

GUARANTEE

issued by

FOX STREET 6 SECURITY SPV (RF) PROPRIETARY LIMITED
(in its capacity as Security SPV)

to and in favour of

THE SECURED CREDITORS

in respect of the residential mortgage backed securities programme of
Fox Street 6 (RF) Limited



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1 INTERPRETATION

- 1.1 The Common Terms Agreement dated on or about 2 August 2018, signed by, among others, the parties to this Guarantee (as may be amended, varied or substituted from time to time with the consent of all the parties to such Common Terms Agreement) is expressly and specifically incorporated into this Agreement and, accordingly, the terms and provisions of, the Common Terms Agreement (as so amended, varied or substituted) shall, except where the context otherwise requires, form part of this Guarantee.
- 1.2 Unless the context indicates otherwise, terms and conditions not separately defined in this Agreement shall, in this Agreement, bear the meanings given to them in the Terms and Conditions of the Notes set out in the programme memorandum, dated on or about 31 July 2018, as amended, novated or substituted from time to time (the "**Programme Memorandum**") issued by the Issuer.
- 1.3 In this Guarantee, headings are for convenience and shall not be used in its interpretation and, unless the context clearly indicates a contrary intention, a word or expression which denotes –
 - 1.3.1 any gender shall include the other gender;



- 1.3.2 a natural person shall include an artificial or juristic person and *vice versa*; and
- 1.3.3 the singular shall include the plural and *vice versa*.
- 1.4 The following expressions shall bear the meanings assigned to them below and cognate expressions bear corresponding meanings -
 - 1.4.1 "**Guarantee**" – the guarantee set out in this document, as amended, novated and/or replaced from time to time; and
 - 1.4.2 "**Guarantee Event**" – has the meaning ascribed thereto in 6.1;
 - 1.4.3 "**Issuer's Obligations**" – any and all payment obligations which the Issuer now has, or may from time to time in the future have, to the Secured Creditors (including contingent obligations, obligations to pay damages as a result of a breach and any other payment obligations whatsoever) in terms of, or arising in connection with the Notes and the Transaction Documents.

2 INTRODUCTION

- 2.1 The Security SPV has been established for the purpose of holding and realising security for the benefit of the Secured Creditors in respect of the obligations of the Issuer to each of the Secured Creditors in terms of the Transaction Documents.
- 2.2 In order to give effect to the principles set out in 2.1, the Security SPV shall –
 - 2.2.1 guarantee to the Secured Creditors on the terms set out in this Guarantee, the payment of their claims upon the occurrence of a Guarantee Event;
 - 2.2.2 if a Guarantee Event occurs –
 - 2.2.2.1 claim from the Issuer in terms of the Indemnity;



2.2.2.2 realise the Security under the Security Agreements, if necessary; and

2.2.2.3 subject to 10.1, pay to each Secured Creditor, in accordance with this Guarantee given to it and in the order and subject to the terms of the Pre-Enforcement Priority of Payments prior to the delivery of an Enforcement Notice or Post-Enforcement Priority of Payments after the delivery of an Enforcement Notice, as the case may be, the amount of its claim.

3 SUSPENSIVE CONDITION

This Agreement constitutes one of the Transaction Documents and, accordingly, the operation of this Agreement shall be suspended in accordance with clause 3 of the Common Terms Agreement.

4 GUARANTEE BY SECURITY SPV

The Security SPV irrevocably and unconditionally guarantees, as a principal and independent obligation in favour of each of the Secured Creditors -

4.1 the due and punctual payment by the Issuer of all of the Issuer's Obligations owed to the Secured Creditors in terms of the applicable Priority of Payments; and

4.2 undertakes to pay to the Secured Creditors, subject to and in accordance with the applicable Priority of Payments, any and all amounts which may be payable by the Issuer to the Secured Creditors under the Transaction Documents, which are not paid on the due date for payment therefore.

5 DURATION

5.1 This Guarantee shall -

5.1.1 subject to 3, become of full force and effect on the Date of Signature;



5.1.2 remain in force until -

5.1.2.1 all of the Issuer's Obligations having been fully and finally discharged;
and

5.1.2.2 all of the Security SPV's obligations in terms of this Guarantee having
been fully and finally discharged; and

5.1.3 be irrevocable as from the date referred to in 5.1.1 until the expiry thereof
in terms of 5.1.2.

5.2 Neither the obligations of the Security SPV set out herein, nor the rights, powers
and remedies conferred upon the Secured Creditors in respect of this Guarantee
shall be discharged, impaired or otherwise affected by -

5.2.1 the Issuer being liquidated, wound-up (whether provisionally or finally),
being placed under business rescue or suffering any similar legal disability
or any change in the status, function, control and/or ownership of the
Issuer;

5.2.2 any failure to fully take any security now or hereafter agreed to be taken
in relation to the obligations of the Security SPV hereunder;

5.2.3 any amendment to any agreement for the time being subsisting between
the Security SPV, the Issuer, the Secured Creditors (or any of them) and/or
any other third party;

5.2.4 any fluctuation or reduction in, extension for whatever period or temporary
extinction of the Issuer's Obligations;

5.2.5 any failure to realise or fully realise the value of, or any release, discharge,
exchange or substitution of, any security taken in respect of the obligations
of the Security SPV hereunder; and/or

5.2.6 any other act, event and/or omission which, but for this 5.2, might operate
to discharge, impair or otherwise affect any of the obligations of the



Security SPV in terms of this Guarantee or any of the rights, powers or remedies conferred upon the Secured Creditors by law.

5.3 Without derogating from the foregoing provisions of this 5, no Secured Creditor shall be obliged, before exercising any rights, powers or remedies conferred upon any of them in terms of this Guarantee or by law -

5.3.1 to make any demand on any third party prior to exercising their rights under this Guarantee;

5.3.2 to take any action or obtain any judgement in any court against the Issuer and/or any other third party; or

5.3.3 to make, file or prove any claim in the winding-up or dissolution of the Issuer and/or any other third party.

6 GUARANTEE EVENT

6.1 A Guarantee Event shall be -

6.1.1 in the case of a Noteholder -

6.1.1.1 a vote for early redemption of the Notes by the Controlling Class of Noteholders as contemplated in Condition 11.2.3.1 of the Terms and Conditions pursuant to the occurrence of an Event of Default under the Notes; or

6.1.1.2 a declaration by the Security SPV that the Notes are immediately due and payable as contemplated in Condition 11.2.3.2 of the Terms and Conditions pursuant to the occurrence of an Event of Default under the Notes;

6.1.2 in the case of any other Secured Creditor -

6.1.2.1 the occurrence of an Event of Default under the relevant Transaction Document concluded with that Secured Creditor; or



- 6.1.2.2 the Notes becoming immediately due and payable pursuant to the occurrence of any other Event of Default; or
- 6.1.3 the occurrence of an Issuer Insolvency Event.
- 6.2 The Security SPV shall not be required to take any steps to ascertain whether any Guarantee Event has occurred and until the Security SPV has actual knowledge of a Guarantee Event, it shall be entitled to assume that no Guarantee Event has taken place.
- 6.3 If a Guarantee Event occurs, the Security SPV shall –
 - 6.3.1 claim from the Issuer in terms of the Indemnity;
 - 6.3.2 realise the Security under the Security Agreements, if necessary; and
 - 6.3.3 subject to 10.1, pay to each Secured Creditor, in accordance with this Guarantee given to it and in the order and subject to the terms of the Pre-Enforcement Priority of Payments prior to the delivery of an Enforcement Notice or Post-Enforcement Priority of Payments after the delivery of an Enforcement Notice, as the case may be, the amount of its claim.

7 LIMITATION OF LIABILITY

Each of the Secured Creditors acknowledges and agrees that the Security SPV shall not be obliged to pay over to such Secured Creditor any amount of its liability under this Guarantee, except to the extent it has received payment of such amount pursuant to the exercise or perfection by the Security SPV of its rights under the Transaction Documents. In addition and without derogating from the generality of the foregoing, the Security SPV's liability in terms of this Guarantee shall at all times -

- 7.1 be subject to the applicable Priority of Payments; and
- 7.2 be limited to the amount which the Security SPV recovers in terms of the Indemnity and any security given in favour of the Security SPV to secure the



obligations of the Issuer in terms of the Indemnity, which amount shall only be distributed in accordance with the applicable Priority of Payments.

8 THE GUARANTEE CONDITIONS

- 8.1 The Security SPV acknowledges that this Guarantee is given on the basis that it constitutes a separate obligation enforceable against the Security SPV even though the Secured Creditors have not proceeded against or claimed payment from the Issuer.
- 8.2 The Security SPV undertakes to and in favour of the Secured Creditors that whenever it receives a demand for payment under this Guarantee from the Secured Creditors following the occurrence of a Guarantee Event, it will pay all amounts due and payable in terms of 4.2, subject to 7.
- 8.3 The Security SPV undertakes to enforce the remedies available to it under the Indemnity and Security Agreements, and such other remedies as may be available to it at law, promptly upon any claim being made upon it in terms of this Guarantee; provided that the Security SPV is not obliged to take any action (including the exercise of any right, power, discretion or obligation) until the Secured Creditors or the relevant Secured Creditor, as the case may be, places it in funds equivalent to the amount which the Security SPV determines may become payable by it in respect of any liabilities, costs or expenses which will or may arise from the Security SPV taking that action, or it is indemnified by the Secured Creditors or the relevant Secured Creditor, as the case may be, to its reasonable satisfaction in a form acceptable to it, in respect of any such liabilities, costs or expenses.
- 8.4 Without limiting its rights, powers and discretions, the Security SPV will not be required to exercise any right, power or discretion in terms of this Guarantee, the Indemnity and/or the Security Agreements without the specific written instructions of the relevant Secured Creditors (which in the case of the Noteholders, shall be given by Extraordinary Resolution of the Controlling Class) or the relevant Secured Creditor, as the case may be. If more than one Secured Creditor claims under the Guarantee, then the instructions of the Noteholders shall prevail. If there are no Noteholders, then the instructions of the Secured Creditors ranking highest in the relevant Priority of Payments shall prevail.



- 8.5 The Security SPV may engage and pay for (using the funds obtained pursuant to 8.3) the advice or services of any lawyers, accountants or other experts whose advice or services may seem to the Security SPV to be reasonably necessary in relation to any of the provisions of any Transaction Document, act or rely in good faith upon the opinion or advice of or any information obtained from any lawyer, accountant, valuer, surveyor, broker, auctioneer or other expert of recognised standing commissioned by the Security SPV, and the Security SPV shall not be responsible for any loss occasioned or arising by so acting or relying.
- 8.6 The Security SPV will have no liability to any Secured Creditor in respect of anything done or omitted to be done in good faith and at the direction, or with the approval, of the Secured Creditors or the relevant Secured Creditor, as the case may be ("**Specified Conduct**"), and the Secured Creditors jointly and severally indemnify the Security SPV, its directors, officers and agents for any liabilities to any person (and any of its directors, officers and agents) so incurred by the Security SPV in respect of any Specified Conduct, *pro rata* to the aggregate amounts due and payable under the Transaction Documents by the Issuer to the Secured Creditors (in the case of a Guarantee Event referred to in 6.1.1 or 6.1.2).
- 8.7 The rights of the Secured Creditors under this Guarantee are in addition to and not diminished or otherwise affected by any other rights under the Transaction Documents or provided by law.
- 8.8 Any settlement or discharge given by the Secured Creditors to the Security SPV in respect of the Security SPV's obligations under this Guarantee or any other agreement reached between the Secured Creditors and the Security SPV in relation to this Guarantee shall be, and be deemed always to have been, void if any act on the faith of which the Secured Creditors gave the Security SPV that settlement or discharge or entered into that agreement is subsequently voided by or in pursuance of any provision of law.
- 8.9 The Security SPV undertakes, in respect of any claim arising out of this Guarantee, not to raise the defence that there is no cause (i.e. reasonable basis) for the granting of this Guarantee.



- 8.10 If any payment or other performance which has had the effect of reducing or discharging the Security SPV's liability under this Guarantee is wholly or partly set aside, or refunded by agreement, after the Security SPV's release from this Guarantee, the Security SPV's liability for the indebtedness reduced or discharged by the payment or other performance shall revive.
- 8.11 The Security SPV waives any right that it may have to first require any Secured Creditor to make any demand of the Issuer, to proceed against or claim payment from the Issuer or any third party, to take action or obtain judgment in any court against the Issuer or to make, file or prove any claim in the winding-up or dissolution or business rescue proceedings of the Issuer before claiming under this Guarantee.
- 8.12 The Security SPV acknowledges that its obligations under this Guarantee are principal obligations and renounces any benefits to which it may be entitled in law as a result of this Guarantee including, without limitation, the benefits of division, excussion, cession of actions, revision of accounts and no value received. The Security SPV acknowledges that it is fully aware of the meaning and effect of those benefits.
- 8.13 The Security SPV shall not be entitled to revoke or cancel this Guarantee before the obligations of the Issuer to the Secured Creditors in terms of the Transaction Documents have been entirely and finally, unconditionally and irrevocably extinguished in full.
- 8.14 The provisions of this Guarantee shall not limit any liability on the part of the Security SPV to Secured Creditors for any loss occasioned by or arising from the Security SPV's dishonesty, negligence or breach of contract.
- 8.15 This Guarantee is given to each Secured Creditor on the basis that each such Secured Creditor has expressly agreed, in the Transaction Document to which such Secured Creditor is a party, to the subordination, limited recourse, limited enforcement and non-petition provisions in relation to its claims against the Issuer and/or the Security SPV.



9 STIPULATIO ALTERI

9.1 This Guarantee, on acceptance by the first Secured Creditor in terms of 9.1.1, constitutes a stipulation in favour of each of the Secured Creditors and shall be deemed to have been accepted by each of them and to constitute a binding agreement with each of them (notwithstanding that the Secured Creditors shall not have executed this document) as follows –

9.1.1 by each of the Secured Creditors other than Noteholders, upon the execution of the Transaction Documents to which such Secured Creditor is a party; and

9.1.2 by the Noteholders upon the issue or transfer of the Notes to such Noteholders, as the case may be.

9.2 On the Date of Signature of this Guarantee, the Servicer shall retain and hold the original Guarantee on behalf of the Secured Creditors and shall make certified copies of this Guarantee available to the Secured Creditors upon written request.

9.3 By signing this Guarantee the Security SPV accepts the benefit of the stipulations in its favour, and the obligations imposed upon it, under the Terms and Conditions and binds itself to the terms of the Terms and Conditions, insofar as the Terms and Conditions refer to the Security SPV.

10 COSTS AND FEES

10.1 The Issuer shall immediately indemnify the Security SPV against the amount of any costs, charges and expenses of whatever nature incurred by the Security SPV in its sole and absolute discretion in securing or endeavouring to secure fulfilment of the Issuer's Obligations or in otherwise exercising the Security SPV's rights in terms of this Guarantee, including collection commission, tracing charges and legal costs on the scale as between an attorney and his own client (together with any additional legal costs which may have been paid or are payable by the Security SPV for any such purpose), insurance premiums, storage charges, stamp duties, taxes and other fiscal charges, agent's and



auctioneer's commissions and all other costs and expenses of valuation, maintenance, advertising and realisation.

- 10.2 Any amount payable by the Issuer pursuant to the provisions of 10.1 shall only be payable by the Issuer in accordance with the applicable Priority of Payments.

Signed at SANDTON on 2 AUGUST 2018
for Fox Street 6 Security SPV (RF)
Proprietary Limited (in its capacity as
Security SPV)

A handwritten signature in black ink, appearing to be 'D. M. M.', written over a horizontal line.

who warrants that he is duly
authorised hereto