

EMIRA PROPERTY FUND LIMITED

(Incorporated in South Africa with limited liability under registration number 2014/130842/06)

R5,000,000,000 DOMESTIC MEDIUM TERM NOTE PROGRAMME

**FIRST SUPPLEMENT TO THE APPLICABLE PRICING SUPPLEMENT RELATING TO
THE ISSUE OF R430,000,000 SENIOR SECURED FLOATING RATE LISTED NOTES,
STOCK CODE EPF006**

Emira Property Fund Limited (the "Issuer") has issued R430,000,000 Senior Secured Floating Rate Listed Notes with Stock Code EPF006, due 19 August 2018, on terms set out in an Applicable Pricing Supplement dated 14 August 2015 (the "Applicable Pricing Supplement") under its R5,000,000,000 Domestic Medium Term Note Programme pursuant to its Programme Memorandum dated on or about 1 July 2015, as amended or supplemented from time to time (the "Programme Memorandum").

This document constitutes a supplement ("Supplement") to the Applicable Pricing Supplement.

In accordance with the amendments to the Terms and Conditions of the Notes approved pursuant to an Extraordinary Resolution of the Noteholders of all of the outstanding Group 1 Notes issued by the Issuer passed on 27 January 2017, the Issuer amends the Applicable Pricing Supplement on the basis as set out in this Supplement.

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 Supplement is supplemental to, and should be read in conjunction with, the Applicable Pricing Supplement.

The remaining provisions of the Applicable Pricing Supplement shall apply, subject to any amendments required by this Supplement. All references to the Applicable Pricing Supplement shall mean the Applicable Pricing Supplement as supplemented by this Supplement, as further amended or supplemented from time to time.

AMENDMENTS

With effect from the date of this Supplement, the Applicable Pricing Supplement is amended by:

- a) the amendment of the description of the security structure in respect of the Group 1 Notes, as set out in Appendix "B" to the Applicable Pricing Supplement, by the adoption of the revised description of the security structure as set out in Schedule 1 to this Supplement; and
- b) the amendment of the definitions in Condition 26 of the Group 1 Notes, as set out in Appendix "C" to the Applicable Pricing Supplement of the Group 1 Notes, by the adoption of the revised definitions set out in Schedule 2 to this Supplement.

EMIRA PROPERTY FUND LIMITED

By:  _____

Director, duly authorised

Date: 31 January 2017

By:  _____

Director, duly authorised

Date: 31 January 2017

Arranger and Dealer



Traditional values. Innovative ideas.

Attorneys to the Arranger

WEBBER WENTZEL

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SCHEDULE 1 TO SUPPLEMENT

APPENDIX "B" TO THE APPLICABLE PRICING SUPPLEMENT

SECURITY STRUCTURE

All the Notes of Group 1 share in the same security.

SECURITY IN FAVOUR OF THE GROUP 1 NOTEHOLDERS

MORTGAGE BOND SPV GUARANTEE

The Mortgage Bond SPV will bind itself under an irrevocable guarantee to the Trustee, acting on behalf of the Group 1 Noteholders, pursuant to the terms and conditions stated in the Mortgage Bond SPV Guarantee. Pursuant to such Mortgage Bond SPV Guarantee, the Mortgage Bond SPV will undertake in favour of the Trustee, acting on behalf of the Group 1 Noteholders, to pay it the full amount then owing to it by an Obligor, if an Acceleration Notice is delivered following an event of default under the Group 1 Notes or a Subsidiary Guarantee. The liability of the Mortgage Bond SPV pursuant to the Mortgage Bond SPV Guarantee will be limited in the aggregate to the net amount recovered by the Mortgage Bond SPV from each Obligor arising out of each Counter-Indemnity Agreement and, if necessary, the Security Documents referred to below.

COUNTER INDEMNITY AGREEMENTS

Each Obligor which has Properties included in the Group 1 Property Portfolio will execute a Counter-Indemnity Agreement, indemnifying the Mortgage Bond SPV in respect of claims that may be made against the Mortgage Bond SPV arising out of the Mortgage Bond SPV Guarantee. An Obligor shall not be entitled to refuse to make payment under the Counter-Indemnity Agreement to the Mortgage Bond SPV by reason of the fact that the Mortgage Bond SPV has not paid the claims of the Trustee under the Mortgage Bond SPV Guarantee nor shall an Obligor be entitled to refuse to make payment by reason of the fact that the liability of the Mortgage Bond SPV in respect of any such Mortgage Bond SPV Guarantee is limited in the manner set out in the Mortgage Bond SPV Guarantee.

SECURITY

In accordance with each Mortgage Bond, each Obligor mortgages its properties in the Group 1 Property Portfolio to the Mortgage Bond SPV, as security for the obligations of that Obligor to the Mortgage Bond SPV under the relevant Counter-Indemnity Agreement or acts of guarantee executed by the Subsidiary Guarantor or given by the Mortgage Bond SPV on behalf of that Obligor. In accordance with each Security Cession, each Obligor cedes in security to the Mortgage Bond SPV, as security for its obligations under the relevant Counter Indemnity Agreement, its rights, title and interest in and to the Tenant Lease Agreements, the Lease Payments and other claims against Tenants under such Tenant Lease Agreements, the Rent Collections Accounts and all monies in such bank accounts from time to time, the Property Management Agreements, the Insurance Policies and Insurance Proceeds and the Related Security in respect of each Property (all as defined in the relevant Security Cession).

SCHEDULE 1 TO SUPPLEMENT

APPENDIX "C" TO THE APPLICABLE PRICING SUPPLEMENT

ADDITIONAL DEFINITIONS IN RESPECT OF THE GROUP 1 NOTES

The terms and conditions set out in the programme memorandum are amended in relation to the notes of this tranche by the insertion of the following additional condition 26 (additional definitions in respect of the group 1 notes):

26. Condition 26 – Additional definitions in respect of the group 1 notes

Terms and expressions set out below will have the meanings set out below in the Terms and Conditions of the Notes of this Tranche:

- 26.1 **Counter-Indemnity Agreement** means, in respect of each Obligor, the counter-indemnity agreement concluded between that Obligor and the Mortgage Bond SPV, pursuant to which that Obligor indemnifies and holds the Mortgage Bond SPV harmless in respect of claims made against the Mortgage Bond SPV under the Mortgage Bond SPV Guarantee;
- 26.2 **FPI** means Freestone Property Investments (Proprietary) Limited, a private company incorporated in accordance with the laws of South Africa, registration number 2005/022554/07;
- 26.3 **Finance Documents** means:
- 26.3.1 the Trust Deed;
- 26.3.2 the Terms and Conditions of the Group 1 Notes;
- 26.3.3 each Subsidiary Guarantee;
- 26.3.4 the Security Documents; and
- 26.3.5 any other document which is from time to time designated by the Trustee (on behalf of the Group 1 Noteholders) and the Issuer as a Finance Document,
- and **Finance Document** means any of them, as the context may require;
- 26.4 **Group 1 Noteholders** means the holders of the Group 1 Notes;
- 26.5 **Group 1 Notes** means the Notes issued by the Issuer in respect of Series 21 and Series 22 of the Issuer's domestic medium term note programme, read together with the applicable pricing supplements in respect of such Notes, or, if the indebtedness of the Issuer under such Notes is refinanced at any time, any new financial indebtedness entered into in connection with that refinancing, and designated as such in the applicable pricing supplements;
- 26.6 **Group 1 Property Portfolio** means those Properties in the Property Portfolio which provide security in respect of the Group 1 Notes, listed in a schedule provided to the Trustee on the Issue Date, as such schedule may be updated from time to time,

including following any disposal of, addition to or substitution of, the Properties in accordance with the provisions Condition 25 of the Group 1 Notes;

26.7 **Institute of Valuers** means The South African Institute of Valuers, founded in 1909, the national society of professional real estate valuers, or its successor;

26.8 **Loan to Valuation Ratio (Group 1)** means at any time, in respect of the Group 1 Notes, the ratio as expressed as follows:

$$\text{Loan to Valuation Ratio (Group 1)} = L \text{ divided by } V$$

Where:

L = the aggregate Outstanding Principal Amount of the Group 1 Notes; and

V = the amount of the most recent Open Market Valuation of all the Properties in the Group 1 Property Portfolio;

26.9 **Mortgage Bond** means, in respect of each Property, a first-ranking continuing covering mortgage bond (whether a principal bond or collateral bond)(or such lower ranking continuing covering mortgage bond provided that all higher ranking mortgage bonds are or will be registered in favour of the Mortgage Bond SPV) registered in favour of the Mortgage Bond SPV over such Property (or the long term lease or sub-lease in respect of such Property, as the case may be), securing the obligations of the relevant Obligor to the Mortgage Bond SPV under the relevant Counter-Indemnity Agreement to which that Obligor is a party;

26.10 **Mortgage Bond SPV** means Freestone Mortgage Bond SPV Series 1 (RF) Proprietary Limited, a company duly incorporated in accordance with the laws of South Africa, registration number 2004/000792/07;

26.11 **Mortgage Bond SPV Guarantee** means the guarantee issued by the Mortgage Bond SPV in favour of the Trustee, on behalf of the Group 1 Noteholders, for the obligations of the Obligors under the Finance Documents ;

26.12 **Obligors** means the (i) Issuer and (ii) each Subsidiary of the Issuer that has executed a Counter-Indemnity Agreement pursuant to which that Subsidiary indemnifies and holds the Mortgage Bond SPV harmless in respect of claims made against the Mortgage Bond SPV under the Mortgage Bond SPV Guarantee, and "**Obligor**" means any one of them, as the context requires

26.13 **Open Market Valuation** means in respect of the Properties in the Group 1 Property Portfolio, the annual property valuation undertaken and prepared at the instance of the Issuer in regard to all the Properties in the Group 1 Property Portfolio, which in relation to a minimum of 1/3 of the Properties in the Group 1 Property Portfolio, shall be undertaken by a Valuer or Valuers appointed by the Issuer and conducted in accordance with the valuation methodology approved by the Institute of Valuers from time to time; provided that in respect of any 3 year period all of the Properties in the Group 1 Property Portfolio will have been valued, in accordance with the valuation methodology approved by the Institute of Valuers from time to time or such other methodology approved in writing by Valuers approved by the Issuer;

26.14 **Property** means a property in the Property Portfolio;

- 26.15 **Property Portfolio** means the fixed, immovable properties registered in the name of an Obligor (in each case, as sole owner or co-owner, as the case may be) or in respect of which that Obligor has registered leasehold rights, from time to time;
- 26.16 **Principal Amount** means, in relation to any Note, the nominal amount of that Note, being the amount on the Issue Date equivalent to the Specified Denomination set out in the Applicable Pricing Supplement;
- 26.17 **Secured Creditors** means the Group 1 Noteholders, represented by the Trustee;
- 26.18 **Security Cession** means:
- 26.1.1 in respect FPI, the written agreement entitled "Cession in Security" entered into between FPI and the Mortgage Bond SPV on 13 June 2006, as amended, pursuant to which FPI cedes in security to the Mortgage Bond SPV, as security for its obligations under the Counter Indemnity Agreement to which it is a party, its rights, title and interest in and to the Tenant Lease Agreements, the Lease Payments and other claims against Tenants under such Tenant Lease Agreements, the Rent Collections Accounts and all monies in such bank accounts from time to time, the Property Management Agreements, the Insurance Policies and Insurance Proceeds and the Related Security in respect of each Property (all as defined *therein*); and
- 26.1.2 in respect of each other Obligor that is party to a Counter-Indemnity Agreement, the agreement entered into between that Obligor and the Mortgage Bond SPV, pursuant to which that Obligor cedes in security to the Mortgage Bond SPV, as security for its obligations under the Counter Indemnity Agreement to which it is a party, its rights, title and interest in and to the Tenant Lease Agreements, the Lease Payments and other claims against Tenants under such Tenant Lease Agreements, the Rent Collections Accounts and all monies in such bank accounts from time to time, the Property Management Agreements, the Insurance Policies and Insurance Proceeds and the Related Security in respect of each Property (all as defined *therein*);
- 26.19 **Security Documents** means:
- 26.19.1 the Mortgage Bond SPV Guarantee;
- 26.19.2 each Counter-Indemnity Agreement;
- 26.19.3 each Security Cession;
- 26.19.4 each Mortgage Bond; and
- 26.19.5 any other document which is from time to time designated by the Trustee (on behalf of the Group 1 Noteholders) and the Issuer as a Security Document;
- 26.20 **Subsidiary Guarantee** means, in respect of each Subsidiary Guarantor, the guarantee granted by that Subsidiary Guarantor for the payment obligations of the Issuer under the Group 1 Notes;

- 26.21 **Subsidiary Guarantor** means each Subsidiary of the Issuer that has executed a Subsidiary Guarantee pursuant to which that Subsidiary guarantees the payment obligations of the Issuer under the Group 1 Notes;
- 26.22 **Trustee** means the trustee for the time being of the Emira Note Trust, acting on behalf of and for the benefit of the Group 1 Noteholders, which shall initially be TMF Corporate Services (South Africa) Proprietary Limited (Registration number 2006/013631/07), a company duly registered and incorporated in accordance with the company laws of South Africa; and
- 26.23 **Valuer** means an accredited property valuer registered as such in terms of the Valuer's Act, 1982, who is independent of the Issuer and any Property Manager.