 (three) Business Days after receipt by the Series Servicer of written notice from the Series Manager, the Series Security SPV, the Issuer or any Noteholder requiring such breach to be remedied; or
- 3.2.2. the Series Servicer fails to submit a monthly Servicer report, and such failure is not remedied within 3 (three) Business Days after the earlier of (a) the Series Servicer becoming aware of such failure or (b) receipt by the Series Servicer of written notice from the Series Security SPV, the Series Manager, the Issuer or any Noteholder requiring such breach to be remedied; or
- 3.2.3. the Series Servicer fails to pay any amount due and payable by it under the Series Servicer Agreement on the due date for payment of such amount and such failure to pay has continued for more than 10 (ten) Business Days after the earlier of (a) the Series Servicer becoming actually aware of such failure to pay and (b) receipt by the Series Servicer of written notice by the Series Security SPV requiring such failure to pay to be remedied; or
- 3.2.4. subject to clause 17.3 of the Series Servicer Agreement, the Series Servicer breaches any other provision of the Series Servicer Agreement in any material respect, and such breach is not remedied within 14 (fourteen) days after the receipt by the Series Servicer of written notice from the Series Security SPV and the Issuer requiring such breach to be remedied; or
- 3.2.5. any representation or warranty made by the Series Servicer in the Series Servicer Agreement (or in any certificate delivered pursuant to the Series Servicer Agreement) is incorrect or misleading in any material respect at the time(s) such representation or warranty was made (or deemed to have been made or repeated) and, if such circumstance is capable of being remedied, such circumstance is not remedied within 14 (fourteen) days after the receipt by the Series Servicer of written notice from the Series Security SPV and the Issuer requiring such circumstance to be remedied; or
- 3.2.6. subject to clause 17.3 of the Series Servicer Agreement, the Series Servicer fails to perform or observe any obligation binding on it under any of the Series Transaction Agreements (other than the Series Servicer Agreement) and:

- 3.2.6.1. such breach ~~is~~ not remedied within the cure period permitted therefor in the relevant Series Transaction Agreement or, if no such cure period is provided (and an immediate default is not triggered under such Series Transaction Agreement), within 30 (thirty) days after receiving written notice from either the Series Security SPV or a party to the relevant Series Transaction Agreement requiring such breach to be remedied; and
  - 3.2.6.2. the Series Security SPV has certified to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders; or
- 3.2.7. except in connection with a reorganisation of the Series Servicer (i) to which the Series Security SPV has given its prior written consent and in respect of which the Rating Agency, after having been furnished with 10 Business Days' prior written notice, has not informed the Issuer that the proposed reorganisation of the Series Servicer would cause the Rating(s) of the Notes in this Series then in issue to be downgraded or withdrawn by the Rating Agency (a "**Permitted Reorganisation**") and/or (ii) where the Series Servicer is solvent and the proceedings referred to in (as applicable) Series Condition 3.2.7.1, Series Condition 3.2.7.2 or Series Condition 3.2.7.3, are frivolous or vexatious or are being contested in good faith by the Series Servicer, as the case may be:
- 3.2.7.1. the Series Servicer has any application or other proceedings brought against or in respect of it in terms of which it is sought to be deregistered, wound-up, liquidated or placed under Business Rescue, in any such event whether provisionally or finally, and the Series Security SPV has certified to the Issuer that such application or other proceedings are, in its reasonable opinion, materially prejudicial to the interests of the Noteholders; or
  - 3.2.7.2. the Series Servicer ceases to carry on the whole or substantially the whole of its business and such cessation will, in the reasonable opinion of the Series Security SPV, materially and adversely affect the ability of the Series Servicer to perform the Services and its obligations under this Agreement; or
  - 3.2.7.3. proceedings are initiated (and not discharged or stayed within 30 (thirty) Business Days of such initiation) against the Series Servicer under any Applicable Laws concerning liquidation, administration, insolvency, compromise, Business Rescue or reorganisation; or
- 3.2.8. a scheme of arrangement or compromise as envisaged in sections 114 and 155 of the Companies Act is approved in respect of the Series Servicer (other than a scheme of arrangement or compromise the terms of which have been approved by the Series Security SPV or by a Special Resolution of the Controlling Class Noteholders in this Series and where the Series Servicer is solvent); or
- 3.2.9. the Series Servicer compromises or attempts to compromise with or defers or attempts to defer payment of debts owing by it to its creditors generally or any significant class of its creditors; or

## 5. EVENTS OF DEFAULT

An Event of Default in respect of this Series (and each Tranche of Notes in this Series) will occur upon the happening of any Event of Default specified as such in Condition 13.1 of the Terms and Conditions and if:

- 5.1. the Issuer fails to pay any amount of interest due and payable in respect of any Class A Notes on an Interest Payment Date within 3 (three) Business Days of the Interest Payment Date or principal due and payable in respect of any Class A Notes within 3 (three) Business Days of the Final Maturity Date, in each case irrespective of whether or not there are Available Funds for that purpose in terms of the Priority of Payments; or
- 5.2. the Issuer fails to pay any amount, whether in respect of principal, interest or otherwise, due and payable in respect of any other Class of Notes within 10 (ten) Business Days of the due date for payment thereof and there are Available Funds for that purpose in terms of the Priority of Payments; or
- 5.3. the Issuer fails to perform or observe any other obligation binding on it under the Applicable Terms and Conditions or any of the other Series Transaction Agreements and:
  - 5.3.1. such breach is not remedied within the cure period permitted therefor in the relevant Series Transaction Agreement or, if no such cure period is provided (and an immediate default is not triggered under such Series Transaction Agreement), within 30 (thirty) days after receiving written notice from either the Series Security SPV or a party to the relevant Series Transaction Agreement requiring such breach to be remedied; and
  - 5.3.2. the Series Security SPV has certified to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders; or
- 5.4. the Issuer ceases to be wholly owned by the Issuer Owner Trustee without the prior written consent of the Series Security SPV; or
- 5.5. any of the Series Security Agreements become illegal, invalid or unenforceable for any reason whatsoever (or be reasonably claimed by the Series Security SPV not to be in full force and effect) and such illegality, invalidity or unenforceability is not capable of being remedied or, if capable of being remedied, is not remedied within 10 (ten) days after written notice by the Series Security SPV to the relevant party to the relevant Series Security Agreement requiring such illegality, invalidity or unenforceability to be remedied; or
- 5.6. it is or becomes unlawful for the Issuer to perform any of its obligations under any of the Series Transaction Agreements and the Series Security SPV has certified to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders; or
- 5.7. any consent, licence, permit or authorisation required by the Issuer for the conduct of its Business, is revoked, withdrawn, materially altered or not renewed and such situation is not remedied within 14 (fourteen) days after the Issuer and the Series Servicer have been given written notice requiring the applicable consent, licence, permit or authorisation to be obtained.

**6. AMENDMENT OF THE APPLICABLE TERMS AND CONDITIONS, SERIES TRANSACTION DOCUMENTS AND THE PRIORITY OF PAYMENTS**

Notwithstanding the provisions of Condition 22.5 of the Terms and Conditions in the Programme Memorandum, if and for as long as any Tranche of Notes in a Series then in issue has been rated by the Rating Agency, and notwithstanding anything to the contrary contained in any Series Transaction Document, no amendment to the Applicable Terms and Conditions of a Tranche of Notes in a Series and/or the Priority of Payments applicable to that Series and/or any Series Transaction Document(s) may be made unless the Rating Agency is furnished with at least 10 (ten) Business Days prior written notice of the proposed amendment.

**7. FORM AND DENOMINATION**

Notwithstanding anything to the contrary contained in the Programme Memorandum or in Condition 3.1.2 of the Terms and Conditions in the Programme Memorandum, the denomination of each Note in a Tranche shall be the Specified Denomination.



## Section 8

### **SERIES BANK ACCOUNTS AND LEDGERS**

The Series Bank Accounts of the Issuer as at the Restatement Date comprise the Transaction Bank Account, the Collection Accounts, the Provisioning Account, the Arrears Reserve Account and the Reserve Account. No amount may be withdrawn from the Series Bank Accounts other than in accordance with the provisions of the Series Manager Agreement, unless the Issuer and the Series Security SPV approve such withdrawal; provided that the Series Manager may, without the approval of the Issuer and/or the Series Security SPV, withdraw amounts from the Series Account Banks in order to invest such amounts in Permitted Investments.

The Series Account Bank is an Eligible Institution which is a Bank having the Required Credit Rating or which the Rating Agency, after having been furnished with 10 Business Days' prior written notice, has not informed the Issuer that its respective current Rating(s) of the Notes in Series 1 then in issue would be adversely affected, as the case may, selected by the Issuer and the Series Security SPV as a Series Account Bank for purposes of this Series.

If the Series Manager is notified in writing that the Series Account Bank has ceased to have the Required Credit Rating, the Series Manager will give notice of such event to the Series Security SPV and will, within 30 (thirty) days after receipt of notification that the Series Account Bank has ceased to have the Required Credit Rating and subject to the written directions of the Issuer and the Series Security SPV, procure, so far as it is able, the transfer of the Series Bank Accounts to an Eligible Institution, selected by the Issuer and the Series Security SPV, which is a Bank having the Required Credit Rating or which the Rating Agency, after having been furnished with 10 Business Days' prior written notice, has not informed the Issuer that its respective current Rating(s) of the Notes in this Series then in issue would be adversely affected, as the case may be. If at the time when a transfer of the Series Bank Accounts would otherwise have to be made by the Series Manager under the Series Manager Agreement there is no such Eligible Institution, the Series Bank Accounts need not be transferred until such time as there is such Eligible Institution.

#### **Transaction Bank Account**

The Series Servicer shall procure that the following amounts are paid into the Transaction Bank Account:

- (a) all proceeds from purchases by the relevant Series Seller(s) of Equipment Leases in Default or Terminated Equipment Leases under the relevant Series Sale Agreement(s) (to the extent that the relevant Series Seller(s) has/have not substituted Replacement Equipment Leases for those Equipment Leases in Default or those Terminated Equipment Leases);
- (b) all payments received in respect of any Collateral Security;
- (c) all Termination Payments (to the extent the Issuer does not reinvest Termination Payments in Equipment Leases);
- (d) all Insurance Proceeds.

The Series Manager shall procure that the following amounts are paid into the Transaction Bank Account:

- (a) proceeds from the investment of any funds in the Transaction Bank Account, the Provisioning Account, the Reserve Account and the Arrears Reserve Account, if any, including the proceeds from the Permitted Investments;

- (b) any amounts paid out of the Reserve Account and/or the Arrears Reserve Account;
- (c) any amounts paid out of the Provisioning Account in respect of monies due and payable in terms of the Priority of Payments for a particular Payment Date. It is specifically recorded for the avoidance of doubt that any amounts specifically released from the Provisioning Account into the Transaction Bank Account for the purpose of paying a specifically designated Item shall not form part of the Priority of Payments for that Payment Date;
- (d) any amount incorrectly paid into any other Series Bank Account;
- (e) any amounts standing to the credit of the Collections Accounts on each Payment Date;
- (f) the proceeds of Equipment Lease Financing Notes. It is specifically recorded for the avoidance of doubt that the proceeds of Equipment Lease Financing Notes released from the Transaction Bank Account for the purposes of paying the Equipment Lease Purchase Amount payable to the relevant Series Seller(s) in terms of the relevant Series Sale Agreement(s) shall not form part of the Priority of Payments;
- (g) the proceeds of each issue of each Tranche of Notes in this Series (including Refinancing Notes and Prefinancing Notes but excluding Equipment Lease Financing Notes);
- (h) the amount of each Note Specific Liquidity Commitment advanced to the Issuer under each Note Specific Liquidity Facility Agreement (or, where applicable, Note Specific Liquidity Supplement). It is specifically recorded for the avoidance of doubt that the amount of each such Note Specific Liquidity Commitment released from the Transaction Bank Account for the purposes of redeeming Refinanced Notes having a Scheduled Maturity Date which falls 364 days (or less) after the Issue Date (and in respect of which Refinanced Notes the Issuer has entered into such Note Specific Liquidity Facility Agreement (or, where applicable, such Note Specific Liquidity Supplement)) shall not form part of the Priority of Payments;
- (i) any net amounts payable to the Issuer in terms of the Series Hedge Agreement(s);
- (j) such other amounts and/or proceeds and/or payments as are required by the Issuer and/or the Series Security SPV to be paid into the Transaction Bank Account on a Payment Date; provided that the Series Manager shall have received written notice thereof not less than 5 (five) Business Days prior to that Payment Date, and provided further that any such payment into the Transaction Bank Account is permitted in terms of the Series Transaction Agreements.

#### **Collection Accounts**

The Collection Accounts are certain Series Bank Accounts into which payments received in respect of the Equipment Leases purchased by the Issuer are deposited to the extent to which such payments are not deposited directly into the Transaction Bank Account.

The Series Servicer shall procure that the following amounts are paid into the Collections Accounts:

- (a) all Equipment Lease Payments in the manner contemplated in the next paragraph;
- (b) the Revenue Amount;
- (c) all securities and other similar deposits which the Series Servicer has determined, in accordance with its customary servicing practices, are not refundable to the relevant Lessees;

- (d) all amounts received in respect of Equipment Leases in Default;
- (e) all other amounts paid under the Equipment Leases in respect of amounts payable by the relevant Lessees under such Equipment Leases.

The Series Servicer shall procure that all Equipment Lease Payments are transferred directly by the relevant Lessees to the Collections Accounts by way of electronic payments under the Equipment Leases; provided that any cheque and cash payments received by the relevant Series Seller(s) on behalf of the Issuer will be deposited by the Series Servicer into the Transaction Bank Account within 1 (one) Business Day of receipt thereof by the Series Servicer. Notwithstanding that the Series Servicer may not be able to identify which amounts received by it are attributable to payments received from the relevant Lessees under the Equipment Leases, the Series Servicer shall transfer such amounts into the Transaction Bank Account or the Collections Accounts, as the case may be, whereafter the relevant Agency Collections shall be repaid to the person entitled thereto, in terms of and subject to the Priority of Payments.

The Series Manager shall procure that any amounts standing to the credit of the Collections Accounts on each Business Day are paid into the Transaction Bank Account as soon as practically possible thereafter.

#### **The Provisioning Account**

The Series Manager shall procure that the following amounts (and only the following amounts) are paid into or out of, as the case may be, the Provisioning Account:

- (a) into the Income Tax Provision on a monthly basis, any Tax that has accrued, but that has not yet become due and payable;
- (b) from the Income Tax Provision to the Transaction Bank Account on the relevant Payment Date, any amounts standing to the credit of the Income Tax Provision which are due and payable on that Payment Date;
- (c) into the Interest Provision on a monthly basis:
  - any Note Interest that has accrued to Noteholders, but which is not yet payable to such Noteholders; and
  - any payments due under any Series Hedge Agreement(s) as net settlement amounts;
- (d) from the Interest Provision to the Transaction Bank Account on each Interest Payment Date, any amounts standing to the credit of the Interest Provision as at such Interest Payment Date;
- (e) from the Interest Provision to the Transaction Bank Account on the Payment Date on which an Interest Deferral Event in respect of one or more Classes of Notes occurs, any amounts standing to the credit of the Interest Provision for that Class (or those Classes) of Notes, to be applied at that Payment Date in accordance with the Pre-Enforcement Priority of Payments applicable during the Amortisation Period;
- (f) into the Top-Up Provision on a monthly basis, any amounts by which the Principal Redemption Amount exceeds the amount utilised to acquire Equipment Leases on the relevant Payment Date;
- (g) from the Top-Up Provision to the Transaction Bank Account at any time, any amounts standing to the credit of the Top-Up Provision in order to purchase Equipment Leases;

- (h) into the Capital Provision on the relevant Payment Date, any amounts which are due as Principal Payments in respect of Tranche(s) of Notes in this Series, provided that:
- such amounts are not yet payable to the holders of such Notes; and
  - the relevant Payment Date is not an Interest Payment Date;
- (i) from the Capital Provision to the Transaction Bank Account on Interest Payment Dates, any amounts standing to the credit of the Capital Provision;
- (j) into the General Provision on the relevant Payment Date, such amounts in respect of (i) potential creditors of the Issuer relating to this Series and/or (ii) Series Sundry Expenses as are required by the Issuer and/or the Series Security SPV to be paid into the General Provision on that Payment Date; provided that the Series Manager shall have received written notice thereof not less than 5 (five) Business Days prior to that Payment Date, and provided further that any such payment into the General Provision is permitted in terms of the Series Transaction Agreements;
- (k) into the Seller Advance Provision on the Applicable Payment Date, the amounts received in respect of Seller Advances;
- (l) from the Seller Advance Provision to the Transaction Bank Account on the date on which the Issuer is obliged (in terms of the relevant Series Sale Agreement) to repay the relevant Seller Advance to the relevant Series Seller, being (i) the Payment Date following the date on which all Equipment Lease Payments purchased by the Issuer in respect of the relevant Equipment Lease have been paid to the Issuer or (ii) such earlier date as is provided, in terms of the relevant Series Sale Agreement, for repayment of the relevant Seller Advance to the relevant Series Seller;
- (m) into the Balloon Equipment Lease Advance Provision on the Applicable Payment Date, the amounts received in respect of Balloon Equipment Lease Advances;
- (n) from the Balloon Equipment Lease Advance Provision to the Transaction Bank Account on the date on which the Issuer is obliged (in terms of the relevant Series Sale Agreement) to repay the relevant Balloon Equipment Lease Advance to the relevant Series Seller, being (i) the Payment Date following the date on which the final Equipment Lease Payment payable under the relevant Balloon Equipment Lease is paid to the Issuer or (ii) such earlier date as is provided, in terms of the relevant Series Sale Agreement, for repayment of the relevant Balloon Equipment Lease Advance to the relevant Series Seller;
- (o) into the Residual Equipment Lease Advance Provision on the Applicable Payment Date, the amounts received in respect of Residual Equipment Lease Advances;
- (p) from the Residual Equipment Lease Advance Provision to the Transaction Bank Account on the date on which the Issuer is obliged (in terms of the relevant Series Sale Agreement) to repay the relevant Residual Equipment Lease Advance to the relevant Series Seller, being (i) the Payment Date following the date on which the final Equipment Lease Payment payable under the relevant Residual Equipment Lease is paid to the Issuer or (ii) such earlier date as is provided, in terms of the relevant Series Sale Agreement, for repayment of the relevant Residual Equipment Lease Advance to the relevant Series Seller;

- (q) from the General Provision into the Transaction Bank Account on the relevant Payment Date, the amounts standing to the credit of the General Provision which are due and payable to the relevant creditors of the Issuer relating to this Series on that Payment Date;
- (r) into the Transaction Bank Account on each Payment Date, all amounts standing to the credit of the Provisioning Account other than those contemplated in paragraphs (a) to (q) above.

#### **Reserve Fund and Reserve Account**

The purpose of the Reserve Fund is to provide liquidity in situations where Revenue received in a particular Due Period during the Amortisation Period does not cover Senior Expenses, Note Interest and Note Specific Liquidity Facility Interest in that Due Period.

The Series Manager shall procure that the following amounts are paid into the Reserve Fund (held in the Reserve Account):

- (a) on the Restatement Date:
  - the amounts standing to the credit of the Reserve Fund immediately prior to the Restatement Date;
  - to the extent that the amounts standing to the credit of the Reserve Fund immediately prior to the Restatement Date are less than the Reserve Fund Required Amount, an amount (equivalent to such deficit) to be drawn down by the Issuer, on or before the Restatement Date, pursuant to the relevant Series Subordinated Loan Agreement,
 up to the Reserve Fund Required Amount; and
- (b) on each Issue Date:
  - the amount of the Applicable Subordinated Loan(s) (if applicable) advanced on that Issue Date;
  - the amount of the Applicable First Loss Loan(s) (if applicable) advanced on that Issue Date, if any,
 up to the Reserve Fund Required Amount.

The Series Manager shall procure that the following amounts (and only the following amounts) are paid out of the Reserve Fund (held in the Reserve Account) into the Transaction Bank Account:

- (a) on each Payment Date during the Amortisation Period, the amount by which Senior Expenses, Note Specific Liquidity Facility Interest and Note Interest exceed Revenue received by the Issuer for the Due Period relating to that Payment Date;
- (b) on each Payment Date, any amounts in excess of the Reserve Fund Required Amount;
- (c) on each Payment Date, interest accrued on the Reserve Fund balance up to that Payment Date.

The Series Manager shall procure that on each Final Maturity Date of a Tranche of Notes in this Series any amounts standing to the credit of the Reserve Fund are paid into the Transaction Bank Account for application in accordance with the Priority of Payments.

The Series Manager shall procure that, in the event of a Guarantee Event, all monies in the Reserve Fund will be applied to the extent permitted by and strictly in accordance with the Post-Enforcement Priority of Payments.

#### **Arrears Reserve Account and Arrears Reserve**

The purpose of the Arrears Reserve is:

- (a) to provide liquidity in situations where Revenue received in a particular Due Period during the Revolving Period is not sufficient to pay Senior Expenses, Note Interest and Note Specific Liquidity Facility Interest in that Due Period;
- (b) to provide funds to acquire Equipment Leases during the Revolving Period, where the funds available to purchase Equipment Lease(s) are less than the Principal Redemption Amount less amounts applied under Item Seventh of the Pre-Enforcement Priority of Payments applicable during the Revolving Period;
- (c) to support the Class A Notes when an Event of Default or an Amortisation Event occurs, by releasing all the funds in the Arrears Reserve Account to the Transaction Bank Account upon such occurrence.

The Series Manager shall procure that on each Payment Date, amounts constituting Excess Spread are paid into the Arrears Reserve (held in the Arrears Reserve Account) up to the Arrears Reserve Target Amount.

The Series Manager shall procure that the following amounts (and only the following amounts) are paid out of the Arrears Reserve (held in the Arrears Reserve Account) into the Transaction Bank Account:

- (a) on each Payment Date, any amounts in excess of the Arrears Reserve Target Amount;
- (b) on each Payment Date, interest accrued on the Arrears Reserve up to that Payment Date.

The Series Manager shall procure that on each Final Maturity Date of a Tranche of Notes in this Series any amount standing to the credit of the Arrears Reserve is paid into the Transaction Bank Account for application in accordance with the Priority of Payments.

The Series Manager shall procure that, in the event of a Guarantee Event, all monies in the Arrears Reserve are applied to the extent permitted by and strictly in accordance with the Post-Enforcement Priority of Payments.

#### **Guaranteed Investment Agreement**

The GIC Provider shall, in terms of the Guaranteed Investment Agreement, guarantee that all cash from time to time standing to the credit of the Transaction Bank Account and/or the Provisioning Account and/or the Reserve Account and/or the Arrears Reserve Account will earn the minimum rate of return contemplated in the Guaranteed Investment Agreement.

If the GIC Provider ceases to hold the Required Credit Rating, then the GIC Provider shall, within 30 (thirty) days of becoming aware thereof, procure the appointment of a suitable Eligible Institution to act as GIC Provider in its place.

## Section 9

### PRIORITY OF PAYMENTS

#### 1) General

All payments to be made to each Noteholder and each other Series Secured Creditor, whether made by the Issuer or by the Series Security SPV following a Guarantee Event, will be made to the extent permitted by and strictly in accordance with the Priority of Payments.

The claims of each Series Secured Creditor (including each Noteholder) against the Issuer under the Series Transaction Agreements (including the Applicable Terms and Conditions) or, following a Guarantee Event, against the Series Security SPV under the Series Guarantee, as the case may be, are subordinated, in accordance with the Priority of Payments, to the claims of the Issuer's creditors in respect of this Series (including each other Series Secured Creditor) that rank prior to such Series Secured Creditor in the Priority of Payments.

Each Noteholder is contractually bound by the Priority of Payments in terms of the Series Guarantee and the Applicable Terms and Conditions. Each other Series Secured Creditor is contractually bound by the Priority of Payments in terms of the Series Common Terms Agreement and/or the relevant Series Transaction Agreements.

#### 2) Pre-Enforcement Priority of Payments applicable during the Revolving Period

The Pre-Enforcement Priority of Payments set out in this paragraph 2 will apply during the Revolving Period.

The Revolving Period is the period from and including the Restatement Date to but excluding the Revolving Period End Date during which, among other things, the Issuer may purchase Equipment Leases and may issue one or more further Tranche(s) of Notes in this Series, as contemplated in Series Condition 2. The Revolving Period End Date is the earlier of (i) the Series Termination Date or (ii) the Amortisation Date or (iii) the Enforcement Date.

During the Revolving Period, the Series Manager shall procure that on each Payment Date, following receipt by the Series Manager of the Payment Schedule duly countersigned by the Series Security SPV, the following amounts are transferred to and from the Series Bank Accounts in accordance with the relevant provisions of the Series Manager Agreement, the Payment Schedule and the Payment Instruction, and are applied, to the extent to which there are Available Funds in the Transaction Bank Account, in making payments as set out in the Pre-Enforcement Priority of Payments applicable during the Revolving Period:

- (a) monies standing to the credit of the Transaction Bank Account as of the last day of the immediately preceding Due Period;
- (b) releases from the Reserve Account and the Arrears Reserve Account as of the last day of the immediately preceding Due Period;
- (c) releases from the Provisioning Account (such releases only to be applied to the particular fee, cost, expenses or payment for which provision was made);
- (d) any amounts received under any Series Hedge Agreement(s) up to the relevant Payment Date,

but excluding any Seller Advances, Balloon Equipment Lease Advances and Residual Equipment Lease Advances accumulated in the Provisioning Account up to the relevant Payment Date which are not to be repaid to the relevant Series Seller.

All payments to be made to each Series Secured Creditor by the Issuer under the Series Transaction Agreements during the Revolving Period shall be made on the basis that a Series Secured Creditor which ranks subsequent to any of the other creditors of the Issuer in respect of this Series (including any of the other Series Secured Creditors) in the Pre-Enforcement Priority of Payments applicable during the Revolving Period will not be paid on a due date for payment unless and until:

- (a) all the Issuer's creditors in respect of this Series (including all the other Series Secured Creditors) which rank prior to that Series Secured Creditor in the Pre-Enforcement Priority of Payments applicable during the Revolving Period have been paid in full all the amounts due and payable to them by the Issuer on that date (or such amounts have been provided for in full);
- (b) all amounts which the Issuer is required, on or as at that date, to retain by way of a provision to meet actual or anticipated future expenses or liabilities to the Issuer's creditors in respect of this Series (including the other Series Secured Creditors) that rank prior to that Series Secured Creditor in the Pre-Enforcement Priority of Payments applicable during the Revolving Period have been retained;
- (c) there are Available Funds for this purpose, on that date, in terms of the Pre-Enforcement Priority of Payments applicable during the Revolving Period,

(each clause below being referred to as a successive "Item" in the Pre-Enforcement Priority of Payments applicable during the Revolving Period).

The Series Manager shall, as agent on behalf of the Issuer, procure that the following payments are made, on each, unless otherwise specified below, Payment Date (the "**relevant Payment Date**"), from the Transaction Bank Account (after having procured payment of or made provision for all Agency Collections due and payable on the relevant Payment Date):

**First:** to pay all Series Statutory Expenses (including the Issuer's liability for tax) and any expenses incurred to maintain the corporate existence of the Issuer due and payable on the relevant Payment Date; provided that where any Series Statutory Expenses and/or corporate expenses have accrued but are not yet payable, such Series Statutory Expenses and/or corporate expenses shall be transferred to the Provisioning Account;

**Second:** to pay *pari passu* and *pro rata*:

- a) the remuneration due and payable to the Series Security SPV (inclusive of VAT, if any) on the relevant Payment Date and any fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Series Security SPV required to be paid on the relevant Payment Date;
- b) that portion of the remuneration due and payable to the Issuer Owner Trustee (inclusive of VAT, if any) on the relevant Payment Date allocated by the Programme Manager to this Series and that portion of the fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Issuer Owner Trustee required to



be paid on the relevant Payment Date allocated by the Programme Manager to this Series;

- c) that portion of the remuneration due and payable to the Security SPV Owner Trustee (inclusive of VAT, if any) on the relevant Payment Date allocated by the Programme Manager to this Series and that portion of the fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Security SPV Owner Trustee required to be paid on the relevant Payment Date allocated by the Programme Manager to this Series;

**Third:** to pay *pari passu* and *pro rata*:

- a) that portion of the remuneration due and payable to the Programme Manager (inclusive of VAT, if any) on the relevant Payment Date allocated by the Issuer to this Series and that portion of the fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Programme Manager required to be paid on the relevant Payment Date allocated by the Issuer to this Series;
- b) the Management Fee due and payable to the Series Manager (inclusive of VAT, if any) on the relevant Payment Date and the fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Series Manager required to be paid on the relevant Payment Date;
- c) the Servicing Fee due and payable to the Series Servicer on the relevant Payment Date (inclusive of VAT, if any) together with the costs and expenses which are due and payable to the Series Servicer on the relevant Payment Date;
- d) the Standby Servicing Fee due and payable to the Series Standby Servicer on the relevant Payment Date (inclusive of VAT, if any) together with the costs and expenses which are due and payable to the Series Standby Servicer on the relevant Payment Date;

**Fourth:** to pay *pari passu* and *pro rata*:

- a) all Series Sundry Expenses due and payable on the relevant Payment Date subject to the Series Sundry Expense Limit;
- b) the amount(s) (standing to the credit of the General Provision) due and payable to any other creditor(s) of the Issuer relating to this Series (not already provided for in any other Item) due and payable on the relevant Payment Date;

**Fifth:** to pay *pari passu* and *pro rata*:

- a) any payments due and payable under the Series Hedge Agreement(s) on the relevant Payment Date as net settlement payments and, provided no Series Hedge Counterparty Default shall have occurred, any unwinding, restructuring or termination payments;

- b) any fees due and payable to the Note Specific Liquidity Facility Provider(s) on the relevant Payment Date in terms of the Note Specific Liquidity Facility Agreement(s);
- c) any fees and premiums due and payable on the relevant Payment Date to the providers of guarantees, credit derivatives or other arrangements in terms of the Related Agreements;

**Sixth:** Note Interest and Note Specific Liquidity Facility Interest:

- a) on any Payment Date other than an Interest Payment Date, to pay into the Interest Provision set aside in the Provisioning Account, the aggregate Note Interest which is due and payable in respect of each Class of Notes, and the aggregate Note Specific Liquidity Facility Interest which is due and payable in respect of the Note Specific Liquidity Facility Agreement(s), on the following Interest Payment Date and accrued up to the last day of the Due Period relating to that Payment Date;
- b) on the relevant Interest Payment Date, to pay the aggregate Note Interest which is due and payable in respect of each Class of Notes, and the aggregate Note Specific Liquidity Facility Interest which is due and payable in respect of the Note Specific Liquidity Facility Agreement(s), on that Interest Payment Date,

provided that:

- c) the payment of Note Interest in terms of paragraphs a) and b) above will be effected in descending order of rank and with Notes of equal rank being paid *pari passu*, until the Note Interest due and payable in respect of each Class of Notes has been paid or provided in full;
- d) no payment of Note Interest shall be made to the holders of a Class of Notes until such time as the Note Interest due and payable in respect of each Class of Notes having a higher rank has been paid in full; and
- e) Note Specific Liquidity Facility Interest which is due and payable in respect of the Note Specific Liquidity Facility Agreement(s) will be paid *pari passu* with Notes of equal rank to the Notes in respect of which such Note Specific Liquidity Facility Agreement(s) were entered into;

**Seventh:** Principal Amount (Amortising Notes) and capital (Note Specific Liquidity Facility Agreement(s)):

- a) on any Payment Date other than an Interest Payment Date, to pay into the Capital Provision set aside in the Provisioning Account, the aggregate Principal Payment which is due and payable in respect of each Class of Amortising Notes, and the capital which is due and payable in respect of the Note Specific Liquidity Facility Agreement(s), on the following Interest Payment Date and accrued up to the last day of the Due Period relating to that Payment Date;
- b) on the relevant Interest Payment Date, to pay the aggregate Outstanding Principal

Amount which is due and payable in respect of each Class of Amortising Notes on the relevant Interest Payment Date, in descending order of rank and with Amortising Notes of equal rank being paid *pari passu*, until the aggregate Outstanding Principal Amount due and payable in respect of each such Class of Amortising Notes has been paid in full;

- c) on the relevant Interest Payment Date, to pay the capital which is due and payable in respect of the Note Specific Liquidity Facility Agreement(s) on the relevant Interest Payment Date;

provided that:

- d) no payment of the aggregate Outstanding Principal Amount shall be made to the holders of a Class of Amortising Notes until such time as the aggregate Outstanding Principal Amount due and payable in respect of each Class of Amortising Notes having a higher rank has been paid in full;
- e) the capital which is due and payable in respect of the Note Specific Liquidity Facility Agreement(s) will be paid *pari passu* with Amortising Notes of equal rank to the Amortising Notes in respect of which such Note Specific Liquidity Facility Agreement(s) were entered into; and
- f) the amount payable under this Item Seventh may not exceed an amount equal to the Principal Redemption Amount;

**Eighth:** to pay into the Reserve Account the amount required to ensure the balance standing to the credit of the Reserve Fund equals the Reserve Fund Required Amount;

**Ninth:** to fund, specifically and only during the Revolving Period, the acquisition of Equipment Leases, up to an amount equal to the lower of (i) the Principal Redemption Amount less the payments made under Item Seventh and (ii) cash available at this point after the payment of all higher ranking Items. If there are no or insufficient Equipment Leases offered to the Issuer for purchase by the relevant Series Seller(s) or any conditions to purchase are not satisfied, such amount or the balance of such amount, as the case may be, shall be transferred into the Top-Up Provision set aside in the Provisioning Account;

**Tenth:** to pay into the Arrears Reserve Account the amount required to ensure that the balance standing to the credit of the Arrears Reserve Fund equals the Arrears Reserve Target Amount;

**Eleventh:** to pay, *pari passu* and *pro rata*, any interest on the Series Subordinated Loan(s) due and payable to the Senior Series Subordinated Lenders on the relevant Quarterly Payment Date;

**Twelfth:** to pay, *pari passu* and *pro rata*, any interest on the Series Subordinated Loan(s) due and payable to the Junior Series Subordinated Lender(s) on the relevant Quarterly Payment Date;

- Thirteenth** to pay, *pari passu* and *pro rata*, capital on the Series Subordinated Loan(s) due and payable to the Senior Series Subordinated Lenders on the relevant Quarterly Payment Date;
- Fourteenth** to pay, *pari passu* and *pro rata*, capital on the Series Subordinated Loan(s) due and payable to the Junior Series Subordinated Lender(s) on the relevant Quarterly Payment Date;
- Fifteenth:** to pay *pari passu* and *pro rata* to the relevant Series Seller(s):
- a) any accrued interest and capital on the Seller Advances, as contemplated in the relevant Series Sale Agreement(s), and any Seller Advances that exceed the aggregate of all Equipment Lease Payments purchased by the Issuer in respect of the relevant Equipment Leases;
  - b) any accrued interest and capital on the Balloon Equipment Lease Advances, as contemplated in the relevant Series Sale Agreement(s);
  - c) any accrued interest and capital on the Residual Equipment Lease Advances, as contemplated in the relevant Series Sale Agreement(s);
  - d) an amount by which the aggregate Net Present Value of the Replacement Equipment Leases of the most recent Due Period exceeds the aggregate Net Present Value of the Replaced Equipment Leases of the most recent Due Period;
- Sixteenth:** to pay any amounts due and payable on the relevant Payment Date in excess of the Series Sundry Expense Limit;
- Seventeenth:** to pay any amounts due and payable on the relevant Payment Date under the Series Hedge Agreement(s) pursuant to any unwinding, termination or restructuring of the Series Hedge Agreement(s) pursuant to a Series Hedge Counterparty Event of Default;
- Eighteenth:** to pay the Revenue Amount due and payable on the relevant Payment Date;
- Nineteenth:** to pay any interest on the First Loss Loan(s), due and payable on the relevant Payment Date and to repay, to the extent that the Series Transaction Agreements allow, capital on the First Loss Loan(s) due and payable on the relevant Payment Date;
- Twentieth:** subject to the Companies Act and after having made provision for STC and other taxes, to pay any dividends declared in respect of the Preference Shares relating to this Series to the Series Preference Shareholder;
- Twenty First:** while any amounts (whether actual or contingent) are outstanding to the Series Secured Creditors, to invest such amounts in the Permitted Investments;
- Twenty Second:** after all of the obligations of the Issuer due and payable on the relevant Payment Date (whether contingent or otherwise) have been discharged in full, to pay the surplus, if any, to the ordinary shareholders of the Issuer.

Payments from the proceeds of Equipment Lease Financing Notes that are deposited in the Transaction Bank Account in respect of the Equipment Lease Purchase Amount payable to the relevant Series Seller(s) in terms of the relevant Series Sale Agreement(s) shall be made by the Series Manager, as agent on behalf of the Issuer, on or before the due date for payment of such Equipment Lease Purchase Amount, and such payments and such proceeds shall not form part of the Priority of Payments applicable during the Revolving Period.

The Series Manager, acting as agent on behalf of the Issuer, shall procure that payments from Note Specific Liquidity Commitments advanced to the Issuer under Note Specific Liquidity Facility Agreement(s) (or, where applicable, Note Specific Liquidity Supplement(s)) that are deposited in the Transaction Bank Account in order to redeem Refinanced Notes having a Scheduled Maturity Date which falls 364 days (or less) after the Issue Date (and in respect of which Refinanced Notes the Issuer has entered into such Note Specific Liquidity Facility Agreement(s) (or, where applicable, such Note Specific Liquidity Supplement(s)) are made, on or before the Scheduled Maturity Date, and such payments and such Note Specific Liquidity Commitments shall not form part of the Priority of Payments applicable during the Revolving Period.

### **3) Pre-Enforcement Priority of Payments applicable during the Amortisation Period**

The Pre-Enforcement Priority of Payments set out in this paragraph 3 will apply during the Amortisation Period.

The Amortisation Period is the period from and including the Amortisation Date to and including the earlier of (i) the Enforcement Date or (ii) the Series Termination Date. The Amortisation Date is (following the occurrence of an Amortisation Event), the Business Day immediately following the date on which an Amortisation Notice is delivered by or on behalf of the Series Security SPV to the Issuer in terms of Series Condition 3.1.1.2. During the Amortisation Period no Equipment Leases may be purchased by the Issuer, no further Tranches of Notes in this Series will be issued and Tranche(s) of Notes in this Series will be redeemed in accordance with Series Condition 4.1.

During the Amortisation Period, the Series Manager shall procure that on each Payment Date, following receipt by the Series Manager of the Payment Schedule duly countersigned by the Series Security SPV, the following amounts are transferred to and from the Series Bank Accounts in accordance with the relevant provisions of the Series Manager Agreement, the Payment Schedule and the Payment Instruction, and are applied, to the extent to which there are Available Funds in the Transaction Bank Account, in making payments as set out in the Pre-Enforcement Priority of Payments applicable during the Amortisation Period:

- a) monies standing to the credit of the Transaction Bank Account as of the last day of the immediately preceding Due Period;
- b) releases from the Reserve Account and the Arrears Reserve Account as at the relevant Payment Date;
- c) releases from the Provisioning Account as at the relevant Payment Date (such releases only to be applied to the particular fee, cost, expenses or payment for which provision was made);
- d) any amounts received under any Series Hedge Agreement(s) up to the relevant Payment Date,

but excluding any Seller Advances, Balloon Equipment Lease Advances and Residual Equipment Lease Advances accumulated in the Provisioning Account up to the relevant Payment Date which are not to be repaid to the relevant Series Seller.

All payments to be made to each Series Secured Creditor by the Issuer under the Series Transaction Agreements during the Amortisation Period shall be made on the basis that a Series Secured Creditor which ranks subsequent to any of the other creditors of the Issuer in respect of this Series (including any of the other Series Secured Creditors) in the Pre-Enforcement Priority of Payments applicable during the Amortisation Period will not be paid on a due date for payment unless and until:

- a) all the Issuer's creditors in respect of this Series (including all the other Series Secured Creditors) which rank prior to that Series Secured Creditor in the Pre-Enforcement Priority of Payments applicable during the Amortisation Period have been paid in full all the amounts due and payable to them by the Issuer on that date (or such amounts have been provided for in full);
- b) all amounts which the Issuer is required, on or as at that date, to retain by way of a provision to meet actual or anticipated future expenses or liabilities to the Issuer's creditors in respect of this Series (including the other Series Secured Creditors) that rank prior to that Series Secured Creditor in the Pre-Enforcement Priority of Payments applicable during the Amortisation Period have been retained;
- c) there are Available Funds for this purpose, on that date, in terms of the Pre-Enforcement Priority of Payments applicable during the Amortisation Period,

(each clause below being referred to as a successive "Item" in the Pre-Enforcement Priority of Payments applicable during the Amortisation Period).

The Series Manager shall, as agent on behalf of the Issuer, procure that the following payments are made, on each, unless otherwise specified below, Payment Date (the "**relevant Payment Date**"), from the Transaction Bank Account (after having procured payment of or made provision for all Agency Collections due and payable on the relevant Payment Date):

**First:** to pay all Series Statutory Expenses (including the Issuer's liability for tax) and any expenses incurred to maintain the corporate existence of the Issuer due and payable on the relevant Payment Date; provided that where any Series Statutory Expenses and/or corporate expenses have accrued but are not yet payable, such Series Statutory Expenses and/or corporate expenses shall be transferred to the Provisioning Account;

**Second:** to pay *pari passu* and *pro rata*:

- a) the remuneration due and payable to the Series Security SPV (inclusive of VAT, if any) on the relevant Payment Date and any fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Series Security SPV required to be paid on the relevant Payment Date;
- b) that portion of the remuneration due and payable to the Issuer Owner Trustee (inclusive of VAT, if any) on the relevant Payment Date allocated by the Programme Manager to this Series and that portion of the fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Issuer Owner Trustee required to be paid on the relevant Payment Date allocated by the Programme Manager to this Series;
- c) that portion of the remuneration due and payable to the Security SPV Owner

Trustee (inclusive of VAT, if any) on the relevant Payment Date allocated by the Programme Manager to this Series and that portion of the fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Security SPV Owner Trustee required to be paid on the relevant Payment Date allocated by the Programme Manager to this Series;

**Third:** to pay *pari passu* and *pro rata*:

- a) that portion of the remuneration due and payable to the Programme Manager (inclusive of VAT, if any) on the relevant Payment Date allocated by the Issuer to this Series and that portion of the fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Programme Manager required to be paid on the relevant Payment Date allocated by the Issuer to this Series;
- b) the Management Fee due and payable to the Series Manager (inclusive of VAT, if any) on the relevant Payment Date and the fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Series Manager required to be paid on the relevant Payment Date;
- c) the Servicing Fee due and payable to the Series Servicer on the relevant Payment Date (inclusive of VAT, if any) together with the costs and expenses which are due and payable to the Series Servicer on the relevant Payment Date;
- d) the Standby Servicing Fee due and payable to the Series Standby Servicer on the relevant Payment Date (inclusive of VAT, if any) together with the costs and expenses which are due and payable to the Series Standby Servicer on the relevant Payment Date;

**Fourth:** to pay *pari passu* and *pro rata*:

- a) all Series Sundry Expenses due and payable on the relevant Payment Date subject to the Series Sundry Expense Limit;
- b) the amount(s) (standing to the credit of the General Provision) due and payable to any other creditor(s) of the Issuer relating to this Series (not already provided for in any other Item) due and payable on the relevant Payment Date;

**Fifth:** to pay *pari passu* and *pro rata*:

- a) any payments due and payable under the Series Hedge Agreement(s) on the relevant Payment Date as net settlement payments and, provided no Series Hedge Counterparty Default shall have occurred, any unwinding, restructuring or termination payments;
- b) any fees due and payable to the Note Specific Liquidity Facility Provider(s) on the relevant Payment Date in terms of the Note Specific Liquidity Facility Agreement(s);
- c) any fees and premiums due and payable on the relevant Payment Date to the

providers of guarantees, credit derivatives or other arrangements in terms of the Related Agreements;

**Sixth:** Note Interest and Note Specific Liquidity Facility Interest:

- a) on any Payment Date other than an Interest Payment Date, to pay into the Interest Provision set aside in the Provisioning Account, the aggregate Note Interest which is due and payable in respect of each Class of Notes, and the aggregate Note Specific Liquidity Facility Interest which is due and payable in respect of the Note Specific Liquidity Facility Agreement(s), on the following Interest Payment Date and accrued up to the last day of the Due Period relating to that Payment Date;
- b) on the relevant Interest Payment Dates, to pay the aggregate Note Interest which is due and payable in respect of each Class of Notes, and the aggregate Note Specific Liquidity Facility Interest which is due and payable in respect of the Note Specific Liquidity Facility Agreement(s), on that Interest Payment Date,

provided that:

- c) the payment of Note Interest in terms of paragraphs a) and b) above will be effected in descending order of rank and with Notes of equal rank being paid *pari passu*, until the Note Interest due and payable in respect of each Class of Notes has been paid or provided in full;
- d) no payment of Note Interest shall be made to the holders of a Class of Notes until such time as the Note Interest due and payable in respect of each Class of Notes having a higher rank has been paid in full;
- e) if an Interest Deferral Event occurs in respect of a Class of Notes, all Note Interest which is due and payable in respect of each Class of Notes which ranks lower than that Class of Notes shall be deferred until such Interest Deferral Event no longer exists; and
- f) Note Specific Liquidity Facility Interest which is due and payable in respect of the Note Specific Liquidity Facility Agreement(s) will be paid *pari passu* with Notes of equal rank to the Notes in respect of which such Note Specific Liquidity Facility Agreement(s) were entered into;

**Seventh:** to pay into the Reserve Account the amount required to ensure the balance standing to the credit of the Reserve Fund equals the Reserve Fund Required Amount;

**Eighth:** Principal Amount (Notes) and capital (Note Specific Liquidity Facility Agreement(s)):

- a) on any Payment Date other than an Interest Payment Date, to pay into the Capital Provision set aside in the Provisioning Account, the aggregate Principal Payment which is due and payable in respect of each Class of Notes, and the capital which is due and payable in respect of the Note Specific Liquidity Facility Agreement(s), on



the following Interest Payment Date;

- b) on the relevant Interest Payment Date, to pay the aggregate Outstanding Principal Amount of each Class of Notes which is due and payable on the relevant Interest Payment Date, in descending order of rank and with Notes of equal rank being paid *pari passu*, until the aggregate Outstanding Principal Amount due and payable in respect of each Class of Notes has been paid in full; provided that no payment of the aggregate Outstanding Principal Amount shall be made to the holders of a Class of Notes until such time as the aggregate Outstanding Principal Amount due and payable in respect of each Class of Notes having a higher rank has been paid in full;
- c) on the relevant Interest Payment Date, to pay the capital which is due and payable in respect of the Note Specific Liquidity Facility Agreement(s) on the relevant Interest Payment Date; provided that such capital will be paid *pari passu* with Notes of equal rank to the Notes in respect of which such Note Specific Liquidity Facility Agreement(s) were entered into;

**Ninth:** to pay, *pari passu* and *pro rata*, any interest on the Series Subordinated Loan(s), due and payable to the Senior Series Subordinated Lenders on the relevant Quarterly Payment Date;

**Tenth:** to pay, *pari passu* and *pro rata*, capital on the Series Subordinated Loan(s), due and payable to the Senior Series Subordinated Lenders on the relevant Quarterly Payment Date;

**Eleventh:** to pay, *pari passu* and *pro rata*, any interest on the Series Subordinated Loan(s), due and payable to the Junior Series Subordinated Lender(s) on the relevant Quarterly Payment Date;

**Twelfth:** to pay, *pari passu* and *pro rata*, capital on the Series Subordinated Loan(s), due and payable to the Junior Series Subordinated Lender(s) on the relevant Quarterly Payment Date;

**Thirteenth:** to pay *pari passu* and *pro rata* to the relevant Series Seller(s):

- a) any accrued interest and capital on the Seller Advances, as contemplated in the relevant Series Sale Agreement(s), and any Seller Advances that exceed the aggregate of all Equipment Lease Payments purchased by the Issuer in respect of the relevant Equipment Lease;
- b) any accrued interest and capital on the Balloon Equipment Lease Advances, as contemplated in the relevant Series Sale Agreement(s);
- c) any accrued interest and capital on the Residual Equipment Lease Advances, as contemplated in the relevant Series Sale Agreement(s);
- d) an amount by which the aggregate Net Present Value of the Replacement

Equipment Leases of the most recent Due Period exceeds the aggregate Net Present Value of the Replaced Equipment Leases of the most recent Due Period;

- Fourteenth:** to pay any amounts due and payable on the relevant Payment Date in excess of the Series Sundry Expense Limit;
- Fifteenth:** to pay any amounts due and payable on the relevant Payment Date under the Series Hedge Agreement(s) pursuant to any unwinding, termination or restructuring of the Series Hedge Agreement(s) pursuant to a Series Hedge Counterparty Event of Default;
- Sixteenth:** to pay the Revenue Amount due and payable on the relevant Payment Date;
- Seventeenth:** to pay any interest on the First Loss Loan(s) due and payable on the relevant Payment Date and to repay, to the extent that the Series Transaction Agreements allow, capital on the First Loss Loan(s) due and payable on the relevant Payment Date;
- Eighteenth:** subject to the Companies Act and after having made provision for STC and other taxes, to pay any dividends declared in respect of the Preference Shares relating to this Series to the Series Preference Shareholder;
- Nineteenth:** subject to the Companies Act and after having made provision for STC and other taxes, to pay any dividends declared in respect of the ordinary shares of the Issuer to the ordinary shareholders of the Issuer;
- Twentieth:** subject to Applicable Laws, to repurchase the ordinary shares in the Issuer.

#### 4) **Post-Enforcement Priority of Payments**

The Post-Enforcement Priority of Payments set out in this paragraph 4 will apply, following a Guarantee Event, on and after the Enforcement Date.

No Equipment Leases may be purchased by the Issuer during the Post-Enforcement Period. Following a Guarantee Event (and promptly after the Enforcement Date) the Series Security SPV will, in terms of the Series Guarantee, enforce the remedies available to it under the Series Security Agreements (and such other remedies as may be available to it at law) and realise the Series Assets relating to this Series for the benefit of the Series Secured Creditors.

The Series Security SPV shall, in making payments to the Series Secured Creditors in terms of the Series Guarantee, rely solely on the amounts which the Series Security SPV recovers pursuant to the Series Security Agreements and from the realisation of the Series Assets relating to Series 1 (including monies standing to the credit of the Series Bank Accounts).

The Series Security SPV shall make such payments, in the following order of priority, on the basis that a Series Secured Creditor which ranks subsequent to any other of the other creditors of the Issuer in respect of this Series (including any of the other Series Secured Creditors) in the Post-Enforcement Priority of Payments will not be paid unless and until all the Issuer's creditors in respect of this Series (including all the other Series Secured Creditors) which rank prior to that Series Secured Creditor in the Post-Enforcement Priority of Payments have been paid all the amounts then due and payable to them by the Issuer:

- First:** to pay all Series Statutory Expenses (including the Issuer's liability for tax) and any expenses incurred to maintain the corporate existence of the Issuer due and payable on the relevant Payment Date; provided that where any Series Statutory Expenses and/or corporate expenses have accrued but are not yet payable, such Series Statutory Expenses and/or corporate expenses shall be transferred to the Provisioning Account;
- Second:** to pay all Series Statutory Expenses and any expenses incurred to maintain the corporate existence of the Issuer due and payable on the Enforcement Date;
- Third:** to pay *pari passu* and *pro rata*:
- a) the remuneration due and payable to the Series Security SPV (inclusive of VAT, if any) on the Enforcement Date and the fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Series Security SPV required to be paid on the Enforcement Date;
  - b) that portion of the remuneration due and payable to the Issuer Owner Trustee (inclusive of VAT, if any) on the Enforcement Date allocated by the Programme Manager to this Series and the fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Issuer Owner Trustee required to be paid on the Enforcement Date allocated by the Programme Manager to this Series;
  - c) that portion of the remuneration due and payable to the Security SPV Owner Trustee (inclusive of VAT, if any) on the Enforcement Date allocated by the Programme Manager to this Series and the fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Security SPV Owner Trustee required to be paid on the Enforcement Date allocated by the Programme Manager to this Series;
- Fourth:** to pay *pari passu* and *pro rata*:
- a) that portion of the remuneration due and payable to the Programme Manager (inclusive of VAT, if any) on the Enforcement Date allocated by the Issuer to this Series and that portion of the fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Programme Manager required to be paid on the Enforcement Date allocated by the Issuer to this Series;
  - b) the Management Fee due and payable to the Series Manager (inclusive of VAT, if any) on the Enforcement Date and the fees, costs, charges, liabilities and expenses (inclusive of VAT, if any) incurred by the Series Manager required to be paid on the Enforcement Date;
  - c) the Servicing Fee due and payable to the Series Servicer on the Enforcement Date (inclusive of VAT, if any) together with the costs and expenses which are due and payable to the Series Servicer on the Enforcement Date;
  - d) the Standby Servicing Fee due and payable to the Series Standby Servicer on the

Enforcement Date (inclusive of VAT, if any) together with the costs and expenses which are due and payable to the Series Standby Servicer on the Enforcement Date;

**Fifth:** to pay *pari passu* and *pro rata*:

- a) all Series Sundry Expenses due and payable on the Enforcement Date subject to the Series Sundry Expense Limit;
- b) the amount(s) (standing to the credit of the General Provision) due and payable to any other creditor(s) of the Issuer relating to this Series (not already provided for in any other Item) due and payable on the Enforcement Date;

**Sixth:** to pay *pari passu* and *pro rata*:

- a) the payments due and payable under the Series Hedge Agreement(s) on the Enforcement Date as net settlement payments and, provided no Series Hedge Counterparty Default shall have occurred, any unwinding, restructuring or termination payments;
- b) the fees due and payable to the Note Specific Liquidity Facility Provider(s) on the Enforcement Date in terms of the Note Specific Liquidity Facility Agreement(s);
- c) the fees and premiums due and payable to the providers of guarantees, credit derivatives or other arrangements on the Enforcement Date in terms of the Related Agreements;

**Seventh:** Note Interest and Outstanding Principal Amount (Notes) and Note Specific Liquidity Facility Interest and capital (Note Specific Liquidity Facility Agreement(s)):

- a) to pay the aggregate Note Interest and the aggregate Outstanding Principal Amount of each Class of Notes which is due and payable on the Enforcement Date, and all other amounts (including accrued interest, if any) payable in respect of each Class of Notes pursuant to the Applicable Terms and Conditions, in descending order of rank and with Notes of equal rank being paid *pari passu*, until the aggregate Note Interest and the aggregate Outstanding Principal Amount due and payable in respect of each Class of Notes has been paid or provided for in full; provided that no payment of the aggregate Note Interest and/or the aggregate Outstanding Principal Amount shall be made to the holders of a Class of Notes until such time as the aggregate Note Interest and/or the aggregate Outstanding Principal Amount due and payable in respect of each Class of Notes having a higher rank has been paid in full;
- b) to pay the aggregate Note Specific Liquidity Facility Interest and capital which is due and payable in respect of the Note Specific Liquidity Facility Agreement(s) on the Enforcement Date; provided that such Note Specific Liquidity Facility Interest and

such capital will be paid *pari passu* with Notes of equal rank to the Notes in respect of which such Note Specific Liquidity Facility Agreement(s) were entered into;

- Eighth:** to pay, *pari passu* and *pro rata*, any interest on the Series Subordinated Loan(s), due and payable to the Senior Series Subordinated Lenders on the Enforcement Date;
- Ninth:** to pay, *pari passu* and *pro rata*, capital on the Series Subordinated Loan(s), due and payable to the Senior Series Subordinated Lenders on the Enforcement Date;
- Tenth:** to pay, *pari passu* and *pro rata*, any interest on the Series Subordinated Loan(s), due and payable to the Junior Series Subordinated Lender(s) on the Enforcement Date;
- Eleventh:** to pay, *pari passu* and *pro rata*, capital on the Series Subordinated Loan(s), due and payable to the Junior Series Subordinated Lender(s) on the Enforcement Date;
- Twelfth:** to pay *pari passu* and *pro rata* to the relevant Series Seller(s):
- a) any accrued interest and capital on the Seller Advances, as contemplated in the relevant Series Sale Agreement(s), and any Seller Advances that exceed the aggregate of all Equipment Lease Payments purchased by the Issuer in respect of the relevant Equipment Lease;
  - b) any accrued interest and capital on the Balloon Equipment Lease Payment Advances, as contemplated in the relevant Series Sale Agreement(s);
  - c) any accrued interest and capital on the Residual Equipment Lease Advances, as contemplated in the relevant Series Sale Agreement(s);
  - d) the amount by which the aggregate Net Present Value of the Replacement Equipment Leases of the most recent Due Period exceeds the aggregate Net Present Value of the Replaced Equipment Leases of the most recent Due Period;
- Thirteenth:** to pay any amounts due and payable on the Enforcement Date in excess of the Series Sundry Expense Limit;
- Fourteenth:** to pay any amounts due and payable on the Enforcement Date under the Series Hedge Agreement(s) pursuant to any unwinding, termination or restructuring of the Series Hedge Agreement(s) pursuant to a Series Hedge Counterparty Event of Default;
- Fifteenth:** to pay the Revenue Amount due and payable on the Enforcement Date;
- Sixteenth:** to pay any interest and capital on the First Loss Loan(s) due and payable on the Enforcement Date;
- Seventeenth:** subject to the Companies Act and after having made provision for STC and other taxes, to pay any dividends declared in respect of the Preference Shares relating to this Series to the

Series Preference Shareholder;

**Eighteenth:** subject to the Companies Act and after having made provision for STC and other taxes, to pay any dividends declared in respect of the ordinary shares of the Issuer to the ordinary shareholders of the Issuer.

## Section 10

### USE OF PROCEEDS

The Issuer will apply the proceeds of the issue of a Tranche of Notes, as contemplated in Series Condition 2.1 (and the Applicable Subordinated Loan(s) (if any) and/or the Applicable First Loss Loan(s) (if any) borrowed in respect of that Tranche of Notes) only to the Series Liabilities relating to this Series and then only for the purpose expressly permitted in Series Condition 2.2 and/or the Applicable Pricing Supplement relating to that Tranche.

In terms of Series Condition 2.2 (as read with Series Condition 2.3), the Issuer may use the net proceeds of the issue of a Tranche of Notes (and the Applicable Subordinated Loan(s) (if any) and/or the Applicable First Loss Loan(s) (if any) borrowed in respect of that Tranche of Notes) to redeem the Refinanced Notes and/or the Prefinanced Notes and to repay the Applicable Subordinated Loan(s) (if any) and/or the Applicable First Loss Loan(s) (if any) borrowed in respect of the Refinanced Notes and/or the Prefinanced Notes and/or to purchase Equipment Leases. Notwithstanding the Priority of Payments:

- (i) the proceeds of the issue of any Refinancing Notes will, subject to Conditions 2.3.4 and 2.3.5, only be used by the Issuer to redeem Refinanced Notes the Scheduled Maturity Date of which corresponds with the expiry of the Refinancing Period, as specified in the Applicable Pricing Supplement. In terms of Series Condition 2.3.5, the proceeds of the issue of any Refinancing Notes issued to refinance Notes having Scheduled Maturity Date(s) which fall 364 days (or less) after the Issue Date(s) and in respect to which the Issuer has entered into Note Specific Liquidity Facility Agreement(s) (or, where applicable, in respect of which Note Specific Liquidity Supplement(s) have been executed by the Issuer) will first be used to repay any amounts drawn down by the Issuer under the relevant Note Specific Liquidity Facility Agreement, subject to and in accordance with the Pre-Enforcement Priority of Payments;
- (ii) the proceeds of the issue of any Prefinancing Notes will, subject to Series Condition 2.3.7, only be used by the Issuer (i) to redeem Prefinanced Notes or, (ii) alternatively, to finance the Equipment Lease Purchase Amount payable in respect of any Equipment Leases purchased by the Issuer, as specified in the Applicable Pricing Supplement.

## Section 11

### SECURITY ARRANGEMENTS

*A summary of the security arrangements relating to this Series is set out below.*

***The summary does not purport to be complete and is taken from, and should be read in conjunction with, the Series Security Agreements, the Programme Memorandum and the remainder of this Series Supplement.***

#### General

The Security SPV Owner Trustee is or will be the holder of all of the ordinary shares in the share capital of the Series Security SPV. The Issuer is a public company the entire issued ordinary share capital of which is beneficially owned by the Issuer Owner Trustee.

In terms of the Non-Disposal Agreement, the Issuer Owner Trustee will undertake, in favour of the Security SPV Owner Trustee, not (at any time during the duration of the Programme) to sell, dispose of or otherwise alienate or encumber any of the Issuer Owner Trustee's ordinary shares in the Issuer.

The Issuer Owner Trustee's obligations under the Non-Disposal Agreement will, in terms of the Issuer Owner Trustee Pledge, be secured by a pledge and cession *in securitatem debiti* of all of the Issuer Owner Trustee's ordinary shares in the Issuer in favour of the Security SPV Owner Trustee.

#### Segregation of each Series

A separate Series of Notes will be issued in respect of this Series. The Programme Manager will assist the Issuer in ensuring that the Series Assets and the Series Liabilities, respectively, relating to this Series are identified in the Accounting Records (by way of the prefixing of a unique numeral) as being attributable solely to this Series, and that the Series Assets and the Series Liabilities, respectively, relating to this Series are segregated from the Series Assets and the Series Liabilities, respectively, relating to each other Series.

A separate Series Security SPV has been incorporated, in respect of this Series, for the benefit of the Noteholders and the other Series Secured Creditors. The Series Security SPV is a separate legal entity and will be independent from each other Series Security SPV.

The Issuer will, in making payments to the Noteholders and the other Series Secured Creditors in terms of the Applicable Terms and Conditions and the other Series Transaction Agreements, rely solely on the Series Assets relating to this Series. Following a Guarantee Event, the Series Security SPV will, in making payments to the Noteholders and the other Series Secured Creditors in terms of the Series Guarantee, rely solely on the amounts which the Series Security SPV recovers pursuant to the Series Security Agreements and from the realisation of the Series Assets relating to this Series.

#### Series Security Agreements

The Series Security SPV has guaranteed the Issuer's obligations to the Noteholders and the other Series Secured Creditors in terms of the Series Guarantee. In terms of the Series Guarantee, the Series Security SPV has irrevocably guaranteed to each Noteholder that, if a Guarantee Event occurs, the Series Security SPV will, subject to the Guarantee Conditions set out in the Series Guarantee, pay to each Noteholder, to the extent permitted by and strictly in accordance with the Post-Enforcement Priority of Payments, the Outstanding Principal Amount of the Notes held by such Noteholder, together with accrued interest thereon.



The Issuer has, in terms of the Series Indemnity, indemnified the Series Security SPV in respect of claims made against the Series Security SPV under the Series Guarantee.

In terms of the Series Issuer Security Agreement, the Issuer's obligations to the Series Security SPV under the Series Indemnity have been secured by (i) a pledge and (ii) a pledge and cession *in securitatem debiti*, of the Series Assets relating to this Series in favour of the Series Security SPV.

### **Enforcement of security**

The delivery of an Enforcement Notice by or on behalf of the Series Security SPV to the Issuer pursuant to Condition 13.2.3 of the Terms and Conditions is a Guarantee Event for purposes of the Series Guarantee. The Issuer and the Series Security SPV have agreed, in terms of the Series Indemnity, that a Guarantee Event shall be (and shall be deemed to be) a claim by the Series Security SPV, against the Issuer, under the Series Indemnity.

Following a Guarantee Event (and promptly after the Enforcement Date):

- a) the Issuer will pay to the Series Security SPV, in terms of the Series Indemnity (and notwithstanding that it may dispute its liability to make such payment), an amount equal to the total amount payable to the Noteholders and the other Series Secured Creditors under the Series Guarantee;
- b) the Series Security SPV will, in terms of the Series Guarantee:
  - enforce the remedies available to the Series Security SPV under the Series Security Agreements (and such other remedies as may be available to it at law) and realise the Series Assets relating to this Series for the benefit of the Noteholders and the other Series Secured Creditors;
  - subject to the Guarantee Conditions set out in the Series Guarantee, out of the aggregate amount recovered by the Series Security SPV pursuant to the Series Security Agreements and from the realisation of the Series Assets relating to this Series, pay the Noteholders and the other Series Secured Creditors, to the extent permitted by and strictly in accordance with the Post-Enforcement Priority of Payments.

The Series Security SPV has not taken or obtained (and will not take or obtain) any independent legal or other advice or opinions in relation to the Issuer or any other person or any of the Series Transaction Documents (including the Series Security Agreements). The Series Security SPV has not taken or obtained (and will not take or obtain) any independent legal or other advice or opinions in relation to any of the transactions contemplated by any of the Series Transaction Documents.

### **Limited enforcement and recourse**

Subject to Condition 14.2 of the Terms and Conditions, only the Series Security SPV may enforce the security created in favour of the Series Security SPV by the Series Security Agreements, subject to and in accordance with the Series Security Agreements and the other Series Transaction Agreements.

The recourse of the Noteholders and the other Series Secured Creditors is limited to the aggregate amount recovered by the Series Security SPV, pursuant to the Series Security Agreements and from the realisation of the Series Assets relating to this Series. The liability of the Series Security SPV under the Series Guarantee will never exceed the aggregate amount recovered by the Series Security SPV pursuant to the Series Security Agreements and from the realisation of the Series Assets relating to this Series.

**Subordination**

The Notes in this Series are direct, limited recourse, secured obligations of the Issuer. The claims of each Series Secured Creditor (including each Noteholder) against the Issuer under the Series Transaction Agreements (including the Applicable Terms and Conditions) or, following a Guarantee Event, against the Series Security SPV under the Series Guarantee, as the case may be, are subordinated, in accordance with the Priority of Payments, to the claims of the Issuer's creditors in respect of this Series (including the other Series Secured Creditors) that rank prior to such Series Secured Creditor in the Priority of Payments.

The Notes of each Class of Notes in this Series rank *pari passu* and without preference among themselves. Following a Guarantee Event, however, each Class of Notes in this Series will rank in reducing order of rank, determined by the respective Classes of Notes in this Series, as set out in the Post-Enforcement Priority of Payments.

**Priority of Payments**

The Priority of Payments applicable to this Series is set out in Section 9 of this Series Supplement headed "*Priority of Payments*". The Priority of Payments is the sequence in which the Issuer or, following a Guarantee Event, the Series Security SPV, as the case may be, will make payments to the Issuer's creditors in respect of this Series (including the Noteholders and the other Series Secured Creditors). The Pre-Enforcement Priority of Payments will apply prior to the Enforcement Date. The Pre-Enforcement Priority of Payments set out in paragraph 2 of Section 9 will apply during the Revolving Period. The Pre-Enforcement Priority of Payments set out in paragraph 3 of Section 9 will apply during the Amortisation Period. The Post-Enforcement Priority of Payments set out in paragraph 4 of Section 9 will apply on and after the Enforcement Date.

## Section 12

### DESCRIPTION OF SASFIN

#### History and description

Sasfin Bank Limited ("**Sasfin**") is a 100% owned subsidiary of Sasfin Holdings Limited ("**Sasfin Holdings**") which has been listed on the JSE since 1987.

Sasfin Holdings and its subsidiaries (as defined in the Companies Act) (the "**Sasfin Group**") provides a comprehensive, modular range of banking products and financial services focused on the needs of its corporate, commercial and private clients.

Sasfin has provided trade and equipment finance since 1968. The Sasfin Group has since extended its services to include private client stockbroking, treasury, transactional banking, corporate finance, financial advisory services, and business recovery, health care consulting, employee benefit administration, insurance broking and freight services. Sasfin has been providing equipment rental finance since 1986 and was a pioneer in the securitisation market in South Africa with its equipment lease book first being securitised in 1991. In 1999, Sasfin was licensed as a bank and Sasfin Holdings licensed as a bank controlling company in terms of the Banks Act.

#### Milestones

- 1951: Sasfin (then known as Sasstex Manufacturing Co. (Pty) Ltd) established as a textile converter and importer.
- 1968: Sasfin transformed to trade and equipment financier.
- 1987: Sasfin Holdings Limited listed on the JSE.
- 1991: Sasfin pioneered the securitisation market in South Africa.
- 1997: Sasfin acquired interests in MDM Growth Investment (Pty) Ltd, a private equity company and Premier Freight, a freight forwarding and customs clearing company.
- 1998: Sasfin adjudged 6th in the Sunday Times Business Times "Top Companies" Survey.
- 1999: Sasfin granted its banking licence.
- 2000: Sasfin acquired Sasfin Frankel Pollak Securities (Pty) Ltd and Sasfin Financial Advisory Services (Pty) Ltd  
 Sasfin Frankel Pollak Securities ranked the top retail broking house in the PriceWaterhouseCoopers 2000 Millennium issue of "Strategic and Emerging Issues in South African Banking", an annual banking survey in which South African and foreign banks rate one another.  
 Sasfin Corporate Finance division was formed.
- 2001: Sasfin celebrates its 50th birthday.  
 Sasfin Frankel Pollak Securities (Pty) Ltd was granted Custody and Settlement Member status by the JSE. Sasfin Corporate Finance division registered as a sponsor with the JSE.  
 Sasfin establishes a Debtor Finance division.
- 2002: Sasfin survives the small bank crises of 2002.
- 2003: Sasfin Frankel Pollak Securities (Pty) Ltd, in association with LCF Rothschild Asset Managers, Paris launches the Sasfin International Fund.  
 Sasfin restructures securitisation vehicle, ERS.

- 2004: Sasfin Holdings raises ZAR100 million preference share capital.
- Sasfin Corporate Finance unit ranked 4th by the annual Ernst & Young Mergers and Acquisitions Survey of 2004 and 3rd by the annual Dealmakers Review of 2004.
- 2005: Sasfin acquires control of Sasfin – MDM Private Equity Private Fund 1 and starts its own Private Equity division.
- Sasfin adjudged 30th in Sunday Times Business Times "Top Companies" survey.
- Sasfin acquires a 33,2% interest in InnoVent Rentals (Pty) Ltd, a black controlled residual equipment rental company.
- Sasfin establishes the Sasfin International Fund, registered in Luxembourg and managed by Edmond de Rothschild Asset Managers, Paris.
- 2006: Sasfin raises a further ZAR100 million preference share capital.
- BEE transaction concluded – InnoVent Investment Holdings Limited acquires 10% of Sasfin Bank.
- Two black directors appointed to the board of directors of Sasfin.
- Sasfin forms office in Hong Kong.
- Sasfin acquires the business of PIB Financial Services (Pty) Ltd.
- Sasfin ranked 84th in Africa's Top 100 Banks – by African Business' Annual Rankings.
- 2007: Sasfin Holdings Limited celebrates 20 years on the JSE;
- Sasfin Bank Limited granted a foreign exchange dealer licence.
- FSB grants an asset management licence to Sasfin Asset Managers (Pty) Ltd.
- With effect from 13/03/2007, Sasfin Bank Limited is licensed as a Financial Services Provider.
- Sasfin Holdings Limited voted by The Investment Analysts Society as the leader in corporate reporting in the sector Small Companies (market cap below ZAR2000m) for the 2006 financial year.
- Sasfin was ranked 13th in the Financial Mail's 2007 assessment of the Top 20 listed companies.
- ERS Securitisation SPV has been converted from a term structure programme to an evergreen multi-seller segregated asset class Domestic Medium Term Note Programme (DMTN).
- Sasfin Asia Limited, a subsidiary of Sasfin Bank, acquires 100% of SasCred Finance Services Limited, and establishes an office in Hong Kong.
- Sasfin adjudged 22nd in the Sunday Times Business Times "Top Companies" Survey (with a 60,5% annual return over 5 years).
- 2008: Sasfin ranked 36th in Finance Week's 2008 Top 200 companies survey.
- Sasfin ranked 11th in the Financial Mail's 2008 assessment of the Top 20 listed companies.
- Sasfin's Healthcare Consulting Unit ranked 5th in Discovery's Platinum Prestige Corporate Broker Awards.
- Sasfin awarded an "A" rating for BEE by the FSC Council.
- Sasfin ranked 21st in the Sunday Times Business Times "Top Companies" survey.
- Sasfin successfully places ZAR900m of securitisation notes.
- 2009: Sasfin's Corporate Finance division ranked 3rd in the sponsor rankings by deal flow – mergers and acquisitions. In the general corporate finance sponsor category, Sasfin Corporate Finance was ranked 6th overall.

The Sasfin Group establishes a strategic partnership with the IFC, comprising:

- a USD10 000 000 trade finance facility for its Business Banking unit;
- a specific issue of shares to the IFC in exchange for cash amounting to approximately the ZAR equivalent of USD10 000 000; and
- a subordinated loan agreement with Sasfin Bank Limited for a loan intended to qualify as Tier 2 capital in the amount of ZAR82 450 000.

Sasfin completes the development of its new premises in Waverley and took occupation thereof in June 2009.

Sasfin, once again, awarded an "A" rating for BEE by the FSC Council.

Sasfin adjudged 36th in "Sunday Times Business Times Top 100 Companies: survey.

Sasfin successfully places ZAR432m of securitisation notes and issued an additional ZAR58m, totalling ZAR490m.

Sasfin Bank awarded 1st place in the Deloitte's "Best Company to Work For" survey under the category "Financial Services: Banking Industry Category".

2010: Sasfin Corporate Finance division ranked 3rd in the sponsor ranking by deal flow – merger and acquisitions.

Acquisitions of Capital Hill Corporate Finance (Pty) Ltd, a boutique Corporate Finance company, and a large minority share in Trinitas, a private equity management company.

2011: Sasfin Corporate Finance division ranked 7th in the sponsor rankings by deal flow – mergers and acquisitions for the previous year. Year to date, Sasfin Corporate Finance was ranked 2nd in the Q1 sponsor rankings.

2012: Sasfin disposes of its head office to Annuity Properties Limited and acquires 25% of Annuity Property Limited's management company, Annuity Asset Managers (Pty) Ltd.

Sasfin's Healthcare Consulting Unit: Top 10 in "Discovery's Platinum Prestige Corporate Broker" award.

Sasfin acquires remaining shares in JSE-listed IQuad Group Limited.

2013: Sasfin receives two coveted Raging Bull awards for: i) the Best Broad-Based Domestic Equity Fund; and ii) the Best Domestic Equity Value Fund.

2014: Sasfin becomes a full clearing and settlement bank.

Realises investment in Annuity Asset Managers (Pty) Ltd and Annuity Property Managers (Pty) Ltd.

Sasfin raises ZAR150 million via redeemable preference shares.

Launches Transactional Banking.

2015: Sasfin's MET Equity Fund wins a coveted Raging Bull award for 2014 Best Performing Risk Equity Fund Over 5 Years.

Sasfin acquires Fintech (Pty) Ltd, a corporate asset financing company.

**Directors' biographies as at 30 June 2015****EXECUTIVE DIRECTORS:****RDEB Sassoon (69)**

Chief Executive Officer

Roland was appointed as chief executive officer of the Group in 1979 and serves on the boards of various companies within the Sasfin Group.

Apart from the Treasury division, the responsibility for which falls under the financial director, Roland has direct responsibility for all divisions, as well as the Compliance and Internal Audit departments.

Prior to fulfilling the above roles, Roland had 10 (ten) years of experience with factoring, leasing, export shipping and confirming companies.

**TD Soondarjee (54)**

Financial Director

Tyrone was appointed as Sasfin's Group chief financial officer in 2007 and was subsequently appointed as Group financial director in 2010. Tyrone serves on the boards of various companies within the Sasfin Group, and is a member of the Risk and Capital Management committee.

Tyrone is responsible for the Group finance function, Transactional Banking division, and the treasury and funding activities of the Group.

Prior to joining Sasfin, Tyrone held numerous executive roles in the Deloitte & Touché group and served as the financial director for TNBS Mutual Bank.

Tyrone is a qualified CA (SA) and holds a BCompt Honours degree from the University of South Africa. He has a 33-year career in the professional services and banking industries.

**Linda Frohlich (45)**

Head of Business Banking, Alternate Director

Linda joined Sasfin in 2002. She is responsible for all business banking activities encompassing equipment rental finance and business finance.

**Maston Lane (48)**

Chief Operating Officer, Alternate Director

Maston joined Sasfin in 2000. He is responsible for credit management, risk management, information technology, human resources and facilities management for the Group.

**Michael Sassoon (32)**

Head of Wealth and Capital, Alternate Director

Michael joined Sasfin in 2009. He is responsible for the wealth management and capital businesses in the Group.

**NON-EXECUTIVE DIRECTORS:****RC Andersen (67)**

Independent Non-Executive Chairman

Roy was appointed as a non-executive director of the Group in 2011 and serves on the boards of various companies within the Sasfin Group.

Roy started his career at Ernst & Whinney Chartered Accountants in 1966, and subsequently became chairman of Ernst & Young. Thereafter, he went on to the JSE to serve as executive president over the period 1992 to 1997 and oversaw the restructuring of the JSE. He was subsequently chief executive officer of the Liberty Group. Roy has been the chairman of various companies, including Sanlam and Murray & Roberts Holdings, over the years and is currently a board member of several companies and is a member of the King Committee on Corporate Governance.

Roy qualified as a CA (SA) in 1972 and as a Certified Public Accountant (Texas) in 1975.

**GC Dunnington (55)**

Independent Non-Executive Director

Grant was appointed as a non-executive director of the Group in 2010 and serves on the boards of various companies within the Sasfin Group.

Grant is currently the group chief executive officer of SBV Services (Pty) Ltd, which position he has held since September 2001. In addition to the above, Grant holds various outside directorships and trustee positions. Prior to this, Grant held various senior positions at FirstRand Bank Limited. Grant has a BCom degree and is a Certified Associate of the Institute of Bankers.

**J Moses (69)**

Independent Non-Executive Director

John was appointed as a non-executive director of the Group in 2010 and serves on the boards of various companies within the Sasfin Group.

John has a BSc (Honours) degree from the University of the Witwatersrand. He successfully completed the Programme for Management Development from Harvard University and has filled senior positions at various local and international banks over the last 35 years.

**MS Rylands (42)**

Non-Executive Director

Shahied was appointed as a non-executive director of Sasfin Bank Limited in 2006 and of the Group in 2007. He currently serves on the boards of various companies within the Sasfin Group.

Shahied is currently a director of Royal Africa Gateway. He served at Arcus Facilities Management Solutions as finance director, at Arcus Gibb as senior associate and at Arcus Engineering Consultants as group finance associate between the years 1997 and 2002 prior to starting Royal Africa Gateway at the beginning of 2003. Shahied holds an accounting and auditing qualification from the University of South Africa.

**L de Beer (45)**

Non-Executive Director

Linda was appointed as a non-executive director of the Group in 2014. She currently serves on the boards of various companies within the Sasfin Group.

Linda is a financial reporting and corporate governance advisor and a part-time professor at the University of the Witwatersrand, School of Accountancy. Linda is a member of various local and international standard-setting bodies, including the King Committee.

**LJ Sennelo (37)**

Non-Executive Director

Lesego was appointed as a non-executive director of the Group in 2014. She currently serves on the boards of various companies within the Sasfin Group.

Lesego is the Managing Director of AWCA Investment Holdings Limited, a board member of the South African Institute of Chartered Accountants and a member of the Institute of Directors of Southern Africa. She is also a fellow of the International Women's Forum and President of the African Women Chartered Accountants Forum which focuses on the advancement of African women chartered accountants.

**Major shareholders**

Sasfin Holdings is a public company listed on the JSE and as at 29 May 2015 its major shareholders were as follows:

| Holder                           | 29-05-15   | % of Total shareholding |
|----------------------------------|------------|-------------------------|
| UNITAS ENTERPRISES LTD           | 13,281,630 | 41.12%                  |
| THE SASSOON CHILDRENS TRUST      | 2,360,845  | 7.31%                   |
| CITIBANK NEW YORK NA             | 1,502,947  | 4.65%                   |
| SAPROP INVESTMENTS LTD (ABBASAB) | 1,177,000  | 3.64%                   |
| SBSA ITF 36ONE MET FLX O         | 933,075    | 2.89%                   |



**Operating activities**

Sasfin's operations comprise the following divisions:

(a) **Business Banking – comprising:**

- Equipment Finance
- Trade and Debtor Finance

(b) **Capital – comprising:**

- Private and Property Equity
- Corporate Finance
- Debt and Equity Capital Markets

(c) **Wealth Management – comprising:**

- Portfolio Management and Stockbroking
- Asset Management
- Asset Consulting
- Financial Planning
- Fixed Income

(d) **Transactional Banking and Treasury - comprising:**

- Deposits
- Money Market
- Transactional Bank Accounts
- Electronic Banking
- Card Services

(e) **Commercial Solutions - comprising:**

- Healthcare and Short-term Insurance
- Logistics and Trade Solutions
- Verification Services
- Incentives

- Foreign Exchange

**Other Series Sellers**

A description of the business of each person selected by the Issuer as a Series Seller for purposes of this Series will be set out in a Series Supplement Annexure.

## Section 13

### DESCRIPTION OF SASFIN'S CREDIT OPERATIONS

#### History

Through the years, Sasfin has developed a facility to provide and accommodate a unique, total solution package for equipment finance. Equipment such as plant, machinery, medical technology, office automation and surveillance equipment (for a detailed description please see Section 14 of this Series Supplement headed "*Description of the Equipment Leases and the Series Sale Agreements*") is financed by means of:

- financial leases;
- instalment sales;
- operating rentals.

Sasfin employs a unique and tailor-made origination process in terms of which approved suppliers of equipment will enter into agreements with Sunlyn Rentals (Pty) Ltd ("**Sunlyn**") or other entities approved by Sasfin ("**the supplier**"). The supplier will either enter into the finance agreement with the user and sell and cede its rights in terms of the agreement (including ownership of the equipment) to Sunlyn or will sell the equipment to Sunlyn, who will enter into the finance agreement with the user. Sunlyn is a sales and marketing BEE company whose sole purpose is to generate new rental business. Sunlyn will in turn sell and cede the finance agreements, including ownership of the equipment to Sasfin. Sasfin will then do the same to the Issuer.

#### Credit management

Credit forms the cornerstone in Sasfin's business philosophy and Sasfin has a formal documented Credit Policies and Procedures Manual with formal mandated credit structures. These policies have been approved by the various credit and risk committees within Sasfin and have been ratified by the board and noted by the Bank Supervision Department of the South African Reserve Bank ("**BSD**"). In addition, Sasfin being a Bank, the Rentals Credit Department of Sasfin ("**Credit Department**") is not only subject to internal audits but also regular audits by its external auditors and by periodic on-site inspections and monitoring by BSD. The Credit Policies and Procedures Manual is updated regularly to ensure its continuing relevance. For purposes of this Series, Sasfin, in its role as Series Servicer, is obliged to notify the Issuer and the Series Manager of any material changes to the Credit Policies and Procedures Manual and, prior to implementing any such material change, must obtain the prior written consent of the Series Security SPV together with a Rating Agency Confirmation. Sasfin currently has a team of eight individuals (on a full time basis) dedicated exclusively to the Credit Department. The Credit Department is based at Sasfin's head office in Johannesburg. Sasfin Rentals Division currently processes approximately 1100 to 1500 credit applications per month, of this, approximately 70% are approved by number. The Credit Department ultimately reports to the Sasfin General Manager: Credit who reports to the Chief Operating Officer, whom in return reports directly to the Chief Executive Officer of Sasfin.

## Credit process

In summary, the business process can be set out as follows:

### *Approval of Suppliers*

The rental business is usually introduced by approved suppliers who market their equipment on an operating rental basis. The basis of the assessment of a supplier is to confirm that the supplier is a reputable and accredited supplier of acceptable office automation or other equipment, and therefore the focus of the approval process is on the establishment of the integrity of the supplier and its principals (directors/members). All potential suppliers must complete a Supplier Application Form and will be visited at their place of business by the relevant Accounts Executive ("AE"). Such application is submitted to the Credit Department with the Supplier Approval form supported by the following:

- a) commercial and consumer credit bureau reports. In this regard extensive use is made of external bureaux such as Kreditinform ("KI") and Trans Union Information Trust Corporation ("ITC") for this process;
- b) copies of company/close corporation documents, ID documents;
- c) trade references, industry references and any other required references or confirmations;
- d) written confirmation from the agent or main distributor of accredited well-known brands;
- e) full details of products to be supplied;
- f) full general bank report and confirmation of banking details;
- g) details of suppliers, auditor and insurance broker;
- h) blank copy of supplier's invoice;
- i) where applicable a copy of the supplier's latest certified/audited financial statements;
- j) Signed Site visit Report by AE.

All supplier applications must be recommended by the Head: Business Banking/Regional Sales Manager/2x Sales Managers and approved by two Credit Department members. Approval is dependent on the type of the relevant supplier application e.g. "Normal" to 2x "C" mandates can approve, whereas SND, Cession and Recourse suppliers require 2x "C" mandates and an "E" mandate for approval. Once approved, the supplier will enter into a supply agreement and/or main cession agreement with Sunlyn or Sasfin. Where a supplier has not been approved because the Lessee initiated the deal, or for any other reason, Sunlyn or Sasfin will enter into the agreement directly with the Lessee and not rely on the supplier to sign up the deal or for any other purpose.

Once Sunlyn has entered into one of the abovementioned agreements with a supplier, such supplier will be able to submit to Sunlyn or Sasfin (as the case may be), for consideration, applications for finance on behalf of the potential Lessees. In this regard there are a number of Sunlyn AEs operating regionally who deal directly with the suppliers. The approved supplier will receive a batch of application forms and rental agreements from the AE. The type of rental agreement given to the supplier will vary according to the type of supplier agreement in place. Finance application forms are received either by fax, delivery or e-mail from the supplier.

Once an application has been received by Sunlyn, Sunlyn will submit the application to Sasfin's head office, where an Internal Account Executive (IAE) will be responsible for the processing of each application, based upon the details provided by the supplier or the original application form. The IAE ensures that all the internal processes including the deal input and the presentation of the deal for credit approval have been performed. The following procedures are followed once the finance application form has been received by the IAE:

- a) The IAE will check that all relevant details have been entered on the finance application form.
- b) The details of the finance application form will be entered into Sasfin's electronic system (Electronic Application System) and once available on the system, each application will be allocated a unique number by the system. The IAE will be responsible for the initial screening of the prospect and has to ensure that the following information regarding the application be obtained:
  - External credit bureau searches such as KI and ITC, deed searches, a minimum of two trade references, bank reports and any other required references or confirmations. In instances where the total exposure to the Lessee exceeds ZAR100 000, and in the case of private companies audited annual financial statements will be required. Annual reports are obtained in respect of listed companies and certified financial statements are obtained in instances where the Lessee is a close corporation and the total exposure to such Lessee exceeds ZAR75 000.
  - The credit application is then referred to the Credit Department, which operates with formal mandates in a hierarchal structure. No sole mandates exist in Sasfin and all applications are approved in terms of the following mandate structure:

| Panel A<br>Members | Panel B<br>Members       | Panel C and C+<br>Members | Panel D<br>Members                  | Panel E<br>Members         |
|--------------------|--------------------------|---------------------------|-------------------------------------|----------------------------|
| Credit Analyst     | Credit Analyst           | Manager: Rental<br>Credit | Senior<br>Manager:<br>Rental Credit | Chief Executive<br>Officer |
|                    | Senior Credit<br>Analyst |                           |                                     | Chief Operating<br>Officer |
|                    |                          |                           |                                     | General Manager:<br>Credit |

- A minimum of two panel signatories is required at all times, and deals with higher values or exceptions to assessment guidelines will be referred to higher mandate holders.
- To ensure consistent decision-making, a review of decisions takes place regularly at executive director and General Manager level. This exercise is used to monitor the quality of decisions made, and to provide for training and guidance on specific issues. This includes approvals and declines irrespective of the level of the final signatories.
- Once the application has been approved, the decision is relayed to the supplier via the Internal Account Executive (IAE) or AE. The supplier or AE will sign up the contract and obtain any additional documentation required. This will then be passed on to a separate Operations Department for processing in order to ensure segregation of duties. Once processed, including the necessary confirmations, the Equipment Lease will be presented to the Pay-out Department for final checking and paying Sunlyn who will then in turn pay the supplier in terms of the agreement. Any and all deviations to this process are approved by authorised mandate holders only. The credit granting process and procedures described above applies to Sasfin's current credit granting activities. These are continually

being revised based on various performance factors, economic trends and in keeping with local and international best practice.

#### *Collections and Arrear Accounts*

##### Collections

Similar to the credit management function, collections are handled by dedicated specialists. Once the Lessee starts paying in terms of the Equipment Lease, the collections department processes all payments, queries, statements and debit order amendments. This department is currently managing payments being received in respect of approximately 33 000 rental agreements. The vast majority of accounts are collected via monthly debit orders, while other methods of collection of payments are via cheques and electronic transfers made by the Lessees. The only 2 exceptions to Sasfin collecting the payments are where the supplier has been approved for "Super Non Disclosed" (SND) transactions, where the supplier acts as an undisclosed agent of Sasfin for collections. The second is where the Lessee has elected to appoint the supplier as his paying agent in terms of a written indemnity letter signed by the Lessee.

##### Arrear Accounts

The Collection Department also actively collects arrear accounts. The Collection Department receives a daily list with all unpaid debit orders from BANKSERVE. The unpaid item with the reason for such non-payment is processed on the accounts by the Finance Department and an automatic note is generated on each debtor's account. The Credit Controller will pick this up from his/her automated To Do lists and contact the Lessee telephonically. The system automatically produces reminder letters for arrear accounts. The 1<sup>st</sup> letter is generated on the due date where no payment was received, and again 15 days later if payment is still not received. Call letters to the Sureties are sent out when accounts are handed over to the Legal Department, or earlier if doing so would assist in speeding up payment. Where difficulty is being experienced in collecting arrears, the Credit Controller will pass the arrear account to the Collections Manager/Supervisor. If necessary, the Collections Manager will make one last phone call to try and resolve the matter. Arrear accounts are only handed over to the Legal Department once the client is in arrears in excess of 60 days, or if in the opinion of the Collection Manager, legal action is required at an earlier stage.

##### Legal Department Accounts

The Legal Department handles the collection of defaulted deals. The procedures followed within the Legal Department will vary according to the specific deal in question and the reason for default. In this regard the Legal Department will first utilise pre-legal recovery techniques to collect as much as possible prior to incurring legal costs. The account will only be handed to external attorneys for collection once the Legal Department Manager is satisfied that there is no other means of obtaining repayment. Immediate attempts will be made to uplift the Equipment which is the subject of Equipment Leases in default and action will be instituted against any Sureties and/or in respect of the realisation of other security. Equipment which is recovered is returned to Sasfin's premises where appropriate.

All legal matters are reported on and discussed in the monthly problem account meetings which are attended by executive management.

This information does not purport to be complete and is supplemented by the information contained in Sasfin's Rental Credit Policy and Guidelines.

## Section 14

### DESCRIPTION OF THE EQUIPMENT LEASES AND THE SERIES SALE AGREEMENTS

*The following description consists of a summary of the salient terms of the Sale Agreement and does not purport to be complete. The salient terms set out below will apply to each other Series Sale Agreement, save to the extent expressly otherwise provided in that Series Sale Agreement. Where the salient terms of a Series Sale Agreement (other than the Sale Agreement) differ in material respects from those set out below, the salient terms will be set out in a Series Supplement Annexure. This Section 14 is qualified in its entirety by reference to each Series Sale Agreement.*

For the avoidance of doubt, it is recorded that paragraph 2 of Section 4 of this Series Supplement headed "Definitions" will apply to each reference to "Equipment Lease" and "Replacement Equipment Lease" in this Section 14.

#### 1) True sale of Equipment Leases

It is the intention of the Issuer and the relevant Series Seller that each sale and transfer of Equipment Leases by the relevant Series Seller to the Issuer pursuant to the relevant Series Sale Agreement will constitute an absolute and true sale and transfer on the basis set out below.

In respect of each Equipment Lease purchased by the Issuer from the relevant Series Seller in terms of the relevant Series Sale Agreement, all of the relevant Series Seller's right, title and interest in and to, and all of the relevant Series Seller's rights, claims and obligations (if any), as at the Applicable Payment Date, under (i) the relevant Equipment Lease, (ii) all Equipment which is the subject of the relevant Equipment Lease, (iii) all Collateral Security (if any) relating to the relevant Equipment Lease, (iv) all Related Agreements (if any) relating to the relevant Equipment Lease and (v) all Insurance Contracts relating to the relevant Equipment Lease (but expressly excluding (a) all obligations of whatsoever nature in respect of any maintenance or repair of such Equipment, (b) all and any of the relevant Series Seller's right, title and interest in and to, and rights and claims under, the Revenue Amount or any portion thereof, and (c) all and any Agency Collections) will be deemed to have been transferred and delivered, ceded, delegated and assigned by the relevant Series Seller to the Issuer, on and with effect from the Applicable Payment Date.

In terms of the relevant Series Sale Agreement all and any of the risks in, and benefits and ownership of (i) the relevant Equipment Lease, (ii) all Equipment which is the subject of the relevant Equipment Lease, (iii) all Collateral Security (if any) relating to the relevant Equipment Lease, (iv) all Related Agreements (if any) relating to the relevant Equipment Lease and (v) all Insurance Contracts relating to the relevant Equipment Lease, will be deemed to have passed to and will vest in the Issuer, on and with effect from the Applicable Payment Date.

The Issuer will, on and with effect from the Applicable Payment Date, be the full legal owner of (and, without limitation, be entitled to exercise all rights in respect of) (i) the relevant Equipment Lease, (ii) all Equipment which is the subject of the relevant Equipment Lease, (iii) all Collateral Security (if any) relating to the relevant Equipment Lease, (iv) all Related Agreements (if any) relating to the relevant Equipment Lease and (v) all Insurance Contracts relating to the relevant Equipment Lease.

The above provisions will apply *mutatis mutandis* to and in respect of each Replacement Equipment Lease.

## 2) **Equipment Leases**

Pursuant to the relevant Series Sale Agreement, the relevant Series Seller may, but shall not be obliged to, sell Equipment Leases (which comply with the Eligibility Criteria and which are selected from time to time by the Series Seller) to the Issuer during the Revolving Period.

The Series Manager will determine whether the Issuer has Available Funds under the Priority of Payments (to be set aside in the Transaction Bank Account) in an amount sufficient to fund the Equipment Lease Purchase Amounts of the relevant Equipment Leases. The proceeds of Equipment Lease Financing Notes released from the Transaction Bank Account for the purposes of paying the Equipment Lease Purchase Amount payable to the relevant Series Seller(s) in terms of the relevant Series Sale Agreement(s) will not form part of the Priority of Payments. If the Issuer does have such Available Funds and the conditions set out below are satisfied, the Issuer will, on the Applicable Payment Date, set aside in the Transaction Bank Account an amount which is sufficient to fund the Equipment Lease Purchase Amounts of the relevant Equipment Leases (or that number of such Equipment Leases in respect of which the issuer has Available Funds).

The sale and purchase of Equipment Leases will take place in accordance with the provisions of the relevant Series Sale Agreement.

The sale of Equipment Leases on the Applicable Payment Date will be subject to the satisfaction of the following conditions precedent:

- a) the sale and transfer of such Equipment Leases occurs during the Revolving Period;
- b) such Equipment Leases are Eligible Equipment Leases;
- c) no Enforcement Notice has been given by the Series Security SPV which remains in effect;
- d) no Amortisation Notice has been given by the Series Security SPV which remains in effect;
- e) the Rating Agency, after having been furnished with 10 Business Days' prior written notice, has not informed the Issuer that the sale and transfer of such Equipment Leases would cause the then current Rating of the Notes in this Series in issue to be downgraded or withdrawn;
- f) the Series Seller has furnished the Series Manager with written evidence, to the Series Manager's satisfaction, that (i) the Series Seller is not required to comply with any of the provisions of section 112 of the Companies Act in respect of (or in consequence of) the sale by the Series Seller of such Equipment Leases and (ii) there are no provisions of any of the rules of the JSE (including the listings division of the JSE) with which the Series Seller is required to comply in respect of (or in consequence of) the sale by the Series Seller of such Equipment Leases; provided that if such written evidence has previously been furnished by the Series Sellers in respect of the sale of any Equipment Leases on any previous Payment Date and the Series Manager is satisfied that such written evidence covers, and is applicable to, the current sale of the Equipment Leases, on the Applicable Payment Date, contemplated in this paragraph, such written evidence need not again be furnished in respect of such Equipment Leases;
- g) the Series Seller has delivered to the Series Manager a certified copy of a resolution of the directors of the Series Seller authorising the sale and transfer of such Equipment Leases to the Issuer upon the terms and conditions of the relevant Series Sale Agreement and authorising the execution and performance, by the Series Seller, of the relevant Series Sale Agreement and all other documentation



and/or agreements to be executed and/or entered into pursuant to the relevant Series Sale Agreement; provided that if such copy of such resolution has previously been furnished by the Series Sellers in respect of the sale of any Equipment Leases on any previous Payment Date and the Series Manager is satisfied that such copy of such resolution covers, and is applicable to, the current sale of the Equipment Leases, on the Applicable Payment Date, contemplated in this paragraph, such copy of such resolution need not again be furnished in respect of such Equipment Leases.

In terms of the relevant Series Sale Agreement, the relevant Series Seller will, on or before the Applicable Payment Date on which Equipment Lease(s) are to be purchased in terms of the relevant Series Sale Agreement, deliver to the Series Servicer, the Series Manager and the Series Security SPV:

- a) a Schedule setting forth the specific details of each such Equipment Lease; and
- b) such additional information concerning each such Equipment Lease as may be needed for the Series Servicer to prepare its monthly reports pursuant to the Series Servicer Agreement and to otherwise carry out its duties as Series Servicer under the Series Servicer Agreement.

The consideration payable by the Issuer to the relevant Series Seller for each Equipment Lease sold and transferred to the Issuer in terms of the relevant Series Sale Agreement is the Equipment Lease Purchase Amount. The Equipment Lease Purchase Amount is an amount equal to the Net Present Value of the relevant Equipment Lease, calculated on the Applicable Payment Date. The Net Present Value of the relevant Equipment Lease as at any date is an amount equal to (i) the Discounted Present Value of the relevant Equipment Lease as at that date plus (ii) the Equipment Lease Payments in respect of the relevant Equipment Lease not, as at that date, paid on the due date thereof and that remain due as at that date less (iii) the Equipment Lease Payments in respect of the relevant Equipment Lease due after that date but paid prior to the due date thereof. The Discounted Present Value of the relevant Equipment Lease is an amount equal to the present value, as at the Applicable Payment Date, of all remaining scheduled Equipment Lease Payments (including unreceived scheduled Equipment Lease Payments and the final payment of a Residual Equipment Lease) under the relevant Equipment Lease, determined by discounting each such Equipment Lease Payment on a monthly basis (assuming a calendar year consisting of 365 days), at a rate equal to the discount rate applicable to the relevant Equipment Lease.

Subject to the relevant Series Sale Agreement and the Priority of Payments, the Equipment Lease Purchase Amount is payable by the Issuer to the relevant Series Seller, on the Applicable Payment Date, against compliance by the relevant Series Seller with the following obligations:

- a) the relevant Series Seller must deliver all original documents relating to, and original agreements recording, all Equipment Lease(s) purchased by the issuer on the Applicable Payment Date to the Series Manager who will retain and hold such documents and agreements as agent for the Issuer in terms of the Series Manager Agreement; and
- b) the relevant Series Seller must deliver copies of the documents and agreements referred to in (a) above to the Series Servicer who will retain and hold such documents as agent for the Issuer in terms of the Series Servicer Agreement.

#### 4) **Replacement and Repurchase of Equipment Leases**

The relevant Series Seller may replace or repurchase one or more Equipment Leases sold to the Issuer pursuant to the relevant Series Sale Agreement under certain limited conditions set out in the relevant Series Sale Agreement.

##### Replacement of Equipment Leases

If the relevant Series Seller elects to replace any Equipment Lease sold to the Issuer pursuant to the relevant Series Sale Agreement with one or more Replacement Equipment Leases, the Replacement Equipment Leases must satisfy the Series Seller Warranties, and each transfer of Replacement Equipment Leases will be subject to the satisfaction of the following conditions precedent:

- a) the Replacement Equipment Leases must be Eligible Equipment Leases;
- b) the replacement of the Replaced Equipment Leases may only take place during the Revolving Period;
- c) the final payment under each Replacement Equipment Lease must be due and payable on or prior to a date falling on or no less than 2 (two) years before the latest Final Maturity Date of the Notes in this Series then in issue;
- d) immediately after giving effect to the replacement of the Replacement Equipment Leases, the aggregate Net Present Value of all Equipment Leases (expressly excluding Equipment Leases in Default) must not be less than the aggregate Net Present Value of all Equipment Leases (expressly excluding Equipment Leases in Default) immediately prior to such replacement;
- e) the Replacement Equipment Leases must be of the same or better credit quality as the Replaced Equipment Lease, as determined in accordance with the Series Seller's applicable underwriting criteria;
- f) the transfer must include all Equipment which is the subject of the Replacement Equipment Leases, all Collateral Security (if any) relating to the Replacement Equipment Lease, all Related Agreements (if any) relating to the Replacement Equipment Leases and all Insurance Contracts relating to the Replacement Equipment Leases (*mutatis mutandis* on the basis set out in paragraph 2 of Section 4 of this Series Supplement headed "*Definitions*").

All Equipment Lease Payments under the relevant Replacement Equipment Lease received by the relevant Series Seller any time after the relevant Replacement Date will be transferred to the Transaction Bank Account and all Collateral Security deposits in respect of the relevant Replacement Equipment Lease will be transferred to the Transaction Bank Account. All Equipment Lease Payments under the relevant Replaced Equipment Lease received by the Issuer any time after the relevant Replacement Date will be transferred to the bank account of the relevant Series Seller notified to the Issuer for the purposes of the relevant Series Sale Agreement.

##### Repurchasing of Equipment Leases

If the relevant Series Seller elects to repurchase any Equipment Lease in terms of the relevant Series Sale Agreement, the repurchase of such Equipment Lease by the relevant Series Seller will be effected in the manner contemplated in the relevant Series Sale Agreement and will be subject to the satisfaction of the following conditions precedent:

- a) the aggregate Net Present Value of all Equipment Leases that are repurchased by the relevant Series Seller shall not in the aggregate exceed 10% of the aggregate Net Present Value of all Equipment Leases as at the relevant effective date of the repurchase of the relevant Equipment Leases, unless the Registrar of Banks grants his written approval to allow such 10% limit to be exceeded;
- b) if such Equipment Lease is a Delinquent Equipment Lease or an Equipment Lease in Default, the external auditors of the relevant Series Seller having certified in writing that such Equipment Lease is being repurchased by the relevant Series Seller at a fair market value (which reflects the non-performing status of such Equipment Lease).

5) **Early Repayment Equipment Leases**

In terms of the Series Servicer Agreement, the Series Servicer will not permit a voluntary termination of an Equipment Lease prior to its stated maturity unless the Series Servicer procures that the Issuer receives a payment in connection with such termination in an amount equal to at least the Net Present Value of such Equipment Lease Purchase Amount calculated as at the date of such voluntary termination.

6) **Series Seller Loans**

Each Seller Advance, each Balloon Equipment Lease Advance and each Residual Equipment Lease Advance, as contemplated in this paragraph 6 below (each "**the relevant Loan**"), will be regarded in all respects as a separate and independent loan from the relevant Series Seller to the Issuer. The relevant Loan will be distinct from the sale and delivery, to the Issuer by the relevant Series Seller, of the relevant Equipment Lease (referred to in the following paragraph) or the relevant Balloon Equipment Lease or the relevant Residual Equipment Lease, as the case may be.

Seller Advances

If the Services in respect of a particular Equipment Lease are to be performed by a party other than the Series Servicer, the relevant Series Seller will, as a condition precedent to any sale to the Issuer of such Equipment Lease, advance and remit to the Issuer, on the Applicable Payment Date, for deposit in the Transaction Bank Account, an amount (the "**Seller Advance**") equal to the first Equipment Lease Payment payable under such Equipment Lease as at the Applicable Payment Date multiplied by 2 (two) and the Series Seller shall ensure that the Seller Advance is at all times maintained in an amount equal to two successive Equipment Lease Payments as may be payable on any given date.

It is specifically recorded in the Sale Agreement that each Seller Advance shall be regarded in all respects as a separate and independent subordinated loan from the relevant Series Seller to the Issuer, which loan is distinct from the sale of the relevant Equipment Lease.

Interest will accrue on the Seller Advance at the Prime Rate (or such other rate as the Issuer and the relevant Series Seller may agree from time to time), calculated from (and including) the date on which the Seller Advance is paid to the Issuer until (but excluding) the date on which the Issuer repays the Seller Advance to the relevant Series Seller.

Interest that has accrued on the Seller Advance will be paid by the Issuer to the relevant Series Seller, in accordance with the Priority of Payments, on each Payment Date following the date on which the Seller Advance is paid to the Issuer.

The Issuer will repay the Seller Advance to the relevant Series Seller from Available Funds in the Transaction Bank Account, subject to and in accordance with the Priority of Payments, on the Payment Date following the date on which all Equipment Lease Payments purchased by the Issuer in respect of the relevant Equipment Lease have been paid to the Issuer (that is, once the Net Present Value of the relevant Equipment Lease is equal to or less than zero); provided that if:

- a) following the Applicable Payment Date in respect of the relevant Equipment Lease and prior to the date on which all Equipment Lease Payments purchased by the Issuer in respect of the relevant Equipment Lease have been paid to the Issuer, the Services in respect of the relevant Equipment Lease are again performed by the Series Servicer, the Issuer will repay the Seller Advance to the relevant Series Seller on the Payment Date following the date on which the Series Servicer recommences providing such Services; or
- b) the relevant Equipment Lease is replaced by one or more Replacement Equipment Leases in terms of the relevant Series Sale Agreement, the Issuer will repay the Seller Advance to the relevant Series Seller on the Payment Date immediately following the Replacement Date; or
- c) the relevant Equipment Lease is repurchased by the relevant Series Seller in terms of the relevant Series Sale Agreement, the Issuer will repay the Seller Advance to the relevant Series Seller on the Payment Date following the date on which the relevant Equipment Lease is repurchased by and transferred to the relevant Series Seller; or
- d) the relevant Equipment Lease becomes an Equipment Lease in Default and is not repurchased by the relevant Series Seller in terms of the relevant Series Sale Agreement, the Issuer shall repay the Seller Advance to the relevant Series Seller on the Payment Date following the date on which the relevant Equipment Lease becomes an Equipment Lease in Default.

#### Balloon Equipment Lease Advances and Residual Equipment Lease Advances

The relevant Series Seller will, as a condition precedent to any sale to the Issuer of a Balloon Equipment Lease, advance and remit to the Issuer, on the Applicable Payment Date, for deposit in the Transaction Bank Account, an amount (the "**Balloon Equipment Lease Advance**") equal to the present value, as at the Applicable Payment Date, of the final Equipment Lease Payment payable by the Lessee under that Balloon Equipment Lease, determined by discounting the final Equipment Lease Payment on a monthly basis (assuming a calendar year consisting of 365 days) at a rate equal to the discount rate applicable to that Balloon Equipment Lease.

The relevant Series Seller will, as a condition precedent to any sale to the Issuer of a Residual Equipment Lease, advance and remit to the Issuer, on the Applicable Payment Date, for deposit in the Transaction Bank Account, an amount (the "**Residual Equipment Lease Advance**") equal to the present value, as at the Applicable Payment Date, of the final Equipment Lease Payment payable by the person (other than the Lessee) under that Residual Equipment Lease, determined by discounting the final Equipment Lease Payment on a monthly basis (assuming a calendar year consisting of 365 days) at a rate equal to the discount rate applicable to that Residual Equipment Lease.

Interest will accrue on the Balloon Equipment Lease Advance or the Residual Equipment Lease Advance, as the case may, at the discount rate applicable to the relevant Balloon Equipment Lease or the relevant Residual Equipment Lease, as the case may be, calculated from (and including) the date on which the Balloon Equipment Lease Advance or the Residual Equipment Lease Advance, as the case may, is paid to the Issuer until (but

excluding) the earlier of (i) the date on which the Issuer repays the Balloon Equipment Lease Advance or the Residual Equipment Lease Advance, as the case may be, to the relevant Series Seller or (ii) the date on which the final Equipment Lease Payment payable under the relevant Balloon Equipment Lease or the relevant Residual Equipment Lease, as the case may be, is paid to the Issuer.

The Issuer will repay the Balloon Equipment Lease Advance (and accrued interest) or the Residual Equipment Lease Advance (and accrued interest), as the case may be, to the relevant Series Seller, from Available Funds in the Transaction Bank Account subject to and in accordance with the Priority of Payments, on the Payment Date following the date on which the final Equipment Lease Payment payable under the relevant Balloon Equipment Lease or the relevant Residual Equipment Lease, as the case may be, is paid to the Issuer; provided that if:

- a) the relevant Balloon Equipment Lease or the relevant Residual Equipment Lease, as the case may be, is replaced by one or more Replacement Equipment Leases in terms of the relevant Series Sale Agreement, the Issuer will repay the Balloon Equipment Lease Advance (and accrued interest) or the Residual Equipment Lease Advance (and accrued interest), as the case may be, to the relevant Series Seller on the Payment Date immediately following the Replacement Date; or
- b) the relevant Balloon Equipment Lease or the relevant Residual Equipment Lease, as the case may be, is repurchased by the relevant Series Seller in terms of the relevant Series Sale Agreement, the issuer will repay the Balloon Equipment Lease Advance (and accrued interest) or the Residual Equipment Lease Advance (and accrued interest), as the case may be, to the relevant Series Seller on the Payment Date following the date on which the relevant Balloon Equipment Lease or the relevant Residual Equipment Lease, as the case may be, is repurchased by and transferred to the relevant Series Seller; or
- c) the relevant Balloon Equipment Lease or the relevant Residual Equipment Lease, as the case may be, becomes an Equipment Lease in Default and is not repurchased by the relevant Series Seller in terms of the relevant Series Sale Agreement, the Issuer shall repay the Balloon Equipment Lease Advance (and accrued interest) or the Residual Equipment Lease Advance (and accrued interest), as the case may be, to the relevant Series Seller on the Payment Date following the date on which the relevant Balloon Equipment Lease or the relevant Residual Equipment Lease, as the case may be, becomes an Equipment Lease in Default.

7) **Clause 4 Series Seller Warranties and the Eligibility Criteria**

The Clause 4 Series Seller Warranties are (or have been) given by the relevant Series Seller (save to the extent expressly otherwise stated in the Clause 4 Series Seller Warranties):

- a) in respect of Equipment Leases, on and as at (i) the date on which the relevant Series Seller delivers the relevant Schedule to the Series Servicer in terms of the relevant Series Sale Agreement and (ii) the Applicable Payment Date;
- b) in respect of Replacement Equipment Leases, on and as at the Replacement Date.

For purposes of the Clause 4 Series Seller Warranties (unless expressly otherwise stated in the Clause 4 Series Seller Warranties) "the Transferred Rights and Obligations" includes any and all of the relevant Series Seller's right, title, and interest in and to, and all of the relevant Series Seller's rights, claims and obligations (if any), as at the Applicable Payment Date, under each Equipment Lease (as defined in paragraph 2 of Section 4 of this Series Supplement headed "Definitions") purchased (or to be purchased) by the Issuer from the relevant

Series Seller in terms of the relevant Series Sale Agreement (each the “**relevant Equipment Lease**”), but expressly excludes all (i) obligations of whatever nature in respect of any maintenance and/or repair of Equipment (ii) all and any of the relevant Series Seller’s rights, title and interest in and to, and rights and claims under, the Revenue Amount or any portion thereof, and (iii) all and any Agency Collections. It is recorded, for the avoidance of doubt, that the term “**relevant Equipment**” in the Clause 4 Series Seller Warranties means all equipment, excluding software equipment, which is the subject of the relevant Equipment Lease. The Clause 4 Series Seller Warranties apply *mutatis mutandis* to each Replacement Equipment Lease.

Pursuant to the Clause 4 Series Seller Warranties, the relevant Series Seller will warrant and represent (or has warranted and represented) to the Issuer, in respect of each relevant Equipment Lease that:

as at the Effective Date:

7.1 the Portfolio Concentration Limits will have been complied with;

as at the applicable date(s) set out above:

- 7.2 the relevant Series Seller has paid in full, to the party from whom the relevant Series Seller acquired the relevant Equipment Lease, the purchase price payable by the relevant Series Seller for the relevant Equipment Lease and any related charges in connection with such acquisition;
- 7.3 the sale and transfer to the Issuer of the relevant Equipment Lease in terms of the relevant Series Sale Agreement does not violate the terms or provisions of the relevant Equipment Lease or any other agreement to which the relevant Series Seller is a party or by which it is bound;
- 7.4 immediately prior to the Applicable Payment Date, the relevant Series Seller will:
  - 7.4.1 be entitled to enforce all rights and be obliged to perform all obligations under the relevant Equipment Lease;
  - 7.4.2 have good title to the relevant Equipment Lease;
- 7.5 the relevant Equipment Lease is an Operating Rental Agreement;
- 7.6 if the relevant Equipment Lease contains any maintenance and repair obligations, such obligations have not been, and will not be, transferred to the relevant Series Seller and accordingly are not transferred to, and are never the responsibility of, the Issuer;
- 7.7 the relevant Equipment Lease:
  - 7.7.1 is valid, unconditional, lawful and enforceable in accordance with its terms, and is completed and signed by authorised parties thereto on the basis that all parties to the relevant Equipment Lease had capacity and authority to execute the relevant Equipment Lease;
  - 7.7.2 constitutes a binding full recourse obligation of the relevant Lessee under the relevant Equipment Lease, enforceable by the Issuer (and by the Series Security SPV as assignee of the Issuer) against the relevant Lessee in accordance with the terms of the relevant Equipment Lease;
  - 7.7.3 is denominated in a currency within the Common Monetary Area and the relevant Lessee is located in the Common Monetary Area;

- 7.7.4 does not violate any South African laws and was not originated in and is not subject to the laws of any jurisdiction whose laws would make any of the sales and transfers under the relevant Series Sale Agreement unlawful;
- 7.7.5 in so far as the relevant Equipment Lease consists of a master lease agreement and one or more exhibits or schedules, the relevant Series Seller has neither assigned such master lease agreement in its entirety, nor delivered physical possession of such master lease agreement, to any person other than the Issuer or the Series Manager;
- 7.7.6 may be sold and transferred (in whole or in part) without the prior written consent of the relevant Lessee, and if such sale and transfer occurs, the relevant Lessee has, subject to the proviso which follows, agreed to any splitting of claims that may arise as a result thereof; provided that to the extent that the relevant Lessee has not agreed to any splitting of claims that may arise as a result thereof and there is, in fact a splitting of claims, such splitting of claims is cured by the relevant Series Sale Agreement;
- 7.7.7 has not been amended, varied, altered or modified except in writing prior to the Applicable Payment Date and except as is set out in the copies of all such written amendments, variations, alterations or modifications as are attached to the relevant Equipment Lease;
- 7.7.8 will be in full force and effect;
- 7.7.9 provides:
  - 7.7.9.1 that it is a fixed minimum term;
  - 7.7.9.2 for periodic Equipment Lease Payments within a minimum of at least one Equipment Lease Payment per annum;
  - 7.7.9.3 save as is disclosed in writing to the relevant Series Seller prior to the Applicable Payment Date, the relevant Lessee is unconditionally responsible at all times for repairs and maintenance of the relevant Equipment, provided always that no maintenance and repair obligations will be assigned and/or transferred to the Issuer;
  - 7.7.9.4 if the relevant Series Seller (or the relevant Series Seller's assignee or any other third party) is responsible for repairs and maintenance of the relevant Equipment, any and all of the terms and conditions relating to such maintenance or repair services or obligations are:
    - 7.7.9.4.1 contained in a separate agreement with the relevant Lessee which is expressly and clearly separate, distinct, independent and severable from the relevant Equipment Lease; or
    - 7.7.9.4.2 expressly separate, distinct, independent and severable from any and all provisions relating to any and all of the Transferred Rights and Obligations in the event that any or all of the terms and conditions relating to such maintenance or repair services or obligations are contained in the relevant Equipment Lease itself, and such separate, distinct, independent and severable provisions provide expressly that:
      - 7.7.9.4.2.1 the relevant Lessee is irrevocably and unconditionally obliged to make any and all payments of in respect of the Transferred Rights and Obligations irrespective of whether any such repair or maintenance services or obligations:
        - 7.7.9.4.2.1.1 have or have not been provided in any respect; and/or
        - 7.7.9.4.2.1.2 may have been terminated, suspended, withheld and/or partially provided for any reason

whatsoever;

- 7.7.9.4.2.2 any and all of the right, title and interest in and to Transferred Rights and Obligations (in whole or in part), may be ceded, assigned, made over or in other manner transferred to any third party without the relevant Lessee's consent in any form and if such cession, assignment, making over or transfer occurs, the relevant Lessee has, subject to the proviso which follows, agreed to any splitting of claims that may arise as a result thereof; provided that to the extent that the relevant Lessee has not agreed to any splitting of claims that may arise as a result thereof and there is, in fact, a splitting of claims, such splitting of claims is cured by the relevant Series Sale Agreement;
- 7.7.9.4.2.3 the provisions set out in paragraph 7.7.9.4.2 shall apply notwithstanding any condition to the contrary contained in any other agreement between the relevant Lessee and the lessor or the lessor's assignee;
- 7.7.9.5 that the obligation of the relevant Lessee to pay Equipment Lease Payments under the relevant Equipment Lease throughout the term of the relevant Equipment Lease is and will be unconditional without regard to any event affecting the relevant Equipment (including without limitation any maintenance or repair thereof), the obsolescence of the relevant Equipment, any claim of the relevant Lessee against the Issuer, the relevant Series Seller or any third party, or any change in circumstance of the relevant Lessee, or any other circumstance whatsoever;
- 7.7.9.6 that Equipment Lease Payments under the relevant Equipment Lease are without demand and not subject to any set-off, counterclaim, withholding or reduction whatsoever;
- 7.7.9.7 will have been originated by or assigned to the relevant Series Seller in the ordinary course of the relevant Series Seller's business, in accordance with the relevant Series Seller's policies and procedures;
- 7.7.10 is not in default by any party thereto;
- 7.8 any and all requirements of any law (including, without limitation, the provisions of the Usury Act, the Financial Intelligence Centre Act, No 38 of 2001, the Credit Agreements Act and the National Credit Act, if applicable) will have been complied with:
  - 7.8.1 by the relevant Series Seller in respect of the acquisition of the relevant Equipment Lease, and the transfer thereof to the Issuer in terms of the relevant Series Sale Agreement;
  - 7.8.2 in respect of the relevant Equipment Lease;
- 7.9 the relevant Lessee is not entitled to cancel the relevant Equipment Lease in terms of:
  - 7.9.1 Section 13 of the Credit Agreements Act;
  - 7.9.2 any provision of the Usury Act;
  - 7.9.3 the Sale and Service Matters Act, No 25 of 1964;
  - 7.9.4 the National Credit Act;
- 7.10 prior to the payment of all amounts owing in terms of the relevant Equipment Lease, the relevant Equipment Lease is not subject to any option, right of first refusal, pre-emptive right or other agreement;



- 7.11 save as provided in the Series Transaction Agreements, the relevant Equipment Lease is not subject to any cession, lien, pledge servitude, usufruct, cession/pledge in security or any other Encumbrance;
- 7.12 the relevant Equipment Lease has not been ceded, assigned, transferred, sold and/or discounted to any other party and accordingly, on the Applicable Payment Date:
  - 7.12.1 the Issuer can and will obtain full, enforceable and legal title thereto;
  - 7.12.2 the Issuer will be entitled to enforce all rights and be obliged to perform all obligations under the relevant Equipment Lease;
  - 7.12.3 the Issuer will:
    - 7.12.3.1 be the legal owner of each item of the relevant Equipment; or
    - 7.12.3.2 where the equipment which is the subject of the relevant Equipment Lease comprises software programmes, ensure that the relevant Lessee is the holder of a right of use in respect of that equipment;
- 7.13 to the best of the relevant Series Seller's knowledge and belief and after all reasonable care and investigation:
  - 7.13.1 if the relevant Series Seller was assigned the Transferred Rights and Obligations in respect of the relevant Equipment Lease from a third party assignee, such assignee has complied with all applicable South African laws in concluding the relevant Equipment Lease with the relevant Lessee and in respect of the subsequent assignment of such Transferred Rights and Obligations to the relevant Series Seller;
  - 7.13.2 there are no current or pending disputes, legal proceedings, challenges, disputes or claims under or affecting the relevant Equipment Lease;
  - 7.13.3 the relevant Lessee is not a subject of any insolvency or liquidation proceeding as at the Applicable Payment Date;
  - 7.13.4 there are no facts or circumstances which give rise, or would give rise at any time in the future, to any right of rescission, set-off, counterclaim or defence to obligations of the relevant Lessee, including the obligation of the relevant Lessee to pay all Equipment Lease Payments and other amounts due with respect to the relevant Equipment Lease, and neither the operation of any of the terms of the relevant Equipment Lease nor the exercise of any right under the relevant Equipment Lease will render the relevant Equipment Lease unenforceable in whole or in part or subject to any right of rescission, set-off, counterclaim or defence, and no such right of rescission, set-off, counterclaim or defence has been asserted with respect to the relevant Equipment Lease;
- 7.14 to the best of the relevant Series Seller's knowledge and belief:
  - 7.14.1 the relevant Equipment has been and shall be properly maintained and has been and shall be used for the purpose it was intended for;
  - 7.14.2 as at the Applicable Payment Date, the relevant Equipment has not suffered any loss or damage which has not been repaired;
- 7.15 the relevant Equipment Lease was entered into by the relevant Series Seller or purchased by the relevant Series Seller (or the assignee which assigned all of its right, title, interest

and obligations under the relevant Equipment Lease to the relevant Series Seller, as the case may be) in accordance with the standard screening and approval procedures of the relevant Series Seller (described, in the case of Sasfin, in this Series Supplement), and no selection procedures adverse to the credit quality of the Series Assets relating to this Series were employed in selecting the relevant Equipment Lease for sale under the relevant Series Sale Agreement;

- 7.16 the relevant Lessee has not been released, in whole or in part, from any of its obligations in respect of the relevant Equipment Lease, the relevant Equipment Lease has not been satisfied, cancelled or subordinated, in whole, or in part, or rescinded, and the relevant Equipment has not been released from the relevant Equipment Lease, in whole or in part, and no instrument has been executed that would affect any such satisfaction, release, cancellation, subordination or rescission;
- 7.17 the relevant Equipment Lease is not an Equipment Lease in Arrears as at the Applicable Payment Date;
- 7.18 if the relevant Equipment is held and/or used on premises which are leased, the relevant Lessee has notified the landlord of the said premises that:
  - 7.18.1 the relevant Equipment does not fall within the ambit of the landlord's lien;
  - 7.18.2 the ownership of the relevant Equipment does not vest in the relevant Lessee;
- 7.19 as at the Applicable Payment Date, the relevant Lessee will have paid at least the first Equipment Lease Payment under the relevant Equipment Lease;
- 7.20 the relevant Equipment is not financed for a term longer than the expected life of the relevant Equipment;
- 7.21 save, where the relevant Equipment Lease is a Residual Equipment Lease or a Balloon Equipment Lease, as the case may be, for the final Equipment Lease Payment payable under the Residual Equipment Lease or the Balloon Equipment Lease, as the case may be, no Equipment Lease Payment payable under the relevant Equipment Lease is subject to an escalation in excess of 15% per annum;
- 7.22 the Equipment Lease Payments are payable over the period of the relevant Equipment Lease;
- 7.23 the final Equipment Lease Payment in respect of the relevant Equipment Lease is due and payable on or prior to a date falling on or no less than 2 (two) years before the latest Final Maturity Date of the Notes in this Series then in issue;
- 7.24 the aggregate of the Equipment Lease Payments payable by the relevant Lessee under the relevant Equipment Lease during each Due Period is sufficient to cover the Senior Expenses, the Principal Redemption Amounts, Note Specific Liquidity Facility Interest and Note Interest, as such payments become due and payable;
- 7.25 the original term of the relevant Equipment Lease is not shorter than 6 (six) months and the weighted average remaining term for all the Equipment Leases does not exceed 60 (sixty) months;
- 7.26 the relevant Equipment is not:

- 7.26.1 a motor vehicle used as a taxi or a racing car or for driving tuition or as a short term rental car;
- 7.26.2 a medium (1,5 to 4 tonne) or heavy (4+ tonne) commercial vehicle which is used as a delivery vehicle to deliver goods to third parties;
- 7.27 the relevant Equipment is insured, as at the date of origination of the relevant Equipment Lease, in an amount sufficient to cover the replacement cost (less any first loss (excess) amount that is required to be paid under the relevant Insurance Contract), as at the date of origination of the relevant Equipment Lease of the relevant Equipment in the event of the theft, loss of, or damage to, the relevant Equipment, provided that in the case where the relevant Equipment comprises heavy duty capital equipment and plant and machinery, the relevant Insurance Contract may exclude insurance cover for theft. The relevant Insurance Contract may allow for depreciation of the relevant Equipment on a straight-line basis over the life of the relevant Equipment Lease;
- 7.28 the relevant Equipment Lease contains provisions that the relevant Lessee acknowledges that:
  - 7.28.1 it has been notified in writing of the provision of Section 43 of the Short Term Insurance Act, No. 53 of 1998 ("**Section 43**") and of the choices made available to it in terms of Section 43;
  - 7.28.2 it has exercised the freedom of choice granted to it by Section 43;
  - 7.28.3 it was not subjected to any coercion or inducement as to the manner in which it exercised that freedom of choice;
- 7.29 the relevant Series Seller has not provided any guarantee, representation or warranty whatsoever in respect of the relevant Equipment to the relevant Lessee or any other third party;
- 7.30 the relevant Equipment has been duly delivered to and received by the relevant Lessee and is properly installed and working;
- 7.31 all relevant notices, approvals and authorisations in respect of the relevant Equipment Lease have been obtained by the relevant Series Seller;
- 7.32 the discount rate (as contemplated in the definition of "*Discounted Present Value*" in Section 4 of this Series Supplement headed "*Definitions*") applicable to the relevant Equipment Lease is not less than Prime less 1%;
- 7.33 if the relevant Series Seller was assigned the Transferred Rights and Obligations in respect of the relevant Equipment Lease from a third party, any document in terms of which the relevant Series Seller acquired the Transferred Rights and Obligations:
  - 7.33.1 does not in any manner whatsoever restrict, prevent, prohibit, diminish, invalidate, reduce, encumber or in any manner cause the Transferred Rights and Obligations or the Series Seller Warranties to be unenforceable in any respect by the Issuer or the Series Security SPV, as the case may be;
  - 7.33.2 provides that:
    - 7.33.2.1 only the rights of such third party assignee, and no obligations whatsoever, under the relevant Equipment Lease, are transferred and ceded to the relevant Series Seller in terms

of such document;

- 7.33.2.2 any amount paid by the relevant Lessee under the relevant Equipment Lease shall at all times be appropriated and applied first to any and all liabilities and/or obligations of the relevant Lessee under the relevant Equipment Lease which forms part of the rights transferred and ceded to the relevant Series Seller by such third party under such document;
- 7.33.2.3 such third party assignee does not have any right at any time to claim possession and/or ownership of the relevant Equipment from the Issuer;
- 7.34 following the sale and transfer to the Issuer of the relevant Equipment Lease on the Applicable Payment Date, the Issuer and/or the Series Security SPV and/or the Series Manager is entitled to notify the relevant Lessee (i) of the sale and transfer of the relevant Equipment Lease to the Issuer, (ii) that the Issuer is the lawful owner of the relevant Equipment Lease and that the Issuer is accordingly entitled to exercise all rights as lessor under the relevant Equipment Lease upon the occurrence of the following circumstances:
  - 7.34.1 the relevant Series Seller or the Issuer becoming entitled at any time to take steps to enforce its rights in respect of the relevant Equipment Lease;
  - 7.34.2 the relevant Series Seller or the Issuer being obliged to effect such notification by an order of any court having jurisdiction, or by law or by any regulatory body.

#### 8) **Types of Equipment**

The Equipment which is the subject of Equipment Leases is primarily office automation equipment and includes the following (but is not limited to):

- a) PABX's, copiers, faxes and computers and other equipment including wine storage equipment, vending machines, vehicle tracking and monitoring equipment, security equipment, printing equipment, presentation equipment, office furniture, landcells, industrial tools and equipment, golf carts, franking machines, forklifts, cleaning equipment, catering equipment, cash registers, automated teller machines, software and air conditioners; and
- b) any replacement parts, additions and repairs thereto, and any replacements thereof, and any accessories incorporated into or affixed to such equipment, subject to the relevant Equipment Lease.

#### 9) **Data in respect of Equipment Leases as at 31 March 2015**

The following tables set out statistical information representative of the characteristics of the Equipment Leases, derived from information supplied by Sasfin, which reflects the position as of the Cut-Off Date. The characteristics of the Equipment Leases as at the Issue Date may differ from those set out in the tables as a result of, *inter alia*, repayments of Equipment Leases prior to the Issue Date.

The following abbreviations are used in the tables below:

Ave = Average

NPV = Net Present Value

**Table 1: Analysis of equipment lease portfolio by yield:**

| Yield (%)       | Number of Equipment Leases * | % of total Number of Leases | Total NPV %*         | % of total NPV |
|-----------------|------------------------------|-----------------------------|----------------------|----------------|
| <b>Total</b>    | <b>19 966</b>                | <b>100%</b>                 | <b>1 525 901 960</b> | <b>100%</b>    |
| < 9.25          | 1                            | 0%                          | 0                    | 0%             |
| ≥ 9.25 < 10.25  | 22                           | 0%                          | 2 284 186            | 0%             |
| ≥ 10.25 < 12.25 | 1 782                        | 9%                          | 299 403 782          | 20%            |
| ≥ 12.25 < 13.75 | 4 153                        | 21%                         | 564 919 312          | 37%            |
| ≥ 13.75 < 15.25 | 4 983                        | 25%                         | 386 068 780          | 25%            |
| ≥ 15.25         | 9 025                        | 45%                         | 273 225 899          | 18%            |

**Table 2: Analysis of equipment lease portfolio by seasoning:**

| Seasoning    | Number of Equipment Leases * | % of total Number of Leases | Total NPV %*         | % of total NPV |
|--------------|------------------------------|-----------------------------|----------------------|----------------|
| <b>Total</b> | <b>19 966</b>                | <b>100%</b>                 | <b>1 525 901 960</b> | <b>100%</b>    |
| <12          | 2 907                        | 15%                         | 453 539 097          | 30%            |
| 12-24        | 6 051                        | 30%                         | 549 578 696          | 36%            |
| 24-36        | 5 035                        | 25%                         | 303 007 324          | 20%            |
| 36-48        | 2 955                        | 15%                         | 141 003 798          | 9%             |
| 48-60        | 3 007                        | 15%                         | 78 295 478           | 5%             |
| >60          | 11                           | 0%                          | 477 567              | 0%             |

**Table 3: Analysis of equipment lease portfolio by remaining term:**

| Remaining Term (months) | Number of Equipment Leases * | % of total Number of Leases | Total NPV *          | % of total NPV |
|-------------------------|------------------------------|-----------------------------|----------------------|----------------|
| <b>Total</b>            | <b>19 966</b>                | <b>100%</b>                 | <b>1 525 901 960</b> | <b>100%</b>    |
| <12                     | 5 033                        | 25%                         | 132 448 101          | 9%             |
| 12-24                   | 4 911                        | 25%                         | 278 214 671          | 18%            |
| 24-36                   | 4 393                        | 22%                         | 359 732 825          | 24%            |
| 36-48                   | 4 104                        | 21%                         | 464 743 775          | 30%            |
| 48-60                   | 1 525                        | 8%                          | 290 762 587          | 19%            |
| >60                     | 0                            | 0%                          | 0                    | 0%             |

**Table 4: Analysis of equipment lease portfolio by original term:**

| Original Term (months) | Number of Equipment Leases* | % of total Number of Leases | Total NPV *          | % of total NPV |
|------------------------|-----------------------------|-----------------------------|----------------------|----------------|
| <b>Total</b>           | <b>19 966</b>               | <b>100%</b>                 | <b>1 525 901 960</b> | <b>100%</b>    |
| <12                    | 15                          | 0%                          | 316 575              | 0%             |
| 12-24                  | 108                         | 1%                          | 6 254 909            | 0%             |
| 24-36                  | 3 923                       | 20%                         | 217 116 182          | 14%            |
| 36-48                  | 722                         | 4%                          | 54 672 952           | 4%             |
| 48-60                  | 15 187                      | 76%                         | 1 247 063 775        | 82%            |
| >60                    | 11                          | 0%                          | 477 567              | 0%             |

**Table 5: Analysis of equipment lease portfolio by frequency of lease payments:**

| Payment frequency | Number of Equipment Leases* | % of total Number of Leases | Total NPV *          | % of total NPV |
|-------------------|-----------------------------|-----------------------------|----------------------|----------------|
| <b>Total</b>      | <b>19 966</b>               | <b>100%</b>                 | <b>1 525 901 960</b> | <b>100%</b>    |
| Annually          | 0                           | 0%                          | 0                    | 0%             |
| Monthly           | 19 963                      | 100%                        | 1 525 305 563        | 100%           |
| Quarterly         | 3                           | 0%                          | 596 396              | 0%             |

**Table 6: Analysis of equipment lease portfolio by geographic location:**

| Province             | Number of Equipment Leases* | % of total Number of Leases | Total NPV *          | % of total NPV |
|----------------------|-----------------------------|-----------------------------|----------------------|----------------|
| <b>Total</b>         | <b>19 966</b>               | <b>100%</b>                 | <b>1 525 901 960</b> | <b>100%</b>    |
| Eastern-Cape         | 461                         | 2%                          | 25 111 768           | 2%             |
| Free-State           | 482                         | 2%                          | 30 815 287           | 2%             |
| Gauteng              | 11 936                      | 60%                         | 1 024 573 996        | 67%            |
| KwaZulu-Natal        | 1 315                       | 7%                          | 100 132 983          | 7%             |
| Limpopo              | 188                         | 1%                          | 13 448 334           | 1%             |
| Mpumalanga           | 880                         | 4%                          | 65 195 910           | 4%             |
| Northern-Cape        | 133                         | 1%                          | 12 901 656           | 1%             |
| North-West           | 304                         | 2%                          | 15 160 094           | 1%             |
| Western-Cape         | 3 505                       | 18%                         | 197 761 420          | 13%            |
| Common Monetary Area | 1                           | 0%                          | 3 800                | 0%             |
| Sundry               | 761                         | 4%                          | 40 796 711           | 3%             |

**Table 7: Analysis of equipment lease portfolio by rate type:**

| Rate Type    | Number of Equipment Leases* | % of total Number of Leases | Total NPV *          | % of total NPV |
|--------------|-----------------------------|-----------------------------|----------------------|----------------|
| <b>Total</b> | <b>19 966</b>               | <b>100%</b>                 | <b>1 525 901 960</b> | <b>100%</b>    |
| Fixed        | 90                          | 0%                          | 7 311 705            | 0%             |
| Prime Linked | 5 507                       | 28%                         | 507 622 124          | 33%            |
| High Prime   | 14 327                      | 72%                         | 1 010 380 519        | 66%            |
| Preferential | 42                          | 0%0%                        | 587 612              | 0%             |

**Table 8: Analysis of equipment lease portfolio by equipment type:**

| Equipment Type         | Number of Equipment Leases* | % of total Number of Leases | Total NPV *          | % of total NPV |
|------------------------|-----------------------------|-----------------------------|----------------------|----------------|
| <b>Total</b>           | <b>19 966</b>               | <b>100%</b>                 | <b>1 525 901 960</b> | <b>100%</b>    |
| COPIER                 | 12 450                      | 62%                         | 999 899 535          | 66%            |
| PABX                   | 4 718                       | 24%                         | 246 565 401          | 16%            |
| SECURITY EQUIPMENT     | 565                         | 3%                          | 85 306 999           | 6%             |
| COMPUTERS              | 428                         | 2%                          | 55 669 977           | 4%             |
| INDUSTRIAL EQUIPMENT   | 229                         | 1%                          | 41 440 233           | 3%             |
| SUNDRY                 | 750                         | 4%                          | 36 975 936           | 2%             |
| PRINTING               | 421                         | 2%                          | 27 261 926           | 2%             |
| PRESENTATION EQUIPMENT | 60                          | 0%                          | 10 910 860           | 1%             |
| POINT OF SALE DEVICE   | 13                          | 0%                          | 6 198 623            | 0%             |
| OTHER                  | 332                         | 1%                          | 15,672,469           | 0%             |

**Table 9: Analysis of equipment lease portfolio by payment method:**

| Payment Method | Number of Equipment Leases* | % of total Number of Leases | Total NPV *          | % of total NPV |
|----------------|-----------------------------|-----------------------------|----------------------|----------------|
| <b>Total</b>   | <b>19 966</b>               | <b>100%</b>                 | <b>1 525 901 960</b> | <b>100%</b>    |
| Debit Order    | 14 298                      | 72%                         | 975 918 156          | 64%            |
| Other          | 5 668                       | 28%                         | 549 983 803          | 36%            |

**Table 10: Analysis of equipment lease portfolio by timing of payment:**

| Timing of Payment | Number of Equipment Leases* | % of total Number of Leases | Total NPV *          | % of total NPV |
|-------------------|-----------------------------|-----------------------------|----------------------|----------------|
| <b>Total</b>      | <b>19 966</b>               | <b>100%</b>                 | <b>1 525 901 960</b> | <b>100%</b>    |
| Advance           | 18 714                      | 94%                         | 1 423 457 211        | 93%            |

|         |       |    |             |    |
|---------|-------|----|-------------|----|
| Arrears | 1 252 | 6% | 102 444 749 | 7% |
|---------|-------|----|-------------|----|

**Table 11: Analysis of equipment lease portfolio by industry:**

| Industry per the Standard Industrial Classification Codes                                                                   | Number of Equipment Leases | % of total Number of Leases | Total NPV *          | % of total NPV |
|-----------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------|----------------------|----------------|
| <b>Total</b>                                                                                                                | <b>19 966</b>              | <b>100%</b>                 | <b>1 525 901 960</b> | <b>100%</b>    |
| AGRICULTURE, HUNTING, FORESTRY AND FISHING                                                                                  | 158                        | 1%                          | 8 346 631            | 1%             |
| BUSINESS SERVICES - Accountants, advocates, engineers, architects etc.                                                      | 0                          | 0%                          | 0                    | 0%             |
| COMMUNITY, SOCIAL AND PERSONAL SERVICES                                                                                     | 6 343                      | 32%                         | 474 060 872          | 31%            |
| CONSTRUCTION                                                                                                                | 508                        | 3%                          | 31 415 952           | 2%             |
| ELECTRICITY, GAS AND WATER SUPPLY                                                                                           | 79                         | 0%                          | 7 104 250            | 0%             |
| FINANCIAL INTERMEDIATION & INSURANCE                                                                                        | 4 958                      | 25%                         | 392 716 537          | 26%            |
| MANUFACTURING                                                                                                               | 2 503                      | 13%                         | 194 285 109          | 13%            |
| MINING AND QUARRYING                                                                                                        | 319                        | 2%                          | 26 659 115           | 2%             |
| PRIVATE HOUSEHOLDS, EXTERRITORIAL ORGANISATIONS, REPRESENTATIVES OF FOREIGN GOVERNMENTS AND OTHER ACTIVITIES                | 43                         | 0%                          | 2 852 593            | 0%             |
| REAL ESTATE -Property owning, developers, notaries and conveyancers, estate agencies                                        | 0                          | 0%                          | 0                    | 0%             |
| SUNDRY                                                                                                                      | 5                          | 0%                          | 2 610 140            | 0%             |
| TRANSPORT, STORAGE AND COMMUNICATION                                                                                        | 1 019                      | 5%                          | 121 065 139          | 8%             |
| WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES, MOTOR CYCLES AND PERSONAL AND HOUSEHOLD GOODS; HOTELS AND RESTAURANTS | 4 031                      | 20%                         | 264 785 621          | 17%            |

**\*Does not include Evergreen Equipment Leases.**



**Section 15****DESCRIPTION OF THE SERIES SECURITY SPV****Introduction**

The Series Security SPV was incorporated and registered in South Africa on 24 June 2003, under registration number 2003/014352/07, under the Companies Act, No. 61 of 1973 as a private company with limited liability and operates under the Companies Act. The issued ordinary share capital of the Series Security SPV comprises 1 000 ordinary shares of ZAR1, held by the Security SPV Owner Trustee. The Series Security SPV has no subsidiaries.

**Directors and Company Secretary**

The directors of the Series Security SPV are Peter Brian Ellis Coombe and Douglas Austen Lorimer.

Maitland Trustees Proprietary Limited provides company secretarial services to the Security SPV.

**Registered Office**

The registered office of the Series Security SPV is situated at 32 Fricker Road, Illovo, 2146.

**Auditor**

The Auditor of the Series Security SPV is KPMG.

**Activities**

The activities of the Series Security SPV are described in the section "*Security Structure*" in the Programme Memorandum and restricted in terms of its memorandum of incorporation.

## Section 16

### DESCRIPTION OF THE SERIES SERVICER AND THE SERVICES

In terms of the Series Servicer Agreement, the Issuer has appointed Sasfin, on and with effect from the Restatement Date, as the Series Servicer in respect of this Series, and as the Issuer's lawful agent, in the name and on behalf of the Issuer, to perform all of the Services.

The Series Servicer will, in terms of the Series Servicer Agreement, as agent on behalf of the Issuer perform, among other things, the following Services:

- a) provide Lessees with appropriate invoices, statements and such other notices as may be required to ensure that all Equipment Lease Payments, Insurance Proceeds and Termination Payments in respect of each Equipment Lease are paid by the relevant Lessee in accordance with the provisions of such Equipment Lease;
- b) maintain complete and accurate records with respect to each Equipment Lease and with respect to each payment by the relevant Lessee;
- c) exercise with respect to the Equipment all rights and remedies the Issuer has against any supplier or manufacturer of the Equipment, subject to the provisions of the relevant Equipment Lease;
- d) monitor the validity, enforceability and currency of all Equipment Leases and inform the Series Manager and the Series Security SPV timeously of any adverse developments, whether in law or otherwise, that have a bearing on any of the Equipment Leases;
- e) if so required by the Issuer, subject to the provisions of relevant Series Sale Agreement(s), give notice to the relevant Lessees (i) of the sale and transfer of the relevant Equipment Leases to the Issuer, (ii) that the Issuer is the lawful owner of the relevant Equipment Leases and (iii) that the Issuer is accordingly entitled to exercise all rights as lessor under the relevant Equipment Leases;
- f) in respect of all Equipment Leases in Default, take such action as is appropriate, including such action as may be necessary to cause, or attempt to cause, the relevant Lessees to cure such non-performance (if the same may be cured) or to terminate or attempt to terminate such Equipment Lease and to recover, or attempt to recover, all damages resulting from such default;
- g) arrange, maintain and make claims under the Insurance Contracts entered into by Hollard (as Insurer);
- h) provide data maintenance, computer systems and software licensing services in respect of the information systems of the Issuer, and apply and maintain a suitable data and systems recovery plan;
- i) procure that any and all payments received by it for or on behalf of the Issuer (including Equipment Lease Payments, Recoveries and Insurance Proceeds) are paid into the relevant Series Bank Accounts in accordance with the Series Transaction Agreements and any instructions received from the Series Manager from time to time;
- j) give to each of the Issuer, the Series Manager and the Series Security SPV such information and evidence as it shall reasonably require, and in such form as it shall reasonably require, as to the performance by the Series Servicer of the Services and its obligations under the Series Servicer Agreement;

- k) by no later than the sixth Business Day after the end of a Due Period, prepare (and deliver to the Issuer, the Series Manager, the Series Standby Servicer (if any) and the Series Security SPV) a monthly servicing report in respect of the Equipment Leases and the Notes in this Series as at the end of the preceding Due Period.

In terms of (and subject to) the Series Servicer Agreement:

- a) the Series Servicer is entitled to delegate the performance of the Services or its obligations under the Series Servicer Agreement, subject to certain conditions, including the condition that if, at any point in time, the aggregate Net Present Value of all Equipment Leases in respect of which the Series Servicer so delegates the performance of the Services exceeds 10% of the aggregate Net Present Value of all of the Equipment Leases sold and transferred to the Issuer at that point in time, the Rating Agency, after having been furnished with 10 Business Days' prior written notice, has not informed the Issuer that such delegation of the Services would cause the Rating(s) of the Notes in this Series then in issue to be downgraded or withdrawn by the Rating Agency;
- b) the Series Servicer remains liable to the Issuer for the performance of the Services and its obligations delegated by the Series Servicer under the Series Servicer Agreement;
- c) the Issuer will pay the Series Servicer the Servicing Fee, on the basis set out in the Series Servicer Agreement and subject to the Priority of Payments, in consideration for the performance by the Series Servicer of the Services and its obligations under the Series Servicer Agreement;
- d) if a Series Servicer Event of Default occurs, the Issuer (with the consent of the Series Security SPV) or the Series Security SPV (in its sole and absolute discretion) may, and the Issuer shall (if instructed to do so by a Special Resolution of the Controlling Class Noteholders), by written notice to the Series Servicer, (i) cancel the Series Servicer's appointment under the Series Servicer Agreement or (ii) claim immediate specific performance of all of the Series Servicer's obligations under the Series Servicer Agreement which are then due for performance, as the case may be;
- e) if Sasfin's appointment as Series Servicer is terminated pursuant to the Series Servicer Agreement, then such person as may be appointed in terms of the Series Servicer Agreement as Series Standby Servicer (if any), will perform all of the Services in terms of the Series Servicer Agreement;
- f) where applicable, the Issuer will pay the Series Standby Servicer the Standby Servicing Fee, on the basis set out in the Series Servicer Agreement and subject to the Priority of Payments, in consideration for its services as Series Standby Servicer under the Series Servicer Agreement;
- g) where applicable and if, pursuant to the termination of Sasfin's appointment as Series Servicer under the Series Servicer Agreement, the Series Standby Servicer is required to perform all of the Services in terms of the Series Servicer Agreement, the Series Standby Servicer will be entitled to:
  - purchase, at fair market value, all of the machines and equipment owned by the Series Servicer and dedicated only to providing the Services in terms of the Series Servicer Agreement;
  - the extent that such contracts are assignable, obtain transfer or assignment from the Series Servicer of any third party contracts concluded by the Series Servicer in order to provide the Services in terms of the Series Servicer Agreement, it being recorded that such third party contracts include, among other

things, hardware and software maintenance and back-up contracts, disaster recovery contracts, systems and applications software licences and equipment rental contracts;

- where applicable, a royalty free licence to use, on a non-exclusive basis, the Series Servicer's proprietary software but only for the purposes of the Series Standby Servicer providing the Services in terms of the Series Servicer Agreement.

In terms of the Series Servicer Agreement, the Series Servicer has agreed to apply and maintain a suitable disaster data and systems recovery plan. The Series Servicer will procure that all data backed up will be stored in a secure environment such that it can be retrieved and put into operation within 48 hours of a disaster. For this purpose a "disaster" is an event which will disrupt the Series Servicer's on-line availability for more than 48 consecutive hours. In terms of the Series Servicer Agreement the Series Servicer will:

- a) on a regular basis, but not less frequently than at 6 monthly intervals, conduct a full disaster systems and data recovery exercise of all operational systems;
- b) ensure that the results of such disaster recovery tests are made available to the Series Servicer's external auditors, the Issuer, the Series Manager, the Series Security SPV and the Series Standby Servicer (if any);
- c) if requested to do so by the Issuer, the Series Manager, the Series Security SPV or the Series Standby Servicer (if any), procure that the Series Servicer's external auditors report to such persons as to whether the Series Servicer has a data and systems recovery plan, whether such plan has been tested and whether or not the Series Servicer has informed it of the results of such disaster recovery tests;
- d) where applicable, on the written request of the Series Standby Servicer, make available to the Series Standby Servicer all software, systems, data, information and back-up tapes, subject to the terms of the relevant software licences, that will enable the Series Standby Servicer to take over the provision of the Services at any point in time;
- e) where applicable, subject to the terms of the relevant software licences, actively assist the Series Standby Servicer in putting all systems and backed-up data into operation in the event that the Series Standby Servicer is required to render the Services at any point in time.

The Series Servicer has, in terms of the Series Servicer Agreement, undertaken to maintain the arrangements set out above without material alteration. Any replacement arrangements which are materially different may not be put in place unless the Series Security SPV, the Series Manager and the Series Standby Servicer (if any) have provided their prior written consent (which may not be unreasonably withheld or delayed).

**Section 17****DESCRIPTION OF THE SERIES MANAGER AND THE MANAGEMENT SERVICES**Management Services

In terms of the Series Manager Agreement, the Issuer has appointed Sasfin, on and with effect from the Restatement Date, as the Series Manager in respect of this Series, and as the Issuer's lawful agent, in the name and on behalf of the Issuer, to perform all of the Management Services. The Management Services include, among other things, advising the Issuer on its compliance with the Applicable Terms and Conditions and the other Series Transaction Agreements, maintaining books of account and preparing management accounts for the Issuer in respect of this Series, measuring whether there is an Amortisation Event and generally performing all such other services in respect of this Series as the Series Manager determines is necessary to ensure the efficient and effective management of the Issuer and its business.

The Series Manager, in its capacity as such, will not be liable as primary debtor or guarantor, or in any other way be responsible, for the indebtedness or any other obligation of the Issuer under any Series Transaction Agreement.

Remuneration and termination of appointment

The Issuer will pay the Series Manager the Management Fee, on the basis set out in the Series Manager Agreement and subject to the Priority of Payments, in consideration for the performance by the Series Manager of the Management Services under the Series Manager Agreement.

If a Series Manager Event of Default occurs, the Issuer (with the consent of the Series Security SPV) or the Series Security SPV (in its sole and absolute discretion) may, by written notice to the Series Manager given at any time whilst such Series Manager Event of Default is continuing, (i) terminate the Series Manager's appointment under the Series Manager Agreement or (ii) claim immediate specific performance of all of the Series Manager's obligations under the Series Manager Agreement which are then due for performance, as the case may be.

If Sasfin's appointment as Series Manager is terminated pursuant to the Series Manager Agreement, the Series Security SPV will, on behalf of the Issuer, appoint a Substitute Series Manager in the place of the Series Manager, subject to certain conditions set out in the Series Manager Agreement, to perform all of the Management Services under the Series Manager Agreement.

## **Section 18**

### **DESCRIPTION OF THE NOTE SPECIFIC LIQUIDITY FACILITY AGREEMENTS**

In terms of the Master Note Specific Liquidity Facility Agreement, the Master Note Specific Liquidity Facility Provider will, among other things, use reasonable commercial endeavours to procure that the Issuer enters into appropriate Note Specific Liquidity Facility Agreement(s) with Note Specific Liquidity Facility Provider(s) (or, where applicable, executes appropriate Note Specific Liquidity Supplement(s)) in respect of one or more Tranche(s) of Notes, selected by the Issuer, having Scheduled Maturity Date(s) which fall 364 days (or less) after the Issue Date(s). The Master Note Specific Liquidity Facility Provider as at the Restatement Date is Sasfin.

The following description of the Note Specific Liquidity Agreements consists of a summary of certain provisions of the Note Specific Liquidity Facility Agreements and does not purport to be complete. This Section 18 is qualified in its entirety by reference to each Note Specific Liquidity Facility Agreement.

#### **Salient features of the Note Specific Liquidity Facility Agreements**

The Issuer will enter into Note Specific Liquidity Facility Agreement(s) (or, where applicable, execute Note Specific Liquidity Supplement(s)) in respect of one or more Tranche(s) of Notes, selected by the Issuer, having Scheduled Maturity Date(s) which fall 364 days (or less) after the Issue Date(s). The relevant Note Specific Liquidity Facility Agreement(s) will be entered into by the Issuer and the relevant Note Specific Liquidity Provider(s) (or, where applicable, the Note Specific Liquidity Supplement(s) will be executed by the Issuer and the relevant Note Specific Liquidity Provider(s)), on or before the close of business on the Business Day immediately preceding the Issue Date(s) of the relevant Tranche(s) of Notes. The relevant Note Specific Liquidity Facility Agreement (or, where applicable, the relevant Note Specific Liquidity Supplement) will set out the terms and conditions upon which liquidity facilities in respect of the relevant Tranche(s) of Notes are granted to the Issuer by the relevant Note Specific Liquidity Facility Provider.

The terms and conditions of each Note Specific Liquidity Facility Agreement will provide that:

- a) the relevant Note Specific Liquidity Commitment(s) will be an amount equal to the Outstanding Principal Amount of the relevant Tranche(s) of Notes on the Scheduled Maturity Date(s);
- b) the Issuer may only draw down amounts under the relevant Note Specific Liquidity Facility Agreement on the Scheduled Maturity Date(s) of the relevant Tranche(s) of Notes;
- c) the Issuer may only draw down amounts under the relevant Note Specific Liquidity Facility Agreement in order to provide for and/or cover timing mismatches between receipt(s) by the Issuer of Equipment Lease Payments and payment(s) by the Issuer of the Outstanding Principal Amount of the relevant Tranche(s) of Notes on the Scheduled Maturity Date(s);
- d) all and any amounts drawn down by the Issuer under the relevant Note Specific Liquidity Facility Agreement may only be used by the Issuer to meet its obligations to pay the Outstanding Principal Amount of the relevant Tranche(s) of Notes on the Scheduled Maturity Date(s), subject to and in accordance with the Pre-Enforcement Priority of Payments;
- e) the Issuer may not draw down any amounts under the relevant Note Specific Liquidity Facility if such draw down would result in the relevant Note Specific Liquidity Commitment being exceeded and/or if a Liquidity Cancellation Event has occurred;

- f) the Issuer may not draw down any amounts under the relevant Note Specific Liquidity Facility Agreement for any purpose other than to pay the Outstanding Principal Amount of the relevant Tranche(s) of Notes on the Scheduled Maturity Date(s) and, without limiting the generality of the foregoing;
- the Issuer may not draw down any amounts under the relevant Note Specific Liquidity Facility Agreement to repay any capital or interest owing by the Issuer in terms of any Note Specific Liquidity Facility Agreement and/or to cover losses sustained by the Issuer in relation to this Series and/or the Programme; and
  - the relevant Note Specific Liquidity Facility Agreement may not be used by the Issuer as a permanent revolving facility in order to provide credit enhancement to the Issuer, this Series and/or the Programme;
- g) all amounts drawn down by the Issuer under the Note Specific Liquidity Facility Agreement(s) will be repaid by the Issuer to the Note Specific Liquidity Facility Provider(s), subject to and in accordance with the Pre-Enforcement Priority of Payments, on the basis that capital amounts drawn down first in time will be repaid first in time.

A "Liquidity Cancellation Event" is (a) an event which results in it being or becoming illegal for the relevant Note Specific Liquidity Facility Provider, under Applicable Laws, to advance the relevant Note Specific Liquidity Commitment (or any portion thereof) under the relevant Note Specific Liquidity Facility Agreement and/or to maintain the relevant Note Specific Liquidity Commitment (or any portion thereof) and/or (b) the occurrence of an Event of Default.

#### **Downgrading of the Note Specific Liquidity Facility Provider**

If the rating of a Note Specific Liquidity Facility Provider is downgraded to below the Required Credit Rating, then as soon as reasonably possible after becoming aware of such downgrade, the Master Note Specific Liquidity Facility Provider will ensure that:

- a) the Issuer enforces its rights under the relevant Note Specific Liquidity Facility Agreement in order to ensure that the relevant Note Specific Liquidity Facility Provider will, in accordance with the terms of the relevant Note Specific Liquidity Facility Agreement, within thirty days of such downgrade, appoint a replacement Note Specific Liquidity Facility Provider; or
- b) the relevant Note Specific Liquidity Facility Provider:
- enters into a Standby Liquidity Collateral Account Bank Agreement; and
  - opens a Standby Liquidity Collateral Account with the relevant Standby Collateral Account Bank; and
  - deposits, into the relevant Standby Liquidity Collateral Account, an amount equal to the balance of the relevant Note Specific Liquidity Commitment available to be drawn down by the Issuer under the relevant Note Specific Liquidity Facility Agreement as at the date of such downgrade; and
  - cedes to the Issuer all of the relevant Note Specific Liquidity Facility Provider's right, title and interest in and to the relevant Standby Liquidity Collateral Account (including all amounts standing to the credit thereof) as security for the relevant Note Specific Liquidity Facility Provider's obligations to the Issuer in terms of the relevant Note Specific Liquidity Facility Agreement.

**Miscellaneous**

The Issuer will have no recourse against any Note Specific Liquidity Facility Provider other than pursuant to the obligations of that Note Specific Liquidity Facility Provider provided for in the relevant Note Specific Liquidity Facility Agreement.

The obligations of a Note Specific Liquidity Facility Provider under the relevant Note Specific Liquidity Facility Agreement will not be significantly greater than the salient obligations of a Note Specific Liquidity Facility Provider described in this Section 18. No Note Specific Liquidity Facility Provider (in its capacity as such) will support this Series and/or the Programme beyond the obligations of that Note Specific Liquidity Facility Provider provided for in the relevant Note Specific Liquidity Facility Agreement.

It is expressly recorded that the Issuer may not draw down any amounts under any Note Specific Liquidity Facility Agreement to cover losses sustained by the Issuer in relation to this Series and/or the Programme and no Note Specific Liquidity Facility Agreement may be used by the Issuer as a permanent revolving facility in order to provide credit enhancement to the Issuer, this Series and/or the Programme.



## Section 19

### DESCRIPTION OF THE CREDIT ENHANCEMENT ARRANGEMENTS

The following description of the Credit Enhancement Arrangements applicable to this Series consists of a summary of certain provisions of the relevant Series Transaction Agreements and does not purport to be complete. This Section 19 is qualified in its entirety by reference to the relevant Series Transaction Agreements.

#### Arrears Reserve and Reserve Fund

The Applicable Subordinated Loan and the Applicable First Loss Loan will be utilised to partially fund the Reserve Fund. The Applicable Subordinated Loan and the Applicable First Loss Loan are governed by the Applicable Subordinated Loan Agreement and the Applicable First Loss Loan Agreement. Each agreement includes a provision that the outstanding capital and interest shall not amortise until all the Notes in issue have been fully redeemed.

To the extent that surplus funds are available on the Restatement Date after funding the Reserve Fund and the Arrears Reserve to their required amounts, the surplus funds will be paid into the Transaction Bank Account and distributed in accordance with the Priority of Payments on the next Payment Date.

#### Arrears Reserve

Excess spread generated by the Issuer in relation to this Series will be available to fund losses sustained by the Issuer in relation to this Series and, in addition, to fund the Arrears Reserve (up to the Arrears Reserve Target Amount) as a hedge against future losses that could be sustained in relation to this Series. Such excess spread will provide the first level of credit enhancement in relation to this Series. In addition, the Arrears Reserve will:

- a) provide liquidity in situations where the Revenue received in a particular Due Period during the Revolving Period is not sufficient to pay Senior Expenses, Note Interest and Note Specific Liquidity Facility Interest in that Due Period;
- b) provide funds to acquire Equipment Leases during the Revolving Period where the funds available to purchase Equipment Lease(s) are less than the Principal Redemption Amount less amounts applied under Item Seventh of the Pre-Enforcement Priority of Payments applicable during the Revolving Period;
- c) support the Class A Notes when an Event of Default or an Amortisation Event occurs, by releasing all the funds in the Arrears Reserve Account to the Transaction Bank Account upon such occurrence.

The amount that is required to stand to the credit of the Arrears Reserve (the Arrears Reserve Target Amount), as at the Restatement Date or on any Measurement Date thereafter during the Revolving Period, is an amount equal to the aggregate Net Present Value of the Delinquent Equipment Leases.

#### Reserve Fund

The second level of credit enhancement will be provided through the Reserve Fund. The Reserve Fund will serve as credit enhancement for the Notes in this Series and, the First Loss Loan and the Subordinated Loan will be subordinated to the Notes in this Series. The purpose of the Reserve Fund is to provide liquidity in situations where Revenue received in a particular Due Period during the Amortisation Period does not cover Senior Expenses, Note Interest and Note Specific Liquidity Facility Interest in that Due Period.

The amount that is required to stand to the credit of the Reserve Fund (the Reserve Fund Required Amount) as at the Restatement Date will be an amount equal to at least 4,46% of the aggregate outstanding Principal Amount of the Tranche(s) of Notes issued on the Restatement Date. In respect of each proposed subsequent issue of additional Tranche(s) of Notes in this Series, the Reserve Fund Required Amount will be reviewed by the Rating Agency following an evaluation of the Equipment Leases owned by the Issuer as at the Issue Date of such Tranche(s) of Notes and, if applicable, the Equipment Leases to be acquired by the Issuer on that Issue Date.

#### Over-Collateralisation

Additional second-level credit enhancement will be provided by means of the acquisition by the Issuer of additional Equipment Leases ("**Over-Collateralisation**") up to the Over-Collateralisation Required Amount, as determined by the Series Servicer and notified in writing to the Issuer and the Security SPV ("**Series Servicer Notice**"). Additional Equipment Leases to be acquired by the Issuer for the purpose of such Over-Collateralisation shall be acquired by no later than 30 Business Days of the receipt of the Series Servicer Notice. The Applicable Subordinated Loan may be utilised to fund such Over-Collateralisation up to the Over-Collateralisation Required Amount.

#### Subordination

Each Tranche of Notes in this Series having the same ranking in the Priority of Payments will be designated by a letter of the alphabet (such as Class A Notes and Class B Notes) on the basis that a Tranche of Notes in this Series identified by a letter closer to the beginning of the alphabet will rank higher than a Tranche of Notes in this Series identified by a letter closer to the end of the alphabet. A Class may comprise separate Series of Notes having different Interest Rates, Scheduled Maturity Dates, Final Maturity Dates and other terms as set out in the Applicable Pricing Supplement and, in this event, each such Series of Notes will be designated by a letter of the alphabet followed by a numeral, such as Class A1 Notes and Class A2 Notes.

The obligations of the Issuer under a Class of Notes identified by any letter of the alphabet (such as Class C Notes) will be subordinated to each Class of Notes (that is Class A Notes and Class B Notes) identified by any letter of the alphabet which is closer to the beginning of the alphabet than the first-mentioned letter of the alphabet.

## Section 20

### DESCRIPTION OF THE SERIES HEDGE ARRANGEMENTS

The Series Hedge Counterparty(ies) will be each Eligible Institution having the Required Credit Rating or which the Rating Agency, after having been furnished with 10 Business Days' prior written notice, has not informed the Issuer that its respective current Rating(s) of the Notes in that Series then in issue would be adversely affected, as the case may be, selected by the Issuer as a Series Hedge Counterparty for purposes of this Series.

If the rating of a Series Hedge Counterparty is downgraded by Fitch to below the Required Credit Rating, then such Series Hedge Counterparty shall:

- a) within 14 (fourteen) days after becoming aware of such downgrade, post cash collateral in an amount equal to the mark-to-market value of the relevant interest rate swap and/or other derivative contract contemplated in the relevant Series Hedge Agreement, as determined in accordance with the applicable Rating Agency criteria and verified by the Reference Bank nominated by the Series Manager; or
- b) within 30 (thirty) days after becoming aware of such downgrade, procure the appointment of a suitable Eligible Institution to act as Series Hedge Counterparty in its place; or
- c) within 30 (thirty) days after becoming aware of such downgrade, obtain a guarantee from a suitable Eligible Institution in respect of its obligations to the Issuer.

The Series Manager will approve the Series Hedge Agreement(s) to be entered into by the Series Manager (as agent for and on behalf of the Issuer) with the Series Hedge Counterparty(ies) (i) in order to hedge the potential interest rate risk arising from amounts payable by the Issuer in respect of the Equipment Leases purchased by the Issuer and/or Tranche(s) of Notes in this Series and/or (ii) in order to mitigate any other risk or exposure the Issuer may have in relation to this Series.

On each Payment Date during the Revolving Period, the Series Manager (as agent for and on behalf of the Issuer) will enter into the Series Hedge Agreement(s) approved by the Series Manager in terms of the Series Manager Agreement, with the relevant Series Hedge Counterparty(ies) in respect of, among other things, fixed rate Equipment Leases purchased by the Issuer on that Payment Date.

**Section 21****SECURITISATION REGULATIONS**

The Registrar of Banks confirmed, on 12 July 2007 (as read with the approval letter from the Registrar of Banks dated 20 January 2011), that the Issuer is authorised to issue the Notes in this Series under the Programme, pursuant to the Programme Memorandum as read with this Series Supplement, for purposes of the securitisation scheme contemplated in the Programme, in accordance with and subject to the Securitisation Regulations.

The Notes in this Series will be issued for purposes of the securitisation scheme contemplated in the Programme in accordance with the Securitisation Regulations. The text of the report of the Auditors provided in accordance with paragraphs 15(1)(a)(ii) and 16(2)(a)(vii) of the Securitisation Regulations is attached to this Series Supplement as Annexure "A". The Auditors have confirmed that nothing has come to their attention to indicate that the issue of Notes in this Series, under the Programme, pursuant to the Programme Memorandum as read with this Series Supplement, for purposes of the securitisation scheme contemplated in the Programme will not comply in all respects with the relevant provisions of the Securitisation Regulations.

The additional information required to be disclosed in terms of paragraph 16 of the Securitisation Regulations is set out in this Series Supplement, except where such information is disclosed in the Programme Memorandum.

**Section 22****MATERIAL CHANGE**

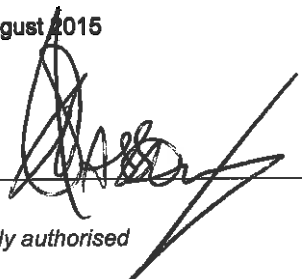
After due and careful inquiry, but without any involvement by the auditors, the issuer confirms that there has been no material change in the financial or trading position of the Issuer since the date of the Issuer's latest audited financial statements up to the date of this Series Supplement.

**South African Securitisation Programme (RF) Limited**

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

*Director, duly authorised*

Date: 12 August 2015

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

*Director, duly authorised*

Date: 12 August 2015

## ANNEXURE "A"

### AUDITORS REPORT

*The following is the text of the letter by KPMG, confirming that the issue of the Notes under the Programme as detailed in the Programme Memorandum and the Series Supplement complies in all respects with the provisions of the Securitisation Notice promulgated in Government Notice No. 2 (Government Gazette 30628 of 1 January 2008) pursuant to the provisions of the Banks Act, 1990:*

**"INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF SOUTH AFRICAN SECURITISATION PROGRAMME (RF) LIMITED ON COMPLIANCE OF THE PROPOSED ISSUE BY SOUTH AFRICAN SECURITISATION PROGRAMME (RF) LIMITED OF UP TO ZAR5,000,000,000 NOTES PURSUANT TO THE MULTI-SELLER SEGREGATED ASSET BACKED NOTE PROGRAMME AS DESCRIBED IN THE PROGRAMME MEMORANDUM TO BE DATED ON OR ABOUT [INSERT], WITH THE RELEVANT PROVISIONS OF THE SECURITISATION REGULATIONS (GOVERNMENT NOTICE 2, GOVERNMENT GAZETTE 30628 OF 1 JANUARY 2008) ISSUED BY THE REGISTRAR OF BANKS, AS REQUIRED BY PARAGRAPHS 15(1)(a)(II) and 16(2)(a)(vii) OF THE SAID NOTICE.**

#### Introduction

As required by paragraphs 15(1)(a)(ii) and 16(2)(a)(vii) of the Securitisation Regulations (Government Notice 2, Government Gazette 30628 of 1 January 2008) issued by the Registrar of Banks (the "**Securitisation Regulations**"), we have reviewed whether or not the issue of up to ZAR5,000,000,000 limited recourse secured notes (the "**Notes**") by South African Securitisation Programme (RF) Limited (the "**Issuer**") pursuant to the Multi-Seller Segregated Asset Backed Note Programme (the "**Programme**"), as documented in the Programme Memorandum and the Series Supplement to be dated on or about [insert] (the "**Programme Memorandum**"), will be compliant with the relevant provisions of the Securitisation Regulations.

We conducted our work in accordance with the International Standard on Assurance Engagements ISAE 3000 (*Assurance engagements other than audits or reviews of historical financial information*).

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

#### Scope

Our work was generally limited to an examination of the Programme Memorandum, with regard to compliance with the relevant provisions of the Securitisation Regulations.

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

#### Findings

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

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

Yours faithfully,

KPMG

Registered Auditors

Per *[insert auditor's name]*

Partner

*[insert date]*

**ISSUER****South African Securitisation Programme (RF) Limited**

29 Scott Street  
Waverley, 2090  
Johannesburg South Africa  
PO Box 95104  
Grant Park, 2051  
Contact: Mr D Govender

**SERIES SECURITY SPV****ERS No. 1 Security SPV Proprietary Limited**

c/o Maitland Trustees Proprietary Limited (formerly Steinway Trustees Proprietary Limited)  
32 Fricker Road  
Illovo  
Sandton, 2196  
South Africa  
PO Box 781396  
Sandton, 2146  
Contact: Mr D Lorimer

**SERIES SELLER  
AND SERIES SERVICER****Sasfin Bank Limited**

29 Scott Street  
Waverley, 2090  
Johannesburg  
South Africa  
PO Box 95104  
Grant Park, 2051  
Contact: Mr D Govender

**TRANSFER AGENT****Nedbank Capital****(a division of Nedbank Limited)**

135 Rivonia Road  
Sandton, 2196  
South Africa  
PO Box 1144  
Johannesburg 2000  
Contact: Mr RC Hayne

**PAYING AGENT****Nedbank Limited**

Braampark Forum IV  
2<sup>nd</sup> Floor  
33 Hoofd Street  
Braamfontein, 2001  
PO Box 1144  
Johannesburg 2000  
South Africa Contact: Mrs L. Currie

**SERIES MANAGER****Sasfin Bank Limited**

29 Scott Street  
Waverley, 2090  
Johannesburg  
South Africa  
PO Box 95104  
Grant Park, 2051  
Contact: Mr D Govender

**LEGAL ADVISERS TO THE ARRANGER,  
THE ISSUER AND THE SERIES SECURITY SPV****Edward Nathan Sonnenbergs Inc**

150 West Street  
Sandown  
Sandton, 2196  
PO Box 783347  
Sandton, 2146  
Contact: Mr S von Schirnding



**INDEPENDENT AUDITORS TO THE ISSUER AND THE SERIES SECURITY SPV  
AND JOINT INDEPENDENT AUDITORS TO THE SERIES SELLER  
KPMG**

KPMG Crescent  
85 Empire Road  
Parktown  
2193  
Private Bag 9  
Parkview  
2122  
Contact: Joeline Pearce

- 3.2.10. any procedural step is taken by the Series Servicer (including an application, a proposal or a convening of a meeting) with a view to a compromise or arrangement with any of its creditors generally or any significant class of its creditors; or
- 3.2.11. the Series Servicer commits any act which is or, if it were a natural person, would be an act of insolvency as defined in the Insolvency Act; or
- 3.2.12. the Series Servicer is deemed to be unable to pay its debts in terms of the Companies Act; or
- 3.2.13. the Series Servicer alienates or encumbers (without the prior written consent of the Series Security SPV, which consent shall not unreasonably be withheld or delayed) the whole or a major portion of its assets required to render the Services, which adversely affects its ability to render the Services; or
- 3.2.14. it is or becomes unlawful for the Series Servicer to perform any of its obligations under the Series Servicer Agreement and, if such event is not remedied within 20 (twenty) days after the Series Servicer becomes actually aware of the occurrence of such unlawfulness, the Series Security SPV has certified to the Issuer and the Series Servicer that such event is, in its reasonable opinion, materially prejudicial to the interests of the Noteholders; or
- 3.2.15. any material consent, licence, permit or authorisation required by the Series Servicer for the conduct of the Services, is revoked, withdrawn, materially altered or not renewed and such event is not remedied within 14 (fourteen) days after the Series Servicer becomes actually aware of the occurrence of such event; or
- 3.2.16. the Series Servicer has any judgement or similar award ("**judgement**") awarded against it and fails to satisfy such judgement within 30 (thirty) days after becoming aware thereof, or:
  - 3.2.16.1. if such judgement is appealable, fails to appeal against such judgement within the time limits prescribed by law or fails to diligently prosecute such appeal thereafter or ultimately fails in such appeal and then fails to satisfy such judgement within 10 (ten) days; and/or
  - 3.2.16.2. if such judgement is a default judgement, fails to apply for the rescission thereof within the time limits prescribed by law or fails to diligently prosecute such application thereafter or ultimately fails in such application and then fails to satisfy such judgement within 10 (ten) days; and/or
  - 3.2.16.3. if such judgement is reviewable, fails to initiate proceedings for the review thereof within the time limits prescribed by law or fails to diligently prosecute such proceedings thereafter or ultimately fails in such proceedings and then fails to satisfy such judgement within 10 (ten) days; or

3.2.17. except in connection with a change of control of the Series Servicer to which the Series Security SPV has given its prior written consent and in respect of which the Rating Agency, after having been furnished with 10 Business Days' prior written notice, has not informed the Issuer that the proposed change of control of the Series Servicer would cause the Rating(s) of the Notes in this Series then in issue to be downgraded or withdrawn by the Rating Agency, the Series Servicer ceases to be controlled by the person that controls it at the Date of Signature and, for purposes of this Series Condition 3.2.17, the Series Servicer shall be deemed to be controlled by any person or entity which directly or indirectly and whether in law or effect:

3.2.17.1. beneficially owns the majority in number of the shares in the Series Servicer's issued share capital; or

3.2.17.2. has the right or obligation to direct the manner in which the majority of the votes attaching to any class of shares in the issued share capital of the Series Servicer is exercised at meetings of shareholders of the Series Servicer; or

3.2.17.3. has the right or obligation to appoint or remove directors holding a majority of the voting rights at meetings of the Series Servicer's board of directors.

#### 4. REDEMPTIONS

##### 4.1. Mandatory redemption in part (Amortisation Period)

4.1.1. On each Interest Payment Date that falls on the Amortisation Date or during the Amortisation Period, the Issuer shall partially redeem each Note in each Tranche of Notes in this Series (regardless of the Scheduled Maturity Dates of such Tranches of Notes), in reducing order of rank (and *pari passu* if of equal rank) as determined by the respective Classes of all of such Notes, to the extent permitted by and in accordance with the Pre-Enforcement Priority of Payments applicable during the Amortisation Period, until the Outstanding Principal Amount of such Note is reduced to zero.

4.1.2. The aggregate portion of the Outstanding Principal Amount to be repaid pursuant to the partial redemption, in terms of Series Condition 4.1.1, of each Note in a Class of Notes on each Interest Payment Date shall be the amount allocated for the partial redemption of the Notes in that Class of Notes in accordance with the Pre-Enforcement Priority of Payments applicable during the Amortisation Period on such Interest Payment Date. Such amount shall be allocated *pro-rata* to such Note in the proportion which the Outstanding Principal Amount of such Note bears to the aggregate Outstanding Principal Amount of all of the Notes in that Class of Notes (regardless of the Scheduled Maturity Dates of the Tranches of Notes comprising that Class of Notes), rounded to the nearest Rand, provided always that no such amount may exceed the Outstanding Principal Amount of such Note.

#### 4.2. **Early redemption at the option of the Issuer**

If the Issuer has not exercised the Refinancing Option or the Prefinancing Option, as the case may be, in respect of a Tranche of Notes in this Series, the Issuer may at its option, having given not less than 30 (thirty) and not more than 60 (sixty) days' notice to the Series Security SPV, the Transfer Agent, the Series Manager, and the Noteholders (in the manner set out in Condition 21.1 of the Terms and Conditions) (which notice shall be irrevocable) redeem all, but not only some, of the Notes in that Tranche, on any Interest Payment Date falling after the Scheduled Maturity Date (which Interest Payment Date shall be stipulated in such notice), at its Outstanding Principal Amount, together with interest (if any) accrued to that Interest Payment Date; provided that, prior to giving such notice, the Issuer shall have provided to the Series Security SPV a certificate signed by 2 (two) directors of the Issuer to the effect that the Issuer will have Available Funds, in terms of the Priority of Payments, to redeem all of the Notes in that Tranche in terms of this Series Condition 4.2.

#### 4.3. **Scheduled Redemption of certain Notes**

If the Issuer has entered into a Note Specific Liquidity Facility Agreement (or, where applicable, executed a Note Specific Liquidity Supplement) in respect of a Tranche of Notes having a Scheduled Maturity Date which falls 364 days (or less) after the Issue Date, the Issuer shall redeem each Note in that Tranche at its Outstanding Principal Amount on the Scheduled Maturity Date, together with interest (if any) accrued to the Scheduled Maturity Date, on the basis set out in the Applicable Pricing Supplement.

#### 4.4. **Mandatory redemption in part (Amortising Notes)**

4.4.1. If the Notes in a Tranche are Amortising Notes, the Issuer shall partially redeem each Amortising Note on each Interest Payment Date on and as from the Issue Date, in reducing order of rank (and *pari passu* if of equal rank) as determined by the respective Classes of all of the Amortising Notes, to the extent permitted by and in accordance with the Pre-Enforcement Priority of Payments applicable during the Revolving Period, until the Outstanding Principal Amount of such Amortising Note is reduced to zero.

4.4.2. The aggregate portion of the Principal Amount to be repaid pursuant to the partial redemption, in terms of Series Condition 4.4.1, of each Amortising Note in a Class of Notes on each Interest Payment Date shall be the amount allocated for the partial redemption of Amortising Notes in that Class of Notes in accordance with the Priority of Payments applicable during the Revolving Period on such Interest Payment Date. Such amount shall be allocated *pro-rata* to such Amortising Note in the proportion which the Outstanding Principal Amount of such Amortising Note bears to the aggregate Outstanding Principal Amount of all of the Amortising Notes in that Class of Notes, rounded to the nearest Rand, provided always that no such amount may exceed the Outstanding Principal Amount of such Amortising Note.