

SCHEDULE TO THE 2002 ISDA AGREEMENT

Between

PEREGRINE EQUITIES (PTY) LIMITED
REGISTRATION NO 1999/010976/07
(“PARTY A” or “PEREGRINE”, as referred to herein)

And

REGISTRATION NO: _____

(“PARTY B” OR “THE CLIENT”)

1. **TERMINATION PROVISIONS**

1.1 **“Specified Entity”** means in relation to Party A for the purpose of:

Section 5(a)(v), Not applicable

Section 5(a)(vi), Not applicable

Section 5(a)(vii), Not applicable

Section 5(b)(v), Not applicable

and in relation to Party B for the purpose of:

Section 5(a)(v), Not applicable

Section 5(a)(vi), Not applicable

Section 5(a)(vii), Not applicable

Section 5(b)(v), Not applicable

1.2 **“Specified Transaction”** shall have the meaning specified in Section 14 of this Agreement, provided that no transaction entered into between the parties before the date of this Agreement shall be construed as a Specified Transaction.

- 1.3 The “**Cross Default**” provisions of Section 5(a)(vi) will apply to both Party A and to Party B, provided that the following proviso will be inserted at the end of Section 5(a)(vi) of this Agreement: “Provided however, that notwithstanding the foregoing, an Event of Default will not occur under either (1) or (2) above if (a) the event or condition referred to in (1) or the failure to pay referred to in (2) is caused by an error or omission of an administrative or operational nature; and (b) funds were available to such party to enable it to make the relevant payment when due, and (c) such relevant payment is made within three Local Business Days after notice of such failure is given by either party”.

If such provisions apply:

“**Specified Indebtedness**” will have the meaning specified in Section 14 of this Agreement, except that such term shall not include obligations in respect of deposits received in the ordinary course of a Party’s banking business.

“**Threshold Amount**” means, at any time with respect to a Party, three per cent (3%) of that Party’s shareholders equity if such Party is a registered company in terms of South African legislation, as at the end of its most recently completed financial year in respect of which audited financial statements are available or its equivalent in any currency.

The “**Credit Event Upon Merger**” provisions of Section 5(b)(v), as amended herein, will apply to both Party A and Party B. Section 5(b)(v) of this Agreement will be amended to read as follows: “Credit Event Upon Merger” means that a Designated Event (as defined below) occurs with respect to a Party, any Credit Support Provider of such Party, or any Specified Entity of such Party and such action does not constitute an event described in Section 5(a)(viii) but, in the reasonable opinion of the other Party, the creditworthiness of the successor, surviving or transferee entity, taking into account any applicable Credit Support Document (except any applicable Credit Support Annex or other agreement providing for the pledge of collateral or any similar agreement) (in which case the Party or its successor or transferee, as appropriate, will be the Affected Party) is materially weaker than that of its predecessor, immediately prior to the occurrence of the Designated Event. For purposes hereof, a “**Designated Event**” means that, after the Trade Date of any Transaction:

- 1.3.1 the party, any Credit Support Provider of the party or any Specified Entity of the party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets (or any substantial part of the assets comprising the business of that party) to, or reorganizes, incorporates, reincorporates, or

reconstitutes into or as, another entity, or another entity consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, or receives all the assets or obligations of another entity, or reorganizes, incorporates, reincorporates, reconstitutes into or as, such party; or

1.3.2 any person or entity acquires directly or indirectly the beneficial ownership of equity securities having the power to elect a majority of the board of directors of the party, any Credit Support Provider of the party or any applicable Specified Entity of the party; or

1.3.3 the party, any Credit Support Provider of the party, or any applicable Specified Entity of the party enters into an agreement providing for any of the foregoing.

1.4 The “**Automatic Early Termination**” provisions of Section 6(a) will not apply to Party A or to Party B.

1.5 “**Termination Currency**” means such currency (being a currency in which payments were to be made under at least one Terminated Transaction) as may be selected by the Non-defaulting Party or Non-affected Party, or where no such selection is made or where there are two Affected Parties, South African Rand.

1.6 The following “**Additional Termination Event**” will apply in respect of Party A and Party B:

A material adverse change in the financial condition, business, operations or net assets of either Party A or Party B or any Specified Entity of Party A or Party B occurs, such that the Defaulting party will be unable to fulfil its obligations under this Agreement or there is a material adverse impact on its business prospects.

2. **TAX REPRESENTATIONS**

2.1 **Payer Representations.** For the purpose of Section 3(e) of this Agreement, Party A and Party B will make the following representations:
Party A and Party B: None.

2.2 **Payee Representations.** For the purpose of Section 3(f) of this Agreement, Party A and Party B will each make the representations specified below:
Party A and Party B: None.

3. **AGREEMENT TO DELIVER DOCUMENTS**

For the purpose of Sections 4(a)(i) and (ii) of this Agreement, each party agrees to deliver the following documents, as applicable:

3.1 Tax forms, documents or certificates to be delivered are:

Party A and Party B: None

3.2 Other Documents to be delivered are:

Party required to deliver document	Form/Document/ Certificate	Date by which to be Delivered	Covered by Section 3(d) Representation
Party A and Party B	Copy of Power of Attorney and signature list evidencing the due delegation of authority to and the proper signatures of person authorised to execute and deliver this Agreement.	Upon execution of this Agreement.	Yes
Party A and Party B	Memorandum and Articles of Association.	Upon execution of this Agreement.	Yes
Party A and Party B	Board Resolution and signature list of Party B, (i) evidencing the due delegation of authority to and the proper signatures of the person(s) signing this Agreement and the Credit Support Document (if any) on behalf of Party B; and (ii) approving the entering into of this Agreement and the Credit Support Document (if any).	Upon execution of this Agreement.	Yes

4. **MISCELLANEOUS**

4.1 Addresses for Notices. For the purpose of Section 12(a) of this Agreement:

Address for notices or communications to Party A:

Peregrine Equities (Pty) Ltd

6A Sandown Valley Crescent, Sandown, Sandton, 2196

Att: Warren Chapman

Tel: +27 11 722 7516

Fax: +27 11 722 7540

E-mail: warrenc@peregrine.co.za

Address for notices or communications to Party B:

The Client

The address and contact details as set out in the Dealing or Prime Broking Mandate

4.2 **Process Agent.** For the purpose of Section 13(c):

Party A appoints as its Process Agent: Not applicable.

Party B appoints as its Process Agent: Not applicable.

With respect to the third sentence of Section 13(c) of this Agreement, the reference therein to Section 12 to the contrary notwithstanding, no consent is given by either party to service of process by telex, facsimile transmission, or by an electronic messaging system.

4.3 **Offices.** The provisions of Section 10(a) will apply to this Agreement.

4.4 **Multibranch Party.** For the purpose of Section 10(b) of this Agreement:

Party A is not a Multibranch Party.

Party B is not a Multibranch Party.

- 4.5 **Calculation Agent.** The Calculation Agent is Party A, unless otherwise agreed in a Confirmation in relation to the relevant Transaction. If Party B in good faith disputes a calculation or determination made by Party A (acting as Calculation Agent), then both Parties will agree on a mutually acceptable reference market maker to act as Calculation Agent in respect of the matter in dispute. If the Parties cannot within 24 hours agree on a mutually acceptable reference market maker to act as Calculation Agent, the Calculation Agent will be appointed by the chairman of the JSE Limited. In relation to a disputed calculation or determination referred to in this clause, the costs of the independent Calculation Agent will be borne by the Party disputing the original calculation, unless the subsequent calculation by the reference market maker (acting as Calculation Agent) differs from the original calculation of the party who originally acted as Calculation Agent in respect of that Transaction (except if such difference is merely the result of the rounding off of amounts), in which case the Party who originally acted as Calculation Agent in respect of that Transaction will bear the costs of the independent Calculation Agent.
- 4.6 **Credit Support Document.** Details of any Credit Support Document are: None.
- 4.7 **Credit Support Provider.** Credit Support Provider means in relation to:
- Party A: None.
- Party B: None.
- 4.8 **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the Republic of South Africa.
- 4.9 **Netting of Payments.** "Multiple Transaction Payment Netting" will not apply for the purpose of Section 2(c) of this Agreement.
- 4.10 **"Affiliate"** will have the meaning specified in Section 14 of this Agreement.
- 4.11 **Absence of Litigation.** For the purpose of Section 3(c): -
- "Specified Entity"** means in relation to Party A: Not applicable.
- "Specified Entity"** means in relation to Party B: Not applicable.
- 4.12 **No Agency.** The provisions of Section 3(g) will apply to this Agreement.
- 4.13 **Additional Representation** will apply. For the purpose of Section 3 of this Agreement, the following will constitute an Additional Representation:

Relationship Between Parties. Each party will be deemed to represent to the other party on the date which it enters into a Transaction that (absent a written agreement between the parties that expressly imposes affirmative obligations to the contrary for that Transaction):

- (1) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into that Transaction and as to whether that Transaction is appropriate or proper for it based upon its own judgement and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into that Transaction; it being understood that information and explanations related to the terms and conditions of a Transaction shall not be considered investment advice or a recommendation to enter into that Transaction. No communication (written or oral) received from the other party will be deemed to be an assurance or guarantee as to the expected results of that Transaction.
- (2) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of that Transaction. It is also capable of assuming, and assumes, the risks of that Transaction.
- (3) **Status of Parties.** The other party is not acting as a fiduciary for or an advisor to it in respect of that Transaction.

4.14 **Recording of Conversations.** Each party (i) consents to the recording of telephone conversations between the trading, marketing, and other relevant personnel of the parties in connection with this Agreement or any potential transaction, (ii) agrees to obtain the necessary consent of, and give any necessary notice of such recording to, its relevant personnel and (iii) agrees, to the extent permitted by applicable law, that recordings may be submitted in evidence in any Proceedings.

5. **OTHER PROVISIONS**

5.1 **Failure to Pay or Deliver**

Section 5(a) (i) herein will be amended by deleting the word “first” in the third line and replacing it with the word “third”.

5.2 Disclosure

Each party to this Agreement (a “**consenting party**”) hereby consents to the communication and disclosure by the other party (a “**disclosing party**”) of any information relating to this Agreement, any Transactions between the parties (whether or not such transactions form part of this Agreement), and any accounts maintained by the disclosing party in the name of the consenting party, to:

- 5.2.1 the disclosing party’s head office, branches and Affiliates (wherever situate);
- 5.2.2 any agent, contractor, third party provider or professional adviser (wherever situate) that is under a duty of confidentiality to the disclosing party; and
- 5.2.3 any person to whom the disclosing party is required to make disclosure under the requirements of any law, regulation or practice.

5.3 Inclusion of FX Transaction and Currency Option Transaction

Where a Transaction is confirmed by means of an electronic messaging system that the parties have selected to use to confirm such Transaction or if the Transaction is a FX Transaction or a Currency Option Transaction confirmed by means other than by electronic messaging system; (i) such confirmation will constitute a “Confirmation” as referred to in this Agreement even where not so specified in the Confirmation; (ii) such Confirmation will supplement, form part of, and be subject to this Agreement unless such Confirmation will expressly state otherwise and all provisions in the Agreement will govern the Confirmation except as modified therein; and (iii) the definitions and provisions contained in the 1998 FX and Currency Option Definitions (as published by the International Swaps and Derivatives Association, Inc.) (the “FX Definitions”) will be incorporated into the Confirmation if the Transaction is an FX Transaction or a Currency Option Transaction.

5.4 Change of Account

Section 2(b) of this Agreement is hereby amended by the addition of the following after the word “delivery” in the first line thereof:

“to another account in the same legal and tax jurisdiction as the original account”

- 5.5 A new Section 3(h) is to be incorporated into the Agreement as follows:

“Non assignment. It has not ceded or assigned (whether absolutely, in equity, by way of security or otherwise) declared any trust over or otherwise alienated or transferred any of its rights under this Agreement or any Transaction.”

5.6 Amendments

Section 9(b) of this Agreement is hereby amended by replacing the word “An” in the first line thereof, with the following:

“Except to the extent that the entering into of each Transaction takes effect as an amendment to this Agreement, an”.

5.7 Confirmations

With respect to each Transaction, Party A will, promptly after a Trade Date, send Party B a Confirmation. Upon receipt thereof, Party B will review the Confirmation and either (i) notify Party A of any errors or discrepancies in it, or (ii) confirm that the Confirmation correctly sets forth the terms of the transaction to which the Confirmation relates by signing the Confirmation and returning it to Party A, or (iii) achieve an exchange of Confirmations as intended by Section 9(e)(ii) of the Master Agreement by sending a Confirmation to Party A which agrees with the terms of the Confirmation sent by Party A to Party B.

5.8 Financial Intelligence Centre Act, 2001 Compliance

Party A is an accountable institution in terms of the Financial Intelligence Centre Act, 2001 (“**FICA**”) and is required to comply with certain obligations imposed on it in terms of FICA. Party B agrees to provide Party A with any FICA required documentation on request from Party A and agrees that any documentation given to Party A pursuant to this Agreement may be used by Party A for FICA purposes and in order to comply with its obligations thereunder.

5.9 Printing of ISDA Master Agreement

Sections 1 to 14 of this ISDA Master Agreement have been printed by Party A. It is the intention of Party A that the printed form provided will be on the same terms as the ISDA Master Agreement copyright © 2002 by the International Swaps and Derivatives Association Inc. In the event of any inconsistency between sections 1 to 14 of the ISDA Master Agreement copyright ©, 2002, by the International Swaps and Derivatives Association Inc. and the printed document purporting to incorporate sections 1 to 14 of this Agreement, the standard form of sections 1 to 14 of the ISDA Master Agreement copyright ©, 2002, by the International Swaps and Derivatives Association Inc., will apply.

SIGNED at _____ on this the _____ day of _____ 20__

For and on behalf of **THE CLIENT**

Signature: _____

Name: _____

Capacity: _____

Who warrants his authority hereto

SIGNED at _____ on this the _____ day of _____ 20__

For and on behalf of **PEREGRINE EQUITIES PROPRIETARY LIMITED**

Signature: _____

Name: _____

Capacity: _____

Who warrants his authority hereto

MASTER ANNEX: EQUITY SWAP

The Parties to this Agreement are:

- (i) Peregrine Equities (Pty) Ltd; (“**Peregrine**”) and
- (ii) The Client or “**Counterparty**” as referred to herein

1. **INTRODUCTION**

This Annex (“**Annex**”) supplements and forms part of the 2002 ISDA Master Agreement (the “**Agreement**”), between Peregrine and the Counterparty. This Annex sets out additional terms and conditions which will apply to equity swap transactions in respect of which the related Confirmation specifies that this Annex will apply (each an “**Equity Swap**”). This Annex replaces in its entirety any previous Annex or other standard terms relating to Transactions referred to as Equity Swaps or Contract for Differences transactions between Peregrine and the Counterparty. Any Equity Swap or Contract for Differences transactions entered into prior to the date hereof will be deemed to incorporate the terms of this Annex and the relevant Confirmations will be read and construed accordingly.

The definitions and provisions contained in the 2002 ISDA Equity Derivatives Definitions (the “**Equity Definitions**”) and the 2006 ISDA Definitions (the “**Swap Definitions**” and together with the Equity Definitions, the “**Definitions**”), as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Annex. Any capitalised term used in this Annex but not otherwise defined herein will bear the meaning ascribed to such term in the Definitions. If, in relation to any Equity Swap, there is any inconsistency between the other provisions of the Agreement, this Annex, any Confirmation, or the Equity Definitions, the following order of precedence will apply: (i) the Confirmation; (ii) this Annex; (iii) the Definitions; and (iv) the other provisions of the Agreement.

2. **DEFINITIONS**

The following terms as used in this Annex will bear the meaning ascribed in this clause 2:

- 2.1 “**Basket**” means a basket of Shares elected by the Counterparty and specified in a Confirmation; provided that Peregrine will have the right to limit the maximum weight of any one Share within the Basket;
- 2.2 “**Business Day**” means a day other than a Saturday, Sunday or public holiday in South Africa;

- 2.3 “**Buyer**” means the buyer specified in a Confirmation, being the Party receiving the Difference Amount in respect of any appreciation in the value of the Share(s);
- 2.4 “**Cash Margin**” means the cash payments made by the Counterparty to Peregrine in accordance with clause 4.1.1 to 4.1.3, as security for the Counterparty’s obligations to Peregrine in terms of the Equity Swap;
- 2.5 “**Calculation Agent**” means Peregrine;
- 2.6 “**Capital Distribution**” means a distribution made by an issuer of Shares out of the share capital or share premium of the issuer;
- 2.7 “**Cash Dividends**” means, the total gross cash dividends declared and paid by the relevant issuers to holders of Shares reflected on the Register out of current or accumulated reserves. For the avoidance of doubt, the “gross dividend” will represent a sum before the withholding or deduction of any taxes by or on behalf of any applicable authority having power to tax in respect of such dividend, and will exclude any imputation or other credits, refunds or deductions granted by any applicable authority having power to tax in respect of such dividend and any taxes, credits, refunds or benefits imposed, withheld, assessed or levied thereon;
- 2.8 “**Client Account**” means a JSE trading account opened by Peregrine for and on behalf of the Counterparty and maintained with JSE Trustees (Proprietary) Limited in the name of the Counterparty in terms of a controlled client mandate;
- 2.9 “**Closing Price**” means on a Valuation Date:
- 2.9.1 the closing price of the Share or Shares within the Basket at the Valuation Time; or
- 2.9.2 which is also the Final Date, the Final Price of the Share or Shares within the Basket;
- 2.10 “**Closing Value**” means on a Valuation Date:
- 2.10.1 with respect to a Single Share Transaction, the product of the relevant Closing Price and the relevant number of Shares;
- 2.10.2 with respect to a Share Basket Transaction, the sum of the values of all the Shares specified in the Basket calculated as the product of the relevant Closing Price and the relevant number of Shares;
- 2.11 “**Confirmation**” means, in relation to an Equity Swap, the document confirming the terms of the Equity Swap, prepared by Peregrine and notified to the Counterparty;

- 2.12 **“Corporate Event”** means in relation to an issuer of Shares any of the following events:
- 2.12.1 the liquidation of the issuer;
 - 2.12.2 the unbundling by the issuer of its shareholdings in other companies;
 - 2.12.3 any capitalization issue or bonus issue of Shares in the issuer for no consideration; or
 - 2.12.4 the partial reduction or redemption of the capital of an issuer, including but not limited to a buy-back of Shares in terms of section 85 of the Companies Act, 1973;
- 2.13 **“Difference Amount”** means on a Valuation Date an amount calculated by subtracting the Previous Value from the Closing Value and paid to the relevant Party on the following Business Day;
- 2.14 **“Dividend Period”** means on a Valuation Date the period commencing on (but excluding) the previous Valuation Date and ending (and including) the next succeeding Valuation Date. The initial Dividend Period will commence on and include the Trade Date, and the final Dividend Period will exclude the Final Date;
- 2.15 **“Final Date”** means the date determined as, or deemed to be, the Final Date in terms of clause 6 (Termination) of this Annex which date will also be a Valuation Date;
- 2.16 **“Final Price”** means the price of the Share or Shares within the Basket on the Final Date as determined by the Calculation Agent in accordance with clause 6 (Termination) of this Annex;
- 2.17 **“Hedge Position”** means any purchase, sale, entrance into or maintenance of one or more securities, futures, foreign exchange or derivatives positions, stock loan transactions or other instruments or arrangements (however described) entered into, maintained or acquired by Peregrine or any of its Affiliates in order to hedge, individually or on a portfolio basis, in whole or part the relevant Equity Swap;
- 2.18 **“Interim Difference Amount”** means an amount determined by Peregrine at its own discretion as an amount necessary to mitigate any additional credit exposure Peregrine may incur to the Counterparty due to intraday price movements in the Shares;
- 2.19 **“Interest Rate”** means the rate as set out in a Confirmation and that will be different if the Counterparty is the Buyer or the Seller of an Equity Swap;

- 2.20 **“Interest Amount”** means on a Valuation Date an amount calculated as the product of the Closing Value and the Interest Rate and the Number of Valuation Days and payable on the following Business Day;
- 2.21 **“Insolvency”** for the purpose of this Annex means either an insolvency, business rescue, sequestration, judicial management, curatorship or any related or similar proceeding;
- 2.22 **“JSE”** means the JSE Limited;
- 2.23 **“Manufactured Dividend”** means an amount equal to the Cash Dividends actually paid by an issuer of Shares in respect of the relevant Equity Swaps during the relevant Dividend Period;
- 2.24 **“Margin Account”** means a proprietary account in the name of Peregrine;
- 2.25 **“Margin Difference Amount”** means on a Valuation date an amount calculated as the product of the Margin Percentage and the Difference Amount and payable on the following Business Day;
- 2.26 **“Margin Interest Amount”** means on a Valuation Date an amount calculated as the product of the Closing Value and the Margin Percentage and the Margin Interest Rate and the Number of Valuation Days and payable on the following Business Day;
- 2.27 **“Margin Interest Rate”** means the rate as set out in a Confirmation;
- 2.28 **“Margin Percentage”** means the percentage as set out in a Confirmation provided that the margin percentage will increase to 100% if trading in the relevant Share is suspended on the Relevant Exchange;
- 2.29 **“Number of Valuation Days”** are the number of calendar days between the current Valuation Date and the Valuation Date immediately preceding such Valuation Date;
- 2.30 **“Opening Price”** means the price of the Share or Shares within the Basket on the Trade Date as determined by the Calculation Agent and as set out in a Confirmation;
- 2.31 **“Outright Transfer Basis”** means that the recipient of such transfer becomes the legal owner of such transferred assets or cash and that the assets transferred are held by the recipient for its own account and benefit;

2.32 **"Previous Price"** means on a Valuation Date

2.32.1 the Closing Price of the Share or Shares within the Basket as on the last Valuation Date immediately preceding such Valuation Date;

2.32.2 which is also the Trade Date, the Opening Price of the Share or Shares within the Basket;

2.33 **"Previous Value"** means on a Valuation Date

2.33.1 with respect to a Single Share Transaction the product of the relevant Previous Price and the relevant number of Shares;

2.33.2 with respect to a Share Basket Transaction the sum of the values for the Shares specified in the Basket calculated as the product of the relevant Previous Price and the number of Shares;

2.34 **"Register"** means the companies register maintained in accordance with the Companies Act, 1973 by each of the issuers of the Shares;

2.35 **"Relevant Exchange"** means the exchange as specified in a Confirmation;

2.36 **"Seller"** means the seller as specified in a Confirmation being the Party receiving the Difference Amount in respect of any depreciation in the value of the Shares;

2.37 **"SETS System"** means the trading system as utilised by the JSE;

2.38 **"Settlement Date"** means the first Business Day following a Valuation Date;

2.39 **"Share Basket Transaction"** means an Equity Swap over a basket of Shares listed in a Confirmation;

2.40 **"Share(s)"** means, in relation to any Equity Swap, the shares as specified in the relevant Confirmation;

2.41 **"Single Share Transaction"** means an Equity Swap over a Share on a single issuer;

2.42 **"Surcharge Rate"** means a percentage cost as set out in a Confirmation levied on specific Shares to cover scrip lending and other cost that Peregrine may incur to implement a Hedge Position;

2.43 **"Surcharge Amount"** means on a Valuation Date an amount calculated as the product of the Closing Value and the Surcharge Rate and the Number of Valuation Days and payable on the following Business Day;

- 2.44 “**Trade Date**” means the date as set out in a Confirmation;
- 2.45 “**Transaction Currency**” means the currency set forth in the relevant Confirmation;
- 2.46 “**Valuation Date**” means in respect of an Equity Swap, the Trade Date for such Equity Swap, each following Exchange Business Day up to and including the Final Date;
- 2.47 “**Valuation Time**” means the scheduled closing time of the Relevant Exchange without regard to after hours or any other trading outside of the regular trading session hours, provided however that if the Relevant Exchange closes prior to such time, Valuation Time will be the actual closing time.

3. **TRADING INSTRUCTIONS AND CONFIRMATIONS**

Parties may enter into Equity Swaps verbally, telephonically or via an electronic messaging system (or in any other manner as they may agree from time to time). Such verbal or electronic agreement will give rise to a binding Equity Swap between Peregrine and the Counterparty. For the avoidance of doubt Peregrine will be entitled to accept or reject (at its discretion) any request by the Counterparty to enter into an Equity Swap. Unless separately agreed by Peregrine, as soon as practicable after the close of any Exchange Business Day on which an Equity Swap is entered into, Peregrine will send to the Counterparty a Confirmation, in respect of all Equity Swaps entered into on that Exchange Business Day. A Confirmation will be deemed to be free and correct of any errors and/or omissions unless the Counterparty notifies Peregrine of any such errors or omissions with one Business Day of receipt of such Confirmation.

Failure by Peregrine to send a Confirmation to the Counterparty will not affect the validity of the Equity Swap concluded, or, as applicable the effectiveness of (and the obligations arising upon) the closing of such a Transaction.

Each Confirmation will be binding on the parties and conclusive as to the terms of the Equity Swap referred to therein, save in instances of manifest error.

4. **PAYMENT OBLIGATIONS**

The payment obligations provided for in terms of Article 5 of the Equity Definitions will not apply to Equity Swaps, but the following payment provisions will apply in respect of each Equity Swap.

4.1 **Cash Margin Payments**

It is specifically recorded that all Cash Margin payments in terms of this clause 4.1 is done on an Outright Transfer Basis as continuing covering security for the

Counterparty's obligations to Peregrine under each Equity Swap. At termination of the Equity Swap and subject to the condition that all the Counterparty's obligations are met in terms of this Annex, Peregrine shall return the Cash Margin to the Counterparty in terms of clause 4.1.3.

4.1.1 **Initial Cash Margin Payment**

On the first Settlement Day following the Trade Date, the Counterparty shall pay Peregrine Cash Margin equal to the product of the Margin Percentage and the Closing Value as calculated on the Trade Date.

4.1.2 **On-going Cash Margin Maintenance**

On each Settlement Date if the Margin Difference Amount as calculated on the previous Valuation Date is

4.1.2.1 positive, the Counterparty shall pay Peregrine additional Cash Margin equal to the Margin Difference Amount, or

4.1.2.2 negative, Peregrine shall pay the Counterparty Cash Margin equal to the absolute value of the Margin Difference Amount.

4.1.3 **Repayment of Cash Margin**

On the first Business Day following the Final Date Peregrine shall pay the Counterparty any Cash Margin still held with regards to the Equity Swap cancelled. This final repayment will be reduced by any outstanding amount still owed by the Counterparty with respect to the relevant Equity Swap or any other Equity Swap.

4.2 **Difference Payments**

On each Settlement Date if the Difference Amount as calculated on the previous Valuation Date is

4.2.1 positive, the Seller shall pay to the Buyer the Difference Amount, or

4.2.2 negative, the Buyer shall pay to the Seller an amount equal to the absolute value of the Difference Amount.

4.3 **Interest Payments**

On each Settlement Date the Buyer of the Equity Swap shall pay the Seller an amount equal to the Interest Amount as calculated on the previous Valuation Date.

4.4 **Margin Interest Payments**

On each Settlement Date Peregrine shall pay the Counterparty an amount equal to the Margin Interest Amount as calculated on the previous Valuation Date.

4.5 **Dividend Payments**

On each Settlement Date the Seller shall pay the Buyer an amount equal the Manufactured Dividend in respect of Cash Dividends during the Dividend Period ending on the previous Valuation Date. For avoidance of doubt the Seller shall only pay an amount equal to the Manufactured Dividend and no cession of any rights attached to the Cash Dividend will take place.

4.6 **Surcharge Payments**

If a Surcharge Rate is levied on an Equity Swap then on each Settlement Date the Counterparty shall pay Peregrine an amount equal to the Surcharge Amount as calculated on the previous Valuation Date.

4.7 **Intraday Margin Payments**

In addition to amounts payable in terms of clause 4.1 to 4.5 Peregrine may at its own discretion require the Counterparty, during a trading day, to make payment of an Interim Difference Amount. Any such payment of the Interim Difference Amount shall be an advance payment of the Difference Amount at the next Settlement Date and will be taken into account in the calculations.

4.8 **Further Payments**

In addition to amounts payable in terms of clause 4.1 to 4.7 each Party shall pay to the other Party such further payments as will be agreed between the Parties from time to time to account for funding rates and other applicable fees and charges in relation to Equity Swaps.

4.9 **Method of Payments**

4.9.1 Any payments to be made by the Counterparty pursuant to this Annex will be made to the Client Account.

4.9.2 Any payments to be made by Peregrine to the Counterparty pursuant to this Annex will be paid by Peregrine into the Client Account.

Peregrine shall be entitled (and is hereby expressly authorised by the Counterparty) to transfer on an Outright Transfer Basis from the Client Account any amounts owing

by the Counterparty to Peregrine in respect of Equity Swaps. This includes Cash Margin and all other payment obligations.

5. **ADJUSTMENT EVENTS**

The following additional terms shall apply in respect of each Equity Swap.

5.1 **Potential Adjustment Events**

For the purposes of the Equity Definitions, Calculation Agent Adjustment shall be treated as the specified Method of Adjustment.

5.2 **Extraordinary Events**

Consequences of Merger Events: Share-for-Share: Modified Calculation Agent Adjustment, Share-for-Other: Cancellation and Payment, Share-for-Combined: Component Adjustment, Nationalisation, Insolvency or De-listing Event: Cancellation and Payment, Hedging Disruption: Applicable.

5.3 **Tender Offers**

The "Tender Offer" provisions of Section 12.3 of the Equity Definitions shall be inapplicable to Equity Swaps. In lieu of such provisions, with respect to a Tender Offer, on and with effect from the Tender Offer Date, Peregrine shall make any adjustments it determines relevant or necessary to any Equity Swaps to take account of such Tender Offer.

6. **TERMINATIONS**

6.1 **Termination upon Events of Default and Termination Events**

The consequences, payments and valuation methods to follow upon the termination of Equity Swaps following Events of Default and Termination Events will apply as set out in the Agreement.

6.2 **Voluntary unwind of Equity Swaps**

The consequences, payments and valuation methods to follow upon the termination of Transactions as set out in the Agreement shall not apply to the voluntary unwind of Equity Swaps by the Counterparty or Peregrine as set out in clause 6.3 and clause 6.4 of this Annex. The provisions set out in this Annex will apply.

6.3 **Notice by the Counterparty**

If the Counterparty wishes to terminate an Equity Swap (in whole or in part) on an Exchange Business Day (the "**Final Date**"), the Counterparty shall give notice to

Peregrine (verbally, telephonically or via an electronic messaging system or in any other manner as the Parties may agree from time to time) on such day specifying the number of Shares or value (the “**Final Amount**”) in respect of which termination of such Equity Swap is proposed. If more than one Equity Swap relating to the Share issued by a specific issuer is outstanding, the Counterparty shall notify Peregrine of the relevant Equity Swap(s) in respect of which the termination is to apply. If no such notice is given to Peregrine together with the proposed termination notice, then Peregrine shall be entitled to split the Final Amount as between relevant Equity Swaps in its own discretion.

6.4 **Notice by Peregrine**

If Peregrine wishes to terminate an Equity Swap (in whole or in part) Peregrine shall give 30 (thirty) days written notice to the Counterparty specifying the number of Shares in respect of which termination of such Equity Swap will be effected.

6.5 **Final Price**

Peregrine shall determine and give notice to the Counterparty of the Final Price (by telephone or otherwise) of the Equity Swap (or part thereof). The Parties shall make such further payments in relation to such Equity Swap as are provided for in clause 4 of this Annex (as applicable).

6.6 **Unsuccessful Unwind of Hedge**

Notwithstanding any other provision in this clause 6 if Peregrine reasonably determines that it is not able to unwind its Hedge Position in a commercially reasonable manner on the proposed Final Date (including a deemed Final Date), then Peregrine will

6.6.1 amend the Final Amount to reflect the partial closeout of Peregrine's Hedge Position and the next following Exchange Business Day shall be deemed to be a Final Date for the remainder of the Final Amount; and/or

6.6.2 transfer the applicable Hedge Position to the Counterparty, receive full payment for the Hedge Position and terminate the relevant Equity Swap.

6.7 **Termination Confirmation**

As soon as practicable after the Final Date for a particular Equity Swap (or part thereof) Peregrine will send to the Counterparty confirmation (in a format as agreed to from time to time) of the Equity Swaps (or part thereof) which has been terminated pursuant to this clause 6.

6.8 Additional Termination Events

The following events shall constitute Additional Termination Events for the purposes of the Agreement:

- 6.8.1 Peregrine determines that it or any of its Affiliates is unable to acquire, enter into, hold, borrow or unwind any Hedge Position or that its (or its Affiliates') ability to acquire, enter into, hold, or unwind any Hedge Position is materially impaired or restricted for any reason;
- 6.8.2 Peregrine determines that, due to a Change in Law or in the interpretation or administration thereof or any request from or requirement of any central bank or other fiscal, monetary or other authority (including without limitation the Financial Services Board and the JSE), it has incurred or will incur any increased cost in relation to such Equity Swap or any Hedge Position;
- 6.8.3 there is a Market Disruption Event on any five consecutive Exchange Business Days; or
- 6.8.4 Impossibility. Due to the occurrence of a natural or manmade disaster, armed conflict, act of terrorism, riot labour disruption or any other circumstance beyond its control after the date on which an Equity Swap is entered into, it becomes impossible (other than as a result of its own misconduct) for such Party (which will be the Affected Party) to perform any absolute or contingent obligation, to make a payment or delivery or to receive a payment or delivery in respect of such Equity Swap or to comply with any other material provision of this Agreement relating to such Equity Swap;
- 6.8.5 Peregrine shall calculate any amounts owed as a result of the occurrence of any of the foregoing events on the basis that the Equity Swap(s) affected by the event shall be the Affected Transaction(s) and the Counterparty is the sole Affected Party.

6.9 Failure to Pay or Deliver

For purposes of Equity Swaps, the "Failure to Pay or Deliver" Event of Default described in Section 5(a)(i) of the Agreement shall be amended by rendering any failure to pay, when due, an Event of Default immediately upon such failure without first providing the defaulting Party with a three (3) Local Business Day remedy period. Notwithstanding anything to the contrary contained in this clause 6, in the event of any default by the Counterparty Peregrine will have the right to immediately and without notification to the Counterparty terminate any or all of the Equity Swaps.

7. **DISCLOSURE**

7.1 **Nature of Equity Swaps**

Both Parties expressly acknowledge and agree that

7.1.1 an Equity Swap is a derivative transaction providing synthetic exposure to an underlying asset;

7.1.2 Equity Swaps shall NOT be settled by taking delivery of any Shares (subject to the possible transfer of the Hedge Position in terms of clause 6.6.2);

7.1.3 Equity Swap shall NOT confer on either Party any right, title or interest in any Shares or entitle or oblige either Party to acquire, receive, hold, deliver or dispose of any particular Shares or other securities.

7.2 **Peregrine's Presentation**

Peregrine will not be acting as the Counterparty's broker in respect of the acquisition of listed securities and as such the Counterparty will not have recourse to any protections afforded by the Relevant Exchange (including the Guarantee Fund). The Counterparty will not have any claims directly against the issuers of any of the Shares but will rely solely on Peregrine for performance of the obligations set out in this Annex. The Equity Swaps constitute general, unsecured, unsubordinated contractual obligations of Peregrine.

7.3 **Nature of Cash Margin**

Notwithstanding anything to the contrary contained in this Annex the Cash Margin transferred by Peregrine from the Client Account to the Margin Account in terms of clause 4 of this Annex will not constitute cash held by Peregrine on behalf of the Counterparty for the acquisition of any securities and as such will not be held in JSE Trustees (Proprietary) Limited or in any other trust account.

7.4 **Risk Disclosure**

An investment in Equity Swaps may not be appropriate for all investors and carries a high degree of risk. The risks set out below are the risks which are considered to be material but are not the only risks associated with transactions involving Equity Swaps.

The Counterparty shall ensure that it fully understands the nature of Equity Swaps and the extent of their exposure to risks and the Counterparty will consider the

suitability of Equity Swaps as an investment in the light of its own circumstances and financial position.

Nothing herein should be construed as investment, financial, strategic, legal, regulatory, accounting or tax advice. Peregrine is acting as an arm's length contractual counterparty and not as an advisor or fiduciary. The Counterparty should in making its investment decision, consult its own legal, tax and financial advisers as to all the risks.

Peregrine makes no representations as to (a) the suitability of the Equity Swap for any particular investor (b) the appropriate accounting treatment or possible tax consequences of investing in the Equity Swap or (c) the future performance of the Equity Swap either in absolute terms or relative to competing investments. Changes in the creditworthiness or performance of the Share and/or Peregrine may affect the value of the Equity Swap and could result in it redeeming or being valued at zero or even at a negative value.

Equity Swaps are not guaranteed by an exchange nor does it result in the ownership of any futures contracts.

There may be no market for Equity Swaps. Equity Swaps, especially when traded in large amounts, may not be liquid in all circumstances, so that in volatile markets investors may not be able to close out a position without incurring a loss. Peregrine may, but is not obliged to, make a market. If it does, it may cease at any time without notice.

Trading in Equity Swaps can result in large amounts of leverage. Leverage offered by trading in Equity Swaps may result in a relatively small market movement resulting in substantial losses. Costs incurred in connection with the use of leverage or borrowing may not be recovered by an appreciation in the investments purchased or carried.

Assuming no change in market conditions or other factors, the value of an Equity Swaps at close out may be significantly less than the execution price on the trade date.

A securities exchange typically has the right to suspend or limit trading in all securities that it lists. Such a suspension would render it impossible for Equity Swaps to be liquidated and accordingly, could expose Equity Swaps to losses.

The South African regulatory regime for derivatives and Equity Swaps is uncertain and is also changing. Third parties and regulatory bodies may reach conclusions on the interpretation of the South African regulatory regime that are different. To the

extent that any applicable law or regulation is interpreted differently, the performance of Equity Swaps may be adversely affected.

8. **REPRESENTATIONS AND WARRANTIES**

The “Non-Reliance”, “Agreements and Acknowledgements Regarding Hedging Activities”, and “Additional Acknowledgements” provisions of Article 13 of the Equity Definitions shall be applicable to all Equity Swaps. For such purposes “Hedge Positions” shall have the meaning ascribed to it in clause 2 of this Annex. In addition, the Counterparty shall be deemed to represent and warrant to Peregrine on each date on which it enters into an Equity Swap, that it is not entering into any Equity Swap while in possession of material, non-public information concerning the Reference Security.

9. **PAYMENT NETTING, SECURITY CESSION AND FEES**

9.1 **Netting**

If on any date amounts would otherwise be payable in respect of any one or more Equity Swaps in the same currency by each Party to the other then, on such date, each Party's obligation to make payment of any such amount will be automatically satisfied and discharged and, if the aggregate amount that would otherwise have been payable by one Party exceeds the aggregate amount that would otherwise have been payable by the other Party, replaced by an obligation upon the Party by whom the larger aggregate amount would have been payable to pay to the other Party the excess of the larger aggregate amount over the smaller aggregate amount.

Notwithstanding any of the terms of this Annex, in circumstances involving the insolvency of a Party (in accordance with South African legal principles, and irrespective whether or not an Act of Insolvency as defined in the agreement has occurred), the netting provisions and applicable insolvency proceedings set out in the Insolvency Act, 1936 will apply.

9.2 **Set-off**

Any amount (the “**Early Termination Amount**”) payable to one party (the “**Payee**”) by the other party (the “**Payer**”) in terms of clause 4 of this Annex, in circumstances where there is a Defaulting Party or one Affected Party in the case where a Termination Event in terms of Section 5(b) of the Agreement has occurred, will at the option of the Party (“X”) other than the Defaulting Party or the Affected Party (and without notice to the Defaulting or the Affected Party), be reduced by its set-off against any amount (s) (the “**Other Agreement Amount**”) payable by the Payee to the Payer (irrespective of the currency, place of payment or booking office of the

obligation) in terms of any other agreements between the Payee and the Payer or instruments or undertakings issued or executed by one party to, or in favour of, the other party (and the Other Agreement Amount will be discharged promptly and in all respects to the extent it is so set-off). X promptly will give notice to the other Party of any set-off elected under this clause 9 of the Annex.

For this purpose, either the Early Termination Amount or the Other Agreement Amount (or the relevant portion of such amounts) may be converted by X into the currency in which the other is dominated at the rate of exchange at which such Party would be able, acting in a reasonable manner and in good faith, to purchase the relevant amount of such currency.

Nothing herein shall be effective to create a charge or other security interest. In addition, the right of set-off detailed herein shall be without prejudice, and in addition, to any right of set-off, combination of accounts, lien or other right to which any party is, at any time, otherwise entitled (whether by operation of law, contract or otherwise).

9.3 **Security Cession**

The Counterparty hereby cedes in securitatem debiti to Peregrine, by way of continuing security for the payment, discharge and performance of all the Counterparty's obligations in respect of Equity Swaps as set out in this Annex, all of the Counterparty's right, title and interest in and to the Client Account, which cession *in securitatem debiti* Peregrine hereby accepts.

9.4 **Fees and Expenses**

The Counterparty shall pay to Peregrine, on demand, amounts as determined by Peregrine equivalent to any taxes, duties, expenses or fees (other than brokerage commissions) incurred by, imposed on or assessed to Peregrine in respect of Peregrine or any of its Affiliates acquiring, maintaining or disposing of its Hedge Position(s) with respect to any Equity Swaps. The Counterparty shall pay for any securities transfer tax in connection with any Transactions.

10. **INDEPENDENT ADVICE AND INDEMNITY**

The Counterparty acknowledges that it has been free to secure independent legal and other advice as to the nature and effect of all the provisions of this Agreement and the terms of each Equity Swap and that it has either taken such independent legal and other advice or dispensed with the necessity of doing so. The Counterparty acknowledges that all of the provisions of this Agreement and the restrictions herein contained have been negotiated as

between it and the other parties hereto and thereto and are part of the overall intention of the Parties in connection with this Agreement and the other Transaction. Provided Peregrine has acted in accordance with the provisions of the Agreement, the Counterparty hereby irrevocably and unconditionally indemnifies Peregrine in full against all actions, suits, demands, losses, liabilities or damage that the Counterparty may suffer in relation to the Equity Swap.

11. **GENERAL**

- 11.1 Neither Peregrine nor the Counterparty may assign or transfer any of its rights or obligations in terms of an Equity Swap without the other's written consent, which will not be unreasonably withheld or delayed, provided that Peregrine may make such an assignment or transfer to a branch, subsidiary or Affiliate.
- 11.2 If any provision of these terms is or becomes illegal, invalid or unenforceable in terms of any applicable law, the remaining provisions of these terms will remain in full force and effect (as will that provision in terms of any other law).
- 11.3 No failure or delay of Peregrine or the Counterparty in exercising any right or remedy in terms of these terms will constitute a waiver of that right. Any waiver of any right will be limited to the specific instance.
- 11.4 Peregrine and the Counterparty consent to telephonic or electronic monitoring or recording for security and quality of service purposes and agree that either may produce telephonic or electronic recordings or computer records as evidence in any proceedings brought in connection with these terms.
- 11.5 Written notice shall be effective if delivered to the Counterparty's principal business address specified by the Counterparty for this purpose or to Peregrine's address on the most recent statement for the Equity Swap (or at any other address it may provide by written notice for this purpose). Notice shall be in English unless otherwise agreed.
- 11.6 Each Confirmation will be governed by and construed in accordance with the laws of South Africa.
- 11.7 The parties submit to the non-exclusive jurisdiction of the South Gauteng High Court, Johannesburg.

IN WITNESS WHEREOF, the Parties have executed this Annex with effect from the date of signature.

SIGNED at _____ on this the _____ day of _____ 20__

For and on behalf of the **Counterparty**

Signature: _____

Name: _____

Capacity: _____

Who warrants his authority hereto

SIGNED at _____ on this the _____ day of _____ 20__

For and on behalf of **PEREGRINE EQUITIES PROPRIETARY LIMITED**

Signature: _____

Name: _____

Capacity: _____

Who warrants his authority hereto