



KAP INDUSTRIAL HOLDINGS LIMITED

(Incorporated in the Republic of South Africa with limited liability under registration number 1978/000181/06)

jointly and severally, unconditionally and irrevocably guaranteed by

KAP AUTOMOTIVE PROPRIETARY LIMITED

(Incorporated in the Republic of South Africa with limited liability under registration number 1957/001891/07)

and

KAP BEDDING PROPRIETARY LIMITED

(Incorporated in the Republic of South Africa with limited liability under registration number 1988/070308/07)

and

KAP DIVERSIFIED INDUSTRIAL PROPRIETARY LIMITED

(Incorporated in the Republic of South Africa with limited liability under registration number 1965/003787/07)

and

SAFRIPOL PROPRIETARY LIMITED

(Incorporated in the Republic of South Africa with limited liability under registration number 2006/023706/07)

and

UNITRANS PASSENGER PROPRIETARY LIMITED

(Incorporated in the Republic of South Africa with limited liability under registration number 1968/008699/07)

and

UNITRANS SUPPLY CHAIN SOLUTIONS PROPRIETARY LIMITED

(Incorporated in the Republic of South Africa with limited liability under registration number 1967/010920/07)

Issue of ZAR250,000,000 Senior Unsecured Floating Rate Notes due 1 November 2024

Under its ZAR10,000,000,000 Domestic Medium Term Note Programme

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum, dated 5 June 2014, prepared by KAP Industrial Holdings Limited in connection with the KAP Industrial Holdings Limited ZAR10,000,000,000 Domestic Medium Term Note Programme, as amended and/or supplemented from time to time (the **Programme Memorandum**).

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the section of the Programme Memorandum headed “*Terms and Conditions of the Notes*”.

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. The Notes described herein are issued on and subject to the Terms and Conditions as amended and/or supplemented by the Terms and Conditions contained in this Applicable Pricing Supplement. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

PARTIES

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| 1. | Issuer | KAP Industrial Holdings Limited |
| 2. | Guarantors | KAP Automotive Proprietary Limited; KAP Bedding Proprietary Limited; KAP Diversified Industrial Proprietary Limited; Safripol Proprietary Limited; Unitrans Passenger Proprietary Limited; Unitrans Supply Chain Solutions Proprietary Limited |

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|-----|-------------------|---|
| 3. | Dealer | Investec Bank Limited, acting through its Corporate and Investment Banking Division |
| 4. | Manager | N/A |
| 5. | Debt Sponsor | Nedbank Limited, acting through its Nedbank Corporate and Investment Banking division |
| 6. | Paying Agent | Nedbank Investor Services, a division of Nedbank Limited |
| | Specified Address | 16 Constantia Boulevard, Constantia Kloof, Roodepoort 1709 |
| 7. | Calculation Agent | Nedbank Limited, acting through its Nedbank Corporate and Investment Banking division |
| | Specified Address | 135 Rivonia Road, Sandown, 2196 |
| 8. | Transfer Agent | Computershare Investor Services Proprietary Limited |
| | Specified Address | 70 Marshall Street, Johannesburg, 2001 |
| 9. | Issuer Agent | Nedbank Limited, acting through its Nedbank Corporate and Investment Banking division |
| | Specified Address | 135 Rivonia Road, Sandown, 2196 |
| 10. | Settlement Agent | Nedbank Limited, acting through its Nedbank Corporate and Investment Banking division |
| | Specified Address | 135 Rivonia Road, Sandown, 2196 |

PROVISIONS RELATING TO THE NOTES

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| 11. | Status of Notes | Senior Unsecured |
| 12. | Series Number | 15 |
| 13. | Tranche Number | 1 |
| 14. | Aggregate Nominal Amount: | |
| | (a) Series | ZAR250,000,000 |
| | (b) Tranche | ZAR250,000,000 |
| 15. | Interest | Interest-bearing |
| 16. | Interest Payment Basis | Floating Rate |
| 17. | Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another | N/A |
| 18. | Form of Notes | The Notes in this Tranche are listed Notes issued in uncertificated form and held in the CSD |
| 19. | Issue Date | 1 November 2019 |
| 20. | Nominal Amount per Note | ZAR1,000,000 |
| 21. | Specified Denomination | ZAR1,000,000 |
| 22. | Specified Currency | ZAR |
| 23. | Issue Price | 100 percent |
| 24. | Interest Commencement Date | 1 November 2019 |
| 25. | Maturity Date | 1 November 2024 |

| | | |
|-----|------------------------------------|---|
| 26. | Applicable Business Day Convention | Following Business Day |
| 27. | Final Redemption Amount | 100% of Nominal Amount |
| 28. | Last Day to Register | by 17h00 on 21 January, 20 April, 21 July and 21 October of each year until the Maturity Date, or if such day is not a Business Day, the Business Day before each Books Closed Period |
| 29. | Books Closed Period(s) | The Register will be closed from 22 January to 31 January, 21 April to 30 April, 22 July to 31 July and 22 October to 31 October (all dates inclusive) of each year until the Maturity Date, or if any early redemption occurs, 10 days prior to the actual Redemption Date |
| 30. | Default Rate | N/A |
| | FIXED RATE NOTES | N/A |

FLOATING RATE NOTES

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| 31. | (a) Floating Interest Payment Date(s) | 1 February, 1 May, 1 August and 1 November of each year until the Maturity Date, or, if such day is not a Business Day, the Business Day on which interest will be paid, as determined in accordance with the Applicable Business Day Convention with the first Floating Interest Payment Date being 1 February 2020, or, if such day is not a Business Day, the Business Day on which interest will be paid, as determined in accordance with the Applicable Business Day Convention |
| | (b) Interest Period(s) | From and including the applicable Floating Interest Payment Date and ending on, but excluding, the following Floating Interest Payment Date, the first Interest Period commencing on the Interest Commencement Date and ending on, but excluding, the following Floating Interest Payment Date (each Floating Interest Payment Date as adjusted in accordance with the Applicable Business Day Convention) |
| | (c) Definition of Business Day (if different from that set out in Condition 1) (<i>Interpretation</i>) | N/A |
| | (d) Minimum Rate of Interest | N/A |
| | (e) Maximum Rate of Interest | N/A |
| | (f) Day Count Fraction | N/A |
| | (g) Other terms relating to the method of calculating interest (e.g.: Day Count Fraction, rounding up provision) | N/A |
| 32. | Manner in which the Rate of Interest is to be determined | Screen Rate Determination (Reference Rate plus Margin) |
| 33. | Margin | 160 basis points to be added to the Reference Rate |
| 34. | If ISDA Determination | |

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| | (a) Floating Rate | N/A |
| | (b) Floating Rate Option | N/A |
| | (c) Designated Maturity | N/A |
| | (d) Reset Date(s) | N/A |
| | (e) ISDA Definitions to apply | N/A |
| 35. | If Screen Determination: | |
| | (a) Reference Rate (including relevant period by reference to which the Rate of Interest is to be calculated) | 3 month ZAR-JIBAR-SAFEX |
| | (b) Interest Rate Determination Date(s) | 1 February, 1 May, 1 August and 1 November, of each year until the Maturity Date with the first Interest Rate Determination Date being 30 October 2019 (each Interest Rate Determination Date as adjusted in accordance with the Applicable Business Day Convention) |
| | (c) Relevant Screen Page and Reference Code | Reuters page SAFEY MNY MKT code 0#SFXMM: or any successor page |
| 36. | If Rate of Interest to be calculated otherwise than by ISDA Determination or Screen Determination, insert basis for determining Rate of Interest/Margin/ Fallback provisions | N/A |
| 37. | Calculation Agent responsible for calculating amount of principal and interest | Nedbank Limited, acting through its Nedbank Corporate and Investment Banking division |
| | ZERO COUPON NOTES | N/A |
| | PARTLY PAID NOTES | N/A |
| | INSTALMENT NOTES | N/A |
| | MIXED RATE NOTES | N/A |
| | INDEX-LINKED NOTES | N/A |
| | DUAL CURRENCY NOTES | N/A |
| | EXCHANGEABLE NOTES | N/A |
| | OTHER NOTES | N/A |
| | PROVISIONS REGARDING REDEMPTION/MATURITY | |
| 38. | Redemption at the Option of the Issuer | No |
| 39. | Redemption at the Option of the Senior Noteholders | No |
| 40. | Redemption in the event of a Change of Control at the election of Noteholders pursuant to Condition 11.5 (<i>Redemption in the event of a Change of Control</i>) or any other terms applicable to a Change of Control | Yes |

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| 41. | Redemption in the event of a failure to maintain JSE Listing or Rating at the election of Noteholders pursuant to Condition 11.6 (<i>Redemption in the event of a failure to maintain JSE Listing or Rating</i>) | Yes |
| 42. | Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default (if required). | Yes |

GENERAL

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| 43. | Financial Exchange | Interest Rate Market of the JSE Limited |
| 44. | Additional selling restrictions | N/A |
| 45. | ISIN No. | ZAG000163999 |
| 46. | Stock Code | KAP015 |
| 47. | Stabilising manager | N/A |
| 48. | Provisions relating to stabilisation | N/A |
| 49. | Method of distribution | Private Placement |
| 50. | Credit Rating assigned to the Issuer | A+(ZA), as at 15 November 2018, rating reviewed annually |
| 51. | Applicable Rating Agency | Global Credit Rating Co (Pty) Ltd |
| 52. | Governing law (if the laws of South Africa are not applicable) | N/A |
| 53. | Other provisions | See Appendix "A" headed "General" and Appendix "B" headed "Description of Safripol Proprietary Limited" |

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

54. Paragraph 3(5)(a)
The "ultimate borrower" (as defined in the Commercial Paper Regulations) is the Issuer.
55. Paragraph 3(5)(b)
The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments under the Notes.
56. Paragraph 3(5)(c)
The auditor of the Issuer is Deloitte & Touche.
57. Paragraph 3(5)(d)
As at the date of this issue:
- (i) the Issuer has issued ZAR5,338,000,000 (excluding this issuance) of Commercial Paper (as defined in the Commercial Paper Regulations); and
 - (ii) the Issuer estimates that it will issue no additional Commercial Paper during the current financial year, ending 30 June 2020.
58. Paragraph 3(5)(e)
All information that may reasonably be necessary to enable the investor to ascertain the nature of the financial and commercial risk of its investment in the Notes is contained in the Programme Memorandum and the Applicable Pricing Supplement.

59. Paragraph 3(5)(f)
There has been no material adverse change in the Issuer's financial position since the date of its last audited financial statements.
60. Paragraph 3(5)(g)
The Notes issued will be listed
61. Paragraph 3(5)(h)
The funds to be raised through the issue of the Notes are to be used by the Issuer for its general corporate purposes.
62. Paragraph 3(5)(i)
The obligations of the Issuer in respect of the Notes are guaranteed in terms of the Guarantee provided by the Guarantors but are otherwise unsecured.
63. Paragraph 3(5)(j)
Deloitte & Touche, the statutory Auditor of the Issuer, have confirmed that nothing has come to their attention to indicate that this issue of Notes issued under the Programme will not comply in all respects with the relevant provisions of the Commercial Paper Regulations.

Responsibility:

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from the Programme Memorandum or this Applicable Pricing Supplement which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made as well as that the Programme Memorandum together with this Applicable Pricing Supplement, contains all information required by law and the Debt Listings Requirements of the JSE. The Issuer accepts full responsibility for the accuracy of the information contained in the Programme Memorandum, the Applicable Pricing Supplement, the integrated reports, which include the annual financial statements of the Issuer and any amendments or supplements to the aforementioned documents, except as otherwise stated therein.

The JSE takes no responsibility for the contents of the Programme Memorandum read with this Applicable Pricing Supplement, the integrated reports, which include the annual financial statements of the Issuer, and any amendments or supplements to the aforementioned documents. The JSE makes no representation as to the accuracy or completeness of the Programme Memorandum read with this Applicable Pricing Supplement, the integrated reports, which include the annual financial statements of the Issuer and any amendments or supplements to the aforementioned documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the aforementioned documents. The JSE's approval of the registration of the Programme Memorandum and listing of the Notes is not to be taken in any way as an indication of the merits of the Issuer or of the Notes and that, to the extent permitted by law, the JSE will not be liable for any claim whatsoever.

As at the date of this Applicable Pricing Supplement, the Issuer confirms that the authorised Programme Amount of ZA10,000,000,000 has not been exceeded.

Application is hereby made to list this issue of Notes on 1 November 2019

SIGNED at _____ on this _____ day of _____ 2019

For and on behalf of
KAP INDUSTRIAL HOLDINGS LIMITED

Name:
Capacity: Director
Who warrants his/her authority hereto

Name:
Capacity: Director
Who warrants his/her authority hereto

GENERAL**1. Documents Incorporated by Reference**

Capitalised terms used in this section headed "Documents Incorporated by Reference" shall bear the same meanings as used in the Terms and Conditions and this Applicable Pricing Supplement, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.

- 1.1 In addition to the documents incorporated by reference into the Programme Memorandum (see section of the Programme Memorandum headed "*Documents Incorporated by Reference*"), the audited annual financial statements, and notes thereto, of Safripol Proprietary Limited (previously Safripol Holdings Proprietary Limited) (registration number 2006/023706/07) (**Safripol**) for the three financial years ended 30 June 2017, 30 June 2018 and 30 June 2019, and the audited annual financial statements, and notes thereto, of Safripol in respect of further financial years, as and when such audited financial statements become available, shall be deemed to be incorporated in, and form part of, this Applicable Pricing Supplement.
- 1.2 Safripol will, for as long as any of the Notes remain Outstanding, provide at the registered office of the Issuer as set out in this Applicable Pricing Supplement, without charge, to any Person, upon request of such Person, a copy of all of the documents which are incorporated herein by reference, unless such documents have been modified or superseded, in which case the modified or superseding documentation will be provided. Requests for such documents should be directed to the chief financial officer of the Issuer in writing at the Issuer's registered office as set out in this Applicable Pricing Supplement. In addition, the constitutive documents of Safripol will be available at the registered office of the Issuer as set out in this Applicable Pricing Supplement upon written request addressed to the company secretary of the Issuer.

2. Litigation Statement

Safripol has not been involved in any legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Safripol is aware) which may have or have had in the recent past, being at least the previous 12 months, a material effect on the financial position of Safripol.

DESCRIPTION OF SAFRIPOL PROPRIETARY LIMITED

1. DESCRIPTION OF BUSINESS

Safripol, with effect from 1 July 2019, became the divisional holding company for KAP Industrial Holdings Limited's (KAP) polymers business unit. The polymers division includes the Safripol Durban facility, which manufactures polyethylene terephthalate (PET), and the Safripol Sasolburg facility, which manufactures high density polyethylene (HDPE) and polypropylene (PP). PET is used primarily in the bottling industry for water, carbonated and other soft drinks due to its high intrinsic viscosity and clarity, while HDPE and PP are used in a broad range of applications, including piping, multipurpose containers, fibres, films, non-woven fabrics and packaging.

Safripol's registered address is 3rd Floor, Building 2, The Views, Founders Hill Office Park, 18 Centenary Street, Modderfontein, Gauteng 1645.

2. BOARD OF DIRECTORS

The members of the board of directors as at the Issue Date are:

- 2.1 Willem Carl Els
- 2.2 Frans Hendrik Olivier
- 2.3 Johannes Nicolaas van Niekerk
- 2.4 Sibusiso Penwell Lunga
- 2.5 Vukile Vezithemba Zondani
- 2.6 Gary Noel Chaplin.