

---

## APPLICABLE PRICING SUPPLEMENT

---



### **CURRO HOLDINGS LIMITED**

*(Incorporated in the Republic of South Africa with limited liability under registration number 1998/025801/06)*

**jointly and severally, unconditionally and irrevocably guaranteed by**

**Aurora College Proprietary Limited**

*(Incorporated in the Republic of South Africa with limited liability under registration number 2011/004552/07)*

and

**Woodhill College Proprietary Limited**

*(Incorporated in the Republic of South Africa with limited liability under registration number 1999/015492/07)*

and

**Woodhill College Property Holdings Proprietary Limited**

*(Incorporated in the Republic of South Africa with limited liability under registration number 1998/020289/07)*

and

**Embury Institute for Teacher Education Proprietary Limited**

*(Incorporated in the Republic of South Africa with limited liability under registration number 2004/031722/07)*

### **Issue of ZAR150,000,000 Senior Secured Floating Rate Notes due 26 November 2018**

#### **Under its ZAR2,000,000,000 Domestic Medium Term Note Programme**

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum, dated 18 November 2013 prepared by Curro Holdings Limited in connection with the Curro Holdings Limited ZAR2,000,000,000 Domestic Medium Term Note Programme, as amended and/or supplemented from time to time (the **Programme Memorandum**).

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 "*Terms and Conditions of the Notes*".

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. The Notes described herein are issued on and subject to the Terms and Conditions as amended and/or supplemented by the Terms and Conditions contained in this Applicable Pricing Supplement. 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.

#### **PARTIES**

- |    |              |  |
|----|--------------|--|
| 1. | Issuer       | Curro Holdings Limited   |
| 2. | Guarantors   | Aurora College Proprietary Limited;<br>Woodhill College Proprietary Limited;<br>Woodhill College Property Holdings Proprietary Limited;<br>and<br>Embury Institute for Teacher Education Proprietary Limited |
| 3. | Dealer(s)    | N/A  |
| 4. | Managers     | PSG Capital Proprietary Limited;<br>Rand Merchant Bank, a division of FirstRand Bank Limited   |
| 5. | Debt Sponsor | PSG Capital Proprietary Limited  |
| 6. | Paying Agent | Rand Merchant Bank, a division of FirstRand Bank Limited   |

	Specified Address	1 Merchant Place, Cnr Fredman Drive and Rivonia Road, Sandton, 2196, South Africa
7.	Calculation Agent	Rand Merchant Bank, a division of FirstRand Bank Limited
	Specified Address	1 Merchant Place, Cnr Fredman Drive and Rivonia Road, Sandton, 2196, South Africa
8.	Transfer Agent	Rand Merchant Bank, a division of FirstRand Bank Limited
	Specified Address	1 Merchant Place, Cnr Fredman Drive and Rivonia Road, Sandton, 2196, South Africa

#### **PROVISIONS RELATING TO THE NOTES**

9.	Status of Notes	Senior Secured
10.	Form of Notes	Listed Registered Notes
11.	Series Number	1
12.	Tranche Number	1
13.	Aggregate Nominal Amount:	
	(a) Series	ZAR150,000,000
	(b) Tranche	ZAR150,000,000
14.	Interest	Interest-bearing
15.	Interest Payment Basis	Floating Rate
16.	Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another	N/A
17.	Form of Notes	The Notes in this Tranche are issued in uncertificated form and held by the CSD
18.	Issue Date	26 November 2013
19.	Nominal Amount per Note	ZAR1,000,000
20.	Specified Denomination	ZAR1,000,000
21.	Specified Currency	ZAR
22.	Issue Price	100%
23.	Interest Commencement Date	26 November 2013
24.	Maturity Date	26 November 2018
25.	Applicable Business Day Convention	Following Business Day
26.	Final Redemption Amount	100% of Nominal Amount
27.	Last Day to Register	By 17h00 on 15 February, 15 May, 15 August and 15 November of each year until the Maturity Date
28.	Books Closed Period(s)	The Register will be closed from 16 February to 25 February, 16 May to 25 May, 16 August to 25 August and from 16 November to 25 November (all dates inclusive) in each year until the Maturity Date
29.	Default Rate	N/A
	<b>FIXED RATE NOTES</b>	N/A

## FLOATING RATE NOTES

30.	(a) Floating Interest Payment Date(s)	26 February, 26 May, 26 August and 26 November, of each year until the Maturity Date with the first Interest Payment Date being 26 February 2014
	(b) Interest Period(s)	From and including the applicable Interest Payment Date and ending on but excluding the following Interest Payment Date, the first Interest Period commencing on 26 November 2013 and ending the day before the next Interest Payment Date
	(c) Definition of Business Day (if different from that set out in Condition 1 of the Programme Memorandum) ( <i>Interpretation</i> )	N/A
	(d) Minimum Rate of Interest	N/A
	(e) Maximum Rate of Interest	N/A
	(f) Other terms relating to the method of calculating interest (e.g.: Day Count Fraction, rounding up provision)	N/A
31.	Manner in which the Rate of Interest is to be determined	Screen Rate Determination
32.	Margin	275 basis points to be added to the Reference Rate
33.	If ISDA Determination	
	(a) Floating Rate	N/A
	(b) Floating Rate Option	N/A
	(c) Designated Maturity	N/A
	(d) Reset Date(s)	N/A
	(e) ISDA Definitions to apply	N/A
34.	If Screen Determination:	
	(a) Reference Rate (including relevant period by reference to which the Rate of Interest is to be calculated)	3 month ZAR-JIBAR
	(b) Interest Rate Determination Date(s)	26 February, 26 May, 26 August and 26 November, of each year until the Maturity Date with the first Interest Rate Determination Date being 21 November 2013
	(c) Relevant Screen Page and Reference Code	Reuters page 0#SFXMM or successor page
35.	If Rate of Interest to be calculated otherwise than by ISDA Determination or Screen Determination, insert basis for determining Rate of Interest/Margin/ Fallback provisions	N/A

36.	Calculation Agent responsible for calculating amount of principal and interest	Rand Merchant Bank, a division of FirstRand Bank Limited
	<b>ZERO COUPON NOTES</b>	N/A
	<b>PARTLY PAID NOTES</b>	N/A
	<b>INSTALMENT NOTES</b>	N/A
	<b>MIXED RATE NOTES</b>	N/A
	<b>INDEX-LINKED NOTES</b>	N/A
	<b>DUAL CURRENCY NOTES</b>	N/A
	<b>EXCHANGEABLE NOTES</b>	N/A
	<b>OTHER NOTES</b>	N/A
	<b>PROVISIONS REGARDING REDEMPTION/MATURITY</b>	
37.	Redemption at the Option of the Issuer:	Yes, see paragraph 6 ( <i>Redemption at the Option of the Issuer</i> ) of Appendix A ( <i>Additional Terms and Conditions</i> ) attached hereto
38.	Redemption at the Option of the Senior Noteholders:	Yes, see Appendix A ( <i>Additional Terms and Conditions</i> ) attached hereto
39.	Redemption in the event of a Change of Control at the election of Noteholders pursuant to Condition 11.5 of the Programme Memorandum ( <i>Redemption in the event of a Change of Control</i> ) or any other terms applicable to a Change of Control	Yes
40.	Redemption in the event of a failure to maintain JSE listing or Rating at the election of Noteholders pursuant to Condition 11.6 of the Programme Memorandum ( <i>Redemption in the event of a failure to maintain JSE listing or Rating</i> )	Yes
41.	Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default (if required).	Yes
	<b>GENERAL</b>	
42.	Financial Exchange	Interest Rate Market of JSE
43.	Additional selling restrictions	N/A
44.	ISIN No.	ZAG000110974
45.	Stock Code	COH001
46.	Stabilising manager	N/A
47.	Provisions relating to stabilisation	N/A
48.	Method of distribution	Book-Build
49.	Credit Rating assigned to the Notes	A-(RSA) which will be renewed from time to time
50.	Applicable Rating Agency	Global Credit Rating Co. Proprietary Limited

51. Governing law (if the laws of South Africa are not applicable) N/A
52. Other provisions See Appendix "A" for Additional Terms and Conditions relating to the Notes

**DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3(5) OF THE COMMERCIAL PAPER REGULATIONS IN RELATION TO THIS ISSUE OF NOTES**

53. Paragraph 3(5)(a)  
The "*ultimate borrower*" (as defined in the Commercial Paper Regulations) is the Issuer.
54. Paragraph 3(5)(b)  
The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments under the Notes.
55. Paragraph 3(5)(c)  
The auditor of the Issuer is Deloitte & Touche.
56. Paragraph 3(5)(d)  
As at the date of this issue:
- (i) the Issuer has not issued Commercial Paper (as defined in the Commercial Paper Regulations); and
  - (ii) to the best of the knowledge and belief of the Issuer, the Issuer estimates that it will not issue Commercial Paper (exclusive of these Notes) during the current financial year, ending 31 December 2013.
57. Paragraph 3(5)(e)  
All information that may reasonably be necessary to enable the investor to ascertain the nature of the financial and commercial risk of its investment in the Notes is contained in the Programme Memorandum and the Applicable Pricing Supplement.
58. Paragraph 3(5)(f)  
There has been no material adverse change in the Issuer's financial position since the date of its last audited financial statements.
59. Paragraph 3(5)(g)  
The Notes issued will be listed.
60. Paragraph 3(5)(h)  
The funds to be raised through the issue of the Notes are to be used by the Issuer.
61. Paragraph 3(5)(i)  
The obligations of the Issuer in respect of the Notes are secured and guaranteed in terms of the Guarantee provided by the Guarantors. See Appendix "A" (*Additional Terms and Conditions*) attached hereto.
62. Paragraph 3(5)(j)  
Deloitte & Touche, the statutory Auditor of the Issuer, have confirmed that nothing has come to their attention to indicate that this issue of Notes issued under the Programme will not comply in all respects with the relevant provisions of the Commercial Paper Regulations.

**Responsibility:**

The Issuer accepts full responsibility for the information contained in this Applicable Pricing Supplement. To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case) the information contained in this Applicable Pricing Supplement is in accordance with the facts and does not omit anything which would make any statement false or misleading and all reasonable enquiries to ascertain such facts have been made. This Applicable Pricing Supplement contains all information required by law and the debt listings

requirements of the JSE.

Application is hereby made to list this issue of Notes on 26 November 2013.

**SIGNED** at \_\_\_\_\_ on this \_\_\_\_\_ day of November 2013

For and on behalf of  
**CURRO HOLDINGS LIMITED**

\_\_\_\_\_  
Name:  
Capacity: Director  
Who warrants his/her authority hereto

\_\_\_\_\_  
Name:  
Capacity: Director  
Who warrants his/her authority hereto

## ADDITIONAL TERMS AND CONDITIONS

*The following are additional Terms and Conditions (the **Additional Terms and Conditions**) which apply to the COH001 Notes (the **Notes**) which will be incorporated by reference into each Note.*

*In addition to the below, all references in the Programme Memorandum to Senior Notes shall be deemed to be references to the Notes.*

### ADDITIONAL TERMS AND CONDITIONS

#### 1. Financial Statements

- 1.1 The Issuer shall deliver to the Calculation Agent:
- 1.1.1 as soon as they are available and published, but in any event within 75 (seventy five) days after the end of each of its Financial Half Years, its financial statements for that Financial Half Year; and
- 1.1.2 as soon as they are available and published, but in any event within 120 (one hundred and twenty) days after the end of its Financial Years, its audited financial statements for that Financial Year.
- 1.2 Each set of published financial statements delivered by the Issuer pursuant to paragraph 1.1 above, shall be certified by 2 directors of the Issuer, as fairly representing the financial condition of the Issuer as at the date at which those financial statements were drawn up.
- 1.3 The Issuer shall procure that each set of published financial statements delivered pursuant to paragraph 1.1 is prepared in accordance with the Accounting Principles.

#### 2. Margin Ratchet

- 2.1 The Issuer shall, for as long as any Note remains Outstanding, ensure that:
- 2.1.1 the Covenants are met; and
- 2.1.2 the Rating assigned to the Notes by any Rating Agency is at least "A<sub>(RSA)</sub>" (or its equivalent).
- 2.2 The Issuer shall be required to test the Covenants on each Test Date by reference to the financial statements delivered pursuant to paragraph 1.1 above and provide the Calculation Agent with a Covenant compliance certificate signed by any two directors of the Issuer (a **Covenant Compliance Certificate**) with respect to each Covenant together with the calculations thereof,
- 2.2.1 in the case of any Covenants tested with reference to the financial statements delivered pursuant to paragraph 1.1.1 above, within 75 (seventy five) days;
- 2.2.2 in the case of any Covenants tested with reference to the financial statements delivered pursuant to paragraph 1.1.2 above, within 120 (one hundred and twenty) days,
- after each Test Date.
- 2.3 The Calculation Agent shall make available a copy of each Covenant Compliance Certificate delivered to it pursuant to paragraph 2.2 above, to Noteholders at either the registered office

of the Issuer or, on request, by electronic mail addressed to the relevant Noteholder.

2.4 If, while any Note remains Outstanding:

2.4.1 a breach of a Covenant occurs as at any Test Date; or

2.4.2 the Rating assigned to the Notes by any Rating Agency falls below "A<sub>(RSA)</sub>" (or its equivalent),

(each a **Ratchet Event**), the Issuer shall promptly (but in any event within 5 (five) days of such Ratchet Event) give notice (a **Ratchet Event Notice**) to the Calculation Agent specifying the nature and particulars of the Ratchet Event. The Calculation Agent shall promptly (but in any event within 5 (five) days of receipt of the Ratchet Event Notice) make available a copy of the Ratchet Event Notice to Noteholders at the registered office of the Issuer, the Issuer shall give notice to Noteholders in accordance with Condition 19 (*Notices*) and the Debt Sponsor shall give notice through SENS.

2.5 With effect from the immediately following Interest Period (provided the relevant Ratchet Event still subsists as at the first day of such Interest Period), the Margin to be added to the Reference Rate shall be increased by the number of basis points equal to 25% (twenty five percent) of such Margin (the **Step-up Margin**).

2.6 The Step-up Margin shall prevail until the end of the Interest Period during which the Ratchet Event is cured (the **Reset Date**). The Issuer shall promptly (but in any event within 5 (five) days of the Reset Date) give notice to the Calculation Agent and to Noteholders in accordance with Condition 19 (*Notices*) and the Debt Sponsor shall give notice through SENS specifying the nature and particulars in terms of which the Ratchet Event was cured.

2.7 With effect from the Interest Period immediately following the Reset Date (provided the relevant Ratchet Event remains cured as at the first day of such Interest Period), the Margin shall be as set out in item 32 of the Applicable Pricing Supplement.

2.8 For the avoidance of doubt it is recorded that:

2.8.1 once a Ratchet Event has occurred and for so long as same subsists and is not cured, no further Ratchet Event can occur; and

2.8.2 no Ratchet Event shall constitute an Event of Default.

2.9 In the event of any dispute in respect of any calculation relating to any Covenant, such dispute shall be determined by the Auditors, acting as experts and not as arbitrators (taking into account the Terms and Conditions), whose determination will, in the absence of manifest error, be final and binding on the Issuer and the Noteholders. The cost of the Auditors in resolving such dispute shall be borne by the Issuer, unless a Noteholder or Noteholders made a manifest error or were grossly negligent in relation to any calculation referred to a dispute pursuant to this paragraph 2.9, in which case the costs will be borne by such Noteholder or Noteholders.



### 3. **General Undertakings**

#### 3.1 *Permitted Indebtedness*

The Issuer shall ensure that, from the Issue Date, all Non-Obligors do not incur Financial Indebtedness (excluding any Permitted Shareholder Loans) in aggregate which exceeds ZAR50,000,000 (Fifty Million Rand).

#### 3.2 *Permitted Loans*

The Issuer shall ensure that, from the Issue Date, all loans made by any Obligors to any Non-Obligors and/or CPM Company do not in aggregate exceed ZAR50,000,000 (Fifty Million Rand).

3.3 If the Issuer fails to perform or observe any of its obligations or undertakings under this paragraph 3 (*General Undertakings*) and such failure continues for a period of more 15 (fifteen) Business Days, the Issuer shall promptly (but in any event within 5 (five) days of the expiry of the such period, deliver a notice (a **Breach Notice**) to the Calculation Agent specifying the nature and particulars of the breach. The Calculation Agent shall promptly (but in any event within 5 (five) days of receipt of the Breach Notice) make available a copy of the Breach Notice to Noteholders at the registered office of the Issuer, the Issuer shall give notice to Noteholders in accordance with Condition 19 (*Notices*) and the Debt Sponsor shall give notice through SENS.

3.4 In accordance with Condition 11.4 (*Redemption at the Option of the Senior Noteholders*), the holder of each Note shall have the right to require the Issuer to redeem, in cash, any Notes it holds at the Optional Redemption Amount equal to 100% (one hundred percent) of the Nominal Amount of the Notes, together with accrued interest (if any) to (but excluding) the Put Exercise Date.

3.5 To exercise the right specified in paragraph 3.4 above, the relevant Noteholder must deliver a Put Exercise Notice, together with, if applicable, any Individual Certificates representing the relevant Note(s), to the specified office of the Paying Agent or the Transfer Agent within 10 (ten) Business Days of delivery of the Breach Notice to the Noteholders pursuant to paragraph 3.3 above.

### 4. **Negative Undertakings**

4.1 The Issuer undertakes that whilst any Note remains Outstanding, it shall not (and shall procure that each Guarantor shall not), without the prior written consent of Noteholders of at least 66.67% (sixty six point six seven per cent) of the nominal amount of the Notes Outstanding:

4.1.1 incur any Financial Indebtedness other than Permitted Financial Indebtedness; and

4.1.2 make any Distribution other than a Permitted Distribution.

4.2 Notwithstanding anything to the contrary contained herein:

4.2.1 with effect from 1 January 2018; or

4.2.2 if earlier, in the event that Consolidated EBITDA exceeds ZAR250,000,000 (Two Hundred and Fifty Million Rand) in respect of any Measurement Period,

the provisions of paragraph 4.1.2 shall no longer apply and the Issuer shall not be bound to comply with such an undertaking.

- 4.3 If the Issuer fails to perform or observe any of its obligations or undertakings under this paragraph 4 (*Negative Undertakings*) and such failure continues for a period of more than 15 (fifteen) Business Days, the Issuer shall promptly (but in any event within 5 (five) days of the expiry of such period) deliver a Breach Notice to the Calculation Agent specifying the nature and particulars of the breach. The Calculation Agent shall promptly (but in any event within 5 (five) days of receipt of the Breach Notice) make available a copy of the Breach Notice to Noteholders at the registered office of the Issuer, the Issuer shall give notice to Noteholders in accordance with Condition 19 (*Notices*) and the Debt Sponsor shall give notice through SENS.
- 4.4 In accordance with Condition 11.4 (*Redemption at the Option of the Senior Noteholders*), the holder of each Note shall have the right to require the Issuer to redeem, in cash, any Notes it holds at the Optional Redemption Amount equal to 100% (one hundred percent) of the Nominal Amount of the Notes, together with accrued interest (if any) to (but excluding) the Put Exercise Date.
- 4.5 To exercise the right specified in paragraph 4.4 above, the relevant Noteholder must deliver a Put Exercise Notice, together with, if applicable, any Individual Certificates representing the relevant Note(s), to the specified office of the Paying Agent or the Transfer Agent within 10 (ten) Business Days of delivery of the Breach Notice to the Noteholders pursuant to paragraph 4.3 above.

## 5. **Suspension of these Additional Terms and Conditions**

- 5.1 Notwithstanding anything to the contrary contained herein, in the event that the Rating assigned to the Issuer by any Rating Agency is at least "A" (or its equivalent) on a national scale basis (an "**A**" Rating):
- 5.1.1 the Issuer shall promptly (but in any event within 5 (five) days of such assignment) give notice to the Noteholders of such "A" Rating in accordance with Condition 19 (*Notices*); and
- 5.1.2 the provisions of these Additional Terms and Conditions shall no longer apply and the Issuer shall not be bound by these Additional Terms and Conditions effective from the date of delivery of the notice set out in paragraph 5.1.1 above.
- 5.2 These Additional Terms and Conditions shall not apply as set out in paragraph 5.1.2 above until the date (the "**A**" Rating Downgrade Date) on which the Rating assigned to the Issuer by any Rating Agency falls below an "A" Rating.
- 5.3 With effect from the "A" Rating Downgrade Date, the provisions of these Terms and Conditions shall be reinstated and the Issuer shall be accordingly bound by these Additional Terms and Conditions.

## 6. **Redemption at the Option of the Issuer**

- 6.1 The Issuer may redeem any Notes in accordance with Condition 11.3 (*Redemption at the Option of the Issuer*) on any Floating Interest Payment Date during the Term.
- 6.2 In the event that the Issuer redeems any Notes in accordance with Condition 11.3 (*Redemption at the Option of the Issuer*):

- 6.2.1 during the period commencing on and including the Issue Date and ending one day prior to the 1<sup>st</sup> (first) anniversary of the Issue Date, such Notes shall be redeemed at an Optional Redemption Amount equal to the multiple of PV of Margin and the Nominal Amount of the Notes plus the Nominal Amount of the Notes;
- 6.2.2 during the period commencing on and including the 1<sup>st</sup> (first) anniversary of the Issue Date and ending one day prior to the 2<sup>nd</sup> (second) anniversary of the Issue Date, such Notes shall be redeemed at an Optional Redemption Amount equal to 103% (one hundred and three percent) of their Nominal Amount;
- 6.2.3 during the period commencing on and including the 2<sup>nd</sup> (second) anniversary of the Issue Date and ending one day prior to the 3<sup>rd</sup> (third) anniversary of the Issue Date, such Notes shall be redeemed at an Optional Redemption Amount equal to 101.5% (one hundred and one point five percent) of their Nominal Amount;
- 6.2.4 during the period commencing on and including the 3<sup>rd</sup> (third) anniversary of the Issue Date and ending one day prior to the Maturity Date, such Notes shall be redeemed at an Optional Redemption Amount equal to 100% (one hundred percent) of their Nominal Amount,

together with accrued interest up to but excluding the relevant Optional Redemption Date.

## 7. Interpretation

In these Additional Terms and Conditions, unless inconsistent with the context, the following expressions shall have the following meanings:

- 7.1 **Accounting Principles** means generally accepted accounting principles in South Africa, including IFRS;
- 7.2 **Asset** means an asset as defined in and for purposes of IFRS;
- 7.3 **Auditors** means the auditors of the Issuer, which as at the Issue Date, are Deloitte & Touche;
- 7.4 **Cash** means cash and cash equivalents for purposes of IFRS;
- 7.5 **Consolidated EBIT** means, in respect of any Measurement Period, the consolidated operating profit of the Obligors before taxation (including deferred taxation) and before deducting any Finance Charges, adjusted by excluding (without double counting):
  - 7.5.1 any material items which represent gains or losses arising on:
    - 7.5.1.1 restructurings of the activities of an Obligor and reversals of provisions for the costs of any such restructurings;
    - 7.5.1.2 Disposals of non-current Assets;
    - 7.5.1.3 Disposal of Assets associated with discontinued operations;
    - 7.5.1.4 reversals of any provisions; and
  - 7.5.2 any items related to Non-Obligors;
  - 7.5.3 any unrealised gains or losses on any derivative instrument (other than any derivative

- instrument which is accounted for on a hedge accounting basis);
- 7.5.4 non-cash items; and
- 7.5.5 any Transaction Costs,
- all determined in accordance with the Accounting Principles;
- 7.6 **Consolidated EBITDA** means, in respect of any Measurement Period, the Consolidated EBIT after adding back any amount attributable to the amortisation of intangible Assets, depreciation of tangible Assets and excluding any charge for impairment or reversal of any previous charge made, as per the income statements of the Obligors, all determined in accordance with the Accounting Principles;
- 7.7 **Consolidated Interest Expense** means, in respect of any Measurement Period, all of the Finance Charges (whether paid, payable or added to principal) incurred by the Obligors;
- 7.8 **Consolidated Interest Income** means, in respect of any Measurement Period, all of the cash interest (whether paid, payable or added to principal) received and/or accrued by the Obligors;
- 7.9 **Consolidated Net Income** means, in respect of any Measurement Period, the consolidated net income of the Curro Group as determined in accordance with the Accounting Principles;
- 7.10 **Consolidated Net Interest Cost** means, in respect of any Measurement Period, Consolidated Interest Expense less Consolidated Interest Income;
- 7.11 **Covenants** means:
- 7.11.1 the Required Interest Cover Ratio;
- 7.11.2 the Required Net Leverage Ratio,
- and **Covenant** means, as the context requires, any one of them;
- 7.12 **Curro Group** means the Issuer and any other company or entity whose financial results are consolidated with the financial results of the Issuer in accordance with the Accounting Principles, but specifically excluding CPM Company;
- 7.13 **Disposal** means a sale or other outright disposal by a Person of any Asset, undertaking or business (whether by a voluntary or involuntary single transaction or series of transactions), and **Dispose** shall be construed accordingly;
- 7.14 **Distribution** means in relation any Person, dividend or capital redemption (in whatever form, including a share buy-back and repayment of interest and/or capital on loan accounts), including any “*distribution*” as defined in the Companies Act, made directly or indirectly to or for the account of the members or shareholder of or holders of beneficial interests in the capital of that Person;
- 7.15 **Dividend Cover Ratio** means the ratio of Consolidated Net Income to Shareholder Distributions, in respect of any Measurement Period;
- 7.16 **Equity** means the total shareholders’ equity as published in the latest financial statements of the Issuer, excluding any revaluation reserves and any redeemable preference shares;

7.17 **Finance Charges** means, in respect of any Measurement Period, the aggregate amount of the accrued interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments or interest as adjusted for interest hedging cost or benefit in respect of Financial Indebtedness whether paid, payable or capitalised by any Obligor (calculated on a consolidated basis) in respect of that Measurement Period and:

7.17.1 excluding any Transaction Costs;

7.17.2 taking no account of any unrealised gains or losses on any derivative instruments other than any derivative instruments which are accounted for on a hedge accounting basis; and

7.17.3 including Consolidated Interest Expense of (i) the Obligors and (ii) any investment or in respect of any Asset acquired for that Measurement Period, determined on a pro forma basis (including a pro forma application of the net proceeds therefrom) as if the additional Financial Indebtedness had been incurred on the first day of that Measurement Period. If any Financial Indebtedness bears interest at a floating rate and is being given pro forma effect, the interest on such Financial Indebtedness shall be calculated as if the rate in effect on the date of calculation had been the applicable rate for the entire period (taking into account any Permitted Treasury Transactions applicable to such Financial Indebtedness). For purposes of making the calculation referred to above, interest on any Financial Indebtedness outstanding during the relevant period under a Permitted Working Capital Facility computed on a pro forma basis shall be computed based upon the average daily balance of such Financial Indebtedness during the applicable period,

and so that no amount shall be added (or deducted) more than once;

7.18 **Financial Indebtedness** means any present or future indebtedness (whether being principal, interest or other amount) including:

7.18.1 moneys borrowed and any debit balances at banks or other financial institutions;

7.18.2 any amount raised by acceptance under any acceptance credit facility or bill discounting facility (or dematerialised credit);

7.18.3 any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

7.18.4 the amount of any liability in respect of Finance Leases;

7.18.5 receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis and meet any requirement for de-recognition under the Accounting Principles);

7.18.6 any Treasury Transaction (and, when calculating the value of that Treasury Transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that Treasury Transaction, that amount) shall be taken into account);

7.18.7 any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;

7.18.8 any amount raised by the issue of redeemable shares which are redeemable (other than

- at the option of the issuer) or are otherwise classified as borrowings under the Accounting Principles;
- 7.18.9 any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind entering into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 90 (ninety) days after the date of supply;
- 7.18.10 any agreement or option to re-acquire an asset if one of the primary reasons for entering into such agreement or option is to raise finance; and
- 7.18.11 any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under the Accounting Principles; and
- 7.18.12 (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs 7.18.1 to 7.18.11 above;
- 7.19 **Financial Half Year** means, at any time, the period of 6 (six) months ending on 30 June and 31 December (or such other date as the Issuer may notify from time to time) in each calendar year;
- 7.20 **Financial Year** means, at any time, the annual accounting period of the Issuer ending on 31 December (or such other date as the Issuer may notify from time to time) in each calendar year;
- 7.21 **Financial Year End** means 31 December;
- 7.22 **Financial Lease** means any lease or hire purchase contract which would, in accordance with IFRS, be treated as a finance or capital lease;
- 7.23 **Interest Cover Ratio** means the ratio of Consolidated EBITDA to Consolidated Net Interest Cost, in respect of any Measurement Period;
- 7.24 **Measurement Period** means, as at any date on which any ratio is to be measured or calculation made, the period of 12 (twelve) months ending on the last day of the month immediately preceding the date on which the relevant ratio or calculation is to be determined;
- 7.25 **Net Debt** means the aggregate amount of all Financial Indebtedness of the Obligors less the aggregate amount of Cash held by all the Obligors;
- 7.26 **Net Leverage Ratio** means the ratio of Net Debt to Equity, in respect of any Measurement Period;
- 7.27 **Non-Obligor** means a member of the Curro Group that is not an Obligor;
- 7.28 **Obligors** means the Issuer and each Guarantor and **Obligor** means, as the context requires, any one of them;
- 7.29 **Permitted Distribution** means any Distribution:
- 7.29.1 made pursuant to any Reorganisation which does not result in a decrease in the net asset value of the relevant Obligor save for any direct costs related to such

- Reorganisation;
- 7.29.2 made by an Obligor to another Obligor;
- 7.29.3 made by the Issuer to PSG Financial Services in respect of any Permitted Financial Indebtedness; and
- 7.29.4 made by the Issuer to its shareholders after the Issue Date provided the Dividend Cover Ratio is at least 4 (four) times for the 12 (twelve months) immediately preceding such Distribution;
- 7.30 **Permitted Financial Indebtedness** means any Financial Indebtedness:
  - 7.30.1 incurred under a Permitted Working Capital Facility Agreement,
    - 7.30.1.1 provided that, following the incurrence of any such Financial Indebtedness in amounts in excess of ZAR50,000,000 (Fifty Million Rand) under any Secured Permitted Working Capital Facility, the Property Ratio is at least 1.33 times, as confirmed in a certificate signed by 2 (two directors) of the Issuer and accompanied by the relevant calculations, delivered to the Calculation Agent at least 10 (ten) Business Days prior to the proposed date of the incurring of such Financial Indebtedness;
  - 7.30.2 incurred under a Permitted Property Facility or incurred by any Obligor (including in respect of the issue of the Notes and any other notes under the Programme), provided that in each case, following the incurrence of any such Financial Indebtedness:
    - 7.30.2.1 the Property Ratio is at least 1.33 times; and
    - 7.30.2.2 the Covenants are met,
      - as confirmed in a certificate signed by 2 (two) directors of the Issuer and accompanied by the relevant calculations, delivered to the Calculation Agent at least 10 (ten) Business Days prior to the proposed date of the incurring of such Financial Indebtedness;
  - 7.30.3 arising under Permitted Treasury Transactions;
  - 7.30.4 incurred by one Obligor to another Obligor;
  - 7.30.5 arising under any Permitted Shareholder Loans;
  - 7.30.6 which was incurred prior to the Issue Date and which has been disclosed:
    - 7.30.6.1 in writing to the Noteholders prior to the Issue Date; or
    - 7.30.6.2 in the financial statements of the issuer for the financial year ending 31 December 2012,
      - provided the principal amount outstanding at the Issue Date or the amount of the original facility is not increased after the Issue Date;
  - 7.30.7 in addition to any Financial Indebtedness permitted under paragraphs 7.30.1 to 7.30.6 above (both inclusive), any Financial Indebtedness which in aggregate does not at any time exceed ZAR25,000,000 (Twenty Five Million Rand).
- 7.31 **Permitted Property Facilities** means any secured banking facilities for which the relevant

purpose is the acquisition of immovable property by any Obligor;

7.32 **Permitted Shareholder Loans** means any unsecured, subordinated shareholder loans provided by the Issuer to any Non-Obligor;

7.33 **Permitted Treasury Transaction** means any Treasury Transaction:

7.33.1 entered into with a Permitted Working Capital Facility Lender under the terms of any Permitted Working Capital Facility Agreement; or

7.33.2 entered into in the ordinary course of business (and not for investment or speculative purposes) on arm's length terms where used as a hedge to protect against an actual exposure or risk incurred or to be incurred by an Obligor as a result of:

7.33.2.1 interest rate exposure in relation to any payment obligations on interest bearing Financial Indebtedness in the ordinary course of business; or

7.33.2.2 currency exposure in respect of payments due under import contracts

7.34 **Permitted Working Capital Facility Agreement means:**

7.34.1 any working capital facility agreement concluded or to be concluded between PSG Financial Services and any member of the Curro Group in terms of which PSG Financial Services makes available a working capital facility to any member of the Curro Group; and

7.34.2 any other working capital facility agreement concluded or to be concluded by any Obligor, which is in addition to or replaces the working capital facilities referred to in paragraph 7.34.1 above, in whole or in part,

provided the principal amount of any working capital facilities provided pursuant to this paragraph 7.34.2 and paragraph 7.34.1 above, does not exceed ZAR250,000,000 (Two Hundred and Fifty Million Rand) (plus any accrued but unpaid interest, fees, commission and other amount due and payable under any Permitted Working Capital Facility Agreement), at any time;

For the avoidance of doubt, references to a "working capital facility" for purposes of this definition include general banking facilities, short and long term guarantee facilities, forward exchange contract facilities, standby facilities and letters of credit required by Obligors in the ordinary course of business;

7.35 **Permitted Working Capital Facility Lender** means the banks or other financial institutions which provide a working capital facility under a Permitted Working Capital Facility Agreement to the Issuer or any other Obligor;

7.36 **Person** shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing;

7.37 **Property Value** means the aggregate value of all immovable property held by the Obligors, and the subject of Security for purposes of securing Secured Debt, where the value of such immovable property will be calculated as follows:

7.37.1 in the case of any such immovable property on which no improvements have been



- constructed in the 3 (three) year period immediately preceding the date on which the relevant Property Ratio is to be calculated, the market value of such immovable property; and
- 7.37.2 in the case of any such immovable property on which improvements have been constructed in the 3 (three) year period immediately preceding the date on which the relevant Property Ratio is to be calculated, the greater of:
- 7.37.2.1 the market value of such immovable property; and
- 7.37.2.2 the aggregate of the purchase price of such immovable property and the cost of construction of any improvements thereon;
- 7.38 **Property Ratio** means the ratio of the Property Value to Secured Debt, as at any relevant date;
- 7.39 **PSG Financial Services** means PSG Financial Services Limited, a public company duly incorporated in accordance with the laws of South Africa with registration number 1919/000478/06;
- 7.40 **Put Exercise Date** means the date falling 15 (fifteen) Business Days after the delivery by a Noteholder of a Put Exercise Notice to the Transfer Agent or Paying Agent, as the case may be;
- 7.41 **Put Exercise Notice** means the notice substantially in the form of Appendix "A" (*Form of Put Notice*) hereto;
- 7.42 **PV of Margin** means the sum of (Margin x Discount Factor) plus 100% (one hundred percent), where:
- Margin = the Margin element (as referred to in paragraph 32 of the Applicable Pricing Supplement) of each Floating Interest Payment Date from the call date to the Optional Redemption Date; and
- Discount Factor =  $1/((1+i)^t)$  where:
- i = the nominal annual compound annual rate from a Reference Bank's swap curve relating to the period for which PV of Margin is to be calculated;
- t = (Maturity Date – Optional Redemption Date)/365;
- 7.43 **Reorganisation** means any internal restructure or reorganisation within the Curro Group;
- 7.44 **Required Interest Cover Ratio** means an Interest Cover Ratio of at least 1.75 (one point seven five),
- 7.44.1 as measured for the relevant Measurement Period prior to the date on which the calculation is to be done; and
- 7.44.2 calculated on a pro forma basis assuming that all investments, acquisitions, dispositions, mergers, consolidations, amalgamations, disposed operations and other business combination transactions, as well as each repayment, repurchase or other discharge of Financial Indebtedness made or undertaken by the Obligor (including the change in Consolidated EBITDA and Consolidated Net Interest Cost resulting therefrom) during the

relevant Measurement Period had occurred on the first day of such Measurement Period;

7.45 **Required Net Leverage Ratio** means, while EBITDA is less than or equal to ZAR195,000,000 (one Hundred and Ninety Five Million Rand), a Net Leverage Ratio of less than 80% (eighty percent):

7.45.1 as measured for the relevant Measurement Period prior to the date on which the calculation is to be done; and

7.45.2 calculated on a pro forma basis assuming that all investments, acquisitions, dispositions, mergers, consolidations, amalgamations, disposed operations and other business combination transactions, as well as each repayment, repurchase or other discharge of Financial Indebtedness made or undertaken by the Obligor (including the change in Consolidated EBITDA and Consolidated Net Interest Cost resulting therefrom) during the relevant Measurement Period had occurred on the first day of such Measurement Period,

provided that:

7.45.3 in the event that EBITDA exceeds ZAR195,000,000 (one Hundred and Ninety Five Million Rand) in respect of the relevant Measurement Period:

7.45.3.1 the Issuer shall promptly but in any event within 15 (fifteen) Business Days of the relevant Measurement Date) give notice thereof to the Noteholders in accordance with Condition 19 (*Notices*); and

7.45.3.2 the conditions pertaining to the Required Net Leverage Ratio shall fall away such that the Issuer shall not be bound to comply with the Required Leverage Ratio in respect of such relevant Measurement Period;

7.46 **Secured Debt** means the aggregate amount of Financial Indebtedness, at the relevant date, of the Obligor which is secured by Security over immovable property owned by such Obligor;

7.47 **Secured Permitted Working Capital Facility Agreement** means any Permitted Working Capital Facility Agreement which benefits from any Security granted by any Obligor;

7.48 **Security** means:

7.48.1 any mortgage, charge (whether fixed or floating), pledge, lien, assignment or cession conferring security, hypothecation, security interest, preferential right or trust arrangement or other encumbrance securing any obligation of any person; or

7.48.2 any arrangement under which money or claims to, or for the benefit of, a bank or other account may be applied, set off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person; or

7.48.3 any other security interest of any kind whatsoever, or any agreement to sell or otherwise Dispose of any asset on terms, whereby such asset is or may be leased or reacquired or acquired; or

7.48.4 any other type of preferential agreement or arrangement (including any title transfer and retention arrangement), the effect of which is the creation of a security interest;

7.49 **Shareholder Distributions** means any Distributions made by the Issuer to or for the benefit

of its shareholders;

- 7.50 **Term** means the period commencing on the Issue Date and ending on the Maturity Date;
- 7.51 **Test Date** means the Financial Year End or the Financial Half Year End;
- 7.52 **Transaction Costs** means all fees, costs and expenses, stamp, registration and other taxes incurred by the Issuer or any other member of the Curro Group in connection with the Programme and these Terms and Conditions;
- 7.53 **Treasury Transaction** means any currency or interest purchase, cap or collar agreement, forward rate agreements, interest rates or currency future or option contracts, foreign exchange or currency purchase or sale agreement, interest rate swap, currency swap or combined interest rate and currency swap agreement and any other similar agreement in each case entered into in connection with any fluctuation in any rate or price; and
- 7.54 **Unsecured Debt** means the aggregate amount of all Financial Indebtedness of members of the Obligors which is not secured by way of any Security.

**Form of Put Exercise Notice**

To: [Paying Agent/Transfer Agent]

Curro Holdings Limited

ZAR2,000,000,000

Domestic Medium Term Note Programme

1. This is a Put Exercise Notice (the **Notice**) delivered to you in accordance with paragraph **[3.5]/[4.5]** of the Additional Terms and Conditions relating to the ZAR150,000,000 Senior Secured Floating Rate Notes due 26 November 2018.
2. By depositing this duly completed Notice with the above [**Paying Agent / Transfer Agent**] in accordance with paragraph **[3.5]/[4.5]** the undersigned holder of the Senior Secured Floating Rate Notes (the **Notes**) irrevocably exercises its option to have ZAR[**amount**] of Notes redeemed in accordance with Condition 11.4 (*Redemption at the option of the Senior Noteholders*) on the Put Exercise Date.
3. Payment should be made by [cheque posted to the below address/transfer to the following bank account]:

Bank: \_\_\_\_\_

Branch Address: \_\_\_\_\_

Branch Code: \_\_\_\_\_

Account Number: \_\_\_\_\_

Signature of holder: \_\_\_\_\_

4. All notices and communications relating to this Notice should be sent to the address specified below:

Name of holder: \_\_\_\_\_

Contact details: \_\_\_\_\_

Signature of holder: \_\_\_\_\_

Date: \_\_\_\_\_

**[To be completed by Paying Agent / Transfer Agent]**

Received by: \_\_\_\_\_

**[Signature and stamp of Paying Agent / Transfer Agent]**

At its office at: \_\_\_\_\_  
On: \_\_\_\_\_

**THIS PUT NOTICE IS NOT VALID UNLESS ALL OF THE PARAGRAPHS REQUIRING COMPLETION ARE DULY COMPLETED.**

## DESCRIPTION OF SECURITY ARRANGEMENTS

The below is a brief description of the security arrangements in respect of the Notes and does purport to form part of the Terms and Conditions.

## Security Structure Diagram



## 1. Interpretation

Terms and expressions defined in the Appendix “A” (*Additional Terms and Conditions*) and/or the Intercreditor Agreement, as the case may be, shall have the same meanings in this Appendix “B” (*Description of Security Arrangements*). In addition, unless inconsistent with the context:

- 1.1 **Intercreditor Agreement** means the written agreement entitled “*Intercreditor Agreement*” entered into or to be entered into between, *inter alia*, the Issuer, PSG Capital Proprietary Limited (as Facility Agent), Maitland Group South Africa Limited (as Trustee and Security Agent), Absa Bank Limited (acting through its Absa Capital division), The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking division), the Secured Financiers (as defined therein) and Curro Security SPV (RF) Proprietary Limited (as Debt Guarantor).

## 2. Description of Security Arrangements

- 2.1 The Notes constitute direct, senior, unconditional and secured indebtedness of the Issuer, but rank *pari passu* amongst themselves and *pari passu* with any indebtedness incurred to the remaining Secured Financiers under the relevant Facilities.
- 2.2 The obligations of the Issuer under the Notes will be directly guaranteed and indirectly secured as set out below.

## 3. Direct Guarantee

The Debt Guarantor will irrevocably guarantee, by way of first ranking guarantee, the obligations of the Issuer to the Secured Financiers, namely:

- 3.1 the Original Secured Financiers in respect of the relevant Facilities;
- 3.2 the Noteholders in respect of the Notes; and
- 3.3 any other creditor of the Issuer in respect of any Facilities to be provided to the Issuer, provided such creditor accedes and becomes a party to the Intercreditor Agreement.

#### **4. Counter Indemnity and Transaction Security**

- 4.1 The Issuer and any additional or future Security Provider will indemnify the Debt Guarantor against claims made by the Secured Financiers against the Debt Guarantor under the Debt Guarantee.
- 4.2 The obligations of the Security Providers under the Counter Indemnity shall be secured by way of the Transaction Security.
- 4.3 The Transaction Security includes the following:
  - 4.3.1 a security cession granted by the Security Providers of insurance policies and insurance proceeds in respect of the immovable properties of the Security Providers mortgaged as set out in paragraph 4.3.2 below; and
  - 4.3.2 mortgage bonds granted by the Security Providers in respect of certain immovable properties of the Security Providers.

#### **5. Risks relating to the Transaction Security**

- 5.1 As set out above, the Transaction Security will not be granted directly in favour of the Noteholders. Instead, the Transaction Security will be granted in favour of the Debt Guarantor.
- 5.2 As a result, neither the Trustee (acting for the benefit of the Noteholders) nor the Noteholders will have the right to realise the security directly. Instead, the Trustee (acting on the instructions of the Noteholders) must in accordance with Intercreditor Agreement, instruct Maitland Group South Africa Limited, in its capacity as Security Agent, to call a meeting of the Secured Financiers where 66.67% of the voting Secured Financiers would be required to vote in favour of any realisation of the Transaction Security. This indirect claim in respect of the security may result in a delay in realisation or could involve voting Secured Financiers voting against the realisation of the Transaction Security.