

SUBSIDIARY GUARANTEE

BY

FREESTONE PROPERTY INVESTMENTS PROPRIETARY LIMITED
(Registration number 2005/025542/07)
(as "**Subsidiary Guarantor**")

IN FAVOUR OF

**THE GROUP 1 NOTEHOLDERS OF THE GROUP 1 NOTES ISSUED IN TERMS OF
THE ZAR5,000,000,000 EMIRA PROPERTY FUND LIMITED DOMESTIC MEDIUM
TERM NOTE PROGRAMME**

1. Interpretation

1.1 The terms defined in the terms and conditions of the Group 1 Notes to be issued by Emira Property Fund Limited, in terms of the ZAR5,000,000,000 Emira Property Fund Limited Domestic Medium Term Note Programme, as set out in the Programme Memorandum of Emira Property Fund Limited dated 1 July 2015 (as revised, supplemented, amended, updated or replaced from time to time), read together with the applicable pricing supplements in respect of such Group 1 Notes, shall, except where the context otherwise requires and save where otherwise defined or provided for in this Guarantee, have the same meanings in this Guarantee and shall form part of this Guarantee.

1.2 For the purposes of this document:

1.2.1 the term "**this Guarantee**" means the guarantee embodied in this document;

1.2.2 "**Group 1 Notes**" means the Notes issued by the Issuer in respect of Series 2 and Series 3 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.

2. Stipulation

- 2.1 With effect from the Issue Date of the first issue of Group 1 Notes, this Guarantee constitutes a stipulation in favour of each of the Group 1 Noteholders and shall be deemed to have been accepted by each of them and to constitute a binding agreement with each of them (notwithstanding that the Group 1 Noteholders shall not have executed this document) upon the issue or transfer of the Group 1 Notes to such Group 1 Noteholders, as the case may be.
- 2.2 On the date of signature of this Guarantee, the Subsidiary Guarantor shall deliver the original signed Guarantee to TMF Corporate Services (South Africa) Proprietary Limited (Registration number 2006/013631/07), in its capacity as Trustee of the Emira Note Trust, which has, in accordance with the undertaking annexed to this Guarantee as **Schedule 1**, undertaken to hold such original Guarantee on behalf of the Group 1 Noteholders and to make certified copies of this Guarantee available to the Group 1 Noteholders upon written request by the Group 1 Noteholders, in accordance with such undertaking.

3. Guarantee

- 3.1 The Subsidiary Guarantor, irrevocably and unconditionally:
- 3.1.1 guarantees to each Group 1 Noteholder the punctual performance by the Issuer of all its payment obligations under the Group 1 Notes in accordance with the Terms and Conditions of the Group 1 Notes; and
- 3.1.2 undertakes to each Group 1 Noteholder that, whenever the Issuer does not pay any amount when due under or in connection with any Note in accordance with the Terms and Conditions of the Group 1 Notes, the Subsidiary Guarantor shall immediately on demand by the relevant Group 1 Noteholder pay that amount as if it were the principal obligor in respect of that amount; and
- 3.1.3 indemnifies each Group 1 Noteholder immediately on demand against any cost, loss or liability suffered by that Group 1 Noteholder if any

obligation guaranteed by the Subsidiary Guarantor is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability to which this indemnity applies will be equal to the amount the Group 1 Noteholder would otherwise have been entitled to recover.

- 3.2 The Subsidiary Guarantor's obligations in respect of the Group 1 Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Subsidiary Guarantor and will rank *pari passu* among themselves and (save for certain debts required to be preferred by law) at least equally with all other unsecured, unsubordinated obligations of the Subsidiary Guarantor, if any, from time to time outstanding.

4. Continuing Guarantee

This Guarantee is a continuing Guarantee and will extend to the ultimate balance of all sums payable by the Issuer under the Group 1 Notes in accordance with the Terms and Conditions of the Group 1 Notes, regardless of any intermediate payment or discharge in whole or in part.

5. Reinstatement

If any payment by the Issuer or any discharge given by the Group 1 Noteholders (whether in respect of the obligations of the Issuer or any security for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event:

- 5.1 the liability of the Subsidiary Guarantor under this Guarantee will continue as if that payment discharge, avoidance or reduction had not occurred; and
- 5.2 the Group 1 Noteholders will be entitled to recover the value or amount of that security or payment from the Subsidiary Guarantor

as if that payment, discharge, avoidance or reduction had not occurred,

6. Waiver of defences

The obligations of the Subsidiary Guarantor under this Guarantee will not be affected by an act, omission, matter or thing which, but for this provision, would reduce, release or prejudice any of its obligations under this Guarantee (whether or not known to it or any Group 1 Noteholder), including:

- 6.1 any time, waiver or consent granted to, or composition with, the Issuer or other person;
- 6.2 the release of any person under the terms of any composition or arrangement with any creditor of the Group;
- 6.3 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any person;
- 6.4 any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- 6.5 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Issuer or other person;
- 6.6 any amendment (however fundamental and whether or not more onerous) of the Terms and Conditions of the Group 1 Notes or any other document or security;
- 6.7 any unenforceability, illegality or invalidity of any obligation of any person under the Group 1 Notes or any other document or security;
- 6.8 any insolvency or similar proceedings;
- 6.9 any Group 1 Noteholder receiving a dividend or benefit in any insolvency, liquidation or business rescue or any compromise or composition, whether in terms of any statutory enforcement or the common law;
- 6.10 any Group 1 Noteholder granting any indulgences to the Issuer or not exercising any one or more of its rights under the Group 1 Notes, either timeously or at all; and/or
- 6.11 any other fact or circumstance arising on which the Issuer might otherwise be able to rely on a defence based on prejudice, waiver or estoppel.

7. Immediate recourse

The Subsidiary Guarantor waives any right it may have of first requiring any Group 1 Noteholder (or any trustee or agent on its behalf) to proceed against or

enforce any other right or security or claim payment from any person before claiming from the Subsidiary Guarantor under this Guarantee. This waiver applies irrespective of any law or any provision of the Terms and Conditions of the Group 1 Notes to the contrary.

8. Appropriations

Until all amounts which may be or become payable by the Issuer under or in connection with the Group 1 Notes have been irrevocably paid in full, each Group 1 Noteholder (or any trustee or agent on its behalf) may without affecting the liability of the Subsidiary Guarantor under this Guarantee:

- 8.1 refrain from applying or enforcing any other moneys, security or rights held or received by that Group 1 Noteholder (or any trustee or agent on its behalf) in respect of those amounts;
- 8.2 apply and enforce any of those moneys, security or rights in such manner and order as it sees fit (whether against amounts payable under the Group 1 Notes or otherwise); or
- 8.3 hold in an interest-bearing suspense account any moneys received from the Subsidiary Guarantor or on account of the Subsidiary Guarantor's liability under this Guarantee.

9. Deferral of rights

Unless all amounts which may be or become payable by the Issuer under or in connection with the Group 1 Notes have been irrevocably paid in full, or the relevant Group 1 Noteholder otherwise directs, the Subsidiary Guarantor will not exercise any rights which it may have by reason of performance by it of its obligations under this Guarantee to:

- 9.1 be indemnified by the Issuer;
- 9.2 be subrogated to any rights, security or moneys held, received or receivable by any Group 1 Noteholder (or any trustee or agent on its behalf);
- 9.3 be entitled to any right of contribution in respect of any payment made or moneys received on account of the Subsidiary Guarantor's liability under this Guarantee;

- 9.4 claim, rank, prove or vote as a creditor of the Issuer or its estate in competition with any Group 1 Noteholder (or any trustee or agent on its behalf); or
- 9.5 receive, claim or have the benefit of any payment, distribution or security from or on account of the Issuer, or exercise any right of set-off as against the Issuer.

The Subsidiary Guarantor must hold in trust for and immediately pay or transfer to the relevant Group 1 Noteholder any payment or distribution or benefit of security received by it contrary to this Guarantee or in accordance with any directions given by the relevant Group 1 Noteholder.

10. Additional rights

This Guarantee is in addition to and is not in substitution for or in any way prejudiced by:

- 10.1 any other rights a Group 1 Noteholder has, or may at any time in the future have, against the Subsidiary Guarantor or any other person; or
- 10.2 any other security now or subsequently held by any Group 1 Noteholder (which that Group 1 Noteholder may release as it sees fit, without prejudice to its rights hereunder).

11. Amendment

No amendment to this Guarantee may be effected unless in writing and signed by or on behalf of the Subsidiary Guarantor and approved by Extraordinary Resolution of the Group 1 Noteholders.

12. Addresses and notices

- 12.1 For the purposes of this Guarantee all notices to Group 1 Noteholders shall be given in the manner contemplated in Condition 18 of the Terms and Conditions and the provisions of Condition 18 shall apply mutatis mutandis to the giving of such notice.
- 12.2 The Subsidiary Guarantor chooses the address to which notices may be given and at which documents in legal proceedings may be served (its

domicilia citandi et executandi) in connection with this Guarantee, that identified with its name in the execution pages to this Guarantee.

- 12.3 The Subsidiary Guarantor may change its address chosen for the purposes of this clause to another address in the Republic of South Africa by giving 5 Business Days' notice to the Group 1 Noteholders.
- 12.4 Any notice given to the Subsidiary Guarantor in connection with this Guarantee must be:
- 12.4.1 delivered in person; or
- 12.4.2 sent by prepaid registered post or by fax;
- to the address chosen by the Subsidiary Guarantor.
- 12.5 This clause will not operate so as to invalidate the giving or receipt of any notice which is actually received by the addressee other than by a method referred to above.

13. Governing Law


This Guarantee is governed by the laws of the Republic of South Africa.

14. Jurisdiction

The parties consent to the non-exclusive jurisdiction of the High Court of South Africa, Gauteng Local Division, Johannesburg (or any successor thereto), to settle any dispute in connection with this Guarantee.

For and on behalf of


**THE TRUSTEE FOR THE TIME BEING OF THE EMIRA NOTE TRUST, CURRENTLY
TMF CORPORATE SERVICES (SOUTH AFRICA) PROPRIETARY LIMITED
TRUSTEE**


Name: A COLLIS
Date: 14 8 2015

Address: 3rd Floor
200 on Main
Cnr Main Street and Bowwood Roads
198 Main Street
Claremont
7708

Registration number: 2006/013631/07
Fax number: +27 86 557 1217
E-mail: mandy.collis@tmg-group.com
Attention: Mandy Collis

For and on behalf of
FREESTONE PROPERTY INVESTMENTS PROPRIETARY LIMITED
SUBSIDIARY GUARANTOR



Name: JLA

Date: 14 August 2015



Name: GM JENNETT

Date: 14 August 2015

Address: 1st Floor, Optimum House Epsom Downs 13 Sloane Street
Bryanston
2191

Registration number: 2005/025542/07

Fax number: 011 028 3140

E-mail: gjennett@emira.co.za

Attention: The Chief Financial Officer

SCHEDULE 1 TO THE SUBSIDIARY GUARANTEE**SUBSIDIARY GUARANTEE CUSTODY LETTER**

Group 1 Noteholders of the Group 1 Notes issued in terms of the domestic medium term note programme of Emira Property Fund Limited

Dear Sirs

Guarantee issued by Freestone Property Investments (Proprietary) Limited (the "Subsidiary Guarantor") in terms of the ZAR5,000,000,000 Emira Property Fund Limited Domestic Medium Term Note Programme (the "Programme"), in favour of the Group 1 Noteholders of the Group 1 Notes issued in terms of such Programme (the "Guarantee")

We refer to the Guarantee. Capitalised terms not specifically defined in this undertaking shall have the meaning assigned to such terms in the Guarantee.

We hereby undertake in favour of each of the Group 1 Noteholders to receive and hold in custody the original signed Guarantee to be delivered to us by the Subsidiary Guarantor on the date of signature of the Guarantee. This undertaking shall not imply any relationship of trust, duty of care or fiduciary obligation on our part to take any action in relation to the Guarantee.

We undertake, upon the written request by any Group 1 Noteholder, to make available to the Group 1 Noteholder, a certified copy of the Guarantee within 5 Business Days of receipt of such written request.

Upon the termination of the Guarantee in accordance with its terms and conditions, we shall deliver the original Guarantee to the Subsidiary Guarantor.

This undertaking constitutes an irrevocable stipulation in favour of the Group 1 Noteholders and shall be deemed to have been accepted by them, mutatis mutandis, in the manner envisaged in clause 3 of the Guarantee.

Yours faithfully

For TMF Corporate Services (South Africa) Proprietary Limited, in its capacity as Trustee

Date: