

SUB-SERIES GUARANTEE

issued by

QUADRIDGE TRUST SERVICES PROPRIETARY LIMITED
(as trustee for the time being of the Harcourt Street Security SPV 7 Trust)
(in its capacity as Series Security SPV)

in favour of

THE SUB-SERIES SECURED CREDITORS

in respect of Sub-Series No. 1 under Series Transaction 10



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1 DEFINITIONS AND INTERPRETATION

- 1.1 The Common Terms Agreement in respect of the Series Transaction 10 signed by, among others, the parties to this Sub-Series Guarantee (as such agreement may be amended, novated and/or substituted from time to time in accordance with its terms) is expressly and specifically incorporated into this Sub-Series Guarantee and, accordingly, the expressions defined in, and the terms and provisions of, the Common Terms Agreement (as so amended, novated and/or substituted) shall, except where the context otherwise requires and save where otherwise defined or provided for in this Sub-Series Guarantee, have the same meanings in this Sub-Series Guarantee and shall form part of this Sub-Series Guarantee.
- 1.2 Unless the context indicates otherwise, terms and conditions not separately defined in this Sub-Series Guarantee shall, in this Sub-Series Guarantee, bear the meanings given to them in the Programme Memorandum dated 17 February 2016 (as amended or supplemented in accordance with its terms) and in the Applicable Transaction Supplement in respect of Series Transaction 10 dated 18 February 2020 (as amended or supplemented in accordance with its terms).



- 1.3 The following expressions shall bear the meanings assigned to them below and cognate expressions bear corresponding meanings –
- 1.3.1 **"Sub-Series Event of Default"** – in relation to –
- 1.3.1.1 the Sub-Series of Notes, any of the events specified in Condition 12;
and
- 1.3.1.2 any Series Transaction Document in relation to this Sub-Series, a failure by the Issuer duly to perform or observe any obligation binding on it under any such Series Transaction Document which breach is not remedied within the applicable grace period and gives rise to a claim by a Sub-Series Secured Creditor against the Issuer;
- 1.3.2 **"Sub-Series Guarantee"** – the guarantee set out in this document in favour of the Sub-Series Creditors, together with all of its annexures as amended or novated from time to time; and
- 1.3.3 **"Sub-Series No. 1"** – the CDS Linked Transaction in terms of which the Issuer issued a Tranche of Notes as described in the Applicable Pricing Supplement, the proceeds of which have been used by the Issuer to acquire the Participating Asset referred to in that Applicable Pricing Supplement and in terms of which the Issuer has entered into a Credit Default Swap Agreement with the CDS Counterparty linked to the Reference Entity as described in that Applicable Pricing Supplement.
- 1.4 All references in this Sub-Series Guarantee to **"the/this Sub-Series"**, **"Sub-Series Creditors"**, **"Sub-Series Indemnity"**, **"Sub-Series Security Cession"**, **"Sub-Series Noteholder(s)"**, **"Sub-Series of Notes"**, **"Sub-Series Assets"**, **"Post-Enforcement Sub-Series Priority of Payments"** are reference to those terms as they apply or relate to Sub-Series No. 1.



2 INTRODUCTION

- 2.1 The Issuer proposes to issue Notes under its Secured Note Programme, as more fully described in the Programme Memorandum as read with the Applicable Transaction Supplement.
- 2.2 The Series Security SPV has been established for the purpose of holding and realising security for the benefit of each Sub-Series Secured Creditor in respect of the obligations of the Issuer to such Sub-Series Secured Creditor in terms of the Series Transaction Documents in relation to this Sub-Series.
- 2.3 In order to give effect to the principles set out in 2.2 above, the Series Security SPV shall, in respect of this Sub-Series under Series Transaction 10 –
- 2.3.1 separately guarantee to each of the Sub-Series Secured Creditors on the terms set out in this Sub-Series Guarantee, the payment of their claims on the occurrence of a Sub-Series Event of Default;
- 2.3.2 obtain and hold the Sub-Series Indemnity from the Issuer against any claims made against the Series Security SPV pursuant to this Sub-Series Guarantee; and
- 2.3.3 if a Sub-Series Event of Default occurs –
- 2.3.3.1 claim from the Issuer in terms of the Sub-Series Indemnity;
- 2.3.3.2 realise the security under the Sub-Series Security Cession, if necessary; and
- 2.3.3.3 pay to each Sub-Series Secured Creditor, in accordance with this Sub-Series Guarantee and in the order and subject to the terms of the Post-Enforcement Sub-Series Priority of Payments after delivery of an Enforcement Notice, the amount of its claim.

3 *STIPULATIO ALTERI*

- 3.1 This Sub-Series Guarantee constitutes a stipulation in favour of each of the Sub-Series 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 relevant Sub-Series Secured Creditors shall not have executed this document) as follows –

- 3.1.1 by each of the Sub-Series Secured Creditors other than the Sub-Series Noteholders, upon the execution of the Series Transaction Documents in relation to this Sub-Series to which such Sub-Series Secured Creditor is a party; and
- 3.1.2 by the Sub-Series Noteholders upon the issue and subscription for, or transfer of, the Sub-Series of Note(s) to such Sub-Series Noteholder(s), as the case may be.
- 3.2 On the Date of Signature of this Sub-Series Guarantee, the Series Security SPV shall deliver the original signed Sub-Series Guarantee to the Administrator which has, in accordance with the undertaking annexed to this Sub-Series Guarantee as Annexure A, undertaken to hold such original Sub-Series Guarantee on behalf of the relevant Sub-Series Secured Creditors and to make certified copies of the Sub-Series Guarantee available to the relevant Sub-Series Secured Creditors upon written request by the relevant Sub-Series Secured Creditors, in accordance with such undertaking.
- 3.3 By signing the Sub-Series Guarantee, the Series Security SPV is deemed to have notice of the Terms and Conditions, and the Series Security SPV shall be bound by those provisions of the Terms and Conditions which confer rights and/or impose obligations on the Series Security SPV.

4 GUARANTEE BY SERIES SECURITY SPV

- 4.1 The Series Security SPV hereby irrevocably undertakes to each Sub-Series Secured Creditor that if a Sub-Series Guarantee Event (as defined in 5 below) arises, the Series Security SPV shall pay to each such Sub-Series Secured Creditor, in terms of and subject to the Post-Enforcement Sub-Series Priority of Payments, the amount owing to it by the Issuer and then due for payment under the relevant Series Transaction Documents in relation to this Sub-Series.



4.2 The relevant Sub-Series Secured Creditors agree that any payment by the Series Security SPV to any Sub-Series Secured Creditor in terms of this Sub-Series Guarantee shall discharge the Issuer's liability in like amount to such Sub-Series Secured Creditor for the underlying obligations of the Issuer to the Sub-Series Secured Creditor, to which such payment relates.

5 SUB-SERIES GUARANTEE EVENT

5.1 A Sub-Series Guarantee Event shall be –

5.1.1 in the case of a Sub-Series Noteholder –

5.1.1.1 a vote for early redemption of the Sub-Series of Notes by the Sub-Series Noteholder(s) as contemplated in the Terms and Conditions pursuant to the occurrence of a Sub-Series Event of Default under the Sub-Series of Notes; or

5.1.1.2 a declaration by the Series Security SPV that the Sub-Series of Notes are immediately due and payable as contemplated in the Terms and Conditions pursuant to the occurrence of a Sub-Series Event of Default under the Sub-Series of Notes;

5.1.2 in the case of any other Sub-Series Secured Creditor –

5.1.2.1 the occurrence of a Sub-Series Event of Default under the relevant Series Transaction Document in relation to this Sub-Series concluded with that Sub-Series Secured Creditor; or

5.1.2.2 the Sub-Series of Notes becoming immediately due and payable pursuant to the occurrence of any other Sub-Series Event of Default.

5.2 The Series Security SPV shall not be required to take any steps to ascertain whether any Sub-Series Guarantee Event has occurred and until the Series Security SPV has actual knowledge of a Sub-Series Guarantee Event, it shall be entitled to assume that no Sub-Series Guarantee Event has taken place.



6 SUB-SERIES GUARANTEE CONDITIONS

6.1 Separate obligation

The Series Security SPV acknowledges that this Sub-Series Guarantee is given on the basis that it constitutes a separate obligation enforceable against the Series Security SPV even though the relevant Sub-Series Secured Creditors have not proceeded against or claimed payment from the Issuer.

6.2 Sub-Series

The Series Security SPV undertakes in favour of the relevant Sub-Series Secured Creditors that whenever it receives a demand for payment under this Sub-Series Guarantee from a Sub-Series Secured Creditor following the occurrence of a Sub-Series Guarantee Event, it will pay all amounts due and payable in terms of 4.1 to the relevant Sub-Series Secured Creditors, subject to 6.3.1, 6.3.2 and 6.3.3.

6.3 Maximum recourse

6.3.1 The Series Security SPV shall not be liable under this Sub-Series Guarantee to pay the relevant Sub-Series Secured Creditors a net amount which in the aggregate exceeds the net amount which the Series Security SPV recovers from the Issuer pursuant to the Sub-Series Indemnity and from the Sub-Series Assets realised pursuant to the Sub-Series Security Cession.

6.3.2 The Series Security SPV shall only be obliged to make any payments in respect of this Sub-Series Guarantee, if, and to the extent that, it has recovered money from the Issuer pursuant to the Sub-Series Indemnity or from the Sub-Series Assets realised pursuant to the Sub-Series Security Cession.

6.3.3 Notwithstanding anything to the contrary herein provided, the Series Security SPV shall, out of the net amount recovered pursuant to the Sub-Series Indemnity or realised pursuant to the Sub-Series Security Cession, pay the relevant Sub-Series Secured Creditors to whom it has



given this Sub-Series Guarantee in the sequence set out in the Post-Enforcement Sub-Series Priority of Payments after delivery of an Enforcement Notice, in the same manner as the Issuer would in the ordinary course have paid each Sub-Series Secured Creditor, which for the avoidance of doubt shall mean that payments to Sub-Series Noteholder(s) by the Series Security SPV shall be made by making payment to the holders of the Sub-Series of Notes as reflected in the Register.

6.4 **Enforcement of remedies**

- 6.4.1 The Series Security SPV undertakes to enforce the remedies available to it under the Sub-Series Indemnity and Sub-Series Security Cession, and such other remedies as may be available to it at law, promptly upon any claim being made in terms of this Sub-Series Guarantee, provided that the Series Security SPV is not obliged to take any action (including the exercise of any right, power, discretion or obligation) until the relevant Sub-Series Secured Creditors place it in funds equivalent to the amount which the Series Security SPV determines may become payable by it in respect of any liabilities, costs or expenses which will or may arise from the Series Security SPV taking that action, or it is indemnified by the relevant Sub-Series Secured Creditors to its reasonable satisfaction in a form acceptable to it, in respect of any such liabilities, costs or expenses.
- 6.4.2 Without limiting its rights, powers and discretions, the Series Security SPV will not be required to exercise any right, power or discretion in terms of this Sub-Series Guarantee (whether in relation to requiring anything to be done, forming any opinion or giving any notice, comment or approval) without the specific instructions of each of the Sub-Series Secured Creditors (which in the case of Sub-Series Noteholders, shall be given by Extraordinary Resolution).
- 6.4.3 The Series Security SPV may engage and pay for (using the funds obtained pursuant to 6.4.1) the advice or services of any lawyers, accountants or other experts whose advice or services may seem to the Series Security SPV to be reasonably necessary in relation to any of the provisions of any Series Transaction Document in relation to this Sub-Series, 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 Series Security SPV, and the Series Security SPV shall not be responsible for any loss occasioned or arising by so acting or relying.

6.4.4 The Series Security SPV will have no liability to the Issuer or any Sub-Series 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 relevant Sub-Series Secured Creditors, and the relevant Sub-Series Secured Creditors indemnify the Series Security SPV for any liabilities to any person so incurred. The liability of each Sub-Series Secured Creditor pursuant to such indemnity shall be *pro rata* to the aggregate amounts due and payable under the Series Transaction Documents in relation to this Sub-Series by the Issuer to the relevant Sub-Series Secured Creditors.

6.4.5 If the amount recovered by the Series Security SPV from the Issuer in terms of the Sub-Series Indemnity or realised by it from the Sub-Series Assets pursuant to the Sub-Series Security Cession is insufficient to pay all the relevant Sub-Series Secured Creditors, creditors ranking prior to others in the Post-Enforcement Sub-Series Priority of Payments shall be paid first.

6.5 **Additional rights**

The rights of the relevant Sub-Series Secured Creditors under this Sub-Series Guarantee are in addition to and are not diminished or otherwise affected by any other rights under the Series Transaction Documents in relation to this Sub-Series or provided by law. Any settlement or discharge given by the Sub-Series Secured Creditors to the Series Security SPV in respect of the relevant Series Security SPV's obligations under this Sub-Series Guarantee or any other agreement reached between the relevant Sub-Series Secured Creditors and the Series Security SPV in relation to this Sub-Series Guarantee shall be, and be deemed always to have been, void if any act on the faith of which the relevant Sub-Series Secured Creditors gave the Series Security SPV that settlement or discharge or entered into that agreement is subsequently voided by or in pursuance of any provision of law.



6.6 **Waiver of defences**

On signature of this Sub-Series Guarantee, the Series Security SPV shall be, and shall remain, bound to the full extent of this Sub-Series Guarantee, which shall at all times be fully and immediately enforceable, despite –

- 6.6.1 any of the obligations of the Issuer in respect of amounts owing to any Sub-Series Secured Creditors or any security granted by the Issuer or any other person in respect of such amounts owing, being or becoming illegal, invalid, unenforceable or ineffective in any respect;
- 6.6.2 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Issuer or the Series Security SPV or any other person;
- 6.6.3 the Issuer being deregistered, being placed in liquidation or under Business Rescue (whether provisionally or finally, voluntarily or compulsorily), or otherwise becoming subject to any other legal liability or to any law for the benefit or assistance of debtors and/or creditors, or entering into or becoming subject to any scheme of arrangement or compromise;
- 6.6.4 any security contemplated in the Sub-Series Security Cession not being obtained or protected or being released or ceasing to be enforceable or ceasing to be held for any other reason;
- 6.6.5 the obligations of the Issuer or the Series Security SPV to the relevant Sub-Series Secured Creditors being varied or novated, whether by agreement, operation of law or otherwise;
- 6.6.6 any amendment (however fundamental) or replacement of any Series Transaction Document in relation to this Sub-Series;
- 6.6.7 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the Issuer or any other person; or



6.6.8 any other cause which, but for the provisions of this clause, would or might have the effect of terminating, discharging or in any other manner whatsoever affecting any of the Series Security SPV's obligations under this Sub-Series Guarantee.

6.7 The Series Security SPV undertakes, in respect of any claim arising out of this Sub-Series Guarantee, not to raise the defence that there is no cause or reasonable basis for the granting of this Sub-Series Guarantee.

6.8 **Continuing guarantee**

This Sub-Series Guarantee is a continuing security and shall remain in force notwithstanding any fluctuation in or extinction for any period whatsoever of any amounts owing to the relevant Sub-Series Secured Creditors by the Issuer or any intermediate payment of any of such debts. This Sub-Series Guarantee shall continue to apply to the remaining balance of the amounts owing to the relevant Sub-Series Secured Creditors by the Issuer until such amounts have been finally extinguished in full.

6.9 **Reinstatement**

If any payment or other performance which has had the effect of reducing or discharging the Series Security SPV's liability under this Sub-Series Guarantee is wholly or partly set aside, or refunded by agreement, after the Series Security SPV's release from this Sub-Series Guarantee, the Series Security SPV's liability for the indebtedness reduced or discharged by the payment or other performance shall revive.

6.10 **Immediate recourse**

The Series Security SPV waives any right that it may have to first require any Sub-Series 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 of the Issuer before claiming under this Sub-Series Guarantee.



6.11 **Renunciation of benefits**

The Series Security SPV acknowledges that its obligations under this Sub-Series Guarantee are principal obligations and renounces any benefits to which it may be entitled in law as a result of this Sub-Series Guarantee including, without limitation, the benefits of division, excussion, cession of actions, revision of accounts and no value received. The Series Security SPV acknowledges that it is fully aware of the meaning and effect of those benefits.

6.12 **Duration**

The Series Security SPV shall not be entitled to revoke this Sub-Series Guarantee before the obligations of the Issuer to the relevant Sub-Series Secured Creditors in terms of the Series Transaction Documents in relation to this Sub-Series have been finally extinguished in full.

6.13 **Liability**

The provisions of this Sub-Series Guarantee shall not limit any liability on the part of the Series Security SPV to the relevant Sub-Series Secured Creditors for any loss occasioned by or arising from the Series Security SPV's dishonesty, negligence or breach of contract, including, without limitation, breach of the provisions of this Sub-Series Guarantee.

6.14 **Subordination, limited recourse, limited enforcement and non-petition provisions**

This Sub-Series Guarantee is given to each Sub-Series Secured Creditor on the basis that each such Sub-Series Secured Creditor has expressly agreed, in the Series Transaction Document in relation to this Sub-Series to which such Sub-Series 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 Series Security SPV.

7 **COSTS**

7.1 All legal and other costs and expenses which the Series Security SPV expends or incurs, or is required to expend or incur, in taking action under this Sub-Series



Guarantee (including, without limiting the generality of the foregoing, the amounts determined by the Series Security SPV in accordance with the proviso to 6.4.1 and any further costs and expenses incurred by the Series Security SPV in claiming under the Sub-Series Indemnity and in realising the property pursuant to the Sub-Series Security Cession) shall be borne by the relevant Sub-Series Secured Creditors, *pro rata* to the aggregate amounts due and payable by the Issuer to the relevant Sub-Series Secured Creditors under the Series Transaction Documents in relation to this Sub-Series.

- 7.2 Each Sub-Series Secured Creditor agrees that the Series Security SPV shall be entitled to set off any amounts owed by such Sub-Series Secured Creditor to the Series Security SPV in terms of 7.1 against the amount recovered and received by the Series Security SPV pursuant to the Sub-Series Indemnity and from the Sub-Series Assets realised pursuant to the Sub-Series Security Cession, and due and payable to such Sub-Series Secured Creditor in terms of this Sub-Series Guarantee.

8 NOTICES

For the purposes of this Sub-Series Guarantee –

- 8.1 all notices to Sub-Series Noteholders shall be given in the manner contemplated in Condition 17 and the provisions of Condition 17 shall apply *mutatis mutandis* to the giving of such notice; and
- 8.2 all notices to a Sub-Series Secured Creditor (other than a Sub-Series Noteholder) shall be given in the manner contemplated in the relevant Series Transaction Document in relation to this Sub-Series and the relevant provisions of each such document shall apply *mutatis mutandis* to the giving of such notice.

9 VARIATION

No amendment to this Sub-Series Guarantee may be effected unless in writing and signed by or on behalf of the Series Security SPV and approved –

- 9.1 by an Extraordinary Resolution of the Sub-Series Noteholders; and



9.2 in writing by each of the Sub-Series Secured Creditors (other than the Sub-Series Noteholders).

10 REPORT ON REALISATION PROCESS

The Series Security SPV shall furnish the relevant Sub-Series Secured Creditors with monthly reports on the realisation process, in the event that a demand is made under this Sub-Series Guarantee.

Signed at **Ilovo**

on **24 February** 2020

for **Quadridge Trust Services Proprietary Limited (as trustee for the time being of The Harcourt Street Security SPV 7 Trust) (in its capacity as Series Security SPV)**

A handwritten signature in black ink, appearing to read 'David Towers'.

Name: **David Towers**

Capacity: **Authorized signatory**

who warrants that he is duly
authorised hereto



ANNEXURE A - GUARANTEE CUSTODY CERTIFICATE

To : Harcourt Street 1 (RF) Limited
c/o Investec Bank Limited
100 Grayston Drive
Sandown
Sandton
2196

Att: Head DCM Ops
Telefax: +27 11 286 7721
Email: DCMOps@investec.co.za
FPLegal@Investec.co.za

And To : Harcourt Street Security SPV 7 Trust
c/o Quadridge Trust Services Proprietary Limited
1st Floor, 32 Fricker Road
Illovo, 2196

Att: David Towers
Email: david@quadridge.co.za

Dear Sir/Madam

Sub-Series Guarantee to be issued by Harcourt Street Security SPV 7 Trust in favour of the relevant Sub-Series Secured Creditors of Sub-Series No. 1 (the "Series Guarantee") under Series Transaction 10

Capitalised terms not specifically defined in this undertaking shall have the meaning assigned to such terms in the Sub-Series Guarantee.

We hereby undertake in favour of each of the relevant Sub-Series Secured Creditors to receive and hold in custody the original signed Sub-Series Guarantee to be delivered to us by the Series Security SPV on the Date of Signature of the Sub-Series Guarantee. This undertaking shall not imply any relationship of trust, duty of care or fiduciary obligation on our part to take any action in relation to the Sub-Series Guarantee or any other Series Transaction Document in relation to this Sub-Series, except to comply with the terms of this letter.

We undertake, upon the written request by any Sub-Series Secured Creditor and at the cost of such Sub-Series Secured Creditor, to make available to the relevant Sub-Series Secured Creditor, a certified copy of the Sub-Series Guarantee within two Business Days



of receipt of such written request and to deliver the original to court where required in terms of a litigation process.

Upon the termination of the Sub-Series Guarantee in accordance with its terms and conditions, we shall deliver the original Sub-Series Guarantee to the Series Security SPV.

Upon termination of our appointment as Administrator, we shall deliver the original Sub-Series Guarantee to a substitute Administrator appointed in terms of the Series Transaction Documents in relation to this Sub-Series.

This undertaking constitutes an irrevocable stipulation in favour of the relevant Sub-Series Secured Creditors and shall be deemed to have been accepted by them, *mutatis mutandis*, in the manner envisaged in clause 3 of the Sub-Series Guarantee.

Yours faithfully

Signed at _____ on _____ 2020
for Investec Bank Limited (in its capacity as
Administrator)

Name:

Capacity:

who warrants that he is duly
authorised hereto

Name:

Capacity:

who warrants that he is duly
authorised hereto