

Series Supplement dated 16 November 2016

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 2 (“Lease and Rental Finance Series”)

The Series Supplement published by South African Securitisation Programme (RF) Limited (the “**Issuer**”) dated 6 November 2013 (the “**Previous Series Supplement**”) is replaced and superseded by this Series Supplement, on and with effect from the date of the initial issuance of Refinancing Notes under this Series Supplement, being 21 November 2016, 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 (“**Programme Memorandum**”).

This document constitutes the Series Supplement relating to Series 2 (“Lease and Rental Finance 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 (LRF Security SPV (RF)

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 applicable in terms of the Applicable Pricing Supplement, provided the Issuer has not exercised the Refinancing Option or the Prefinancing Option, as the case may be, in respect of a Tranche of Callable Notes in this Series, the Issuer may at its option, redeem some or all of the Notes in that Tranche, at its Outstanding Principal Amount on any Interest Payment Date falling prior to the Final 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 Series 2 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 Series 2 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 Series 2 Priority of Payments (see Section 9 of this Series Supplement headed "*Series 2 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 30 July 2013, 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 was approved by the JSE on 12 August 2015 and this restated and amended Series Supplement was approved by the JSE on 16 November 2016.

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:

- a) the memorandum of incorporation of the Series Security SPV;
- b) the Series Common Terms Agreement;
- c) the Series Manager Agreement;
- d) the Series Servicer Agreement;
- e) the Series Preference Share Subscription Agreement;
- f) each Series Sale Agreement;
- g) each Series Subordinated Loan Agreement;
- h) each Series First Loss Loan Agreement;
- i) each Standby Liquidity Collateral Account Bank Agreement (if any);
- j) each Series Bank Agreement;
- k) each Series Hedge Agreement;
- l) the Master Note Specific Liquidity Facility Agreement (if any);
- m) each Note Specific Liquidity Facility Agreement (if any);
- n) the Series Guarantee;
- o) the Series Indemnity;
- p) the Series Issuer Security Agreement;
- q) the Programme Memorandum;
- r) each Series Supplement Annexure;
- s) each Applicable Pricing Supplement relating to each Tranche of Notes in this Series;
- t) each monthly register made available by the CSD Participants to the CSD;
- u) all information pertaining to the Issuer which is relevant to this Series (including any change to the respective Rating(s) of the Notes in issue) which is electronically disseminated by the Stock Exchange News Service ("**SENS**") established by the JSE, to SENS subscribers, from time to time.

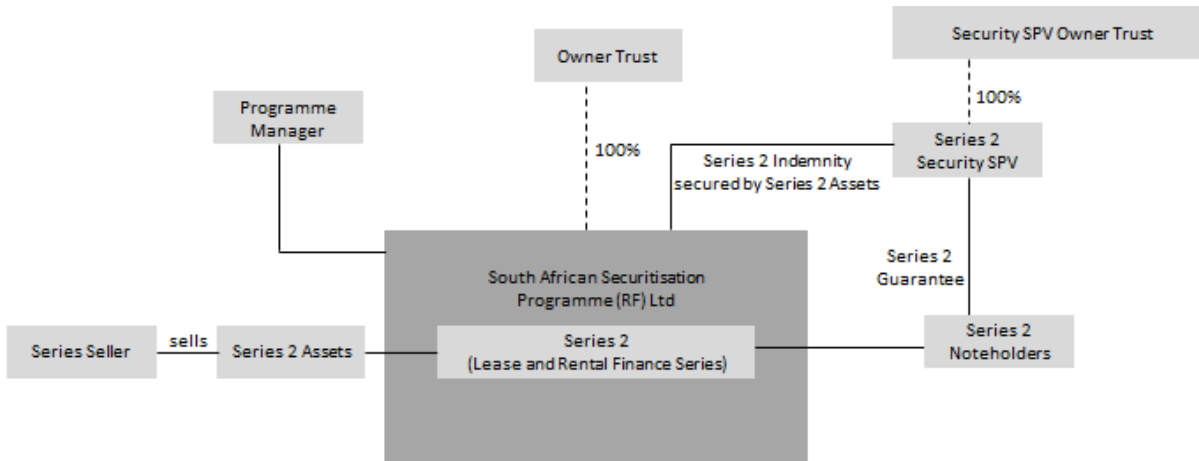
The Issuer will provide at the address of the Issuer as set out at the end of this Series Supplement, without charge, a copy of this Series Supplement and any or all of the documents which are incorporated herein by reference, unless such documents have been modified or superseded, in which case the modified or superseding documentation will be provided (including without limitation, the most recently obtained register made available by the CSD Participants to the CSD). This Series Supplement and the documents listed in paragraphs (q), (r) and (s) will further be made available on the Issuer's website at www.sasfin.co.za. Should any person have difficulty in attaining the documents incorporated by reference, they may contact 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 Series 2 Participating Assets 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 Series 2 Available Funds under the Series 2 Priority of Payments and the proceeds of the issue of Series 2 Participating Asset Financing Notes.

Sasfin, as the Series Servicer, will continue to manage the Series 2 Participating Assets, 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 Series Standby 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 Series Supplement 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 Series 2 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 Series 2 Participating Assets owned by the Issuer as at the Issue Date of such Tranche(s) of Notes and, if applicable, the Series 2 Participating Assets 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 Series Supplement Date or on any Measurement Date thereafter during the Revolving Period, is an amount equal to the aggregate Net Present Value of the Delinquent Series 2 Participating Assets. 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 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 Series 2 Participating Asset 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 Series 2 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.

Description of the Programme	South African Securitisation Programme (RF) Limited ZAR5 billion Multi-Seller Segregated Asset Backed Note Programme.
Programme Amount	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> ".
Series description	Series 2 (“Lease and Rental Finance Series”) under the Programme, to which this Series Supplement is applicable.
Issuer	South African Securitisation Programme (RF) Limited.
Series Seller(s)	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.
Series Secured Creditors	Each of the creditors of the Issuer in respect of this Series (including the Noteholders) set out in the Series 2 Priority of Payments that is a party to a Series Transaction Agreement (see Section 9 of this Series Supplement headed " <i>Series 2 Priority of Payments</i> ").
Series Security SPV	LRF Security SPV (RF) Proprietary Limited.
Series Manager	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> ").
Series Servicer	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> ").
Series Standby Servicer	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> ").
Series Preference Shareholder	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

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 Series 2 Priority of Payments.

Series Subordinated Lender(s)	Sasfin and each other person selected by the Issuer as a Series Subordinated Lender for purposes of this Series.
Series First Loss Loan Provider(s)	Sasfin and each other person selected by the Issuer as a First Loss Loan Provider for purposes of this Series.
Series Hedge Counterparty(ies)	Each Eligible Institution having the Required Credit Rating or which the Rating Agency, after having been furnished with 10 (ten) 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 Series Supplement Date is Nedbank.
Master Note Specific Liquidity Facility Provider	Each Eligible Institution having the Required Credit Rating or which the Rating Agency, after having been furnished with 10 (ten) 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, in terms of the Master Note Specific Liquidity Facility Agreement, as a Master Note Specific Liquidity Facility Provider for purposes of this Series.
Note Specific Liquidity Facility Provider(s)	Each Eligible Institution having the Required Credit Rating or which the Rating Agency, after having been furnished with 10 (ten) 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).
Series Account Bank	Sasfin, 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 (ten) 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.
Standby Collateral Account Bank	The Eligible Institution which is a Bank, having the Required Credit Rating or which the Rating Agency, after having been furnished with 10 (ten) 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.

Rating Agency	GCR or such other Rating Agency as may be appointed by the Issuer with the prior written consent of the Series Security SPV.
Series Assets	<p>The Series Assets relating to this Series are the assets of the Issuer in respect of this Series (whether in cash or other property), including:</p> <ul style="list-style-type: none"> a) the Series 2 Participating Assets 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 2 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. <p>The Issuer will only be able to purchase Series 2 Participating Assets 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 "<i>Description of the Series 2 Participating Assets and the Series Sale Agreements</i>". 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.</p>
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 2 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*”).

Form of Notes	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> ”).
Noteholders	Subject to Condition 4 of the Terms and Conditions, the holders of Notes in this Series.
JSE approval and listing	The Programme Memorandum was approved by the JSE on 12 August 2015 and this Series Supplement was approved by the JSE on 16 November 2016. 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.
Securitisation Regulations	The Registrar of Banks confirmed, on 3 July 2013, 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> ”).
Exchange Control Regulations	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.
Issue Date	The date specified as such in the Applicable Pricing Supplement relating to that Tranche.
Issue Price	The price specified as such in the Applicable Pricing Supplement relating to the relevant Tranche.
Scheduled Maturity Date	The date specified as such in the Applicable Pricing Supplement relating to the relevant Tranche.
Final Maturity Date	The date specified as such in the Applicable Pricing Supplement relating to the relevant Tranche.
Interest Rate	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.
Step-Up Margin	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.
Note Reset Date	The day falling on the first day of each Interest Period.

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 – Callable Notes	In relation to Callable Notes, if the Issuer has not exercised the Refinancing Option or the Prefinancing Option, as the case may be, in respect of a Tranche of Callable Notes in this Series, the Issuer may at its option if so specified in the Applicable Pricing Supplement, redeem some or all of the Notes in that Tranche at its Outstanding Principal Amount, on any Interest Payment Date falling prior to the Final 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 <i>pari passu</i> 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 Series 2 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.

Mandatory redemption in part (Amortisation Period)

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 *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 Series 2 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.

Mandatory redemption following a Guarantee Event

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.

Revolving Period

The Revolving Period is the period from and including the Series Supplement Date to but excluding the Revolving Period End Date during which, among other things, the Issuer may purchase Series 2 Participating Assets 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 Series Supplement Date is the date of the initial issuance of Refinancing Notes under this Series Supplement, being 21 November 2016 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.

Amortisation Event

An Amortisation Event is:

- a) the occurrence of a Series Servicer Event of Default (as contemplated in Series Condition 3.2 of the Series Conditions); 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 Series 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 Series 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 Series 2 Participating Assets

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 (thirty) Business Days from the occurrence of a Deferred Tax Liability Increase so many additional Series 2 Participating Assets to cover such Deferred Tax Liability Increase as shall be determined by the Series Servicer and specified in the Series Servicer Notice.

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 of the Series Conditions. During the Amortisation Period no Series 2 Participating Assets 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.

Further issues of Notes in this Series

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.

Use of proceeds

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.

Status and 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 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 Series 2 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 Series 2 Priority of Payments.

Series 2 Priority of Payments

The Series 2 Priority of Payments is set out in Section 9 of this Series Supplement headed "*Series 2 Priority of Payments*". The Series 2 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 Series 2 Priority of Payments will apply prior to the Enforcement Date. The Pre-Enforcement Series 2 Priority of Payments set out in

paragraph 2 of Section 9 will apply during the Revolving Period. The Pre-Enforcement Series 2 Priority of Payments set out in paragraph 3 of Section 9 will apply during the Amortisation Period. The Post-Enforcement Series 2 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 Series 2 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 Series 2 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 Series 2 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

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 2 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 Obligors 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 Series 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 Series 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 Series 2 Participating Assets 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 (thirty) Business Days from the occurrence of a Deferred Tax Liability Increase so many additional Series 2 Participating Assets 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 Series 2 Participating Asset, the Payment Date on which the relevant Series Seller sells (or proposes to sell) that Series 2 Participating Asset 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 2 Bank Account into which amounts representing the Arrears Reserve are held;

"Arrears Reserve Target Amount" means:

- a) at the Series Supplement Date or on any Measurement Date thereafter during the Revolving Period, an amount equal to the aggregate Net Present Value of the Delinquent Series 2 Participating Assets; 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 Series 2 Participating Asset" means a Series 2 Participating Asset in respect of which the final Series 2 Participating Asset Payment exceeds the maximum escalation per annum of 15% in circumstances where such final Series 2 Participating Asset Payment is payable by the Obligor under that Series 2 Participating Asset;

"Balloon Series 2 Participating Asset Advance" means, in relation to a Balloon Series 2 Participating Asset as at any date, an amount equal to the present value, as at that date, of the final Series 2 Participating Asset Payment payable by the Obligor under that Balloon Series 2 Participating Asset, determined by discounting the final Series 2 Participating Asset 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 Series 2 Participating Asset;

"Balloon Series 2 Participating Asset Advance Provision" means a provision in the Provisioning Account into which amounts received in respect of Balloon Series 2 Participating Asset 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 Series 2 Participating Assets as at a Payment Date, 4.5% multiplied by the aggregate Net Present Value of all of the Series 2 Participating Assets (excluding any Series 2 Participating Assets which are Series 2 Participating Assets 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 (ten) 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;

"Callable Notes" means, if applicable in terms of the Applicable Pricing Supplement and subject to the provisions of Condition 4.2, Tranches of Notes which may be redeemed by the Issuer at its option on any Interest Payment Date falling prior to the Final Maturity Date of such Callable Note;

"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 Series 2 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 Series 2 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;

"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 Series 2 Priority of Payments applicable during the Revolving Period (a) to purchase Series 2 Participating Assets 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 a Series 2 Participating Asset, all collateral security provided or granted in respect of that Series 2 Participating Asset 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 Obligor under that Series 2 Participating Asset or any Surety(ies) in terms of the Series Servicer's customary policies to secure the obligations of that Obligor under that Series 2 Participating Asset;

"Collections Accounts" means the Series 2 Bank Accounts into which Series 2 Participating Asset Payments received in respect of the Series 2 Participating Assets are deposited to the extent to which such Series 2 Participating Asset 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, 1980, as amended or replaced;

"Credit Enhancement Amount" means, as at any Issue Date after the Series Supplement 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 (ten) 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 30 September 2016;

"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 Series 2 Participating Asset" means a Series 2 Participating Asset in respect of which more than 30% of any one Series 2 Participating Asset Payment which is due and payable under that Series 2 Participating Asset 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 a Series 2 Participating Asset as at any date, an amount equal to the present value, as at that date, of all remaining scheduled Series 2 Participating Asset Payments (including unreceived scheduled Series 2 Participating Asset Payments, the final Series 2 Participating Asset Payment of a Residual Series 2 Participating Asset and the final Series 2 Participating Asset Payment of a Balloon Series 2 Participating Asset),

determined by discounting each such Series 2 Participating Asset Payment on a monthly basis (assuming a calendar year consisting of 365 days), at a rate equal to the discount rate applicable to that Series 2 Participating Asset;

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

"Early Repayment Series 2 Participating Asset" means a Series 2 Participating Asset in respect of which there has been a Termination Payment prior to the original stated maturity of that Series 2 Participating Asset;

"Eligibility Criteria" means, in relation to any Series 2 Participating Asset, the criteria set out in the Clause 4 Series Seller Warranties;

"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;

"Eligible Series 2 Participating Asset" means a Series 2 Participating Asset that complies with the Eligibility Criteria;

"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 a Series 2 Participating Asset, all equipment, excluding software equipment, which is the subject of that Series 2 Participating Asset;

"Equipment Lender" means Sasfin or its nominee;

"Equipment Loan" means, in relation to Financed Equipment Leases, the written loan agreement entered into between the Equipment Lender and the relevant Supplier in terms of which the Equipment Lender funds the acquisition by the Supplier of the Equipment forming the subject of the relevant Financed Equipment Lease;

"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;

"Financed Equipment Lease" in relation to an Equipment Loan, each Equipment lease agreement (including each master lease agreement) and each schedule, annexure or supplement to such lease agreement, specified in the Equipment Loan;

"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);

"GCR" means Global Credit Rating Co. Proprietary Limited (incorporated with limited liability under registration number 1995/005001/07 in South Africa);

"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;

"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 a Series 2 Participating Asset, 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 Series 2 Participating Asset 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 Series 2 Participating Asset 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 JSE Equity and Commodity Derivatives Markets 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 JSE Equity and Commodity Derivatives Markets 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;

"JSE Equity and Commodity Derivatives Markets" the Equity and Commodity Derivatives Markets operated by the JSE or any successor thereto;

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

- a) in relation to a Series 2 Participating Asset, the person or persons defined as the "lessee" or the "hirer" in that Series 2 Participating Asset, including, without limitation, a "lessee" under any Financed Equipment Lease;
- b) in relation to a Series 2 Participating Asset 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 Series 2 Participating Asset Payment under that Residual Series 2 Participating Asset;

"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, if applicable, the written agreement entitled "*Master Note Specific Liquidity Facility Agreement*", entered into or to be entered into between the Issuer and the Master Note Specific Liquidity Facility Provider, as amended, novated and/or substituted from time to time in accordance with its terms;

"Master Note Specific Liquidity Facility Provider" means an Eligible Institution having the Required Credit Rating, or which the Rating Agency, after having been furnished with 10 (ten) 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, 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" means, for purposes of a Due Period, the net of the following:

- a) the aggregate Net Present Value of Series 2 Participating Assets 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 Series 2 Participating Assets for the past 12 (twelve) months ending on the last day of that Due Period;

"Net Default Test Event" means an event where the Net Default Test exceeds 4%;

"Net Present Value" means, in relation to a Series 2 Participating Asset as at any date, an amount equal to (i) the Discounted Present Value of that Series 2 Participating Asset at that date plus (ii) the Series 2 Participating Asset Payments in respect of that Series 2 Participating Asset not, as at that date, paid on the due date thereof and that remain due as at that date less (iii) the Series 2 Participating Asset Payments in respect of that Series 2 Participating Asset 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 Series 2 Participating Assets in Default which became Series 2 Participating Assets 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 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, 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 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 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 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 (ten) 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;

"Obligor" means in relation to:

- a) a Series 2 Participating Asset, other than a Financed Equipment Lease, the relevant Lessee; and
- b) an Equipment Loan, the relevant Supplier;

"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 a Series 2 Participating Asset, excluding Balloon Series 2 Participating Assets and Residual Series 2 Participating Assets, 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 Series 2 Participating Assets minus the aggregate Outstanding Principal Amount of all the Notes in issue;

“Over-Collateralisation Required Amount” means an amount equal to 10% 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 Series 2 Participating Assets owned by the Issuer as at the Issue Date of such Tranche(s) of Notes and, if applicable, the Series 2 Participating Assets 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 20th day of each calendar month (or, (i) for purposes of the sale of Series 2 Participating Assets 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 8 November 2013, and specified in an Applicable Pricing Supplement, 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 Series 2 Participating Asset” means a Series 2 Participating Asset which, as at the relevant Measurement Date, is not a Delinquent Series 2 Participating Asset nor a Series 2 Participating Asset 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 Series 2 Participating Assets 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 (ten) 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 Series 2 Participating Assets 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 Series 2 Participating Assets in respect of which such Lessees (or their respective

Affiliates) are Lessees, shall not exceed 20% of the aggregate Net Present Value of all of the Series 2 Participating Assets of the Issuer on the last day of any Due Period;

- b) the total number of all Lessees, excluding Lessees who are parties to Series 2 Participating Assets in Default and Series 2 Participating Assets with a Net Present Value of zero or less, shall be 1000 (one thousand) or more;
- c) the aggregate Net Present Value of all Series 2 Participating Assets relating to Non-Scheduled Equipment shall not exceed 10% of the aggregate Net Present Value of all of the Series 2 Participating Assets of the Issuer on the last day of any Due Period and the aggregate Net Present Value of all of such Series 2 Participating Assets relating to any one Lessee (including Affiliates of such Lessee), shall not exceed 5% of the aggregate Net Present Value of all Series 2 Participating Assets relating to Non-Scheduled Equipment on the last day of any Due Period;
- d) the aggregate Net Present Value of Series 2 Participating Assets relating to any one Lessee (including any Affiliates of such Lessee), shall not exceed 7.5% of the aggregate Net Present Value of all of the Series 2 Participating Assets of the Issuer on the last day of any Due Period;
- e) the aggregate Net Present Value of all Series 2 Participating Assets where the Equipment which is the subject of such Series 2 Participating Assets is located outside the Common Monetary Area may not exceed 5% of the aggregate Net Present Value of all of the Series 2 Participating Assets of the Issuer on the last day of any Due Period;
- f) the aggregate Net Present Value of all Series 2 Participating Assets 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 Series 2 Participating Assets on the last day of any Due Period;
- g) the aggregate Net Present Value of all Series 2 Participating Assets 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 Series 2 Participating Assets on the last day of any Due Period unless the Rating Agency, after having been furnished with 10 (ten) 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 Series 2 Participating Assets relating to the 25 (twenty-five) largest Lessees (including Affiliates of such Lessees), the 25 (twenty-five) largest Lessees being determined by reference to the aggregate Net Present Value of Series 2 Participating Assets in respect of which such Lessees (or their respective Affiliates) are Lessees, shall not exceed 30% of the aggregate Net Present Value of all of the Series 2 Participating Assets of the Issuer on the last day of any Due Period;
- i) the aggregate Net Present Value of the Series 2 Participating Assets relating to the 50 (fifty) largest Lessees (including Affiliates of such Lessees), the 50 (fifty) largest Lessees being determined by reference to the aggregate Net Present Value of Series 2 Participating Assets 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 Series 2 Participating Assets 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 Series 2 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 "*Series 2 Priority of Payments*";

"Pre-Enforcement Series 2 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 "*Series 2 Priority of Payments*" or (ii) during the Amortisation Period, as set out in paragraph 3 of Section 9 of this Series Supplement headed "*Series 2 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 Series 2 Participating Asset Purchase Amount payable in respect of any Series 2 Participating Assets 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 Series 2 Participating Asset Payments, Termination Payments, Revenue Amounts, Insurance Proceeds and Series 2 Participating Asset 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 Series 2 Participating Assets in Default that became Series 2 Participating Assets 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 Series 2 Participating Assets in Default that became Series 2 Participating Assets 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;

"Provisioning Account" means the Series 2 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 Series 2 Participating Asset Advance Provision; and
- h) the Residual Series 2 Participating Asset Advance Provision;

"Quarterly Payment Date" means each third consecutive Payment Date, namely the 17th 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 Series 2 Participating Assets 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 a Series 2 Participating Asset, all guarantees, credit derivatives and/or other agreements (if any) in terms of which the credit quality or Credit Risk Rating of that Series 2 Participating Asset is enhanced;

"Replaced Series 2 Participating Asset" means a Series 2 Participating Asset that is replaced with one or more Replacement Series 2 Participating Assets in terms of the relevant Series Sale Agreement;

"Replacement Date" means, in relation to a Replaced Series 2 Participating Asset, the date upon which the replacement of that Replaced Series 2 Participating Asset with one or more Replacement Series 2 Participating Assets in terms of the relevant Series Sale Agreement becomes effective and unconditional;

"Replacement Series 2 Participating Asset(s)" means the Series 2 Participating Asset(s) that replace a Replaced Series 2 Participating Asset in terms of the relevant Series Sale Agreement;

"Required Credit Rating" means:

- a) where the Rating Agency is GCR:
- 1 in respect of Permitted Investments if a national scale ZAR currency credit rating has been assigned to the relevant investment or the relevant entity, then at least A1 on a short-term scale and/or at least AA- on a long-term scale;
 - 2 in respect of a Series Hedge Counterparty, if a national scale ZAR currency credit rating has been assigned to the Series Hedge Counterparty, then at least A1 on a short-term scale and at least A+ on a long-term scale;
 - 3 in respect of the Series Account Bank, if a national scale ZAR currency credit rating has been assigned to the Series Account Bank, then at least A1 on a short-term scale;
 - 4 in respect of a Note Specific Liquidity Facility Provider, if a national scale ZAR currency credit rating has been assigned to the Note Specific Liquidity Facility Provider, then at least A1 on a short-term scale;
 - 5 in each of the above provisions of this paragraph (a), if no national scale ZAR currency credit rating is available, and an international scale local currency rating is available, the equivalent international scale local currency rating, or such other rating, if any, which the Rating Agency confirms in writing will not adversely affect its respective currency Ratings of Tranche(s) of Notes then in issue;
 - 6 in respect of any other parties required to hold the Required Credit Rating in terms of the relevant Series Transaction Documents, the same national scale ZAR currency credit rating (if any) as that assigned by the Rating Agency to the highest-ranking Class of Notes in issue at any point in time (or

the equivalent international scale credit rating) or such other rating, if any, which the Rating Agency confirms in writing will not adversely affect its respective current Ratings of Tranche(s) of Notes then in issue, as the case may be;

b) 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 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;
- 3 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;
- 4 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;
- 5 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;
- 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 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;

c) 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 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;

- 3 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;
- 4 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;
- 5 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 2 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 2.5% 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 Series 2 Participating Assets owned by the Issuer as at the Issue Date of such Tranche(s) of Notes and, if applicable, the Series 2 Participating Assets 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 Series 2 Participating Asset" means a Series 2 Participating Asset in respect of which the final Series 2 Participating Asset Payment exceeds the maximum escalation per annum of 15% in circumstances where such final Series 2 Participating Asset Payment is payable by a person other than the Obligor under that Series 2 Participating Asset;

"Residual Series 2 Participating Asset Advance" means, in relation to a Residual Series 2 Participating Asset as at any date, an amount equal to the present value, as at that date, of the final Series 2 Participating Asset Payment payable by the relevant person (other than the Obligor) under that Residual Series 2 Participating Asset, determined by discounting the final Series 2 Participating Asset 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 Series 2 Participating Asset;

"Residual Series 2 Participating Asset Advance Provision" means a provision in the Provisioning Account into which amounts received in respect of Residual Series 2 Participating Asset Advances are transferred on the Applicable Payment Date;

"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 Series 2 Participating Asset Payments, Termination Payments, Revenue Amounts, Insurance Proceeds, Series 2 Participating Asset 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 Series 2 Participating Asset Payment that is paid in that Due Period after its respective due date therefor;

"Revenue Amount" means, in relation to all of the Series 2 Participating Assets 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 Series Supplement 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*" entered into between the Issuer, Sasfin and the Series Security SPV 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 Series 2 Participating Assets to be purchased by the Issuer from the relevant Series Seller in terms of that Series Sale Agreement, the Series 2 Participating Asset Purchase Amount and the Applicable Payment Date;

"Seller Advance" means, in relation to a Series 2 Participating Asset (where applicable), an amount equal to the first Series 2 Participating Asset Payment payable under that Series 2 Participating Asset 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 Series 2 Priority of Payments applicable during the Revolving Period;

"this Series" means Series 2 ("Lease and Rental Finance Series") under the Programme, to which this Series Supplement is applicable;

"Series Account Bank" means Sasfin, 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 (ten) 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) all of the Issuer's right, title and interest in and to, and rights and claims under each Series 2 Participating Asset 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 2 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 Agreement (the Accounts other than the Collections Accounts)" means the written agreement entitled "*Series 2 Bank Agreement (the Series Bank Accounts other than the Collection Accounts)*" entered into between Sasfin, Nedbank, the Issuer and the Series Security SPV, 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 2 Bank Agreement (the Collections Accounts)*" entered into between Sasfin, the Issuer and the Series Security SPV, as amended, novated and/or substituted from time to time in accordance with its terms;

"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 Series Servicer (if applicable), the Issuer, the Series Security SPV and the Series Account Bank(s) in respect of this Series, each 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 2 Common Terms Agreement*" entered into between the Issuer, Sasfin, Nedbank, the Series Security SPV, the Issuer Owner Trustee and the Security SPV Owner Trustee, 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 Sasfin 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 2 Guarantee*" executed by the Series Security SPV in favour of the Series Secured Creditors, 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 Nedbank Capital (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 Series 2 Participating Assets 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 (ten) 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 2 Indemnity*" executed by the Issuer in favour of the Series Security SPV, 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 2 Issuer Security Agreement*", executed by the Issuer in favour of the Series Security SPV, 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 2 Manager Agreement*", entered into between the Issuer, Sasfin and the Series Security SPV, 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 Preference Share Subscription Agreement" means the written agreement entered into between the Issuer, the Series Security SPV and Sasfin and as amended, novated and/or substituted from time to time in accordance with its terms;

"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 Series 2 Participating Asset(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 Series 2 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 LRF Security SPV (RF) Proprietary Limited (incorporated with limited liability under registration number 2013/000664/07 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 2 Servicer Agreement*" entered into between the Issuer, Sasfin, Securitisation Services and the Security SPV, 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 Expense Limit" means R250 000 (two hundred and fifty 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 (ten) 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 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 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 Supplement Date" means the date of the initial issuance of Refinancing Notes under this Series Supplement, being 21 November 2016;

"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 (if any), each Note Specific Liquidity Facility Agreement (if any), each Standby Liquidity Collateral Account Bank Agreement (if any), each Series Sale Agreement, each Series Hedge Agreement (if any), 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*", entered into between the Issuer, Sasfin and the Series Security SPV;

"Series 2 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 2 Participating Asset" means the assets specified in the relevant Series Sale Agreement complying with the Eligibility Criteria (including, if applicable, any Equipment Loans), sold and delivered to the Issuer by the relevant Series Seller from time to time in terms of the relevant Series Sale Agreement, including the Series Seller's right, title and interest in and to, and all of that Series Seller's rights, claims and obligations (if any) under, and all and any of the risks in, and benefits and ownership of:

- a) all Equipment (other than in respect of an Equipment Loan), excluding software equipment;
- b) all Insurance Contracts (other than in respect of an Equipment Loan);
- c) all Collateral Security (if any); and
- d) all Related Agreements (if any);

"Series 2 Participating Asset 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 Series 2 Participating Asset Purchase Amount payable in respect of any Series 2 Participating Assets purchased by the Issuer) issued by the Issuer in order to finance the aggregate Series 2 Participating Asset Purchase Amount payable in respect of Series 2 Participating Assets 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;

"Series 2 Participating Asset in Arrears" means, in relation to and as at a Payment Date, a Series 2 Participating Asset in respect of which more than 30% of any one Series 2 Participating Asset Payment which is due and payable under that Series 2 Participating Asset is more than 30 (thirty) days overdue as at the last day of the Due Period relating to that Payment Date;

"Series 2 Participating Asset in Default" means, in relation to and as at a Payment Date:

- a) a Series 2 Participating Asset in respect of which any Series 2 Participating Asset Payment which is due and payable under that Series 2 Participating Asset 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) a Series 2 Participating Asset 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;

"Series 2 Participating Asset Payment" means, in relation to:

- a) a Series 2 Participating Asset, other than an Equipment Loan, a Series 2 Participating Asset, a periodic payment payable by the Lessee under that Series 2 Participating Asset up to the expiry date of that Series 2 Participating Asset (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 Series 2 Participating Asset at or before the commencement date of that Series 2 Participating Asset, any Revenue Amount and any Agency Collections shall not be a Series 2 Participating Asset Payment in relation to that Series 2 Participating Asset and, in calculating the Discounted Present Value of that Series 2 Participating Asset, the amount of such Insurance Proceeds, Retainable Deposits, Termination Payments, prepayments of rent or principal, Revenue Amount and Agency Collections shall not be included;

- b) an Equipment Loan, a periodic payment payable by the Supplier to the Equipment Lender under that Equipment Loan up to the expiry date of that Equipment Loan;

"Series 2 Participating Asset Purchase Amount" means, in relation to a Series 2 Participating Asset, 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 Series 2 Participating Asset, being an amount equal to the Net Present Value of that Series 2 Participating Asset, calculated on the Applicable Payment Date;

"Series 2 Priority of Payments" means the Pre-Enforcement Series 2 Priority of Payments or, following a Guarantee Event, the Post-Enforcement Series 2 Priority of Payments, as the case may be;

"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 2 under the Programme and notwithstanding anything to the contrary contained in the Programme Memorandum:

- a) 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
- b) 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 (ten) 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;

"Supplier" means, in relation to a Financed Equipment Lease, a Sasfin-approved supplier of Equipment that has entered into an Equipment Loan;

"Surety(ies)" means, in relation to a Series 2 Participating Asset, the person(s) who stand surety for or guarantee the obligations of the Obligor under that Series 2 Participating Asset and/or who provide(s) any other Collateral Security for that Obligor's obligations under that Series 2 Participating Asset;

"Terminated Series 2 Participating Asset" means a Series 2 Participating Asset (excluding a Series 2 Participating Asset in Default) that is terminated prior to its original stated maturity;

"Termination Payment" means, in relation to a Terminated Series 2 Participating Asset, a payment paid or payable by the Obligor under that Terminated Series 2 Participating Asset as a prepayment in full in respect of the termination of that Terminated Series 2 Participating Asset;

"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 Series 2 Participating Assets 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 Series 2 Participating Assets 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 2 Bank Account described as such in the Series Bank Agreement (the Accounts other than the Collections Accounts);

"Usury Act" means the Usury Act, 1968, as amended or replaced;

"Yield" means, for purposes of a Due Period, the aggregate of all Series 2 Participating Asset Payments accrued during that Due Period (to the extent that such Series 2 Participating Asset 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 Series 2 Participating Assets (excluding Series 2 Participating Assets 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 3% exceeds the Yield Test.

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 Series 2 Participating Assets purchased by the Issuer and the Permitted Investments (such Series 2 Participating Assets and the Permitted Investments forming part of the Series Assets relating to this Series).

If upon default of a significant portion of Obligors under the Series 2 Participating Assets purchased by the Issuer and after the exercise by the Series Servicer of all available remedies in respect of such Series 2 Participating Assets, the Issuer does not receive the full amount due from those Obligors, 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 Series 2 Participating Assets, 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 or replace the Series 2 Participating Asset which is the subject of that breach for an amount equal to the Net Present Value of such Series 2 Participating Asset. 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 or replace the relevant Series 2 Participating Asset 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.

Save in respect of Equipment Loans and in terms of the relevant Series Sale Agreement(s), the Issuer will own the Equipment which is the subject of the relevant Series 2 Participating Asset(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 and 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 Series 2 Participating Assets generally. There are concentrations of Series 2 Participating Assets 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 Series 2 Participating Assets purchased by the Issuer, the price paid by the Issuer and the availability from time to time of a sufficient number of Series 2 Participating Assets for purchase by the Issuer during the Revolving Period which meet the Eligibility Criteria.

Payments under the Series 2 Participating Assets purchased by the Issuer will, to the extent applicable, include scheduled payments, prepayments resulting from refinancing of new Equipment permitted by the Series Servicer based on the terms of the relevant Series 2 Participating Asset, any Recoveries and Insurance Proceeds. In addition, payments for repurchases of Series 2 Participating Assets 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 Series 2 Participating Assets.

Sasfin has a number of years of data supporting the historical Lessee prepayment rates with respect to the Series 2 Participating Assets. However, past performance may not be an accurate predictor of the level of prepayments in the future. The rate of payment under the Series 2 Participating Assets 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 Series 2 Participating Assets 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 Series 2 Participating Assets 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 Series 2 Participating Assets 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 a Series 2 Participating Asset which has been partially or fully repaid or upgraded with one or more Replacement Series 2 Participating Assets and the Issuer may oblige the relevant Series Seller to repurchase Series 2 Participating Assets 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 Series 2 Participating Assets 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 Series 2 Participating Assets

The collectability of amounts due under the Series 2 Participating Assets 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 Series 2 Participating Assets, 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 Series 2 Participating Assets. Performance information in relation to the Series 2 Participating Assets 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 Series 2 Participating Assets 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 Series 2 Participating Assets. 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 Series 2 Participating Assets and, if applicable, the related Equipment purchased by the Issuer. There can be no assurance that such Series 2 Participating Assets and/or, if applicable, 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.

Series 2 Priority of Payments

The Series 2 Priority of Payments is set out in Section 9 of this Series Supplement headed "*Series 2 Priority of Payments*". The Pre-Enforcement Series 2 Priority of Payments will apply prior to the Enforcement Date. The Pre-Enforcement Series 2 Priority of Payments applicable during the Revolving Period is set out in paragraph 2 of Section 9. The Pre-Enforcement Series 2 Priority of Payments applicable during the Amortisation Period is set out in paragraph 3 of Section 9. The Post-Enforcement Series 2 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 Series 2 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 Series 2 Priority of Payments in terms of the Series Common Terms Agreement and/or the relevant Series Transaction Agreements.

The Series 2 Priority of Payments may be disturbed by the claims of creditors of the Issuer who are not contractually bound by the Series 2 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 Series 2 Participating Assets purchased by the Issuer and the rates of interest paid on its funding. Interest is charged when applicable on the Series 2 Participating Assets 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 Series 2 Participating Assets 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 Series 2 Participating Assets 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 Series 2 Participating Assets 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 Series 2 Participating Assets 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 (ten) 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 the Rating Agency 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 Series 2 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:

- a) 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;
- b) 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 Series 2 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 Series 2 Priority of Payments may be disturbed by the claims of creditors of the Issuer who are not contractually bound by the Series 2 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 Series 2 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 Series 2 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 Series 2 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 Series 2 Available Funds to pay them in accordance with the Series 2 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 2 (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 Series 2 Priority of Payments.

If, notwithstanding the ring-fenced structure of the Issuer, a creditor of the Issuer who is not contractually bound by the Series 2 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 Series 2 Participating Assets purchased by the Issuer. If the appointment of Sasfin as the Series Servicer is terminated under the terms of the Series Servicer Agreement, 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 Series 2 Participating Assets 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 Series 2 Participating Assets 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 Series 2 Participating Assets, 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 Series 2 Participating Asset 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 2 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 Series 2 Participating Asset 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 Series 2 Participating Asset, advance and remit to the Issuer a Seller Advance in an amount equal to the first Series 2 Participating Asset Payment payable under such Series 2 Participating Asset 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 Series 2 Participating Asset 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 Series 2 Participating Assets 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 a Series 2 Participating Asset 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 30 July 2013,, 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. 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 Series 2 Participating Asset Purchase Amount payable in respect of Series 2 Participating Assets pursuant to a Series Sale Agreement, the relevant Series Seller and the Issuer shall have signed a Series Sale Supplement in respect of such Series 2 Participating Assets 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. (i) 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 Series 2 Participating Assets 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 Series 2 Participating Assets 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 Series 2 Participating Assets*

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 Series 2 Participating Assets offered for sale by Sasfin, the Issuer shall, subject to the terms of the 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 Series 2 Participating Asset Purchase Amount payable in respect of such Series 2 Participating Assets.

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 Series 2 Participating Assets 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 Series 2 Participating Asset Purchase Amount payable in respect of such Series 2 Participating Assets.

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 Series 2 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 Series 2 Priority of Payments.
- 2.3.6. Notwithstanding the Series 2 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 Series 2 Participating Asset Purchase Amount payable in respect of any Series 2 Participating Assets 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 (ten) 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 the Rating Agency 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 Series 2 Participating Assets 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 20 (twenty) 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 20 (twenty) 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 (ten) 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
- 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 (ten) 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 Series 2 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 Series 2 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**

In relation to Callable Notes (if applicable in terms of the Applicable Pricing Supplement), if the Issuer has not exercised the Refinancing Option or the Prefinancing Option, as the case may be, in respect of a Tranche of Callable 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 some or all of the Notes in that Tranche, on any Interest Payment Date falling prior to the Final 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 Series 2 Available Funds, in terms of the Series 2 Priority of Payments, to redeem some or 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 Series 2 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 Series 2 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.

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 Series 2 Available Funds for that purpose in terms of the Series 2 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 Series 2 Available Funds for that purpose in terms of the Series 2 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 22.4 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 Series 2 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.

8. **TRANSFER OF NOTES**

Notwithstanding the provisions of Condition 18.2.2 of the Terms and Conditions in the Programme Memorandum, transfers of Notes represented by a Certificate will only be in the relevant Specified Denomination or any multiple thereof. Notes represented by a Certificate may be transferred in whole or in part in amounts of not less than the relevant Specified Denomination (or any multiple thereof).

Section 8

SERIES 2 BANK ACCOUNTS AND LEDGERS

The Series 2 Bank Accounts of the Issuer as at the Series Supplement 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 2 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 (ten) Business Days' prior written notice, has not informed the Issuer that its respective current Rating(s) of the Notes in Series 2 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 2 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 (ten) 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 2 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 2 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 Series 2 Participating Assets in Default or Terminated Series 2 Participating Assets under the relevant Series Sale Agreement(s) (to the extent that the relevant Series Seller(s) has/have not substituted Replacement Series 2 Participating Assets for those Series 2 Participating Assets in Default or those Terminated Series 2 Participating Assets);
- 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 Series 2 Participating Assets);
- 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 Series 2 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 Series 2 Priority of Payments for that Payment Date;
- d) any amount incorrectly paid into any other Series 2 Bank Account;
- e) any amounts standing to the credit of the Collections Accounts on each Payment Date;
- f) the proceeds of Series 2 Participating Asset Financing Notes. It is specifically recorded for the avoidance of doubt that the proceeds of Series 2 Participating Asset Financing Notes released from the Transaction Bank Account for the purposes of paying the Series 2 Participating Asset Purchase Amount payable to the relevant Series Seller(s) in terms of the relevant Series Sale Agreement(s) shall not form part of the Series 2 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 Series 2 Participating Asset 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 Series 2 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 2 Bank Accounts into which payments received in respect of the Series 2 Participating Assets 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 Series 2 Participating Asset 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 Obligors;
- d) all amounts received in respect of Series 2 Participating Assets in Default;
- e) all other amounts paid under the Series 2 Participating Assets in respect of amounts payable by the relevant Obligors under such Series 2 Participating Assets.

The Series Servicer shall procure that all Series 2 Participating Asset Payments are transferred directly by the relevant Obligors to the Collections Accounts by way of electronic payments under the Series 2 Participating Assets; 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 Obligors under the Series 2 Participating Assets, 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 Series 2 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 within 1 (one) Business Day of receipt thereof.

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 Series 2 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 Series 2 Participating Assets 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 Series 2 Participating Assets;
- 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 Series 2 Participating Asset Payments purchased by the Issuer in respect of the relevant Series 2 Participating Asset 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 Series 2 Participating Asset Advance Provision on the Applicable Payment Date, the amounts received in respect of Balloon Series 2 Participating Asset Advances;
- n) from the Balloon Series 2 Participating Asset 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 Series 2 Participating Asset Advance to the relevant Series Seller, being (i) the Payment Date following the date on which the final Series 2 Participating Asset Payment payable under the relevant Balloon Series 2 Participating Asset 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 Series 2 Participating Asset Advance to the relevant Series Seller;
- o) into the Residual Series 2 Participating Asset Advance Provision on the Applicable Payment Date, the amounts received in respect of Residual Series 2 Participating Asset Advances;
- p) from the Residual Series 2 Participating Asset 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 Series 2 Participating Asset Advance to the relevant Series Seller, being (i) the Payment Date following the date on which the final Series 2 Participating Asset Payment payable under the relevant Residual Series 2

Participating Asset 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 Series 2 Participating Asset 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 Series Supplement Date:
- the amounts standing to the credit of the Reserve Fund immediately prior to the Series Supplement Date;
 - to the extent that the amounts standing to the credit of the Reserve Fund immediately prior to the Series Supplement 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 Series Supplement 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 Series 2 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 Series 2 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 Series 2 Participating Assets during the Revolving Period, where the funds available to purchase Series 2 Participating Asset(s) are less than the Principal Redemption Amount less amounts applied under Item Seventh of the Pre-Enforcement Series 2 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 Series 2 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 Series 2 Priority of Payments.

Section 9

SERIES 2 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 Series 2 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 Series 2 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 Series 2 Priority of Payments.

Each Noteholder is contractually bound by the Series 2 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 Series 2 Priority of Payments in terms of the Series Common Terms Agreement and/or the relevant Series Transaction Agreements.

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

The Pre-Enforcement Series 2 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 Series Supplement Date to but excluding the Revolving Period End Date during which, among other things, the Issuer may purchase Series 2 Participating Assets 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 2 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 Series 2 Available Funds in the Transaction Bank Account, in making payments as set out in the Pre-Enforcement Series 2 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 Series 2 Participating Asset Advances and Residual Series 2 Participating Asset 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 Series 2 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 Series 2 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 Series 2 Priority of Payments applicable during the Revolving Period have been retained;
- c) there are Series 2 Available Funds for this purpose, on that date, in terms of the Pre-Enforcement Series 2 Priority of Payments applicable during the Revolving Period,

(each clause below being referred to as a successive "Item" in the Pre-Enforcement Series 2 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 (Notes) and capital (Note Specific Liquidity Facility Agreement(s)):

- a) on the relevant Interest Payment Date, to pay the aggregate Outstanding Principal Amount which is due and payable in respect of each Class of Notes 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 such Class of Notes has been paid in full;
- b) 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:

- c) 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;
- d) the capital 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; and
- e) 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 Series 2 Participating Assets, 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 Series 2 Participating Assets 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 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 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 Series 2 Participating Asset Payments purchased by the Issuer in respect of the relevant Series 2 Participating Assets;
- b) any accrued interest and capital on the Balloon Series 2 Participating Asset

- Advances, as contemplated in the relevant Series Sale Agreement(s);
- c) any accrued interest and capital on the Residual Series 2 Participating Asset Advances, as contemplated in the relevant Series Sale Agreement(s);
 - d) an amount by which the aggregate Net Present Value of the Replacement Series 2 Participating Assets of the most recent Due Period exceeds the aggregate Net Present Value of the Replaced Series 2 Participating Assets 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:** to pay any dividends declared in respect of the Preference Shares relating to this Series to the Series Preference Shareholder;
- Nineteenth:** while any amounts (whether actual or contingent) are outstanding to the Series Secured Creditors, to invest such amounts in the Permitted Investments;
- Twentieth:** 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 Series 2 Participating Asset Financing Notes that are deposited in the Transaction Bank Account in respect of the Series 2 Participating Asset 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 Series 2 Participating Asset Purchase Amount, and such payments and such proceeds shall not form part of the Series 2 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 Series 2 Priority of Payments applicable during the Revolving Period.

3) **Pre-Enforcement Series 2 Priority of Payments applicable during the Amortisation Period**

The Pre-Enforcement Series 2 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 Series 2 Participating Assets 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 2 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 Series 2 Available Funds in the Transaction Bank Account, in making payments as set out in the Pre-Enforcement Series 2 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 Series 2 Participating Asset Advances and Residual Series 2 Participating Asset 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 Series 2 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 Series 2 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 Series 2 Priority of Payments applicable during the Amortisation Period have been retained;

- c) there are Series 2 Available Funds for this purpose, on that date, in terms of the Pre-Enforcement Series 2 Priority of Payments applicable during the Amortisation Period,

(each clause below being referred to as a successive "Item" in the Pre-Enforcement Series 2 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 Series Subordinated Lender(s) 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 Series Subordinated Lender(s) on the relevant Quarterly Payment Date;

Eleventh: 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 Series 2 Participating Asset Payments purchased by the Issuer in respect of the relevant Series 2 Participating Asset;
- b) any accrued interest and capital on the Balloon Series 2 Participating Asset Advances, as contemplated in the relevant Series Sale Agreement(s);
- c) any accrued interest and capital on the Residual Series 2 Participating Asset Advances, as contemplated in the relevant Series Sale Agreement(s);
- d) an amount by which the aggregate Net Present Value of the Replacement Series 2 Participating Assets of the most recent Due Period exceeds the aggregate Net Present Value of the Replaced Series 2 Participating Assets of the most recent Due Period;

Twelfth: to pay any amounts due and payable on the relevant Payment Date in excess of the Series Sundry Expense Limit;

Thirteenth: 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;

Fourteenth: to pay the Revenue Amount due and payable on the relevant Payment Date;

Fifteenth: 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;

Sixteenth: to pay any dividends declared in respect of the Preference Shares relating to this Series to the Series Preference Shareholder;

Seventeenth: to pay any dividends declared in respect of the ordinary shares of the Issuer to the ordinary shareholders of the Issuer;

Eighteenth: subject to Applicable Laws, to repurchase the ordinary shares in the Issuer.

4) **Post-Enforcement Series 2 Priority of Payments**

The Post-Enforcement Series 2 Priority of Payments set out in this paragraph 4 will apply, following a Guarantee Event, on and after the Enforcement Date.

No Series 2 Participating Assets 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 2 (including monies standing to the credit of the Series 2 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 Series 2 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 Series 2 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 Series Subordinated Lender(s) on the Enforcement Date;

Ninth: to pay, *pari passu* and *pro rata*, capital on the Series Subordinated Loan(s), due and payable to the Series Subordinated Lender(s) on the Enforcement Date;

Tenth: 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 Series 2 Participating Asset Payments purchased by the Issuer in respect of the relevant Series 2 Participating Asset;
- b) any accrued interest and capital on the Balloon Series 2 Participating Asset Payment Advances, as contemplated in the relevant Series Sale Agreement(s);
- c) any accrued interest and capital on the Residual Series 2 Participating Asset Advances, as contemplated in the relevant Series Sale Agreement(s);
- d) the amount by which the aggregate Net Present Value of the Replacement Series 2 Participating Assets of the most recent Due Period exceeds the aggregate Net Present Value of the Replaced Series 2 Participating Assets of the most recent Due

Period;

- Eleventh:** to pay any amounts due and payable on the Enforcement Date in excess of the Series Sundry Expense Limit;
- Twelfth:** 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;
- Thirteenth:** to pay the Revenue Amount due and payable on the Enforcement Date;
- Fourteenth:** to pay any interest and capital on the First Loss Loan(s) due and payable on the Enforcement Date;
- Fifteenth:** to pay any dividends declared in respect of the Preference Shares relating to this Series to the Series Preference Shareholder;
- Sixteenth:** 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 Series 2 Participating Assets. Notwithstanding the Series 2 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 Conditions 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 of 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 Series 2 Priority of Payments;
- (ii) the proceeds of the issue of any Prefinancing Notes will, subject to Condition 2.3.7, only be used by the Issuer (i) to redeem Prefinanced Notes or, (ii) alternatively, to finance the Series 2 Participating Asset Purchase Amount payable in respect of any Series 2 Participating Assets purchased by the Issuer, as specified in the Applicable Pricing Supplement;
- (iii) the proceeds of the issue of any Series 2 Participating Asset Financing Notes will, subject to Condition 2.3.6, only be used by the Issuer to finance the Series 2 Participating Asset Purchase Amount, payable in respect of any Series 2 Participating Assets 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 Series 2 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 Series 2 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 Series 2 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 Series 2 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 Series 2 Priority of Payments.

Series 2 Priority of Payments

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

Section 12

DESCRIPTION OF THE SASFIN GROUP

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) Limited 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 100% of Fintech (Pty) Ltd, a corporate asset financing company.

Directors' biographies as at 30 June 2016

EXECUTIVE DIRECTORS:

RDEB Sassoon (70)

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 (55)

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 (46)

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.

Michael Sassoon (33)

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 (68)

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 (56)

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 (70)

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 (43)

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 (46)

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 (38)

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 30 June 2016 its major shareholders were as follows:

Holder	30 June 2016	% 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, 180,000	3.65%
THE SYDNEY SASSOON TRUST	922,808	2.86%

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
 - Equity Capital Markets
- (c) Wealth Management – comprising:
- Portfolio Management and Stockbroking
 - Asset Management
 - Asset Consulting
 - Financial Planning
 - Fixed Income

(d) Transactional Banking - comprising:

- Retail Deposits
- 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

(f) Group Treasury - comprising:

- Institutional Deposits
- Liquidity Management
- Money Markets
- Debt Capital Markets
- Group Funding

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 is financed by means of, *inter alia*:

- 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 specified originators/nominees 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 the specified originators/nominees or will sell the equipment to the specified originators/nominees, who will enter into the finance agreement with the user. The originator/nominee 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. The Credit Department is based at Sasfin's head office in Johannesburg. 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 Reports by AE.

All supplier applications must be recommended by the Head Business Banking/Regional Sales Manager: Rentals 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 approve, whereas SND and 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 Sasfin or the originator/nominee. Where a supplier has not been approved because the Lessee initiated the deal, or for any other reason, Sasfin or the originator/nominee 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 the originator/nominee has entered into one of the abovementioned agreements with a supplier, such supplier will be able to submit to Sasfin or the originator/nominee (as the case may be), for consideration, applications for finance on behalf of the potential Lessees. In this regard there are a number of originator/nominee 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 the originator/nominee, it 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 Members	Panel B Members	Panel C and C+ Members	Panel D Members	Panel E Members
Credit Analyst	Credit Analyst Senior Credit Analyst	Manager: Rental Credit	Senior Manager: Rental Credit	Chief Executive Officer Chief Operating Officer General Manager: 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 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 Series 2 Participating Asset 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 Series 2 Participating Asset, 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 1st letter is generated on the due date where no payment was received, and again 15 (fifteen) 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 (sixty) 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 Series 2 Participating Assets 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 SERIES 2 PARTICIPATING ASSETS 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.

1) True sale of Series 2 Participating Assets

It is the intention of the Issuer and the relevant Series Seller that each sale and transfer of Series 2 Participating Assets 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 Series 2 Participating Asset 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 Series 2 Participating Asset, (ii) all Equipment which is the subject of the relevant Series 2 Participating Asset (other than an Equipment Loan), (iii) all Collateral Security (if any) relating to the relevant Series 2 Participating Asset, (iv) all Related Agreements (if any) relating to the relevant Series 2 Participating Asset and (v) all Insurance Contracts relating to the relevant Series 2 Participating Asset (other than an Equipment Loan) (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 (if applicable)) 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 Series 2 Participating Asset, (ii) all Equipment which is the subject of the relevant Series 2 Participating Asset (other than an Equipment Loan), (iii) all Collateral Security (if any) relating to the relevant Series 2 Participating Asset, (iv) all Related Agreements (if any) relating to the relevant Series 2 Participating Asset and (v) all Insurance Contracts relating to the relevant Series 2 Participating Asset (other than an Equipment Loan), 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 Series 2 Participating Asset, (ii) all Equipment which is the subject of the relevant Series 2 Participating Asset (other than an Equipment Loan), (iii) all Collateral Security (if any) relating to the relevant Series 2 Participating Asset, (iv) all Related Agreements (if any) relating to the relevant Series 2 Participating Asset and (v) all Insurance Contracts relating to the relevant Series 2 Participating Asset (other than an Equipment Loan).

The above provisions will apply *mutatis mutandis* to and in respect of each Replacement Series 2 Participating Asset.

2) **Series 2 Participating Assets**

Pursuant to the relevant Series Sale Agreement, the relevant Series Seller may, but shall not be obliged to, sell Series 2 Participating Assets (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 Series 2 Available Funds under the Series 2 Priority of Payments (to be set aside in the Transaction Bank Account) in an amount sufficient to fund the Series 2 Participating Asset Purchase Amounts of the relevant Series 2 Participating Assets. The proceeds of Series 2 Participating Asset Financing Notes released from the Transaction Bank Account for the purposes of paying the Series 2 Participating Asset Purchase Amount payable to the relevant Series Seller(s) in terms of the relevant Series Sale Agreement(s) will not form part of the Series 2 Priority of Payments. If the Issuer does have such Series 2 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 Series 2 Participating Asset Purchase Amounts of the relevant Series 2 Participating Assets (or that number of such Series 2 Participating Assets in respect of which the Issuer has Series 2 Available Funds).

The sale and purchase of Series 2 Participating Assets will take place in accordance with the provisions of the relevant Series Sale Agreement.

The sale of Series 2 Participating Assets on the Applicable Payment Date will be subject to the satisfaction of the following conditions precedent:

- a) the sale and transfer of such Series 2 Participating Assets occurs during the Revolving Period;
- b) such Series 2 Participating Assets are Eligible Series 2 Participating Assets;
- 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 (ten) Business Days' prior written notice, has not informed the Issuer that the sale and transfer of such Series 2 Participating Assets 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 Series 2 Participating Assets 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 Series 2 Participating Assets; provided that if such written evidence has previously been furnished by the Series Sellers in respect of the sale of any Series 2 Participating Assets 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 Series 2 Participating Assets, on the Applicable Payment Date, contemplated in this paragraph, such written evidence need not again be furnished in respect of such Series 2 Participating Assets;

- 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 Series 2 Participating Assets 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 Series 2 Participating Assets 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 Series 2 Participating Assets, on the Applicable Payment Date, contemplated in this paragraph, such copy of such resolution need not again be furnished in respect of such Series 2 Participating Assets.

In terms of the relevant Series Sale Agreement, the relevant Series Seller will, on or before the Applicable Payment Date on which Series 2 Participating Asset(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 Series 2 Participating Asset; and
- b) such additional information concerning each such Series 2 Participating Asset 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 Series 2 Participating Asset sold and transferred to the Issuer in terms of the relevant Series Sale Agreement is the Series 2 Participating Asset Purchase Amount. The Series 2 Participating Asset Purchase Amount is an amount equal to the Net Present Value of the relevant Series 2 Participating Asset, calculated on the Applicable Payment Date. The Net Present Value of the relevant Series 2 Participating Asset as at any date is an amount equal to (i) the Discounted Present Value of the relevant Series 2 Participating Asset as at that date plus (ii) the Series 2 Participating Asset Payments in respect of the relevant Series 2 Participating Asset not, as at that date, paid on the due date thereof and that remain due as at that date less (iii) the Series 2 Participating Asset Payments in respect of the relevant Series 2 Participating Asset due after that date but paid prior to the due date thereof. The Discounted Present Value of the relevant Series 2 Participating Asset is an amount equal to the present value, as at the Applicable Payment Date, of all remaining scheduled Series 2 Participating Asset Payments (including unreceived scheduled Series 2 Participating Asset Payments and the final payment of a Residual Series 2 Participating Asset) under the relevant Series 2 Participating Asset, determined by discounting each such Series 2 Participating Asset 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 Series 2 Participating Asset.

Subject to the relevant Series Sale Agreement and the Series 2 Priority of Payments, the Series 2 Participating Asset 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 Series 2 Participating Asset(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 Series 2 Participating Assets**

The relevant Series Seller may replace or repurchase one or more Series 2 Participating Assets sold to the Issuer pursuant to the relevant Series Sale Agreement under certain limited conditions set out in the relevant Series Sale Agreement. Upon such replacement or repurchase an announcement shall be made on SENS outlining the details in respect of such replacement or repurchase, from time to time.

Replacement of Series 2 Participating Assets

If the relevant Series Seller elects to replace any Series 2 Participating Asset sold to the Issuer pursuant to the relevant Series Sale Agreement with one or more Replacement Series 2 Participating Assets, the Replacement Series 2 Participating Assets must satisfy the Series Seller Warranties, and each transfer of Replacement Series 2 Participating Assets will be subject to the satisfaction of the following conditions precedent:

- a) the Replacement Series 2 Participating Assets must be Eligible Series 2 Participating Assets;
- b) the replacement of the Replaced Series 2 Participating Assets may only take place during the Revolving Period;
- c) the final payment under each Replacement Series 2 Participating Asset 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 Series 2 Participating Assets, the aggregate Net Present Value of all Series 2 Participating Assets (expressly excluding Series 2 Participating Assets in Default) must not be less than the aggregate Net Present Value of all Series 2 Participating Assets (expressly excluding Series 2 Participating Assets in Default) immediately prior to such replacement;
- e) the Replacement Series 2 Participating Assets must be of the same or better credit quality as the Replaced Series 2 Participating Asset, 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 Series 2 Participating Assets (other than an Equipment Loan), all Collateral Security (if any) relating to the Replacement Series 2 Participating Asset, all Related Agreements (if any) relating to the Replacement Series 2 Participating Assets and all Insurance Contracts relating to the Replacement Series 2 Participating Assets (other than an Equipment Loan).

All Series 2 Participating Asset Payments under the relevant Replacement Series 2 Participating Asset 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 Series 2 Participating Asset will be transferred to the Transaction Bank Account. All Series 2 Participating Asset Payments under the relevant Replaced Series 2 Participating Asset 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 Series 2 Participating Assets

If the relevant Series Seller elects to repurchase any Series 2 Participating Asset in terms of the relevant Series Sale Agreement, the repurchase of such Series 2 Participating Asset 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 Series 2 Participating Assets that are repurchased by the relevant Series Seller shall not in the aggregate exceed 10% of the aggregate Net Present Value of all Series 2 Participating Assets as at the relevant effective date of the repurchase of the relevant Series 2 Participating Assets, unless the Registrar of Banks grants his written approval to allow such 10% limit to be exceeded;
- b) if such Series 2 Participating Asset is a Delinquent Series 2 Participating Asset or a Series 2 Participating Asset in Default, the external auditors of the relevant Series Seller having certified in writing that such Series 2 Participating Asset is being repurchased by the relevant Series Seller at a fair market value (which reflects the non-performing status of such Series 2 Participating Asset).

5) **Early Repayment Series 2 Participating Assets**

In terms of the Series Servicer Agreement, the Series Servicer will not permit a voluntary termination of a Series 2 Participating Asset 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 Series 2 Participating Asset Purchase Amount calculated as at the date of such voluntary termination.

6) **Series Seller Loans**

Each Seller Advance, each Balloon Series 2 Participating Asset Advance and each Residual Series 2 Participating Asset 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 Series 2 Participating Asset (referred to in the following paragraph) or the relevant Balloon Series 2 Participating Asset or the relevant Residual Series 2 Participating Asset, as the case may be.

Seller Advances

If the Services in respect of a particular Series 2 Participating Asset 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 Series 2 Participating Asset, 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 Series 2 Participating Asset Payment payable under such Series 2 Participating Asset 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 Series 2 Participating Asset 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 Series 2 Participating Asset.

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 Series 2 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 Series 2 Available Funds in the Transaction Bank Account, subject to and in accordance with the Series 2 Priority of Payments, on the Payment Date following the date on which all Series 2 Participating Asset Payments purchased by the Issuer in respect of the relevant Series 2 Participating Asset have been paid to the Issuer (that is, once the Net Present Value of the relevant Series 2 Participating Asset is equal to or less than zero); provided that if:

- a) following the Applicable Payment Date in respect of the relevant Series 2 Participating Asset and prior to the date on which all Series 2 Participating Asset Payments purchased by the Issuer in respect of the relevant Series 2 Participating Asset have been paid to the Issuer, the Services in respect of the relevant Series 2 Participating Asset 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 Series 2 Participating Asset is replaced by one or more Replacement Series 2 Participating Assets 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 Series 2 Participating Asset 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 Series 2 Participating Asset is repurchased by and transferred to the relevant Series Seller; or
- d) the relevant Series 2 Participating Asset becomes a Series 2 Participating Asset 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 Series 2 Participating Asset becomes a Series 2 Participating Asset in Default.

Balloon Series 2 Participating Asset Advances and Residual Series 2 Participating Asset Advances

The relevant Series Seller will, as a condition precedent to any sale to the Issuer of a Balloon Series 2 Participating Asset, advance and remit to the Issuer, on the Applicable Payment Date, for deposit in the Transaction Bank Account, an amount (the "**Balloon Series 2 Participating Asset Advance**") equal to the present value, as at the Applicable Payment Date, of the final Series 2 Participating Asset Payment payable by the Obligor under that Balloon Series 2 Participating Asset, determined by discounting the final Series 2

Participating Asset 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 Series 2 Participating Asset.

The relevant Series Seller will, as a condition precedent to any sale to the Issuer of a Residual Series 2 Participating Asset, advance and remit to the Issuer, on the Applicable Payment Date, for deposit in the Transaction Bank Account, an amount (the "**Residual Series 2 Participating Asset Advance**") equal to the present value, as at the Applicable Payment Date, of the final Series 2 Participating Asset Payment payable by the person (other than the Obligor) under that Residual Series 2 Participating Asset, determined by discounting the final Series 2 Participating Asset 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 Series 2 Participating Asset.

Interest will accrue on the Balloon Series 2 Participating Asset Advance or the Residual Series 2 Participating Asset Advance, as the case may, at the discount rate applicable to the relevant Balloon Series 2 Participating Asset or the relevant Residual Series 2 Participating Asset, as the case may be, calculated from (and including) the date on which the Balloon Series 2 Participating Asset Advance or the Residual Series 2 Participating Asset 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 Series 2 Participating Asset Advance or the Residual Series 2 Participating Asset Advance, as the case may, to the relevant Series Seller or (ii) the date on which the final Series 2 Participating Asset Payment payable under the relevant Balloon Series 2 Participating Asset or the relevant Residual Series 2 Participating Asset, as the case may be, is paid to the Issuer.

The Issuer will repay the Balloon Series 2 Participating Asset Advance (and accrued interest) or the Residual Series 2 Participating Asset Advance (and accrued interest), as the case may be, to the relevant Series Seller, from Series 2 Available Funds in the Transaction Bank Account subject to and in accordance with the Series 2 Priority of Payments, on the Payment Date following the date on which the final Series 2 Participating Asset Payment payable under the relevant Balloon Series 2 Participating Asset or the relevant Residual Series 2 Participating Asset, as the case may be, is paid to the Issuer; provided that if:

- a) the relevant Balloon Series 2 Participating Asset or the relevant Residual Series 2 Participating Asset, as the case may be, is replaced by one or more Replacement Series 2 Participating Assets in terms of the relevant Series Sale Agreement, the Issuer will repay the Balloon Series 2 Participating Asset Advance (and accrued interest) or the Residual Series 2 Participating Asset 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 Series 2 Participating Asset or the relevant Residual Series 2 Participating Asset, 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 Series 2 Participating Asset Advance (and accrued interest) or the Residual Series 2 Participating Asset 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 Series 2 Participating Asset or the relevant Residual Series 2 Participating Asset, as the case may be, is repurchased by and transferred to the relevant Series Seller; or
- c) the relevant Balloon Series 2 Participating Asset or the relevant Residual Series 2 Participating Asset, as the case may be, becomes a Series 2 Participating Asset 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 Series 2 Participating Asset Advance (and accrued interest) or the Residual Series 2 Participating Asset

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 Series 2 Participating Asset or the relevant Residual Series 2 Participating Asset, as the case may be, becomes a Series 2 Participating Asset 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 Series 2 Participating Assets, 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 Series 2 Participating Assets, 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 Series 2 Participating Asset purchased (or to be purchased) by the Issuer from the relevant Series Seller in terms of the relevant Series Sale Agreement (each the **“relevant Series 2 Participating Asset”**), 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 Series 2 Participating Asset. The Clause 4 Series Seller Warranties apply *mutatis mutandis* to each Replacement Series 2 Participating Asset.

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 Series 2 Participating Asset 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 Series 2 Participating Asset, the purchase price payable by the relevant Series Seller for the relevant Series 2 Participating Asset and any related charges in connection with such acquisition;
- 7.3. the sale and transfer to the Issuer of the relevant Series 2 Participating Asset in terms of the relevant Series Sale Agreement does not violate the terms or provisions of the relevant Series 2 Participating Asset 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 Series 2 Participating Asset;

- 7.4.2. have good title to the relevant Series 2 Participating Asset;
- 7.5. the relevant equipment lease, including any Financed Equipment Lease, which is subject of the Series 2 Participating Asset is an Operating Rental Agreement;
- 7.6. if the relevant Series 2 Participating Asset 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 Series 2 Participating Asset:
 - 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 Series 2 Participating Asset had capacity and authority to execute the relevant Series 2 Participating Asset;
 - 7.7.2. constitutes a binding full recourse obligation of the relevant:
 - 7.7.2.1. Obligor under the relevant Series 2 Participating Asset, enforceable by the Issuer (and by the Series Security SPV as assignee of the Issuer) against the relevant Obligor in accordance with the terms of the relevant Series 2 Participating Asset;
 - 7.7.2.2. Lessee under the relevant Financed Equipment Lease (if any), enforceable by the Supplier against the relevant Lessee in accordance with the terms of the relevant Financed Equipment Lease (if any);
 - 7.7.3. is denominated in a currency within the Common Monetary Area and the relevant Lessee and, in relation to an Equipment Loan (if applicable) the relevant Supplier, 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 Series 2 Participating Asset 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 Obligor, and if such sale and transfer occurs, the relevant Obligor 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 Obligor 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 Series 2 Participating Asset;

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 Series 2 Participating Asset Payments within a minimum of at least one Series 2 Participating Asset Payment per annum;

7.7.9.3. that, 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. that 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 Series 2 Participating Asset; 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 Series 2 Participating Asset 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 and 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 Obligor to pay Series 2 Participating Asset Payments under the relevant Series 2 Participating Asset throughout the term of the relevant Series 2 Participating Asset 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 Obligor against the Issuer, the relevant Series Seller or any third party, or any change in circumstance of the relevant Obligor, or any other circumstance whatsoever;

7.7.9.6. that Series 2 Participating Asset Payments under the relevant Series 2 Participating Asset are without demand and not subject to any set-off, counterclaim, withholding or reduction whatsoever;

7.7.10. 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;

7.7.11. is not in default by any party thereto;

7.8. any and all requirements of any law (including, without limitation, the provisions of the Financial Intelligence Centre Act 38 of 2001, the National Credit Act and the Consumer Protection Act 68 of 2008, if applicable) will have been complied with:

- 7.8.1. by the relevant Series Seller in respect of the acquisition of the relevant Series 2 Participating Asset, and the transfer thereof to the Issuer in terms of the relevant Series Sale Agreement;
- 7.8.2. in respect of the relevant Series 2 Participating Asset;
- 7.9. the relevant Lessee and, in relation to an Equipment Loan (if applicable) the relevant Supplier, is not entitled to cancel the relevant Series 2 Participating Asset in terms of:
 - 7.9.1. the National Credit Act; and/or
 - 7.9.2. the Consumer Protection Act, 68 of 2008;
- 7.10. prior to the payment of all amounts owing in terms of the relevant Series 2 Participating Asset, the relevant Series 2 Participating Asset is not subject to any option, right of first refusal, pre-emptive right or other agreement;
- 7.11. save as provided for in the Series Transaction Agreements, the relevant Series 2 Participating Asset is not subject to any cession, lien, pledge servitude, usufruct, cession/pledge in security or any other Encumbrance;
- 7.12. the relevant Series 2 Participating Asset 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 Series 2 Participating Asset;
 - 7.12.3. in relation to:
 - 7.12.3.1. a Series 2 Participating Asset, other than an Equipment Loan, the Issuer will be the legal owner of each item of the relevant Equipment;
 - 7.12.3.2. an Equipment Loan, the Supplier will be the legal owner of each item of the relevant Equipment;
 - 7.12.4. the Issuer will, where the Equipment which is the subject of the relevant Series 2 Participating Asset 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 Series 2 Participating Asset from a third party assignor, such assignor has complied with all applicable South African laws in concluding the relevant Series 2 Participating Asset with the relevant Obligor 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 Series 2 Participating Asset;
 - 7.13.3. the relevant Lessee and, in relation to an Equipment Loan (if applicable) the relevant Supplier, 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 Obligor, including the obligation of the relevant Obligor to pay all Series 2 Participating Asset Payments and other amounts due with respect to the relevant Series 2 Participating Asset, and neither the operation of any of the terms of the relevant Series 2 Participating Asset nor the exercise of any right under the relevant Series 2 Participating Asset will render the relevant Series 2 Participating Asset 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 Series 2 Participating Asset;
- 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 Series 2 Participating Asset was entered into by the relevant Series Seller or purchased by the relevant Series Seller (or the assignor which assigned all of its right, title, interest and obligations under the relevant Series 2 Participating Asset 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 Series 2 Participating Asset for sale under the relevant Series Sale Agreement;
- 7.16. the relevant Lessee and, in and, in relation to an Equipment Loan (if applicable) the relevant Supplier, has not been released, in whole or in part, from any of its obligations in respect of the relevant Series 2 Participating Asset, the relevant Series 2 Participating Asset 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 Series 2 Participating Asset, 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 Series 2 Participating Asset is not a Series 2 Participating Asset 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 Obligor will have paid at least the first Series 2 Participating Asset Payment under the relevant Series 2 Participating Asset;
- 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 Series 2 Participating Asset is a Residual Series 2 Participating Asset or a Balloon Series 2 Participating Asset, as the case may be, for the final Series 2 Participating Asset Payment payable under the Residual Series 2 Participating Asset or the Balloon Series 2 Participating Asset, as the case may be, no Series 2 Participating Asset Payment payable under the relevant Series 2 Participating Asset is subject to an escalation in excess of 15% per annum;
- 7.22. the Series 2 Participating Asset Payments are payable over the period of the relevant Series 2 Participating Asset;
- 7.23. the final Series 2 Participating Asset Payment in respect of the relevant Series 2 Participating Asset 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 Series 2 Participating Asset Payments payable by the relevant Obligor under the relevant Series 2 Participating Asset 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 Series 2 Participating Asset is not shorter than 6 (six) months and the weighted average remaining term for all the Series 2 Participating Assets 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 Series 2 Participating Asset, 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 Series 2 Participating Asset 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 Series 2 Participating Asset;

- 7.28. the relevant Series 2 Participating Asset contains provisions that the relevant Lessee acknowledges that:
- 7.28.1. it has been notified in writing of the provisions 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 Series 2 Participating Asset 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) applicable to the relevant Series 2 Participating Asset 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 Series 2 Participating Asset 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 assignor, and no obligations whatsoever, under the relevant Series 2 Participating Asset, 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 Series 2 Participating Asset shall at all times be appropriated and applied first to any and all liabilities and/or obligations of the relevant Lessee under the relevant Series 2 Participating Asset 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 assignor 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 Series 2 Participating Asset on the Applicable Payment Date, the Issuer and/or the Series Security SPV and/or the Series Manager is entitled to notify the relevant Obligor (i) of the sale and transfer of the relevant Series 2 Participating Asset to the Issuer, (ii) that the Issuer is the lawful owner of the relevant Series 2 Participating Asset and that the Issuer is accordingly entitled to exercise all rights as lessor or lender, as the case may be, under the relevant Series 2 Participating Asset 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 Series 2 Participating Asset;

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**

Any Equipment which is the subject of Series 2 Participating Assets 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 Series 2 Participating Asset.

9) **Data in respect of Series 2 Participating Assets as at 30 September 2016**

The following tables set out statistical information representative of the characteristics of the Series 2 Participating Assets, derived from information supplied by Sasfin, which reflects the position as of the Cut-Off Date. The characteristics of the Series 2 Participating Assets as at the Issue Date may differ from those set out in the tables as a result of, *inter alia*, repayments of Series 2 Participating Assets prior to the Issue Date.

The following abbreviations are used in the tables below:

Ave = Average

NPV = Net Present Value

Information

Date: 30/09/2016

Period: Sep-16

Period Number: 3

SASP POOL STRATIFICATION: Series 2

	NORMAL RENTALS
	30 September 2016
Number of Equipment Leases	3,668
Total NPV	385,475,528.20
Average NPV	105,091
Weighted average original term - months	53.70
Weighted average remaining term - months	33.12
Weighted average seasoning - months	20.58
Prime rate at month end	10.50%
Weighted average yield	14.96%
% of high prime leases by value	70.64%
% of Super Non Disclosed Deals by value	13.96%
% of leases paid monthly by value	100.00%
% of leases paid in advance by value	83.47%
% of leases paid by debit order by value	80.41%

1) - Interest rate types	Rate types			
	# of Deals	% tage	Current NPV (R)	% tage
		3,668	100%	385,475,528
Fixed	26	0.7%	4,369,167	1%
Prime Linked	1,145	31%	108,821,437	28%
NORMAL (2L)	0	0%	0	0%
High Prime	2,497	68%	272,284,924	71%
Preferential	0	0%	0	0%

2) - Interest rate stratification	Rate stratification			
	# of Deals	% tage	Current NPV (R)	% tage
		3,668	100%	385,475,528
< Prime	0	0%	0	0.0%
>=Prime < Prime plus 1%	2	0%	54,441	0.0%
>=Prime plus 1% < Prime plus 3%	228	6%	52,984,071	13.7%
>=Prime plus 3% < Prime plus 4.5%	818	22%	176,717,233	45.8%
>=Prime plus 4.5% < Prime plus 6%	991	27%	102,341,973	26.5%
>=Prime plus 6%	1,629	44%	53,377,810	13.8%

3) - Business description	Business Desc			
	# of Deals	% tage	Current NPV (R)	% tage
	3,668	100%	385,475,528	100%
Bank	4	0%	602,770	0%
Charity & Non Profit	0	0%	0	0%
Corporate SME	422	12%	83,319,150	22%
Corporate	251	7%	51,548,788	13%
Individuals	0	0%	0	0%
Local Authority	20	1%	1,814,116	0%
Public Sector Entity	160	4%	23,101,225	6%
Regulated Securities Firm	0	0%	0	0%
Retail	303	8%	19,048,797	5%
Retail SME	2,494	68%	205,089,881	53%
Social & Comm	0	0%	0	0%
Sovereign	14	0%	950,801	0%

4) - SICC decription	SIC Desc			
	# of Deals	% tage	Current NPV (R)	% tage
	3,668	100%	385,475,528	100%
AGRICULTURE, HUNTING, FORESTRY AND FISHING	59	2%	7,208,149	2%
BUSINESS SERVICES - Accountants, advocates, engineers, architechts etc	0	0%	0	0%
COMMUNITY, SOCIAL AND PERSONAL SERVICES	1,076	29%	99,602,135	26%
CONSTRUCTION	99	3%	25,759,815	7%
ELECTRICITY, GAS AND WATER SUPPLY	11	0%	615,006	0%
FINANCIAL INTERMEDIATION & INSURANCE	785	21%	72,996,493	19%
MANUFACTURING	490	13%	50,857,957	13%
MINING AND QUARRYING	42	1%	15,186,193	4%
PRIVATE HOUSEHOLDS, EXTERRITORIAL ORGANISATIONS, REPRESENTATIVES OF FOREIGN GOVERNMENTS AND OTHER ACTIVITIES	26	1%	4,871,838	1%
REAL ESTATE -Property owning, developers, notaries and conveyancers, estate agencies	0	0%	0	0%
SUNDRY	0	0%	0	0%
TRANSPORT, STORAGE AND COMMUNICATION	169	5%	22,985,815	6%
WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES, MOTOR CYCLES AND PERSONAL AND HOUSEHOLD GOODS; HOTELS AND RESTAURANTS	911	25%	85,392,128	22%

5) - Instalment type	Instl Type			
	# of Deals	% tage	Current NPV (R)	% tage
	3,668	100%	385,475,528	100%

ADV	3,362	92%	321,773,242	83%
ARR	306	8%	63,702,286	17%
6) - Payment frequency				
Pay Freq				
	# of Deals	% tage	Current NPV (R)	% tage
	3,668	100%	385,475,528	100%
Annually	0	0%	0	0%
Monthly	3,668	100%	385,475,528	100%
Quarterly	0	0%	0	0%
7) - Residual amount				
Residual Amt				
	# of Deals	% tage	Current NPV (R)	% tage
	3,668	100%	385,475,528	100%
No	3,668	100%	385,475,528	100%
Yes	0	0%	0	0%
8) - Copy plan				
Copy Plan				
	# of Deals	% tage	Current NPV (R)	% tage
	3,668	100%	385,475,528	100%
Yes	3,661	100%	384,044,808	100%
No	7	0%	1,430,721	0%
9) - Monthly maintenance				
Mthly Maint				
	# of Deals	% tage	Current NPV (R)	% tage
	3,668	100%	385,475,528	100%
Yes	3,642	99%	381,800,316	99%
No	26	1%	3,675,212	1%
10) - Sasfin Insurance				
Sasfin Insurance				
	# of Deals	% tage	Current NPV (R)	% tage
	3,668	100%	385,475,528	100%
Yes	169	5%	14,353,767	4%
No	3,499	95%	371,121,761	96%
11) - Settlement by debit order				
Debit Order				
	# of Deals	% tage	Current NPV (R)	% tage
	3,668	100%	385,475,528	100%
Yes	2,844	78%	309,976,758	80%
No	824	22%	75,498,770	20%
12) - Geographic area (installation or lessee?)				
Geographical area				
	# of Deals	% tage	Current NPV (R)	% tage

	3,668	100%	385,475,528	100%
Eastern-Cape	154	4%	13,950,568	4%
Free-State	102	3%	8,582,630	2%
Gauteng	1,850	50%	219,576,759	57%
KwaZulu-Natal	341	9%	48,318,105	13%
Limpopo	63	2%	4,785,465	1%
Mpumalanga	257	7%	32,333,128	8%
Northern-Cape	49	1%	4,897,496	1%
North-West	61	2%	5,002,963	1%
Western-Cape	786	21%	47,907,751	12%
Common Monetary Area	0	0%	0	0%
Sundry	5	0%	120,663	0%

13) - Asset type	Asset type			
	# of Deals	% tage	Current NPV (R)	% tage
	3,668	100%	385,475,528	100%
Air Conditioner	2	0%	90,733	0%
ATM	0	0%	0	0%
ATTENDANCE EQUIPMENT	9	0%	850,805	0%
AGRICULTURAL eQUIPMENT	2	0%	233,901	0%
BAKKIE	0	0%	0	0%
BUS	0	0%	0	0%
CAPITAL EQUIPMENT	46	1%	31,033,499	8%
CASH REGISTER	2	0%	50,022	0%
CATERING EQUIPMENT	0	0%	0	0%
CELLULAR PHONE	0	0%	0	0%
CLEANING EQUIPMENT	0	0%	0	0%
COMMUNICATION EQUIPMENT	0	0%	0	0%
COMPUTERS	128	3%	17,721,066	5%
COPIER	1,908	52%	158,644,483	41%
ELECTRONIC SIGN BOARD	10	0%	3,336,059	1%
FAX	8	0%	76,503	0%
FLEET MANAGEMENT SYSTEM	4	0%	1,018,247	0%
FRANKING	0	0%	0	0%
LANDCELLS	1	0%	138,687	0%
INDUSTRIAL EQUIPMENT	343	9%	82,014,310	21%
INDUSTRIAL TOOLS AND EQUIPMENT	6	0%	707,899	0%
SPECIALISED EQUIPMENT	0	0%	0	0%
MEDICAL EQUIPMENT	3	0%	622,850	0%
OFFICE FURNITURE	7	0%	1,007,427	0%
PABX	764	21%	38,419,509	10%
PAGING SYSTEM	2	0%	26,592	0%
POINT OF SALE DEVICE	3	0%	368,358	0%
PRESENTATION EQUIPMENT	14	0%	4,345,192	1%
PRINTING	120	3%	10,353,268	3%
SCANNER	5	0%	160,889	0%

SECURITY EQUIPMENT	187	5%	20,855,148	5%
STORAGE EQUIPMENT	6	0%	1,279,860	0%
SUNDRY	0	0%	0	0%
VEHICLES RENTALS	60	2%	11,450,645	3%
VEHICLE<1.5TON	0	0%	0	0%
VEHICLE TRACKING & MONITORING	4	0%	194,982	0%
Vending Machine	24	1%	474,596	0%

14) - New or Used Equipment	New/2nd hand			
	# of Deals	% tage	Current NPV (R)	% tage
	3,668	100%	385,475,528	100%
New	3,639	99%	379,985,237	99%
Used	29	1%	5,490,291	1%

15) - Inception months to go	Inception months to go			
	# of Deals	% tage	Current NPV (R)	% tage
	3,668	100%	385,475,528	100%
<12	5	0%	58,537	0%
12-24	42	1%	3,527,699	1%
24-36	892	24%	66,741,719	17%
36-48	197	5%	49,512,157	13%
48-60	2,532	69%	265,635,417	69%
>60	0	0%	0	0%

16) - Current months to go	Current months to go			
	# of Deals	% tage	Current NPV (R)	% tage
	3,668	100%	385,475,528	100%
<12	852	23%	25,234,615	7%
12-24	1,136	31%	95,794,936	25%
24-36	784	21%	100,434,173	26%
36-48	731	20%	110,940,939	29%
48-60	165	4%	53,070,866	14%
>60	0	0%	0	0%

17) - Supplier to collect	Supplier to Collect			
	# of Deals	% tage	Current NPV (R)	% tage
	3,668	100%	385,475,528	100%
Yes	70	2%	17,966,203	5%
No	3,598	98%	367,509,325	95%

18) - Super Non-disclosed	Super Non Disclosed			
	# of Deals	% tage	Current NPV (R)	% tage
	3,668	100%	385,475,528	100%
Yes	587	16%	53,826,268	14%

No	3,081	84%	331,649,260	86%
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19) - SND Breakdown	SND Breakdown			
	# of Deals	% tage	Current NPV (R)	% tage
	587	100%	53,826,268	100%
S419681	47	8%	3,713,900	7%
S419623	47	8%	14,568,592	27%
S419163	0	0%	0	0%
S419019	3	1%	122,544	0%
S418943	0	0%	0	0%
S418520	2	0%	11,230	0%
S418442	1	0%	15,051	0%
S418441	0	0%	0	0%
S418324	13	2%	184,226	0%
S418168	0	0%	0	0%
S418050	0	0%	0	0%
S418049	0	0%	0	0%
S418048	7	1%	678,182	1%
S418046	45	8%	6,971,268	13%
S417246	18	3%	948,349	2%
S418607	5	1%	94,327	0%
S417451	2	0%	931,331	2%
S417405	52	9%	3,118,504	6%
S417007	11	2%	1,302,035	2%
S416929	2	0%	16,093	0%
S416928	28	5%	2,005,863	4%
S416776	22	4%	5,220,757	10%
S539827	21	4%	733,004	1%
S418444	129	22%	3,487,005	6%
S550955	4	1%	87,862	0%
S417152	22	4%	462,639	1%
S519156	1	0%	346,598	1%
S419632	7	1%	680,789	1%
S522470	3	1%	55,484	0%
85N	1	0%	5,964	0%
56O	12	2%	428,649	1%
S524645	5	1%	137,769	0%
S525234	1	0%	418,764	1%
S418059	10	2%	248,151	0%
S418053	2	0%	43,552	0%
39M	4	1%	54,685	0%
S522252	9	2%	122,618	0%
S506525	1	0%	266,703	0%
S522473	1	0%	2,140,851	4%
S527217	4	1%	140,854	0%
03H	5	1%	1,754,406	3%
S418341	4	1%	1,012,062	2%

S418041	6	1%	237,687	0%
S535213	1	0%	200,581	0%
S418447	0	0%	0	0%
S418043	4	1%	116,827	0%
S418042	25	4%	740,511	1%

Seasoning	3,668	100%	385,475,528	100%
<12	433	12%	133,742,319	34.7%
12-24	1,298	35%	113,060,975	29.3%
24-36	869	24%	68,074,405	17.7%
36-48	705	19%	60,641,497	15.7%
48-60	363	10%	9,956,333	2.6%
>60	0	0%	0	0.0%

Section 15

DESCRIPTION OF THE SERIES SECURITY SPV

Introduction

The Series Security SPV was incorporated and registered in South Africa, under registration number 2013/000664/07, under the Companies Act, 2008 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 ZAR1,00, 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 Victor Marokwane Botsi (as an alternate director).

Maitland Group South Africa Limited will provide company secretarial services to the Security SPV.

Registered Office

The registered office of the Series Security SPV is situated at 18 Fricker Road, Illovo, Gauteng, 2196.

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 Series Supplement 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 Obligors with appropriate invoices, statements and such other notices as may be required to ensure that all Series 2 Participating Asset Payments, Insurance Proceeds and Termination Payments in respect of each Series 2 Participating Asset are paid by the relevant Obligor in accordance with the provisions of such Series 2 Participating Asset;
- b) maintain complete and accurate records with respect to each Series 2 Participating Asset and with respect to each payment by the relevant Obligor;
- 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 Series 2 Participating Asset;
- d) monitor the validity, enforceability and currency of all Series 2 Participating Assets 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 Series 2 Participating Assets;
- e) if so required by the Issuer, subject to the provisions of the relevant Series Sale Agreement, give notice to the relevant Obligors (i) of the sale and transfer of the relevant Series 2 Participating Assets to the Issuer, (ii) that the Issuer is the lawful owner of the relevant Series 2 Participating Assets and (iii) that the Issuer is accordingly entitled to exercise all rights as lessor or lender, as the case may be, under the relevant Series 2 Participating Assets;
- f) in respect of all Series 2 Participating Assets in Default, take such action as is appropriate, including such action as may be necessary to cause, or attempt to cause, the relevant Obligors to cure such non-performance (if the same may be cured) or to terminate or attempt to terminate such Series 2 Participating Asset and to recover, or attempt to recover, all damages resulting from such default;
- g) arrange, maintain and make claims under the Insurance Contracts;
- 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 Series 2 Participating Asset Payments, Recoveries and Insurance Proceeds) are paid into the relevant Series 2 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 Series 2 Participating Assets 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 Series 2 Participating Assets 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 Series 2 Participating Assets sold and transferred to the Issuer at that point in time, the Rating Agency, after having been furnished with 10 (ten) 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 Series 2 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 relevant Series Servicer Agreement as Series Standby Servicer (if any), 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 Series 2 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 (six) 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 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 Series 2 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 Series Supplement 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 Series 2 Participating Asset 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 Series 2 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 Series 2 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 30 (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 Series Supplement 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 Series 2 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 Series 2 Participating Assets during the Revolving Period where the funds available to purchase Series 2 Participating Asset(s) are less than the Principal Redemption Amount less amounts applied under Item Seventh of the Pre-Enforcement Series 2 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 Series Supplement Date or on any Measurement Date thereafter during the Revolving Period, is an amount equal to the aggregate Net Present Value of the Delinquent Series 2 Participating Assets.

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 Series Supplement Date will be an amount equal to at least 2.5% of the aggregate Outstanding Principal Amount of the Tranche(s) of Notes issued on the Series Supplement 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 Series 2 Participating Assets owned by the Issuer as at the Issue Date of such Tranche(s) of Notes and, if applicable, the Series 2 Participating Assets 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 Series 2 Participating Assets ("**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 Series 2 Participating Assets to be acquired by the Issuer for the purpose of such Over-Collateralisation shall be acquired by no later than 30 (thirty) 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 Series 2 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 (ten) 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 the Rating Agency 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 Series 2 Participating Assets 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 Series 2 Participating Assets purchased by the Issuer on that Payment Date.

Section 21**SECURITISATION REGULATIONS**

The Registrar of Banks confirmed, on 30 July 2013 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: 16 November 2016

By: _____

Director, duly authorised

Date: 16 November 2016

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 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]

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**SERIES SELLER,
 SERIES SERVICER, SERIES MANAGER,
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**INDEPENDENT AUDITORS TO THE ISSUER AND THE SERIES SECURITY SPV
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