

HARCOURT STREET 1 (RF) LIMITED

(Incorporated with limited liability in South Africa under registration number 2015/047670/06)

APPLICABLE PRICING SUPPLEMENT

**Issue of ZAR117,000,000 Senior Secured Floating Rate Notes
Under its ZAR10,000,000,000 Secured Note Programme
Series Transaction 10, Sub-Series No 2**

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

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum dated 17 February 2016 (as amended or supplemented), the Applicable Issuer Supplement executed by Harcourt Street 1 (RF) Limited dated 17 February 2016 (as amended and supplemented) and the Applicable Transaction Supplement executed by Harcourt Street 1 (RF) Limited dated 18 December 2019 (as amended and supplemented). To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum or Applicable Transaction Supplement, the provisions of this Applicable Pricing Supplement shall prevail.

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from the Programme Memorandum, the Applicable Transaction Supplement and this Applicable Pricing Supplement which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that the Programme Memorandum, the Applicable Transaction Supplement and this Applicable Pricing Supplement contain all information required by applicable law and the JSE Debt Listings Requirements. The Issuer accepts full responsibility for the information contained in the Programme Memorandum, the Applicable Transaction Supplement, this Applicable Pricing Supplement and its annual financial statements and any amendments or supplements to the aforementioned documents, except as otherwise stated therein.

The JSE takes no responsibility for the contents of the Programme Memorandum, the Applicable Transaction Supplement, this Applicable Pricing Supplement and the Issuer's annual financial statements and any amendments or supplements to the aforementioned documents. The JSE makes no representation as to the accuracy or completeness of the Programme Memorandum, the Applicable Transaction Supplement, this Applicable Pricing Supplement and the Issuer's annual financial statements and any amendments or supplements to the aforementioned documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the aforementioned documents. The JSE's approval of the registration of the Programme Memorandum and the listing of the Notes described in this Applicable Pricing Supplement is not to be taken in any way as an indication of the merits of the Issuer or of the Notes and, to the extent permitted by Applicable Law, the JSE will not be liable for any claim whatsoever.

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the section of the Programme Memorandum headed "*Glossary of Terms*" and the section of the Applicable Transaction Supplement headed "*Series Transaction Specific Definitions*". References in this Applicable Pricing Supplement to the Terms and Conditions are to the section of the Programme Memorandum headed "*Terms and Conditions of the Notes*", read with the section of the Applicable Transaction Supplement headed "*Replacement/Additional/Amended Terms and Conditions of the Notes*". References to any Condition in this Applicable Pricing Supplement are to that Condition of the Terms and Conditions.

DESCRIPTION OF THE NOTES

1	Issuer	Harcourt Street 1 (RF) Limited, registration number 2015/047670/06
2	Security SPV	Harcourt Street Security SPV 7 Trust, Master's Reference Number IT000903/2019(G) represented by Quadridge Trust Services Proprietary Limited, as trustee, which may be used as Security SPV for subsequent Series Transactions
3	Status and Class of the Notes	Senior Secured Notes
4	Tranche number	2
5	Series number	10
6	Sub-Series number	No 2
7	Aggregate Principal Amount of this Tranche	ZAR117,000,000
8	Issue Date and first settlement date	3 March 2020
9	Minimum Denomination per Note	ZAR1,000,000
10	Issue Price	100%
11	Applicable Business Day Convention	As per the Terms and Conditions, namely the Following Business Day
12	Interest Commencement Date	3 March 2020
13	Final Maturity Date	30 September 2023
14	Issuer Call Date and Step Up Date	30 September 2022
15	Use of Proceeds	The net proceeds of the issue of this Sub-Series of Notes will be used to acquire the Participation Asset as described in item 30 below together with all related rights under the Participation Asset on the Issue Date
16	Specified Currency	ZAR
17	Set out the relevant description of any additional/other Terms and Conditions relating to the Notes	N/A

FLOATING RATE NOTES

18	Interest Payment Date(s)	30 March, 30 June, 30 September and 30 December, or if such day is not a Business Day, the Business Day on which the interest will be paid, as determined in
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		accordance with the applicable Business Day Convention (as referred to in item 11 above)
19	Interest Periods	Each period commencing on (and including) an Interest Payment Date and ending on (but excluding) the following Interest Payment Date, provided that the first Interest Period will commence on (and include) the Interest Commencement Date and end on (but exclude) the Interest Payment Date thereafter (each Interest Payment Date as adjusted in accordance with the applicable Business Day Convention)
20	Interest Rate	Reference Rate plus the Margin
21	Manner in which the Interest Rate is to be determined	Screen Determination
22	Margin/Spread for the Interest Rate	1.65% per annum until but excluding the Issuer Call Date (as referred to in item 14 above) stepping up to 2.45% per annum from and including the Step up Date (as referred to in item 14 above) until the Final Maturity Date
23	If Screen Determination	
	(a) Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated)	Three Month JIBAR, provided that the Reference Rate in respect of the first Interest Period shall be an interpolated rate between the South African Rand Overnight Deposit Rate and one month JIBAR, as determined by the Calculation Agent on the Issue Date
	(b) Rate Determination Dates	In respect of the first Interest Period, the Issue Date. With respect to subsequent Interest Periods, the Reference Rate will be reset on 30 March, 30 June, 30 September and 30 December, as adjusted in accordance with the applicable Business Day Convention
	(c) Relevant Screen page and Reference Code	Reuters Screen SAFEY page under caption "Yield" as at approximately 11h00, Johannesburg time, on the relevant Rate Determination Date, rounded to the third decimal point
24	If Interest Rate to be calculated otherwise than by reference to Screen Rate Determination, insert basis for determining Interest Rate/Margin/Fall back provisions	N/A
25	Any other terms relating to the particular method of calculating interest	N/A

PARTICIPATING ASSET(S) TO BE PURCHASED BY THE ISSUER

26	Participating Asset Issuing Entity	Mercedes Benz South Africa Limited (as Issuer unconditionally and irrevocably guarantee by Daimler AG) whose financial information can be obtained from the following website: https://corporate.mercedes-benz.co.za/investor-relations/information
27	Year end of the Participating Asset Issuing Entity	31 December 2020
28	Legal jurisdiction(s) where the Participating Assets are located	The Republic of South Africa
29	Calculation Agent under the Participating Asset	Rand Merchant Bank, a division of FirstRand Bank Limited
30	Description of Participating Asset	Senior Unsecured Floating Rate Notes issued by the Participating Asset Issuing Entity under Stock Code MBF065 with ISIN ZAG000162454 under an applicable pricing supplement (“ the MBF065 Applicable Pricing Supplement ”) pursuant to the Terms and Conditions of the Mercedes Benz South Africa Limited Domestic Medium Term Note Programme Memorandum dated 21 December 2015 (“ the Mercedes Benz Programme Memorandum ”)
31	Nominal value of the Participating Asset	ZAR115,259,501.32
32	Purchase price of the Participating Asset	ZAR117,000,000 (which includes an accrued interest and fair value spread component)
33	Issue date	30 September 2019
34	Maturity date	30 September 2022
35	Coupon	Three Month JIBAR plus 1.08% per annum
36	Coupon payment dates	30 March, 30 June, 30 September, 30 December
37	CUSIP/ISIN:	ZAG000162454
38	Participating Asset Events of Default	As described in the Terms and Conditions of the Mercedes Benz Programme Memorandum
39	Are the Participating Assets amortising?	No
40	Does the Participating Asset Issuing Entity have a call option or early termination events other than as a result of an Event of Default?	Yes, as described in the MBF065 Applicable Pricing Supplement
41	Other terms	<p>Credit Rating</p> <p>The Participating Asset currently carries a Aaa.za South African national scale rating by Moody’s Investors Service.</p>

Replacement Participating Asset (as defined below)

If the Issuer does not exercise its Call Option (as referred to in item 79B below) at the Issuer Call Date, the Issuer will use the repayment proceeds received on the maturity date of the Participating Asset *plus* the Fixed Amount received under the Derivative Contract to acquire Treasury Bills, equal in value within 10 Business Days after the Issuer Call Date, being short term debt obligations issued by the Republic of South Africa that mature not earlier than seven Business Days and not later than two Business Days prior to the Final Maturity Date (the “**Replacement Participating Asset**”). If the Issuer does not acquire such Replacement Participating Asset, using reasonable commercial efforts, the Issuer shall use the repayment proceeds received on the maturity date of the Participating Asset *plus* the Fixed Amount received under the Derivative Contract to redeem in full all, but not some, of the Sub-Series of Notes not later than twenty Business Days after the Issuer Call Date, subject to the applicable Sub-Series Priority of Payments.

SALIENT FEATURES OF THE CDS TO BE ENTERED INTO BY THE ISSUER (as Seller of protection)

42	Effective Date	3 March 2020
43	Scheduled Termination Date	30 September 2023
44	Calculation Agent under the CDS	Investec Bank Limited
45	Reference Entity(ies)	Standard Bank Group Limited which financial information can be obtained from the following website: https://www.standardbank.com/pages/StandardBankGroup/web/index.html
46	[Non-Standard][Standard] Reference Obligation(s)	Non-Standard Reference Obligation
47	Reference Price	100%
48	All Guarantees	Applicable
49	Credit Events	Bankruptcy Failure to Pay Grace Period Extension: Applicable Payment Requirement None Specified Obligation Default Repudiation/Moratorium

		Restructuring
		Multiple Holder Obligation:
		Applicable
		Default Requirement: ZAR10,000,000
		Government Intervention
50	Conditions to Settlement	Credit Event Notice
		Notifying Party: Investec Bank Limited in its capacity as Buyer of protection;
		Notice of Publicly Available Information Specified Number: Two
51	Obligations	Obligation Category:
		Bond
		Obligation Characteristics:
		Subordinated Debt, Tier 2
		Specified Currency: ZAR
		Listed
52	Settlement Method	Cash Settlement
53	Valuation Date	Single
54	Early termination events (other than as a result of a Credit Event)	As per the terms of the Credit Default Swap Agreement to be entered into by the Issuer in respect of this Series Transaction 10, Sub-Series No 2
	GENERAL	
55	Additional selling restrictions	N/A
56	International Securities Identification Number (ISIN)	ZAG000166737
57	Stock Code	H10T2
58	Financial Exchange	Interest Rate Market of the JSE Limited
59	Dealer(s)	Investec Bank Limited

60	Method of distribution	Private Placement
61	Rating assigned to this Tranche of Notes, date of rating and date for review of rating	Not rated
62	Rating Agency	N/A
63	Governing Law	South Africa
64	Last Day to Register	By 17h00 on the Business Day immediately preceding the first day of a Books Closed Period, which shall mean that the Register will be closed from 17h00 on each Last Day to Register to the following Interest Payment Date
65	Books Closed Period	The 5 (five) calendar days prior to each Interest Payment Date, namely from 25 March to 30 March (both days inclusive), from 25 June to 30 June (both days inclusive),), from 25 September to 30 September (both days inclusive) and from 25 December to 30 December (both days inclusive)
66	Calculation Agent	Investec Bank Limited
67	Specified Office of the Calculation Agent	100 Grayston Drive, Sandown, Sandton, 2196
68	Transfer Agent	Investec Bank Limited
69	Specified Office of the Transfer Agent	100 Grayston Drive, Sandown, Sandton, 2196
70	Paying Agent	Investec Bank Limited
71	Specified Office of the Paying Agent	100 Grayston Drive, Sandown, Sandton, 2196
72	Settlement Agent	Nedbank Limited
73	Specified Office of the Settlement Agent	Nedbank Investor Services, 2nd Floor, 16 Constantia Boulevard, Roodepoort, 1709
74	Stabilisation Manager, if any	N/A
75	Issuer Programme Amount	ZAR10,000,000,000. The Issue of the Notes will not result in the Issuer Programme Amount being exceeded.
76	Principal Amount Outstanding of all Notes in issue under Series Transaction 10 on the Issue Date of this Tranche	ZAR139,000,000
77	Additional Events of Default	N/A

PROVISIONS REGARDING EARLY REDEMPTION

- 78 Mandatory Redemption by the Issuer *Prepayment under the Participating Asset*
- In the event of a prepayment by the Participating Asset Issuing Entity of all or a portion of the principal amount outstanding under the Participating Asset prior to the maturity date of the Participating Asset (as referred to in item 34 above), the Issuer shall, subject to the Issuer having given written notice to the Sub-Series Noteholders, the Transfer Agent, the Paying Agent and the Calculation Agent (which notice shall be irrevocable), redeem all or such portion of the Notes in this Tranche on the date stipulated in such notice equal to the amount of the principal prepayment received from the Participating Asset Issuing Entity in relation to the Participating Asset.
- (a) Early Redemption Amount
- The amount at which the Sub-Series of Notes will be redeemed will be equal to -
- (i) the Principal Amount Outstanding if the Participating Asset is prepaid in full; or
 - (ii) the amount of the principal prepayment received in respect of that Participating Asset,
- plus all accrued but unpaid interest until (but excluding) the date on which the principal prepayment was paid under the Participating Asset;
- (b) Minimum Period of Notice
- The notice period which the Participating Asset Issuing Entity is required to give under the Participating Asset, plus two Business Days.
- 79 Optional redemption by the Issuer **(A) Change in Law Event and Illegality**
- For the purposes of this item 79(A) –
- "Change in Law Event"** means the occurrence of any change in law, directive, rule, regulation and/or legislation or any interpretation by a regulator of Applicable Laws or any directive or instruction issued by a regulator (irrespective of whether such event occurred prior to the Issue Date or thereafter) which results (or will in the future result) in the Sub-Series of Notes not, or no longer, being economically viable for the Issuer to have the Sub-Series of Notes outstanding, in the sole discretion of the Issuer; and
- "Illegality"** means it becomes unlawful for the Issuer to perform any of its obligations under the Sub-Series of Notes and/or the Series Transaction Documents in relation to Sub-Series No 2.
- If a Change in Law Event or an Illegality has occurred and is continuing, the Issuer may at any time after the

Issue Date, at its election, but subject to the Issuer having given notice to the Transfer Agent, the Calculation Agent, the Paying Agent, and the Sub-Series Noteholders (which notice shall be irrevocable) redeem all of the Sub-Series of Notes in this Tranche on the date for redemption stipulated in such notice.

From the date of publication of any notice of redemption pursuant to this item 79(A), the Issuer shall make available at 100 Grayston Drive, Sandton for inspection by any holder of the Sub-Series of Notes to be so redeemed, a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that a Change in Law Event or an Illegality has occurred.

(a) Early Redemption Amount

Each Note shall be redeemed in cash at an amount equal to the Principal Amount Outstanding plus accrued but unpaid interest, if any, to the date of redemption of the Sub-Series of Notes, subject to the applicable Sub-Series Priority of Payments..

(b) Minimum period of notice

Not less than ten nor more than forty days' notice.

(B) Call Option

The Issuer is entitled to exercise its right to repay in full all, but not some, of the Sub-Series of Notes on the Issuer Call Date (as referred to in item 14 above) upon giving not more than thirty nor less than ten days' notice, prior to the Issuer Call Date, to the Sub-Series Noteholders, which notice shall be irrevocable, at their aggregate Principal Amount Outstanding (together with accrued but unpaid interest thereon), subject to the applicable Sub-Series Priority of Payments.

DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3(5) OF THE COMMERCIAL PAPER REGULATIONS promulgated in Government Notice No. 2172 (Government Gazette 16167 of 16 December 1994) pursuant to the provisions of the Banks Act, 1990

At the date of this Applicable Pricing Supplement -

- 80 the ultimate borrower is the Issuer;
- 81 the Issuer is a going concern and can be reasonably expected to meet its obligations under the Sub-Series of Notes;
- 82 the auditor of the Issuer is KPMG Inc;

- 83 the aggregate Principal Amount Outstanding of all Notes in issue by the Issuer, excluding this Tranche of Notes and any other Notes to be issued on the Issue Date of this Tranche of Notes, is ZAR924,000,000;
- 84 it is anticipated that the Issuer may issue additional Notes, up to ZAR5,000,000,000, during the remainder of its current financial year, in addition to the sub-Series of Notes forming part of this Issue;
- 85 prospective investors are to consider this Applicable Pricing Supplement, the Programme Memorandum, the Applicable Transaction Supplement and the documents incorporated therein by reference to ascertain the nature of the financial and commercial risks of an investment in the Sub-Series of Notes;
- 86 there has not been any material adverse change in the Issuer's financial position since 31 March 2019;
- 87 the Sub-Series of Notes to be issued will be listed;
- 88 the net proceeds of the issue of this Sub-Series of Notes will be used to acquire the Participating Asset, together with all related rights under that Participating Asset;
- 89 the obligations of the Issuer in respect of the Sub-Series of Notes issued under the Applicable Pricing Supplement are guaranteed by the Series Security SPV in terms of the Sub-Series Guarantee; and
- 90 KPMG Inc, the statutory auditors of the Issuer, have confirmed that nothing has come to their attention that causes them to believe that the Issuer will not be in compliance with the relevant provisions of the Commercial Paper Regulations with regard to the proposed issue of secured floating rate Notes, as described in the Programme Memorandum, the Applicable Transaction Supplement and this Applicable Pricing Supplement.

Application is hereby made to list this Tranche of Sub-Series of Notes, as from 3 March 2020, pursuant to the Harcourt Street 1 (RF) Limited Secured Note Programme. The Programme was registered with the JSE on 17 February 2016.

HARCOURT STREET 1 (RF) LIMITED

By: _____

Capacity: Director, duly authorised

Name: _____

Date: _____



By: _____

Capacity: Director, duly authorised

Name: Kurt van Staden

Date: 27/02/2020

- 83 the aggregate Principal Amount Outstanding of all Notes in issue by the Issuer, excluding this Tranche of Notes and any other Notes to be issued on the Issue Date of this Tranche of Notes, is ZAR924,000,000;
- 84 it is anticipated that the Issuer may issue additional Notes, up to ZAR5,000,000,000, during the remainder of its current financial year, in addition to the sub-Series of Notes forming part of this Issue;
- 85 prospective investors are to consider this Applicable Pricing Supplement, the Programme Memorandum, the Applicable Transaction Supplement and the documents incorporated therein by reference to ascertain the nature of the financial and commercial risks of an investment in the Sub-Series of Notes;
- 86 there has not been any material adverse change in the Issuer's financial position since 31 March 2019;
- 87 the Sub-Series of Notes to be issued will be listed;
- 88 the net proceeds of the issue of this Sub-Series of Notes will be used to acquire the Participating Asset, together with all related rights under that Participating Asset;
- 89 the obligations of the Issuer in respect of the Sub-Series of Notes issued under the Applicable Pricing Supplement are guaranteed by the Series Security SPV in terms of the Sub-Series Guarantee; and
- 90 KPMG Inc, the statutory auditors of the Issuer, have confirmed that nothing has come to their attention that causes them to believe that the Issuer will not be in compliance with the relevant provisions of the Commercial Paper Regulations with regard to the proposed issue of secured floating rate Notes, as described in the Programme Memorandum, the Applicable Transaction Supplement and this Applicable Pricing Supplement.

Application is hereby made to list this Tranche of Sub-Series of Notes, as from 3 March 2020, pursuant to the Harcourt Street 1 (RF) Limited Secured Note Programme. The Programme was registered with the JSE on 17 February 2016.

HARCOURT STREET 1 (RF) LIMITED

By: _____

Capacity: Director, duly authorised

Name: OLIVIA FERREIRA

Date: 27/02/2020

By: _____

Capacity: Director, duly authorised

Name: _____

Date: _____