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## APPLICABLE PRICING SUPPLEMENT

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*Out of the Ordinary*<sup>®</sup>



Property Fund Limited

### **INVESTEC PROPERTY FUND LIMITED**

*(Registration Number 2008/011366/06)*

*(Established and incorporated as a public company with limited liability in accordance with the laws of South Africa)*

**Issue of ZAR550,000,000 Green Senior Unsecured Floating Rate Notes  
(intended to be issued as Green Bonds)  
due 23 February 2026 (IPFG02)**

**Under its ZAR10,000,000,000 Domestic Medium Term Note Programme**

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

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum dated 11 August 2022. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail. To the extent that certain provisions of the Applicable Pricing Supplement do not apply to the Notes described herein, they may be deleted in this Applicable Pricing Supplement or indicated to be not applicable.

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the Terms and Conditions. References in this Applicable Pricing Supplement to the Terms and Conditions are to the section of the Programme Memorandum entitled "*Terms and Conditions of the Notes*". References to any Condition in this Applicable Pricing Supplement are to that Condition of the Terms and Conditions.

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from the Programme Memorandum or 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 and this Applicable Pricing Supplement contain all information required by applicable law and, in relation to any Tranche of Notes listed on the Interest Rate Market of the JSE, the JSE Debt Listings Requirements. The Issuer accepts full responsibility for the accuracy of the information contained in the Programme Memorandum, this Applicable Pricing Supplement and the annual financial statements of the Issuer and any amendments or supplements to the aforesaid documents, except as otherwise stated therein.

The Issuer, having made all reasonable enquiries, confirms that the Programme Memorandum, read together with this Applicable Pricing Supplement and the documents and information incorporated herein and therein by reference contains or incorporates all

information which is material in the context of the issue and the offering of Notes, that the information contained or incorporated in the Programme Memorandum by reference, is true and accurate in all material respects and is not misleading, that the opinions and the intentions expressed in the Programme Memorandum, read together with the documents incorporated by reference, are honestly held and that there are no other facts the omission of which would make same misleading.

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

The Issuer further confirms that the issue of Notes described herein will not result in the Programme Amount (as referred to below) being exceeded.

#### **DESCRIPTION OF THE NOTES**

1	Issuer	Investec Property Fund Limited
2	Status of Notes	Senior Unsecured
3	(a) Tranche Number	1
	(b) Series Number	1
4	Aggregate Principal Amount	ZAR550,000,000
5	Interest/Payment Basis	Floating Rate
6	Form of Notes	Uncertificated Notes
7	Automatic/Optional Conversion from one Interest/Payment Basis to another	Not Applicable
8	Issue Date	23 February 2023
9	Business Centre	Johannesburg
10	Additional Business Centre	Not Applicable
11	Specified Denomination	ZAR1,000,000
12	Issue Price	100 percent
13	Interest Commencement Date	23 February 2023

14	Redemption Date	23 February 2026
15	Specified Currency	Rand
16	Applicable Business Day Convention	Following Business Day
17	Calculation Agent	Investec Bank Limited
18	Specified office of the Calculation Agent	100 Grayston Drive, Sandown, Sandton, 2196
19	Paying Agent	Investec Bank Limited
20	Specified office of the Paying Agent	100 Grayston Drive, Sandown, Sandton, 2196
21	Transfer Agent	Investec Bank Limited
22	Specified office of the Transfer Agent	100 Grayston Drive, Sandown, Sandton, 2196
23	Issuer Agent	Investec Bank Limited
24	Specified Office of the Issuer Agent	100 Grayston Drive, Sandown, Sandton, 2196
25	Settlement Agent	Nedbank Limited
26	Specified office of the Settlement Agent	Nedbank Investor Services, 2 <sup>nd</sup> Floor, 16 Constantia Boulevard, Constantia Kloof, Roodepoort, 1709
27	Dealer	Nedbank Limited, acting through its Corporate and Investment Banking Division
28	Specified office of the Dealer	135 Rivonia Road, Sandown, Sandton, 2196
29	Final Redemption Amount	ZAR550,000,000 (being 100% of the Aggregate Principal Amount)
30	The aggregate Principal Amount of all Notes Outstanding as at the Issue Date (other than the Notes issued under this Applicable Pricing Supplement as well as IPF35 and IPF36, to be issued on the Issue Date)	ZAR4,469,000,000

#### **FLOATING RATE NOTES**

31	(a) Interest Payment Dates	23 February, 23 May, 23 August and 23 November, in each year up to the Redemption Date, or if such day is not a Business Day, the Business Day on which interest will be paid, as determined in
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		accordance with the Business Day Convention referred to in 16 above
	(b) Interest Periods	Each period commencing on (and including) an Interest Payment Date and ending (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) 23 May 2023 (each Interest Payment Date as adjusted in accordance with the applicable Business Day Convention)
	(c) Definition of Business Day (if different from that set out in Condition 1)	Not applicable
	(d) Interest Rate	The sum of the Reference Rate and the Margin
	(e) Minimum Interest Rate	Not applicable
	(f) Maximum Interest Rate	Not applicable
	(g) Other terms relating to the method of calculating interest (e.g. Day Count Fraction, rounding up provision, if different from Condition 7)	Actual/365
32	Manner in which the Interest Rate is to be determined	Screen Rate Determination
33	Margin	140 basis points to be added to the Reference Rate
34	If ISDA Determination	
	(a) Floating Rate Option	Not applicable
	(b) Designated Maturity	Not applicable
	(c) Reset Date(s)	Not applicable
35	If Screen Determination	
	(a) Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated)	3 Month JIBAR
	(b) Interest Rate Determination Date(s)	The first Business Day of each Interest Period with the first Interest Rate Determination Date being 20 February 2023

- |  |   |   |
|--|---|---|
| (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   |
| 36   | If Interest Rate to be calculated otherwise than by reference to the previous two sub-clauses, insert basis for determining Interest Rate/Margin/Fall back provisions | Not applicable  |
| 37   | If different from the Calculation Agent, agent responsible for calculating amount of principal and interest   | Not applicable  |
| <b>PROVISIONS REGARDING REDEMPTION/ MATURITY</b> |   |   |
| 38   | Issuer's Optional Redemption:<br><br>if yes -   | Yes, the Issuer shall be entitled, at any time on not less than three Business Days' written notice to the Noteholder, to redeem all (but not some only) of the Notes then Outstanding on the date specified in such notice at their Principal Amount together with accrued interest. |
| (a)  | Optional Redemption Date(s)   | Not less than three Business Days   |
| (b)  | Optional Redemption Amount(s) and method, if any, of calculation of such amount(s)  | Principal Amount together with accrued interest   |
| (c)  | Minimum Period of Notice (if different to Condition 9.3)  | Not less than three Business Days   |
| (d)  | If redeemable in part:  |   |
|  | Minimum Redemption Amount(s)  | Not Applicable  |
|  | Higher Redemption Amount(s)   | Not Applicable  |
| (e)  | Other terms applicable on Redemption  | Not Applicable  |
| 39   | Redemption at the option of the Senior Noteholders  | No  |
| (a)  | Optional Redemption Date(s)   | Not Applicable  |
| (b)  | Optional Redemption Amount(s) and method, if any, of calculation of such amount(s)  | Not Applicable  |

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| (c) | Minimum period of notice (if different to Condition 9.4)                                     | Not Applicable   |
| (d) | If redeemable in part:   |  |
|     | Minimum Redemption Amount(s)   | Not Applicable   |
|     | Higher Redemption Amount(s)  | Not Applicable   |
| (e) | Other terms applicable on Redemption   | Not Applicable   |
| (f) | Attach <i>pro forma</i> put notice(s)  | Not Applicable   |
| 40  | Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default | At their Early Redemption Amount as set out in Condition 9.5 |

**GENERAL**

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|----|--|--|
| 41 | Additional selling restrictions                                | Not Applicable   |
| 42 | International Security Identification Number (ISIN)            | ZAG000193640   |
| 43 | Stock Code   | IPFG02   |
| 44 | Financial Exchange   | Interest Rate Market of the JSE  |
| 45 | If syndicated, names of managers                               | Not Applicable   |
| 46 | Method of Distribution   | Private Placement  |
| 47 | Rating assigned to the Issuer as at the Issue Date             | AA <sup>-(za)</sup> on a long term national scale and A1 <sup>+(za)</sup> on a short term national scale   |
| 48 | Rating Agency  | Global Credit Rating Co. Proprietary Limited   |
| 49 | Date of issue of current Credit Rating                         | October 2022   |
| 50 | Date of next expected Credit Rating review                     | November 2023  |
| 51 | Governing law (if the laws of South Africa are not applicable) | Not Applicable   |
| 52 | Use of proceeds  | The funds to be raised through the issue of Notes referred to in this Applicable Pricing Supplement will be used by the Issuer in the manner described in the section of the Green Bond Provisions entitled " <i>Use of Proceeds</i> " |
| 53 | Last Day to Register   | 15 February, 15 May, 15 August and 15 November, in each year, or if such day is  |

		not a Business Day, the Business Day before each Books Closed Period
54	Books Closed Period	The Register will be closed from (and including) 16 February to (but excluding) 23 February, from (and including) 16 May to (but excluding) 23 May, from (and including) 16 August to (but excluding) 23 August and from (and including) 16 November to (but excluding) 23 November, in each year until the Redemption Date
55	Stabilisation Manager (if any)	Not Applicable
56	Programme Amount	ZAR10,000,000,000
57	Legal or Arbitration proceedings	The Issuer is not aware of any legal or arbitration proceedings, including any proceedings that are pending or threatened, that may have or have had a material effect of the Issuer's financial position within the past 12 months
58	Compliance with legislation and memorandum of incorporation	The Issuer confirms that it is – <ul style="list-style-type: none"> <li>(a) in compliance with the provisions of the Companies Act 71 of 2008, specifically relating to its incorporation; and</li> <li>(b) acting in conformity with the provisions of its memorandum of incorporation and any other relevant constitutional documents</li> </ul>
59	Material change statement	As at the date of this Applicable Pricing Supplement, the Issuer confirms that there has been no material change in the financial or trading position of the Issuer since its last financial year-end being 31 March 2022 in respect of which audited annual financial statements have been published. This disclosure has not been reviewed and/or reported on by the Auditors of the Issuer.
60	Other provisions	<b>Green Bonds</b>  The Notes are intended to be issued as Green Bonds in accordance with the Green Bond Provisions attached to this Applicable Pricing Supplement as Annexure A.

## Financial Covenants

The following financial covenants shall be applicable in respect of the Notes issued pursuant to this Applicable Pricing Supplement.

The Issuer undertakes, for so long as any Notes remain Outstanding, to maintain the following financial covenants -

Measured at an Issuer level -

- (i) Interest Cover Ratio of at least 2 times;
- (ii) Issuer Loan to Value Ratio, which may not exceed 50%; and
- (iii) a Group Net Asset Value equal or greater than ZAR7,000,000,000,

Where -

**"Interest Cover Ratio"** means, at any time (and calculated semi-annually based on the consolidated audited annual financial statements and consolidated unaudited interim financial statements of the Issuer), the ratio expressed as follows -

Interest Cover Ratio = Y divided by X

Where -

Y = EBITDA (earnings before interest, tax, depreciation and amortisation) for that period;

X = Interest expense for that period.

**"Issuer Loan to Value Ratio"** means at any time (and calculated semi-annually based on the consolidated audited annual financial statements and consolidated unaudited interim financial statements of the Issuer), the ratio expressed as follows -

Issuer Loan to Value Ratio = A divided by V

Where -

A = the interest bearing financial indebtedness of the Issuer; and




V = the amount of the most recent independent external market valuation or director's valuation of all the immovable properties and Other Investments, owned by the Issuer as set out in its latest consolidated audited annual financial statements and consolidated unaudited interim financial statements.

**"Group Net Asset Value"** means, at any time (and calculated semi-annually based on the consolidated audited annual statements of the Issuer), the total assets of the Group minus the total liabilities of the Group.

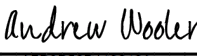
**"Other Investments"** means all investments in, and loans to, associates, subsidiaries and joint ventures, as set out in the latest consolidated audited annual financial statements and consolidated unaudited interim financial statements of the Issuer.

**SIGNED** at Johannesburg this 17th day of February 2023.

For and on behalf of  
**INVESTEC PROPERTY FUND LIMITED**

DocuSigned by:  
  
Name : Jenna Sprenger

Capacity : Director  
who warrants his/her authority hereto

DocuSigned by:  
  
Name : Andrew wooler

Capacity : Director  
who warrants his/her authority hereto

## ANNEXURE A - GREEN BOND PROVISIONS

### 1 INTERPRETATION

These Green Bond Provisions shall be read in conjunction with the Information Memorandum (as defined below) which is incorporated by reference into this Applicable Pricing Supplement. Further, any capitalised terms not defined in these Green Bond Provisions, in this Applicable Pricing Supplement or the Terms and Conditions will have the meanings ascribed to them in the JSE Debt Listings Requirements. In addition, the following terms and expressions shall bear the meanings assigned to them below and cognate expressions shall bear corresponding meanings -

1.1 **"Declassification"** - in relation to any Notes described herein which remain Outstanding, their -

1.1.1 designation as being non-compliant with these Green Bond Provisions (as read with the Information Memorandum); and

1.1.2 declassification as Green Bonds,

by the Sustainability Agent as a result of the occurrence of a Declassification Event, and **"Declassify"** shall have the same meaning as the context may require;

1.2 **"Declassification Date"** - the date of the giving of written notice to the Issuer and Noteholders of the Declassification of the Notes described herein by the Sustainability Agent;

1.3 **"Declassification Event"** - the Issuer having failed to comply with any provision or condition contained in the sections of these Green Bond Provisions entitled -

1.3.1 *"Use of Proceeds"*;

1.3.2 *"Process for Project Evaluation and Selection"*;

1.3.3 *"Management of Proceeds"*; or

1.3.4 *"Reporting and impact measurement"*,

as read in conjunction with the Information Memorandum, and having failed to remedy such failure within 30 Business Days of the earlier of (i) the Sustainability Agent giving the Issuer written notice of the failure to comply; or (ii) the Issuer having become aware of its failure to comply;

1.4 **"Eligible Green Project"** - a portfolio of certified green commercial and/or residential buildings rated in the Green Star 4 Category (per the Green Building Council of South Africa) or above, and/or a loan in respect thereof;

1.5 **"Environment"** - humans, animals, plants and all other living organisms including the ecological systems of which they form part and the following media –

1.5.1 air (including, without limitation, air within natural or man-made structures, whether above or below ground);

- 1.5.2 water (including, without limitation, territorial, coastal and inland waters, water under or within land and water in drains and sewers); and
- 1.5.3 land (including, without limitation, land under water);
- 1.6 "**Environmental Claim**" - any claim, proceeding, formal notice or investigation by any person (including but not limited to any governmental, judicial or regulatory authority) in respect of any Environmental Law;
- 1.7 "**Environmental Laws**" - any applicable law or regulation which relates to –
- 1.7.1 the pollution or protection of the Environment;
- 1.7.2 harm to or the protection of human health;
- 1.7.3 the conditions of the workplace; or
- the generation, handling, storage, use, release, emission or spillage of any substance which, alone or in combination with any other, is capable of causing harm to the Environment, including, without limitation, any waste;
- 1.8 "**Funded Green Project**" - an Eligible Green Project financed or refinanced using the Green Bond Proceeds;
- 1.9 "**Green Bond**" - a "Green Bond" as defined in the section of the Green Bond Principles entitled "*Green Bond Definition*";
- 1.10 "**Green Bond Principles**" - the document titled "*Green Bond Principles – Voluntary Process Guidelines for Issuing Green Bonds – June 2021*" published by the ICMA;
- 1.11 "**Green Bond Proceeds**" - the net proceeds of the Tranche of Notes referred to in this Applicable Pricing Supplement;
- 1.12 "**Green Project Register**" - the register established or to be established by the Issuer which will list all Funded Green Projects in relation to this Tranche of Notes, which will include, *inter alia*, -
- 1.12.1 information on the current principal amount, maturity date and coupon of this Green Bond;
- 1.12.2 information showing that the green projects financed or refinanced, as the case may be, by the Issuer using the Green Bond Proceeds are in all respects Eligible Green Projects compliant with these Green Bond Provisions; and
- 1.12.3 a statement of the net Green Bond Proceeds allocated to each Funded Green Project (or constituent asset and/or project);
- 1.13 "**Green Project Report**" - the green bond allocation and impact report provided for in clause 4.4 of these Green Bond Provisions and in substantially similar format to Annexure B of this Applicable Pricing Supplement;

- 1.14 **"Green Star Certification"** - the accredited certification developed by the Green Building Council South Africa which is an internationally recognised and trusted mark of quality for the design, construction and operation of buildings, interior fitouts and precincts;
- 1.15 **"Greenhouse Gas Intensive Projects"** - capital investments in any nuclear, coal, oil or gas-related assets and/or in any potentially harmful resource extraction (as contemplated in the Information Memorandum);
- 1.16 **"ICMA"** - the International Capital Market Association;
- 1.17 **"Information Memorandum"** - the additional information memorandum published or to be published by the Issuer in relation to this Tranche of Notes on the following page of the Issuer's website - [www.investecpropertyfund.com/en\\_za/esg.html](http://www.investecpropertyfund.com/en_za/esg.html); and
- 1.18 **"Sustainability Agent"** - Nedbank Corporate and Investment Bank, a division of Nedbank Limited.

## 2 INDEPENDENT EXTERNAL REVIEWER

- 2.1 IBIS Environmental Social Governance Consulting Africa Proprietary Limited ("**IBIS**") is an Independent External Reviewer appointed by the Issuer in accordance with paragraph 3.16 of the JSE Debt Listings Requirements read with the Guidelines on External Reviews to provide a review report as contemplated by paragraphs 3.15 and 4.22 of the JSE Debt Listings Requirements.
- 2.2 IBIS is an independent sustainability consulting firm which provides review reports and second party opinions to issuers, including financial institutions and multinational corporations.
- 2.3 The details of IBIS are as follows -

address -

First Floor  
Acacia Building  
The Avenues Office Park  
45 Homestead Road  
Rivonia  
Gauteng  
2157

contact -

082 788 4169  
petrus.gildenhuys@ibisconsulting.com

## 3 REVIEW REPORT

- 3.1 The review report issued by IBIS in the form of a second party opinion ("**Green Bond Second Party Opinion**") which confirms that the Notes described herein are

issued in accordance with the Use of Proceeds Standards is available on the following page of the Issuer's website -

[www.investecpropertyfund.com/en\\_za/esg.html](http://www.investecpropertyfund.com/en_za/esg.html)

- 3.2 While the Green Bond Second Party Opinion is incorporated by reference into this Applicable Pricing Supplement, the attention of prospective investors is nevertheless drawn to the section of these Green Bond Provisions entitled "*Additional risk factors relating to Notes issued as Green Bonds*" and the further information contained in the Information Memorandum.

#### 4 **GUIDING PRINCIPLES FOR ISSUANCE OF GREEN BOND**

The Tranche of Notes described in this Applicable Pricing Supplement have been structured to align with the four core components of the Green Bond Principles, namely -

##### 4.1 **Use of Proceeds**

- 4.1.1 The Green Bond Proceeds will be used exclusively to notionally finance and/or refinance, on a portfolio basis, Eligible Green Projects, which may include Eligible Green Projects in respect of which costs have been incurred by the Issuer within the 36 months preceding the Issue Date of the Notes described herein.

- 4.1.2 Unallocated Green Bond Proceeds may also be used -

- 4.1.2.1 in part or in full, to invest in instruments that are cash or cash equivalents, short-term deposits or other liquid marketable investments; and/or

- 4.1.2.2 on a temporary basis, against assets already on the Issuer's balance sheet that exclude Greenhouse Gas Intensive Projects or manage the proceeds in any other manner that would be deemed acceptable.

##### 4.2 **Process for Project Evaluation and Selection**

The Issuer will, in respect of each Eligible Green Project intended to be financed or refinanced with the Green Bond Proceeds -

- 4.2.1 follow its internal capital project approval process existing as at the Issue Date; and

- 4.2.2 mandate the necessary individuals/committees to -

- 4.2.2.1 confirm that the selected investment and/or project constitutes an Eligible Green Project complying with these Green Bond Provisions and the relevant Use of Proceeds Standards;

- 4.2.2.2 approve the allocation of the Green Bond proceeds to the Eligible Green Projects;

- 4.2.2.3 assess compliance with the Issuer's social and environmental policy (where applicable);

4.2.2.4 exercise professional discretion and judgement in granting any approval contemplated herein, and where appropriate, approve the allocation of the proceeds of this Tranche of Notes to fund or reimburse capital expenditure related to the approved Eligible Green Project; and

4.2.2.5 substitute Eligible Green Projects for Funded Green Projects which no longer qualify as Eligible Green Projects.

#### 4.3 **Management of Proceeds**

The Issuer will, through its finance department, -

4.3.1 maintain and update the Green Project Register; and

4.3.2 manage and record in its accounting software -

4.3.2.1 capital expenditure which meets the criteria of Eligible Green Projects; and

4.3.2.2 the allocation of the proceeds of this Tranche of Notes to Eligible Green Projects together with all information relevant thereto,

such that the relevant data is captured on an ongoing basis and reportable as contemplated in the section of these Green Bond Provisions entitled "*Reporting and impact measurement*".

#### 4.4 **Reporting and Impact Measurement**

4.4.1 Until this Tranche of Notes has been redeemed in full, the Issuer shall provide to the Sustainability Agent on an annual basis, no later than 30 days after each anniversary of the Issue Date, a report which will detail the impact and allocation of the Green Bond Proceeds ("**Green Bond Report**").

4.4.2 The Green Bond Report will include, *inter alia* -

*(Allocation)*

4.4.2.1 the full names and description of each Funded Green Project;

4.4.2.2 a record of the amount or amounts invested and/or allocated in respect of each Funded Green Project;

4.4.2.3 the proportion of new financing and refinancing in relation to the allocation of the Green Proceeds to the Funded Green Projects;

4.4.2.4 a statement of the balance of the Green Proceeds remaining unallocated (if any), and where applicable a record of how such unallocated amounts have been temporarily allocated (as contemplated in the section of these Green Bond Provisions entitled "Use of Proceeds");

*(Impact)*

- 4.4.2.5 the property description, value, certification scheme and rating outcome of each Funded Green Project;
- 4.4.2.6 a statement of the total gross leasable area (in m<sup>2</sup>) of Funded Green Project;
- 4.4.2.7 a statement of those further data points relevant to the specific portfolio of Funded Green Projects (as contemplated in the Information Memorandum);

*(General)*

- 4.4.2.8 confirmation that the Funded Green Projects have not been allocated to any other green and/or sustainable use of proceeds facilities and/or debt instruments into which the Issuer may enter into and/or issue from time to time;
- 4.4.2.9 confirmation that the Issuer is in compliance with these Green Bond Provisions and the Use of Proceeds Standards (as read with the Information Memorandum); and
- 4.4.2.10 confirmation that the Issuer has acquired and/or retains all requisite permits, authorisations, and licenses relating to the Funded Green Projects, together with copies thereof.

**5 DECLASSIFICATION**

The Sustainability Agent will within 5 Business Days of the occurrence of a Declassification Event, or within such longer period as may be specified in writing by the Sustainability Agent, Declassify the Notes and notify the Issuer and the Noteholders in writing of such Declassification.

**6 CONSEQUENCES OF DECLASSIFICATION**

- 6.1 Neither a failure by the Issuer to comply with these Green Bond Provisions nor the Declassification of the Notes described herein by the Sustainability Agent will constitute an Event of Default.
- 6.2 With effect from the Interest Payment Date immediately following the Declassification Date, -
  - 6.2.1 the Margin referenced in item 33 above will be increased by 10 (ten) basis points (such revised Margin hereinafter referred to as a "**Declassification Margin**"); and
  - 6.2.2 the sections of these Green Bond Provisions entitled -
    - 6.2.2.1 "*Use of Proceeds*";
    - 6.2.2.2 "*Process for Project Evaluation and Selection*";

6.2.2.3 "Management of Proceeds"; and

6.2.2.4 "Reporting and impact measurement",

shall be of no further force or effect and the Issuer shall no longer be obligated to comply therewith.

6.3 For the avoidance of doubt, any reference and/or calculation referring to the Margin shall, from the date described in 6.2, be deemed to refer to the Declassification Margin.

6.4 The Issuer shall, with effect from the Declassification Date -

6.4.1 cease representing in all internal and external communications, marketing or publications that the Notes described herein are Green Bonds or any cognate expression; and

6.4.2 ensure that all material, publications and information it publishes relating to the Notes described herein no longer refer to them as Green Bonds or any cognate expression.

## 7 ENVIRONMENTAL LAWS AND ENVIRONMENTAL CLAIMS

The Issuer shall -

7.1 comply with all Environmental Laws;

7.2 obtain and maintain all permits, licences, and authorisations required by Environmental Laws in relation to the Funded Green Projects;

7.3 notify the Sustainability Agent forthwith in writing if -

7.3.1 there is a material breach of Environmental Law;

7.3.2 there is an environmental incident or Environmental Claim in relation to a Funded Green Project; or

7.3.3 the Issuer is facing or has been notified of possible litigation or regulatory action in relation to a Funded Green Project; and

7.4 inform the Sustainability Agent forthwith in writing of the remedial action pertaining to any of the events described in 7.3 of these Green Bond Provisions entitled "*Environmental Laws and Environmental Claims*", whether completed, ongoing or planned,

in keeping with its sustainability strategy and objectives as described in the Information Memorandum.



## 8 ADDITIONAL RISK FACTORS RELATING TO NOTES ISSUED AS GREEN BONDS

In addition to the risk factors incorporated by reference into the Programme Memorandum, the attention of investors contemplating investing in the Notes is drawn to the below additional risks relating to Notes issued as Green Bonds.

*There can be no assurance in respect of any Notes issued as Green Bonds that the use of proceeds will be suitable for the investment criteria of an investor*

- 8.1 An Applicable Pricing Supplement relating to any specific Tranche of Notes may provide that it will be the Issuer's intention to apply the proceeds from an offer of those Notes specifically for Eligible Green Projects.
- 8.2 In this case, this Applicable Pricing Supplement (as read with the Information Memorandum) provides certain additional information in relation to the intended use of proceeds in respect of the Notes, including the applicable investment category/ies and eligibility criteria described above.
- 8.3 Prospective investors should nevertheless determine for themselves the relevance of such information for the purpose of any investment in the Notes described therein together with any other investigation such investor deems necessary. In particular, no assurance is given by the Issuer that the use of the Green Bond Proceeds for any Eligible Green Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules' or investment portfolio mandates, in particular with regard to any direct or indirect environmental, social or sustainability impact of any projects or uses, the subject of or related to any Eligible Green Projects and/or Funded Green Projects, as applicable.
- 8.4 The Green Bond Provisions (read in conjunction with the Information Memorandum) have been aligned to international best practice and guidance as issued by the ICMA, as referred to in the Use of Proceeds Standards. The principles and guidelines referred to in the Use of Proceeds Standards are widely accepted by issuers and investors and provide a credible framework for the issuance of, *inter alia*, Sustainability Use of Proceeds Debt Securities such as Green Bonds. Despite this and although the publication by ICMA of the principles and guidelines referred to in the Use of Proceeds Standards and their predecessors have resulted in greater standardisation - it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green", "social", "sustainability" or equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green", "social", "sustainability" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any Eligible Green Projects and/or Funded Green Projects, as applicable, will meet any or all investor expectations regarding such "green" or other equivalently-labelled performance objectives or that any adverse environmental, social, sustainability and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Eligible Green Projects and/or Funded Green Projects, as applicable.

- 8.5 No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Notes described herein and in particular with any Eligible Green Projects and/or Funded Green Projects, as applicable, to fulfil any environmental, social, sustainability and/or other criteria. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer or any other person to buy, sell or hold any such Notes. Any such opinion or certification is only current as of the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Notes. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight, provided that the JSE Debt Listings Requirements require Independent External Reviewers to be appointed with reference to the Guidelines on External Reviews, as provided for in clause 2 of these Green Bond Provisions.
- 8.6 While it is the intention of the Issuer to apply the Green Bond Proceeds to Eligible Green Projects in, or substantially in, the manner described in this Applicable Pricing Supplement (as read with the Information Memorandum), there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, any Eligible Green Projects and/or Funded Green Projects, as applicable, will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such Eligible Green Projects or Funded Green Projects, as applicable. Nor can there be any assurance that such Eligible Green Projects or Funded Green Projects, as applicable, will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. As noted in clause 6.1 of these Green Bond Provisions, any such event or failure by the Issuer will not constitute an Event of Default under the Notes.
- 8.7 Any such event or failure to apply the Green Bond Proceeds for any Eligible Green Projects or Funded Green Projects, as applicable, and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters on which such opinion or for which such certification is opining or certifying and/or any such Notes no longer being listed or admitted to trading on the Interest Rate Market of the JSE and/or any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Notes and also potentially the value of any other Notes which are intended to finance Eligible Green Projects or Funded Green Projects, as applicable, and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.
- 8.8 Prospective investors should refer to -
- 8.8.1 the review report prepared by the Independent External Reviewer, referred to in clause 3 of these Green Bond Provisions; and
- 8.8.2 the Information Memorandum.

## ANNEXURE B - GREEN BOND REPORT

From: The Issuer  
To: The Sustainability Agent

Date: [●]

Dear Sirs

### **[Issuer] – Green Senior Unsecured Floating Rate Notes (intended to be issued as Green Bonds) ([●]) (the "Notes")**

- 1 We refer to the Notes. This is the Green Bond Report required in terms of 4.4 of the Green Bond Provisions in the Applicable Pricing Supplement describing the Notes. Terms defined in the Applicable Pricing Supplement have the same meaning in this Green Bond Report unless given a different meaning in this Green Bond Report.
- 2 We confirm that -
  - 2.1 the Funded Green Projects have not been allocated to any other Green Bonds, Sustainable Use of Proceeds Debt Securities or equivalent notes and/or facilities which the Issuer has issued or entered into, or may issue or enter into;
  - 2.2 the Issuer is in compliance with the Green Bond Provisions and the Use of Proceeds Standards in all material respects;
  - 2.3 the Issuer retains all permits, authorisations, and licenses relating to the Funded Green Projects, copies of which are annexed hereto.
- 3 The allocation and impact data required in terms of 4.4.2.1 to 4.4.2.7 (both inclusive) of the Green Bond Provisions is annexed hereto.

Yours faithfully

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authorised signatory for  
The Issuer