
APPLICABLE PRICING SUPPLEMENT

**CALGRO M3 DEVELOPMENTS LIMITED**

(Incorporated in the Republic of South Africa with limited liability under Registration Number 1996/017246/06)

unconditionally and irrevocably guaranteed by

CALGRO M3 HOLDINGS LIMITED

(Incorporated in the Republic of South Africa with limited liability under Registration Number 2005/027663/06)

Issue of ZAR15,000,000 Senior Unsecured Floating Rate Note due 8 February 2019**Under its ZAR2,000,000,000 Debt Programme**

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum, registered on and dated 14 December 2017, prepared by Calgro M3 Developments Limited in connection with the Calgro M3 Developments Limited ZAR2,000,000,000 Debt 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 | Calgro M3 Developments Limited |
| 2. | Guarantor | Calgro M3 Holdings Limited |
| 3. | Dealer | Nedbank Limited, acting through its Corporate and Investment Banking division |
| 4. | Manager | N/A |
| 5. | Debt Sponsor | Nedbank Limited, acting through its Corporate and Investment Banking division |
| 6. | Paying Agent | Nedbank Investor Services, a division of Nedbank Limited |
| | Specified Address | 135 Rivonia Road, Sandown, 2196, South Africa |
| 7. | Calculation Agent | Calgro M3 Developments Limited |
| | Specified Address | Ballywoods Office Park, 33 Ballyclare Drive, Bryanston, 2196, South Africa |
| 8. | Transfer Agent | Nedbank Limited, acting through its Corporate and Investment Banking division |
| | Specified Address | 135 Rivonia Road, Sandown, 2196, South Africa |

PROVISIONS RELATING TO THE NOTES

| | | |
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| 9. | Status of Notes | Senior Unsecured |
| 10. | Form of Notes | Listed Notes, issued in uncertificated form and held by the CSD |
| 11. | Series Number | 37 |

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| 12. | Tranche Number | 1 |
| 13. | Aggregate Nominal Amount: | |
| | (a) Series | ZAR15,000,000 |
| | (b) Tranche | ZAR15,000,000 |
| 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. | Issue Date | 8 February 2018 |
| 18. | Nominal Amount per Note | ZAR1,000,000 |
| 19. | Specified Denomination | ZAR1,000,000 |
| 20. | Specified Currency | ZAR |
| 21. | Issue Price | 100% |
| 22. | Interest Commencement Date | 8 February 2018 |
| 23. | Maturity Date | 8 February 2019 |
| 24. | Applicable Business Day Convention | Following Business Day |
| 25. | Final Redemption Amount | 100% |
| 26. | Last Day to Register | By 17h00 on 27 April 2018, 28 July 2018, 28 October 2018 and 28 January 2019 |
| 27. | Books Closed Period(s) | The Register will be closed from 28 April 2018 to 7 May 2018, 29 July 2018 to 8 August 2018, 29 October 2018 to 8 November and from 29 January 2019 to 8 February 2019 (all dates inclusive) in each year until the Maturity Date |
| 28. | Default Rate | N/A |

FIXED RATE NOTES

FLOATING RATE NOTES

| | | |
|-----|--|---|
| 29. | (a) Floating Interest Payment Date(s) | 8 May 2018, 8 August 2018, 8 November 2018 and 8 February 2019 with the first Interest Payment Date being 8 May 2018. |
| | (b) Interest Period(s) | From and including the applicable Floating Interest Payment Date and ending on but excluding the following Floating Interest Payment Date, the first Interest Period commencing on the Interest Commencement Date and ending the day before the next Floating Interest Payment Date |
| | (c) Definition of Business Day (if different from that set out in Condition 1) (<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 | N/A |

| | | |
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| | provision) | |
| 30. | Manner in which the Rate of Interest is to be determined | Screen Rate Determination |
| 31. | Margin | 170 basis points to be added to the Reference Rate |
| 32. | If ISDA Determination: | |
| 33. | 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) | 8 May 2018, 8 August 2018 and 8 November 2018 with the first Interest Rate Determination Date being 5 February 2018 |
| | (c) Relevant Screen Page and Reference Code | Reuters page 0#SFXMM or any successor page |
| 34. | 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 |
| 35. | Calculation Agent responsible for calculating amount of principal and interest | Calgro M3 Developments Limited |

ZERO COUPON NOTES N/A

PARTLY PAID NOTES N/A

INSTALMENT NOTES N/A

MIXED RATE NOTES N/A

INDEX-LINKED NOTES N/A

DUAL CURRENCY NOTES N/A

EXCHANGEABLE NOTES N/A

OTHER NOTES N/A

PROVISIONS REGARDING REDEMPTION/MATURITY

| | | |
|-----|---|--|
| 36. | Redemption at the Option of the Issuer | No |
| 37. | Redemption at the Option of the Senior Noteholders: | Yes |
| | if yes: | |
| | (a) Optional Redemption Date(s) | 30 (thirty) days from the date on which the Extraordinary Resolution has been passed |
| | (b) Optional Redemption Amount(s) | 100% (one hundred percent) of the Nominal Amount |
| | (c) Minimum period of notice (if different from Condition 11.4 (<i>Redemption at the Option of the Senior Noteholders</i>)) | Extraordinary Resolution must be delivered to the Issuer at least 15 days but not more than 30 days prior to the Optional Redemption Date. |
| | (d) If redeemable in part: | |
| | Minimum Redemption Amount(s) | N/A |

| | | |
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| | Higher Redemption Amount(s) | N/A |
| (e) | Other terms applicable on Redemption | N/A |
| (f) | Attach <i>pro forma</i> put notice(s) | N/A |
| 38. | Redemption in the event of a Change of Control at the election of Noteholders pursuant to Condition 11.5 (<i>Redemption in the event of a Change of Control</i>) or any other terms applicable to a Change of Control | Yes |
| 39. | Redemption in the event of a failure to maintain JSE Listing and/or credit rating at the election of Noteholders pursuant to Condition 11.6 (<i>Redemption in the event of a failure to maintain JSE Listing and/or credit rating</i>) | Yes |
| 40. | Early Redemption Amount(s) payable on redemption for taxation reasons, at the option of the Issuer in terms of Condition 11.3 (<i>Redemption at the Option of the Issuer</i>) or at the option of the Noteholders in terms of Condition 11.4 (<i>Redemption at the Option of the Senior Noteholders</i>), in the event of a Change of Control in terms of Condition 11.5 (<i>Redemption in the event of a Change of Control</i>), in the event of a failure to maintain a JSE listing or credit rating in terms of Condition 11.6 (<i>Redemption in the event of a failure to maintain JSE Listing and/or credit rating</i>) or on Event of Default in terms of Condition 17 (<i>Events of Default</i>) (if required or if different from that set out in the relevant Conditions). | No |

GENERAL

| | | |
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| 41. | Financial Exchange | Interest Rate Market of the JSE Limited |
| 42. | Additional selling restrictions | N/A |
| 43. | ISIN No. | ZAG000149550 |
| 44. | Stock Code | CGR37 |
| 45. | Stabilising manager | N/A |
| 46. | Provisions relating to stabilisation | N/A |
| 47. | Method of distribution | Private Placement |
| 48. | Credit Rating assigned to the Notes | N/A |
| 49. | Applicable Rating Agency | N/A |
| 50. | Governing law (if the laws of South Africa are not applicable) | N/A |

51. Other provisions See Schedule 1 headed "Additional Terms and Conditions"

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

52. Paragraph 3(5)(a)

The "ultimate borrower" (as defined in the Commercial Paper Regulations) is the Issuer.

53. 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.

54. Paragraph 3(5)(c)

The auditor of the Issuer is PricewaterhouseCoopers Inc. (**PricewaterhouseCoopers**).

55. Paragraph 3(5)(d)

As at the date of this issue:

- (i) the Issuer has issued ZAR634,000,000 (excluding this issuance) Commercial Paper (as defined in the Commercial Paper Regulations) (which amount includes Notes issued under the Previous Programme Memorandum); and
- (ii) the Issuer estimates that it may issue ZAR366,000,000 of Commercial Paper (excluding commercial paper relating to this issuance) during the current financial year, ending 28 February 2018.

56. 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.

57. 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.

58. Paragraph 3(5)(g)

The Notes issued will be listed.

59. Paragraph 3(5)(h)

The funds to be raised through the issue of the Notes are to be used by the Issuer for its general corporate purposes.

60. Paragraph 3(5)(i)

The obligations of the Issuer in respect of the Notes are guaranteed in terms of the Guarantee provided by the Guarantor but are otherwise unsecured.

61. Paragraph 3(5)(j)

PricewaterhouseCoopers, 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 and the Programme Memorandum. The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made as well as that the placing document contains all information required by law and the Listings Requirements. The Issuer shall accept full responsibility for the accuracy of the information contained in the placing document, pricing supplements and the annual financial report, the amendments to the annual financial report or any supplements from time to time, except as otherwise stated therein.

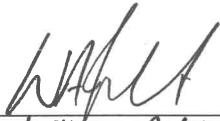


As at the date of this Applicable Pricing Supplement, the Issuer confirms that the authorised Programme Amount of ZAR2,000,000,000 has not been exceeded.

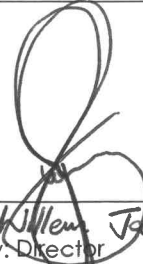
Application is hereby made to list this issue of Notes 8 February 2018.

SIGNED at _____ on this _____ day of _____ 2018

For and on behalf of
CALGRO M3 DEVELOPMENTS LIMITED



Name: *Willem Adolph Joubert*
Capacity: Director
Who warrants his/her authority hereto



Name: *Willem Jakobus Lategan*
Capacity: Director
Who warrants his/her authority hereto



ADDITIONAL TERMS AND CONDITIONS

1. FINANCIAL COVENANTS**1.1 Net Debt to Equity Ratio****1.1.1 Net Debt to Equity Ratio Undertaking**

The Issuer shall ensure that for as long as any Note (as defined above) remains Outstanding the Net Debt to Equity Ratio in respect of any Measurement Period shall not exceed 1.5:1.

1.1.2 Financial Testing

The Net Debt to Equity Ratio shall be calculated with reference to Net Debt as defined below and shall be tested semi-annually as at the last day of each Measurement Period by reference to the audited consolidated annual financial statements or the unaudited interim consolidated financial statements of the Issuer and the Guarantor, as the case may be, delivered pursuant to paragraph 1.3 (*Financial Statements*).

1.1.3 For purposes of this clause 1.1:

1.1.3.1 Acceptable Bank means:

- (i) a bank or financial institution which has a local currency rating for its long-term unsecured and non-credit enhanced debt obligations of "AA" minus or higher by Standard & Poor's Rating Services or Fitch Ratings Limited or "Aa3.za" or higher by Moody's Investor Services Limited or a comparable rating from an internationally recognised credit rating agency; and
- (ii) any of Absa Bank Limited, Investec Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited or FirstRand Bank Limited;

1.1.3.2 **Borrowings** means, at any time, the aggregate outstanding principal, capital or nominal amount (and any fixed or minimum premium payable on prepayment or redemption which is due and payable at the time of calculation) of any Indebtedness together with capitalized interest thereon outstanding at such time.

1.1.3.3 **Cash** means, at any time, cash denominated in Rand in hand or at bank and (in the latter case) credited to an account in the name of any Material Group Company with an Acceptable Bank and to which that Material Group Company alone is beneficially entitled and for so long as:

- (i) that Cash is repayable on demand or within 30 (thirty) days after the relevant date of calculation;
- (ii) repayment of that Cash is not contingent on the prior discharge of any other Indebtedness of the Issuer or of any other person whatsoever or on the satisfaction of any other condition other than notice or demand therefor (but not exceeding the period of demand referred to in (i) above);



- (iii) there is no Encumbrance over that Cash or any Permitted Encumbrance constituted by a netting or set-off arrangement entered into by the Issuer in the ordinary course of its banking arrangements; and
- (iv) the Cash is freely and (except as mentioned in (i) above) immediately available to be applied in redemption of the Outstanding Notes.

1.1.3.4 **Finance Lease** means any lease or hire purchase contract which would, in accordance with Accounting Principles, be treated as a finance or capital lease

1.1.3.5 **Financial Year** means, at any time, the financial year of the Issuer ending on 28 February in each calendar year;

1.1.3.6 **Measurement Date** means the last day of each Financial Year and the last day of each six calendar month period following the last day of the Financial Year;

1.1.3.7 **Measurement Period** means each period of six calendar months ending on (but including) a Measurement Date;

1.1.3.8 **Net Debt to Equity Ratio** means the ratio of Net Debt to Equity in respect of any Measurement Period;

1.1.3.9 **Net Debt** means at any time, Total Debt after deducting the aggregate amount of Cash and cash equivalent investments held by the Issuer;

1.1.3.10 **Total Debt** means, at any time, the aggregate amount of all obligations of the Calgro M3 Group for or in respect of Borrowings at that time but:

- (i) excluding any such obligations to any other member of the Calgro M3 Group;
- (ii) excluding obligations of associate companies and joint ventures not consolidated with the audited annual financial of Calgro M3 Group;
- (iii) excluding trade payables;
- (iv) including zero coupon notes;
- (v) including, in the case of Finance Leases only, their capitalised value; and
- (vi) so that no amount shall be included or excluded more than once.

1.2 **Minimum Liquidity Undertaking**

The Issuer shall ensure that it holds a minimum of R25,000,000 in Cash or it has access to a minimum of R25,000,000 in unutilised facilities at any time while the Notes (as defined above) remain Outstanding (the **Minimum Liquidity Requirement**).

1.3 **Financial Statements**

The Issuer and the Guarantor shall supply to the Noteholder in sufficient copies for all Noteholders:

1.3.1 as soon as the same become available, but in any event within 90 (ninety) days after the end of each Financial Year:



- 1.3.2 their audited consolidated annual financial statements for that Financial Year;
- 1.3.3 the audited financial statements of any other Material Group Company for that Financial Year if requested by the Noteholder; and
- 1.3.4 as soon as same become available, but in any event within 120 (one hundred and twenty) days after the first 6 (six) Months of each of its Financial Years, the unaudited consolidated interim financial statements of the Issuer and the Guarantor for the first 6 (six) Month period of that Financial Year.

2. **BREACH OF FINANCIAL COVENANTS**

- 2.1 If a breach of any Financial Covenant occurs at any time while any Note remains Outstanding, then the Issuer shall promptly upon the Issuer becoming aware of a breach of the relevant Financial Covenant, give notice to the Noteholders in accordance with Condition 20 (*Notices*) specifying the nature of the breach of the Financial Covenant and the circumstances giving rise to it and the procedure for exercising the redemption options contained in paragraph 2.2 below (**Breach of Financial Covenant Notification**).
- 2.2 Such option shall be exercisable by the relevant Noteholders by the delivery of a written notice (a **Breach of Financial Covenant Redemption Notice**) to the Issuer at its registered office within 30 (thirty) days after the receipt by the Noteholders of the Breach of Financial Covenant Notification, unless prior to the delivery by that Noteholder of its Breach of Financial Covenant Redemption Notice the Issuer gives notice to redeem the Notes.
- 2.3 Subject to paragraph 2.2 above, the Issuer shall redeem all Notes held by the relevant Noteholders at its Early Redemption Amount together with accrued interest (if any) within 15 (fifteen) days of having received a Breach of Financial Covenant Redemption Notice from the relevant Noteholders to redeem such Notes.
- 2.4 In the event of any dispute in respect of any calculation relating to any Financial Covenant referred to in paragraph 1.1 or 1.2, as the case may be, such dispute shall be determined by the Issuer's independent auditors, acting as experts and not as arbitrators (taking into account the applicable Terms and Conditions), whose determination will, in the absence of manifest error, be final and binding on the Issuer and such Noteholders. The cost of such independent auditors in resolving such dispute shall be borne by the Issuer.

