
NOTEHOLDERS GUARANTEE

by

KAP INDUSTRIAL HOLDINGS LIMITED
(as Issuer)

and

KAP MANUFACTURING PROPRIETARY LIMITED
(as Guarantor)

and

KAP RAW MATERIALS PROPRIETARY LIMITED
(as Guarantor)

and

PG BISON PROPRIETARY LIMITED
(as Guarantor)

and

PG BISON SOUTHERN CAPE PROPRIETARY LIMITED
(as Guarantor)

and

UNITRANS PASSENGER PROPRIETARY LIMITED
(as Guarantor)

BG Bowman Gilfillan

Member of Bowman Gilfillan Africa Group

and

MVELATRANS PROPRIETARY LIMITED

(as Guarantor)

and

UNITRANS SUPPLY CHAIN SOLUTIONS PROPRIETARY LIMITED

(as Guarantor)

in respect of

the establishment of the KAP Industrial Holdings Limited ZAR5,000,000,000 Domestic Medium
Term Note Programme by KAP Industrial Holdings Limited

GUARANTEE

We, the undersigned,

KAP Manufacturing Proprietary Limited

(registration number 1957/001891/07), being a private company incorporated with limited liability in accordance with the laws of South Africa;

and

KAP Raw Materials Proprietary Limited

(registration number 1988/070308/07), being a private company incorporated with limited liability in accordance with the laws of South Africa;

and

PG Bison Proprietary Limited

(registration number 1965/003787/07), being a private company incorporated with limited liability in accordance with the laws of South Africa;

and

PG Bison Southern Cape Proprietary Limited

(registration number 1957/001327/07), being a private company incorporated with limited liability in accordance with the laws of South Africa;

and

Unitrans Passenger Proprietary Limited

(registration number 1957/008699/07), being a private company incorporated with limited liability in accordance with the laws of South Africa;

and

Mvelatrans Proprietary Limited

(registration number 2002/026281/07), being a private company incorporated with limited liability in accordance with the laws of South Africa;

and

Unitrans Supply Chain Solutions Proprietary Limited

(registration number 1967/010920/07), being a private company incorporated with limited liability in accordance with the laws of South Africa;

(collectively referred to as the **Guarantors**),

hereby, jointly and severally, irrevocably and unconditionally guarantee (as primary obligor and not merely as surety) to the holders of Notes (the **Noteholders**) issued or to be issued by KAP Industrial Holdings Limited (registration number: 1978/000181/06) (the **Issuer**) under the KAP Industrial Holdings Limited ZAR5,000,000,000 Domestic Medium Term Note Programme (the **Programme**), the due and punctual performance of all obligations arising under the Programme pursuant to this Programme Memorandum which the Issuer may incur to the Noteholders and the due and punctual payment of all amounts due by the Issuer in respect of the Notes arising under the Programme pursuant to the Programme Memorandum issued by the Issuer, dated 5 June 2014, as amended and/or supplemented from time to time (the **Programme Memorandum**).

1. Terms used but not defined herein have the meanings set forth in the section of the Programme Memorandum headed "Terms and Conditions of the Notes" (the Terms and Conditions).
2. All payments made in terms of this Guarantee shall be made *mutatis mutandis* in accordance with Conditions 9 (Interest) and 10 (Payments) of the Terms and Conditions.
3. This Guarantee shall be binding on each Guarantor jointly and severally, and shall continue to be binding on each such Guarantor and, with respect to any payment, or any part thereof, of principal and/or interest on any Note that is rescinded or must otherwise be returned by the Transfer Agent or any Noteholder if such rescission or return of payment has been compelled by law as a result of the insolvency of any of the Issuer or any other person or if such rescission or return of payment is a result of any law, regulation or decree applicable to the Issuer or such persons.
4. Each Guarantor hereby renounces, jointly and severally, all benefits arising from the legal exceptions "*non numeratae pecuniae*" (no money was paid over), "*non causa debiti*" (lack of actionable debt), "*errore calculi*" (mistake in calculation of amount due) and "*beneficia excussionis et divisionis*" (the benefits of excussion and division), with the force and effect of which such Guarantor hereby declares it to be fully acquainted. Each Guarantor agrees that this Guarantee is to be in addition and without prejudice to any other suretyship/s and security/ies now or hereafter to be held by the Noteholders and shall remain in force as a continuing security notwithstanding any intermediate settlement of account and notwithstanding any legal disability of such Guarantor.
5. For so long as a Tranche of Senior Notes remains Outstanding, each Guarantor undertakes not to, and will procure that it shall not, create or permit the creation of any Encumbrance, other than any Permitted Encumbrance over any of its present or future businesses, undertakings, assets or revenues (including any uncalled capital) to secure any present or future Indebtedness of the Issuer or such Guarantor or any guarantee or indemnity given in respect of any present or future Indebtedness (save for those that have been accorded a preference by law) without at the same time securing all Senior Notes equally and rateably with such Indebtedness or any such guarantee or indemnity or providing such other security as may be approved by Extraordinary Resolution of the Senior Noteholders, unless the provision of any such security is waived by an Extraordinary Resolution of the Senior Noteholders.
6. No action in respect of any collateral or security given by the Issuer, or any other persons, in respect of the Notes is required to be taken before action is taken against any of the Guarantors under this Guarantee, and the existence or enforceability of this Guarantee shall not affect or be affected by any other security held in respect of the Issuer's obligations under the Notes.
7. Any admission made by the Issuer in respect of the Notes shall be binding on each Guarantor.
8. A demand made under this Guarantee by any Noteholder after an Event of Default has occurred and while it is continuing shall be made in writing to all or any of the Guarantors at the address specified below.

9. Payment to the Paying Agent under this Guarantee shall:
- 9.1. be made by and of the Guarantors to the Paying Agent not later than 3 (three) Business Days after receipt of a demand in accordance with clause 8 above;
 - 9.2. discharge any of the Guarantors of its applicable obligations to the Noteholders under this Guarantee; and
 - 9.3. *pro tanto* discharge the Issuer of its corresponding obligations to the Noteholders under the Notes.
10. Notwithstanding any part payment by the Guarantors or on the Guarantors' behalf, the Guarantors shall have no right to any cession of action in respect of such part payment and shall not be entitled to take any action against the Issuer or against any other surety for the Issuer in respect thereof unless and until the indebtedness of the Issuer to the Noteholders shall have been discharged in full.
11. Each notice, demand or other communication under this Guarantee shall be in writing and be delivered personally or by recognised courier or facsimile and be deemed to have been given:
- 11.1. in the case of a facsimile, on the first Business Day following the date of transmission; and
 - 11.2. in the case of a letter, when delivered; and
 - 11.3. shall be sent to the Guarantors at:

Physical address: 28 Sixth Street
Wynberg
Sandton
2090
South Africa

Attention: Company Secretary
Facsimile: +27 11 445 3094
Copy to: +27 21 808 0794
or to such other address in South Africa or facsimile number as is notified from time to time by the Guarantors to the Noteholders in accordance with Condition 19 (*Notices*) of the Terms and Conditions.
12. Each Guarantor chooses the above address as its *domicilium citandi et executandi* for all purposes under this Guarantee, whether in respect of court process, notices or other documents or communications of whatsoever nature.
13. This Guarantee is, and all rights and obligations relating to this Guarantee are, governed by, and shall be construed in accordance with, the laws of South Africa.
14. This Guarantee will terminate upon all of the obligations of the Issuer under the Notes being fully and finally discharged in accordance with the Terms and Conditions.
15. Each Guarantor agrees for the benefit of the Noteholders that the Gauteng Local Division, Johannesburg, South Africa (or any successor to that division) shall have jurisdiction to hear

and determine any suit, action or proceedings, and to settle any disputes which may arise out of or in connection with this Guarantee and, for such purposes, irrevocably submits to the jurisdiction of such court.

16. This Guarantee will be deposited with, and be held by, the Transfer Agent until the later of:
 - 16.1. the date on which the Programme is terminated by the Issuer; and
 - 16.2. the date on which all of the obligations of the Issuer and the Guarantors under or in respect of the Notes have been discharged in full.
17. Each Guarantor acknowledges and agrees that each Noteholder shall be entitled to require the Transfer Agent to produce the original of this Guarantee on request and further shall be entitled to require the Transfer Agent, which shall be obliged, to provide a copy of this Guarantee to that Noteholder on request. In holding the Guarantee, the Transfer Agent shall not act in any fiduciary or similar capacity for the Noteholders and shall not accept any liability, duty or responsibility to Noteholders in this regard.
18. Any member of the KAP Group may become an Additional Guarantor if such member delivers to the Issuer and the Issuer accepts:
 - 18.1. a duly completed and executed Accession Letter in the form as attached hereto as Schedule 1 (*Form of Accession Letter*); and
 - 18.2. all of the documents and other evidence listed in Schedule 3 (*Conditions Precedent*) hereto in relation to that Additional Guarantor, each in a form and substance satisfactory to the Issuer.
19. A Guarantor may cease to be a Guarantor if it is no longer a Material Subsidiary of the Issuer and delivers to the Issuer a Resignation Letter in the form as attached hereto as Schedule 2 (*Form of Resignation Letter*).
20. This Guarantee constitutes the whole agreement relating to the subject matter hereof. No amendment or consensual cancellation of this Guarantee or any provision or term hereof shall be binding unless approved by Extraordinary Resolution of Noteholders and thereafter recorded in a written document signed by each Guarantor. Any waiver or relaxation or suspension given or made shall be strictly construed as relating strictly to the matter in respect whereof it was made or given.

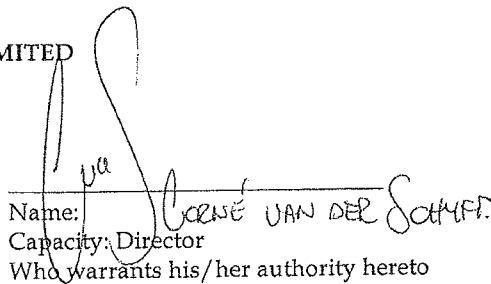
SIGNED at STELLENBOSCH on this 5th day of JUNE 2014

For and on behalf of

KAP MANUFACTURING PROPRIETARY LIMITED

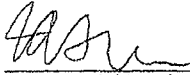


Name: JOHN PETER HAVEMAN
Capacity: Director DIRECTOR
Who warrants his/her authority hereto



Name: COENÉ VAN DER SCHUERFF
Capacity: Director
Who warrants his/her authority hereto

For and on behalf of
KAP RAW MATERIALS PROPRIETARY LIMITED



Name: JOHN PETER HAVEMAN
Capacity: Director
Who warrants his/her authority hereto

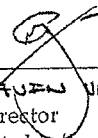


Name: GERNE VAN DER SCHUER
Capacity: Director
Who warrants his/her authority hereto

For and on behalf of
PG BISON PROPRIETARY LIMITED



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

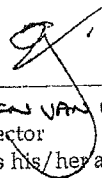


Name: GRAUN VAN DER MERWE
Capacity: Director
Who warrants his/her authority hereto

For and on behalf of
PG BISON SOUTHERN CAPE PROPRIETARY LIMITED



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



Name: GRAUN VAN DER MERWE
Capacity: Director
Who warrants his/her authority hereto

For and on behalf of
UNITRANS PASSENGER PROPRIETARY LIMITED



Name: JOHN PETER HAVEMAN
Capacity: Director
Who warrants his/her authority hereto

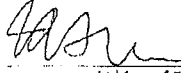
Name: _____
Capacity: Director
Who warrants his/her authority hereto

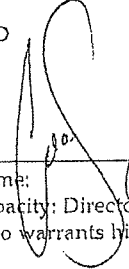
For and on behalf of
MVELATRANS PROPRIETARY LIMITED

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

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

For and on behalf of
KAP RAW MATERIALS PROPRIETARY LIMITED


Name: JOHN PETER HAVEMAN
Capacity: Director
Who warrants his/her authority hereto


Name: GERRIE VAN DER SCHUER
Capacity: Director
Who warrants his/her authority hereto

For and on behalf of
PG BISON PROPRIETARY LIMITED

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

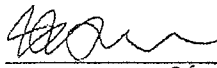
Name:
Capacity: Director
Who warrants his/her authority hereto

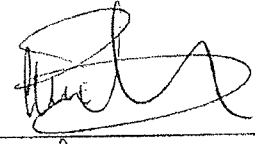
For and on behalf of
PG BISON SOUTHERN CAPE PROPRIETARY LIMITED

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

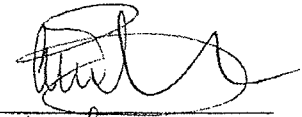
Name:
Capacity: Director
Who warrants his/her authority hereto

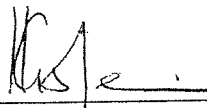
For and on behalf of
UNITRANS PASSENGER PROPRIETARY LIMITED


Name: JOHN PETER HAVEMAN
Capacity: Director
Who warrants his/her authority hereto


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

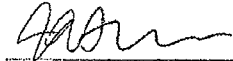
For and on behalf of
MVELATRANS PROPRIETARY LIMITED


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

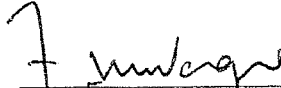

Name: Vincent Kisten
Capacity: Director
Who warrants his/her authority hereto

For and on behalf of

UNITRANS SUPPLY CHAIN SOLUTIONS PROPRIETARY LIMITED



Name: JIM PETER HANGMAN
Capacity: Director
Who warrants his/her authority hereto



Name: FRANCIS WILLIAM WAGNER
Capacity: Director
Who warrants his/her authority hereto

FORM OF ACCESSION LETTER

To: [insert]
And to: [insert]
From: [Insert full name of Additional Guarantor] (the Acceding Party)
Date: [insert]

Dear Sirs

KAP INDUSTRIAL HOLDINGS LIMITED ZAR5,000,000,000 DOMESTIC MEDIUM TERM NOTE
PROGRAMME - GUARANTEE DATED [●] 2014 (the Guarantee)

1. We refer to the Guarantee. This is an Accession Letter, and terms used in this Accession Letter have the same meaning as in the Guarantee.
2. This Accession Undertaking is delivered to you as Issuer pursuant to Condition 8 of the Terms and Conditions and Clause 18 of the Guarantee.
3. In consideration of the Acceding Party being accepted as a Guarantor for the purposes of the Guarantee, the Acceding Party hereby confirms that, as from the date of acceptance of this Accession Letter by the Issuer, it -
 - 3.1. intends to be a party to the Guarantee as a Guarantor;
 - 3.2. intends to be a party to the Programme Agreement as a Guarantor;
 - 3.3. undertakes to perform all the obligations expressed in the Guarantee and the Programme Agreement to be assumed by a Guarantor; and
 - 3.4. agrees that it shall be bound by all the provisions of the Guarantee and the Programme Agreement as if it had been an original party to the Guarantee and Programme Agreement as a Guarantor.
4. This Accession Letter may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Accession Letter.
5. This Accession Letter shall be governed by and construed in accordance with the laws of South Africa.

For and on behalf of
[The Acceding Party]

Name: [Full name of Additional Guarantor]
Capacity:
Who warrants his authority hereto

Address for notices:

Address:

Fax:

Email:

For and on behalf of

KAP INDUSTRIAL HOLDINGS LIMITED

Name:

Capacity:

Who warrants his/her authority hereto

FORM OF RESIGNATION LETTER

To: [insert]

From: [insert]

Date: [insert]

Dear Sirs

KAP INDUSTRIAL HOLDINGS LIMITED ZAR5,000,000,000 DOMESTIC MEDIUM TERM NOTE PROGRAMME - GUARANTEE DATED [●] 2014 (the Guarantee)

1. We refer to the Guarantee. This is a Resignation Letter. Terms defined in the Guarantee have the same meaning in this Resignation Letter unless given a different meaning in this Resignation Letter.
2. This Resignation Letter is delivered to you as the Issuer pursuant to Condition 8 of the Terms and Conditions and Clause 19 of the Guarantee.
3. Pursuant to Condition 8.6 (*Resignation of a Guarantor*) of the Terms and Conditions and Clause 19 of the Guarantee, we confirm our resignation as a Guarantor.
4. We request that by your signature hereto, you confirm our release from our obligations as a Guarantor under the Guarantee, the Terms and Conditions and the Programme Agreement.
5. This Resignation Letter and any non-contractual obligations arising out of or in connection with it are governed by, and construed in accordance with, the laws of South Africa.

For and on behalf of

[*resigning Guarantor*]

For and on behalf of

[*KAP Industrial Holdings Limited*]

Name:

Capacity:

Who warrants his/her authority hereto

Name:

Capacity:

Who warrants his/her authority hereto

CONDITIONS PRECEDENT

1. An Accession Letter executed by the Additional Guarantor.
2. A copy of the Constitutional Documents of the Additional Guarantor.
3. A certified copy of all resolutions and other authorisations required to be passed or given, and evidence of any other action required to be taken, on behalf of the Additional Guarantor and/or its shareholders:
 - 3.1. to approve its entry into the Accession Letter, the Guarantee and the Programme Agreement; and
 - 3.2. to authorise appropriate persons to execute and enter into each of the Accession Letter, the Guarantee and the Programme Agreement; and to take any other action in connection therewith; and to authorise appropriate persons to enter into the Accession Letter, the Guarantee and the Programme Agreement.
4. A copy of any other authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration or other document, opinion or assurance which the Issuer considers to be necessary or desirable in connection with the entry into and performance of the transactions contemplated by the Accession Letter, Guarantee and Programme Agreement or for the validity and enforceability of the Accession Letter, Guarantee and Programme Agreement.
5. If available, the latest audited financial statements of the Additional Guarantor.
6. A legal opinion of the legal advisers to the Issuer, Arrangers and Dealers addressed to the Issuer, Arrangers and Dealers dealing with *inter alia* the capacity and authority of the Additional Guarantor to enter into the Accession Letter, the Programme Agreement and the Guarantee, substantially in the form distributed to, and agreed by, the Additional Guarantor prior the date of the Accession Letter.