

## NOTICE TO A WRITTEN PROCEDURE

*Denna kallelse till obligationsinnehavarna är endast utformad på engelska.*

Stockholm, 10 May 2024

**To the Noteholders in:**

**ISIN: SE0010714220 – IZABELO SEK B.V. SEK 50,030,380 Secured Participating Notes (the "Notes")**

**NOTICE OF WRITTEN PROCEDURE – REQUEST FOR ISSUER TO EXCHANGE E PIK NOTES FOR ADDITIONAL ORDINARY SHARES AND AMEND CERTAIN PROVISIONS IN THE TERMS AND CONDITIONS OF THE NOTES**

This voting request for procedure in writing will be sent by regular mail on 10 May 2024 to Noteholders directly registered in the debt register (Sw. *skuldbok*) kept by Euroclear Sweden AB (the "CSD"). This voting request has also been published on the websites of the Issuer and the Agent (as defined below), in accordance with the terms and conditions of the Notes (the "Terms and Conditions"). If you are an authorised nominee under the Swedish Financial Instruments Accounts Act or if you otherwise are holding Notes on behalf of someone else on a Securities Account, please forward this notice to the holder you represent as soon as possible. For further information, please see below under Clause 4.3 (*Voting rights and authorisation*).

### Key information:

Record Date for being eligible to vote:	15 May 2024
Deadline for voting:	15:00 23 May 2024
Quorum requirement:	At least fifty (50) per cent. of the Adjusted Nominal Amount.
Majority requirement:	At least sixty-six and two thirds (66 2/3) Adjusted Nominal Amount.

Nordic Trustee & Agency AB (publ) in its capacity as agent (the "**Agent**") for the holders of the Notes (the "**Noteholders**") in the above mentioned bond issue ISIN: SE0010714220 issued by IZABELO SEK B.V. (the "**Issuer**"). In its capacity as Agent, and as requested by the Issuer, the Agent hereby initiates a procedure in writing, whereby Noteholders can vote for or against the Issuer's request to exchange the E PIK Notes held by it for additional ordinary shares and make certain amendments to the Terms and Conditions of the Notes.

All capitalised terms used herein and not otherwise defined in this notice (the "**Notice**") shall have the meanings assigned to them in the Terms and Conditions.

Noteholders participate by completing and sending the voting form, attached hereto as Schedule 1 (the "**Voting Form**"), and, if applicable, the power of attorney/authorisation, attached hereto as Schedule 2 (the "**Power of Attorney**"), if the Notes are held in custody other than by the CSD, to the Agent. Please contact the securities firm you hold your Notes through if you do not know how your Notes are registered or if you need authorisation or other assistance to participate.

The Agent must **receive the Voting Form no later than 15:00 (CEST) on 23 May 2024** either by mail, courier or email to the Agent using the contact details set out in Clause 4.7 (*Address for sending replies*) below. Votes received thereafter may be disregarded.

To be eligible to participate in the Written Procedure, a person must meet the criteria for being a Noteholder on 15 May 2024 (the "**Record Date**"). This means that the person must be registered on a Securities Account with the CSD, as a direct registered owner (Sw. *direktregistrerad ägare*) or authorised nominee (Sw. *förvaltare*) with respect to one or several Notes.

***Disclaimer:** The Request (as defined below) is presented to the Noteholders, without any evaluation, advice or recommendations from the Agent whatsoever. The Agent has not reviewed or assessed this Notice or the Request (and its effects, should it be adopted) from a legal or commercial perspective of the Noteholders and the Agent expressly disclaims any liability whatsoever related to the content of this Notice and the Request (and its effects, should it be adopted). The Noteholders are recommended to seek legal advice in order to independently evaluate whether the Request (and its effects) is acceptable or not. Each Noteholder is solely responsible for making its own independent evaluation of all matters as such Noteholder deems appropriate (including those relating to the Request (as defined herein), and each Noteholder must make its own decision as to whether to participate in the Request. Noteholders should consult their own tax, accounting, financial and legal adviser regarding the impact to themselves of voting in favour for or against the Request. None of the Issuer or the Agent, nor any director, officer, employee, agent or affiliate of any such person, makes any recommendation as to whether such Noteholder should vote in favour for or against the Request.*

## 1. Background

Under the Notes, the Issuer holds and passes on the economic benefit to the Noteholders of certain E PIK Notes and ordinary shares (defined in the Terms and Conditions as "Ords") issued by Evolution Credit Limited (name changed from Real People Investment Holdings Limited) ("ECL").

This Written Procedure concerns a request to simplify the capital structure of ECL by, amongst other things, exchanging the E PIK Notes held by the Issuer for further Ords and make certain other amendments to the Terms and Conditions.

In 2017 ECL carried out a restructuring of its capital structure where, amongst other things, part of its debts was written off and exchanged for a number of different share instruments, such as the Ords, and debt instruments, such as the E PIK Notes. In addition to the Ords and the E PIK Notes, A Ordinary Shares, B Preference Shares, C1 Preference Shares, C2 Preference Shares and D PIK Notes were issued to various stakeholders (collectively, the "Scheme Securities").

Instead of issuing Ords and E PIK Notes directly to the holders of the SEK Bonds, Ords and E PIK Notes were issued to the Issuer, which in turn issued the Notes to pass on the economic interest in the Ords and E PIK Notes to the Noteholders.

## 2. Proposal to simplify capital structure

ECL wishes to simplify its capital structure by exchanging the current Scheme Securities for ordinary shares to obviate the maintenance needs for its current complex capital structure and make it thereafter the only remaining security, the ordinary shares, more tradeable.

The changes to the capital structure are contemplated to be implemented as a scheme of arrangement regulated by the South African Companies Act and Companies Regulations (the "Scheme"). A requisite proportion of holders of all affected securities must participate in the Scheme proceedings and vote in favour of the Scheme for it to be adopted and be able to be implemented.

Under the terms of the existing Scheme Securities holders of the Scheme Securities are entitled to receive a portion of distributable amounts in accordance with the percentages set out in the following Table ("Cashflow Waterfall") on the basis that, for so long as there are E PIK Notes in issue the distributable amount will be distributed in accordance with the first Cashflow Waterfall. Thereafter, for so long as there are D PIK Notes in issue the Distributable Amount will be distributed in accordance with the second Cashflow Waterfall, and so on and so forth until only the Ordinary Shares and A Ordinary Shares remain in issue (at which time and whereafter the fifth Cashflow Waterfall will apply). It is unforeseeable that ECL will be able to settle the E PIK Note distribution and it is therefore proposed that only the first Cashflow Waterfall be used for the conversion.

Class	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>
E PIK Notes and A Ordinary Shares (3%)	85%	0%	0%	0%	0%
D PIK Notes and A Ordinary Shares (6%)	7%	85%	0%	0%	0%
C Preference Shares and A Ordinary Shares (9%)	5%	7%	85%	0%	0%

B Preference Shares and A Ordinary Shares (12%)	2%	5%	10%	85%	0%
Ordinary Shares and A Ordinary Shares	1%	3%	5%	15%	100%

Based on the Cashflow Waterfall and a valuation by the independent board members of ECL, the board of ECL has proposed in the Scheme that the ordinary shares issued in exchange for the various existing securities should be allocated as follows:

<b>Scheme Securities</b>	<b>Economic Participation</b>	<b>Total Ordinary Shares Pre-Consolidation</b>
Ordinary Shares	0.85%	102,169,409
A Ordinary Shares	3.81%	457 959 351
B Preference Shares	1.76%	211 550 776
C Preference Shares	4.55%	546 906 836
D PIK Notes	6.58%	790 911 425
E PIK Notes	82.45%	9 910 432 673
<b>Total</b>	<b>100%</b>	<b>12 019 930 471</b>

In terms of the first Cashflow Waterfall, the E PIK Noteholders receive 85% of the distribution. Of that 85%, 3% is allocated to the A Ordinary Shareholders, and the remaining 97% is allocated to the E PIK Noteholders. Therefore, the E PIK Noteholders will receive 82.45% of the total distribution of additional ordinary shares (85% x 97% = 82.45%).

Of the additional shares allocated to the E PIK Notes, the Issuer will receive additional ordinary shares in proportion to its holding of E PIK Notes in relation to the total number of currently outstanding E PIK Notes.

The Scheme also includes a consolidation of the ordinary shares such that, after the implementation of the consolidation, each holder of ordinary shares will receive 1 (one) ordinary share for each 1,000 ordinary shares held (the "**Consolidation**").

As a result of the implementation of the Scheme, the E PIK Notes will be deemed to be redeemed in full and any outstanding interest or other amounts forgiven.

The ordinary shares received by the Issuer after the Consolidation (which will represent both the existing Ords and the additional ordinary shares that will be issued as a part of the Scheme), will be held by the Issuer as Ords under the Terms and Conditions. Following the implementation of the Scheme the Issuer will hold 1,497,787 Ords under the Terms and Conditions.

The independent board members of ECL have prepared an independent board report regarding the Scheme (the "**Independent Board Report**") that also includes a report by the independent experts BDO regarding the proposed Scheme (the "**Report of the**

**Independent Expert (BDO)**"), please see schedule 4 for a copy of the Independent Board Report and schedule 5 for a copy of the Report of the Independent Expert (BDO).

### **3. Request to approve Scheme and amend terms and conditions**

#### **3.1 Request**

In order to achieve the above-mentioned objectives, the Issuer hereby requests (the "**Requests**") that the Noteholders:

- (a) instruct the Agent to instruct the Issuer to vote in favour of the proposed Scheme as described above for the Ords and the E PIK Notes (including the Consolidation);
- (b) approve that the Agent enters into such amendments of and/or additional Security Documents, effects releases of Transaction Security, and takes such other actions that the Agent considers appropriate to implement the Scheme (including the Consolidation) and include the ordinary shares received by the Issuer in connection with the Scheme under the Transaction Security; and
- (c) approve to amend the Terms and Conditions in accordance with the mark-up set out in Schedule 3) (the "**Amended and Restated Terms and Conditions**").

#### **3.2 Conditions for effectiveness and effective date**

- (a) The amendments to the Terms and Conditions and any amendments of and/or additional Security Documents pursuant to the Request (the "**Amendments**") will come into effect on the date that the Agent is satisfied that it has received the following documents or evidence:
  - (i) resolutions by the board of directors (or other relevant corporate body) of the Issuer approving the transactions contemplated by the Request;
  - (ii) an amendment and restatement agreement executed by the Issuer and the Agent implementing the Amendments;
  - (iii) a confirmation from Dutch legal counsel confirming that the Transaction Security and each Parallel Debt Agreement governed by Dutch law will remain effective and cover the Ords following the Amendments; and
  - (iv) a confirmation from South African legal counsel confirming that the Transaction Security governed by South African law will remain effective and cover the Ords following the Amendments.
- (b) When considering conditions and documentation, the Agent may assume that any documentation and other evidence delivered to it or to be entered into by it in relation to the Written Procedure is accurate, legally valid, correct and complete and the Agent does not have to verify the contents of such documentation or evidence.

### **3.3 Authority for the Agent to implement the Request**

If the Request is approved in the Written Procedure, the Noteholders' give the Agent the power to enter into all agreements and take all actions that the Agent deems necessary in order to implement the Request (including to instruct the Issuer to take actions).

## **4. Written Procedure**

The following instructions need to be adhered to under the Written Procedure.

### **4.1 Final date to participate in the Written Procedure**

The Agent must have received the votes by mail, courier or email to the address indicated below no later than 15:00 (CEST), 23 May 2024. Votes received thereafter may be disregarded.

### **4.2 Decision procedure**

The Agent will determine if received replies are eligible to participate under the Written Procedure as valid votes.

When a requisite majority of consents of the total Adjusted Nominal Amount have been received by the Agent, the Requests shall be deemed to be adopted, even if the time period for replies in the Written Procedure has not yet expired.

The Issuer and the Agent shall, in order to implement and effectuate the amendments (including the Consolidation), enter into amended and restated Terms and Conditions that should enter into effect if the Scheme becomes effective and is implemented.

Information about the decision taken under the Written Procedure will: (i) be sent by notice to the Noteholders and (ii) be published on the Agent's website Stamdata.

A matter decided under the Written Procedure will be binding for all Noteholders, irrespective of them responding in the Written Procedure.

### **4.3 Voting rights and authorisation**

Anyone who wishes to participate in the Written Procedure must on the Record Date (15 May 2024) in the debt register:

- (a) be registered as a direct registered owner of a Securities Account; or
- (b) be registered as authorised nominee in a Securities Account, with respect to one or several Notes.

### **4.4 Notes registered with a nominee**

If you are not registered as a direct registered owner, but your Notes are held through a registered authorised nominee or another intermediary, you may have two different options to influence the voting for the Notes.

1. You can ask the authorised nominee or other intermediary that holds the Notes on your behalf to vote in its own name as instructed by you.

2. You can obtain a Power of Attorney (Schedule 2) from the authorised nominee or other intermediary and send in your own Voting Form based on the authorisation. If you hold your Notes through several intermediaries, you need to obtain authorisation directly from the intermediary that is registered in the debt register as noteholder of the Securities Account, or from each intermediary in the chain of noteholders, starting with the intermediary that is registered in the debt register as a Noteholder of the Securities Account as authorised nominee or direct registered owner.

Whether one or both of these options are available to you depends on the agreement between you and the authorised nominee or other intermediary that holds the Notes on your behalf (and the agreement between the intermediaries, if there are more than one).

The Agent recommends that you contact the securities firm that holds the Notes on your behalf for assistance, if you wish to participate in the Written Procedure and do not know how your Notes are registered or need authorisation or other assistance to participate. Notes owned by the Issuer, another Group Company or an Affiliate do not entitle to any voting rights.

#### **4.5 Quorum**

To approve the Requests, Noteholders representing at least fifty (50) per cent of the Adjusted Nominal Amount must reply to the Request under the Written Procedure in order to form a quorum.

If a quorum does not exist, the Agent shall initiate a second Written Procedure, provided that the relevant proposal has not been withdrawn by the Issuer. No quorum requirement will apply to such second Written Procedure.

#### **4.6 Majority**

At least sixty-six and two thirds (66 2/3) per cent of the Adjusted Nominal Amount for which Noteholders reply under the Written Procedure must consent to the Requests.

#### **4.7 Address for sending replies**

Return the Voting Form, Schedule 1, and, if applicable, the Power of Attorney/Authorisation in Schedule 2 or other sufficient evidence, if the Notes are held in custody other than the CSD, by regular mail, scanned copy by email, or by courier to:

**By regular mail:**

Nordic Trustee & Agency AB (publ)  
Attn: Written Procedure IZABELO SEK B.V.  
P.O. Box 7329  
S-103 90 Stockholm

**By courier:**

Nordic Trustee & Agency AB  
Attn: Written Procedure IZABELO SEK B.V.

Norrlandsgatan 23  
111 43 Stockholm

**By email:**

E-mail: [voting.sweden@nordictrustee.com](mailto:voting.sweden@nordictrustee.com)

**5. FURTHER INFORMATION**

For further questions regarding the Scheme and the Request, please contact ECL at Carmen Taylor, Company Secretary, [carmen.taylor@evolution.za.com](mailto:carmen.taylor@evolution.za.com) or +27 60 743 7381.

For further questions to the Agent, regarding the administration of the Written Procedure, please contact the Agent at [voting.sweden@nordictrustee.com](mailto:voting.sweden@nordictrustee.com) or +46 8 783 79 00.

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**Stockholm, 10 May 2024**

**NORDIC TRUSTEE & AGENCY AB (PUBL)**

**As Agent**

**Enclosed:**

<b>Schedule 1</b>	Voting Form
<b>Schedule 2</b>	Power of Attorney/Authorisation
<b>Schedule 3</b>	Amended and restated Terms and Conditions
<b>Schedule 4</b>	Independent Board Report
<b>Schedule 5</b>	Report of the Independent Expert (BDO)



# VOTING FORM

## Schedule 1

For the Written Procedure in IZABELO SEK B.V. of the SEK 50,030,380 Secured Participating Notes with ISIN: SE0010714220.

The undersigned Noteholder or authorised person/entity (the “**Voting Person**”), votes either **For** or **Against** the Requests by marking the applicable box below.

**NOTE:** If the Voting Person is not registered as Noteholder (as defined in the Terms and Conditions), the Voting Person must enclose a Power of Attorney/Authorisation, see Schedule 2.

**For** the Requests

**Against** the Requests

Name of the Voting Person: \_\_\_\_\_

Capacity of the Voting Person:                      Noteholder:  <sup>1</sup>      authorised person  <sup>2</sup>

Voting Person’s reg.no/id.no  
and country of incorporation/domicile: \_\_\_\_\_

Securities Account number at Euroclear Sweden:  
(if applicable) \_\_\_\_\_

Name and Securities Account number of custodian(s):  
(if applicable) \_\_\_\_\_

Nominal Amount voted for (in SEK): \_\_\_\_\_

Day time telephone number, e-mail address and contact person:  
\_\_\_\_\_

\_\_\_\_\_  
Authorised signature and Name <sup>3</sup>

\_\_\_\_\_  
Place, date:

<sup>1</sup> When voting in this capacity, no further evidence is required.

<sup>2</sup> When voting in this capacity, the person/entity voting must also enclose Power of Attorney/Authorisation (Schedule 2) from the Noteholder or other proof of authorisation showing the number of votes held on the Record Date.

<sup>3</sup> If the undersigned is not a Noteholder according the Terms and Condition and has marked the box “authorised person”, the undersigned – by signing this document – confirms that the Noteholder has been instructed to refrain from voting for the number of votes cast with this Voting Form.

# POWER OF ATTORNEY/AUTHORISATION

## Schedule 2

For the Written Procedure in IZABELO SEK B.V. of the SEK 50,030,380 Secured Participating Notes with ISIN: SE0010714220.

**NOTE:** This Power of Attorney/Authorisation document shall be filled out if the Voting Person is not registered as Noteholder on the Securities Account, held with Euroclear Sweden. It must always be established a coherent chain of power of attorneys derived from the Noteholder. I.e. if the person/entity filling out this Power of Attorney/Authorisation in its capacity as "other intermediary", the person/entity must enclose its Power of Attorney/Authorisation from the Noteholder.

Name of person/entity that is given authorisation (Sw. *befullmäktigad*) to vote as per the Record Date:

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Nominal Amount (in SEK) the person/entity is authorised to vote for as per the Record Date:

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Name of Noteholder or other intermediary giving the authorisation (Sw. *fullmaktsgivaren*):

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We hereby confirm that the person/entity specified above (Sw. *befullmäktigad*) has the right to vote for the Nominal Amount set out above.

We represent an aggregate Nominal Amount of: SEK \_\_\_\_\_

We are:

Registered as Noteholder on the Securities Account

Other intermediary and holds the Noteholder through (specify below):

\_\_\_\_\_

Place, date: \_\_\_\_\_

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Name:

Authorised signature of Noteholder / other intermediary (Sw. *fullmaktsgivaren*)

# **AMENDED AND RESTATED TERMS AND CONDITIONS**

*Schedule 3*

# **Terms and Conditions**

**IZABELO SEK B.V.**

**SEK 50,030,380**

**Secured Participating Notes**

**ISIN: SE0010714220**

**[•] 2024**

**Other than the registration of the Notes under Swedish law, no action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of this document or any other material relating to the Issuer or the Notes in any jurisdiction where action for that purpose is required. Persons into whose possession this document comes are required by the Issuer to inform themselves about, and to observe, any applicable restrictions.**

**ROSCHIER**

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## 1. Definitions and Construction

### 1.1 Definitions

In these terms and conditions (the "**Terms and Conditions**"):

"**Account Operator**" means a bank or other party duly authorised to operate as an account operator pursuant to the Financial Instruments Accounts Act and through which a Noteholder has opened a Securities Account in respect of its Notes.

"**Accounting Principles**" means the generally accepted accounting principles, standards and practices in the Netherlands as applied by the Issuer in preparing its annual financial statements.

"**Adjusted Nominal Amount**" means the Total Nominal Amount less the Nominal Amount of all Notes owned by the Issuer, ECL or any of their Affiliates, irrespective of whether such person is directly registered as owner of such Notes.

"**Affiliate**" means any Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purpose of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"**Agency Agreement**" means the agency agreement entered into on or before the Issue Date, between the Issuer and the Agent, or any replacement agency agreement entered into after the Issue Date between the Issuer and an agent.

"**Agent**" means Nordic Trustee & Agency AB (publ), Swedish Reg. No. 556882-1879, P.O. Box 7329, SE-103 90 Stockholm, Sweden or another party replacing it, as Agent, in accordance with these Terms and Conditions.

"**Business Day**" means a day which is both (i) a day in Sweden other than a Sunday or other public holiday in Sweden, and (ii) a day on which physical offices of banks are generally open for business in the Netherlands. Saturdays, Midsummer Eve (*midsommarafton*), Christmas Eve (*julafton*) and New Year's Eve (*nyårsafton*) shall for the purpose of this definition be deemed to be public holidays in Sweden.

"**Compliance Certificate**" means a certificate, in form and substance satisfactory to the Agent, signed by the Issuer certifying that so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it.

"**CSD**" means the Issuer's central securities depository and registrar in respect of the Notes, from time to time, initially Euroclear Sweden AB, Swedish Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden.

"**ECL**" means Evolution Credit Limited (previously Real People Investment Holdings Limited), 1999/020093/07, 12 Esplanade Road, Quigney, East London, Eastern Cape, South Africa, 5201.

"**ECL Cost Coverage Agreement**" means the agreement entered into between, amongst others, ECL, the Issuer and the Agent under which ECL pays the Fee to the Issuer.

"**Event of Default**" means an event or circumstance specified in any of the Clauses 12.1 to 12.9 including Clause 12.9 (*ECL Cost Coverage Failure*).

"**E PIK Notes**" means E PIK notes in the amount of ZAR 80,344,273.22 issued by ECL to the Issuer on 5 December 2017.

"**Fee**" has the meaning ascribed to such term under Clause 6.1(c).

"**Final Maturity Date**" means the date falling thirty (30) years after the Issue Date.

"**Finance Documents**" means these Terms and Conditions, the Security Documents, the Agency Agreement, the Parallel Debt Agreement and any other document designated by the Issuer and the Agent as a Finance Document.

"**Financial Indebtedness**" means:

- (a) moneys borrowed or raised (including under any bank financing or Market Loans);
- (b) the amount of any liability under any finance leases (a lease which in accordance with the Accounting Principles is treated as an asset and a corresponding liability);
- (c) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Principles are met);
- (d) any amount raised pursuant to any note purchase facility or the issue of any bond or note or similar instrument;
- (e) any other transaction (including the obligation to pay deferred purchase price) having the commercial effect of a borrowing or otherwise being classified as borrowing under the Accounting Principles;
- (f) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account, provided that if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (g) any counter indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

(h) (without double counting) liabilities under guarantees or indemnities for any of the obligations referred to in paragraphs (a) to (g) above.

**"Financial Instruments Accounts Act"** means the Swedish Financial Instruments Accounts Act (*lag (1998:1479) om kontoföring av finansiella instrument*).

**"Force Majeure Event"** has the meaning set forth in Clause 26(a).

**"Initial Nominal Amount"** has the meaning set forth in Clause 2.2(c).

**"Insolvent"** means, in respect of a relevant person, that it is deemed to be insolvent, or admits inability to pay its debts as they fall due, in each case within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (*konkurslagen (1987:672)*) (or its equivalent in any other jurisdiction), became bankrupt (*failliet*), been granted a suspension of payments (*surseance van betaling*) or by reason of actual financial difficulties commences negotiations with its creditors (other than the Noteholders) with a view to rescheduling any of its indebtedness (including company reorganisation under the Swedish Company Reorganisation Act (*lag (1996:764) om företagsrekonstruktion* or an *administration* under Netherlands law) (or an equivalent in any other jurisdiction)) or is subject to involuntary winding-up, dissolution or liquidation or any other event whereby the relevant person is limited in the right to dispose of its assets.

**"Issue Date"** means 9 January 2018.

**"Issuer"** means IZABELO SEK B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), having its corporate seat at Amsterdam (address: 1101 CM Amsterdam, Herikerbergweg 238, Luna ArenA, trade register number: 70126097).

**"Issuing Agent"** means Pareto Securities AB, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

**"Market Loan"** means any loan or other indebtedness where an entity issues commercial paper, certificates, subordinated debentures, bonds or any other debt securities (including, for the avoidance of doubt, medium term note programmes and other market funding programmes), provided in each case that such instruments and securities are or can be subject to trade on Nasdaq Stockholm or any other regulated or unregulated recognised market place.

**"Net Converted Receipts"** has the meaning ascribed to such term under Clause 6 (*Payment of principal and Participation*).

**"Net Fee"** means the remuneration reflected in the Transfer Pricing Analysis.

**"Net Receipts"** means the amounts actually received by the Issuer with respect to the Ords or the E PIK Notes.

**"NOK Participating Notes"** means the secured participating notes with ISIN: NO0010813785 or ISIN NO0010813801 issued by IZABELO NOK B.V.



"**Nominal Amount**" means in respect of each Note the Initial Nominal Amount, less the aggregate principal amount by which that Note has been redeemed in part pursuant to Clause 6 (*Payment of principal and Participation*).

"**Noteholder**" means the person who is registered on a Securities Account as direct registered owner (*ägare*) or nominee (*förvaltare*) with respect to a Note.

"**Noteholders' Committee**" has the meaning set forth in Clause 16 (*Noteholders' Committee*).

"**Noteholders' Meeting**" means a meeting among the Noteholders held in accordance with Clause 18 (*Noteholders' Meeting*).

"**Note**" means a debt instrument (*skuldförbindelse*) for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Financial Instruments Accounts Act and which are governed by and issued under these Terms and Conditions.

"**Note Entitlement Date**" means 14 December 2017, on which a holder of a SEK Bond must be registered on a Securities Account with the CSD to be entitled to receive Notes as set out in Clause 2.2(c).

"**Ords**" means until such time as the Scheme of Arrangement has been implemented, the 12,239,380 ordinary shares issued by ECL to the Issuer on or about 5 December 2017 ("**the Original Ords**"), and thereafter the Original Ords as subdivided in terms of the Scheme of Arrangement together with such further ordinary shares issued by ECL to the Issuer under the Scheme of Arrangement in exchange for the E PIK Notes.

"**Parallel Debt Agreement**" means the agreement entered into between, amongst others, ECL, the Issuer and the Security Agent under which the Issuer has (among others) undertaken to pay the parallel debt to the Security Agent.

"**Participation**" has the meaning ascribed to such term under Clause 6 (*Payment of principal and Participation*).

"**Participation Amount**" has the meaning ascribed to such term under Clause 6 (*Payment of principal and Participation*).

"**Participation Payment Date**" means a date falling no later than fifteen (15) Business Days after the receipt by the Issuer of any Net Receipts constituting Participation Amount in an amount possible to pay out pursuant to applicable regulations of the CSD.

"**Person**" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organisation, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality.

"**Principal Payment Date**" means a date falling no later than fifteen (15) Business Days after the receipt by the Issuer of any Net Receipts constituting Principal Repayment Amounts in an amount possible to pay out pursuant to applicable regulations of the CSD.

**"Principal Repayment Amounts"** has the meaning ascribed to such term under Clause 6 (*Payment of principal and Participation*).

**"Record Date"** means the fifth (5) Business Day prior to (i) a Principal Payment Date (ii) a Participation Payment Date, (iii) a date on which a payment to the Noteholders is to be made under Clause 13 (*Distribution of Proceeds*), (iv) the date of a Noteholders' Meeting, or (v) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

**"Reference Instruments"** means the Ords and E PIK Notes until such time as the Scheme of Arrangement has been implemented and thereafter the Ords.

**"Restructuring"** means the restructuring of financial liabilities owed by ECL carried out in December 2017.

**"Scheme of Arrangement"** means the Scheme of Arrangement implemented, or to be implemented, by ECL in terms of section 114 of the South African Companies Act, 2008, in terms of which, amongst other things, the E PIK Notes issued by ECL are to be exchanged for ordinary shares in the capital of ECL on certain terms and conditions.

**"Secured Obligations"** means all present and future obligations and liabilities of the Issuer to the Secured Parties under the Finance Documents and the Agency Agreement.

**"Secured Parties"** means the Noteholders and the Agent (including in its capacity as Security Agent).

**"Securities Account"** means the account for dematerialised securities maintained by the CSD pursuant to the Financial Instruments Accounts Act in which (i) an owner of such security is directly registered or (ii) an owner's holding of securities is registered in the name of a nominee.

**"Security"** means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect.

**"Security Agent"** means the Agent, or another party replacing it, as Security Agent, in accordance with these Terms and Conditions.

**"Security Documents"** means

- (a) a Dutch law governed share pledge agreement in respect of all shares in the Issuer (securing a parallel debt obligation owed to the Agent as principal in its capacity as Security Agent for the Secured Parties);
- (b) a South African law governed cession and security agreement in respect of the Ords and shareholder claims (securing a parallel debt obligation owed to the Agent as principal in its capacity as Security Agent for the Secured Parties);
- (c) a South African law governed cession and security agreement in respect of the E PIK Notes (securing a parallel debt obligation owed to the Agent as principal in its capacity as Security Agent for the Secured Parties); and

- (d) any other document designated as a Security Document by the Issuer and the Agent and/or the Security Agent.

"**SEK Bonds**" means the senior unsecured callable bonds denominated in SEK with ISIN SE 000 5392560 issued by Evolution Credit Limited (previously Real People Investment Holdings Limited).

"**Senior Lenders**" means the lenders with respect to the Senior Loans.

"**Senior Loans**" means the loans extended under the ZAR 502,618,734.27 and BWP equivalent of ZAR 78,814,868, senior unsecured loan facility agreement entered into by ECL and the Senior Lenders in connection with the Restructuring.

"**Swedish Kronor**" and "**SEK**" means the lawful currency of Sweden.

"**Total Nominal Amount**" means the total aggregate Nominal Amount of the Notes outstanding at the relevant time.

"**Transfer Pricing Analysis**" means the analysis performed by a transfer pricing specialist determining a remuneration for the Issuer acting in accordance with the purpose of the Notes as described in Clause 2.1. (no economic benefit in relation to the legal ownership of the assets and liabilities).

"**Transaction Security**" means the Security provided for the Secured Obligations pursuant to the Security Documents.

"**Written Procedure**" means the written or electronic procedure for decision making among the Noteholders in accordance with Clause 19 (*Written Procedure*).

"**ZAR**" means the lawful currency of South Africa.

## 1.2 Construction

- (a) Unless a contrary indication appears, any reference in these Terms and Conditions to:
- (i) "assets" includes present and future properties, revenues and rights of every description;
  - (ii) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
  - (iii) a "regulation" includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
  - (iv) an Event of Default is continuing if it has not been remedied or waived;

- (v) a provision of law is a reference to that provision as amended or re-enacted; and
  - (vi) a time of day is a reference to Stockholm time.
- (b) When ascertaining whether a limit or threshold specified in Swedish Kronor has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Swedish Kronor for the previous Business Day, as published by the Swedish Central Bank (*Riksbanken*) on its website ([www.riksbank.se](http://www.riksbank.se)). If no such rate is available, the most recently published rate shall be used instead.
  - (c) A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden promptly and in a non-discriminatory manner.
  - (d) No delay or omission of the Agent or of any Noteholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

## 2. Purpose and Status of the Notes

### 2.1 Purpose of the Notes

The purpose of the Notes Issue is to pass on the economic benefit and risk of the holding of the Reference Instruments to the Noteholders.

### 2.2 Status of the Notes

- (a) The Notes are denominated in Swedish Kronor and each Note is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Notes and to comply with these Terms and Conditions.
- (b) By holding Notes, each initial Noteholder agrees that the Notes shall benefit from and be subject to the Finance Documents and by acquiring Notes, each subsequent Noteholder confirms such agreement.
- (c) One (1) Note will be issued for each SEK Bond to the holder of such SEK Bond at the close of business of the Note Entitlement Date. The initial nominal amount of each Note is SEK 393,940 (the "**Initial Nominal Amount**"). A total number of 127 Notes will be issued on the Issue Date with an aggregate Initial Nominal Amount of SEK 50,030,380. All Notes are issued on a fully paid basis.
- (d) The Notes constitute direct, general, unconditional, unsubordinated, secured and limited recourse obligations of the Issuer and shall at all times rank at least pari passu with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law, and without any preference among them.
- (e) The Notes are freely transferable but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under

local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.

- (f) The Notes will not be listed on any regulated market, MTF or other trading platform, and no prospectus or other offer document will be issued or filed with or approved by any financial regulatory authority.
- (g) No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of any document or other material relating to the Issuer or the Notes in any jurisdiction other than Sweden, where action for that purpose is required. Each Noteholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Notes.

### **2.3 Limited recourse**

- (a) The recourse of the Noteholders or the Agent against the Issuer pursuant to these Terms and Conditions is limited. The Noteholders will have a right of recourse (*verhaalsrecht*) only in respect of the Reference Instruments held by the Issuer, including any payments received in connection with these Reference Instruments but not amounts received under the ECL Cost Coverage Agreement, and will not have any claim, by operation of law or otherwise, against, or recourse to any of other assets of the Issuer. The Agent will have a right of recourse (*verhaalsrecht*) against the Issuer only in respect of the Reference Instruments held by the Issuer, including any payments received in connection with these Reference Instruments and amounts received under the ECL Cost Coverage Agreement pertaining to it, and will not have any claim, by operation of law or otherwise, against, or recourse to any of other assets of the Issuer.
- (b) In the event that the Transaction Security has been fully enforced and the proceeds of such enforcement, after payment of all claims ranking in priority to a claim of the Noteholders, are insufficient to pay in full all amounts outstanding in respect of the Notes, then the Noteholders shall have no further claim of whatever nature against the Issuer in respect of such unpaid amount.
- (c) In the event that the Transaction Security has been fully enforced and the proceeds of such enforcement, after payment of all claims ranking in priority to a claim of the Agent and any amount available to the Issuer pertaining to the Agent under the ECL Cost Coverage Agreement, are insufficient to pay in full all amounts outstanding in respect of the Finance Document to the Agent, then the Agent shall have no further claim of whatever nature against the Issuer in respect of such unpaid amount.

### **3. Notes in Book-Entry Form**

- (a) The Notes will be registered for the Noteholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Notes will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Notes shall be directed to an Account Operator.

- (b) Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (*föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Note shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- (c) The Issuer (and the Agent when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the debt register (*skuldbok*) kept by the CSD in respect of the Notes. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- (d) For the purpose of or in connection with any Noteholders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Notes.
- (e) The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Notes. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Noteholders.

#### **4. Right to Act on Behalf of a Noteholder**

- (a) If any person other than a Noteholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Noteholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Noteholder and authorising such person.
- (b) A Noteholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Notes held by it. Any such representative may act independently under the Finance Documents in relation to the Notes for which such representative is entitled to represent the Noteholder and may further delegate its right to represent the Noteholder by way of a further power of attorney.
- (c) The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 4(b) and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face.

#### **5. Payments in Respect of the Notes**

- (a) Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Notes, shall be made to such person who is registered as a Noteholder on the Record Date prior to a Principal Payment Date, a Participation Payment Date or other relevant due date, or to such other person

who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.

- (b) If a Noteholder has registered, through an Account Operator, that principal and participation shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Noteholder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Noteholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- (c) If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed.
- (d) If payment or repayment is made in accordance with this Clause 5, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a person not entitled to receive such amount.
- (e) The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.

## **6. Payment of principal and Participation**

### **6.1 Accrual of Participation**

- (a) Participation shall accrue on the Notes in an amount equivalent to the income accruing under and any increase in value of the Reference Instruments.
- (b) An amount equivalent to any profit resulting from currency translation or fx conversion relating to the Reference Instruments shall be added and an amount equivalent to any loss resulting from currency translation or fx conversion relating to the Reference Instruments shall be deducted from the accrued Participation at the relevant times each year so that any exchange difference effects on income and financial position are balanced and neutralised.
- (c) In accordance with the purpose of the Notes issue as set out Clause 2.1 (Purpose of the Notes), all benefits relating to the Reference Instruments are passed on under the Notes to the Noteholders. The function of the Issuer is the function of a financial administrator. Therefore, the Issuer will only be entitled to a full compensation of the costs of its operations as financial administrator and a Net Fee (together, the "Fee") paid by ECL and may not deduct amounts from such proceeds other than payments to the Agent. The result of the Issuer will always be determined in accordance with the Transfer Pricing Analysis. The taxable income of the Issuer is expected not to exceed the amount of the Net Fee.
- (d) All assets of the Issuer in relation to the Reference Instruments can be paid out under the Notes (but for the avoidance of doubt, not any amount received pursuant

to the ECL Cost Coverage Agreement). The amounts received under the ECL Cost Coverage Agreement can be paid out to satisfy other obligations of the Issuer.

## 6.2 Conversion of income denominated in ZAR

The Issuer shall convert the Net Receipts received in ZAR to SEK at the spot exchange rate available to it (acting reasonably) (such converted amount after deduction of costs for the conversion is referred to as "**Net Converted Receipts**").

## 6.3 Payment of principal

- (a) Subject to paragraph (b) below, the Issuer shall apply any Net Converted Receipts received as repayment of principal under Reference Instruments ("**Principal Repayment Amounts**") to redeem in whole or in part the aggregate Nominal Amount of the Notes.
- (b) The Principal Repayment Amounts and the amounts applied to redeem principal amounts of the Notes pursuant to paragraph (a) above, shall, up until the Final Maturity Date, be limited so that immediately after any such redemption, the Nominal Amount of each Note is at least one (1) SEK, and any excess shall be paid as Participation.
- (c) Redemption of principal pursuant to paragraphs (a) and (b) above shall be made on each Principal Payment Date.
- (d) The Issuer (or ECL) shall make a press release of the amounts to be paid to redeem Nominal Amount no later than five (5) Business Days before the relevant Record Date.
- (e) Payments of principal shall be made in accordance with the rules of the CSD.
- (f) This entire paragraph 6.3 will be deemed deleted and of no effect upon the date of implementation of the Scheme of Arrangement.

## 6.4 Payment of Participation

- (a) The Issuer shall apply any Net Converted Receipts other than Principal Repayment Amounts ("**Participation Amount**") to pay participation ("**Participation**") on the Notes.
- (b) Payment of Participation pursuant to paragraph (a) above shall be made on the Participation Payment Date.
- (c) The Issuer (or ECL) shall make a press release of the amounts to be paid as Participation no later than five (5) business days before the relevant Record Date.
- (d) Payment of Participation shall be made in accordance with the rules of the CSD.



## 6.5 Rounding off payments

Any payment to be made with respect to the Notes shall be rounded down to the nearest even one (1) SEK per each Note, or in accordance with applicable CSD regulation.

## 7. Sale of Reference Instruments

- (a) Except if a sale is made in accordance with paragraph (b) below, if the Issuer receives an offer to sell the Reference Instruments it shall give notice for a Noteholders Meeting or a Written Procedure where the Noteholders can decide on the matter.
- (b) If a change in tax law or the application or interpretation of tax law occurs resulting in increased tax liability for the Issuer relating to its holding of the Reference Instruments, the Issuer shall have a right for the purpose of mitigating such tax liabilities, to
  - (i) subject to paragraph (c) below, reorganize the holding of the Reference Instruments (as applicable) (including a right to transfer such instruments to another legal entity) provided that:
    - (A) the Transaction Security will remain effective after such reorganization or new security equivalent to the existing Transaction Security is created over the relevant Reference Instruments (as applicable); and
    - (B) the Noteholders will be entitled to benefit from payments under the Reference Instruments and the proceeds from a sale of the Reference Instruments (as applicable), on terms equivalent to their rights under the Terms and Conditions.
- (c) At least fifteen (15) Business Days prior to any implementation of a reorganization referred to in paragraph (b) above, the Issuer shall notify the Agent, provide reasonable details of such reorganization and provide evidence reasonably satisfactory to the Agent that the conditions set out in paragraphs (b)(i)(A) and (b)(ii)(B) above will be fulfilled upon the implementation of such reorganization.
- (d) If an offer is received to purchase the Reference Instruments in accordance with section 125 of the South African Companies Act, the memorandum of incorporation of ECL will prescribe that all holders of ordinary shares (including the Issuer) must accept such an offer to sell the Reference Instruments if a prescribed majority of the ordinary shareholders have voted in favour of the offer and an independent board and an independent expert (each as defined under South African regulations) have concluded that the offer is fair and reasonable.
- (e) If the Issuer intends to sell Reference Instruments it must comply with pre-emption provision applicable to the Reference Instruments, which means that it may need to offer the relevant instruments to other existing holders of such instruments.
- (f) The Issuer shall not accept and does not need to inform the Noteholders of offers made to it to acquire further Reference Instruments.
- (g) The net proceeds received from a sale of Reference Instruments shall be applied as follows:

- (i) If an Event of Default has occurred and is continuing, the net proceeds shall be applied in accordance with Clause 13 (*Distribution of Proceeds*); or
- (ii) If no Event Default has occurred and is continuing, the net proceeds shall be applied towards payments of any principal outstanding under the Notes pro rata and pari passu, and any remainder thereafter shall be applied to pay Participation pro rata and pari passu.

## **8. Redemption and Repurchase of the Notes**

### **8.1 Redemption at maturity**

The Issuer shall redeem all, but not some only, of the outstanding Notes in full on the Final Maturity Date with an aggregate amount corresponding to the Net Converted Receipts derived from a sale or enforcement of the Reference Instruments. If the Final Maturity Date is not a Business Day, then the redemption shall occur on the first following Business Day.

### **8.2 Purchase of Notes**

The Issuer may not purchase Notes on the market or in any other way. For the avoidance of doubt, ECL may at any time and at any price purchase any Notes on the market or in any other way.

## **9. Transaction Security**

- (a) No later than within 30 Business Days from the Issue Date, the Issue shall enter into the Parallel Debt Agreement and the Security Documents and grant the Transaction Security to the Secured Parties as represented by the Agent as continuing Security for the due and punctual fulfilment of the Secured Obligations.
- (b) The Agent shall hold the Transaction Security on behalf of the Secured Parties as Security Agent in accordance with the Security Documents.
- (c) Unless and until the Agent has received instructions from the Noteholders in accordance with Clause 17 (*Decisions by Noteholders*), the Agent shall (without first having to obtain the Noteholders' consent) be entitled to enter into agreements with the Issuer or a third party or take any other actions, if it is, in the Agent's opinion, necessary for the purpose of maintaining, altering, releasing or enforcing the Transaction Security, creating further Security for the benefit of the Secured Parties or for the purpose of settling the Noteholders' or the Issuer's rights to the Transaction Security, in each case in accordance with the terms of the Finance Documents.

## **10. Information to Noteholders**

### **10.1 Information from the Issuer**

- (a) The Issuer will make the following information available to the Noteholders by way of press release and by publication on the website of ECL:
  - (i) as soon as the same become available, but in any event within four (4) months after the end of each financial year, its financial statements for that financial year (including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors); and
  - (ii) any other information required by the rules and regulations of relevant information undertakings.
- (b) When the financial statements and other information are made available to the Noteholders pursuant to Clause 10.1(a), the Issuer shall send copies of such financial statements and other information to the Agent.
- (c) The Issuer shall issue a Compliance Certificate to the Agent at the Agent's request, within twenty (20) days from such request. The Agent may assume that any information provided by the Issuer in the Compliance Certificate is correct, and the Agent shall not be responsible or liable for the adequacy, accuracy or completeness of such information.
- (d) The Issuer shall immediately notify the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.
- (e) The Issuer is only obliged to inform the Agent according to this Clause 10.1 if informing the Agent would not conflict with any applicable laws. If such a conflict would exist, the Issuer shall however be obliged to undertake reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to this Clause 10.1.

### **10.2 Information from the Agent and a Noteholders' committee**

- (a) Subject to the restrictions of a non-disclosure agreement entered into by the Agent in accordance with Clause 10.2(b) and the restrictions set out in paragraph 10.2(c), the Agent is entitled to disclose to the Noteholders any event or circumstance directly or indirectly relating to the Issuer or the Notes. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial

to the interests of the Noteholders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.

- (b) Notwithstanding Clause 10.2(a), the Agent shall comply with an agreement regarding the non-disclosure of information received from the Issuer, which is entered into with the members of a Noteholders' Committee and the Issuer pursuant to Clause 16(d).
- (c) Notwithstanding the foregoing, to limit the risk that the Noteholders receive inside information the Issuer will not forward information received by it as holder of the Reference Instruments from ECL to the Noteholders, other than:
  - (i) information relating to voting on the matters set out in Clause 15 (*Voting for the Reference Instruments*);
  - (ii) information relating to Events of Defaults; or
  - (iii) as required for the Noteholders to make decisions on matters to be decided by them under the Terms and Conditions.

### **10.3 Publication of Finance Documents**

- (a) The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the websites of ECL and the Agent.
- (b) The latest versions of the Finance Documents shall be available to the Noteholders at the office of the Agent during normal business hours.

## **11. Other undertakings**

### **11.1 General**

The Issuer undertakes to comply with the undertakings set out in this Clause 11 for as long as any Notes remain outstanding.

### **11.2 Collection of proceeds**

The Issuer shall collect amounts payable under the Reference Instruments and apply them in accordance with these Terms and Conditions.

### **11.3 ECL Cost Coverage Agreement**

The Issuer shall apply any amounts received under the ECL Cost Coverage Agreement to discharge other obligations than owed under the Notes.

### **11.4 No disposal of funds in its own interest**

The Issuer may not dispose of Net Receipts in its own interest.

### **11.5 Distributions**

The Issuer shall not (i) repurchase or redeem any of its own shares, (ii) redeem or reduce its share capital or other restricted or unrestricted equity with repayment to shareholders, or effect another transfer of value (*Sw. värdeöverföring*) without receiving adequate consideration, other than the payment of the Net Fee to the shareholder as described in Clause 11.6, provided that the Issuer has been or will, in connection with such payment, be reimbursed by ECL for an amount equal to the Net Fee in accordance with the ECL Cost Coverage Agreement..

### **11.6 Dividend to shareholder**

Each financial year, after the adoption and approval by the Issuer of its annual accounts, the Issuer shall resolve that it shall pay out the Net Fee relating to the financial year, after deduction of any amounts owed by the Issuer to the tax authorities, by way of dividend to its shareholder.

### **11.7 Nature of Business**

The Issuer will not carry out any other business than business contemplated by these Terms and Conditions and the other Finance Documents.

### **11.8 Accounting**

The Issuer's financial accounts will show as a result of the Issuer the Net Fee for the relevant financial year as determined in the Transfer Pricing Analysis. The Issuer's corporate income tax return will be filed in accordance with the Transfer Pricing Analysis. If the Issuer's accounts are prepared under the International Financial Reporting Standard (IFRS), the accounts will be prepared in accordance with the "pass-through" regime pursuant to article BCZ3.19 of International Reporting Standard 9.

### **11.9 Financial Indebtedness**

The Issuer shall not incur any Financial Indebtedness other than under the Notes and the Finance Documents and counter indemnity obligations with respect to any guarantee issued in favour of the CSD.

### **11.10 Disposal of Assets**

The Issuer shall not sell or otherwise dispose of any business, any of the Reference Instruments or other assets other than in accordance with these Terms and Conditions or as prescribed in the memorandum of incorporation of ECL or the Finance Documents.

### **11.11 Dealings with ECL**

The Issuer shall conduct all dealings with ECL at no less favourable terms for it than on arm's length terms.

### **11.12 Negative Pledge**

The Issuer shall not provide, prolong or renew any security over any of its assets (present or future) to secure any loan or other indebtedness other than Transaction Security.

### **11.13 No financial support**

The Issuer shall not provide any loans, guarantees, or other financial assistance to or on behalf of any other Person other than pursuant to the Finance Documents.

### **11.14 Mergers and demergers**

The Issuer shall not enter into a merger or demerger.

## **12. Events of Default and Acceleration of the Notes**

Each of the events or circumstances set out in this Clause 12 (other than Clause 12.11 (*Acceleration of the Notes*)) is an Event of Default.

### **12.1 Non-Payment**

The Issuer fails to pay an amount on the date it is due in accordance with the Finance Documents unless its failure to pay is caused by administrative or technical error and payment is made within ten (10) Business Days of the due date.

### **12.2 Other Obligations**

The Issuer does not comply with the Finance Documents, in any other way than as set out under Clause 12.1 (*Non-Payment*) above, provided that the Agent has requested the Issuer in writing to remedy such failure and the Issuer has not remedied the failure within fifteen (15) Business Days from such request (if the failure or violation is not capable of being remedied, the Agent may declare the Notes payable without such prior written request).

### **12.3 Cross-default**

A default or event of default (however described) occurs under (i) the Reference Instruments, or (ii) the NOK Participating Notes, and such default is not cured within any applicable grace period.

### **12.4 Insolvency**

- (a) The Issuer is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors with a view to rescheduling its Financial Indebtedness; or
- (b) a moratorium is declared in respect of its debts.

## **12.5 Insolvency Proceedings**

Any corporate action, legal proceedings or other procedures are taken (other than proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within sixty (60) days of commencement or, if earlier, the date on which it is advertised) in relation to:

- (a) the suspension of payments, winding-up, bankruptcy, dissolution, administration or reorganisation (by way of voluntary agreement, scheme of arrangement or otherwise) of the Issuer; and
- (b) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of the Issuer or any of its assets or any analogous procedure or step is taken in any jurisdiction.

## **12.6 Creditors' Process**

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of the Issuer having an aggregate value of an amount equal to or exceeding SEK 1,000,000 and is not discharged within sixty (60) days.

## **12.7 Impossibility or Illegality**

It is or becomes impossible or unlawful for the Issuer to fulfill or perform any of the provisions of the Finance Documents or if the obligations under the Finance Documents are not, or cease to be, legal, valid, binding and enforceable.

## **12.8 Continuation of the Business**

The Issuer ceases to carry on its business.

## **12.9 ECL Cost Coverage Failure**

ECL fails to fulfill its obligation to compensate the Issuer for costs pursuant to the ECL Cost Coverage Agreement and such failure is not remedied within twenty (20) Business Days from the Issuer or the Agent having notified ECL of such failure.

## **12.10 Company Service Provider Termination**

The agreement under which TMF Management B.V., or another company service provider, has agreed to provide company administration services to the Issuer is terminated and a new company service provider has not been appointed within 15 Business Days from the date the agreement no longer is effective.

## **12.11 Acceleration of the Notes**

- (a) Upon the occurrence of an Event of Default which is continuing, the Agent is entitled to, and shall following an instruction given pursuant to Clause 12.11(d), on behalf of the Noteholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Notes due and payable together with any other

amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.

- (b) The Agent may not accelerate the Notes in accordance with Clause 12.11(a) by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Noteholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- (c) The Agent shall notify the Noteholders of an Event of Default within ten (10) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Notes shall be so accelerated. If the Agent decides not to accelerate the Notes, the Agent shall promptly seek instructions from the Noteholders in accordance with Clause 17 (*Decisions by Noteholders*). The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- (d) If the Noteholders instruct the Agent to accelerate the Notes, the Agent shall promptly declare the Notes due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Noteholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- (e) If the right to accelerate the Notes is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.

### **13. Distribution of Proceeds**

- (a) All amounts received by the Issuer relating to the Reference Instruments and the Finance Documents (other than under or relating to the ECL Cost Coverage Agreement) following an acceleration of the Notes in accordance with Clause 12 (*Events of Default and Acceleration of the Notes*) and any proceeds received from an enforcement of the Transaction Security and for the avoidance of doubt excluding any amounts received under the ECL Cost Coverage Agreement, shall be distributed by the Issuer (or the Agent) in the following order of priority, in accordance with the instructions of the Agent:
  - (i) first, in or towards payment pro rata of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement (other than any indemnity given for liability against the Noteholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Notes, the enforcement of the Transaction Security or the protection of the Noteholders' rights as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer



in accordance with Clause 21.2(f), and (iv) any costs and expenses incurred by the Agent in relation to a Noteholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 17(d);

- (ii) secondly, in or towards payment pro rata of any cost and expenses incurred by a Noteholders' Committee in accordance with an agreement with the Issuer pursuant to Clause 16(e) that have not been reimbursed by the Issuer;
- (iii) thirdly, towards payment of any principal unpaid under the Notes pro rata and pari passu;
- (iv) fourthly, towards payment of Participation unpaid under the Notes pro rata and pari passu; and
- (v) fifthly, in or towards payment pro rata of any other costs or outstanding amounts unpaid under the Finance Documents.

Any excess funds after the application of proceeds in accordance with paragraphs (i) to (v) above shall be paid as Participation.

- (b) If a Noteholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 13(a) or ((a)(ii)), such Noteholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 13(a)(i) or ((a)(ii)).
- (c) Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Notes or the enforcement of the Transaction Security constitute escrow funds (*redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Noteholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 13 as soon as reasonably practicable.
- (d) If the Issuer or the Agent shall make any payment under this Clause 13, the Issuer or the Agent, as applicable, shall notify the Noteholders of any such payment at least ten (10) Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Participation due but unpaid and/or any partial redemption of principal in accordance with Clause 6 (*Payment of principal and Participation*) due but not made, the Record Date specified in Clause 5(a) shall apply.
- (e) Any amounts received under the ECL Cost Coverage Agreement will not be available for payment on the Notes but will only be available to pay any amounts due with respect to other obligations.

#### **14. Offer to subscribe for ordinary shares in ECL**

- (a) If new ordinary shares are issued by ECL with a right of first refusal for existing holders of ordinary shares and with a right for the Issuer to designate nominees with respect to such share issue, the Issuer will offer to the extent reasonable practicable possible each Noteholder to designate it as nominee with respect to the share issue pro rata in relation to the Noteholder's holding of Notes (rounded down to the closest whole number of shares).
- (b) The Issuer may make such reasonable adjustments or amendments to the offer as it deems appropriate or necessary to implement the offer from a practical or administrative perspective.

#### **15. Voting for the Reference Instruments**

- (a) If the holders of ordinary shares in ECL are summoned or otherwise offered to vote on a matter as shareholders, the Issuer shall vote as holder of the Reference Instruments:
  - (i) as instructed by the Agent (representing the Noteholders pursuant to paragraph (c) below) with respect to the following matters:
    - (A) any material change in the nature of the business conducted by ECL;
    - (B) the disposal by ECL of all or the greater part of the assets or undertaking (as contemplated in the South African Companies Act) of ECL;
    - (C) the disposal by ECL of assets to any shareholder of ECL or an Affiliate of ECL (other than disposals in the ordinary course of business and/or disposals on arms' length basis);
    - (D) any variation, amendment or alteration to the memorandum of incorporation of ECL which has a material adverse effect on the interests of the ordinary shareholders generally;
    - (E) any issuance of shares, options, convertibles or other instruments providing an entitlement to ordinary shares (other than (i) as contemplated to occur as a part of the Restructuring, or (ii) if offered with right of first refusal to the existing holders of ordinary shares or pursuant to an employee share scheme;
    - (F) any merger of the ECL with another legal entity (except where ECL continues to exist as the surviving legal entity);
    - (G) a decision to liquidate (voluntarily or compulsorily) or wind-up ECL or to place ECL under business rescue or similar process (in each case whether provisionally or finally) or to compromise generally with its creditors, other than if required to do so in

accordance with the provisions of the South African Companies Act; and

- (H) the deregistration of ECL.
  - (ii) Subject to paragraph (b) below, with respect to all other matters than those referred to in paragraph (a)(i) above:
  - (iii) as long as Senior Lenders hold at least twenty (20) per cent. of the issued ordinary share capital in RPIH and Senior Loans are outstanding, in the same way as the majority of the number of votes are cast by the Senior Lenders with respect to ordinary shares in RPIH held by them; or
  - (iv) if the Senior Lenders hold less than twenty (20) per cent. of the issued ordinary share capital in RPIH or if the Senior Loans has been fully discharged, in the same way as the majority of the number of votes are cast by the other holders of ordinary shares in ECL with respect to such ordinary shares.
- (b) If an Event of Default has occurred and is outstanding and the holders of ordinary shares in ECL are summoned or otherwise offered to vote on a matter as shareholders, the Issuer shall vote for the Reference Instruments as set out in paragraph (a)(i) above.
  - (c) If a matter referred to in paragraph (a)(i) or (b) above shall be voted on by the shareholders of the Reference Instruments, the Agent shall (to the extent possible taken applicable notice periods and administrative procedures into account) give notice of a Written Procedure or a Noteholder's Meeting on which the Noteholders may decide on how to instruct the Issuer to vote for the Reference Instruments.

## 16. Noteholders' Committee

- (a) The Noteholders may appoint a committee (a "**Noteholders' Committee**") to represent the interests of the Noteholders. A Noteholders' Committee shall consist of no less than three (3) natural persons. All members of a Noteholders' Committee shall be elected at a Noteholders' Meeting.
- (b) Each Noteholder is entitled to nominate candidates to the Noteholders' Committee by notice to Agent no later than two (2) Business Days prior to the Noteholders' Meeting. At the Noteholders Meeting all candidates so nominated shall be presented to the Noteholders. Each Noteholder that is entitled to vote shall for such election have the same number of votes to cast for each Note as the total number of persons to be elected. A Noteholder may cast its votes for one or several of the candidates. The candidates that receive the most votes shall be elected to the Noteholders' Committee.
- (c) A Noteholders' Committee may enter into discussions with the Issuer and other creditors of the Issuer and by majority decision among its members (i) adopt such procedural rules as it considers appropriate and (ii) prepare proposals and

recommendations to the Noteholders. A Noteholders' Committee may not bind the Noteholders to any agreement or decision. The Agent shall provide reasonable assistance to the Noteholders' Committee and participate in its meetings.

- (d) The Noteholders' Committee may agree with the Issuer not to disclose information received from the Issuer provided that it, in the reasonable opinion of the Noteholders' Committee, is beneficial to the interests of the Noteholders. The Agent shall be a party to such agreement and receive the same information from the Issuer as the Noteholders' Committee.
- (e) The Noteholders' Committee and the Issuer may agree that the Issuer shall pay certain costs and expenses incurred by the Noteholders' Committee. Otherwise the Noteholders' Committee is not entitled to be reimbursed for any costs or expenses.

## 17. Decisions by Noteholders

- (a) A request by the Agent for a decision by the Noteholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.
- (b) The value of the vote of each Note shall be the Nominal Amount
- (c) Any request from the Issuer, ECL or a Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a person who is a Noteholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Noteholders, be made by them jointly) for a decision by the Noteholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Noteholders' Meeting or by way of a Written Procedure, as determined by the Agent. The person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Noteholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Noteholders' Meeting. Notwithstanding the foregoing, the appointment of a Noteholders' Committee shall always be dealt with at a Noteholders' Meeting.
- (d) The Agent may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Noteholders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- (e) Only a person who is, or who has been provided with a power of attorney pursuant to Clause 4 (*Right to Act on Behalf of a Noteholder*) from a person who is, registered as a Noteholder:
  - (i) on the Record Date prior to the date of the Noteholders' Meeting, in respect of a Noteholders' Meeting, or

- (ii) on the Business Day specified in the communication pursuant to Clause 19(c), in respect of a Written Procedure,

may exercise voting rights as a Noteholder at such Noteholders' Meeting or in such Written Procedure, provided that the relevant Notes are included in the definition of Adjusted Nominal Amount.

- (f) The following matters shall require the consent of Noteholders representing at least sixty-six and two thirds ( $66 \frac{2}{3}$ ) per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 19(c):
  - (i) waive a breach of or amend an undertaking set out in Clause 11 (*Other undertakings*);
  - (ii) release the security provided under the Security Documents;
  - (iii) reduce the principal amount or the Participation which shall be paid by the Issuer;
  - (iv) accept an offer to sell the Reference Instruments;
  - (v) instruct the Issuer to solicit offers to purchase the Reference Instruments;
  - (vi) amend any payment day for principal or Participation or waive any breach of a payment undertaking, or
  - (vii) amend the provisions regarding the majority requirements under these Terms and Conditions.
- (g) Any matter not covered by Clause 17(f) shall require the consent of Noteholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 19(c). This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 20(a) or (20(a)(iii))), an acceleration of the Notes, the appointment of a Noteholders' Committee, or the enforcement of any Transaction Security.
- (h) Quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 17(f), and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
  - (i) if at a Noteholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or

- (ii) if in respect of a Written Procedure, reply to the request.
- (i) If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Noteholders' Meeting (in accordance with Clause 18(a)) or initiate a second Written Procedure (in accordance with Clause 19(a)), as the case may be, provided that the relevant proposal has not been withdrawn by the person(s) who initiated the procedure for Noteholders' consent. The quorum requirement in Clause 17(h) shall not apply to such second Noteholders' Meeting or Written Procedure.
- (j) Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as appropriate.
- (k) A Noteholder holding more than one Note need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- (l) The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Noteholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Noteholders that consent at the relevant Noteholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- (m) A matter decided at a duly convened and held Noteholders' Meeting or by way of Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure. The Noteholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Noteholders.
- (n) All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer only if and to the extent it has received an amount equal to such amount under the ECL Cost Coverage Agreement for the purpose of payment of these costs. The Agent shall for the avoidance of doubt be allowed to satisfy such expenses out of the Transaction Security.
- (o) If a decision shall be taken by the Noteholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Notes owned by (to the knowledge of the Issuer) ECL and its Affiliates, irrespective of whether such person is directly registered as owner of such Notes. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Note is owned by a ECL or its Affiliates.

- (p) Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Noteholders and published on the websites of ECL and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.

## **18. Noteholders' Meeting**

- (a) The Agent shall convene a Noteholders' Meeting by sending a notice thereof to each Noteholder no later than five (5) Business Days after receipt of a request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons).
- (b) Should the Issuer want to replace the Agent, it may convene a Noteholders' Meeting in accordance with Clause 18(a) with a copy to the Agent. After a request from the Noteholders pursuant to Clause 21.4(c), the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Noteholders' Meeting in accordance with Clause 18(a).
- (c) The notice pursuant to Clause 18(a) shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Noteholders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Noteholders' Meeting. Should prior notification by the Noteholders be required in order to attend the Noteholders' Meeting, such requirement shall be included in the notice.
- (d) The Noteholders' Meeting shall be held no earlier than five (5) Business Days and no later than fifteen (15) Business Days from the notice.
- (e) Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Noteholders to vote without attending the meeting in person.

## **19. Written Procedure**

- (a) The Agent shall instigate a Written Procedure (which may be conducted electronically in a manner determined by the Agent) no later than five (5) Business Days after receipt of a request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such person who is registered as a Noteholder on the Business Day prior to the date on which the communication is sent.
- (b) Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 19(a) to each Noteholder with a copy to the Agent.

- (c) A communication pursuant to Clause 19(a) shall include (i) each request for a decision by the Noteholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least five (5) Business Days from the communication pursuant to Clause 19(a)). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- (d) When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 17(f) and 17(g) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 17(f) or 17(g), as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## 20. Amendments and Waivers

- (a) The Issuer and the Agent (acting on behalf of the Noteholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:
  - (i) The Agent is satisfied that such amendment or waiver is not detrimental to the interest of the Noteholders;
  - (ii) Such amendment or waiver is made solely for the purpose of rectifying obvious errors and mistakes;
  - (iii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
  - (iv) such amendment or waiver has been duly approved by the Noteholders in accordance with Clause 17 (*Decisions by Noteholders*) and the Agent has received any conditions precedent specified for the effectiveness of the approval by the Noteholders.
- (b) The consent of the Noteholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment.
- (c) The Agent shall promptly notify the Noteholders of any amendments or waivers made in accordance with Clause 20(a), setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 10.3 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.



- (d) An amendment to the Finance Documents shall take effect on the date determined by the Noteholders Meeting, in the Written Procedure or by the Agent, as the case may be.

## **21. Appointment and Replacement of the Agent**

### **21.1 Appointment of Agent**

- (a) By receiving the Notes, each initial Noteholder appoints the Agent to act as its agent in all matters relating to the Notes and the Finance Documents (including to act as Security Agent), and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Notes held by such Noteholder including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security.
- (b) By acquiring Notes, each subsequent Noteholder confirms the appointment and authorisation for the Agent and the Security Agent to act on its behalf, as set forth in Clause 21.1(a).
- (c) Each Noteholder shall immediately upon request provide the Agent and the Security Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent or the Security Agent, as applicable), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. Neither the Agent nor the Security Agent is under any obligation to represent a Noteholder which does not comply with such request.
- (d) The Issuer shall promptly upon request provide the Agent and the Security Agent with any documents and other assistance (in form and substance satisfactory to the Agent or the Security Agent, as applicable), that the Agent or the Security Agent, as applicable deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- (e) The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- (f) The Agent may act as agent or trustee for several issues of securities issued by or relating to the Issuer and its Affiliates notwithstanding potential conflicts of interest.

### **21.2 Duties of the Agent**

- (a) The Agent shall represent the Noteholders in accordance with the Finance Documents, including, *inter alia*, holding the Transaction Security pursuant to the Security Documents and the Parallel Debt Agreement on behalf of the Noteholders and, where relevant, enforcing the Transaction Security on behalf

of the Noteholders. However, the Agent is not responsible for the execution or enforceability of the Finance Documents or the perfection of the Transaction Security.

- (b) When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Noteholders. The Agent is not acting as an advisor (whether legal, financial or otherwise) to the Noteholders or any other person and no opinion or advice by the Agent will be binding on the Noteholders.
- (c) The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under the Finance Documents
- (d) The Agent shall treat all Noteholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Noteholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- (e) The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event which the Agent reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer or the Transaction Security which the Agent reasonably believes may be detrimental to the interests of the Noteholders under the Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 13 (*Distribution of Proceeds*).
- (f) Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (g) The Agent is not obligated to assess or monitor the financial condition of the Issuer or compliance by the Group with the terms of the Finance Documents (unless to the extent expressly set out in the Finance Documents).
- (h) If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by the Issuer, or the Noteholders (as applicable) the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- (i) The Agent's duties under these Terms and Conditions are solely mechanical and administrative in nature and the Agent only acts in accordance with these Terms

and Conditions and upon instructions from the Noteholders, unless otherwise set out in these Terms and Conditions. In particular, the Agent in not acting as an advisor (whether legal, financial or otherwise) to the Noteholders or any other person.

- (j) Other than as specifically set out in the Finance Documents, the Agent shall not be bound to monitor (i) whether any Event of Default has occurred, (ii) the performance, default or any breach by the Issuer of its obligations under the Finance Documents, or (iii) whether any other event specified in any Finance Document has occurred. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.
- (k) The Agent shall only have to examine the face of documents and information delivered to it and shall not be liable to the Noteholders for damage due to any such documents and information not being accurate, correct and complete and, as applicable, duly authorised, executed, legally valid, binding and enforceable.
- (l) The Agent shall give a notice to the Noteholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 21.2(h).
- (m) Unless it has actual knowledge to the contrary, the Agent may assume that all information provided by or on behalf of the Issuer (including by its advisors) is correct, true and complete in all aspects.

### **21.3 Limited liability for the Agent**

- (a) The Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- (b) The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.
- (c) The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Noteholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.

- (d) The Agent shall have no liability to the Noteholders for damage caused by the Agent acting in accordance with instructions of the Noteholders given in accordance with Clause 17 (*Decisions by Noteholders*) or a demand by Noteholders given pursuant to Clause 12.11.
- (e) Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Noteholders under the Finance Documents.
- (f) The Agent is not liable for information provided to the Noteholders by or on behalf of the Issuer or by any other person.

#### **21.4 Replacement of the Agent**

- (a) Subject to Clause 21.4(f), the Agent may resign by giving notice to the Issuer, the Noteholders, in which case the Noteholders shall appoint a successor Agent at a Noteholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- (b) Subject to Clause 21.4(f), if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (c) A Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a person who is a Noteholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Noteholders, be given by them jointly), require that a Noteholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Noteholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Noteholders that the Agent be dismissed and a new Agent appointed.
- (d) If the Noteholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Noteholders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (e) The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- (f) The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.

- (g) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Noteholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- (h) In the event that there is a change of the Agent in accordance with this Clause 21.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agrees otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

## **22. Appointment and Replacement of the Issuing Agent**

- (a) The Issuer appoints the Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Notes.
- (b) The Issuing Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as new Issuing Agent at the same time as the old Issuing Agent retires or is dismissed. If the Issuing Agent is Insolvent, the Issuer shall immediately appoint a new Issuing Agent, which shall replace the old Issuing Agent as issuing agent in accordance with these Terms and Conditions.

## **23. No Direct Actions by Noteholders**

- (a) A Noteholder may not take any steps whatsoever against the Issuer or with respect to the Transaction Security to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation or bankruptcy (*faillissement*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents.
- (b) Clause 23(a) shall not apply if the Agent has been instructed by the Noteholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Noteholder to provide documents in accordance with Clause 21.1(c)), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 21.2(h), such failure must continue for at least forty (40) Business Days

after notice pursuant to Clause 21.2(l) before a Noteholder may take any action referred to in Clause 23(a).

## 24. Prescription

- (a) The right to receive repayment of the principal of the Notes shall be prescribed and become void ten (10) years from the relevant Principal Payment Date (subject to paragraph (b) below). The right to receive payment of Participation (excluding any capitalised Participation) shall be prescribed and become void three (3) years from the relevant Participation Payment Date (subject to paragraph (b) below). The Issuer is entitled to any funds set aside for payments in respect of which the Noteholders' right to receive payment has been prescribed and has become void.
- (b) If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (*preskriptionslag (1981:130)*), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Notes, and of three (3) years with respect to receive payment of Participation (excluding capitalised Participation) will commence, in both cases calculated from the date of interruption of the limitation period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

## 25. Notices and Press Releases

### 25.1 Notices

- (a) Any notice or other communication to be made under or in connection with the Finance Documents:
  - (i) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (*Bolagsverket*) on the Business Day prior to dispatch;
  - (ii) if to the Issuer, shall be given at the address registered with the Dutch Chamber of Commerce; and
  - (iii) if to the Noteholders, shall be given at their addresses as registered with the CSD, on the Business Day prior to dispatch, and by either courier delivery (to the extent it is possible to deliver by way of courier to the addresses registered with the CSD) or letter for all Noteholders. A Notice to the Noteholders shall also be published on the websites of ECL and the Agent.
- (b) Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery, letter or Stamdata and will only be effective:
  - (i) in case of courier or personal delivery, when it has been left at the address specified in Clause 25.1(a);

- (ii) in case of letter, one (1) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 25.1(a); or
  - (iii) in case of notice or other communication posted on Stamdata, when publicly available.
- (c) Failure to send a notice or other communication to a Noteholder or any defect in it shall not affect its sufficiency with respect to other Noteholders.
  - (d) If an Event of Default is continuing, any notice or other communication made by the Agent to the Issuer under or in connection with the Finance Documents may, provided that the Agent deems it necessary in order to preserve the Noteholders' rights under the Finance Documents, be sent by email and will be effective on the day of dispatch (unless a delivery failure message was received by the Agent), save that any notice or other communication sent by email that is sent after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day. Any notice or other communication to be sent by email by the Agent to the Issuer in accordance with this paragraph (d) shall be sent to the CFO or the CEO of the Issuer, to the email addresses most recently notified by the Issuer to the Agent.

## 25.2 Press releases

- (a) Any notice that the Issuer or the Agent shall send to the Noteholders pursuant to Clauses 6 (*Payment of principal and Participation*) and 10 (*Information to Noteholders*) shall also be published by way of press release by the Issuer or the Agent, as applicable.
- (b) In addition to Clause 25.2(a), if any information relating to the Notes or the Issuer contained in a notice the Agent may send to the Noteholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Noteholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Noteholders, the Agent shall be entitled to issue such press release.
- (c) A press release that is to be made by the Issuer may be made by ECL on behalf of the Issuer utilising ECL's press release service.

## 26. Force Majeure and Limitation of Liability

- (a) Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance (a "**Force Majeure Event**"). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.

- (b) The Issuing Agent shall have no liability to the Noteholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- (c) Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- (d) The provisions in this Clause 25.2(c) apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

## **27. Governing Law and Jurisdiction**

- (a) These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.
- (b) The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (*Stockholms tingsrätt*).

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*[Separate signature page to follow]*



We hereby certify that the above terms and conditions are binding upon ourselves.

Place:

Date:

**IZABELO SEK B.V.**

as Issuer

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Name:

We hereby undertake to act in accordance with the above terms and conditions to the extent they refer to us.

Place:

Date:

**Nordic Trustee & Agency AB (publ)**

as Agent

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Name:

# **INDEPENDENT BOARD REPORT**

*Schedule 4*

**EVOLUTION CREDIT LIMITED**  
(Incorporated in the Republic of South Africa)  
(Registration number 1999/020093/06)  
("the Company")

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**INDEPENDENT DIRECTORS**

Derrick Thembinkosi Vusumuzi Msibi  
Lindiwe Evarista Mthimunye  
Ralph Rowland Buddle  
Poovendhri Viranna

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**PART B - INDEPENDENT BOARD REPORT**

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**1 INTRODUCTION**

This report ("**Report**") contains the views of the independent board of the Company ("**Independent Board**") in relation to the Scheme proposed in *Part A* of this Circular.

**2 COMPOSITION OF THE INDEPENDENT BOARD**

The Independent Board comprises the following directors :

Director	Age	Business Address
Ralph Rowland Buddle	57	12 Esplanade Road, Quigney, East London, 5201, Eastern Cape
Derrick Thembinkosi Vusumuzi Msibi	54	12 Esplanade Road, Quigney, East London, 5201, Eastern Cape
Lindiwe Evarista Mthimunye	50	12 Esplanade Road, Quigney, East London, 5201, Eastern Cape
Poovendhri Viranna	49	12 Esplanade Road, Quigney, East London, 5201, Eastern Cape

**3 APPOINTMENT OF INDEPENDENT EXPERT**

The Independent Board has, in conformity with the applicable requirements of Regulation 90 of the Takeover Regulations, appointed BDO Corporate Finance as the Independent Expert to provide the Independent Board with its opinion as to whether the terms of the Scheme are fair and reasonable to the Securities Holders.

**4 OPINION OF THE INDEPENDENT EXPERT**

On 20 December 2023, the Independent Expert delivered to the Independent Board an opinion to the effect that, as of the date of the opinion, and based upon and subject to the factors and assumptions detailed therein, the terms and conditions of the Scheme, and in particular, the Scheme Allocation are fair and reasonable to the Securities Holders for the reasons set out therein. A copy of the opinion is annexed hereto as **Appendix A**.

**5 VIEWS OF THE INDEPENDENT BOARD**

- 5.1 The Independent Board has valued the Company using the consolidated net asset value of the Company as determined in the most recent audited annual financial statements ("**AFS**"), being an amount of R486,715,964 ("**NAV**"). The net asset value was deemed appropriate for purposes of valuing the Company as the company's productive assets are effectively valued using the present value of future cash flows which have been audited by the groups external auditors as part of the finalisation of the AFS. In addition, a percentage of NAV is regularly used to value the equity of companies of this nature, adjusted for the specific circumstances relating to the requirements for the valuation.

- 5.2 Based on a range of values linked to the NAV, the Independent Board then performed a valuation of the Scheme Securities, as required by Regulation 110(3)(a) of the Companies Regulations, taking into account the views expressed in the Independent Expert Report. As the Independent Expert determined that the Scheme Allocation is fair and reasonable the Independent Board has applied the distribution percentage of each Class of Scheme Securities (as outlined in paragraph **Error! Reference source not found.** above) to the NAV in order to determine the fair value range in respect of each Class of Scheme Securities.
- 5.3 Based on the above exercise, the Independent Board has determined the fair value range in respect of each Class of Scheme Securities prior to implementation of the Scheme as set out in the following Table:

<b>Class of Scheme Securities</b>	<b>Total Value of the Class (Low)</b>	<b>Total Value of the Class (High)</b>	<b>Midpoint of the Value Range</b>
E PIK Notes	200,648,657	401,297,313	300,972,985
D PIK Notes	16,012,955	32,025,910	24,019,433
C1 Preference Shares	8,779,427	17,558,854	13,169,141
C2 Preference Shares	2,293,361	4,586,722	3,440,042
B Preference Shares	4,283,100	8,566,201	6,424,651
A Ordinary Shares	9,271,939	18,543,878	13,907,909
Ordinary Shares	2,068,543	4,137,086	3,102,814
	<b>243,357,982</b>	<b>486,715,964</b>	<b>365,036,975</b>

- 5.4 Based on a Company valuation of R365,036,975 (determined in relation to the midpoint NAV), the value of a single Ordinary Share after implementation of the Scheme (but prior to the proposed Consolidation) would be R0.03. The total number of Ordinary Shares to be held by each Securities Holder post implementation of the Scheme (Pre-consolidation) is set out in Appendix 1 to the Circular (Part A). The effect of the Consolidation on the ordinary shareholding of each Securities Holder post implementation of the Scheme is then set out in Appendix 2 to the Circular (Part A). The Independent Board agrees with the view expressed in the Independent Expert's Report that the effect of the Consolidation has a negligible impact, and therefore it is considered fair and reasonable.
- 5.5 In order to express an opinion as to the fairness and reasonableness of the Scheme, the Independent Board then compared the midpoint value in respect of the Scheme Securities held by each Scheme Participant with the value of the Ordinary Shares to be issued to that Scheme Participant in terms of the Scheme. The results of that comparison are set out in **Appendix B** hereto.
- 5.6 For purposes of expressing a view as to the fairness of the Scheme, the Independent Board did not identify any factors that are difficult to quantify or unquantifiable.
- 5.7 Based on the above calculations and having considered the opinion of the Independent Expert, the Independent Board is unanimously of the opinion that the Scheme is fair and reasonable to the Securities Holders.
- 5.8 As at the Last Practicable Date, the Independent Board has not received any other offers, as contemplated in section 117(1)(f) of the Companies Act.
- 5.9 The Independent Board has no objection to the Scheme or to the statements contained in Part A of this Circular insofar as they pertain to the Company.

## 6 DIRECTORS INTEREST IN THE SCHEME

- 6.1 As indicated in *Part A* of the Circular, Neil Grobbelaar is an indirect shareholder in the Company through Rivendale Investments (Pty) Ltd which holds 3,572 Ordinary Shares in the Company.
- 6.2 Although they have no beneficial interest in the Company, Peter Gerard de Beyer and Norman William Thomson are both trustees of the Management Incentive Trust ("**the Management**

Trustees") which holds 18,029,362 A Ordinary Shares for the benefit of management of the Company.

- 6.3 Save as set out in 6.1 and 6.2 above, no Directors of the Company will benefit directly or indirectly in any manner as a consequence of the implementation of the Scheme.

## 7 INTENDED ACTION OF THE COMPANY DIRECTORS

The Independent Board has been advised that Neil Grobbelaar and the Management Trustees intend voting in favour of the Scheme in respect of the Scheme Securities they hold.

## 8 INDEPENDENT BOARD'S RECOMMENDATION

- 8.1 The Independent Board has considered the terms and conditions of the Scheme and has considered the Resolutions set out in the Notice of Combined General Meeting and of each Special Class Meeting and is of the opinion that the Scheme is fair and reasonable to the Securities Holders
- 8.2 The Independent Board unanimously recommends that Scheme Participants vote in favour of the Resolutions to be proposed at the Meetings.

## 9 CONSENTS

The Independent Expert has consented in writing to act in the capacity stated in this document and to their name being included in this document. They have consented also to reference to their report in the form and context in which it appears and have not withdrawn their consent prior to the publication of this Circular.

## 10 COSTS OF THE SCHEME


The Company shall pay the costs of the Scheme, including the costs of publishing and distributing this document and any directly related costs such as the fees levied by the TRP. In this regard, reference is made to paragraph 7.2 in *Part A* of the Circular.

## 11 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors comprising the Independent Board of the Company:

- 11.1 have considered all statements of fact and opinion in this Report;
- 11.2 accept, individually and collectively, full responsibility for the accuracy of the information given in this Report;
- 11.3 certify that, to the best of their knowledge and belief, the information in this Report is true;
- 11.4 certify that, to the best of their knowledge and belief, there are no omissions of material facts or considerations which would make any statement of fact or opinion contained in this Report.

### For and on behalf of the Independent Board

DocuSigned by:  
  
4AB0565A31B4418...

**Ralph Rowland Buddle**  
*Independent Director*

**8 April 2024**

# **REPORT OF THE INDEPENDENT EXPERT (BDO)**

*Schedule 5*

The Independent Board  
Evolution Credit Limited  
12 Esplanade Road  
Quigney  
East London  
5201

20 December 2023

Dear Sirs/Mesdames

## **REPORT OF THE INDEPENDENT EXPERT TO THE INDEPENDENT BOARD REGARDING THE SCHEME OF ARRANGEMENT PROPOSED BY EVOLUTION CREDIT TO EXCHANGE SCHEME SECURITIES IN THE COMPANY FOR ORDINARY SHARES**

### **Introduction**

The board of directors of Evolution Credit Limited (“Evolution Credit” or “the Company”) (“Directors” or “Board”) intend to simplify the Company’s capital structure, which currently comprises ordinary no par value shares in the share capital of the Company (“Ordinary Shares”), A Ordinary Shares in the authorised share capital of the company (“A Ordinary Shares”), B Preference Shares in the authorised share capital of the company (“B Preference Shares”), C1 Preference Shares in the authorised share capital of the company (“C1 Preference Shares”), C2 Preference Shares in the authorised share capital of the company (“C2 Preference Shares”) each instrument in the form of a note issued by the Company and designated as a “D PIK Note” (“D PIK Notes”) and each instrument in the form of a note issued by the Company and designated as an “E PIK Note” (“E PIK Notes”).

The Company proposes to implement the securities exchange in terms of which the registered holders of securities in the capital of the Company (“Shareholder(s)”), comprising:

- Ordinary Shares, A Ordinary Shares, B Preference Shares, C1 Preference Shares and C2 Preference Shares (the “Scheme Shares”); and
- D PIK Notes and E PIK Notes (the “Scheme Notes”)

(Scheme Shares and Scheme Notes are together the “Scheme Securities”)

(Holders of Scheme Securities are the “Scheme Participants”)

will exchange the Scheme Securities held by Scheme Participants (other than Ordinary Shares) for a specified number of Ordinary Shares (“Scheme Allocation”) by way of a scheme of arrangement in terms of section 114(1) of the Companies Act, between the Company and the Scheme Participants (the “Scheme”).

In accordance with the Companies Regulations, 2011 (“Companies Regulations”), the independent board comprising of the independent non-executive directors (“Independent Board”) have appointed BDO Corporate Finance Proprietary Limited (“BDO Corporate Finance”) in accordance with section 114(2) of the Companies Act (No. 71 of 2008), as amended (“Companies Act”), to provide independent advice, with regard to the provisions of section 114(3) (as read with section 48(8)(b) and section 115) of the Companies Act.

In addition to the Scheme, the Company is contemplating a consolidation of Ordinary Shares upon implementation of the Scheme in order to consolidate the Ordinary Shares (including the Ordinary Shares allocated to the Scheme Participants pursuant to the Scheme) on the basis that each Scheme Participant will be issued with 1 Ordinary Share for each 1,000 Ordinary Shares held by that Scheme Participant or allocated to that Scheme Participant pursuant to the Scheme (the “Consolidation”).

If the Scheme becomes unconditional and is implemented, each Shareholder, excluding any Scheme Participant who is a Shareholder and validly exercises their Appraisal Rights in terms of section 164 of the Companies Act (“Dissenting Shareholders”), in relation to the Scheme will receive the Scheme Allocation

as detailed in Appendix I of the circular to Shareholders regarding the Scheme (the “Circular”) (“Scheme Allocation Schedule”).

The authorised and issued securities of Evolution Credit as at Wednesday, 6 December 2023, being the last practicable date prior to the finalisation of the Circular (“Last Practicable Date”) is set out below:

<b>Authorised share capital</b>
1,000,000,000 Ordinary Shares
500,000,000 A Ordinary Shares
500,000,000 B Preference Shares
100,000 C1 Preference Shares
100,000 C2 Preference Shares
<b>Issued share capital</b>
102,169,409 Ordinary Shares
18,029,362 A Ordinary Shares
104,217 B Preference Shares
34,626 C1 Preference Shares
9,045 C2 Preference Shares
<b>Securities other than shares</b>
10,176,605,044 D PIK Notes
53,599,511,193 E PIK Notes

#### **Independent expert report required in terms of the Companies Act and Companies Regulations**

The Scheme is an affected transaction as defined in Section 117(1)(c) of the Companies Act. In terms of Section 114(2) of the Companies Act, as read with Regulation 90 and 110 of the Companies Regulations, the Independent Board is required to retain an independent expert to provide an independent expert report (in the form of a fair and reasonable opinion) in terms of section 114(3) of the Companies Act and Regulation 90 and 110 of the Companies Regulations, with regards to the Scheme (the “Fair and Reasonable Opinion”).

BDO Corporate Finance Proprietary Limited (“BDO Corporate Finance” or “Independent Expert”) has been appointed as the independent expert by the Independent Board to assess the Scheme as required in terms of section 114 of the Companies Act and Regulation 90 and 110 of the Companies Regulations and provide the Fair and Reasonable Opinion. The Fair and Reasonable Opinion set out herein is provided to the Independent Board for the sole purpose of assisting the Independent Board in forming and expressing an opinion on the Scheme for the benefit of Scheme Participants.

#### **Responsibility**

Compliance with the Companies Act and the Companies Regulations is the responsibility of the Board and Independent Board. Our responsibility is to report to the Independent Board on whether the terms and conditions of the Scheme are fair and reasonable to Scheme Participants.

#### **Definition of the terms “fair” and “reasonable” applicable in the context of the Scheme**

The “fairness” of a transaction is primarily based on quantitative issues. A transaction will generally be considered to be fair to a company’s shareholders if the benefits received, as a result of the transaction, are equal to or greater than the value given up.

An offer may generally be considered to be fair to shareholders if the offer consideration is equal to or greater than the fair value of an offer share, or not fair if the offer consideration is less than the fair value of an offer share. Furthermore, in terms of regulation 110(8) of the Companies Regulations, an offer with a consideration per offeree regulated company security within the fair-value range is generally considered to be fair.

The assessment of reasonableness of an offer is generally based on qualitative considerations surrounding an offer. Hence, even though the consideration to be paid in respect of an offer may be lower than the market price, an offer may be considered reasonable after considering other significant qualitative factors.



## Details and sources of information

In arriving at our opinion we have relied upon the following principal sources of information:

- The Circular;
- The terms and conditions of the Scheme as outlined in the Circular;
- Evolution Credit Equity Simplification Presentation dated 15 June 2023;
- Memorandum of Incorporation for Evolution Credit dated 26 January 2022;
- Evolution Credit Group organogram;
- Discussions with executive management of the Company regarding the background to the Scheme;
- The rationale for the Scheme, as set out in the Circular and based on discussions with executive management of the Company;
- Publicly available information relating to Evolution Credit, that we deemed to be relevant, including media articles.

The information above was secured from:

- Executive management of the Company; and
- Third party sources, including information related to publicly available economic, market and other data which we considered applicable to, or potentially influencing the Company.

## Procedures

In arriving at our findings, we have undertaken the following procedures and taken into account the following factors:

- Reviewed the terms and conditions of the Scheme as detailed above;
- Reviewed other information related to Evolution Credit and the Scheme, as detailed above;
- Reperformed the Scheme Allocation calculations;
- Performed such other studies and analyses as we considered appropriate and have taken into account our assessment of general economic, market and financial conditions and our experience in other transactions, as well as our experience in securities valuation and knowledge of the Financial Services sector generally;
- Reviewed certain publicly available information relating to Evolution Credit, including company announcements and media articles; and
- Where relevant, representations made by management and/or directors were corroborated to source documents or independent analytical procedures were performed by us, to examine and understand the industry in which Evolution Credit operate in, and to analyse external factors that could influence the Company.

## Assumptions

We arrived at our opinion based on the following assumptions that:

- The Scheme will be legally enforceable;
- The Scheme will have the legal and accounting consequences described in discussions with, and materials furnished to us by representatives of Evolution Credit or their professional advisors; and
- Reliance can be placed on the financial information of Evolution Credit.

## Appropriateness and reasonableness of underlying information and assumptions

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our findings by:

- Determining the extent to which information in respect of Evolution Credit was confirmed by documentary evidence as well as our understanding of Evolution Credit and the economic environment in which it operates.

## Limiting conditions

This report is provided in connection with and for the purposes of the Scheme. This report does not purport to cater for each individual shareholder's perspective, but rather that of the general body of shareholders.

Individual shareholder's decisions regarding the Scheme may be influenced by such shareholder's particular circumstances and accordingly individual shareholders should consult an independent adviser if in any doubt as to the merits or otherwise of the Scheme.

We have relied upon and assumed the accuracy of the information provided to us in deriving our conclusions. Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of this report, whether in writing or obtained in discussion with management, by reference to publicly available or independently obtained information. While our work has involved an analysis of, *inter alia*, the information provided to us, our engagement does not constitute an audit conducted in accordance with generally accepted auditing standards.

We have also assumed that the Scheme will have the legal consequences described in discussions with, and materials furnished to us by representatives and advisors of the Company and we express no opinion on such consequences.

Our report is based on current economic, regulatory and market as well as other conditions. Subsequent developments may affect the opinion, and we are under no obligation to update, review or re-affirm our opinion based on such developments.

## Independence

We confirm that neither we nor any person related to us (as contemplated in the Companies Act) have a direct or indirect interest in Shares or the Scheme, nor have had within the immediately preceding two years, any relationship as contemplated in section 114(2)(b) of the Companies Act, and specifically declare, as required by Regulation 90(6)(i) and 90(3)(a) of the Companies Regulations, that we are independent in relation to the Scheme and will reasonably be perceived to be independent. We also confirm that we have the necessary competence to provide the Independent Expert Report and meet the criteria set out in section 114(2)(a) of the Companies Act.

Furthermore, we confirm that our professional fees of R180,000 (excluding VAT) are not contingent upon the success of the Scheme. Our fees are not payable in Ordinary Shares.

## Section 114(3) requirements

As required in terms of section 114(3) of the Companies Act (read together with section 48 of the Companies Act), this report deals with the following:

- a. **state all prescribed information relevant to the value of the securities affected by the proposed arrangement;**

The Scheme will result in the Company exchanging Scheme Securities in terms of the Scheme Allocation. Although the Scheme has no consideration due to Scheme Participants the value attributable to the Scheme Securities is detailed in the Circular.

- b. **identify every type and class of holders of the Company's securities affected by the proposed arrangement;**

The issued Ordinary Shares in Evolution Credit immediately prior to the Scheme amounted to 102,169,409, and immediately after the Scheme and Consolidation will comprise of 12,019,928 Ordinary Shares.

- c. **describe the material effects that the proposed arrangement will have on the rights and interests of the persons mentioned in paragraph (b);**

Subsequent to the Scheme, the Scheme Participants will hold Ordinary Shares in Evolution as detailed below and in Appendix 2 of the Circular.

Shareholders	Number of Shares	Beneficial interest
Ninety One SA (Pty) Ltd	3,354,745	27.90986%
Management Incentive Trust	457,959	3.81000%
Norwegian Investment Fund for Developing Countries	1,625,316	13.52184%
Izabelo SEK B.V	1,497,787	12.46087%
Izabelo NOK B.V	1,205,903	10.03253%
National Housing Finance Corporation (SOC) Ltd (NHFC)	1,055,189	8.77866%
BIFM Capital Investment Fund No.1 (Pty) Ltd	1,022,075	8.50317%
Blockbuster Trading 3 (Pty) Ltd	6,010	0.05000%
responsAbility Management Company S.A	476,416	3.96355%
Old Mutual Life Assurance Company (South Africa) Limited	149,483	1.24362%
responsAbility SICAV (Lux) Micro and SME Finance Debt Fund	285,848	2.37812%
Soros Economic Development Fund (SEDF)	435,501	3.62316%
responsAbility SICAV (Lux) Micro and SME Finance Leaders	190,565	1.58541%
Fulela Trade & Invest 91 (Pty) Ltd	88,528	0.73651%
responsAbility SICAV (Lux) Financial Inclusion Fund	95,283	0.79271%
Purple Group Ltd	31,563	0.26259%
1Sydney International Investments Limited	28,730	0.23902%
Arise B.V	10,005	0.08324%
Lubman (Pty) Ltd	2,869	0.02387%
Sweet Sensation 197 (Pty) Ltd	15	0.00013%
Hemsley Holdings Ltd (Aureos Southern Africa Fund LLC)	10	0.00008%
Hollyberry Props 127 (Pty) Ltd	9	0.00007%
Satioscope Investments (Pty) Ltd	6	0.00005%
Easy Rain Investments (Pty) Ltd	4	0.00003%
Rivendale Investments (Pty) Ltd	4	0.00003%
DMC Acquired Debts 3 (Pty) Ltd	108	0.00090%
Brian & Amelia Weiss Family Trust	1	0.00001%
<b>Total</b>	<b>12,019,932</b>	<b>100.00%</b>

The Scheme will have no material negative effect on the rights and interests of the remaining Scheme Participants.

**d. evaluate any material adverse effects of the proposed arrangement against-**

**i. the compensation that any of those persons will receive in terms of that arrangement; and**

In respect of the Scheme, the Scheme Participants will not be compensated for their Scheme Securities (other than Ordinary Shares) as this is a securities exchange. We are not aware of any other persons to be entitled to compensation as a result of the Scheme, apart from the transaction costs that are normally incurred in transactions of this nature, namely advisors' fees, legal fees, securities transfer tax, brokers' fees, and independent experts' fees. We are not aware of any material adverse effects on Evolution Credit either.

**ii. any reasonably probable beneficial and significant effect of that arrangement on the business and prospects of the Company;**

The Scheme has no adverse effect on the business and prospects of the Company.

**e. state any material interest of any Director of the Company or Trustee for security holders;**

There are no Scheme Securities that are directly held by Directors subsequent to the implementation of the Scheme:

state the effect of the proposed arrangement on the interest and person contemplated in paragraph (e);

There are no Scheme Securities that are directly held by Directors subsequent to the implementation of the Scheme therefore no effect on the Directors contemplated in paragraph (e).

**f. and include a copy of sections 115 and 164**

Extracts of sections 115 and 164 of the Companies Act are set out in Appendix B and Appendix C respectively of the Circular and are incorporated herein by reference for purposes of section 114(3)(g) of the Companies Act.

**Fairness and reasonableness of the Scheme**

In terms of Regulation 110(3), as the Independent Board has elected to perform its own valuation, we as the Independent Expert are required only to prepare a report as contemplated in section 114(3) of the Companies Act.

An independent expert valuation on the value of the Scheme Securities is redundant in the case of the Scheme as the securities are being exchanged for alternative securities in the same company with no adjustment to the Scheme Participants economic participation. There is no exchange of value between the Company and the Scheme Participants and the economic participation attributable to Scheme Participants remains the same before and after the Scheme. As such, we have not performed a valuation and place significant emphasis on the Scheme Allocation.

In terms of the corresponding rights and privileges as set out in the Memorandum of Incorporation for the Scheme Shares and the applicable terms and conditions attached to the Scheme Notes, the Board is required to determine the amount available for distribution to the Shareholders from time to time ("Distributable Amount"). Upon determination of the Distributable Amount, the Shareholders are entitled to receive a portion of that Distributable Amount in accordance with the percentages set out in the below table, on the basis that, for so long as there are E PIK Notes in issue the Distributable Amount will be distributed in accordance with the first Cashflow Waterfall. Thereafter, for so long as there are D PIK Notes in issue the Distributable Amount will be distributed in accordance with the second Cashflow Waterfall, and so on and so forth until only the Ordinary Shares and A Ordinary Shares remain in issue (at which time and whereafter the fifth Cashflow Waterfall will apply), however, in the event of a liquidation, E PIK Notes will receive 100% of the Distributable Amount, if any ("Cashflow Waterfall"):

Cashflow Waterfall					
Class of Scheme Securities:	1st	2nd	3rd	4th	5th
E PIK Notes and A Ordinary Shares (3%)	85%	0%	0%	0%	0%
D PIK Notes and A Ordinary Shares (6%)	7%	85%	0%	0%	0%
C Preference Shares and A Ordinary Shares (9%)	5%	7%	85%	0%	0%
B Preference Shares and A Ordinary Shares (12%)	2%	5%	10%	85%	0%
Ordinary Shares and A Ordinary Shares (15%)	1%	3%	5%	15%	100%

The Scheme Allocation based on the economic participation of each class of Scheme Securities is determined in accordance with the Cashflow Waterfall above, and based on the securities held as at 30 November 2023, the distribution percentage would be as follows:

Economic participation schedule	
Class of Scheme Securities	Economic participation
E PIK Notes	82.45%
D PIK Notes	6.58%
C Preference Shares	4.55%
B Preference Shares	1.76%
A Ordinary Shares	3.81%
Ordinary Shares	0.85%

In terms of the Scheme, Scheme Participants will exchange their Scheme Securities (other than Ordinary Shares) for Ordinary Shares in accordance with the Scheme Allocation and the following exchange process:

- I. all Scheme Notes shall be deemed to have been redeemed and cancelled; and
- II. all Scheme Shares (other than Ordinary Shares) shall be surrendered and cancelled as authorised and issued shares in the capital of the Company.

Following the determination of the allocation to each Scheme Participant, the Ordinary Shares of the Company will be consolidated on the basis that each Scheme Participant will, after implementation of the Consolidation, receive 1 Ordinary Share for each 1,000 Ordinary Shares held by that Scheme Participant prior to the Consolidation. A consolidated Scheme Allocation Schedule, reflecting the number of Ordinary Shares to be held by each Scheme Participant after implementation of the Scheme and the Consolidation is detailed in Appendix 2 of the Circular (“Consolidated Scheme Allocation Schedule”).

#### *Scheme Allocation issue*

Based on the number of Ordinary Shares in issue, prior to the Scheme, which have an economic participation of 0.85% in terms of Cashflow Waterfall, this implies that the total number of Ordinary Shares required is 12,019,930,471 (102,169,409 divided by 0.85%). Each Scheme Participant will be allocated their share of the 12,019,930,471 Ordinary Shares based on the economic participation, as noted in the economic participation schedule above, of each class of Scheme Security and each Scheme Participant's share in the particular Scheme Security. The shareholding per Scheme Security would therefore be as follows:

Scheme Securities	Economic Participation	Total securities in issue (pre-Scheme)	Number of Ordinary Shares to be issued in exchange	Ordinary Shares in issue (Pre-Consolidation)	Ordinary Shares in issue (Post-Consolidation)
Ordinary Shares	0.85%	102,169,409	Nil	12,019,930,471	12,019,932
A Ordinary Shares	3.81%	18,029,362	457,959,351	-	-
B Preference Shares	1.76%	104,217	211,550,776	-	-
C Preference Shares	4.55%	43,671	546,906,836	-	-
D PIK Notes	6.58%	10,176,605,044	790,911,425	-	-
E PIK Notes	82.45%	53,599,511,193	9,910,432,673	-	-
Total Ordinary Shares	100%	102,169,409	11,917,761,062	12,019,930,471	12,019,932

In opining on the reasonableness of the Scheme we have considered the economic participation and voting rights of each class of Scheme Security as well as the rationale for the Scheme.

#### **Opinion**

BDO Corporate Finance has considered the terms and conditions of the Scheme and, based on and subject to the conditions set out herein, is of the opinion that the terms and conditions of the Scheme are fair and reasonable to Scheme Participants.

Our opinion is necessarily based upon the information available to us up to the Last Practicable Date, including in respect of the Scheme Allocation as well as other conditions and circumstances existing and disclosed to us. We have assumed that all conditions precedent, including any material regulatory and other approvals or consents required in connection with the Scheme have been fulfilled or obtained.

Accordingly, it should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm.

**Consent**

We hereby consent to the inclusion of this Fair and Reasonable Opinion, in whole or in part, and references thereto in the Circular and any other announcement or document pertaining to the Scheme, in the form and context in which they appear.

Yours faithfully

A handwritten signature in black ink, appearing to read 'N. Lazanakis', with a horizontal line underneath.

N Lazanakis CA(SA)  
Director

**BDO Corporate Finance Proprietary Limited**

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