



FirstRand Bank

FIRSTRAND BANK LIMITED

(Registration Number 1929/001225/06)

(incorporated with limited liability in South Africa)

ZAR100,000,000,000.00

Domestic Medium Term Note Programme

Under this ZAR100,000,000,000.00 Domestic Medium Term Note Programme (the “**Programme**”), which (as at the date of this Programme Memorandum (as defined below)) amends, restates, replaces and supersedes the ZAR80,000,000,000 Domestic Medium Term Note Programme dated 14 October 2015 (originally dated 20 February 2015) (“**Previous Programme**”), FirstRand Bank Limited (the “**Issuer**”) may from time to time issue (i) unsecured, or (ii) senior or subordinated registered notes; and from the Programme Date, the Issuer may from time to time issue (iii) notes which are subordinated notes and with terms capable of qualifying the proceeds of such notes as Regulatory Capital (the “**Notes**”). All Outstanding Notes will continue to be governed under the Previous Programme. Capitalised terms used in this Programme Memorandum are defined in the section of this Programme Memorandum headed “*Terms and Conditions of the Notes*” (the “**Terms and Conditions**”), unless separately defined, and/or in relation to a Tranche of Notes, in the Applicable Pricing Supplement.

This Programme Memorandum will apply to the Notes issued under the Programme in an aggregate outstanding Nominal Amount which will not exceed ZAR100,000,000,000.00 unless such amount is increased by the Issuer as set out in the section of this Programme Memorandum headed “*General Description of the Programme*”.

The Notes may comprise, without limitation, Fixed Rate Notes, Floating Rate Notes, Mixed Rate Notes, Zero Coupon Notes, Indexed Notes, Dual Currency Notes, Instalment Notes, Partly-Paid Notes, Exchangeable Notes, Extendible Notes and/or such combination of the foregoing Notes and/or such other type of Notes that are approved by the JSE, or its successor, or such other or further Financial Exchange(s), as may be determined by the Issuer and the relevant Dealer(s) and specified in the Applicable Pricing Supplement. Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. A Tranche of Notes will be issued on, and subject to, the Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement.

This Programme Memorandum has been approved by the JSE and is registered with the JSE. A Tranche of Notes may be listed on the Interest Rate Market of the JSE or on such other or additional Financial Exchange(s) as may be determined by the Issuer, subject to all Applicable Laws. Unlisted Notes may also be issued under the Programme but will not be regulated by the JSE. A copy of the signed Applicable Pricing Supplement relating to a Tranche of Notes which is to be listed on the Interest Rate Market of the JSE will be delivered to the JSE and the CSD before the Issue Date, and the Notes in that Tranche may be traded by or through members of the JSE from the date specified in the Applicable Pricing Supplement, in accordance with the Applicable Procedures. The settlement of trades on the JSE will take place in accordance with the electronic settlement procedures of the JSE and the CSD for all trades done through the JSE. The placement of a Tranche of unlisted Notes may (at the sole discretion of the Issuer) be reported through the JSE reporting system, in which event the settlement of trades in such Notes will take place in accordance with the electronic settlement procedures of the JSE and the CSD for all trades done through the JSE. The settlement and redemption procedures for a Tranche of Notes listed on any Financial Exchange (other than or in addition to the JSE) will be specified in the Applicable Pricing Supplement.

The Notes may be issued on a continuing basis and be placed by one or more of the Dealers specified under the section headed "*Summary of Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer, which appointment may be for a specific issue or on an on-going basis. References in this Programme Memorandum to the "relevant Dealer" shall, in the case of Notes being (or intended to be) placed by more than one Dealer, be to all Dealers agreeing to place such Notes.

The attention of investors contemplating investing in the Notes is drawn to the section headed "*Risk Factors*" for a discussion of certain factors that should be carefully considered by prospective investors in connection with an investment in the Notes.

The Issuer may be rated by a Rating Agency on a national scale or international scale basis, which Rating (if applicable) will be reflected in the Applicable Pricing Supplement. A Tranche of Notes may, on or before the Issue Date, be rated by a Rating Agency. The Applicable Pricing Supplement will reflect the Rating, if any, which has been assigned to the Issuer, the Programme and/or a Tranche of Notes, as the case may be, as well as the Rating Agency which assigned such Rating. For so long as the Programme Memorandum remains registered with the JSE, any change in any assigned Rating (if applicable) will be published by the Issuer on the Stock Exchange News Service ("**SENS**"), or any other similar service, established by the JSE, as soon as possible. The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a supplementary Programme Memorandum, if appropriate, will be made available, which will describe the effect of the agreement reached in relation to such Notes.

Arranger, Dealer and Debt Sponsor

FirstRand Bank Limited (acting through its Rand Merchant Bank division)



FirstRand Bank

Attorneys to Arranger and Issuer

ENSafrica

Programme Memorandum dated 1 November 2018 which amends, restates, replaces and supersedes the Programme Memorandum dated 20 February 2015 and the amended and restated Programme Memorandum 14 October 2015 for a technical and regulatory update, and from the Programme Date, to allow for the Issuer to issue notes that are subordinated notes and with terms capable of qualifying the proceeds of such notes as Regulatory Capital.

GENERAL

Words used in this section headed "General" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made, as well as that the Programme Memorandum contains all information required by law and the JSE Debt Listings Requirements. The Issuer shall have regard to the objects of the Financial Markets Act, which includes, but is not limited to ensuring fairness, efficiency and transparency. The Issuer accepts full responsibility for the accuracy of the information contained in this Programme Memorandum, Applicable Pricing Supplement(s), the annual financial statements (incorporated herein by reference), the annual report of the Issuer and any amendments and any supplements to the aforementioned documents from time to time except as otherwise stated therein. The Issuer certifies that to the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case) the information contained in this Programme Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Issuer, having made all reasonable enquiries, confirms that this Programme Memorandum contains or incorporates all information which is material in the context of the issue and the offering of Notes, that the information contained or incorporated in this Programme Memorandum is true and accurate in all material respects and is not misleading, that the opinions and the intentions expressed in this Programme Memorandum are honestly held and that there are no other facts, the omission of which would make this Programme Memorandum or any of such information or expression of any such opinions or intentions false or misleading in any material respect.

This document is to be read and construed with any amendment or supplement thereto (this document, as amended, replaced or supplemented, the "**Programme Memorandum**") and in conjunction with any other documents which are deemed to be incorporated herein by reference (see the section headed "*Documents Incorporated by Reference*") and, in relation to any Tranche of Notes, should be read and construed together with the Applicable Pricing Supplement. This Programme Memorandum shall be read and construed on the basis that such documents are incorporated into and are deemed to form part of this Programme Memorandum.

Claims against the JSE Debt Guarantee Fund Trust (or any successor fund) may only be made in respect of trading in Notes listed on the Interest Rate Market of the JSE in accordance with the rules of the JSE Debt Guarantee Fund Trust and can in no way relate to trading on another licensed or recognised exchange or to a default by the Issuer of its obligations under the Notes.

The JSE takes no responsibility for the contents of the Programme Memorandum and the annual financial statements and/or the pricing supplements and/or the annual report 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 and the annual financial statements and/or the pricing supplements and/or the annual report 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.

The Arranger, the Dealers, the JSE, the CSD, the Debt Sponsor or any of their respective affiliates and other professional advisers named herein have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, whether express or implied, is made and no responsibility is accepted by the Arranger, the Dealers, the JSE, the CSD, the Debt Sponsor or other professional advisers as to the accuracy or completeness of the information contained in this Programme Memorandum or any other information provided by the Issuer. The Arranger, the Dealers, the JSE, the CSD, the Debt Sponsor or their respective affiliates and other professional advisers do not accept any liability in relation to the information contained in this Programme Memorandum or any other information provided by the Issuer in connection with the Programme.

No person has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Programme Memorandum or any other document entered into in relation to the Programme or any other information supplied by the Issuer in connection with the Programme or any other documents which are deemed to be incorporated herein by reference and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger, the Dealers, the JSE, the CSD, the Debt Sponsor any of their agents or employees or other professional advisers.

Neither this Programme Memorandum nor any other information supplied in connection with the Programme is intended to provide a basis for any credit or other evaluation, or should be considered as a recommendation by the Issuer, the Arranger or any of the Dealers that any recipient of this Programme Memorandum or any other information supplied in connection with the Programme should subscribe for, or purchase, any Notes.

Each person contemplating the subscription for, or purchase of, any Notes should determine for itself the relevance of the information contained in this Programme Memorandum and should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and its subscription for, or purchase of, Notes should be based upon any such investigation as it deems necessary.

Neither this Programme Memorandum nor any Applicable Pricing Supplement nor any other information supplied in connection with the Programme constitutes an offer to sell or the solicitation of an offer to buy or invitation by or on behalf of the Issuer, the Arranger, or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Programme Memorandum nor any Applicable Pricing Supplement nor the offering, sale or delivery of any Note shall at any time imply that the information contained herein is correct at any time subsequent to the date hereof or that any other financial statements or other information supplied in connection with the Programme is correct as at any time subsequent to the date indicated in the document containing the same. The Arranger, the Dealers, the JSE, the Debt Sponsor or any of their respective affiliates and other professional advisers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme. Investors should review, *inter alia*, the most recent financial statements, if any, of the Issuer when deciding whether or not to subscribe for, or purchase, any Notes.

The distribution of this Programme Memorandum and any Applicable Pricing Supplement and the issue, sale or offer of Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Programme Memorandum or any Applicable Pricing Supplement or any Notes come are required by the Issuer, the Arranger and the Dealers to inform themselves about, and observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Programme Memorandum or any Applicable Pricing Supplement and other offering materially relating to the Notes, see the section headed "*Subscription and Sale*".

None of the Issuer, the Dealers, the Debt Sponsor or other professional advisers represents that this Programme Memorandum may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arranger, the Dealers, the Debt Sponsor or other professional advisers which would permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Programme Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any Applicable Laws and regulations, and the Dealers have represented that all offers and sales by them will be made on the same terms.

The Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "Securities Act"). Notes may not be offered, sold or delivered within the United States of America or to U.S. persons except in accordance with Regulation S under the Securities Act.

In connection with the issue and distribution of any Tranche of Notes under the Programme, the Dealer, if any, that is specified in the Applicable Pricing Supplement as the stabilising manager (or any person acting for the stabilising manager) may, if specified in that Applicable Pricing Supplement and only if such stabilising is permitted by the Applicable Laws and agreed with the JSE, over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail, for a limited period. However, there may be no obligation on the stabilising manager (or any agent of the stabilising manager) to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilising shall be in compliance with all Applicable Laws, regulations and rules.

TABLE OF CONTENTS

Clause number and description	Page
GENERAL	4
DOCUMENTS INCORPORATED BY REFERENCE	9
GENERAL DESCRIPTION OF THE PROGRAMME	12
SUMMARY OF THE PROGRAMME	14
RISK FACTORS.....	31
FORM OF THE NOTES	32
<i>PRO FORMA</i> APPLICABLE PRICING SUPPLEMENT (SENIOR AND SUBORDINATED NOTES THAT ARE NOT REGULATORY CAPITAL NOTES)	35
<i>PRO FORMA</i> APPLICABLE PRICING SUPPLEMENT FOR (REGULATORY CAPITAL NOTES)	50
TERMS AND CONDITIONS OF THE NOTES	77
1. INTERPRETATION.....	77
2. ISSUE	115
3. FORM AND DENOMINATION.....	116
4. TITLE	118
5. STATUS OF SENIOR NOTES	120
6. STATUS AND CHARACTERISTICS OF SUBORDINATED NOTES, WRITE OFF AND CONVERSION OF SUBORDINATED CAPITAL NOTES	120
7. NEGATIVE PLEDGE	140
8. INTEREST PAYMENTS ON ADDITIONAL TIER 1 NOTES	140
9. INTEREST	142
10. PAYMENTS.....	151
11. REDEMPTION AND PURCHASE.....	153
12. TAXATION	164
13. EXCHANGE OF BENEFICIAL INTERESTS AND REPLACEMENT OF INDIVIDUAL CERTIFICATES	166
14. REGISTER	169
15. TRANSFER OF NOTES	170
16. PRESCRIPTION	172
17. EVENTS OF DEFAULT	172

18.	ISSUER AGENT AND PARTICIPANT	179
19.	NOTICES	180
20.	AMENDMENT OF THESE CONDITIONS	181
21.	MEETINGS OF NOTEHOLDERS	183
22.	FURTHER ISSUES	190
23.	GOVERNING LAW.....	190
	USE OF PROCEEDS.....	191
	DESCRIPTION OF FIRSTRAND BANK LIMITED	192
	OVERVIEW OF THE BANKING SECTOR IN SOUTH AFRICA.....	193
	OVERVIEW OF REGULATORY CAPITAL REQUIREMENTS.....	194
	SETTLEMENT, CLEARING AND TRANSFER OF NOTES	201
	SUBSCRIPTION AND SALE	204
	SOUTH AFRICAN TAXATION.....	206
	SOUTH AFRICAN EXCHANGE CONTROL.....	212
	GENERAL INFORMATION.....	213

DOCUMENTS INCORPORATED BY REFERENCE

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

For so long as the Programme Memorandum remains registered with the JSE, the following documents shall be deemed to be incorporated in, and to form part of, this Programme Memorandum:

- (a) all amendments and supplements to this Programme Memorandum prepared by the Issuer from time to time;
- (b) the published annual report of the Issuer incorporating its audited annual financial statements, together with such statements, reports and the notes attached to or intended to be read with such financial statements of the Issuer for its 3 (three) financial years prior to the date of such issue as well as for each financial year thereafter ending on 30 June, and the reviewed unaudited interim financial statements of the Issuer for each financial half-year commencing with the financial half-year ended 31 December 2017;
- (c) each Applicable Pricing Supplement relating to any Tranche of Notes issued under the Programme;
- (d) a document containing the following information will be placed on the Issuer's website, www.firstrand.co.za/InvestorCentre/Pages/debt-programmes.aspx:
 - i. all information pertaining to the risk factors inherent in investing in the Notes, including the risk factors specific to the Issuer and the sensitivity of the issue of Notes to such risk factors will be published on the website of the Issuer;
 - ii. all information pertaining to South African Exchange Control will be published on the website of the Issuer;
 - iii. all information pertaining to the Overview of the Banking Sector in South Africa will be published on the website of the Issuer;
 - iv. all information pertaining to the description of the Issuer, including, but not limited to, its business, management, directors and corporate governance disclosure will be published on the website of the Issuer; and
- (e) all information pertaining to the Issuer which is relevant to the Programme and/or this Programme Memorandum which is electronically submitted, after the date of this Programme Memorandum, on SENS, or such other similar service, established by the JSE,

save that any statement contained in this Programme Memorandum or in any of the documents incorporated by reference in and forming part of this Programme Memorandum shall be deemed to be modified or

superseded for purposes of this Programme Memorandum to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). The Issuer's King IV disclosure and compliance shall be incorporated in FirstRand's annual integrated report, which is available on the website of the Issuer: <https://www.firstrand.co.za/InvestorCentre/Pages/annual-reports.aspx>. The Issuer will publish an announcement on SENS if there are market updates in relation to King IV compliance and if the information incorporated herein by reference has been amended or updated, together with a link to the Issuer's website where the amended or updated information is available.

The Issuer will, for so long as the Programme Memorandum remains registered with the JSE, provide at the registered office of the Issuer as set out at the end of this Programme Memorandum, without charge, upon request of such person, a copy of this Programme Memorandum, the constitutional documents of the Issuer and any or 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 the documents should be directed to the Issuer at its registered office as set out at the end of this Programme Memorandum. This Programme Memorandum, Applicable Pricing Supplements and any supplementary documents thereto will be available on the JSE website, www.jse.co.za, and the Issuer's annual report, including the audited annual financial statements of the Issuer, the information incorporated herein by reference in paragraph (d) above and this Programme Memorandum (and any supplementary documents thereto, including the Applicable Pricing Supplements) are also available on the Issuer's website, www.firstrand.co.za.

The Issuer will, for so long as the Programme Memorandum remains registered with the JSE, review the Programme Memorandum or any supplement to this Programme Memorandum on an annual basis to consider if any information contained in relation to the Issuer, specifically excluding Terms and Conditions, is outdated in a material respect. If such information is deemed to be outdated by the Issuer, the Issuer shall update the Programme Memorandum or any supplement to this Programme Memorandum pursuant to approval by the JSE. The Issuer will release an announcement, by electronically publishing such announcement on SENS, or any other similar service, established by the JSE, containing a summary of the changes and a statement that the updated Programme Memorandum or any supplement to the Programme Memorandum will be available for inspection on the relevant website, together with a link to the website.

The Issuer will, for so long as the Programme Memorandum remains registered with the JSE, publish a new Programme Memorandum or a supplement to this Programme Memorandum, as the case may be, if:

- (a) a material change in the condition (financial or otherwise) of the Issuer occurs; or
- (b) a material event has occurred which affects any matter contained in this Programme Memorandum, the disclosure of which would reasonably be required by Noteholders and/or potential investors in the Notes; or

- (c) any of the information contained in this Programme Memorandum becomes outdated in a material respect; or
- (d) this Programme Memorandum no longer contains all the materially correct information required by the Applicable Procedures,

provided that, in the circumstances set out in paragraphs (a), (c) and (d) above, no new Programme Memorandum or supplement to this Programme Memorandum, as the case may be, is required in respect of the Issuer's audited annual financial statements if such audited annual financial statements are incorporated by reference into this Programme Memorandum and such audited annual financial statements are published, as required by the Companies Act, and submitted to the JSE within 4 (four) months after the financial year end of the Issuer.

The Issuer will, for so long as the Programme Memorandum remains registered with the JSE, announce by electronically publishing such announcement on SENS, or any other similar service, established by the JSE, when the Issuer's audited annual financial statements are available.

GENERAL DESCRIPTION OF THE PROGRAMME

Words used in this section headed "General Description of the Programme" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.

The Issuer may from time to time issue one or more Tranches of Notes under the Programme, pursuant to this Programme Memorandum, provided that the aggregate outstanding Nominal Amount of all of the Notes issued under the Programme from time to time does not exceed the authorised Programme Amount.

A Tranche of Notes may be listed on the Interest Rate Market of the JSE or on such other or additional Financial Exchange(s) as may be determined by the Issuer, subject to Applicable Laws. Unlisted Notes may also be issued under the Programme but will not be regulated by the JSE. The Applicable Pricing Supplement will specify whether or not a Tranche of Notes will be listed and, if so, on which Financial Exchange.

This Programme Memorandum and any supplement will only be valid for the issue of Notes in an aggregate Nominal Amount which, when added to the aggregate Nominal Amount then outstanding of all the Notes previously or simultaneously issued under the Programme, does not exceed the authorised amount of ZAR100,000,000,000.00 or its equivalent in other currencies. For the purpose of calculating the South African Rand equivalent of the aggregate Nominal Amount of the Notes issued under the Programme from time to time, the South African Rand equivalent of the Notes denominated in another Specified Currency (as specified in the Applicable Pricing Supplement) shall be determined as of the date of agreement to issue such Notes (the "**Agreement Date**") on the basis of the spot rate for the sale of the South African Rand against the purchase of such Specified Currency in the South African foreign exchange market quoted by any leading bank selected by the Issuer on the Agreement Date (the "**Conversion Rate**") and in respect of:

- (a) Zero Coupon Notes and other Notes, the Conversion Rate shall be applied to the net subscription proceeds received by the Issuer for the relevant issue; and
- (b) Partly-Paid Notes and Index-Linked Notes, the Conversion Rate shall be applied to the Nominal Amount regardless of the amount paid up on such Notes.

From time to time the Issuer may wish to increase the Programme Amount. Subject to the Applicable Procedures, all Applicable Laws and the Programme Agreement (as defined in the section headed "*Subscription and Sale*"), the Issuer may, without the consent of Noteholders, increase the Programme Amount by delivering a notice thereof to (i) the Noteholders in accordance with Condition 19 (*Notices*) of the Terms and Conditions, (ii) the Arranger and the Dealer(s) (if any) and (iii) the Relevant Financial Exchange (if required). Upon such notice being given and the conditions set out in the Programme Agreement, if any, to the exercise of this right having been met, all references in this Programme Memorandum (and each agreement, deed or document relating to the Programme and/or this Programme Memorandum) to the Programme Amount will be, and will be deemed to be, references to the increased Programme Amount set out in such notice.

The Issuer may, at any time, obtain a Rating by a Rating Agency for this Programme or any issue of Notes pursuant to this Programme, on a national scale or international scale basis, which Rating(s) (if applicable) (as well as the Rating Agency or Rating Agencies which assigned such Rating(s)) will be reflected in the Applicable Pricing Supplement. A Tranche of Notes may, on or before the Issue Date, be rated by a Rating Agency on a national scale or international scale basis. Unrated Tranches of Notes may also be issued. Neither a Rating of a Tranche of Notes nor of the Programme nor of the Issuer is a recommendation to subscribe for, buy, sell or hold any Notes, and may be subject to revision, suspension or withdrawal at any time by the Rating Agency.

This Programme Memorandum will only apply to Notes issued under the Programme.

A summary of the Programme and the Terms and Conditions appears below.

SUMMARY OF THE PROGRAMME

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Programme Memorandum and, in relation to the Terms and Conditions of any particular Tranche of Notes, the Applicable Pricing Supplement. Words and expressions defined in the Terms and Conditions shall have the same meanings in this summary.

PARTIES

Issuer	FirstRand Bank Limited (registration number 1929/001225/06), a public company with limited liability duly incorporated in accordance with the company laws of South Africa and registered as a bank in terms of the Banks Act.
Arranger	FirstRand Bank Limited (acting through its Rand Merchant Bank division) (registration number 1929/001225/06) (" RMB "), or such other entity appointed by the Issuer as Arranger, as specified in the Applicable Pricing Supplement.
CSD	Strate Proprietary Limited (registration number 1998/022242/07), registered as a central securities depository in terms of the Financial Markets Act or such additional, alternative or successor central securities depository as may be agreed between the Issuer and the relevant Dealer(s).
Dealers	RMB, and any additional Dealer appointed under the Programme by the Issuer from time to time, which appointment may be for a specific issue or on an on-going basis, subject to the Issuer's right to terminate the appointment of such Dealer.
Debt Sponsor	RMB, or such other entity appointed by the Issuer from time to time, provided that the Issuer shall maintain the appointment of at least one Debt Sponsor for so long as the Programme Memorandum remains registered with the JSE.
Issuer Agent	RMB, or such other entity appointed by the Issuer as Issuer Agent, in which event that other entity will act as Issuer Agent as specified in the Applicable Pricing Supplement.

GENERAL

Rand held in an Emigrant Capital Account

Rand held in an Emigrant Capital Account may be used to subscribe for, or purchase, Notes, subject to the Exchange Control Regulations.

Clearing and Settlement

Notes may be cleared and settled in accordance with the rules of the JSE and the CSD. The Notes have been accepted for clearance through the CSD, which forms part of the JSE clearing system that is managed by the CSD, and may be accepted for clearance through any additional clearing system as may be agreed between the JSE and the Issuer. As at the date of this Programme Memorandum, the Participants include (but are not limited to) FirstRand Bank Limited, Nedbank Limited, Citibank N.A., South Africa branch, Standard Chartered Bank, Johannesburg branch, Société Générale, Johannesburg branch, The Standard Bank of South Africa Limited and the South African Reserve Bank (the "**SARB**"). Euroclear Bank S.A./N.V. as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme (Clearstream Luxembourg) ("**Clearstream**"), may hold Notes through their Participant.

Cross-Default

The terms of the Notes will contain a cross-default provision relating to Financial Indebtedness or Guarantees in respect of Financial Indebtedness having an aggregate outstanding amount equal to or greater than 0.2% (zero point two percent) of the Total Assets of the Issuer from time to time (or the equivalent in any other currency or currencies). Whether Financial Indebtedness or a Guarantee in respect of Financial Indebtedness, as the case may be, constitutes Material Indebtedness will be determined by the Issuer Agent upon a default under the relevant Financial Indebtedness or Guarantee in respect of Financial Indebtedness, as the case may be.

Denomination

Notes will be issued in such denominations as may be agreed by the Issuer and the relevant Dealer(s) and as indicated in the Applicable Pricing Supplement, save that the minimum denomination of each Note will be such as may be allowed or

required from time to time by the Central Bank or regulator or any laws or regulations applicable to the Notes.

Description of Programme	FirstRand Bank Limited ZAR100,000,000,000.00 Domestic Medium Term Note Programme, which (as at the date of this Programme Memorandum) amends, restates, replaces and supersedes the FirstRand Bank Limited ZAR80,000,000,000.00 Domestic Medium Term Note Programme dated 14 October 2015 (originally dated 20 February 2015).
Distribution	Notes may be distributed by way of public auction, private placement, book build or any other means permitted under South African law, and in each case on a syndicated or non-syndicated basis as may be determined by the Issuer and the relevant Dealer(s) and reflected in the Applicable Pricing Supplement.
Form of Notes	Notes will be issued in certificated form or electronically in uncertificated form as described in the section headed " <i>Form of the Notes</i> ". Notes listed on the Interest Rate Market of the JSE must, subject to Applicable Laws and Applicable Procedures, be issued in uncertificated form in terms of section 33 of the Financial Markets Act.
Governing Law	The Notes will be governed by and construed in accordance with the laws of South Africa in force from time to time.
Interest	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate or be index-linked, and the method of calculating interest may vary between the Issue Date and the Maturity Date.
Interest Period(s)/Interest Payment Date(s)	<p>The Interest Rate, Interest Payment Date(s) and Interest Period(s), if any, applicable to a Tranche of Notes will be specified in the Applicable Pricing Supplement.</p> <p>Subject to "<i>Non-payment of interest on Additional Tier 1 Notes</i>" below, interest on a Tranche of interest-bearing Notes will be payable in arrear, in respect of the Interest Period(s) specified</p>

in the Applicable Pricing Supplement, on the Interest Payment Date(s) specified in the Applicable Pricing Supplement.

Non-payment of interest on Additional Tier 1 Notes: The Issuer may elect not to pay, and in certain circumstances is obliged to elect not to pay, interest on Additional Tier 1 Notes, as more fully set out in Condition 8.1 (*Non-payment of interest*) of Terms and Conditions.

If the relevant Interest Amount (or any portion thereof) in respect of any Additional Tier 1 Notes has not been paid in full on the relevant Interest Payment Date pursuant to Condition 8.1 (*Non-payment of interest*), the “dividend stopper” restrictions set out in Condition 8.2 (*Restriction following non-payment of interest on Additional Tier 1 Notes*) will apply

Issue and Transfer Taxes

As at the date of this Programme Memorandum, no securities transfer tax or any similar tax is payable in respect of the issue, transfer or redemption of the Notes (see the section of this Programme Memorandum headed “*South African Taxation*”). Any future transfer duties and/or taxes that may be introduced in respect of (or are applicable to) the transfer of Notes will be for the account of Noteholders.

Issue Price

Notes may be issued on a fully-paid or, if the Notes will not be listed on the Interest Rate Market of the JSE, on a partly-paid basis and at their Nominal Amount or at a discount or premium to their Nominal Amount, as specified in the Applicable Pricing Supplement.

Listing

This Programme Memorandum has been approved by the JSE for the listing of the Notes on the Interest Rate Market of the JSE. Notes issued under the Programme may be listed on the Interest Rate Market of the JSE or on such other or additional Financial Exchange(s) as may be determined by the Issuer and the Dealer(s), subject to all Applicable Laws. Unlisted Notes may also be issued under the Programme but will not be regulated by the JSE. The Applicable Pricing Supplement will specify whether or not a Tranche of Notes will be listed and, if so, on which Financial Exchange(s).

Maturities of Notes

Notes may be issued with such maturity(ies) as specified in the Applicable Pricing Supplement, subject, in relation to Subordinated Capital Notes, to such minimum maturities as may be required from time to time by the applicable Regulatory Capital Requirements.

As at the Programme Date, (i) each Tranche of Additional Tier 1 Notes will be issued without a Maturity Date and (ii) subject to the applicable Regulatory Capital Requirements, each Tranche of Tier 2 Notes will have a minimum Maturity Period of 5 (five) years and 1 (one) day.

Negative Pledge

Senior Notes will have the benefit of a negative pledge as described in Condition 7 (*Negative Pledge*) of the Terms and Conditions.

Notes

Notes may comprise:

Fixed Rate Notes Fixed Rate interest will be payable in arrears on such date or dates as may be agreed between the Issuer and the relevant Dealer(s), as indicated in the Applicable Pricing Supplement and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s).

Floating Rate Notes Floating Rate Notes will bear interest calculated at a rate determined: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions; or (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quoting service; or (iii) on such other basis as may be agreed between the Issuer and the relevant Dealer(s).

The Margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer(s) for each issue of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

The Interest Period for Floating Rate Notes may be one, two, three, six or twelve months or such other period as the Issuer and the relevant Dealer(s) may agree, as indicated in the Applicable Pricing Supplement.

Dual Currency Notes Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer(s) may agree, as indicated in the Applicable Pricing Supplement.

Exchangeable Notes Exchangeable Notes may be redeemed by the Issuer in cash or by the delivery of securities as specified in the Applicable Pricing Supplement.

Index-Linked Notes Payments (whether in respect of interest on Indexed Interest Notes or in respect of principal on Indexed Redemption Amount Notes and whether at maturity or otherwise) will be calculated by reference to such index and/or formula as the Issuer and the relevant Dealer(s) may agree, as indicated in the Applicable Pricing Supplement.

Instalment Notes The Applicable Pricing Supplement will set out the dates on which, and the amounts in which, Instalment Notes may be redeemed. Interest will accrue on the amount outstanding on the relevant Note from time to time and otherwise as specified in the Applicable Pricing Supplement.

Mixed Rate Notes Mixed Rate Notes will bear interest over respective periods at the rates applicable for any combination of Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or Index-Linked Notes, each as specified in the Applicable Pricing Supplement.

Partly-Paid Notes The Issue Price will be payable in 2 (two) or more instalments as set out in the Applicable Pricing Supplement. Such notes will not be listed on the Interest Rate Market of the JSE.

Zero Coupon Notes Zero Coupon Notes will be issued at their Nominal Amount or at a discount to it and will not bear interest (except in the case of late payment as specified).

Other Notes Terms applicable to any other type of Notes that are approved by the JSE, or its successor, or such other Financial Exchange(s) as may be selected by the Issuer in relation to an issue of listed Notes, or as agreed between the Issuer and the relevant Dealer(s) in respect of unlisted Notes, will be set out in the Applicable Pricing Supplement.

Noteholders

The holders of the listed or unlisted registered Notes (as recorded in the Register). The CSD will be named in the Register as the registered Noteholder of each Tranche of Notes in uncertificated form which is held in the CSD. Each

holder of Notes which is represented by an Individual Certificate will be named in the Register as the registered Noteholder of such Notes.

Rating

The Issuer may be rated by a Rating Agency on a national scale or international scale basis, which Rating (if applicable) will be reflected in the Applicable Pricing Supplement. .

Rating of Notes

A Tranche of Notes may, on or before the Issue Date, be rated by a Rating Agency. Unrated Tranches of Notes may also be issued. The Applicable Pricing Supplement will reflect the Rating, if any, which has been assigned to a Tranche of Notes, as well as the Rating Agency or Rating Agencies which assigned such Rating or Ratings. A Rating is not a recommendation to subscribe for, buy, sell or hold Notes and may be subject to revision, suspension or withdrawal at any time by the Rating Agency.

Redemption

The Applicable Pricing Supplement relating to a Tranche of Notes will indicate either that the Notes cannot be redeemed prior to their stated maturity (other than in specified instalments (see below), if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders (as the case may be) and, upon giving not less than 30 (thirty) nor more than 60 (sixty) calendar days' irrevocable notice (or such other notice period (if any) as is indicated in the Applicable Pricing Supplement) to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the Applicable Pricing Supplement.

Redemption at Maturity: A Tranche of Notes (other than Additional Tier 1 Notes) will, subject to the Terms and Conditions, be redeemed on the Maturity Date, as set out in Condition 11.1 (*Redemption at Maturity*) of the Terms and Conditions.

Subject to the applicable Regulatory Capital Requirements, Tier 2 Notes will have a minimum period to maturity determined in accordance with the Regulatory Capital

Requirements relating to such Tier 2 Notes (of at least five years and one day after the Issue Date (as at the Programme Date)). The Maturity Date(s) of any such Tier 2 Notes will accordingly need to fall after the end of any such Maturity Period(s).

The Additional Tier 1 Notes have no Maturity Date and will only be redeemed on a winding-up or liquidation of the Issuer, subject to and in accordance with Condition 6.3 (*Status of Additional Tier 1 Notes*) (and specifically Condition 6.3.3 (*Subordination*)), as more fully described in Condition 11.1 (*Redemption at Maturity*).

The Additional Tier 1 Notes may only be redeemed, purchased or cancelled prior to the winding-up or liquidation of the Issuer or modified, substituted or varied in accordance with Condition 11 (*Redemption and purchase*), subject to Condition 11.6 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*) and Condition 6.3 (*Status of Additional Tier 1 Notes*) (and specifically Condition 6.3.3 (*Subordination*)).

Early Redemption for Tax Reasons or following the occurrence of a Change in Law: Subject to Condition 11.6 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*) in the case of Subordinated Capital Notes, if so specified in the Applicable Pricing Supplement, the Issuer may (having given not less than 30 (thirty) and not more than 60 (sixty) days' notice to the Noteholders in accordance with Condition 19 (*Notices*) of the Terms and Conditions) redeem any Tranche of Notes prior to the Maturity Date for tax reasons or following the occurrence of Change in Law as set out in Condition 11.2 (*Redemption for Tax Reasons or following the occurrence of a Change in Law*) of the Terms and Conditions.

Early Redemption at the option of the Issuer: Subject to Condition 11.6 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of*

Subordinated Capital Notes) in the case of Subordinated Capital Notes, if specified as being applicable in the Applicable Pricing Supplement, the Issuer may (having given not less than 30 (thirty) and not more than 60 (sixty) days' notice to the Noteholders in accordance with Condition 19 (*Notices*) of the Terms and Conditions) redeem the Notes in whole, or if so specified in the Applicable Pricing Supplement, in part on the Optional Redemption Dates, in accordance with Condition 11.3 (*Early Redemption at the option of the Issuer*) of the Terms and Conditions.

Early Redemption at the option of the Senior Noteholders: If specified as being applicable in the Applicable Pricing Supplement, the Noteholders of any such Tranche of Senior Notes may, by delivering, amongst other things, a duly completed Put Notice in accordance with Condition 11.4 (*Redemption at the option of the Senior Noteholders*) of the Terms and Conditions, require the Issuer to redeem such Tranche of Senior Notes on the Optional Redemption Dates specified in the relevant Put Notice in the manner set out in, and in accordance with, Condition 11.4 (*Redemption at the option of the Senior Noteholders*) of the Terms and Conditions.

Early Redemption following an Event of Default: Upon the occurrence of an Event of Default and receipt by the Issuer of a written notice declaring Senior Notes held by the relevant Senior Noteholder to be forthwith due and payable in accordance with Condition 17.1.2, such Senior Notes shall become forthwith due and payable at the Early Redemption Amount in the manner set out in Condition 11.9 (*Early Redemption Amounts*), together with interest (if any) to the date of payment, in accordance with Condition 17 (*Events of Default*) of the Terms and Conditions.

The redemption of Subordinated Notes (that are not Subordinated Capital Notes), Tier 2 Notes and Additional Tier 1 Notes upon the occurrence of an Event of Default is dealt with in Conditions 17.2 (*Subordinated Notes*), 17.3 (*Tier 2 Notes*) and 17.4 (*Additional Tier 1 Notes*) respectively.

Redemption of Subordinated Capital Notes for Regulatory Capital reasons: Subject to Condition 11.6 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*) (unless otherwise indicated in the Applicable Pricing Supplement), if so specified in the Applicable Pricing Supplement, the Issuer may redeem Subordinated Capital Notes at their Early Redemption Amount, together with interest accrued (if any) to the date fixed for redemption, if a Regulatory Capital Event occurs and is continuing in accordance with Condition 11.5 (*Redemption of Subordinated Capital Notes for Regulatory Capital reasons*) of the Terms and Conditions.

Redemption of Subordinated Capital Notes: For so long as the applicable Regulatory Capital Requirements so require, (i) Tier 2 Notes (which at the time of redemption purchase, cancellation, modification, substitution or variation constitute Tier 2 Capital) may only be redeemed, purchased or cancelled prior to their Maturity Date, or modified, substituted or varied pursuant to Condition 11.6 (*Substitution or variation*) and (ii) Additional Tier 1 Notes (which at the time of redemption purchase, cancellation, modification, substitution or variation constitute Additional Tier 1 Capital) may only be redeemed, purchased, cancelled, modified, substituted or varied pursuant to Condition 11.6 (*Substitution or variation*), at the option of the Issuer, and in compliance with Condition 11.6 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*). Subject to the applicable Regulatory Capital Requirements, Tier 2 Notes will have a minimum period to maturity determined in accordance with the Regulatory Capital Requirements relating to such Tier 2 Notes (of more than five years after the Issue Date (as at the Programme Date)). The Maturity Date(s) of any such Tier 2 Notes will accordingly need to fall after the end of any such Maturity Period(s).

The Applicable Pricing Supplement may provide that Notes may be redeemable in more than 1 (one) instalments of such

amounts and on such dates as indicated in the Applicable Pricing Supplement.

Substitution or variation in respect of Subordinated Capital Notes: If specified as being applicable in the Applicable Pricing Supplement and an event contemplated in Condition 11.2.1 or a Regulatory Capital Event and/or, if specified in the Applicable Pricing Supplement, a Change in Law has occurred and is continuing, then the Issuer may, at its election, instead of giving notice to redeem the relevant Subordinated Capital Notes, subject to satisfying the conditions in Condition 11.6 (*Substitution or variation*) and subject to Condition 11.6 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*), in the case of Subordinated Capital Notes the proceeds of which are intended to qualify as Tier 2 Capital, substitute all (but not only some) of the Tier 2 Notes in a Series for, or vary the terms of such Tier 2 Notes in that Series such that they remain, or as appropriate, become, Qualifying Tier 2 Securities and in the case of Subordinated Capital Notes the proceeds of which are intended to qualify as Additional Tier 1 Capital, substitute all (but not only some) of the Additional Tier 1 Notes in a Series for, or vary the terms of such Additional Tier 1 Notes in that Series such that they remain, or as appropriate, become, Qualifying Additional Tier 1 Securities or Qualifying Tier 2 Securities.

Register

The Register of Noteholders will be maintained by the Issuer Agent in terms of the Terms and Conditions.

Selling Restrictions

The distribution of this Programme Memorandum and any offering or sale of or subscription for a Tranche of Notes may be restricted in certain jurisdictions, and is restricted by law in the United States of America and South Africa (see the section of this Programme Memorandum headed "*Subscription and Sale*"). Any other or additional restrictions which are applicable to the placing of a Tranche of Notes will be set out in the Applicable Pricing Supplement. Persons who come into possession of this Programme Memorandum or any

Applicable Pricing Supplement must inform themselves about and observe all applicable selling restrictions.

Size of the Programme

As at the date of this Programme Memorandum, the authorised Programme Amount is ZAR100,000,000,000.00. This Programme Memorandum will only apply to Notes issued under the Programme in an aggregate outstanding Nominal Amount which does not exceed the Programme Amount. The Issuer may increase the Programme Amount as described in the section of this Programme Memorandum headed "*General Description of the Programme*".

Specified Currency

South African Rand (ZAR) or, subject to all Applicable Laws and in the case of Notes listed on the Interest Rate Market of the JSE subject to the rules of the JSE and the JSE Debt Listings Requirements, such other currency as is specified in the Applicable Pricing Supplement.

Stabilisation

In connection with the issue and distribution of any Tranche of Notes under the Programme, the Dealer, if any, that is specified in the Applicable Pricing Supplement as the stabilising manager (or any person acting for the stabilising manager) may, if specified in that Applicable Pricing Supplement and only if such stabilising is permitted by the Applicable Laws and agreed with the JSE, over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail, for a limited period. However, there may be no obligation on the stabilising manager (or any agent of the stabilising manager) to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilising shall be in compliance with all Applicable Laws, regulations and rules.

Status of Senior Notes

Unless otherwise specified in the Applicable Pricing Supplement, the Senior Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* and rateably without any preference among themselves and (save for certain debts required to be preferred by law) equally with all other unsecured and

unsubordinated obligations of the Issuer from time to time outstanding.

**Status and Characteristics
relating to Subordinated Notes**

Subordinated Notes that are not Subordinated Capital Notes

Unless otherwise specified in the Applicable Pricing Supplement, the Subordinated Notes constitute direct, unsecured and subordinated obligations of the Issuer and will rank *pari passu* without any preference among themselves and at least *pari passu* with all other Subordinated Indebtedness of the Issuer, save for the claims of those creditors that have been accorded preferential rights by law.

Subject to Applicable Law, in the event of the dissolution of the Issuer or if the Issuer is placed into liquidation, curatorship or wound up, the claims of the persons entitled to be paid amounts due in respect of the Subordinated Notes (including any damages or other amounts payable (if any)), shall be subordinated to all other claims in respect of any other indebtedness of the Issuer except for other Subordinated Indebtedness. Accordingly, in any such event, and provided as aforesaid, no holder of a Subordinated Note shall be entitled to prove or tender to prove a claim in respect of such Subordinated Notes, to the extent that any other indebtedness of the Issuer which is admissible in any such curatorship, dissolution, insolvency or winding-up (other than Subordinated Indebtedness) would not be paid or discharged in full as a result of such proof, and no amount shall be eligible for setting-off or shall be payable to any or all of the persons entitled to payment of amounts due in respect of the Subordinated Notes in respect of the obligations of the Issuer thereunder until all other indebtedness of the Issuer which is admissible in any such curatorship, dissolution, insolvency or winding-up (other than Subordinated Indebtedness) has been paid or discharged in full.

Tier 2 Notes

The Tier 2 Notes will constitute direct, unsecured and, in accordance with Condition 6.2.3 (*Subordination*) of the Terms and Conditions, subordinated obligations of the Issuer and will

rank (i) *pari passu* without any preference among themselves, (ii) save for those that have been accorded preferential rights by law, at least *pari passu* with all other subordinated obligations of the Issuer (other than any subordinated obligations which rank or are expressed to rank senior to the Issuer's obligations under the Tier 2 Notes), including but not limited to subordinated obligations in the form of other Tier 2 Notes and Tier 2 Capital, whether issued before the date of issue of the Tier 2 Notes or thereafter and (iii) behind in priority to all claims of Depositors and Senior Creditors, all as described in Condition 6.2 (*Status of Tier 2 Notes*) of the Terms and Conditions and the Applicable Pricing Supplement.

Additional Tier 1 Notes

The Additional Tier 1 Notes will constitute direct, unsecured and, in accordance with Condition 6.3.3 (*Subordination*) of the Terms and Conditions, subordinated obligations of the Issuer and will rank (i) *pari passu* without any preference among themselves, (ii) save for those that have been accorded preferential rights by law, at least *pari passu* with all other subordinated obligations of the Issuer (other than any subordinated obligations which rank or are expressed to rank senior to the Issuer's obligations under the Additional Tier 1 Notes), including but not limited to subordinated obligations in the form of other Additional Tier 1 Notes and Additional Tier 1 Capital, whether issued before the date of issue of the Additional Tier 1 Notes or thereafter and (iii) behind in priority to all claims of Depositors, Senior Creditors and holders of Junior Debt, all as described in Condition 6.3 (*Status of Additional Tier 1 Notes*) of the Terms and Conditions and the Applicable Pricing Supplement.

**Subordinated Capital Notes –
Regulatory Capital Requirements**

In order for the proceeds of the issue of a Tranche of Subordinated Notes to qualify as Regulatory Capital for the benefit of the Issuer and rank as Tier 2 Capital or Additional Tier 1 Capital, as applicable, that Tranche of Subordinated Notes must comply with the applicable Regulatory Capital Requirements, including such Additional Conditions (if any) as

are prescribed by the Relevant Authority in respect of that Tranche of Subordinated Notes.

The Issuer will specify in the Applicable Pricing Supplement whether an issue of Subordinated Notes is an issue of Notes the proceeds of which are intended to qualify as Regulatory Capital, and if so, whether as Tier 2 Capital or Additional Tier 1 Capital. Any Additional Conditions prescribed by the Relevant Authority in respect of a Tranche of Subordinated Notes, the proceeds of which are intended to qualify as Regulatory Capital, will be specified in the Applicable Pricing Supplement or a supplement to the Programme Memorandum.

Taxation

All payments of principal and interest in respect of the Notes will be made without withholding or deduction for or on account of taxes levied in South Africa unless such withholding or deduction is required by law.

For a summary of the current law in relation to the withholding or deduction of taxes levied in South Africa, see the section titled "*South African Taxation*" below.

In the event that withholding tax or such other deduction is required by law, then the Issuer will, subject to the Issuer's right to redeem Notes for tax reasons pursuant to Condition 11.2 (*Redemption for Tax Reasons or following the occurrence of a Change in Law*) (and subject to certain exceptions as provided in Condition 12 (*Taxation*)), make such payments as shall be necessary in order that the net amounts received by the holders of the Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, as the case may be, in the absence of such withholding or deduction. For a summary of the position in relation to issue and transfer taxes, see "**Issue and Transfer Taxes**" above.

Use of Proceeds

The Issuer will use the issue proceeds of the Notes for its general corporate purposes, or as may otherwise be described in the Applicable Pricing Supplement.

Subject to the applicable Regulatory Capital Requirements, the proceeds of the issue of a Tranche of Tier 2 Notes will rank as Tier 2 Capital, and the proceeds of the issue of a Tranche of Additional Tier 1 Notes will rank as Additional Tier 1 Capital, as specified in the Applicable Pricing Supplement.

RISK FACTORS

All information pertaining to the risk factors inherent in investing in the Notes will be incorporated by reference and will be available on the website of the Issuer, <https://www.firststrand.co.za/InvestorCentre/Pages/debt-programmes.aspx>, and will be amended from time to time.

FORM OF THE NOTES

Words used in this section headed "Form of the Notes" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.

A Tranche of Notes may be issued in the form of listed or unlisted registered Notes, as specified in the Applicable Pricing Supplement.

Registered Notes

A Tranche of Registered Notes will be issued in certificated form or in uncertificated form as specified in the Applicable Pricing Supplement. Each Tranche of Notes which is listed on the Interest Rate Market of the JSE must, subject to Applicable Laws and Applicable Procedures, be issued in uncertificated form in terms of section 33 of the Financial Markets Act and will be held in the CSD in the name of, and for the account of, the relevant Noteholder. A Tranche of unlisted Notes may also be held in the CSD.

Each Tranche of Notes will be issued in the form of Registered Notes in accordance with the Terms and Conditions and represented by (i) Individual Certificates, or (ii) no Individual Certificates, if issued in uncertificated form in terms of section 33 of the Financial Markets Act.

Notes issued in certificated form

A Tranche of Notes may, subject to Applicable Laws and Applicable Procedures, be issued in certificated form.

All certificated Notes will be represented by single Individual Certificates in registered form. Notes represented by Individual Certificates will be registered in the Register in the name of the individual Noteholders of such Notes.

Title to Notes represented by Individual Certificates will pass upon registration of transfer in accordance with Condition 14.1.2 (*Transfer of Notes represented by Individual Certificates*) of the Terms and Conditions.

The Issuer shall regard the Register as the conclusive record of title to the Notes represented by Individual Certificates.

Payments of all amounts due and payable in respect of Notes represented by Individual Certificates will be made in accordance with Condition 9 (*Payments*) of the Terms and Conditions to the person reflected as the registered Noteholder of such Notes in the Register at 17h00 (South African time) on the Last Day to Register, and the Issuer will be discharged by proper payment to or to the order of such registered holder in respect of each amount so paid.

Notes issued in uncertificated form

A Tranche of Notes which is listed on the Interest Rate Market of the JSE must, subject to Applicable Laws and Applicable Procedures, be issued in uncertificated form in terms of section 33 of the Financial Markets Act.

Notes issued in uncertificated form will not be represented by any certificate or written instrument. A Tranche of Notes issued in uncertificated form will be held in its entirety in the CSD, and the party recorded in the Uncertificated Register in accordance with Applicable Laws and the Applicable Procedures will be named in the Register as the registered Noteholder of that Tranche of Notes.

Beneficial Interests in Notes held in the CSD

A Tranche of Notes which is listed on the Interest Rate Market of the JSE will be issued in uncertificated form and held in the CSD. A Tranche of unlisted Notes may either be issued in certificated form or issued in uncertificated form. Unlisted, Uncertificated Notes may also be lodged in the CSD. While a Tranche of Notes is held in its entirety in the CSD, the Register will indicate that the entire Tranche of such Notes is held in uncertificated form in the CSD.

The CSD will hold each Tranche of Notes subject to the Financial Markets Act and the Applicable Procedures. All amounts to be paid and all rights to be exercised in respect of Notes held in the CSD will be paid to and may be exercised only by the CSD for the holders of Beneficial Interests in such Notes.

The CSD maintains central Securities Accounts for Participants only. As at the date of the Programme Memorandum, the Participants include (but are not limited to) FirstRand Bank Limited, Nedbank Limited, Citibank N.A., South Africa branch, Standard Chartered Bank, Johannesburg branch, Société Générale, Johannesburg branch, The Standard Bank of South Africa Limited and the SARB. Beneficial Interests which are held by Participants will be held directly through the CSD, and the CSD will hold such Beneficial Interests, on behalf of such Participants, through the central Securities Accounts maintained by the CSD for such Participants.

The Participants are in turn required to maintain Securities Accounts for their clients. Beneficial Interests which are held by clients of Participants will be held indirectly through such Participants, and such Participants will hold such Beneficial Interests, on behalf of such clients, through the Securities Accounts maintained by such Participants for such clients. The clients of Participants may include the holders of Beneficial Interests in the Notes or their custodians. The clients of Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Notes held by them in the CSD only through their Participants. Euroclear and Clearstream may hold Notes through their Participant.

In relation to each person shown in the records of the CSD or the relevant Participant, as the case may be, as the holder of a Beneficial Interest in a particular Outstanding Nominal Amount of Notes, a certificate or other document issued by the CSD or the relevant Participant, as the case may be, as to the Outstanding Nominal

Amount of such Notes standing to the account of any person shall be *prima facie* proof of such Beneficial Interest. The registered Noteholder named in the Register will be treated by the Issuer, and the Issuer Agent as the holder of that Outstanding Nominal Amount of such Notes for all purposes.

Title to Beneficial Interests held by Participants directly through the CSD will pass on transfer thereof by electronic book entry in the central Securities Accounts maintained by the CSD for such Participants. Title to Beneficial Interests held by clients of Participants indirectly through such Participants will pass on transfer thereof by electronic book entry in the Securities Accounts maintained by such Participants for such clients. Beneficial Interests may be transferred only in accordance with the Applicable Procedures. Holders of Beneficial Interests vote in accordance with the Applicable Procedures.

The holder of a Beneficial Interest will only be entitled to exchange such Beneficial Interest for Notes represented by an Individual Certificate in accordance with Condition 13 (*Exchange of Beneficial Interests and Replacement of Individual Certificates*) of the Terms and Conditions.

Endorsements on Individual Certificates representing Subordinated Capital Notes

If so required by the Regulatory Capital Requirements, each Individual Certificate (if any) representing Subordinated Capital Notes will bear the legend prescribed by the applicable Regulatory Capital Requirements.

**PRO FORMA APPLICABLE PRICING SUPPLEMENT (SENIOR AND SUBORDINATED NOTES THAT
ARE NOT REGULATORY CAPITAL NOTES)**

Set out below is the form of Applicable Pricing Supplement that will be completed for each Tranche of Notes issued under the Programme:



FirstRand Bank

FIRSTRAND BANK LIMITED

(Incorporated in the Republic of South Africa with limited liability under registration number 1929/001225/06)

(the “**Issuer**”)

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
Under its ZAR100,000,000,000.00 Domestic Medium Term Note Programme**

[Stock Code]

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum, dated 1 November 2018 and approved by the JSE on 1 November 2018, prepared by FirstRand Bank Limited in connection with the FirstRand Bank Limited ZAR100,000,000,000.00 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.

DESCRIPTION OF THE NOTES

- | | | |
|-----|---------------------------|--|
| 1. | Issuer | FirstRand Bank Limited |
| 2. | Specified Office | [●] |
| 3. | Status of Notes | [Senior] [Unsecured] |
| 4. | Form of Notes | [Listed / Unlisted] Registered Notes

[The Notes in this Tranche are issued in uncertificated form and held by the CSD]. [The Notes in this Tranche are issued in certificated form.] |
| 5. | Series Number | [●] |
| 6. | Tranche Number | [●] |
| 7. | Aggregate Nominal Amount: | |
| | (a) Series | ZAR[●] |
| | (b) Tranche | ZAR[●] |
| 8. | Interest | [Interest-bearing / Non-interest-bearing] |
| 9. | Interest Payment Basis | [[Fixed Rate / Floating Rate / Zero Coupon / Index-Linked] Notes / other] |
| 10. | Interest Period(s) | means each period commencing on (and including) an Interest Payment Date and ending on (but excluding) the following Interest Payment Date; provided that the first Interest Period will commence on (and include) the interest commencement date and end on (but exclude) [the following Interest Payment Date/state specific Interest Payment Date] (each Interest Payment Date as adjusted in accordance with the applicable Business Day Convention) |
| 11. | Interest Payment Date(s) | means [please insert the specific interest payment dates of each calendar year] 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 (as specified in the Applicable Pricing Supplement)
12.	Interest Rate Determination Date/s or Reset Dates	means [please insert the interest rate determination date/s or reset dates of each interest period for example, the auction date for the first Interest Period and thereafter the first business day of each Interest Period]
13.	Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another	[insert details including date for conversion]
14.	Issue Date	[●]
15.	Nominal Amount per Note	[●]
16.	Specified Denomination	[●]
17.	Issue Price	[●]
18.	Interest Commencement Date	[●]
19.	Maturity Date	[●]
20.	Business Centre	[●]
21.	Additional Business Centre	[●]
22.	Applicable Business Day Convention	Floating Rate Business Day / Following Business Day / Modified Following Business Day / Preceding Business Day / other convention – insert details
23.	Final Redemption Amount	[●]
24.	Last Date to Register	[●]
25.	Books Closed Period(s)	The Register will be closed from [●] to [●] and from [●] to [●] (all dates inclusive) in each year until the Maturity Date
26.	Default Rate	[●]

27. Specified Currency [South African Rand (ZAR).]

FIXED RATE NOTES

28. (a) Fixed Rate of Interest [●] percent per annum [payable [annually / semi-annually / quarterly] in arrear]
- (b) Fixed Interest Payment Date(s) [●] in each year up to and including the Maturity Date/other
- (a) Fixed Coupon Amount(s) [●] per [●] in Nominal Amount
- (b) Initial Broken Amount [●]
- (c) Final Broken Amount [●]
- (d) Determination Date(s) [●] in each year
- (e) Day Count Fraction [●]
- (f) Any other terms relating to the particular method of calculating interest [●]

FLOATING RATE NOTES

29. (a) Floating Interest Payment Date(s) [●]
- (b) Interest Period(s) [●]
- (c) Definition of Business Day (if different from that set out in Condition 1 (*Interpretation*)) [●]
- (d) Minimum Rate of Interest [●] percent per annum
- (e) Maximum Rate of Interest [●] percent per annum
- (f) Other terms relating to the method of calculating interest (e.g.: Day Count Fraction, rounding up provision) [●]

30. Manner in which the Rate of Interest is to be determined [ISDA Determination / Screen Rate Determination / other – insert details.]
31. Margin [[•] basis points to be added to/subtracted from the relevant ISDA Rate / Reference Rate.]
32. If ISDA Determination:
- (a) Floating Rate [•]
 - (b) Floating Rate Option [•]
 - (c) Designated Maturity [•]
 - (d) Reset Date(s) [•]
 - (e) ISDA Definitions to apply [•]
33. If Screen Determination:
- (a) Reference Rate (including relevant period by reference to which the Rate of Interest is to be calculated) [•]
 - (b) Interest Rate Determination Date(s) [•]
 - (c) Relevant Screen Page and Reference Code [•]
34. If Rate of Interest to be calculated otherwise than by ISDA Determination or Screen Determination, insert basis for determining Rate of Interest/Margin/ Fall-back provisions [•]
35. Issuer Agent responsible for calculating amount of principal and interest [•]

ZERO COUPON NOTES

36. (a) Implied Yield [●]
- (b) Reference Price Percent [NACA] [NACM] [NACQ] [NACS] [other method of compounding]
- (c) Any other formula or basis for determining amount(s) payable [●]

PARTLY-PAID NOTES

37. (a) Amount of each payment comprising the Issue Price [●]
- (b) Dates upon which each payment is to be made by Noteholder [●]
- (c) Consequences (if any) of failure to make any such payment by Noteholder [●]
- (d) Interest Rate to accrue on the first and subsequent instalments after the due date for payment of such instalments [●] percent per annum

INSTALMENT NOTES

38. Instalment Dates [●]
39. Instalment Amounts (expressed as a percentage of the aggregate Nominal Amount of the Instalment Notes) [●]

MIXED RATE NOTES

40. Period(s) during which the interest rate for the Mixed Rate Notes will be (as applicable) that for:
- (a) Fixed Rate Notes [●]

- (b) Floating Rate Notes [•]
- (c) Index-Linked Notes [•]
- (d) [Other Notes [•]]

41. The interest rate and other pertinent details are set out under the headings relating to the applicable forms of Notes

INDEX-LINKED NOTES

42. (a) Type of Index-Linked Notes [Indexed Interest Notes / Indexed Redemption Amount Notes]
- (b) Code [•]
 - (c) Currency of Index [•]
 - (d) Name of Index Calculator [•]
 - (e) Index Sponsor [•]
 - (f) Index/Formula by reference to which Interest Rate / Interest Amount is to be determined [•]
 - (g) Manner in which the Interest Rate / Interest Amount is to be determined [•]
 - (h) Interest Period(s) [•]
 - (i) Interest Payment Date(s) [•]
 - (j) [Base CPI for Index-Linked Notes] [•]
 - (k) if different from the Issuer Agent, agent responsible for calculating amount of principal and interest [[Name] shall be the Issuer Agent (*no need to specify if the Issuer Agent is to perform this function*)] [Please note: If the performance of an instrument to be listed on the JSE relates to the performance of an index and/or the calculation

thereof, the index Issuer Agent for Debt Securities must be registered as such with the JSE – paragraph 4.11(j) of the JSE Debt Listings Requirements.]

- (l) Provisions where calculation by reference to Index and/or Formula is impossible or impracticable [●]
- (m) Definition of Business Day (if different from that set out in Condition 1 (*Interpretation*)) [●]
- (n) Minimum Rate of Interest [●] percent per annum
- (o) Maximum Rate of Interest [●] percent per annum
- (p) Other terms relating to the method of calculating interest (e.g.: Day Count Fraction, rounding up provision) [●]
- (q) Other terms relating to Index-Linked Notes [Please note: Additional JSE requirements may be applicable if Index-Linked Notes are issued. See the JSE guidelines for Acceptable Index Providers and section 19 of the JSE Listings Requirements.]
- (r) Index ground rules documents will be available on the website
- (s) Any changes to the index methodology will be published on SENS and communicated to the JSE.
- (t) All other changes as detailed in the ground rules document will be published on the index calculator's website

- (u) The level of the index is published [Daily/Monthly]
- (v) The level of the index will be published on the website
- (w) Indices underlying the index being referenced
- (x) The level of each of the indices underlying the index being referenced is published
- (y) The level of each of the indices underlying the index being referenced will be published on the website

DUAL CURRENCY NOTES

43. (a) Type of Dual Currency Notes [Dual Currency Interest/Dual Currency Redemption Amount] Notes
- (b) Rate of Exchange/method of calculating Rate of Exchange [●]
- (c) Provisions applicable where calculation by reference to Rate of Exchange is impossible or impracticable [●]
- (d) Person at whose option Specified Currency(ies) is/are payable [●]

EXCHANGEABLE NOTES

44. (a) Mandatory Exchange applicable? [Yes/No]
- (b) Noteholders' Exchange Right applicable? [Yes/No]

- (c) Exchange Securities [•]
- (d) Manner of determining Exchange Price [•]
- (e) Exchange Period [•]
- (f) Other [•]

EXTENDIBLE NOTES

- 45. (a) Last date to which Redemption Date may be extended [•]
- (b) Step-up Margin [•]
- (c) Requisite Notice [•]
- (d) Other [•]

EQUITY LINKED NOTES

- 46. Instrument Code [•]
- 47. ISIN No. [•]
- 48. Other [•]

OTHER NOTES

- 49. If the Notes are not Fixed Rate Notes, Floating Rate Notes or Zero Coupon Notes or if the Notes are a combination of any of the foregoing, set out the relevant description and any additional Terms and Conditions, approved by the JSE, relating to such Notes. [•]

PROVISIONS REGARDING REDEMPTION / MATURITY

50. Issuer's Optional Redemption: [Yes/No]

If yes:

(a) Optional Redemption Date(s) [•]

(b) Optional Redemption [•]
Amount(s) and method, if any,
of calculation of such amount(s)

(c) Minimum period of notice (if [•]
different from Condition 11.3
*(Redemption at the Option of
the Issuer)*)

(d) If redeemable in part: [•]

Minimum Redemption [•]
Amount(s)

Higher Redemption Amount(s) [•]

(e) Other terms applicable on
Redemption

51. Redemption at the Option of the [Yes/No]
Senior Noteholders:

If yes:

(a) Optional Redemption Date(s) [•]

(b) Optional Redemption [•]
Amount(s)

(c) Minimum period of notice (if [•]
different from Condition 11.4
*(Redemption at the Option of
the Senior Noteholders)*)

- (d) If redeemable in part:
- Minimum Redemption Amount(s) [●]
- Higher Redemption Amount(s) [●]
- (e) Other terms applicable on Redemption [●]
- (f) Attach pro forma Put Notice(s)
52. Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default (if required). [Yes/No]
- If an amount other than the Early Redemption Amount is payable on redemption for taxation reasons or on Event of Default [only complete if “no” elected in item 52 above]:
- (a) Amount payable; or [●]
- (b) Method of calculation of amount payable [●]
- 53 Other terms applicable on Redemption
- In respect of all Notes which will be automatically redeemed on the occurrence of an Activation Event (for the purposes of this item, “**Activation Event**” means an event that precipitates an automatic redemption in relation to the Notes), the early redemption date of the Notes will be a minimum of 5 (five) business days after the date on which the trigger event occurred. Such early redemption date will be announced on SENS in accordance with the timetable set out in paragraph 3 of Schedule 4, Form A4 of the JSE Debt Listings Requirements.

ADDITIONAL CONDITIONS

[●]

GENERAL

- | | | |
|-----|---|---|
| 54. | Notes in issue | As at the date of this issue, the Issuer has issued Notes in the aggregate total amount of [●] under the Programme.

The aggregate Nominal Amount of all Notes issued under the Programme as at the Issue Date, together with the aggregate Nominal Amount of this Tranche (when issued), will not exceed the Programme Amount. |
| 55. | Financial Exchange | JSE Limited]/[Specify other or additional Financial Exchange, if applicable] |
| 56. | Exchange Control Approval | [●] |
| 57. | Issuer Agent (consisting of the Calculation Agent, Paying Agent, Transfer Agent and Settlement Agent) | [●] |
| 58. | Specified office of the Issuer Agent (consisting of the Calculation Agent, Paying Agent, Transfer Agent and Settlement Agent) | [●] |
| 59. | Additional selling restrictions | [●] |
| 60. | ISIN No. | [●] |
| 61. | Stock Code | [●] |
| 62. | Method of distribution | [Auction/Private placement/Bookbuild/other.] |
| 63. | If syndicated, names of Managers | [●] |
| 64. | If non-syndicated, name of Dealer | [●] |
| 65. | Debt Sponsor | [●] |
| 66. | Governing law (if the laws of South Africa are not applicable) | [●] |
| 67. | Use of proceeds | [●] |

68.	Pricing Methodology	[Standard JSE pricing methodology / other – insert details]
69.	Stabilising Manager (if any)	[●]
70.	Other provisions	[●]
71.	Rating	[●]
72.	Rating Agency	[●]
73.	Material Change Statement	<p>The Issuer hereby confirms that as at the date of this Applicable Pricing Supplement, there has been no material change in the financial or trading position of the Issuer and its subsidiaries since the date of the Issuer's latest [reviewed/audited] [interim/annual] financial statements for the [six month period ended [date]/ twelve months ended [date]]. This statement has not been confirmed nor verified by the auditors of the Issuer.</p>

Responsibility:

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made as well as that the pricing supplement contains all information required by law and the Debt Listings Requirements. The Issuer accepts full responsibility for the accuracy of the information contained in the Programme Memorandum and the annual financial statements and the pricing supplements and the annual report 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 and the annual financial statements and the pricing supplements and the annual report 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 and the annual financial statements and the pricing supplements and the annual report 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.

Application [is hereby]/[will not be] made to list this issue of Notes on [●] 20[●].

SIGNED at _____ on this _____ day of _____ 20[●]

for and on behalf of

FIRSTRAND BANK LIMITED

Name:

Capacity: Authorised Signatory

Who warrants his/her authority hereto

Name:

Capacity: Authorised Signatory

Who warrants his/her authority hereto

PRO FORMA APPLICABLE PRICING SUPPLEMENT FOR (REGULATORY CAPITAL NOTES)

Set out below is the form of Applicable Pricing Supplement that will be completed for each Tranche of Regulatory Capital Notes issued under the Programme from the date of the updated Programme Memorandum of 1 November 2018:



FirstRand Bank

FIRSTRAND BANK LIMITED

(Incorporated in the Republic of South Africa with limited liability under registration number 1929/001225/06)

(the “**Issuer**”)

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

Under its ZAR100,000,000,000.00 Domestic Medium Term Note Programme

[Stock Code]

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum, dated 1 November 2018 and approved by the JSE on 1 November 2018, prepared by FirstRand Bank Limited in connection with the FirstRand Bank Limited ZAR100,000,000,000.00 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 Regulatory Capital Notes described herein. The Regulatory Capital 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.

DESCRIPTION OF THE NOTES

1.	Issuer	FirstRand Bank Limited
2.	Specified Office	[•]
3.	Status of Notes	<p>[Senior Note (see Condition 5 (<i>Status of Senior Notes</i>))/Subordinated Note that is not a Subordinated Capital Note (see Condition 6.1 (<i>Status of Subordinated Notes that are not Subordinated Capital Notes</i>))/ Tier 2 Note (see Condition 6.2 (<i>Status of Tier 2 Notes</i>))/Additional Tier 1 Note (see Condition 6.3 (<i>Status of Additional Tier 1 Notes</i>))]</p> <p>[Secured / Unsecured]</p> <p>[In accordance with the Regulatory Capital Requirements, the [Tier 2 Notes/Additional Tier 1 Notes] will be subject to [Write Off/Conversion] if a Trigger Event occurs in relation to the Issuer.]</p>
4.	Form of Notes	<p>[Listed / Unlisted] Registered Notes</p> <p>[The Notes in this Tranche are issued in uncertificated form and held by the CSD]. [The Notes in this Tranche are issued in certificated form.]</p>
5.	Series Number	[•]
6.	Tranche Number	[•]
7.	Aggregate Nominal Amount:	
	a) Series	ZAR[•]
	b) Tranche	ZAR[•]
8.	Interest	[Interest-bearing / Non-interest-bearing]

9. Interest Payment Basis [[Fixed Rate / Floating Rate / Zero Coupon / Index-Linked] Notes / other]
10. Interest Period(s) means each period commencing on (and including) an Interest Payment Date and ending on (but excluding) the following Interest Payment Date; provided that the first Interest Period will commence on (and include) the Interest Commencement Date and end on (but exclude) [the following Interest Payment Date/state specific Interest Payment Date] (each Interest Payment Date as adjusted in accordance with the applicable Business Day Convention)
11. Interest Payment Date(s) means [please insert the specific interest payment dates of each calendar year] 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 (as specified in the Applicable Pricing Supplement)
12. Interest Rate Determination Date/s or Reset Dates means [please insert the interest rate determination date/s or reset dates of each interest period for example, the auction date for the first Interest Period and thereafter the first business day of each Interest Period]
13. Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another [insert details including date for conversion]
14. Issue Date [•]
15. Nominal Amount per Note [•]
16. Specified Denomination [•]
17. Issue Price [•]

18.	Interest Commencement Date	[●]
19.	Maturity Date	[●]/[Subject to the section titled “ <i>Provisions regarding Redemption/Maturity</i> ” below, this Tranche of Additional Tier 1 Notes shall only be redeemed, at the aggregate outstanding Nominal Amount of this Tranche plus accrued interest (if any), on a winding-up (other than pursuant to a Solvent Reconstruction) or liquidation of the Issuer, subject to Condition 6.3 (<i>Status of Additional Tier 1 Notes</i>) (and specifically Condition 6.3.3 (<i>Subordination</i>)).] ¹
20.	Business Centre	[●]
21.	Additional Business Centre	[●]
22.	Applicable Business Day Convention	Floating Rate Business Day / Following Business Day / Modified Following Business Day / Preceding Business Day / other convention – insert details
23.	Final Redemption Amount	[●]/[The [aggregate outstanding] Nominal Amount (plus accrued interest, if any, to the Maturity Date).] ² / [See item 19 above.] ³
24.	Last Date to Register	[●]
25.	Books Closed Period(s)	The Register will be closed from [●] to [●] and from [●] to [●] (all dates inclusive) in each year until the Maturity Date
26.	Default Rate	[●]
27.	Specified Currency	[South African Rand (ZAR).]

¹ This is only applicable to Additional Tier 1 Notes.

² This is only applicable to Tier 2 Notes.

³ This is only applicable to Additional Tier 1 Notes.

28.	Provisions applicable to Subordinated Capital Notes	[Applicable]/[N/A] <i>(Specify Additional Conditions (if any) prescribed by the Relevant Authority and those of the applicable Regulatory Capital Requirements (if any) which are not set out in the Terms and Conditions.)</i>
-----	--	--

FIXED RATE NOTES

29.	Issuer election not to pay interest	[Not applicable]/[Applicable. In the case of a Tranche of Additional Tier 1 Notes, this item 29 is subject in all respects to Condition 8 <i>(Interest Payments on Additional Tier 1 Notes).</i>] ⁴
30.	a) Fixed Rate of Interest	[•] percent per annum [payable [annually / semi-annually / quarterly] in arrear]
	b) Fixed Interest Payment Date(s)	[•] in each year up to and including the Maturity Date/other
	c) Fixed Coupon Amount(s)	[•] per [•] in Nominal Amount
	d) Initial Broken Amount	[•]
	e) Final Broken Amount	[•]
	f) Determination Date(s)	[•] in each year
	g) Day Count Fraction	[•]
	h) Any other terms relating to the particular method of calculating interest	[•]

⁴ This is only applicable to Additional Tier 1 Notes.

FLOATING RATE NOTES

31.	Issuer election not to pay interest	[Not applicable]/[Applicable] In the case of a Tranche of Additional Tier 1 Notes, this item 31 is subject in all respects to Condition 8 (<i>Interest Payments on Additional Tier 1 Notes</i>).] ⁵
32.	a) Floating Interest Payment Date(s)	[•]
	b) Interest Period(s)	[•]
	c) Definition of Business Day (if different from that set out in Condition 1 (<i>Interpretation</i>))	[•]
	d) Minimum Rate of Interest	[•] percent per annum
	e) Maximum Rate of Interest	[•] percent per annum
	f) Other terms relating to the method of calculating interest (e.g.: Day Count Fraction, rounding up provision)	[•]
33.	Manner in which the Rate of Interest is to be determined	[ISDA Determination / Screen Rate Determination / other – insert details.]
34.	Margin	[[•] basis points to be added to/subtracted from the relevant ISDA Rate / Reference Rate.]
35.	If ISDA Determination:	
	a) Floating Rate	[•]
	b) Floating Rate Option	[•]

⁵ This is only applicable to Additional Tier 1 Notes.

- c) Designated Maturity [•]
 - d) Reset Date(s) [•]
 - e) ISDA Definitions to apply [•]
36. If Screen Determination:
- a) Reference Rate [•]
(including relevant period by reference to which the Rate of Interest is to be calculated)
 - b) Interest Rate [•]
Determination Date(s)
 - c) Relevant Screen Page [•]
and Reference Code
37. If Rate of Interest to be calculated [•]
otherwise than by ISDA
Determination or Screen
Determination, insert basis for
determining Rate of Interest/Margin/
Fall-back provisions
38. Issuer Agent responsible for [•]
calculating amount of principal and
interest

ZERO COUPON NOTES

39. a) Implied Yield [•]
- b) Reference Price [•] Percent [NACA] [NACM] [NACQ] [NACS]
[other method of compounding]
- c) Any other formula or basis for [•]
determining amount(s)
payable

PARTLY-PAID NOTES

40. a) Amount of each payment [•]
 comprising the Issue Price
- b) Dates upon which each [•]
 payment is to be made by
 Noteholder
- c) Consequences (if any) of [•]
 failure to make any such
 payment by Noteholder
- d) Interest Rate to accrue on the [•] percent per annum
 first and subsequent
 instalments after the due
 date for payment of such
 instalments

INSTALMENT NOTES

41. Instalment Dates [•]
42. Instalment Amounts (expressed as [•]
 a percentage of the aggregate
 Nominal Amount of the Instalment
 Notes)

MIXED RATE NOTES

43. Issuer election not to pay interest [Not applicable]/[Applicable. In the case of a Tranche of Additional Tier 1 Notes, this item 43 is subject in all respects to Condition 8 (*Interest Payments on Additional Tier 1 Notes*).]⁶
44. Period(s) during which the interest rate for the Mixed Rate Notes will be (as applicable) that for:
- a) Fixed Rate Notes [•]
 - b) Floating Rate Notes [•]
 - c) Index-Linked Notes [•]
 - d) [Other Notes [•]]
45. The interest rate and other pertinent details are set out under the headings relating to the applicable forms of Notes

INDEX-LINKED NOTES

46. Issuer election not to pay interest [Not applicable]/[Applicable. In the case of a Tranche of Additional Tier 1 Notes, this item 46 is subject in all respects to Condition 8 (*Interest Payments on Additional Tier 1 Notes*).]⁷
47. a) Type of Index-Linked Notes [Indexed Interest Notes / Indexed Redemption Amount Notes]
- b) Code [•]
 - c) Currency of Index [•]

⁶ This is only applicable to Additional Tier 1 Notes.

⁷ This is only applicable to Additional Tier 1 Notes.

- d) Name of Index Calculator [•]
- e) Index Sponsor [•]
- f) Index/Formula by reference [•]
to which Interest Rate /
Interest Amount is to be
determined
- g) Manner in which the Interest [•]
Rate / Interest Amount is to
be determined
- h) Interest Period(s) [•]
- i) Interest Payment Date(s) [•]
- j) [Base CPI for Index-Linked [•]
Notes]
- k) if different from the Issuer Agent, agent responsible for calculating amount of principal and interest [[*Name*] shall be the Issuer Agent (*no need to specify if the Issuer Agent is to perform this function*)] [Please note: If the performance of an instrument to be listed on the JSE relates to the performance of an index and/or the calculation thereof, the index Issuer Agent for Debt Securities must be registered as such with the JSE – paragraph 4.11(j) of the JSE Debt Listings Requirements.]
- l) Provisions where calculation [•]
by reference to Index and/or
Formula is impossible or
impracticable
- m) Definition of Business Day (if [•]
different from that set out in
Condition 1 (*Interpretation*))
- n) Minimum Rate of Interest [•] percent per annum
- o) Maximum Rate of Interest [•] percent per annum

- p) Other terms relating to the method of calculating interest (e.g.: Day Count Fraction, rounding up provision) [•]
- q) Other terms relating to Index-Linked Notes [Please note: Additional JSE requirements may be applicable if Index-Linked Notes are issued. See the JSE guidelines for Acceptable Index Providers and section 19 of the JSE Listings Requirements.]
- r) Index ground rules documents will be available on the website
- s) Any changes to the index methodology will be published on SENS and communicated to the JSE.
- t) All other changes as detailed in the ground rules document will be published on the index calculator's website
- u) The level of the index is published [Daily/Monthly]
- v) The level of the index will be published on the website
- w) Indices underlying the index being referenced
- x) The level of each of the indices underlying the index being referenced is published

- y) The level of each of the indices underlying the index being referenced will be published on the website

DUAL CURRENCY NOTES

48. a) Type of Dual Currency Notes [Dual Currency Interest/Dual Currency Redemption Amount] Notes
- b) Rate of Exchange/method of calculating Rate of Exchange [•]
- c) Provisions applicable where calculation by reference to Rate of Exchange is impossible or impracticable [•]
- d) Person at whose option Specified Currency(ies) is/are payable [•]

EXCHANGEABLE NOTES

49. a) Mandatory Exchange applicable? [Yes/No]
- b) Noteholders' Exchange Right applicable? [Yes/No]
- c) Exchange Securities [•]
- d) Manner of determining Exchange Price [•]
- e) Exchange Period [•]
- f) Other [•]

PROVISIONS REGARDING REDEMPTION / MATURITY

55. Prior consent of the Relevant Authority required for any redemption (in the case of Tier 2 Notes, prior to the Maturity Date) [Yes/yes, save for redemption of Subordinated Capital Notes for Regulatory Capital reasons as contemplated in Condition 11.5 (*Redemption of Subordinated Capital Notes for Regulatory Capital reasons*). Condition 11.6 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*) is not applicable to the redemption of this Tranche of Notes upon the occurrence of a Regulatory Event, pursuant to Condition 11.8.3./No.⁸]
56. Issuer's Optional Redemption: [Yes/ Yes, subject to the applicable Regulatory Capital Requirements and Condition 11.6 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*)/No]
- If yes:
- a) Optional Redemption Date(s) [•]
 - b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s) [•]
 - c) Minimum period of notice (if different from Condition 11.3 (*Redemption at the Option of the Issuer*)) [•]

⁸ No such consent will be required in the case of Senior Notes.

- d) If redeemable in part: [•]
- e) Minimum Redemption Amount(s) [•]
- f) Higher Redemption Amount(s) [•]
- g) Other terms applicable on Redemption

57. Redemption at the Option of the Senior Noteholders: [Yes/No]

If yes:

- a) Optional Redemption Date(s) [•]
- b) Optional Redemption Amount(s) [•]
- c) Minimum period of notice (if different from Condition 11.4 (*Redemption at the Option of the Senior Noteholders*)) [•]
- d) If redeemable in part:
- e) Minimum Redemption Amount(s) [•]
- f) Higher Redemption Amount(s) [•]
- g) Other terms applicable on Redemption [•]
- h) Attach pro forma Put Notice(s)

58. Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default (if required). [Yes/ Yes, subject to the applicable Regulatory Capital Requirements and Condition 11.6 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*)/No]

If an amount other than the Early Redemption Amount is payable on redemption for taxation reasons or on Event of Default [only complete if “no” elected in item 52 above]:

- a) Amount payable; or [•]
- b) Method of calculation of amount payable [•]

59. Other terms applicable on Redemption
- In respect of all Notes which will be automatically redeemed on the occurrence of an Activation Event (for the purposes of this item, “**Activation Event**” means an event that precipitates an automatic redemption in relation to the Notes), the early redemption date of the Notes will be a minimum of 5 (five) business days after the date on which the trigger event occurred. Such early redemption date will be announced on SENS in accordance with the timetable set out in paragraph 3 of Schedule 4, Form A4 of the JSE Debt Listings Requirements.

TRIGGER EVENT

60. Election as to definition of “Trigger Event”: “**Trigger Event**” means either:
- (i) definition (a) per the definition of “Trigger Event” as set out in Condition 1 (*Interpretation*) of the Terms and Conditions for Additional Tier 1 Capital which are to be accounted for as equity; or This Item 43(i) is [Applicable/Not Applicable]
 - (ii) definition (b) per the definition of “Trigger Event” as set out in Condition 1 (*Interpretation*) of the Terms and Conditions for Additional Tier 1 Capital which are to be accounted for as liabilities This Item 43(ii) is [Applicable/Not Applicable]
61. Contractual Conversion Condition [Applicable. See Conditions 6.4 (*Write Off or Conversion of Subordinated Capital Notes*) to 6.7 (*Conversion of Convertible Subordinated Capital Notes upon a Trigger Event*) and 6.9 (*No default*) to 6.14 (*Regulatory Capital Requirements and Additional Conditions*)/Not applicable.]
62. If applicable
- a) Conversion Price [Determined in the manner set out in **Annexure A** to this Applicable Pricing Supplement.]
 - b) Conversion Record Date (if different from the Terms and Conditions)

- c) Conversion Settlement Date
(if different from the Terms
and Conditions)
- d) Time period for the delivery
of the Issuer Conversion
Price Notice (if different from
the Terms and Conditions)
- e) Other [Notwithstanding Condition 6.6.2.2 of the Terms
and Conditions, the aggregate Fair Market Value
of the newly-issued FirstRand Limited Shares
shall not exceed the total aggregate Conversion
Amount on the Conversion Settlement Date.]

63. Contractual Write Off Condition [Applicable. See Conditions 6.4 (*Write Off or Conversion of Subordinated Capital Notes*), 6.6 (*Notification of Trigger Event*) and 6.8 (*Write Off of Subordinated Capital Notes upon a Trigger Event*) to 6.14 (*Regulatory Capital Requirements and Additional Conditions*)/Not applicable.]

ADDITIONAL CONDITIONS [•]

GENERAL

- 64. Substitution and variation for Subordinated Capital Notes [Applicable/Not applicable.]
- 65. Substitution and variation for Subordinated Capital Notes upon a Change in Law [Applicable/Not applicable.]
- 66. Amendment Option: Issuer election to apply the Statutory Loss Absorption Regime pursuant to Condition 6.10 (*Disapplication of the Non- Viability Absorption Condition*) [Applicable/Not applicable.]

*or Contractual Conversion Condition
or Contractual Write Off Condition)*

67.	Notes in issue	<p>As at the date of this issue, the Issuer has issued Notes in the aggregate total amount of [●] under the Programme.</p> <p>The aggregate Nominal Amount of all Notes issued under the Programme as at the Issue Date, together with the aggregate Nominal Amount of this Tranche (when issued), will not exceed the Programme Amount.</p>
68.	Financial Exchange	JSE Limited]/[Specify other or additional Financial Exchange, if applicable]
69.	Exchange Control Approval	[●]
70.	Issuer Agent (consisting of the Calculation Agent, Paying Agent, Transfer Agent and Settlement Agent)	[●]
71.	Specified office of the Issuer Agent (consisting of the Calculation Agent, Paying Agent, Transfer Agent and Settlement Agent)	[●]
72.	Additional selling restrictions	[●]
73.	ISIN No.	[●]
74.	Stock Code	[●]
75.	Method of distribution	[Auction/Private placement/Bookbuild/other.]
76.	If syndicated, names of Managers	[●]
77.	If non-syndicated, name of Dealer	[●]
78.	Debt Sponsor	[●]

79.	Governing law (if the laws of South Africa are not applicable)	[•]
80.	Use of proceeds	[•]/[As at the Issue Date, the proceed of the issue of this Tranche ranks as [Tier 2 Capital]/[Additional Tier 1 Capital].]
81.	Pricing Methodology	[Standard JSE pricing methodology / other – insert details]
82.	Stabilising Manager (if any)	[•]
83.	Other provisions	[•]
84.	Rating	[•]
85.	Rating Agency	[•]
86.	Material Change Statement	The Issuer hereby confirms that as at the date of this Applicable Pricing Supplement, there has been no material change in the financial or trading position of the Issuer and its subsidiaries since the date of the Issuer's latest [reviewed/audited] [interim/annual] financial statements for the [six month period ended [date]/ twelve months ended [date]]. This statement has not been confirmed nor verified by the auditors of the Issuer.

Responsibility:

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made as well as that the pricing supplement contains all information required by law and the Debt Listings Requirements. The Issuer accepts full responsibility for the accuracy of the information contained in the Programme Memorandum and the annual financial statements and the pricing supplements and the annual report 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 and the annual financial statements and the pricing supplements and the annual report 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 and the annual financial statements and the pricing

supplements and the annual report 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.

Application [is hereby]/[will not be] made to list this issue of Notes on [●] 20[●].

SIGNED at _____ on this _____ day of _____ 20[●]

for and on behalf of

FIRSTRAND BANK LIMITED

Name:

Capacity: Authorised Signatory

Who warrants his/her authority hereto

Name:

Capacity: Authorised Signatory

Who warrants his/her authority hereto

SIGNED at _____ on this _____ day of _____ 20[●]

for and on behalf of

FIRSTRAND LIMITED

Who binds itself to the relevant Terms and Conditions and to the provisions of this Applicable Pricing Supplement, as it relates to the conversion of Convertible Subordinated Capital Notes to FirstRand Limited Shares.

Name:

Capacity: Authorised Signatory

Who warrants his/her authority hereto

Name:

Capacity: Authorised Signatory

Who warrants his/her authority hereto

CALCULATION OF CONVERSION PRICE

For purposes of this Tranche of Convertible Subordinated Capital Notes:

1. the “**Conversion Price**” shall be the greater of:
 - 1.1. the arithmetic mean [(that is, the volume weighted average)] of the Closing Prices (quoted in South African Rand) of the FirstRand Limited Shares on each of the 5 (five) consecutive dealing days prior to the date of the Trigger Event; or
 - 1.2. the Floor Price,provided that if the FirstRand Limited Shares are not listed on a Financial Exchange on the date of the Trigger Event, the Conversion Price per share shall be the Unlisted FirstRand Share Conversion Price; and
2. unless inconsistent with the context or separately defined in the Applicable Pricing Supplement, the following expressions shall have the following meanings:
 - 2.1. “**Closing Price**” means, at any time when the FirstRand Limited Shares are admitted to trading on a Relevant Financial Exchange, at a particular date, the closing price of such FirstRand Limited Shares on that date, as published by such Relevant Financial Exchange;
 - 2.2. “**Dealing Day**” means a day on which the Relevant Financial Exchange or relevant market is open for business and on which FirstRand Limited Shares may be dealt in (other than a day on which the Relevant Financial Exchange or relevant market is scheduled to or does close prior to its regular weekday closing time);
 - 2.3. “**Dividend**” means any dividend or distribution in respect of the FirstRand Limited Shares whether of cash, assets, shares or other property and however described and whether payable out of share premium account, profits, retained earnings or any other capital or revenue reserve account, and including a distribution or payment to holders upon or in connection with a reduction of capital;
 - 2.4. “**Floor Price**” means, at any time when the FirstRand Limited Shares are admitted to trading on a Relevant Financial Exchange, the price equal to 20% (twenty percent) of the Closing Price (quoted in South African Rand) of the FirstRand Limited Shares on the Issue Date of such Tranche of Notes, as adjusted pursuant to paragraphs 3.1 to 3.6 below, under the section of this **Annexure A** titled “*Adjustments to the Relevant Price*” if required, provided

⁹ To be retained for issuances of Convertible Subordinated Capital Notes only.

that if the FirstRand Limited Shares are not listed on a Financial Exchange on the Issue Date of such Tranche of Notes, the Floor Price per share shall be the Unlisted FirstRand Share Conversion Price;

2.5. **“Previous Share Price”:**

2.5.1. where the FirstRand Limited Shares are listed, the arithmetic mean of the Volume Weighted Average Price of a FirstRand Share on the 5 (five) consecutive dealing days immediately preceding the first dealing day on which the FirstRand Limited Shares are traded after the relevant event which may lead to adjustment as set forth in this **Annexure A**; and

2.5.2. where the FirstRand Limited Shares are unlisted, the Fair Market Value of the FirstRand Limited Shares on the date immediately preceding the date of issuance of the relevant FirstRand Limited Shares at a discount as contemplated in paragraph 3.4 (*Issuance at a discount*) under the section of this **Annexure A** titled “*Adjustments to the Relevant Price*”;

2.6. **“Purchase Rights”** means any rights, options, warrants or other rights to subscribe for or acquire FirstRand Limited Shares or securities convertible or exchangeable into FirstRand Limited Shares;

2.7. **“Relevant Price”** means the Floor Price or Unlisted FirstRand Share Conversion Price, as the case may be;

2.8. **“Volume Weighted Average Price”** means, in respect of a FirstRand Share admitted to trading on a Relevant Financial Exchange on any Dealing Day, the order book volume weighted average price (in South African Rand) of a FirstRand Share (rounded to the nearest second decimal place) published or derived from relevant page of the Bloomberg Financial Markets Service, or from the Relevant Financial Exchange or any other source determined by the Issuer Agent to be appropriate; provided that if on any such Dealing Day such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price in respect of such Dealing Day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding Dealing Day on which the same can be so determined or determined as an Independent Financial Adviser might otherwise determine in good faith to be appropriate; and

2.9. **“Unlisted FirstRand Share Conversion Price”** means 20% of the book value (calculated by the Issuer in accordance with the Regulatory Capital Requirements on a per share basis) of the FirstRand Limited Shares as at the Issue Date.

3. **Adjustments to the Relevant Price**

3.1. These terms apply in respect of the Conversion of the Convertible Subordinated Capital Notes in this Tranche.

3.2. Upon the happening of any of the events described below, the Relevant Price shall be adjusted in the manner set out below.

3.3. Change in share capital or number of FirstRand Limited Shares

In the event of a change in the share capital of FirstRand Limited as a result a stock split, reverse stock split or share consolidation, issue of bonus shares, capitalisation of reserves, profits or *premia* by means of the distribution of FirstRand Limited Shares, or a division or consolidation of FirstRand Limited Shares, or similar corporate event by the FirstRand Limited, the Relevant Price shall be substituted with an amount (i) the numerator of which is the Relevant Price calculated prior to such corporate event multiplied by the number of FirstRand Limited Shares outstanding prior to such corporate event and (ii) the denominator of which is the number of FirstRand Limited Shares outstanding after such corporate event.

3.4. Issuance at a discount

In the event of:

3.4.1. an issuance by FirstRand Limited of FirstRand Limited Shares at any time;

3.4.2. an issuance by FirstRand Limited of Purchase Rights; or;

3.4.3. any third party with the agreement of FirstRand Limited issuing to the holder of FirstRand Limited Shares any Purchase Rights,

such that the effective subscription or purchase price at which one new FirstRand Share can be subscribed or purchased is less than 95% (ninety-five percent) of the Previous Share Price, then the Relevant Price shall be adjusted by multiplying it by a fraction (i) the numerator of which is the sum of the number of outstanding FirstRand Limited Shares before such issuance and the number of FirstRand Limited Shares which would have been issued in exchange for the aggregate consideration of the issuance if the FirstRand Limited Shares had been issued at the Previous Share Price, and (ii) the denominator of which is the sum of the number of outstanding FirstRand Limited Shares before such issuance and the actual number of FirstRand Limited Shares to be issued or which may be issued pursuant to Purchase Rights.

3.5. Other events, savings clause

If the Noteholders of the relevant Subordinated Capital Notes by way of an Extraordinary Resolution or a request in writing by or on behalf of the members of the relevant Class of Noteholders holding not less than 66.67% (sixty-six point sixty-seven percent) in

Nominal Amount, of the relevant Subordinated Capital Notes in that Series for the time being Outstanding, or FirstRand Limited determines that an adjustment should be made to the Relevant Price as a result of one or more events or circumstances not referred to above in this **Annexure A** which are reasonably likely to have a material effect (whether positive or adverse) on the rights of the Noteholders under the Subordinated Capital Notes upon Conversion and no adjustment to the Relevant Price under this **Annexure A** would otherwise arise, First Rand Limited shall, at the FirstRand Limited's cost (unless the Independent Financial Advisor determines, where the request for adjustment was made by an Extraordinary Resolution of the relevant Subordinated Capital Notes, that the adjustment to be made is equal to or less than [●]%, in which case the relevant Subordinated Capital Notes shall, *pro rata* to their respective holdings of Subordinated Capital Notes, bear such cost), engage the advice or services of an Independent Financial Adviser to determine as soon as reasonably practicable what adjustment, if any, to the Relevant Price or amendment, if any, to the terms of this **Annexure A** is fair and reasonable to take account thereof and the date on which such adjustment should be made, it being understood for the purposes of this paragraph 3.5 (*Other events, savings clause*) that the Noteholders of the relevant Subordinated Capital Notes should not be placed in any materially worse off or better off position than any shareholders of FirstRand Bank as a consequence of such events or circumstances.

Notwithstanding the foregoing provisions of this **Annexure A**:

- 3.5.1. where the events or circumstances giving rise to any adjustment pursuant to this **Annexure A** have already resulted or will result in an adjustment to the Relevant Price or where the events or circumstances giving rise to any adjustment arise by virtue of any other events or circumstances which have already given or will give rise to an adjustment to the Relevant Price or where more than one event which gives rise to an adjustment to the Relevant Price occurs within such a short period of time that, in the reasonable opinion of FirstRand Limited or the Noteholders of the relevant Subordinated Capital Notes (decided by Extraordinary Resolution), a modification to the operation of the adjustment provisions is required to give the intended result, such modification shall be made to the operation of the adjustment provisions as may be determined in good faith by an Independent Financial Adviser to be in its reasonable opinion appropriate to give the intended result, being that the Noteholders of the relevant Subordinated Capital Notes should not be in any materially worse off or better off position than any shareholders of FirstRand Limited;
- 3.5.2. such modification shall be made to the Terms and Conditions applicable to the relevant Subordinated Capital Notes in accordance with the Terms and

Conditions and as determined in good faith by an Independent Financial Adviser to be in its opinion appropriate (i) to ensure that an adjustment to the Relevant Price or the economic effect thereof shall not be taken into account more than once and (ii) to ensure that the economic effect of a Dividend is not taken into account more than once; and

3.5.3. for the avoidance of doubt, the issue of FirstRand Limited Shares upon a Conversion for purposes of which a Relevant Price is being calculated, must not be taken into account when calculating such Relevant Price.

3.6. If, when calculating any adjusted or revised number of FirstRand Limited Shares for purposes of this **Annexure A**, the number of FirstRand Limited Shares determined or calculated includes part shares, such figure will be rounded down to the nearest whole number of FirstRand Limited Shares.

3.7. Notice of adjustments

Notice of any adjustments to a Relevant Price shall be given by FirstRand to the Noteholders of the relevant Subordinated Capital Notes in accordance with Condition 19 (*Notices*) promptly after the determination thereof.

3.8. Decision of an Independent Financial Adviser

If any dispute, on reasonable grounds, arises as to whether an adjustment falls to be made to the Relevant Price or as to the appropriate adjustment to the Relevant Price, and following consultation between FirstRand Limited and an Independent Financial Adviser, a written opinion of such Independent Financial Adviser in respect thereof shall be conclusive and binding on FirstRand Limited and the Noteholders, save in the case of manifest error. Noteholders of Subordinated Capital Notes shall only be permitted to raise such a dispute by way of an Extraordinary Resolution of such Noteholders.

3.9. To the extent that the Independent Financial Adviser concludes that:

3.9.1. an adjustment should made to the Relevant Price where no such adjustment was made by FirstRand Limited; or

3.9.2. where an adjustment to the Relevant Price was made by FirstRand Limited, that an adjustment materially different from that made by FirstRand Limited should have been made to the Relevant Price,

the reasonable fees levied by the Independent Financial Advisor in relation to the dispute raised shall be borne by FirstRand Limited.

- 3.9.3. To the extent that the Independent Financial Advisor concludes that:
- 3.9.3.1. the decision by FirstRand Limited not to make an adjustment to the Relevant Price is correct, where the Noteholders have contended that such an adjustment should have been made; or
 - 3.9.3.2. the adjustment to the Relevant Price made by FirstRand Limited is materially accurate, where the Noteholders have contended that a different adjustment should have been made,

FirstRand Limited shall be entitled to deduct the reasonable fees levied by the Independent Financial Advisor in relation to the dispute raised from amounts payable to the Noteholders on the next upcoming Payment Day (or, if required, the next upcoming Payment Days), on a *pro rata* basis relative to each Noteholder's holding in the Notes, and each Noteholder agrees, by virtue of subscribing for Notes, to the deduction of such fees by FirstRand Limited from amounts otherwise due and payable to it (or its order), even where such Noteholder has not voted in favour of the Extraordinary Resolution contemplated in paragraph 3.8 above.

3.10. Share Option Schemes

No adjustment will be made to the Relevant Price if FirstRand Limited Shares are issued, offered or granted to, or for the benefit of, directors or employees, or former directors or employees, of FirstRand Limited or any of its subsidiaries or any associated company or to trustees to be held for the benefit of any such Person in any such case pursuant to any employee share or option scheme.

3.11. Notice of adjustments

Notice of any adjustments to a Relevant Price shall be given by FirstRand Limited to the Noteholders of the relevant Subordinated Capital Notes in accordance with Condition 19 (*Notices*) promptly after the determination thereof.

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes to be issued by the Issuer which will be incorporated by reference into each Note. A Tranche of Notes will be issued on, and subject to, the below Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement.

Before the Issuer issues any Tranche of listed Notes, the Issuer shall complete, sign and deliver to the JSE or such other or further Financial Exchange(s) and the CSD, a pricing supplement based on the *pro forma* Applicable Pricing Supplement included in the Programme Memorandum setting out details of such Notes.

If there is any conflict or inconsistency between provisions set out in the Applicable Pricing Supplement and the provisions set out in these Terms and Conditions of the Notes, then the provisions in the Applicable Pricing Supplement will prevail.

Words and expressions used in the Applicable Pricing Supplement shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated.

1. INTERPRETATION

In these Terms and Conditions, unless inconsistent with the context or separately defined in the Applicable Pricing Supplement, the following expressions shall have the following meanings:

“Additional Business Centre(s)” the city or cities specified as such in the Applicable Pricing Supplement;

“Additional Conditions” in relation to any Tranche of Subordinated Capital Notes, such conditions (in addition to the conditions specified in the applicable Regulatory Capital Requirements) as may be prescribed by the Relevant Authority for the proceeds of the issuance of such Tranche of Subordinated Capital Notes to qualify as Regulatory Capital at the time of such issue pursuant to the approval granted by the Relevant Authority for the issue of such Subordinated Capital Notes, as specified in the Applicable Pricing Supplement

“Additional Tier 1 Capital” *“additional tier 1 capital”* as defined in the Banks Act;

“Additional Tier 1 Capital Regulations” Regulation 38(11)(b) of the Regulations Relating to Banks and/or such other provisions of the Regulatory Capital Requirements with which the instruments and/or shares contemplated in that Regulation (including the Additional Tier 1 Notes) must comply in

	order for the proceeds of the issue of such instruments and/or shares to rank as Additional Tier 1 Capital;
“Additional Tier 1 Noteholder”	a Noteholder of an Additional Tier 1 Note;
“Additional Tier 1 Notes”	Notes specified as such in the Applicable Pricing Supplement and complying with the Additional Tier 1 Capital Regulations;
“Agency Agreement”	the agency agreement entered into amongst the Issuer, the Issuer Agent, dated on or about 1 November 2018, as may be amended, supplemented or restated from time to time;
“Applicable Laws”	in relation to a person, all and any (i) statutes and subordinate legislation and common law; (ii) regulations, ordinances and directives; (iii) by-laws; (iv) codes of practice, circulars, guidance notes, judgments and decisions of any competent authority or regulatory, self-regulatory or other authority or organisation, and (v) other similar provisions, from time to time, compliance with which is mandatory for that person;
“Applicable Pricing Supplement”	in relation to a Tranche of Notes, the pricing supplement completed and signed by the Issuer in relation to that Tranche of Notes, setting out the additional and/or other terms and conditions as are applicable to that Tranche of Notes, based upon the <i>pro forma</i> pricing supplement which is set out in the section of the Programme Memorandum headed “ <i>Pro Forma Applicable Pricing Supplement</i> ”;
“Applicable Procedures”	the rules and operating procedures for the time being of the CSD, the Participants and the JSE, or such other or further Financial Exchanges on which the Notes may be listed, as the case may be as well as the JSE Debt Listings Requirements;
“Arranger”	RMB, or such other entity as may be appointed by the Issuer as Arranger, as specified in the Applicable Pricing Supplement;
“Banks Act”	the Banks Act, 1990, as may be amended, supplemented or replaced from time to time;
“Beneficial Interest”	in relation to a Tranche of Notes which is held in the CSD, the beneficial interest as co-owner of an undivided share of all of the

Notes in that Tranche, as contemplated in section 37(1) of the Financial Markets Act, the nominal value of which beneficial interest, in relation to any number of Notes in that Tranche, is determined with reference to the proportion that the aggregate outstanding Nominal Amount of such number of Notes bears to the aggregate outstanding Nominal Amount of all of the Notes in that Tranche, as provided for in section 37(3) of the Financial Markets Act;

“Books Closed Period”	the period, as specified in the Applicable Pricing Supplement, commencing after the Last Day to Register, during which transfers of the Notes will not be registered, or such other shorter period as the Issuer may decide in order to determine those Noteholders entitled to receive interest or redemption monies;
“Business Day”	a day (other than a Saturday or Sunday or public holiday within the meaning of the Public Holidays Act, 1994) on which commercial banks settle ZAR payments in Johannesburg or any Additional Business Centre specified in the Applicable Pricing Supplement;
“Central Bank”	the SARB, any other central bank, federal reserve or equivalent body in any jurisdiction, or any other entity established and operated by any of the aforementioned parties;
“Class of Noteholders”	the holders of a Series of Notes or, where appropriate, the holders of different Series of Notes;
“Common Equity Tier 1 Capital”	<i>“common equity tier 1 capital”</i> as defined in the Banks Act;
“Common Monetary Area”	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“Companies Act”	the Companies Act, 2008, as may be amended, supplemented or replaced from time to time;
“Contractual Conversion Condition”	the conditions contemplated in Condition 6.7 (<i>Conversion of Convertible Subordinated Capital Notes upon a Trigger Event</i>);
“Contractual Write Off Condition”	the conditions contemplated in Condition 6.8 (<i>Write Off of Subordinated Capital Notes upon a Trigger Event</i>);

“Conversion”	the conversion of Subordinated Capital Notes into FirstRand Limited Shares, as the case may be, upon the occurrence of a Trigger Event and after the delivery of an Issuer’s Trigger Event Notice in accordance with Condition 6.7 (<i>Conversion of Convertible Subordinated Capital Notes upon a Trigger Event</i>), and its cognates shall bear the same meaning;
“Conversion Amount”	<p>in respect of each holder of Individual Certificates in respect of, or, as the case may be, a Beneficial Interest in, the Converted Subordinated Capital Notes on the relevant date of calculation, the aggregate of:</p> <ul style="list-style-type: none"> <li data-bbox="665 682 1347 903">a) the outstanding Nominal Amount of the relevant Converted Subordinated Capital Notes (in the case of holders of Individual Certificates) or the Beneficial Interest therein (in the case of uncertificated Notes) of that holder; and <li data-bbox="665 934 1347 976">b) any accrued but unpaid interest in respect thereof;
“Conversion Last Day to Trade”	the date which is 3 (three) Business Days prior to the Conversion Record Date;
“Conversion Price”	in relation to a Tranche of Subordinated Capital Notes, the conversion price as specified in, or determined in the manner specified in, the Applicable Pricing Supplement;
“Conversion Record Date”	the Friday before the Conversion Settlement Date or such other date specified in the Applicable Pricing Supplement;
“Conversion Settlement Date”	<p>the date of the Conversion of the Subordinated Capital Notes (or a Relevant Part thereof) into newly-issued FirstRand Shares, which shall be:</p> <ul style="list-style-type: none"> <li data-bbox="617 1575 1347 1932">(a) a date which falls within 30 (thirty) days of receipt by the Issuer or the Bank, as the case may be, of the Relevant Authority’s Trigger Event Notice (or such other number of days specified in the Applicable Pricing Supplement), unless the Issuer, using its best efforts, is unable to complete the Conversion within the aforesaid 30 (thirty)-day period as a result of the need to comply with any Applicable Laws, regulations or written

instructions of the Relevant Authority (including but not limited to the time required to interface and consult with the Relevant Authority), in which case the Conversion Settlement Date shall be a date as soon as reasonably possible after the end of the aforesaid 30 (thirty)-day period; or

where the Relevant Authority determines a date for Conversion, such date;

“Converted Subordinated Capital Notes”	the Series of Subordinated Capital Notes which the Relevant Authority requires to be Converted upon the occurrence of a Trigger Event or, as the case may be, the Relevant Part(s) thereof identified by the Relevant Authority, as adjusted for upward rounding in the circumstances and manner contemplated in Conditions 6.7.2.2.1 and 6.7.2.2.2;
“Convertible Subordinated Capital Notes”	Subordinated Capital Notes to which the Contractual Conversion Condition is specified as applicable in the Applicable Pricing Supplement;
“Court Day”	during the term of a court, any day other than a Saturday, Sunday or public holiday;
“CSD”	Strate Proprietary Limited (registration number 1998/022242/07), or its nominee, being a registered central securities depository operating in terms of the Financial Markets Act (or any successor legislation thereto), or any additional or alternate central securities depository approved by the Issuer;
“Day Count Fraction”	<p>in relation to a Tranche of Notes (where applicable) and the calculation of an amount for any period of time (the “Calculation Period”), the day count fraction specified as such in the Terms and Conditions or the Applicable Pricing Supplement and:</p> <p>(i) if “Actual/365”, “Act/365”, or “Act/Act” is so specified, means the actual number of days in the Interest Period in respect of which payment is being made divided by 365 (three hundred and sixty-five) (or, if any portion of the Interest Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 (three hundred</p>

and sixty-six) and (ii) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365 (three hundred and sixty-five));

- (ii) if “**Actual/Actual (ICMA)**” is so specified, means:
1. where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (i) the actual number of days in such Regular Period and (ii) the number of Regular Periods in any year; and
 2. where the Calculation Period is longer than one Regular Period, the sum of:
 - a. the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (i) the actual number of days in such Regular Period and (ii) the number of Regular Periods in any year; and
 - b. the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (i) the actual number of days in such Regular Period and (ii) the number of Regular Periods normally ending in any year;
- (iii) if “**Actual/Actual (ISDA)**” is so specified, means the actual number of days in the Calculation Period divided by 365 (three hundred and sixty-five) (or, if any portion of the Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 (three hundred and sixty-six) and (ii) the actual number of days in that portion of the Calculation Period

falling in a non-leap year divided by 365 (three hundred and sixty-five));

- (iv) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Calculation Period divided by 365 (three hundred and sixty-five);
- (v) if “**Actual/360**” is so specified, means the actual number of days in the Calculation Period divided by 360 (three hundred and sixty);
- (vi) if “**30/360**”, “**360/360**” or “**Bond Basis**” is so specified, means the number of days in the Calculation period divided by 360 (three hundred and sixty), calculated on a formula basis as follows:

Day count fraction =

$$\frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y2**” is the year, expressed as a number, in which the first day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as a number, in which the first day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31 (thirty one), in which case D1 will be 30 (thirty); and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the

Calculation Period unless such number would be 31 (thirty one) and D1 is greater than 29 (twenty nine), in which case D2 will be 30 (thirty);

- (vii) if “**30E/360**” or “**Eurobond Basis**” is so specified, means the number of days in the Calculation Period divided by 360 (three hundred and sixty), calculated on a formula basis as follows:

Day count fraction =

$$\frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period unless such number would be 31 (thirty one), in which case D1 will be 30 (thirty); and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period unless such number would be 31 (thirty one), in which case D2 will be 30 (thirty);

- (viii) if “**30E/360 (ISDA)**” is so specified, means the number of days in the Calculation Period divided by 360 (three

hundred and sixty), calculated on a formula basis as follows:

Day count fraction =

$$\frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period unless (i) that day is the last day of February or (ii) such number would be 31 (thirty one), in which case D1 will be 30 (thirty); and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31 (thirty one), in which case D2 will be 30 (thirty);

“Dealers”

RMB, unless the Issuer elects to appoint any other entity(ies) as Dealer, which appointment may be for a specific issue or on an on-going basis, subject to the Issuer’s right to terminate the appointment of any such Dealer, as indicated in the Applicable Pricing Supplement;

“Debt Sponsor”	RMB or such other Debt Sponsor as may be appointed by the Issuer subject to the approval of the JSE in accordance with the Applicable Procedures, as specified in the Applicable Pricing Supplement, provided that the Issuer shall maintain the appointment of at least one Debt Sponsor for so long as the Programme Memorandum remains registered with the JSE;
“Default Rate”	in relation to a Tranche of Notes, the default rate specified as such in the Applicable Pricing Supplement;
“Designated Maturity”	shall bear the meaning ascribed thereto in the ISDA Definitions specified in the Applicable Pricing Supplement;
“Determination Date”	in relation to a Tranche of Fixed Rate Notes, the date specified as such in the Applicable Pricing Supplement;
“Deposit”	as defined in the Banks Act;
“Depositor”	means any Person having a claim against the Issuer in respect of a Deposit;
“Dual Currency Notes”	Notes which pay interest in a base currency and the principal in a non-base currency or <i>vice versa</i> as indicated in the Applicable Pricing Supplement, subject to Exchange Control Regulations;
“Early Redemption Amount”	the amount, as set out in Condition 11.9 (<i>Early Redemption Amounts</i>) or the Applicable Pricing Supplement, at which the Notes will be redeemed by the Issuer, pursuant to the provisions of Condition 11.2 (<i>Redemption for Tax Reasons or following the occurrence of a Change in Law</i>) and/or Condition 11.5 (<i>Redemption of Subordinated Capital Notes for Regulatory Capital reasons</i>) and/or Condition 17 (<i>Events of Default</i>);
“Emigrant Capital Account”	an account to which exchange control restrictions have been applied and through which all offshore capital transfers of emigrants must flow;
“Event of Default”	any of the events described in Condition 17 (<i>Events of Default</i>);
“Exchangeable Notes”	Notes which may be redeemed by the Issuer in the manner indicated in the Applicable Pricing Supplement by the delivery to the Noteholders of cash or of so many of the Exchange Securities

	as is determined in accordance with the Applicable Pricing Supplement;
“Exchange Notice”	shall bear the ascribed thereto in Condition 13.1.1;
“Exchange Control Regulations”	the Exchange Control Regulations, 1961, promulgated pursuant to the Currency and Exchanges Act, 1933 (as amended from time to time);
“Exchange Period”	in respect of Exchangeable Notes to which the Noteholders’ Exchange Right applies (as indicated in the Applicable Pricing Supplement), the period indicated in the Applicable Pricing Supplement during which such right may be exercised;
“Exchange Price”	the amount determined in accordance with the manner described in the Applicable Pricing Supplement, according to which the number of Exchange Securities which may be delivered in redemption of an Exchangeable Note will be determined;
“Exchange Securities”	the securities indicated in the Applicable Pricing Supplement which may be delivered by the Issuer in redemption of Exchangeable Notes to the value of the Exchange Price;
“Extendible Note”	any Note with a maturity of not more than 18 (eighteen) months, which entitles the Issuer to extend the Redemption Date to a pre-determined future date, as indicated in the Applicable Pricing Supplement;
“Extraordinary Resolution”	<p>(a) a resolution passed at a meeting (duly convened) of the relevant Noteholders by a majority consisting of not less than 66.67% (sixty-six point six seven percent) of the value of the Notes held by the relevant Noteholders, as the case may be (being determined with reference to the aggregate Outstanding Nominal Amount of the Notes Outstanding held by such relevant Noteholders as it bears to the aggregate Outstanding Nominal Amount of all of the relevant Notes Outstanding), present in person or by proxy, and voting at such meeting; and</p> <p>(b) a resolution passed, other than at a meeting (duly convened) of the relevant Noteholders, in respect of which relevant Noteholders representing not less than</p>

66.67% (sixty-six point six seven percent) of the value of all relevant Notes of the relevant Noteholders (being determined with reference to the aggregate outstanding Nominal Amount of the relevant Notes Outstanding held by such relevant Noteholders as it bears to the aggregate outstanding Nominal Amount of all of the relevant Notes Outstanding), voted in favour by signing in writing a resolution in counterparts. Where the requisite approval is obtained within 20 (twenty) Business Days after the date the resolution is submitted to the relevant Noteholders, such a resolution shall be as valid and effectual as if it had been passed at a meeting (duly convened) of the relevant Noteholders, provided that notice shall have been given to all relevant Noteholders in terms of Condition 19 (*Notices*), unless all of the relevant Noteholders consent in writing to the waiver of the required notice contemplated in Condition 19 (*Notices*),

where, for purposes of this definition, “**relevant Noteholders**” refers to a meeting of (i) all of the Noteholders or (ii) holders of Notes of a particular Series of Notes or (iii) holders of Notes of a particular ranking (such as Senior Notes or Subordinated Notes), as the case may be depending on whether the matter under consideration at such meeting affects such holders’ rights under such Notes or requires their approval in terms of the Terms and Conditions or Applicable Law, and “**relevant Notes**” refers to all Notes of a particular Series or Notes of a particular ranking, as the case may be;

“Final Broken Amount”	in relation to a Tranche of Notes, the final broken amount specified as such in the Applicable Pricing Supplement;
“Final Redemption Amount”	the amount of principal specified in the Applicable Pricing Supplement payable in respect of each Tranche of Notes upon the Maturity Date;
“Financial Exchange”	the JSE and/or such other (or additional) financial exchange(s) as may be determined by the Issuer and the relevant Dealer, subject to Applicable Laws;

“Financial Indebtedness”	<p>any indebtedness of any person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:</p> <ul style="list-style-type: none"> (a) amounts raised by acceptance under any acceptance credit facility; (b) amounts raised under any note purchase facility; (c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with Applicable Law and generally accepted accounting principles, be treated as finance or capital leases; (d) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 90 (ninety) days; and (e) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;
“Financial Markets Act”	the Financial Markets Act, 2012, as may be amended, supplemented or replaced from time to time;
“Financial Sector Regulation Act”	The Financial Sector Regulation Act, 2017, as may be amended, supplemented or replaced from time to time;
“Fixed Coupon Amount”	in relation to a Tranche of Notes (where applicable), the amount specified as such in the Applicable Pricing Supplement;
“Fixed Interest Payment Date”	in relation to a Tranche of Fixed Rate Notes, the date specified as such in the Applicable Pricing Supplement;
“Fixed Interest Period”	in relation to a Tranche of Fixed Rate Notes, the period from (and including) a Fixed Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date;
“Fixed Rate Notes”	Notes which will bear interest at the Fixed Rate of Interest, as indicated in the Applicable Pricing Supplement;
“Fixed Rate of Interest”	in relation to a Tranche of Notes, the fixed rate of interest specified as such in the Applicable Pricing Supplement;

“FirstRand Limited”	FirstRand Limited (registration number 1966/010753/06), a public company with limited liability duly incorporated in accordance with the company laws of South Africa and registered as a controlling company in terms of the Banks Act;
“FirstRand Limited Shares”	fully paid ordinary shares of the FirstRand Limited;
“Floating Rate Notes”	Notes which will bear interest at a floating Interest Rate as indicated in the Applicable Pricing Supplement and more fully described in Condition 9.2 (<i>Floating Rate Notes and Indexed Interest Notes</i>);
“Guarantee”	<p>in relation to any Financial Indebtedness of any person, any obligation of another person to pay such Financial Indebtedness including (without limitation):</p> <ul style="list-style-type: none"> <li data-bbox="630 884 1347 917">(a) any obligation to purchase such Financial Indebtedness; <li data-bbox="630 959 1347 1129">(b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Financial Indebtedness; <li data-bbox="630 1171 1347 1247">(c) any indemnity against the consequences of a default in the payment of such Financial Indebtedness; and <li data-bbox="630 1289 1347 1407">(d) any other agreement which contains a binding and enforceable obligation to be responsible for such Financial Indebtedness;
“Guidance Note 6”	Guidance Note 6 of 2017 (<i>Loss absorbency requirements for Additional Tier 1 and Tier 2</i>) issued by the SARB on 14 August 2017 in terms of section 6(5) of the Banks Act, or such other replacement or successor guidance note, directive or circular;
“GCR”	Global Credit Ratings Co. Proprietary Limited (Registration Number: 1995/005001/07) (or, if applicable, any South African subsidiary or associated company of Global Credit Ratings Co. Proprietary Limited) and its successors in title;

“Governing Law”	The Notes will be governed by and construed in accordance with the laws of South Africa in force from time to time;
“Higher Redemption Amount”	in relation to a Tranche of Notes, the higher redemption amount specified as such in the Applicable Pricing Supplement;
“IFRS”	the International Financial Reporting Standards (formerly International Accounting Standards) issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee of IASB (as amended, supplemented or re-issued from time to time);
“Implied Yield”	the yield accruing on the Issue Price of Zero Coupon Notes, as specified in the Applicable Pricing Supplement;
“Income Tax Act”	Income Tax Act, 1962, as may be amended, supplemented or replaced from time to time;
“Independent Financial Advisor”	an internationally-recognised auditor or independent financial institution appointed at the request of the Issuer by the head of the South African Institute of Chartered Accounts (or its replacement or successor body), whose decision as to appointment shall be final and binding;
“Index Interest Notes”	Notes in respect of which the Interest Amount is calculated by reference to an index and/or a formula, as indicated in the Applicable Pricing Supplement;
“Index-Linked Notes”	an Indexed Interest Note and/or an Indexed Redemption Amount Note, as applicable;
“Indexed Redemption Amount Notes”	Notes in respect of which the Final Redemption Amount is calculated by reference to an index and/or formula as may be indicated in the Applicable Pricing Supplement;
“Individual Certificate”	a Note in the definitive registered form of a single certificate and being a certificate exchanged for a Beneficial Interest in accordance with Condition 13 (<i>Exchange of Beneficial Interests and Replacement of Individual Certificates</i>) and any further certificate issued in consequence of a transfer thereof;

“Initial Broken Amount”	in relation to a Tranche of Notes, the initial broken amount specified as such in the Applicable Pricing Supplement;
“Instalment Amount”	the amount expressed as a percentage of the Nominal Amount of an Instalment Note, being an instalment of principal (other than the final instalment) on an Instalment Note;
“Instalment Dates”	in relation to a Tranche of Instalment Notes, the dates specified as such in the Applicable Pricing Supplement;
“Instalment Notes”	Notes issued on the same date but redeemed in Instalment Amounts by the Issuer on an amortised basis on different Instalment Dates, as indicated in the Applicable Pricing Supplement;
“Interest Amount”	the amount of interest payable in respect of each Nominal Amount of Fixed Rate Notes, Floating Rate Notes and Index-Linked Notes, as determined in accordance with Condition 8 (<i>Interest</i>);
“Interest Commencement Date”	the first date from which interest on the Notes, other than Zero Coupon Notes, will accrue, as specified in the Applicable Pricing Supplement;
“Interest Determination Date”	in relation to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;
“Interest Payment Date”	the Interest Payment Date(s) specified in the Applicable Pricing Supplement;;
“Interest Period”	in relation to a Tranche of Notes the date specified as such in the Applicable Pricing Supplement;
“Interest Rate” and “Rate of Interest”	the rate or rates of interest applicable to Notes other than Zero Coupon Notes as indicated in the Applicable Pricing Supplement;
“Interest Rate Market of the JSE”	the separate platform or sub-market of the JSE designated as the “Interest Rate Market” and on which notes (and other debt securities) may be listed;
“ISDA”	the International Swaps and Derivatives Association Inc.;

“ISDA Definitions”	the 2006 ISDA Definitions as published by ISDA (as amended, supplemented, revised or republished from time to time) as specified in the Applicable Pricing Supplement;
“Issue Date”	in relation to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;
“Issue Price”	in relation to a Tranche of Notes, the price specified as such in the Applicable Pricing Supplement;
“Issuer”	FirstRand Bank Limited (registration number 1929/001225/06), a public company with limited liability duly incorporated and registered on 11 January 1929, in accordance with the company laws of South Africa and registered as a bank in terms of the Banks Act;
“Issuer Agent”	RMB, unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as Calculation Agent in respect of that Tranche or Series of Notes;
“Issuer Conversion Price Notice”	has the meaning ascribed thereto in Condition 6.6;
“Issuer Group”	the Issuer and its holding company (FirstRand Limited), whose financial results are consolidated in accordance with IFRS;
“Issuer’s Trigger Event Notice”	has the meaning ascribed thereto in Condition 6.6.1;
“JSE”	the JSE Limited (registration number 2005/022939/06), a licensed financial exchange in terms of the Financial Markets Act or any other exchange which operates as a successor exchange to the JSE;
“JSE Debt Guarantee Fund Trust”	the guarantee fund established and operated by the JSE as a separate guarantee fund, in terms of the rules of the JSE, as required by sections 8(1)(h) and 17(2)(w) of the Financial Markets Act, or any successor fund;
“JSE Debt Listings Requirements”	the criteria and disclosure requirements for the listing of Notes on the Interest Rate Market of the JSE, as amended from time to time by the JSE;

“Junior Debt”	in relation to Additional Tier 1 Notes, any subordinated debt issued by the Issuer which ranks or is expressed to rank (or is deemed under the Regulatory Capital Requirements to rank) senior to the Additional Tier 1 Notes and/or the proceeds of which qualify (or are deemed under the Regulatory Capital Requirements to qualify) as Tier 2 Capital;
“Junior Securities”	(a) the FirstRand Limited Shares, (b) other share capital or any other securities of the Issuer or any other member of the Issuer Group, the proceeds of which qualify (or are deemed under the Regulatory Capital Requirements to qualify) as Common Equity Tier 1 Capital of the Issuer or any other member of the Issuer Group, as the case may be, (c) other share capital or any other securities of the Issuer or any other member of the Issuer Group which rank or are expressed to rank (or are deemed under the Regulatory Capital Requirements to rank) junior to the Additional Tier 1 and Tier 2 Notes and (d) any other securities issued by a member of the Issuer Group which benefit from a guarantee or similar support agreement from any other member of the Issuer Group which ranks or is expressed to rank (or is deemed under the Regulatory Capital Requirements to rank), as to the payment of sums under any such guarantee or similar support agreement, junior to the Additional Tier 1 and Tier 2 Notes;
“Last Day to Register”	with respect to a particular Tranche of Notes (as reflected in the Applicable Pricing Supplement), the last date or dates preceding a Payment Day on which the Issuer Agent will accept Transfer Forms and record the transfer of Notes in the Register for that particular Tranche of Notes and whereafter the Register is closed for further transfers or entries until the Payment Day;
“Mandatory Exchange”	in relation to a Tranche of Exchangeable Notes, the mandatory exchange specified as such in the Applicable Pricing Supplement;
“Margin”	in relation to a Tranche of Notes (where applicable), the margin specified as such in the Applicable Pricing Supplement;
“Material Indebtedness”	any Financial Indebtedness or Guarantee in respect of Financial Indebtedness having an aggregate outstanding amount equal to or greater than 0.2% (zero point two percent) of the Total Assets

of the Issuer from time to time (or its equivalent in any other currency or currencies). Whether Financial Indebtedness or a Guarantee in respect of Financial Indebtedness, as the case may be, constitutes Material Indebtedness will be determined by the Issuer Agent upon a default under the relevant Financial Indebtedness or Guarantee in respect of Financial Indebtedness, as the case may be;

“Maturity Date”	in relation to a Tranche of Notes (other than a Tranche of Additional Tier 1 Notes), the date specified as such in the Applicable Pricing Supplement;
“Maturity Period”	in relation to a Tranche of Notes (other than a Tranche of Additional Tier 1 Notes), the period from (and including) the Issue Date to (but excluding) the Maturity Date, as specified in the Applicable Pricing Supplement;
“Maximum Redemption Amount”	in relation to a Tranche of Notes, the maximum redemption amount specified as such in the Applicable Pricing Supplement;
“Minimum Redemption Amount”	in relation to a Tranche of Notes, the minimum redemption amount specified as such in the Applicable Pricing Supplement;
“Mixed Rate Notes”	Notes which will bear interest over respective periods at differing Interest Rates applicable to any combination of Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or Index-Linked Notes each as indicated in the Applicable Pricing Supplement and as more fully described in Condition 9.3 (<i>Mixed Rate Notes</i>);
“Moody’s”	Moody’s Investor Services Limited (or, if applicable, any South African subsidiary or associated company of Moody’s Investor Services Limited) and its successors in title and assigns;
“NACA”	nominal annual compounded annually;
“NACM”	nominal annual compounded monthly;
“NACQ”	nominal annual compounded quarterly;
“NACS”	nominal annual compounded semi-annually;
“Nominal Amount”	in relation to any Note, the total amount, excluding interest and any adjustments on account of any formula, owing by the Issuer

under the Note, as specified in the Applicable Pricing Supplement;

“Non Viability Event”	shall occur when a Trigger Event specified in a notice in writing by the Relevant Authority to the Issuer in accordance with the Capital Regulations has occurred; provided that, as a minimum, the aforesaid Trigger Event shall be the earlier of: <ul style="list-style-type: none"> a) a decision that a Write-off, without which the Issuer (on a consolidated basis or as required by the Regulatory Capital Requirements) would become non-viable, is necessary as determined by the Relevant Authority; or b) a decision to make a public sector injection of capital, or equivalent support, without which the Issuer (on a consolidated basis or as required by the Regulatory Capital Requirements) would have become non-viable as determined by the Relevant Authority;
“Non-Viability Loss Absorption Condition”	has the meaning given to it in Condition 6.4;
“Noteholders”	the holders of the listed and/or unlisted registered Notes (as recorded in the Register);
“Noteholders’ Exchange Right”	if indicated as applicable in the Applicable Pricing Supplement, the right of Noteholders of Exchangeable Notes to elect to receive delivery of the Exchange Securities <i>in lieu</i> of cash from the Issuer upon redemption of such Notes;
“Notes”	the unsecured notes issued or to be issued by the Issuer under the Programme, pursuant to this Programme Memorandum;
“Ordinary Resolution”	(a) a resolution passed at a meeting (duly convened) of the relevant Noteholders, as the case may be, by a majority representing not less than 50.01% (fifty point zero one percent) of the value of the Notes held by the relevant Noteholders (being determined with reference to the aggregate Outstanding Nominal Amount of the Notes Outstanding held by such relevant Noteholders as it bears to the aggregate Outstanding Nominal Amount of

all of the relevant Notes Outstanding), present in person or by proxy and voting at such meeting; and

- (b) a resolution passed, other than at a meeting (duly convened) of the relevant Noteholders, in respect of which the relevant Noteholders representing not less than 50.01% (fifty point zero one percent) of the value of all relevant Notes of the relevant Noteholders (being determined with reference to the aggregate outstanding Nominal Amount of the relevant Notes Outstanding held by such relevant Noteholders as it bears to the aggregate outstanding Nominal Amount of all of the relevant Notes Outstanding), voted in favour by signing in writing a resolution in counterparts. Where the requisite approval is obtained within 15 (fifteen) Business Days from the date the resolution is submitted to the relevant Noteholders, such a resolution shall be as valid and effectual as if it had been passed at a meeting (duly convened) of the relevant Noteholders, provided that notice shall have been given to all relevant Noteholders in terms of Condition 19 (*Notices*), unless all of the relevant Noteholders consent in writing to the waiver of the required notice contemplated in Condition 19 (*Notices*),

where, for purposes of this definition, “**relevant Noteholders**” refers to a meeting of (i) all of the Noteholders or (ii) holders of Notes of a particular Series of Notes or (iii) holders of Notes of a particular ranking (such as Senior Notes or Subordinated Notes), as the case may be depending on whether the matter under consideration at such meeting affects such holders’ rights under such Notes or requires their approval in terms of the Terms and Conditions or Applicable Law, and “**relevant Notes**” refers to all Notes of a particular Series or Notes of a particular ranking, as the case may be;

“Optional Redemption Amount”

in relation to a Tranche of Notes, the optional redemption amount specified as such in, or determined in the manner specified in, the Applicable Pricing Supplement;

- “Optional Redemption Date”** the date(s) specified as such in the Applicable Pricing Supplement in relation to a Tranche of Notes pursuant to which the Issuer or the Senior Noteholders (as the case may be) are specified as having an option to redeem in accordance with Conditions 11.3 (*Redemption at the Option of the Issuer*) or 11.4 (*Redemption at the Option of the Senior Noteholders*) (as the case may be);
- “Outstanding”** in relation to the Notes, all the Notes issued other than:
- (a) those which have been redeemed in full;
 - (b) those in respect of which the date for redemption in accordance with the Terms and Conditions has occurred and the redemption monies wherefore (including all interest (if any) accrued thereon to the date for such redemption and any interest (if any) payable under the Terms and Conditions after such date) remain available for payment;
 - (c) those which have been purchased and cancelled as provided in Condition 11 (*Redemption and Purchase*);
 - (d) those which have become prescribed under Condition 16 (*Prescription*);
 - (e) those represented by those mutilated or defaced Individual Certificates which have been surrendered in exchange for replacement Individual Certificates pursuant to Condition 13 (*Exchange of Beneficial Interests and Replacement of Individual Certificates*);
 - (f) (for the purpose only of determining how many Notes are Outstanding and without prejudice to their status for any other purpose) those Notes represented by Individual Certificates alleged to have been lost, stolen or destroyed and in respect of which replacement Individual Certificates have been issued pursuant to Condition 13 (*Exchange of Beneficial Interests and Replacement of Individual Certificates*),

provided that for each of the following purposes:

- (i) the right to attend and vote at any meeting of the Noteholders; and
- (ii) the determination of how many and which Notes are for the time being Outstanding for the purposes of Conditions 20 (*Amendment of these Conditions*) and 21 (*Meetings of Noteholders*),

all Notes (if any) which are for the time being held by the Issuer (subject to any Applicable Law) or by any person for the benefit of the Issuer and not cancelled shall (unless and until ceasing to be so held), be deemed not to be Outstanding;

“Participant” a person accepted by the CSD as a participant in terms of section 31 of the Financial Markets Act;

“Partly-Paid Notes” Notes which are issued with the Issue Price partly paid and which Issue Price is paid up fully by the Noteholder in instalments (as indicated in the Applicable Pricing Supplement);

“Payment Day” any day which is a Business Day and upon which a payment is due by the Issuer in respect of the Notes;

“Permitted Security Interest” any Security Interest created, outstanding or subsisting, directly or indirectly, upon any property or assets (including current and/or future revenues, accounts receivables and other payments) of the Issuer or any Subsidiary:

- (a) arising out of any securitisation of such property or assets which complies with the *“Exemption Notice Relating to Securitisation Schemes”* dated 1 January 2008 issued pursuant to paragraph (cc) of the definition of “the business of a bank” in the Banks Act, set out in Government Notice R2 and published in Government Gazette 30628 of 1 January 2008 (as amended, supplemented or replaced from time to time at the relevant time) or arising out of any other similar asset-backed finance transaction in relation to such property or

assets where (in the case of such other asset-backed finance transaction):

- (i) the payment obligations secured by such Permitted Security Interest are to be discharged primarily from, and recourse under such Permitted Security Interest is limited to, the proceeds of such property or assets or a guarantee from an entity other than the Issuer or any of its consolidated Subsidiaries; and
 - (ii) such Security Interest is created pursuant to any asset-backed financing or like arrangement in accordance with normal market practice, including but not limited to repackaging transactions effected in compliance with the commercial paper regulations of 14 December 1994 issued pursuant to paragraph (cc) of the definition of “the business of a bank” in the Banks Act, set out in Government Notice 2172 and published in Government Gazette 16167 of 14 December 1994 (as amended, supplemented or replaced from time to time at the relevant time); or
- (b) created by operation of law or arising out of statutory preferences; or
 - (c) provided in favour of a Central Bank where the Relevant Indebtedness secured by such Security Interest has been issued in order to secure the obligations of the Issuer or any Subsidiary to any such Central Bank in respect of any liquidity facility provided by or any other funding arrangement with such Central Bank pursuant to which the Issuer or any Subsidiary incurs any Relevant Indebtedness; or
 - (d) arising out of any sale and repurchase arrangement in respect of such property or assets;

“Person”	means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;
“Principal Subsidiary”	any Subsidiary (i) of which the Issuer owns more than 50% (fifty percent) of the ordinary shares and (ii) which represents at least 10% (ten percent) of the Total Assets of the Issuer from time to time;
“Programme”	the FirstRand Bank Limited ZAR100,000,000,000.00 Domestic Medium Term Note Programme under which the Issuer may from time to time issue Notes, which (as at the date of this Programme Memorandum) amends, restates, replaces and supersedes the FirstRand Bank Limited ZAR80,000,000,000.00 Domestic Medium Term Note Programme dated 14 October 2015 (originally dated 20 February 2015);
“Programme Amount”	the maximum aggregate outstanding Nominal Amount of all of the Notes that may be issued under the Programme at any one point in time, being the authorised amount of ZAR100,000,000,000.00 or such increased amount as is determined by the Issuer from time to time, subject to the Applicable Procedures, Applicable Laws and the Programme Agreement, as set out in the section of this Programme Memorandum headed “ <i>General Description of the Programme</i> ”;
“Programme Date”	1 November 2018;
“Prudential Authority”	shall bear the meaning as ascribed in the Financial Sector Regulation Act;
“Put Notice”	shall bear the meaning ascribed thereto in Condition 11.4.1;
“Qualifying Additional Tier 1 Securities”	in relation to a Tranche of Additional Tier 1 Notes, securities issued directly by the Issuer that: <ul style="list-style-type: none"> (a) have terms not materially less favourable to a holder of Additional Tier 1 Notes than the terms of the Additional Tier 1 Notes being substituted or varied in accordance with Condition 11.6 (<i>Substitution or variation</i>) (as reasonably determined by the Issuer in consultation with an investment bank or financial adviser of

recognised standing (which in either case is independent of the Issuer), and provided that a certification to such effect signed by 2 (two) authorised officers of the Issuer shall have been delivered to the Issuer Agent prior to the issue or, as appropriate, variation of the relevant securities and is so stated in the certificate), and which Qualifying Additional Tier 1 Securities (i) contain terms which comply with the then current minimum requirements of the Relevant Authority in relation to Additional Tier 1 Capital, required to ensure that such Qualifying Additional Tier 1 Securities qualify as Additional Tier 1 Capital, (ii) include terms which provide for the same Interest Rate, dividend or distribution rate or rate of return from time to time applying to the Additional Tier 1 Notes, and preserve the Interest Payment Dates, (iii) rank at least *pari passu* with the ranking of the Additional Tier 1 Notes, (iv) preserve any existing rights under the Terms and Conditions to any accrued interest or other amounts which have not been paid and (v) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Additional Tier 1 Notes, including, without limitation, as to the timing of, and amounts payable upon, such redemption; and

if the Additional Tier 1 Notes being substituted or varied in accordance with Condition 11.6 (*Substitution or variation*) are listed on the JSE or are listed on such other Financial Exchange at that time as selected by the Issuer;

“Qualifying Tier 2 Securities”

in relation to a Tranche of Tier 2 Notes, securities issued directly by the Issuer that:

- a) have terms not materially less favourable to a holder of Tier 2 Notes than the terms of the Tier 2 Notes being substituted or varied in accordance with Condition 11.6 (*Substitution or variation*) (as reasonably determined by the Issuer in consultation with an investment bank or financial adviser of recognised standing (which in either case is independent of the

Issuer), and provided that a certification to such effect signed by 2 (two) authorised officers of the Issuer shall have been delivered to the Issuer Agent prior to the issue or, as appropriate, variation of the relevant securities and is so stated in the certificate), and which Qualifying Tier 2 Securities (i) contain terms which comply with the then current minimum requirements of the Relevant Authority in relation to Tier 2 Capital, required to ensure that such Qualifying Tier 2 Securities qualify as Tier 2 Capital, (ii) include terms which provide for the same Interest Rate, dividend or distribution rate or rate of return from time to time applying to the Tier 2 Notes, and preserve the Interest Payment Dates, (iii) rank at least *pari passu* with the ranking of the Tier 2 Notes, (iv) preserve any existing rights under the Terms and Conditions to any accrued interest or other amounts which have not been paid and (v) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Tier 2 Notes, including, without limitation, as to the timing of, and amounts payable upon, such redemption; and

- b) if the Tier 2 Notes being substituted or varied in accordance with Condition 11.6 (*Substitution or variation*) are listed on the JSE or are listed on such other Financial Exchange at that time as selected by the Issuer;

in relation to the Issuer, the Programme or a Tranche of Notes (as the case may be and as and where applicable), the rating assigned to the Issuer, the Programme or that Tranche of Notes, as the case may be, granted by the Rating Agency, as specified in the Applicable Pricing Supplement,

“Rand held in an Emigrant Capital Account”

funds which may not be remitted out of South Africa or paid into a non-South African resident’s bank account, as regulated by the Exchange Control Regulations;

“Rating”

in relation to a Tranche of Notes (as and where applicable), the rating of the Tranche of Notes, the Issuer or the Programme granted by the Rating Agency, specified in the Applicable Pricing Supplement and in relation to the Issuer, the rating of the Issuer

granted by the Rating Agency, as specified in the Applicable Pricing Supplement, and where a Tranche of Notes and/or the Issuer (as the case may be) is rated by more than 1 (one) Rating Agency, the lowest rating applied to such Tranche of Notes and/or the Issuer (as the case may be) will be deemed to be the applicable rating of such Tranche of Notes and/or the Issuer (as the case may be);

“Rating Agency”	Moody’s and/or S&P and/or GCR and/or such other internationally-recognised rating agency(ies) as may be appointed by the Issuer for the purpose of rating a Tranche of Notes, the Issue or the Programme and as specified in the Applicable Pricing Supplement;
“Redemption Date”	the date upon which the Notes are redeemed by the Issuer, whether by way of redemption or maturity in terms of Condition 11.1 (<i>Redemption at Maturity</i>) or redemption for tax reasons or following the occurrence of a Change in Law in terms of Condition 11.2 (<i>Redemption for Tax Reasons or following the occurrence of a Change in Law</i>), redemption of Subordinated Capital Notes for Regulatory Capital reasons in terms of Condition 11.5 (<i>Redemption of Subordinated Capital Notes for Regulatory Capital reasons</i>), as the case may be;
“Reference Banks”	any of the five leading banks in the South African inter-bank market selected by the Issuer Agent;
“Reference Price”	in relation to a Tranche of Notes (where applicable), the price specified as such in the Applicable Pricing Supplement;
“Reference Rate”	in relation to a Tranche of Notes (where applicable), the rate specified as such in the Applicable Pricing Supplement;
“Register”	the register maintained by the Issuer Agent in terms of Condition 14 (<i>Register</i>) and the Issuer Agency Agreement, of which any Uncertificated Securities Register (which is administered and maintained by a Participant or the CSD, as determined in accordance with the Applicable Procedures) forms part;

“Registered Note”	a Note issued in registered form and transferable in accordance with Condition 15 (<i>Transfer of Notes</i>) and which may include Uncertificated Notes;
“Regular Period”	<p>(a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to, but excluding the first Interest Payment Date and, each successive period from and including one Interest Payment Date to, but excluding the next Interest Payment Date;</p> <p>(b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to, but excluding the next Regular Date, where “Regular Date” means the day and the month (but not the year) on which any Interest Payment Date falls; and</p> <p>(c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to, but excluding the next Regular Date, where “Regular Date” means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;</p>
“Regulations Relating to Banks”	the Regulations promulgated under section 90 of the Banks Act (published on 12 December 2012 in Government Gazette No. 35950), as such Regulations may be amended, supplemented or replaced from time to time;
“Regulatory Capital”	as applicable, Tier 2 Capital or Additional Tier 1 Capital;
“Regulatory Capital Change”	(i) a change in, or amendment to, the Regulatory Capital Requirements or (ii) any change in the application of or official or generally published guidance or interpretation of the Regulatory Capital Requirements, which change or amendment becomes, or

would become, effective on or after the Issue Date of the first Tranche of Notes of the relevant Series;

“Regulatory Capital Event”

an event which is deemed to have occurred if, with respect to the Notes of any Series which comprise Subordinated Capital Notes on the Issue Date of the first Tranche of Notes of that Series, the whole or any part of the aggregate outstanding Nominal Amount of the Notes of that Series would, as a result of a Regulatory Capital Change, no longer be eligible to qualify or no longer qualify (on a solo and/or consolidated basis) fully, or to the extent permitted by the Regulatory Capital Requirements, partially, or will in the future, but in the case of Tier 2 Notes, prior to the Maturity Date, no longer qualify (on a solo or consolidated basis) fully, or to the extent permitted by the Regulatory Capital Requirements, partially, as Regulatory Capital (save where such non-qualification arises only as a result of any applicable limitation on the amount of such capital or any amortisation of recognition of Tier 2 Capital under the Regulatory Capital Requirements in the final 5 (five) years prior to maturity) of the Issuer on a solo and/or consolidated basis. For the avoidance of doubt, a Write Off would not constitute a Regulatory Capital Event;

“Regulatory Capital Requirements”

at any time, any legislation, regulations, requirements, guidelines and policies relating to capital adequacy then in effect in South Africa in relation to banks registered under the Banks Act and licensed to conduct the business of a bank in South Africa (and, if applicable, to the controlling companies of such banks) (including any rules and Additional Conditions applicable specifically to the Issuer as prescribed by the Relevant Authority) or if the Issuer becomes domiciled in a jurisdiction other than South Africa, any legislation, regulations, requirements, guidelines and policies relating to capital adequacy then in effect in such other jurisdiction in relation to banks (and, if applicable, to the controlling companies of such banks) registered in, and licensed to conduct the business of a bank (and, if applicable, to business of a controlling companies of such banks) in, such other jurisdiction

“Relevant Authority”	the Prudential Authority in terms of the Banks Act and any successor or replacement thereto, or any authority having primary responsibility for the prudential oversight and supervision of the Issuer and/or the responsibility of making decisions relating to the declaration of a bank as being non-viable with the effect (as contemplated in the Regulations Relating to Banks) of triggering loss absorption within the relevant capital instruments and/or shares;
“Relevant Authority’s Trigger Event Notice”	the notification given to the Issuer or the Bank, as the case may be, by the Relevant Authority upon the occurrence of a Trigger Event as contemplated in the Regulatory Capital Requirements, which notification may or may not be in writing, and which may or may not require the Issuer to Convert or Write Off all or some of its Regulatory Capital-qualifying instruments or shares;
“Relevant Date”	in respect of any payment relating to a Tranche of Notes, the date on which such payment first becomes due, except that, in relation to monies payable to the CSD in accordance with these Terms and Conditions, it means the first date on which (i) the full amount of such monies have been received by the CSD, (ii) such monies are available for payment to the holders of Beneficial Interests and (iii) notice to that effect has been duly given to such holders in accordance with the Applicable Procedures;
“Relevant Financial Exchange”	the JSE, or if at the relevant time the FirstRand Shares are not listed and admitted to trading on the JSE, the principal Financial Exchange or securities market on which the FirstRand Shares are then listed, admitted to trading or quoted or dealt in, as the case may be;
“Relevant Indebtedness”	any present or future Financial Indebtedness which is in the form of any bond, note, debenture, debenture stock, loan stock, certificate or other similar security which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market) and having an original maturity of more than 364 (three hundred and sixty-four) days from its date of issue;

“Relevant Part”	that portion of the aggregate outstanding Nominal Amount of the Series of Subordinated Capital Notes which the Relevant Authority requires be Written Off or Converted, as the case may be, upon the occurrence of a Trigger Event, whether expressed as a value, a percentage or otherwise, as determined and notified to the Issuer, by the Relevant Authority;
“Relevant Screen Page”	in relation to a Tranche of Notes (where applicable), the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the Applicable Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;
“Representative”	a person duly authorised to act on behalf of a Noteholder, the Issuer Agent who may be regarded by the Issuer (acting in good faith) as being duly authorised based upon the tacit or express representation thereof by such Representative, in the absence of express notice to the contrary from such Noteholder, Issuer Agent;
“RMB”	FirstRand Bank Limited (acting through its Rand Merchant Bank division) (registration number 1929/001225/06), a public company with limited liability duly incorporated in accordance with the company laws of South Africa and registered as a bank in terms of the Banks Act;
“SARB”	the South African Reserve Bank, or the relevant replacement or successor regulator;
“Securities Account”	shall bear the meaning ascribed thereto in the Financial Markets Act;
“Security Interest”	any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;
“Senior Creditors”	a) all creditors of the Issuer (including the Senior Noteholders) whose claims against the Issuer are

in respect of unsubordinated obligations of the Issuer;
and

- b) all creditors of the Issuer whose claims (whether subordinated or unsubordinated) are, or are expressed to be or rank (or are deemed under the Regulatory Capital Requirements to rank) in priority to all or certain claims which are subordinated (whether only in the event of the winding up or liquidation of the Issuer or otherwise) to the claims of other creditors of the Issuer, other than (i) in relation to the claims of Tier 2 Noteholders, all creditors of the Issuer whose claims rank or are expressed to rank (or are deemed under the Regulatory Capital Requirements to rank) *pari passu* with or junior to the claims of the Tier 2 Noteholders, or (ii) in relation to the claims of Additional Tier 1 Noteholders, all creditors of the Issuer whose claims rank or are expressed to rank (or are deemed under the Regulatory Capital Requirements to rank) *pari passu* with or junior to the claims of the Additional Tier 1 Noteholders;

“Senior Noteholders”	the Noteholders of Senior Notes;
“Senior Notes”	Notes issued with the status and characteristics set out in Condition 5 (<i>Status of Senior Notes</i>);
“SENS”	the Stock Exchange News Service established by the JSE;
“Series”	a Tranche of Notes together with any further Tranche or Tranches of Notes which are: <ul style="list-style-type: none"> (a) expressed to be consolidated and form a single series; and (b) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices;
“Solvent Reconstruction”	the event where an order is made or an effective resolution is passed for the winding-up of the Issuer (a) under or in connection with a scheme of amalgamation or reconstruction not involving a bankruptcy or insolvency where the obligations of the Issuer in relation to the outstanding Notes are assumed by the successor

entity to which all, or substantially all, of the property, assets and undertaking of the Issuer are transferred or (b) where an arrangement with similar effect not involving a bankruptcy or insolvency is implemented;

“South Africa” or “RSA”	the Republic of South Africa;
“Specified Currency”	in relation to each Note in a Tranche of Notes, subject to all Applicable Laws and in the case of Notes listed on the Interest Rate Market of the JSE subject to the rules of the JSE and the JSE Debt Listings Requirements, the currency specified in the Applicable Pricing Supplement;
“Specified Denomination”	in relation to each Note in a Tranche of Notes, the amount specified as such in the Applicable Pricing Supplement, save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the Central Bank or regulator or any laws or regulations applicable to the Notes;
“Specified Office”	in relation to each of the Issuer, the Arranger, the Issuer Agent, the Debt Sponsor and the stabilising manager (if any), the address of the office in respect of such entity as specified in the Applicable Pricing Supplement, or such other address as is notified by such entity (or where applicable, a successor to such entity) to the Noteholders in accordance with Condition 19 (<i>Notices</i>);
“S&P”	Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies Incorporated (Registration No, 1996/014081/10), its successors-in-title and assigns;
“Statutory Loss Absorption Regime” or “SLAR”	any legal, statutory or regulatory regime or requirement implemented in South Africa which provides the Relevant Authority with (i) special resolution powers in respect of systemically-important- and other financial institutions and/or (ii) the power to implement principal loss absorption measures in respect of capital instruments (such as Additional Tier 1 Capital and Tier 2 Capital) in accordance with Basel III (being the set of minimum global standards for banks issued by the Basel Committee on Banking Supervision in December 2010 and revised in July 2011, or its successor or replacement standard)

and which legal, statutory or regulatory regime or requirement so implemented:

- a) requires the capital instrument to be written off upon the occurrence of a trigger event specified by the Relevant Authority in writing; or
- b) otherwise requires the instrument to fully absorb loss before tax payers or ordinary depositors are exposed to loss;

“Step-up Margin” has the meaning ascribed to it in the relevant Applicable Pricing Supplement;

“Subordinated Capital Notes” Subordinated Notes the proceeds of which are intended to qualify as Regulatory Capital in accordance with the relevant Regulatory Capital Requirements;

“Subordinated Indebtedness” any Financial Indebtedness of the Issuer, including any guarantee by the Issuer, under which the right of payment of the person(s) entitled thereto is, or is expressed to be, or is required by any present or future agreement of the Issuer to be, subordinated to the rights of all unsubordinated creditors of the Issuer in the event of the dissolution of the Issuer or if the Issuer is wound up or placed in liquidation or curatorship;

“Subordinated Notes” any Notes (including Subordinated Capital Notes) specified as such in the Applicable Pricing Supplement, issued, in the case of Subordinated Notes that are not Subordinated Capital Notes, with the status and characteristics set out in Condition 6.1 (*Status of Subordinated Notes that are not Subordinated Capital Notes*), in the case of Subordinated Capital Notes the proceeds of which are intended to constitute Tier 2 Capital, with the status and characteristics set out in Condition 6.2 (*Status of Tier 2 Notes*) and in the case of Subordinated Capital Notes the proceeds of which are intended to constitute Additional Tier 1 Capital, with the status and characteristics set out in Conditions 6.3 (*Status of Additional Tier 1 Notes*);

“Subsidiary” a subsidiary company as defined in Section 3(1)(a) of the Companies Act;

“Sub-unit”	with respect to any currency, the lowest amount of such currency that is available as legal tender in the country of such currency;
“Terms and Conditions” or “Conditions”	the terms and conditions incorporated in this section headed “ <i>Terms and Conditions of the Notes</i> ” and in accordance with which the Notes will be issued;
“Tier 2 Capital”	“ <i>tier 2 capital</i> ” as defined in the Banks Act;
“Tier 2 Capital Regulations”	Regulation 38(12) of the Regulations Relating to Banks and/or such other provisions of the Regulatory Capital Requirements with which the instruments and/or shares contemplated in that Regulation (including the Tier 2 Notes) must comply in order for the proceeds of the issue of such instruments and/or shares to rank as Tier 2 Capital;
“Tier 2 Noteholder”	a Noteholder of a Tier 2 Note;
“Tier 2 Notes”	Notes specified as such in the Applicable Pricing Supplement and complying with the Tier 2 Capital Regulations;
“Total Assets of the Issuer”	the aggregate of all of the assets of the Issuer as set out in the most recently published audited unconsolidated financial statements of the Issuer from time to time;
“Tranche”	in relation to any particular Series, all Notes which are identical in all respects (including as to listing);
“Transfer Form”	the written form for the transfer of a Note, in the form approved by the Issuer Agent, and signed by the transferor and transferee;
“Trigger Event”	unless otherwise specified in the Applicable Pricing Supplement: <ul style="list-style-type: none"> (a) in the case of Subordinated Capital Notes the proceeds of which are intended to qualify as Tier 2 Capital and Subordinated Capital Notes the proceeds of which are intended to qualify as Additional Tier 1 Capital which are accounted for as equity, the occurrence of a “<i>trigger event</i>” specified in the Relevant Authority’s Trigger Event Notice by the Relevant Authority as contemplated in Regulations 38(12)(a)(i) and 38(11)(b)(i) of the

Regulations Relating to Banks respectively, provided that in each case, the aforesaid “trigger event” shall be the earlier of:

- (i) a decision that a Write Off, without which the Issuer would become non-viable, is necessary as determined by the Relevant Authority; or
 - (ii) a decision to make a public sector injection of capital without which the Issuer would become non-viable as determined by the Relevant Authority; and
- (b) in the case of Subordinated Capital Notes the proceeds of which are intended to qualify as Additional Tier 1 Capital which are accounted for as liabilities, the first to occur of the following events:
- (i) the occurrence of a “*trigger event*” specified in the Relevant Authority’s Trigger Event Notice by the Relevant Authority as contemplated in Regulation 38(11)(b)(i) of the Regulations Relating to Banks, provided that the aforesaid “trigger event” shall be the earlier of:

- a. a decision that a Write Off, without which the Issuer would become non-viable, is necessary as determined by the Relevant Authority; or
- b. a decision to make a public sector injection of capital without which the Issuer would become non-viable as determined by the Relevant Authority; and

the Common Equity Tier 1 ratio of the Issuer is equal to or falls below the CET1 ratio set out in Guidance Note 6 (or such other ratio as may from time to time be prescribed in the Regulatory Capital Requirements);

- “Uncertificated Note”** a Note that is an uncertificated security as contemplated in the Financial Markets Act, and related expressions have the same meaning;
- “Uncertificated Securities Register”** will bear the meaning ascribed thereto in the Financial Markets Act (as read together with the Companies Act);
- “Wholly-Owned Subsidiary”** a wholly-owned subsidiary as defined in Section 1 of the Companies Act;
- “Write Off”**
- (a) in respect of Tier 2 Notes:
 - (i) the Tier 2 Notes shall be cancelled (in the case of a write off in whole) or written down in part on a *pro rata* basis (in the case of write off in part), in accordance with the Regulatory Capital Requirements and as determined by the Relevant Authority; and
 - (ii) all rights of any Tier 2 Noteholders for payment of any amounts under or in respect of the Tier 2 Notes, or the Written Off portion thereof, as the case may be, (including, without limitation, any amounts arising as a result of, or due and payable upon the occurrence of, an Event of Default) shall, as the case may be, be cancelled or written off *pro rata* among the Tier 2 Noteholders and, in each case, not restored under any circumstances, irrespective of whether such amounts have become due and payable prior to the date of the Relevant Authority’s Trigger Event Notice and even if the Trigger Event has ceased; and
 - (b) in respect of Additional Tier 1 Notes:
 - (i) the Additional Tier 1 Notes shall be cancelled (in the case of a write off in whole) or written down in part on a *pro rata* basis (in the case of write off in part), in accordance with the Regulatory Capital Requirements and as determined by the Relevant Authority; and

all rights of any Additional Tier 1 Noteholders for payment of any amounts under or in respect of the Additional Tier 1 Notes, or the Written Off portion thereof, as the case may be, (including, without limitation, any amounts arising as a result of, or due and payable upon the occurrence of, an Event of Default) shall, as the case may be, be cancelled or written off *pro rata* among the Additional Tier 1 Noteholders and, in each case, not restored under any circumstances, irrespective of whether such amounts have become due and payable prior to the date of the Relevant Authority's Trigger Event Notice and even if the Trigger Event has ceased;

“ZAR” or “South African Rand” or “Rand”	the lawful currency of South Africa, being South African Rand, or any successor currency;
“ZAR-JIBAR-SAFEX”	the mid-market rate for deposits in ZAR for a period of the Designated Maturity (as indicated in the Applicable Pricing Supplement) that appears on the Reuters Screen SAFEX Page as at 11h00, Johannesburg time on the relevant date; and
“Zero Coupon Notes”	Notes which will be offered and sold at a discount to their Nominal Amount or at par and will not bear interest other than in the case of late payment.

2. ISSUE

- 2.1. The Issuer may, at any time and from time to time (without the consent of any Noteholder), issue one or more Tranche(s) of Notes pursuant to the Programme; provided that the aggregate Outstanding Nominal Amount of all of the Notes issued under the Programme from time to time does not exceed the Programme Amount.
- 2.2. Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. A Tranche of Notes will be issued on, and subject to, the applicable Terms and Conditions of that Tranche of Notes. The applicable Terms and Conditions of a Tranche of Notes are the Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement relating to that Tranche of Notes.
- 2.3. The applicable Terms and Conditions of a Tranche of Notes are incorporated by reference into the Individual Certificate(s) (if any) representing the Notes in that Tranche. The Applicable Pricing Supplement relating to a Tranche of Notes issued in certificated form will be attached to the Individual Certificate(s) representing the Notes in that Tranche.

3. FORM AND DENOMINATION

3.1. General

- 3.1.1. A Tranche of Notes may be issued in the form of listed or unlisted registered Notes, as specified in the Applicable Pricing Supplement.
- 3.1.2. A Tranche of Notes will comprise Senior Notes or Subordinated Notes, as indicated in the Applicable Pricing Supplement. Any Note issued, whether a Senior Note or a Subordinated Note may, subject to the Regulatory Capital Requirements in the case of Subordinated Capital Notes, be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index-Linked Note, a Dual Currency Note, a Mixed Rate Note, an Instalment Note, an Exchangeable Note, an Extendible Note, a Partly-Paid Note or such combination of any of the foregoing or such other type of Note that is approved by the JSE, or its successor, or such other or further Financial Exchange(s), as may be determined by the Issuer and specified in the Applicable Pricing Supplement.
- 3.1.3. All payments in relation to the Notes will be made in the Specified Currency. Each Note will be issued in the Specified Denomination.
- 3.1.4. A Tranche of Notes may be listed on the Interest Rate Market of the JSE or on such other or further Financial Exchange(s) as may be determined by the Issuer and the Dealer(s), subject to any Applicable Laws. Unlisted Notes may also be issued under the Programme. Unlisted Notes are not regulated by the JSE.

3.2. Registered Notes

A Tranche of Registered Notes will be issued in certificated form, as contemplated in Condition 3.3 (*Notes issued in certificated form*), or in uncertificated form, as contemplated in Condition 3.4 (*Notes issued in uncertificated form*), as specified in the Applicable Pricing Supplement. Each Tranche of Notes which is listed on the Interest Rate Market of the JSE will be held in the CSD, as contemplated in Condition 3.4 (*Notes issued in uncertificated form*). A Tranche of unlisted Notes may also be held in the CSD, as contemplated in Condition 3.4 (*Notes issued in uncertificated form*) subject to the Financial Markets Act and the Applicable Procedures.

3.3. Notes issued in certificated form

- 3.3.1. Each Tranche of Notes may, subject to Applicable Laws and the Applicable Procedures, be issued in certificated form.

3.3.2. All Notes issued in certificated form will be represented by Individual Certificates and a Register of Noteholders will be maintained.

3.4. Notes issued in uncertificated form

A Tranche of Registered Notes which is listed on the Interest Rate Market of the JSE must, subject to Applicable Laws and the Applicable Procedures, be issued in uncertificated form in terms of section 33 of the Financial Markets Act. Registered Notes issued in uncertificated form will (i) be held in the CSD and (ii) will not be represented by any certificate or written instrument. A Note which is represented by an Individual Certificate may be replaced by uncertificated securities in terms of section 33 of the Financial Markets Act.

3.5. Beneficial Interests in Notes held in the CSD

3.5.1. A Tranche of Registered Notes which is listed on the Interest Rate Market of the JSE will be issued in uncertificated form and held in the CSD. A Tranche of unlisted Notes may also be held in the CSD.

3.5.2. The CSD will hold Registered Notes issued in uncertificated form subject to the Financial Markets Act and the Applicable Procedures.

3.5.3. All amounts to be paid in respect of Registered Notes held in the CSD will be paid to the CSD and all rights to be exercised in respect of Registered Notes held in the CSD may be exercised only, in each case, in accordance with the Applicable Procedures.

3.5.4. A holder of an uncertificated Registered Note or Beneficial Interest therein shall only be entitled to exchange such holding for Registered Notes represented by an Individual Certificate in accordance with Condition 13 (*Exchange of Beneficial Interests and Replacement of Individual Certificates*).

3.6. Currency and Denomination

3.6.1. Notes will be issued in the Specified Currency. Each Note will be issued in the Specified Denomination.

3.6.2. The aggregate Nominal Amount, Specified Currency and Specified Denomination of a Tranche of Notes will be specified in the Applicable Pricing Supplement.

3.7. Recourse to the JSE Debt Guarantee Fund Trust

The holders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the JSE Debt Guarantee Fund Trust, even if such Notes are settled through

the electronic settlement procedures of the JSE and the CSD. Claims against the JSE Debt Guarantee Fund Trust may only be made in respect of the trading of Notes listed on the Interest Rate Market of the JSE and can in no way relate to a default by the Issuer of its obligations under the Notes listed on the Interest Rate Market of the JSE. Any claims against the JSE Debt Guarantee Fund Trust may only be made in accordance with the rules of the JSE Debt Guarantee Fund Trust. Unlisted Notes are not regulated by the JSE.

4. TITLE

4.1. Registered Notes issued in certificated form

- 4.1.1. Each holder of Registered Notes represented by an Individual Certificate will be named in the Register as the registered holder of such Registered Notes.
- 4.1.2. Title to Registered Notes issued in certificated form will pass upon registration of transfer in the Register in accordance with Condition 15.2 (*Transfer of Notes Represented by Individual Certificates*).
- 4.1.3. The Issuer and the Issuer Agent shall recognise a holder of Registered Notes represented by an Individual Certificate as the sole and absolute owner of the Registered Notes registered in that Noteholder's name in the Register (notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) and shall not be bound to enter any trust in the Register or to take notice of or to accede to the execution of any trust, express, implied or constructive, to which any Registered Note may be subject.

4.2. Notes issued in uncertificated form

- 4.2.1. The registered holders of each Tranche of Registered Notes which is issued in uncertificated form will be the Persons recorded in the Uncertificated Securities Register as the registered holders of such Notes.
- 4.2.2. Title to Registered Notes issued in uncertificated form will pass upon registration of transfer in the Register in accordance with Condition 15 (*Transfer of Notes*).
- 4.2.3. Each Person recorded in the Uncertificated Securities Register as a registered Noteholder of a particular Tranche of uncertificated Registered Notes will be treated by the Issuer and the Issuer Agent as the holder of that aggregate Nominal Amount of such uncertificated Registered Notes for all purposes.

4.3. Beneficial Interests in Notes held in the CSD

- 4.3.1. While a Tranche of uncertificated Notes is held in its entirety in the CSD, the CSD will be named in the Register as the sole Noteholder of the Notes in that Tranche.
- 4.3.2. Beneficial Interests which are held by Participants will be held directly through the CSD, and the CSD will hold such Beneficial Interests, on behalf of such Participants, through the central Securities Accounts maintained by the CSD for such Participants.
- 4.3.3. Beneficial Interests which are held by clients of Participants will be held indirectly through such Participants, and such Participants will hold such Beneficial Interests, on behalf of such clients, through the Securities Accounts maintained by such Participants for such clients. The clients of Participants may include the holders of Beneficial Interests or their custodians. The clients of Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Notes held by them in the CSD only through their Participants.
- 4.3.4. In relation to each person shown in the records of the CSD or the relevant Participant, as the case may be, as the holder of a Beneficial Interest in a particular Nominal Amount of Notes, a certificate or other document issued by the CSD or the relevant Participant, as the case may be, as to the aggregate Nominal Amount of such Notes standing to the account of such person shall be *prima facie* proof of such Beneficial Interest. The CSD (as the registered holder of such Notes named in the Register) will be treated by the Issuer, the Issuer Agent and the relevant Participant as the holder of that aggregate Nominal Amount of such Notes for all purposes.
- 4.3.5. Beneficial Interests in Notes may be transferred only in accordance with the Applicable Procedures. Such transfers will not be recorded in the Register and the CSD will continue to be reflected in the Register as the registered holder of such Notes, notwithstanding such transfers.
- 4.3.6. Any reference in the Terms and Conditions to the relevant Participant shall, in respect of a Beneficial Interest, be a reference to the Participant appointed to act as such by the holder of such Beneficial Interest.

5. STATUS OF SENIOR NOTES

5.1. Application

This Condition 5 (*Status of Senior Notes*) applies only to Senior Notes.

- 5.2. Unless otherwise specified in the Applicable Pricing Supplement, the Senior Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* and rateably without any preference among themselves and (save for certain debts required to be preferred by law and subject to Condition 7 (*Negative Pledge*)) equally with all other unsecured and unsubordinated obligations of the Issuer from time to time outstanding.

6. STATUS AND CHARACTERISTICS OF SUBORDINATED NOTES, WRITE OFF AND CONVERSION OF SUBORDINATED CAPITAL NOTES

6.1. Status of Subordinated Notes that are not Subordinated Capital Notes

6.1.1. Application

This Condition 6.1 (*Status of Subordinated Notes that are not Subordinated Capital Notes*) applies only to Subordinated Notes that are not Subordinated Capital Notes.

6.1.2. Status of Subordinated Notes that are not Subordinated Capital Notes

6.1.2.1. Subordinated Notes constitute direct, unsecured and subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and at least *pari passu* with all other Subordinated Indebtedness of the Issuer, save for the claims of those creditors that have been accorded preferential rights by law.

6.1.2.2. Subject to Applicable Law, in the event of the dissolution of the Issuer or if the Issuer is placed into liquidation, curatorship or wound-up, the claims of the persons entitled to payment of amounts due in respect of the Subordinated Notes (including any damages or other amounts payable (if any)), shall be subordinated to all other claims in respect of any other indebtedness of the Issuer except for other Subordinated Indebtedness. Accordingly, in any such event, and provided as aforesaid, no holder of a Subordinated Note shall be entitled to prove or tender to prove a claim in respect of such Subordinated Notes, to the extent that any other indebtedness of the Issuer which is admissible in any such curatorship, dissolution, insolvency or winding-up (other than Subordinated Indebtedness) would not be

paid or discharged in full as a result of such proof, and no amount shall be eligible for setting-off or shall be payable to any or all of the persons entitled to payment of amounts due in respect of such Subordinated Notes in respect of the obligations of the Issuer thereunder until all other indebtedness of the Issuer which is admissible in any such , dissolution, insolvency or winding-up (other than Subordinated Indebtedness) has been paid or discharged in full.

6.1.2.3. The payment obligations of the Issuer in respect of Subordinated Notes the proceeds of which are intended to qualify as Regulatory Capital shall rank in accordance with the provisions of the Regulations Relating to Banks as set out in Conditions 6.2 (*Status of Tier 2 Notes*) and 6.3 (*Status of Additional Tier 1 Notes*), as applicable, and in the Applicable Pricing Supplement relating to such Notes.

6.2. Status of Tier 2 Notes

6.2.1. Application

This Condition 6.2 (*Status of Tier 2 Notes*) applies only to Tier 2 Notes.

6.2.2. Status of Tier 2 Notes

The Tier 2 Notes constitute direct, unsecured and, in accordance with Condition 6.2.3 (*Subordination*), subordinated obligations of the Issuer and will rank (i) *pari passu* without any preference among themselves, (ii) save for those that have been accorded preferential rights by law, at least *pari passu* with all other subordinated obligations of the Issuer (other than any subordinated obligations which rank or are expressed to rank senior to the Issuer's obligations under the Tier 2 Notes), including but not limited to subordinated obligations in the form of other Tier 2 Notes and Tier 2 Capital, whether issued before the date of issue of the Tier 2 Notes or thereafter and (iii) behind in priority to all claims of Depositors and Senior Creditors.

6.2.3. Subordination

The claims of Tier 2 Noteholders entitled to be paid amounts due in respect of the Tier 2 Notes (including any damages or other amounts (if payable)) are subordinated to the claims of Depositors and Senior Creditors and accordingly, in the event of the dissolution of the Issuer or if the Issuer is placed into liquidation or wound up (in each case other than pursuant to a Solvent Reconstruction):

- 6.2.3.1. no Tier 2 Noteholder shall be entitled to prove or tender to prove a claim in respect of the Tier 2 Notes in such event to the extent that the claims of the Issuer's Senior Creditors which are admissible in any such dissolution, insolvency or winding-up would not be paid or discharged in full as a result of such proof;
- 6.2.3.2. no other amount due under the Tier 2 Notes shall be eligible for set-off, counterclaim, abatement or other similar remedy which a Tier 2 Noteholder might otherwise have under the laws of any jurisdiction in respect of the Tier 2 Notes nor shall any amount due under the Tier 2 Notes be payable to any Tier 2 Noteholder until the claims of such Senior Creditors which are admissible in any such dissolution, liquidation or winding-up have been paid or discharged in full; and
- 6.2.3.3. subject to Applicable Law, a Tier 2 Noteholder may not exercise or claim any right of set-off in respect of any amount arising out of or in connection with the Tier 2 Notes owed to it by the Issuer and each Tier 2 Noteholder shall, by virtue of its subscription, purchase or holding of any Tier 2 Notes, (i) be deemed to have waived all such rights of set-off and (ii) to the extent that any set-off takes place, whether by operation of law or otherwise, between (A) any amount arising out of or in connection with the Tier 2 Notes owed by the Issuer to a Tier 2 Noteholder and (B) any amount owed to the Issuer by such Tier 2 Noteholder, such Tier 2 Noteholder will immediately transfer such amount which is set-off to the Issuer or, in the event of the Issuer's dissolution, winding-up or liquidation (as the case may be), to the liquidator or other relevant insolvency official of the Issuer, to be held in trust by the liquidator or other relevant insolvency official of the Issuer for the benefit of the Issuer's Depositors and Senior Creditors until the claims of such Depositors and Senior Creditors which are admissible in any such dissolution, liquidation or winding-up have been paid or discharged in full, and this undertaking will constitute a *stipulatio alteri* in favour of the Depositors and Senior Creditors.

6.3. Status of Additional Tier 1 Notes

6.3.1. Application

This Condition 6.3 (*Status of Additional Tier 1 Notes*) applies only to Additional Tier 1 Notes.

6.3.2. Status of Additional Tier 1 Notes

The Additional Tier 1 Notes constitute direct, unsecured and, in accordance with Condition 6.3.3 (*Subordination*), subordinated obligations of the Issuer and will rank (i) *pari passu* without any preference among themselves, (ii) save for those that have been accorded preferential rights by law, at least *pari passu* with all other subordinated obligations of the Issuer (other than any subordinated obligations which rank or are expressed to rank senior to the Issuer's obligations under the Additional Tier 1 Notes), including but not limited to subordinated obligations in the form of other Additional Tier 1 Notes and Additional Tier 1 Capital, whether issued before the date of issue of the Additional Tier 1 Notes or thereafter and (iii) behind in priority to all claims of Depositors, Senior Creditors and holders of Junior Debt.

6.3.3. Subordination

The claims of Additional Tier 1 Noteholders entitled to be paid amounts due in respect of the Additional Tier 1 Notes (including any damages or other amounts (if payable)) are subordinated to the claims of Depositors, Senior Creditors and holders of Junior Debt and accordingly, in the event of the dissolution of the Issuer or if the Issuer is placed into liquidation or wound up (in each case other than pursuant to a Solvent Reconstruction):

- 6.3.3.1. no Additional Tier 1 Noteholder shall be entitled to prove or tender to prove a claim in respect of the Additional Tier 1 Notes in such event to the extent that the claims of the Issuer's Depositors, Senior Creditors and holders of Junior Debt which are admissible in any such dissolution, insolvency or winding-up would not be paid or discharged in full as a result of such proof;
- 6.3.3.2. no other amount due under the Additional Tier 1 Notes shall be eligible for set-off, counterclaim, abatement or other similar remedy which an Additional Tier 1 Noteholder might otherwise have under the laws of any jurisdiction in respect of the Additional Tier 1 Notes nor shall any amount due under the Additional Tier 1 Notes be

payable to any Additional Tier 1 Noteholder until the claims of such Depositors, Senior Creditors and holders of Junior Debt which are admissible in any such dissolution, liquidation or winding-up have been paid or discharged in full; and

- 6.3.3.3. subject to Applicable Law, an Additional Tier 1 Noteholder may not exercise or claim any right of set-off in respect of any amount arising out of or in connection with the Additional Tier 1 Notes owed to it by the Issuer and each Additional Tier 1 Noteholder shall, by virtue of its subscription, purchase or holding of any Additional Tier 1 Notes, (i) be deemed to have waived all such rights of set-off and (ii) to the extent that any set-off takes place, whether by operation of law or otherwise, between (A) any amount arising out of or in connection with the Additional Tier 1 Notes owed by the Issuer to an Additional Tier 1 Noteholder and (B) any amount owed to the Issuer by such Additional Tier 1 Noteholder, such Additional Tier 1 Noteholder will immediately transfer such amount which is set-off to the Issuer or, in the event of the Issuer's dissolution, winding-up or liquidation (as the case may be), to the liquidator or other relevant insolvency official of the Issuer, to be held in trust by the liquidator or other relevant insolvency official of the Issuer for the benefit of the Issuer's Depositors, Senior Creditors and holders of Junior Debt until the claims of such Depositors, Senior Creditors and holders of Junior Debt which are admissible in any such dissolution, liquidation or winding-up have been paid or discharged in full, and this undertaking will constitute a *stipulatio alteri* in favour of the Senior Creditors and holders of Junior Debt.

6.4. Non-Viability Loss Absorption

6.4.1. Application

This Condition 6.4 (Non-Viability Loss Absorption) applies only to Subordinated Capital Notes and is referred to in these Conditions as the “Non-Viability Loss Absorption Condition”.

6.4.2. Non-Viability Event

Upon the occurrence of a Non-Viability Event, the Issuer shall notify the Noteholders of Subordinated Capital Notes (a “**Non-Viability Event Notice**”) in accordance with Condition 19 (*Notices*) that a Non-Viability Event has occurred

and subsequently Write-off or Convert, as the case may be, the Subordinated Capital Notes, in accordance with the Regulatory Capital Requirements.

6.4.3. No Compensation

For the avoidance of doubt, the Issuer shall not be obliged to pay compensation in any form to the Noteholders of Subordinated Capital Notes in respect of a Write-off or Conversion, as the case may be, of Subordinated Capital Notes in accordance with the Terms and Conditions.

6.4.4. No Default

For the avoidance of doubt, any Write-off or Conversion, as the case may be, of the Subordinated Capital Notes upon the occurrence of a Non-Viability Event will not constitute an Event of Default or any other breach of the Issuer's obligations under the Terms and Conditions.

6.5. Write Off or Conversion of Subordinated Capital Notes

6.5.1. The relevant Applicable Pricing Supplement shall specify whether Conversion upon the occurrence of a Trigger Event or Write Off upon the occurrence of a Trigger Event will apply to the Tranche of Subordinated Capital Notes issued in terms of that Applicable Pricing Supplement. If a Trigger Event occurs, then the Issuer shall, after receipt of a Relevant Authority's Trigger Event Notice in relation to that Trigger Event and in accordance with the Regulatory Capital Requirements, and if so instructed by the Relevant Authority, either Convert or Write Off, as the case may be, the relevant Tranche of Subordinated Capital Notes (or the Relevant Part thereof, as the case may be, but subject to Condition 6.7.2.2 below.

6.5.2. Subject to the Regulatory Capital Requirements and the written instructions received from the Relevant Authority, Write Off or Conversion of Subordinated Capital Notes, as applicable, need only occur up until the point where the Issuer is deemed by the Relevant Authority to be viable again, as specified in writing by the Relevant Authority.

6.6. Notification of Trigger Event

6.6.1. Following receipt by the Issuer of a Relevant Authority's Trigger Event Notice notifying the Issuer that a Trigger Event has occurred, the Issuer will forthwith deliver a written notice (the "**Issuer's Trigger Event Notice**" to the

Tier 2 Noteholders and Additional Tier 1 Noteholders, as applicable, in accordance with Condition 19 (*Notices*):

- 6.6.1.1. stating that the Issuer has received a Relevant Authority's Trigger Event Notice;
 - 6.6.1.2. repeating the Trigger Event as set out in that Relevant Authority's Trigger Event Notice; and
 - 6.6.1.3. if the Issuer is instructed by the Relevant Authority to Write Off or Convert, as applicable, stating that a Write Off and/or Conversion, as the case may be, of the relevant Subordinated Capital Notes will take place pursuant to the occurrence of that Trigger Event specified in such Relevant Authority's Trigger Event Notice.
- 6.6.2. If a Conversion of any Convertible Subordinated Capital Notes will take place pursuant to the occurrence of the Trigger Event specified in the Relevant Authority's Trigger Event Notice, the Issuer will deliver a further written notice (the "**Issuer Conversion Price Notice**") to the Tier 2 Noteholders and Additional Tier 1 Noteholders, as applicable, in accordance with Condition 19 (*Notices*), which specifies:
- 6.6.2.1. the Conversion Price;
 - 6.6.2.2. the Conversion Record Date;
 - 6.6.2.3. the Conversion Settlement Date; and
 - 6.6.2.4. details of the arrangements for the settlement of the Conversion,
- within the time period specified in the Applicable Pricing Supplement or failing any time period stipulated therein, as soon as the Conversion Price has been determined and such details are available. In this regard, the Issuer is required to do all things which may be necessary to enable such Conversion Price and such details to be determined as soon as is reasonably possible in the circumstances.
- 6.6.3. The Issuer shall forthwith, after having issued any Issuer's Trigger Event Notice or Issuer Conversion Price Notice, notify all Noteholders of the details contained in such notices in accordance with Condition 19 (*Notices*), and shall further notify (i) to the extent that there are any uncertificated Notes outstanding, the CSD and (ii) if and for so long as any Notes are listed on a Financial Exchange, such Financial Exchange, of such details.

6.7. Conversion of Convertible Subordinated Capital Notes upon a Trigger Event

- 6.7.1. The Condition 6.7 (*Conversion of Convertible Subordinated Capital Notes upon a Trigger Event*) applies only to Convertible Subordinated Capital Notes and is referred to as the “**Contractual Conversion Condition**” in the Terms and Conditions.
- 6.7.2. If the relevant Applicable Pricing Supplement specifies that the Contractual Conversion Condition is applicable to the relevant Series of Subordinated Capital Notes:
- 6.7.2.1. the Issuer will for purposes of the Conversion of such Convertible Subordinated Capital Notes, comply with Conditions 6.4 (*Write Off or Conversion of Subordinated Capital Notes*) and 6.6 (*Notification of Trigger Event*);
- 6.7.2.2. the Issuer shall, on the Conversion Settlement Date, subject to Condition 6.7.5 below but always in accordance with Applicable Law, the Regulatory Capital Requirements and the written instructions received from the Relevant Authority, and to the extent determined by the Relevant Authority, mandatorily and irrevocably Convert the Converted Subordinated Capital Notes into FirstRand Limited Shares. Conversion shall be effected as follows:
- 6.7.2.2.1. in the case of Convertible Subordinated Capital Notes represented by Individual Certificates, the rights, interest and title in and to and the obligations of such Noteholder of the Subordinated Capital Notes (as recorded in the Register on the Conversion Record Date) under the relevant certificated Convertible Subordinated Capital Notes concerned will be Converted and, if only a Relevant Part of the Convertible Subordinated Capital Notes of such Noteholder is to be so Converted, and the aggregate Nominal Amount of the Relevant Part of such Convertible Subordinated Capital Notes is not a whole multiple of the Specified Denomination of such Notes, then the aggregate Nominal Amount of the certificated Convertible Subordinated Capital Notes of such Noteholder to be so Converted shall

be rounded up so that it is equal to a whole multiple of the Specified Denomination of such Series;

6.7.2.2.2. in the case of Convertible Subordinated Capital Notes held in uncertificated form, the Beneficial Interests of the holders of such uncertificated Convertible Subordinated Capital Notes who hold such interests on the Conversion Record Date, shall be Converted on a *pro rata* basis, provided that if the aggregate Nominal Amount of the uncertificated Convertible Subordinated Capital Notes to be so Converted does not equal a whole multiple of the Specified Denomination of such Notes, then the aggregate Nominal Amount of the uncertificated Convertible Subordinated Capital Notes to be so Converted shall be rounded up so that it is equal to a whole multiple of the Specified Denomination of such Series; and

6.7.2.2.3. the Issuer shall, on the Conversion Settlement Date and against transfer of the relevant Noteholders' rights and obligations under the Converted Subordinated Capital Notes to the Issuer, issue to the relevant Noteholders of the Subordinated Capital Notes (as they appear, and into the relevant Securities Accounts of the Beneficial Interest holders of such Converted Subordinated Capital Notes recorded as such on the Conversion Settlement Date (or to the relevant Participant managing such Securities Account, if such FirstRand Limited Shares are certificated), or, as the case may be, to the holder of Individual Certificates in respect of the Converted Subordinated Capital Notes as set out in the Register on the Conversion Record Date), the number of newly-issued FirstRand Limited Shares calculated by dividing the Conversion Amount on the Conversion Settlement Date by the Conversion Price.

Any Conversion of Convertible Subordinated Capital Notes or the Relevant Part(s) thereof in accordance with this Condition 6.7 (*Conversion of Convertible Subordinated Capital Notes upon a Trigger Event*) will be final and binding in the absence of manifest error or fraud.

- 6.7.3. If, when calculating the number of newly-issued FirstRand Limited Shares as contemplated in Condition 6.7.2.2.3 above the number of FirstRand Limited Shares calculated requires the issue of a fraction of a share to any person, the number of FirstRand Limited Shares to be issued will be rounded down to the nearest whole number of FirstRand Limited Shares to ensure the issue of a whole number of shares to each person entitled to receive same, and the relevant Noteholders of Subordinated Capital Notes or the holders of Beneficial Interests in the relevant Converted Subordinated Capital Notes shall, subject to the proviso set out in Condition 6.7.2.2 above, only be entitled to receive such whole number of FirstRand Limited Shares.
- 6.7.4. As soon as reasonably possible after the Conversion Settlement Date, the Issuer shall, in the manner contemplated in Condition 19 (*Notices*), deliver to the relevant Noteholders of Subordinated Capital Notes a notice from the CSD confirming that the FirstRand Limited Shares have been issued and entered in the relevant Noteholders' respective Securities Accounts.
- 6.7.5. Notwithstanding the occurrence of a Trigger Event and the delivery of an Issuer's Trigger Event Notice:
- 6.7.5.1. the Issuer shall ensure that any Conversion is implemented in such a manner that:
- 6.7.5.1.1. Tier 2 Noteholders of any Series of Convertible Subordinated Notes that are Tier 2 Notes will be treated rateably and equally amongst themselves but subject to any requirements for rounding contemplated in this Condition 6 (*Status of and Characteristics of Subordinated Notes, Write Off and Conversion of Subordinated Capital Notes*) and the distinction between the treatment of holders of Individual Certificates and holders of Beneficial Interests in such Convertible Subordinated Notes that are Tier 2 Notes, as contemplated in Conditions 6.7.2.2.1 and 6.7.2.2.2; and

- 6.7.5.1.2. Additional Tier 1 Noteholders of any Series of Convertible Subordinated Notes that are Additional Tier 1 Notes will be treated rateably and equally amongst themselves but subject to any requirements for rounding contemplated in this Condition 6 (*Status of and Characteristics of Subordinated Notes, Write Off and Conversion of Subordinated Capital Notes*) and the distinction between the treatment of holders of Individual Certificates and holders of Beneficial Interests in such Convertible Subordinated Notes that are Additional Tier 1 Notes, as contemplated in Conditions 6.7.2.2.1 and 6.7.2.2.2;
- 6.7.5.2. no Tier 2 Notes to which Conversion is specified as applicable in the Applicable Pricing Supplement may be Converted unless Additional Tier 1 Capital instruments, if any, have been completely written-off or converted, as the case may be;
- 6.7.5.3. the Conversion of Convertible Subordinated Notes that are Tier 2 Notes shall be conducted on a *pro rata* and proportionate basis with all other Tier 2 Capital of the Issuer to the extent that such other Tier 2 Capital (including but not limited to other Notes which qualify as Tier 2 Capital) is subject to being Written Off or Converted into FirstRand Limited Shares under Applicable Law and/or the applicable contractual provisions of such Tier 2 Capital (but again, subject to any requirements for rounding or other distinctions, as contemplated in Conditions 6.7.2.2.1 and 6.7.2.2.2, in relation to such other Tier 2 Capital); and
- 6.7.5.4. the Conversion of Convertible Subordinated Notes that are Additional Tier 1 Notes shall be conducted on a *pro rata* and proportionate basis with all other Additional Tier 1 Capital of the Issuer to the extent that such other Additional Tier 1 Capital (including but not limited to other Notes which qualify as Additional Tier 1 Capital) is subject to being Written Off or Converted into FirstRand Limited Shares under Applicable Law and/or the applicable contractual provisions of such Additional Tier 1 Capital (but again, subject to any requirements for rounding or other distinctions, as contemplated in

Conditions 6.7.2.2.1 and 6.7.2.2.2, in relation to such other Additional Tier 1 Capital).

- 6.7.6. Provided the manner in which the Converted Subordinated Capital Notes (or Relevant Part(s) thereof) are Converted is in accordance with Applicable Law, the Regulatory Capital Requirements and the written instructions received from the Relevant Authority, such Conversion pursuant to this Condition 6.7 (*Conversion of Convertible Subordinated Capital Notes upon a Trigger Event*) (as read with Condition 6.9 (*No default*)) will be deemed to be full, final, unconditional and irrevocable settlement of all of the Issuer's obligations in respect of the relevant Converted Subordinated Capital Notes (or Relevant Part(s) thereof) and under no circumstances (including the Issuer once again becoming viable) shall such released obligations be reinstated.
- 6.7.7. Any FirstRand Limited Shares issued to Noteholders of Subordinated Capital Notes pursuant to this Condition 6.7 (*Conversion of Convertible Subordinated Capital Notes upon a Trigger Event*) ("**New FirstRand Limited Shares**") shall be freely transferable and shall in all respects rank *pari passu* with, and be of the same class of shares as, all other FirstRand Limited Shares outstanding on the Conversion Settlement Date. Further, should all other issued FirstRand Limited Shares be listed on a Relevant Stock Exchange at the time New FirstRand Limited Shares are issued to Noteholders of Subordinated Capital Notes pursuant to this Condition 6.7 (*Conversion of Convertible Subordinated Capital Notes upon a Trigger Event*), the Issuer shall procure that such New FirstRand Limited Shares are, upon issue, likewise listed.
- 6.7.8. Where fewer than all of the Converted Subordinated Capital Notes in a relevant Series of Subordinated Capital Notes are Converted:
- 6.7.8.1. a Noteholder's rights, title and interest in, and the Issuer's obligations in respect of, those Subordinated Capital Notes in the relevant Series not Converted, will remain unaffected by the Conversion of the portion of the Convertible Subordinated Capital Notes so Converted; and
- 6.7.8.2. all references to "Nominal Amount" in the Terms and Conditions (including, without limitation, in Condition 11 (*Redemption and Purchase*)) shall be construed as references to the Nominal Amount outstanding immediately prior to the Conversion less the relevant portion of the Nominal Amount Converted in accordance with this Condition 6.7 (*Conversion of Convertible Subordinated Capital Notes*

upon a Trigger Event), and all references to “Subordinated Capital Notes” and/or a Tranche or Series of Subordinated Capital Notes in the Terms and Conditions (including, without limitation, in Condition 11 (*Redemption and Purchase*)) shall be construed as references to the surviving Subordinated Capital Notes or the surviving Subordinated Capital Notes in that Tranche or Series, as the case may be.

6.7.9. Each Noteholder of Subordinated Capital Notes, by virtue of subscribing for or acquiring a Convertible Subordinated Capital Note (and each holder of Beneficial Interests in such a Subordinated Capital Note) agrees and undertakes:

6.7.9.1. after the Conversion Last Day to Trade, not to transfer its Converted Subordinated Capital Notes (or Beneficial Interest therein), other than to the Issuer to give effect to the Conversion in the manner contemplated in this Condition 6.7 (*Conversion of Convertible Subordinated Capital Notes upon a Trigger Event*), and the Register will be closed from close of business on the Conversion Last Day to Trade for further transfers of Converted Subordinated Capital Notes until the Conversion Settlement Date; and

6.7.9.2. to fully, finally, irrevocably and unconditionally transfer, on the Conversion Settlement Date, its Converted Subordinated Capital Notes to the Issuer should the Issuer be obligated or otherwise required to Convert such Subordinated Capital Notes as contemplated in this Condition 6.7 (*Conversion of Convertible Subordinated Capital Notes upon a Trigger Event*), pursuant to which Conversion it shall receive the number of newly-issued FirstRand Limited Shares calculated in the manner contemplated in Condition 6.7.2.2. In this regard, where the Converted Subordinated Capital Note is certificated and evidenced by an Individual Certificate, such Noteholder (i) undertakes to deliver the relevant Individual Certificate to the Issuer Agent by no later than 3 (three) Business Days prior to the Conversion Settlement Date and (ii) hereby (A) irrevocably authorises the Issuer Agent to effect the relevant transfer without such Individual Certificates should such Noteholder fail to deliver same and (B) indemnifies the Issuer and the Issuer Agent against damages, loss, claims and expenses which each person may suffer as a result of the failure of such Noteholder to deliver such Individual Certificate and (iii) agrees that the FirstRand Limited Shares issued

to such Noteholder shall not be released to or transferable by such Noteholder until such Individual Certificates have been delivered to the Issuer Agent.

6.7.10. If a Trigger Event occurs and one or more “*exceptional circumstances*” as contemplated in paragraph 3.2 of Guidance Note 6 persists at such time, the Convertible Subordinated Capital Notes or the portion thereof which would otherwise be Converted shall instead, subject to Condition 6.7.5 but always in accordance with Applicable Law, the Regulatory Capital Requirements and the written instructions received from the Relevant Authority, and to the extent determined by the Relevant Authority, be Written Off in the manner contemplated in Condition 6.8 (*Write Off of Subordinated Capital Notes upon a Trigger Event*).

6.8. Write Off of Subordinated Capital Notes upon a Trigger Event

6.8.1. This Condition 6.8 (*Write Off of Subordinated Capital Notes upon a Trigger Event*) applies only to Subordinated Capital Notes and is referred to as the “**Contractual Write Off Condition**” in the Terms and Conditions.

6.8.2. If the relevant Applicable Pricing Supplement specifies that the Contractual Write Off Condition is applicable to the relevant Series of Subordinated Capital Notes, the Issuer will:

6.8.2.1. comply with Conditions 6.4 (*Write Off or Conversion of Subordinated Capital Notes*) and 6.6 (*Notification of Trigger Event*); and

6.8.2.2. forthwith, subject to Condition 6.8.4 but always in accordance with Applicable Law, the Regulatory Capital Requirements and the written instructions received from the Relevant Authority, and to the extent determined by the Relevant Authority, Write Off the Subordinated Capital Notes or Relevant Part(s) thereof identified by the Relevant Authority. Any Write Off of Subordinated Capital Notes or Relevant Part(s) thereof in accordance with this Condition 6.8 (*Write Off of Convertible Subordinated Capital Notes upon a Trigger Event*) will be final and binding.

6.8.3. Any Subordinated Capital Notes Written Off in accordance with Condition 6.8.2 will promptly be cancelled in the Register, and each Noteholder of Subordinated Capital Notes hereby agrees to the cancellation and acknowledges that, where the Subordinated Capital Note is certificated and evidenced by an Individual Certificate, such cancellation will occur without such Noteholder having to deliver the relevant Individual Certificate to the Issuer.

- 6.8.4. Notwithstanding the occurrence of a Trigger Event and the delivery of an Issuer's Trigger Event Notice:
- 6.8.4.1. the Issuer shall ensure that any Write Off is implemented in such a manner that:
 - 6.8.4.1.1. Tier 2 Noteholders of any Series of Subordinated Notes that are Tier 2 Notes to which Write Off is specified as applicable in the Applicable Pricing Supplement will be treated rateably and equally amongst themselves; and
 - 6.8.4.1.2. Additional Tier 1 Noteholders of any Series of Subordinated Notes that are Additional Tier 1 Notes to which Write Off is specified as applicable in the Applicable Pricing Supplement will be treated rateably and equally amongst themselves;
 - 6.8.4.2. no Tier 2 Notes to which Write Off is specified as applicable in the Applicable Pricing Supplement may be Written Off unless Additional Tier 1 Capital instruments, if any, have been completely written-off or converted, as the case may be;
 - 6.8.4.3. the Write Off of Subordinated Notes that are Tier 2 Notes to which Write Off is specified as applicable in the Applicable Pricing Supplement shall be conducted on a *pro rata* and proportionate basis with all other Tier 2 Capital of the Issuer to the extent that such other Tier 2 Capital (including but not limited to other Notes which qualify as Tier 2 Capital) is subject to being Written Off or Converted into FirstRand Limited Shares under Applicable Law and/or the applicable contractual provisions of such Tier 2 Capital (subject to any requirements for rounding or other distinctions, as contemplated in Conditions 6.7.2.2.1 and 6.7.2.2.2, in relation to such other Tier 2 Capital); and
 - 6.8.4.4. the Write Off of Subordinated Notes that are Additional Tier 1 Notes to which Write Off is specified as applicable in the Applicable Pricing Supplement shall be conducted on a *pro rata* and proportionate basis with all other Additional Tier 1 Capital of the Issuer to the extent that such other Additional Tier 1 Capital (including but not limited to other Notes which qualify as Additional Tier 1 Capital) is subject to being

Written Off or Converted into FirstRand Limited Shares under Applicable Law and/or the applicable contractual provisions of such Additional Tier 1 Capital (subject to any requirements for rounding or other distinctions, as contemplated in Conditions 6.7.2.2.1 and 6.7.2.2.2, in relation to such other Additional Tier 1 Capital).

- 6.8.5. Provided the manner in which the Subordinated Capital Notes (or Relevant Part(s) thereof) are Written Off is in accordance with Applicable Law, the Regulatory Capital Requirements and the written instructions received from the Relevant Authority, such Write Off pursuant to this Condition 6.8 (*Write Off of Convertible Subordinated Capital Notes upon a Trigger Event*) (as read with Condition 6.9 (*No default*)) will be deemed to be full, final, unconditional and irrevocable settlement of all of the Issuer's obligations in respect of the relevant Subordinated Capital Notes (or Relevant Part(s) thereof) and under no circumstances (including the Issuer once again becoming viable) shall such released obligations be reinstated. For the avoidance of doubt, the Issuer shall not be obliged to pay compensation in any form to the Noteholders of Subordinated Capital Notes following a Write Off of such Subordinated Capital Notes in accordance with this Condition 6.8 (*Write Off of Convertible Subordinated Capital Notes upon a Trigger Event*).
- 6.8.6. Where only a Relevant Part of a Subordinated Capital Note is Written Off (and such Subordinated Capital Note is therefore only partly Written Off):
- 6.8.6.1. a Noteholder's rights, title and interest in, and the Issuer's obligations in respect of, that portion of such Noteholder's Subordinated Capital Notes not Written off, will remain unaffected by the Writing Off of such Relevant Part; and
- 6.8.6.2. all references to "Nominal Amount" in the Terms and Conditions (including, without limitation, in Condition 11 (*Redemption and Purchase*)) shall be construed as references to the Nominal Amount outstanding immediately prior to the Write Off less the relevant portion of the Nominal Amount Written Off in accordance with this Condition 6.8 (*Write Off of Convertible Subordinated Capital Notes upon a Trigger Event*), and all references to "Subordinated Capital Notes" and/or a Tranche or Series of Subordinated Capital Notes in the Terms and Conditions (including, without limitation, in Condition 11 (*Redemption and Purchase*)) shall be construed as references to the surviving Subordinated Capital Notes or the

surviving Subordinated Capital Notes in that Tranche or Series, as the case may be.

6.9. No default

For the avoidance of doubt and notwithstanding anything to the contrary in the Terms and Conditions:

- 6.9.1. Neither Write Off or Conversion, or the failure by the Issuer to pay any amounts Written Off or Converted which would have been payable to the relevant Noteholder of Subordinated Capital Notes but for the Write Off or Conversion, will amount to a breach of the Issuer's obligations under the Terms and Conditions and/or constitute an Event of Default under the Terms and Conditions, and the relevant Noteholders of Subordinated Capital Notes will have no claims of whatsoever nature against the Issuer as a result of a Write Off or Conversion;
- 6.9.2. no lawful actions of whatsoever nature in connection with and/or as a result of the occurrence of a Trigger Event taken by the Issuer in accordance with, and/or to give effect to, the Regulatory Capital Requirements and any other Applicable Law, regulation or guidance note, circular or directive issued by the Relevant Authority and/or written instructions received from the Relevant Authority will amount to a breach of the Issuer's obligations under the Terms and Conditions and/or constitute an Event of Default under the Terms and Conditions or entitle any Noteholder of Subordinated Capital Notes to avoid Write Off or Conversion, as the case may be, of the relevant Subordinated Capital Notes pursuant to a Relevant Authority's Trigger Event Notice requiring such Write Off or Conversion;
- 6.9.3. no other delay by the Issuer in meeting its obligations under Conditions 6.6 (*Notification of Trigger Event*), 6.7 (*Conversion of Convertible Subordinated Capital Notes upon a Trigger Event*) or 6.8 (*Write Off of Subordinated Capital Notes upon a Trigger Event*) will constitute an Event of Default under the Terms and Conditions or entitle any Noteholder of Subordinated Capital Notes to avoid Write Off or Conversion, as the case may be, of the relevant Subordinated Capital Notes pursuant to a Relevant Authority's Trigger Event Notice requiring such Write Off or Conversion;
- 6.9.4. without limiting the generality of the foregoing provisions, if FirstRand Limited Shares are not issued and delivered in accordance with the provisions of Condition 6.7 (*Conversion of Convertible Subordinated Capital Notes upon a Trigger Event*), the only remedy the relevant Noteholders of the Convertible

Subordinated Capital Notes will have against the Issuer shall be to apply to a competent court to obtain an order requiring the Issuer to issue and deliver such FirstRand Limited Shares as contemplated in and subject to Condition 6.7 (*Conversion of Convertible Subordinated Capital Notes upon a Trigger Event*); and

6.9.5. any conversion or write off of other instruments of the Issuer which constitute Regulatory Capital in accordance with the Regulatory Capital Requirements and any other Applicable Law, regulation, guidance note, circular or directive issued by the Relevant Authority and/or written instructions received from the Relevant Authority shall likewise not amount to a breach of the Issuer's obligations under the Terms and Conditions and/or constitute an Event of Default under the Terms and Conditions.

6.10. Disapplication of the Non- Viability Absorption Condition or Contractual Conversion Condition or Contractual Write Off Condition

6.10.1. This Condition 6.10 (*Disapplication of the Non- Viability Absorption Condition or Contractual Conversion Condition or Contractual Write Off Condition*) applies only to Subordinated Capital Notes.

6.10.2. If a Statutory Loss Absorption Regime is implemented in South Africa, and such Statutory Loss Absorption Regime:

- (i) Is not applied mandatorily to a Subordinated Capital Note; and
- (ii) Provides that the Issuer may, or otherwise allows the Issuer to, or does not restrict the ability of the Issuer to, elect to apply such Statutory Loss Absorption Regime to a Subordinated Capital Note;

then the Issuer may at any time, subject to *Condition 11 (Redemption and Purchase)* and by giving notice (the "**Amendment Notice**") to the Noteholders of such Subordinated Capital Note (which Amendment Notice shall be irrevocable) in accordance with *Condition 19 (Notices)*, elect to apply that Statutory Loss Absorption Regime to such Subordinated Capital Note from the date specified in the Amendment Notice (the "**Amendment Date**"), being a date no earlier than the date on which the Statutory Loss Absorption Regime takes effect, and upon such Statutory Loss Absorption Regime applying to such Subordinated Capital Note on and from the Amendment Date the Non-Viability Loss Absorption Condition shall cease to apply to such Subordinated Capital Note (such Issuer option to apply the Statutory Loss Absorption Regime to such Subordinated Capital Note, being the "**Amendment Option**") provided that:

- i. if the Issuer does not exercise the Amendment Option, and, this non-exercise (x) results in either: such Tier 2 Notes being fully or partially excluded from the Tier 2 Capital; or results in such Additional Tier 1 Notes being fully and partially excluded from the Additional Tier 1 Capital of the Issuer on a solo and/or consolidated basis and (y) is the sole reason for such exclusion, then such exclusion shall not constitute a Regulatory Event under these Conditions (although this limited exclusion is without prejudice to any other rights the Issuer may have if a different event occurs or has occurred which is deemed to be a Regulatory Event); and
- ii. notwithstanding i above, any mandatory application of the Statutory Loss Absorption Regime to a Subordinated Capital Note under applicable law which results in either: the Tier 2 Notes being fully or partially excluded from such Tier 2 Capital or which results in such Additional Tier 1 Notes being fully or partially excluded from the Additional Tier 1 Capital of the Issuer on a solo and/or consolidated basis shall constitute a Regulatory Event under these Conditions unless such mandatory application of the Statutory Loss Absorption Regime would not have resulted in the Tier 2 Notes being so excluded from such Tier 2 Capital or would not have resulted in such Additional Tier 1 Notes being so excluded from the Additional Tier 1 Capital of the Issuer had the Issuer exercised its Amendment Option.

6.11. Automatic disapplication of Non-Viability Loss Absorption Condition.

If the Statutory Loss Absorption Regime is applied mandatorily to any Subordinated Capital Notes under applicable law, the Non-Viability Loss Absorption Condition will (only to the extent required by the Statutory Loss Absorption Regime) cease to apply and such Notes will be subject to such minimum requirements of the Statutory Loss Absorption Regime required to ensure that such Tier 2 Notes continue to qualify as Tier 2 Capital and/or such Additional Tier 1 Notes continue to qualify as Additional Tier 1 Capital with effect from the date on which the Statutory Loss Absorption Regime takes effect.

6.12. Notification etc.

For the avoidance of doubt, if a Non-Viability Event occurs on or after such date on which the Non-Viability Loss Absorption Condition ceases to apply in accordance with these Conditions, (a) the Issuer will notify Subordinated Capital Noteholders in accordance with Condition 19 (*Notices*) that a Non-Viability Event has occurred and (b) the Relevant Regulator or the Issuer, following instructions from the Relevant Regulator, may take such action in respect of the Subordinated Capital Notes as is required or permitted by such Statutory Loss Absorption Regime.

6.13. **No Liability of Agents**

None of the Agents shall have any responsibility for, or liability or obligation in respect of, any loss, claim or demand incurred as a result of or in connection with a Non-Viability Event, the Non-Viability Condition (or its disapplication) or any consequent Write-off and cancellation of any Subordinated Capital Notes or any claims in respect thereof, and none of the Agents shall be responsible for any calculation or determination or the verification of any calculation or determination in connection with the foregoing.

6.14. **Regulatory Capital Requirements and Additional Conditions**

In order for the proceeds of the issuance of Subordinated Notes to qualify as Regulatory Capital, Subordinated Notes must comply with the applicable Regulatory Capital Requirements including any Additional Conditions prescribed by the Relevant Authority in respect of a particular Tranche of Subordinated Notes. The Issuer will specify in the Applicable Pricing Supplement whether any issue of Subordinated Notes is an issue of Tier 2 Notes the proceeds of which are intended to qualify as Tier 2 Capital or an issue of Additional Tier 1 Notes the proceeds of which are intended to qualify as Additional Tier 1 Capital. Any Additional Conditions prescribed by the Relevant Authority in respect of Subordinated Capital Notes will be specified in the Applicable Pricing Supplement or a supplement to the Programme Memorandum.

6.15. **Covenants**

Whilst any Convertible Subordinated Capital Note remains Outstanding, the Issuer shall, save with the approval of an Extraordinary Resolution of the Noteholders of the Convertible Subordinated Capital Notes:

- 6.15.1. not make any issue, grant or distribution or take or omit to take any other action if the effect thereof would be that, on a Conversion, FirstRand Limited Shares could not, under any Applicable Law then in effect, be legally issued as fully paid;
- 6.15.2. to the extent that it is within the Issuer's control and/or power to do so, at all times keep available for issue, free from pre-emptive or other preferential rights, a sufficient number of FirstRand Limited Shares to enable Conversion of the Convertible Subordinated Capital Notes, and all other rights of subscription and exchange for FirstRand Limited Shares, to be satisfied in full; and
- 6.15.3. where the provisions of this Condition 6 (*Status and Characteristics of Subordinated Notes, Write Off and Conversion of Subordinated Capital Notes*) or any Applicable Pricing Supplement relating to Convertible Subordinated Capital Notes require or provide for a determination by an Independent Financial Advisor,

the Issuer shall use all reasonable endeavours to promptly appoint such person for such purpose.

7. **NEGATIVE PLEDGE**

7.1. This Condition 7 (*Negative Pledge*) only applies to Senior Notes and is only for the benefit of Senior Noteholders.

7.2. So long as any Tranche of the Senior Notes remains Outstanding, the Issuer shall not, and the Issuer shall procure that none of its Principal Subsidiaries shall, create or permit to subsist any Security Interest (other than a Permitted Security Interest) upon the whole or any part of its present or future undertakings, assets or revenues to secure any Relevant Indebtedness or Guarantee in respect of Relevant Indebtedness (save for those which have been accorded a preference by law) without (i) at the same time or prior thereto securing the Senior Notes equally and rateably therewith or (ii) providing such other security for the Senior Notes, as may be approved by an Extraordinary Resolution of the Senior Noteholders, unless the provision of any such security is waived by an Extraordinary Resolution of the Senior Noteholders.

8. **INTEREST PAYMENTS ON ADDITIONAL TIER 1 NOTES**

This Condition 8 (*Interest Payments on Additional Tier 1 Notes*) applies only to Additional Tier 1 Notes.

If the Applicable Pricing Supplement so specifies, the Notes of any Tranche will bear interest from the Interest Commencement Date at the Interest Rate(s) specified in, or determined in accordance with, the Applicable Pricing Supplement and such interest will be payable in respect of each Interest Period on the Interest Payment Date(s) specified in the Applicable Pricing Supplement. The interest payable on the Notes of any Tranche for a period other than a full Interest Period shall be determined in accordance with the Applicable Pricing Supplement. An announcement will be made on SENS at least 3 (three) Business Days before the relevant Interest Payment Date.

8.1. Non-payment of interest

8.1.1. If the Issuer elects not to pay, or is obligated to elect not to pay, as the case may be, the relevant Interest Amount on the relevant Interest Payment Date in accordance with this Condition 8.1 (*Non-payment of interest*), the Issuer shall have full access to the relevant Interest Amount (or the relevant portion thereof) to meet any relevant obligation as it falls due.

8.1.2. Subject to Condition 8.1.4 (which imposes an obligation on the Issuer to elect not to pay the relevant Interest Amount on the relevant Interest Payment Date under the circumstances described in that Condition), the Issuer shall at all times have

full discretion as to whether or not to pay the relevant Interest Amount (or any portion thereof) on the relevant Interest Payment Date, and the Issuer may at any time elect not to pay the relevant Interest Amount (or any portion thereof) on the relevant Interest Payment Date. If the Issuer elects not to pay the relevant Interest Amount (or any portion thereof) on the relevant Interest Payment Date, it shall give notice of such election to the Additional Tier 1 Noteholders in accordance with Condition 19 (*Notices*), to the JSE, the CSD and the Issuer Agent prior to the relevant Interest Payment Date.

- 8.1.3. Interest payments on the Additional Tier 1 Notes will not be cumulative.
- 8.1.4. The Issuer shall elect not to pay the relevant Interest Amount on the relevant Interest Payment Date if it is in breach of the Regulatory Capital Requirements on the Business Day prior to such Interest Payment Date or would be in breach of the Regulatory Capital Requirements if the relevant Interest Amount (or any portion thereof) were paid on such Interest Payment Date. If the Issuer is obligated to elect not to pay the relevant Interest Amount (or any portion thereof) on the relevant Interest Payment Date pursuant to this Condition 8.1.4, it shall give notice of such fact to the Noteholders in accordance with Condition 19 (*Notices*), to the JSE, the CSD and the Issuer Agent prior to the relevant Interest Payment Date, and to the Relevant Authority.
- 8.1.5. If the Issuer elects (or is obligated to elect) not to pay the relevant Interest Amount (or any portion thereof) on the relevant Interest Payment Date in accordance with this Condition 8.1 (*Non-payment of interest*), then (i) the obligation that the Issuer would have had in the absence of such election to pay the relevant Interest Amount to the Additional Tier 1 Notes on the relevant Interest Payment Date shall be extinguished in its entirety, (ii) any failure to pay such Interest Amount shall not constitute a default by the Issuer or any other breach of obligations under the Additional Tier 1 Notes or for any other purposes, and (iii) an Additional Tier 1 Noteholder will have no claim in respect of any such non-payment.

8.2. Restriction following non-payment of interest on Additional Tier 1 Notes

If, on any Interest Payment Date (the “**Relevant Interest Payment Date**”) the Interest Amount in respect of the Additional Tier 1 Notes shall not have been paid in full pursuant to Condition 8.1 (*Non-payment of interest*), then from such Relevant Interest Payment Date until the date on which the Issuer next pays in full the Interest Amount due and payable on any succeeding Interest Payment Date on all outstanding Additional Tier 1 Notes, the Issuer (and the Issuer shall procure that no member of the Issuer Group shall):

- 8.2.1. declare or pay a distribution or dividend or pay any interest on Junior Securities other than:
- 8.2.1.1. an instrument under the terms of which the Issuer or other member of the Issuer Group must declare or pay a distribution or dividend or pay interest before such Relevant Interest Payment Date; or
 - 8.2.1.2. any class of preference shares issued by any company in the Issuer Group (including the Issuer), (i) the terms of which do not allow the board of directors of that company to cancel, defer, pass or eliminate any distribution or dividend payment at its discretion and (ii) the proceeds of which preference shares do not qualify on issue for inclusion in the Tier 2 Capital, Additional Tier 1 Capital or Common Equity Tier 1 Capital of that company; or
 - 8.2.1.3. intra-group dividends on any Junior Securities between companies in the Issuer Group which are Wholly-Owned Subsidiaries and to companies in the Issuer Group which are holding companies, which can be paid at any time; provided that intra-group dividends may not be declared or paid on FirstRand Limited Shares the proceeds of which, in each instance, qualify (or are deemed under the Regulatory Capital Requirements to qualify) as Common Equity Tier 1 Capital except to the extent that such intra-group dividends are required to recapitalise the Issuer; or
- 8.2.2. redeem, purchase, reduce or otherwise acquire any Junior Securities or any securities of any of its subsidiary undertakings benefiting from a guarantee from any member of the Issuer Group ranking (or deemed under the Regulatory Capital Requirements to rank), as to the right of repayment of principal (in the case of such securities), or as to the payment of sums under any such guarantee (in the case of any such guarantee), as the case may be, junior to the Additional Tier 1 Notes.

9. **INTEREST**

If the Applicable Pricing Supplement so specifies, the Notes of any Tranche will bear interest from the Interest Commencement Date at the Interest Rate(s) specified in, or determined in accordance with, the Applicable Pricing Supplement and such interest will be payable in respect of each Interest Period on the Interest Payment Date(s) specified in the Applicable Pricing Supplement. The interest payable on the Notes of any Tranche for a period other than a full Interest Period shall be determined in

accordance with the Applicable Pricing Supplement. An announcement will be made on SENS at least 3 (three) Business Days before the relevant Interest Payment Date.

9.1. Fixed Rate Notes

Interest on Fixed Rate Notes will be paid on the Interest Payment Dates specified in the Applicable Pricing Supplement.

9.1.1. Each Fixed Rate Note bears interest on its Outstanding Nominal Amount (or, if it is a Partly-Paid Note, the amount paid up) from (and including) the Interest Commencement Date specified in the Applicable Pricing Supplement at the rate(s) per annum equal to the Fixed Rate of Interest so specified, payable in arrears on the Fixed Interest Payment Dates in each year up to and including the Maturity Date or, in the case of Additional Tier 1 Notes, the date on which such Additional Tier 1 Notes are redeemed.

9.1.2. The first payment of interest will be made on the Fixed Interest Payment Date next following the Interest Commencement Date.

9.1.3. Except as provided in the Applicable Pricing Supplement, the amount of interest payable per Note on each Fixed Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount, provided that:

9.1.3.1. if an Initial Broken Amount is specified in the Applicable Pricing Supplement, then the first Interest Amount shall equal the Initial Broken Amount specified in the Applicable Pricing Supplement; and

9.1.3.2. if a Final Broken Amount is specified in the Applicable Pricing Supplement, then the final Interest Amount shall equal the Final Broken Amount.

9.1.4. If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Fixed Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, as specified in the Applicable Pricing Supplement, and rounding the resultant figure to the nearest Sub-unit of the relevant Specified Currency, half such Sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

9.2. Floating Rate Notes and Indexed Interest Notes

9.2.1. Interest Payment Dates

Each Floating Rate Note and Indexed Interest Note bears interest on its Outstanding Nominal Amount (or, if it is a Partly-Paid Note, the amount paid up) from (and including) the Interest Commencement Date specified in the Applicable Pricing Supplement, and such interest will be payable in arrears on the Interest Payment Date(s) in each year specified in the Applicable Pricing Supplement. Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

9.2.2. Rate of Interest

The Rate of Interest payable from time to time in respect of the Floating Rate Notes and Indexed Interest Notes will be determined in the manner specified in the Applicable Pricing Supplement.

9.2.3. Minimum and/or Maximum Rate of Interest

If the Applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of any such Interest Period determined in accordance with the above provisions is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest. If the Applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of any such Interest Period determined in accordance with the above provisions is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

9.2.4. Determination of Rate of Interest and Calculation of Interest Amount

The Issuer Agent, in the case of Floating Rate Notes and Indexed Interest Notes will at, or as soon as is practicable after, each time at which the Rate of Interest is to be determined, determine the Rate of Interest and calculate the Interest Amount payable in respect of each Floating Rate Note and Indexed Interest Note in respect of each Specified Denomination for the relevant Interest Period, and the Issuer Agent shall notify the Issuer of the Rate of Interest for the relevant Interest Period as soon as is practicable after calculating the same. Each Interest Amount shall be calculated by applying the Rate of Interest to the Specified

Denomination, and multiplying such sum by the applicable Day Count Fraction and rounding the resultant figure to the nearest Sub-unit of the relevant Specified Currency, half a Sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

9.2.5. Interest Determination, Screen Rate Determination including Fallback Provisions

9.2.5.1. Where ISDA Determination is specified in the Applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any). For the purposes of this sub-paragraph, “**ISDA Rate**” for an Interest Period means a rate equal to the Floating Rate that would be determined by such agent as is specified in the Applicable Pricing Supplement under an interest rate swap transaction if that agent were acting as Issuer Agent for that swap transaction under the terms of an agreement incorporating the most recent ISDA Definitions and under which:

9.2.5.1.1. the Floating Rate Option is as specified in the Applicable Pricing Supplement;

9.2.5.1.2. the Designated Maturity is the period specified in the Applicable Pricing Supplement; and

9.2.5.1.3. the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on ZAR-JIBAR-SAFEX, the first day of that Interest Period; or (ii) in any other case, as specified in the Applicable Pricing Supplement.

9.2.5.2. For the purposes of the above sub-paragraph “**Floating Rate**”, “**Floating Rate Option**”, “**Designated Maturity**” and “**Reset Date**” have the meanings given to those terms in the ISDA Definitions specified in the Applicable Pricing Supplement.

9.2.5.3. Where Screen Rate Determination is specified in the Applicable Pricing Supplement as the manner in which the Rate of Interest is to

be determined, the Rate of Interest for each Interest Period will, subject to the provisions below, be either:

- 9.2.5.3.1. if the Relevant Screen Page is available,
- 9.2.5.3.1.1. the offered quotation (if only one quotation appears on the screen page); or
- 9.2.5.3.1.2. the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,
- (expressed as a percentage per annum) for the Reference Rate which appears on the Relevant Screen Page as at 11h00 (or as otherwise specified in the Applicable Pricing Supplement) (Johannesburg time) on the Interest Determination Date in question plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any), all as determined by the Issuer Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Issuer Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations; or
- 9.2.5.3.2. if the Relevant Screen Page is not available or if, in the case of clause 9.2.5.3.1.1 above, no such offered quotation appears or, in the case of clause 9.2.5.3.1.2 above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph, the Issuer Agent shall request the principal Johannesburg office of each of the Reference Banks to provide the Issuer Agent with its offered quotation (expressed as

a percentage rate per annum) for the Reference Rate at approximately 11h00 (Johannesburg time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Issuer Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Issuer Agent; or

- 9.2.5.3.3. if the Rate of Interest cannot be determined by applying the provisions of clauses 9.2.5.3.1 and 9.2.5.3.2 above, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Issuer Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Issuer Agent by the Reference Banks or any 2 (two) or more of them, at which such banks offered, at approximately 11h00 (Johannesburg time) on the relevant Interest Determination Date, deposits in an amount approximately equal to the nominal amount of the Notes of the relevant Series, for a period equal to that which would have been used for the Reference Rate to prime banks in the Johannesburg inter-bank market plus or minus (as appropriate) the Margin (if any). If fewer than 2 (two) of the Reference Banks provide the Issuer Agent with such offered rates, the Rate of Interest for the relevant Interest Period will be determined by the Issuer Agent as the arithmetic mean (rounded as provided above) of the rates for deposits in an amount approximately equal to the nominal amount of the Notes of the relevant Series, for a period equal to that which would have been used for the Reference Rate, quoted at approximately 11h00 (Johannesburg time) on the

relevant Interest Determination Date, by the Reference Banks plus or minus (as appropriate) the Margin (if any). If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

9.2.5.4. If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the Applicable Pricing Supplement as being other than ZAR-JIBAR-SAFEX, the Rate of Interest in respect of such Notes will be determined as provided in the Applicable Pricing Supplement.

9.2.6. Notification of Rate of Interest and Interest Amount

The Issuer will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the JSE and the CSD and/or every other Relevant Financial Exchange or authority as soon as possible after their determination but in any event no later than 3 Business Days prior to the relevant Interest Payment Date. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to the JSE, the CSD and/or every other Relevant Financial Exchange or authority and to the Noteholders in accordance with Condition 19 (*Notices*).

9.2.7. Certificates to be Final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this sub-paragraph 9.2 (*Floating Rate Notes and Indexed Interest Notes*), by the Issuer Agent shall (in the absence of wilful deceit, bad faith or manifest error or proven error) be binding on the Issuer and all Noteholders and in the absence as aforesaid no liability to the Issuer or the Noteholders shall

attach to the Issuer Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

9.3. Dual Currency Notes

In the case of Dual Currency Notes, the Interest Rate or Interest Amount payable shall be determined in the manner specified in the Applicable Pricing Supplement.

9.4. Mixed Rate Notes

The Interest Rate payable from time to time on Mixed Rate Notes shall be the Interest Rate payable on the form of interest-bearing Note (be it a Fixed Rate Note or Floating Rate Note or Index-Linked Note) specified for each respective period, each as specified in the Applicable Pricing Supplement. During each such applicable period, the Interest Rate on the Mixed Rate Notes shall be determined and fall due for payment on the basis that such Mixed Rate Notes are Fixed Rate Notes, Floating Rate Notes or Index-Linked Notes, as the case may be.

9.5. Interest on Indexed Notes

In the case of Indexed Notes, if the Interest Rate or Final Redemption Amount falls to be determined by reference to an index and/or a formula, such rate or amount payable shall be determined in the manner specified in the Applicable Pricing Supplement. Any interest payable shall fall due for payment on the Interest Payment Date(s).

9.6. Interest on Partly-Paid Notes

In the case of Partly-Paid Notes (other than Partly-Paid Notes which are Zero Coupon Notes), interest will accrue on the paid-up Nominal Amount of such Notes and otherwise as specified in the Applicable Pricing Supplement.

9.7. Interest on Instalment Notes

In the case of Instalment Notes, interest will accrue on the amount outstanding on the relevant Note from time to time and otherwise as specified in the Applicable Pricing Supplement.

9.8. Interest on Extendible Notes

If the Redemption Date of Extendible Notes is extended by the Issuer, the Interest Rate in respect of the Nominal Amount Outstanding will be increased by the Step-up Margin, from (and including) the Redemption Date to (but excluding) the Actual Redemption Date.

9.9. Accrual of Interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date of its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue at the Default Rate specified in the Applicable Pricing Supplement until the earlier of (i) the date on which all amounts due in respect of such Note have been paid, and (ii) in respect of uncertificated Notes, the date on which the full amount of the money payable has been received by the CSD and/or the Participants and notice to that effect has been given to Noteholders in accordance with Condition 19 (*Notices*).

9.10. Business Day Convention

If any Interest Payment Date (or other date), which is specified in the Applicable Pricing Supplement to be subject to adjustment in accordance with a Business Day Convention, falls on a day that is not a Business Day, then, if the Business Day Convention specified is:

- 9.10.1. the “**Floating Rate Business Day Convention**”, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event: (i) such Interest Payment Date (or other date) shall be brought forward to the first preceding Business Day and (ii) each subsequent Interest Payment Date (or other date) shall be the last Business Day in the month which falls the number of months, or other period specified as the Interest Period in the Applicable Pricing Supplement, after the preceding applicable Interest Payment Date (or other date) has occurred; or
- 9.10.2. the “**Following Business Day Convention**”, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- 9.10.3. the “**Modified Following Business Day Convention**”, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other such date) shall be brought forward to the first preceding Business Day; or
- 9.10.4. the “**Preceding Business Day Convention**”, such Interest Payment Date (or other date) shall be brought forward to the first preceding Business Day.

10. PAYMENTS

10.1. General

10.1.1. Where any amounts are due and payable under the Senior Notes, such amounts shall be settled in full before any amounts are paid under the Subordinated Notes. Where any amounts are due and payable under the Tier 2 Notes, such amounts shall be settled in full before any amounts are paid under the Additional Tier 1 Notes.

10.1.2. Payments of principal and/or interest on an Individual Certificate shall be made to the Issuer Agent, who will in turn, acting on behalf of the Issuer in accordance with the terms and conditions of the Agency Agreement, make payment to the registered holder of such Note, as set forth in the Register on the close of business on the Last Day to Register (as specified in the Applicable Pricing Supplement). In addition to the above, in the case of a final redemption payment, the holder of the Individual Certificate shall be required, on or before the Last Day to Register prior to the Maturity Date, to surrender such Individual Certificate at the offices of the Issuer Agent.

10.1.3. Payments of principal and/or interest in respect of uncertificated Notes shall be made to the CSD and/or the Participants, as shown in the Register on the Last Day to Register, and the Issuer will be discharged by proper payment to the CSD and/or the Participants, in respect of each amount so paid. Each of the persons shown in the records of the CSD and the Participants, as the case may be, shall look solely to the CSD or the Participant, as the case may be, for his share of each payment so made by the Issuer to the registered holder of such uncertificated Notes.

10.2. Method of Payment

10.2.1. Payments will be made in the Specified Currency by credit or transfer, by means of electronic settlement, to the Noteholder.

10.2.2. If the Issuer is prevented or restricted directly or indirectly from making any payment by electronic funds transfer in accordance with the preceding paragraph (whether by reason of strike, lockout, fire, explosion, floods, riot, war, accident, act of God, embargo, legislation, shortage of or breakdown in facilities, civil commotion, unrest or disturbances, cessation of labour, Government interference or control or any other cause or contingency beyond the control of the Issuer), the Issuer shall make such payment by cheque marked "not transferable" (or by such number of cheques as may be required in accordance with applicable banking

law and practice to make payment of any such amounts). Such payments by cheque shall be sent by post to the address of the Noteholder as set forth in the Register or, in the case of joint Noteholders, the address set forth in the Register of that one of them who is first named in the Register in respect of that Note.

10.2.3. Each such cheque shall be made payable to the relevant Noteholder or, in the case of joint Noteholders, the first one of them named in the Register. Cheques may be posted by ordinary post, provided that neither the Issuer, nor the Issuer Agent shall be responsible for any loss in transmission and the postal authorities shall be deemed to be the agent of the Noteholders for the purposes of all cheques posted in terms of this Condition 10.2 (*Method of Payment*).

10.2.4. In the case of joint Noteholders, payment by electronic funds transfer will be made to the account of the Noteholder first named in the Register. Payment by electronic transfer to the Noteholder first named in the Register shall discharge the Issuer of its relevant payment obligations under the Notes.

10.2.5. Payments will be subject in all cases to any fiscal or other laws, directives and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*).

10.3. Payment Day

Unless a Business Day Convention is specified in the Applicable Pricing Supplement, if the date for payment of any amount in respect of any Note is not a Business Day, the holder thereof shall not be entitled to payment until the next following Business Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

10.4. Interpretation of Principal and Interest

10.4.1. Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

10.4.1.1. any additional amounts which may be payable with respect to principal under Condition 12 (*Taxation*);

10.4.1.2. the Final Redemption Amount of the Notes or the Early Redemption Amount of the Notes, as the case may be;

10.4.1.3. the Optional Redemption Amount(s) (if any);

10.4.1.4. in relation to Instalment Notes, the Instalment Amounts;

- 10.4.1.5. in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 11.9.1.3); and
 - 10.4.1.6. any premium and any other amounts which may be payable by the Issuer under or in respect of the Notes, but excluding for the avoidance of doubt, interest.
- 10.4.2. Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 12 (*Taxation*).

11. REDEMPTION AND PURCHASE

11.1. Redemption at Maturity

- 11.1.1. Unless previously redeemed or purchased and cancelled as specified below (and subject, in the case of Tier 2 Notes to Condition 11.6 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*) or as otherwise specified in the Terms and Conditions), each Note (other than Additional Tier 1 Notes) will be redeemed by the Issuer in the Specified Currency at its Final Redemption Amount specified in, or determined in the manner specified in, the Applicable Pricing Supplement on the Maturity Date subject as provided in Condition 10 (*Payments*).
- 11.1.2. A Tranche of Additional Tier 1 Notes must be issued without a Maturity Date and (without prejudice to the provisions of Condition 17.4 (*Additional Tier 1 Notes*)):
 - 11.1.2.1. shall only be redeemed, at the aggregate outstanding Nominal Amount of that Tranche plus accrued interest (if any), on a winding-up (other than pursuant to a Solvent Reconstruction) or liquidation of the Issuer, subject to Condition 6.3 (*Status of Additional Tier 1 Notes*) (and specifically Condition 6.3.3 (*Subordination*)); and
 - 11.1.2.2. are only redeemable or may only be redeemed, purchased or cancelled prior to the winding-up or liquidation of the Issuer or modified, substituted or varied in accordance with this Condition 11 (*Redemption and purchase*), subject to Condition 11.6 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*) and Condition 6.3 (*Status of Additional Tier 1 Notes*) (and specifically Condition 6.3.3 (*Subordination*)).

11.2. Redemption for Tax Reasons or following the occurrence of a Change in Law

11.2.1. Subject to Condition 11.6 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*) in the case of Subordinated Capital Notes, Notes may be redeemed at the option of the Issuer at any time (in the case of Notes other than Floating Rate Notes having an Interest Rate then determined on a floating basis) or on any Interest Payment Date (in the case of Floating Rate Notes), on giving not less than 30 (thirty) nor more than 60 (sixty) calendar days' (or such other notice period specified in the Applicable Pricing Supplement) notice to the Noteholders prior to such redemption, in accordance with Condition 19 (*Notices*) (which notice shall be irrevocable), if the Issuer, immediately prior to the giving of such notice, is of the reasonable opinion that as a result of any change in, or amendment to, the laws or regulations of South Africa or any political sub-division of, or any authority in, or of, South Africa having power to tax, or any change or amendment which becomes effective after the relevant Issue Date, the Issuer:

11.2.1.1. is or would be required to pay additional amounts as provided or referred to in Condition 12 (*Taxation*); or

11.2.1.2. in the case of Subordinated Notes only, in respect the Issuer's obligation to make any payment of interest or any payment of interest withholding tax on the next following Interest Payment Date or any subsequent Interest Payment Date, the Issuer would not be entitled to claim a deduction in respect of computing its tax liabilities in South Africa, or such entitlement is in the opinion of the Issuer, materially reduced,

and in either case the requirement cannot be avoided by the Issuer taking reasonable measures available to it (such reasonable measures to exclude any requirement to instigate litigation in respect of any decision or determination of the South African Revenue Service that any such interest does not constitute a tax deductible expense), or following the occurrence of a Change in Law; provided in each case that no such notice of redemption shall be given earlier than 90 (ninety) calendar days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts (were a payment in respect of the Notes then due) or would be entitled (as such entitlement is materially reduced) to claim a deduction in respect of computing its taxation liabilities, as the case may be. Notes may be redeemed by the Issuer in accordance with this Condition 11.2 (*Redemption for Tax Reasons or following the occurrence of a*

Change in Law) in whole or in part. A redemption in part may be effected by the Issuer:

- 11.2.1.3. notwithstanding that such partial redemption may not entirely avoid such obligation to pay additional amounts as provided for or referred to in Condition 12 (*Taxation*); and
 - 11.2.1.4. *mutatis mutandis* in the manner described in Condition 11.3 (*Redemption at the Option of the Issuer*), provided that the references to the giving of notice, to the Minimum Redemption Amount and to the Higher Redemption Amount (as specified in the Applicable Pricing Supplement) therein shall be disregarded for such purposes.
- 11.2.2. Prior to the publication of any notice of redemption pursuant to this Condition 11.2 (*Redemption for Tax Reasons or following the occurrence of a Change in Law*), the Issuer shall deliver to the Issuer Agent (A) a certificate signed by 2 (two) duly authorised officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer to so redeem have occurred and (B) an opinion of independent legal or tax advisers (as appropriate) of recognised standing to the effect that the circumstances contemplated in Conditions 11.2.1.1 or 11.2.1.2, as the case may be (as read together with the hanging paragraph immediately thereafter), have arisen or that a Change in Law has occurred, as the case may be (a copy of which legal opinion shall be delivered to the Noteholders in accordance with Condition 19 (*Notices*)). Upon the expiry of any such notice as is referred to in this Condition 11.2 (*Redemption for Tax reasons or following the occurrence of a Change in Law*), the Issuer shall be bound to redeem the Notes in accordance with this Condition 11.2 (*Redemption for Tax Reasons or following the occurrence of a Change in Law*).
- 11.2.3. Notes redeemed for tax reasons pursuant to this Condition 11.2 (*Redemption for Tax Reasons or following the occurrence of a Change in Law*) will be redeemed at their Early Redemption Amount referred to in Condition 11.9 (*Early Redemption Amounts*), together (if appropriate) with interest accrued from (and including) the immediately preceding Interest Payment Date to (but excluding) the date of redemption or as specified in the Applicable Pricing Supplement.

11.3. Redemption at the Option of the Issuer

- 11.3.1. If the Issuer is specified in the Applicable Pricing Supplement as having an option to redeem, the Issuer may, having given not less than 30 (thirty) nor more than 60 (sixty) calendar days' irrevocable notice to the Noteholders in accordance with Condition 19 (*Notices*), redeem all or some of the Notes (to which such Applicable Pricing Supplement relates) then Outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the Applicable Pricing Supplement, together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).
- 11.3.2. Any such redemption must be of a Nominal Amount not less than the Minimum Redemption Amount and not more than the Higher Redemption Amount, both as indicated in the Applicable Pricing Supplement.
- 11.3.3. In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by Individual Certificates, and in accordance with the Applicable Procedures in the case of Redeemed Notes which are uncertificated, and in each case not more than 60 (sixty) calendar days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**").
- 11.3.4. In the case of Redeemed Notes represented by Individual Certificates, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 19 (*Notices*) not less than 30 (thirty) calendar days prior to the date fixed for redemption. The aggregate Nominal Amount of Redeemed Notes represented by Individual Certificates shall bear the same proportion to the aggregate Nominal Amount of all Redeemed Notes as the aggregate Nominal Amount of Individual Certificates outstanding bears to the aggregate Nominal Amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned Nominal Amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination and the aggregate Nominal Amount of Redeemed Notes which are uncertificated shall be equal to the balance of the Redeemed Notes. No exchange of the relevant uncertificated Notes will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this subparagraph, and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 19 (*Notices*) at least 10 (ten) calendar days prior to the Selection Date.

11.3.5. Holders of Redeemed Notes shall surrender the Individual Certificates, if any, representing the Notes in accordance with the provisions of the notice given to them by the Issuer as contemplated above. Where only a portion of the Notes represented by such Individual Certificates is redeemed, the Issuer Agent shall deliver new Individual Certificates to the Noteholders in respect of the balance of the Notes.

11.4. Redemption at the Option of the Senior Noteholders

11.4.1. If Senior Noteholders are specified in the Applicable Pricing Supplement as having an option to request the redemption of Notes, such Senior Noteholders may exercise such option in respect of such Notes represented by Individual Certificates by delivering to the Issuer Agent, in accordance with Condition 19 (*Notices*), a duly executed notice ("**Put Notice**") in unaltered form, at least 30 (thirty) calendar days but not more than 60 (sixty) calendar days, prior to the Optional Redemption Date.

11.4.2. Where redemption in part has been permitted in the Applicable Pricing Supplement, the redemption amount specified in such Put Notice in respect of any such Note must be of a principal amount equal to or greater than the Minimum Redemption Amount or equal to or less than the Higher Redemption Amount, each as indicated in the Applicable Pricing Supplement.

11.4.3. The redemption by the Senior Noteholders of uncertificated Notes shall take place in accordance with the Applicable Procedures.

11.4.4. The Issuer shall proceed to redeem the Notes in respect of which such option has been exercised in accordance with the terms of the Applicable Pricing Supplement, at the Optional Redemption Amount and on the Optional Redemption Date, together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).

11.4.5. In the event that the redeeming Noteholder is the holder of an Individual Certificate, then such Noteholder shall (attached to the Put Notice) deliver the Individual Certificate to the Issuer Agent at least 1 (one) Business Day prior to the Optional Redemption Date, for cancellation failing which the Put Notice shall be invalid. A holder of an Individual Certificate shall in that holder's Put Notice specify a bank account in South Africa into which the redemption payment amount is to be paid.

- 11.4.6. The delivery of Put Notices shall be required to take place during normal office hours to the Issuer and Issuer Agent. Put Notices shall be available for inspection at the specified offices of the Issuer Agent.
- 11.4.7. Any Put Notice given by a holder of any Senior Note pursuant to this paragraph shall be irrevocable except where after giving the notice but prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such Noteholder, at its option, may elect by notice to the Issuer, delivered at least 1 (one) Business Day prior to the Optional Redemption Date, to withdraw the notice given pursuant to this paragraph and instead to declare such Senior Note forthwith due and payable pursuant to Condition 17 (*Events of Default*).
- 11.4.8. The Issuer shall have no obligation to remedy any defects in any Put Notice or bring any such defects to the attention of any Noteholder and shall not be liable whatsoever for any claims or losses arising in connection with a defective or invalid Put Notice.
- 11.5. Redemption of Subordinated Capital Notes for Regulatory Capital reasons
- 11.5.1. Subject to Condition 11.6 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*) and if so specified in the Applicable Pricing Supplement, the Issuer may redeem the Notes of any Series of Subordinated Capital Notes in whole, but not in part, at any time (in the case of Notes other than Floating Rate Notes having an Interest Rate then determined on a floating basis) or on any Interest Payment Date (in the case of Floating Rate Notes), on giving not less than 30 (thirty) nor more than 60 (sixty) days' (or such other notice period specified in the Applicable Pricing Supplement) notice prior to Noteholders and to the Issuer Agent (which notice shall be irrevocable) in accordance with Condition 19 (*Notices*), at their Early Redemption Amount together with interest accrued (if any) to the date fixed for redemption, if a Regulatory Capital Event occurs and is continuing.
- 11.5.2. Prior to the publication of any notice of redemption pursuant to this Condition 11.5 (*Redemption of Subordinated Capital Notes for Regulatory Capital reasons*), the Issuer shall deliver to the Issuer Agent (A) a certificate signed by 2 (two) duly authorised officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer to so redeem have occurred and (B) unless the Relevant Authority has confirmed in writing to the Issuer that a Regulatory Event applies to the relevant Notes (i.e. that the proceeds of the issue of the relevant Notes are not eligible to qualify as the relevant class of Regulatory

Capital of the Issuer on a solo and/or consolidated basis), an opinion of appropriate independent advisers of recognised standing to the effect that a Regulatory Event applies. Upon the expiry of any such notice as is referred to in this Condition 11.5 (*Redemption of Subordinated Capital Notes for Regulatory Capital reasons*), the Issuer shall be bound to redeem the Notes in accordance with this Condition 11.5 (*Redemption of Subordinated Capital Notes for Regulatory Capital reasons*).

11.6. Substitution or variation

11.6.1. Where “Substitution or Variation” for Subordinated Capital Notes is specified in the Applicable Pricing Supplement as being applicable, an event giving rise to the right on part of the Issuer to redeem for tax reasons as contemplated in Condition 11.2 (*Redemption for Tax Reasons or following the occurrence of a Change in Law*) or a Regulatory Capital Event as contemplated in Condition 11.5 (*Redemption of Subordinated Capital Notes for Regulatory Capital reasons*) and/or, if specified in the Applicable Pricing Supplement, a Change in Law as contemplated in Condition 11.2 (*Redemption for Tax Reasons or following the occurrence of a Change in Law*), has occurred and is continuing, then the Issuer may, instead of giving notice to redeem, subject to Condition 11.6 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*) and having given not less than 30 (thirty) nor more than 60 (sixty) days’ notice to the Noteholders in accordance with Condition 19 (*Notices*), the Issuer Agent (which notices shall be irrevocable), but without any requirement for the consent or approval of the Noteholders, at any time:

11.6.1.1. in the case of Subordinated Capital Notes the proceeds of which are intended to qualify as Tier 2 Capital, substitute all (but not only some) of the Tier 2 Notes in a Series for, or vary the terms of such Tier 2 Notes in that Series such that they remain, or as appropriate, become, Qualifying Tier 2 Securities; and

11.6.1.2. in the case of Subordinated Capital Notes the proceeds of which are intended to qualify as Additional Tier 1 Capital, substitute all (but not only some) of the Additional Tier 1 Notes in a Series for, or vary the terms of such Additional Tier 1 Notes in that Series such that they remain, or as appropriate, become, Qualifying Additional Tier 1 Securities or Qualifying Tier 2 Securities.

11.7. Upon the expiry of the notice contemplated in Condition 11.6.1, the Issuer shall either vary the terms of or substitute the relevant Subordinated Capital Notes in accordance with this Condition 11.6 (*Substitution or variation*). The Issuer shall, in connection with any substitution or variation of a Tranche of Subordinated Capital Notes that is listed on a Financial Exchange in accordance with this Condition 11.6 (*Substitution or variation*), comply with the relevant listings requirements of such Financial Exchange.

11.8. Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes

11.8.1. Notwithstanding any other provisions of this Condition 11 (*Redemption and purchase*) and subject as provided below, for so long as the applicable Regulatory Capital Requirements so require (i) Tier 2 Notes (which at the time of redemption, purchase, cancellation, modification, substitution or variation constitute Tier 2 Capital) may only be redeemed, purchased or cancelled (in each case, in whole or in part) prior to the Maturity Date, or modified, substituted or varied pursuant to Condition 11.6 (*Substitution or variation*) and (ii) Additional Tier 1 Notes (which at the time of redemption purchase, cancellation, modification, substitution or variation constitute Additional Tier 1 Capital) may only be redeemed, purchased, cancelled (in each case, in whole or in part), modified, substituted or varied pursuant to Condition 11.6 (*Substitution or variation*), at the option of the Issuer, and only if:

11.8.1.1. the Issuer has notified the Relevant Authority of, and the Relevant Authority has consented in writing to, such redemption, purchase, cancellation, modification, substitution or variation, as the case may be, subject to such conditions (if any) as the Relevant Authority may deem appropriate (in any case, only if and to the extent that such notification or consent is required in terms of the Regulatory Capital Requirements) (subject to any prescribed notice periods with which the Issuer may need to comply, if any, in the Regulatory Capital Requirements);

11.8.1.2. the redemption, purchase, cancellation, modification, substitution or variation, as the case may be, of the Subordinated Capital Notes is not prohibited by the Regulatory Capital Requirements (including any prohibitions on redemption prior to the lapsing of a minimum initial period of issue in the Regulatory Capital Requirements);

11.8.1.3. in the case of redemption, purchase or cancellation, as the case may be, unless the Relevant Authority is satisfied that the Issuer is duly

capitalised above the minimum capital requirements after the redemption, purchase or cancellation, the Issuer concurrently replaces the Subordinated Capital Notes being redeemed, purchased or cancelled with capital of similar or better quality and the replacement of capital is done at conditions that are sustainable for the income capacity of the Issuer; and

- 11.8.1.4. both at the time when the notice of redemption, modification, substitution or variation is given and immediately following such redemption, modification, substitution or variation, as the case may be, the Issuer is or will be, as the case may be, in compliance with its capital adequacy requirements as provided in the Regulatory Capital Requirements (except to the extent that the Relevant Authority no longer so requires), as confirmed by the Relevant Authority.
- 11.8.2. Subject to the applicable Regulatory Capital Requirements, Tier 2 Notes may be redeemed at maturity, provided that, for so long as is required by the Regulatory Capital Requirements, Tier 2 Notes shall have a minimum Maturity Period of 5 (five) years and 1 (one) day and accordingly, the Maturity Date specified pursuant to Condition 11.1 (*Redemption at Maturity*) shall comply with this requirement.
- 11.8.3. If so specified in the Applicable Pricing Supplement, this Condition 11.6 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*) will not apply in respect of the redemption of Subordinated Capital Notes upon the occurrence of a Regulatory Capital Event in accordance with Condition 11.5 (*Redemption of Subordinated Capital Notes for Regulatory Capital reasons*).
- 11.8.4. For the avoidance of doubt, references in this Condition 11.6 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*) to purchase and/or cancellation do not contemplate any purchases and/or cancellation required to give effect to a Conversion or Write Off of Subordinated Capital Notes, as the case may be, in accordance with Condition 6 (*Status and Characteristics of Subordinated Capital Notes, Write Off and Conversion of Subordinated Capital Notes*).

11.9. Early Redemption Amounts

11.9.1. For the purpose of Condition 11.2 (*Redemption for Tax Reasons or following the occurrence of a Change in Law*) and Condition 17 (*Events of Default*), the Notes will be redeemed at the Early Redemption Amount calculated as follows:

11.9.1.1. in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or

11.9.1.2. in the case of Notes (other than Zero Coupon Notes) with a Final Redemption Amount which is or may be less or greater than the Issue Price, at the amount specified in, or determined in the manner specified in, the Applicable Pricing Supplement or, if no such amount or manner is so specified in the Applicable Pricing Supplement, at their Nominal Amount; or

11.9.1.3. in the case of Zero Coupon Notes, at an amount (the “**Amortised Face Amount**”) equal to the sum of: (i) the Reference Price; and (ii) the product of the Implied Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable, or such other amount as is provided in the Applicable Pricing Supplement.

11.9.2. Where such calculation is to be made for a period which is not a whole number of years, it shall be calculated on the basis of actual days elapsed divided by 365 (three hundred and sixty-five), or such other calculation basis as may be specified in the Applicable Pricing Supplement.

11.10. Instalment Notes

Instalment Notes will be redeemed at the Instalment Amounts and on the Instalment Dates. In the case of early redemption in accordance with Conditions 11.2 (*Redemption for Tax Reasons or following the occurrence of a Change in Law*) or 17 (*Events of Default*), the Early Redemption Amount will be determined pursuant to Condition 11.9 (*Early Redemption Amounts*) above.

11.11. Partly-Paid Notes

If the Notes are Partly-Paid Notes, they will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 11.11 (*Partly-Paid Notes*) and the Applicable Pricing Supplement. In the case of early redemption in accordance

with Conditions 11.2 (*Redemption for Tax Reasons or following the occurrence of a Change in Law*) or 17 (*Events of Default*), the Early Redemption Amount will be determined pursuant to Condition 11.9 (*Early Redemption Amounts*).

11.12. Exchangeable Notes

If the Notes are Exchangeable Notes, they will be redeemed, whether at maturity, early redemption or otherwise, in the manner indicated in the Applicable Pricing Supplement. Exchangeable Notes in respect of which Mandatory Exchange is indicated in the Applicable Pricing Supplement as applying, or upon the exercise by the Noteholder of the Noteholder's Exchange Right (if applicable), will be redeemed by the Issuer's delivering to each Noteholder as many of the Exchange Securities as are required in accordance with the Exchange Price. The delivery by the Issuer of the Exchange Securities in the manner set out in the Applicable Pricing Supplement shall constitute the *in specie* redemption in full of such Notes.

11.13. Purchases

Subject to Condition 11.6 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*) and the Regulatory Capital Requirements in the case of Subordinated Capital Notes, the Issuer or any of its Subsidiaries may at any time purchase Notes at any price in the open market or otherwise. No proscribed entity referred to in the Regulatory Capital Requirements may purchase, acquire or hold any Subordinated Capital Notes. In the event of the Issuer purchasing Notes, such Notes may (subject to restrictions in any Applicable Law, including the Regulatory Capital Requirements) be held, resold, or, at the option of the Issuer, surrendered to the Issuer Agent for cancellation. The Issuer shall not have any voting rights on any Notes repurchased or otherwise held by it.

11.14. Cancellation

All Notes which have been redeemed will forthwith be cancelled. All Notes so cancelled shall be forwarded to the Issuer and cannot be re-issued or resold. Where only a portion of Notes represented by an Individual Certificate is cancelled, the Issuer Agent shall deliver an Individual Certificate to such Noteholder in respect of the balance of the Notes.

11.15. Late Payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 11 (*Redemption and Purchase*) or upon its becoming due and repayable as provided in Condition 17 (*Events of Default*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 11.9.1.3 above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes

due and payable were replaced by references to the date which is the earlier of: (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and (ii) 5 (five) calendar days after the date on which the full amount of the monies payable has been received by the CSD, and notice to that effect has been given to the Noteholder in accordance with Condition 19 (*Notices*) below.

11.16. Applicable Procedures

The redemption and partial redemption of Beneficial Interests shall take place in accordance with the Applicable Procedures and the Financial Markets Act.

12. **TAXATION**

12.1. All payments of principal and interest in respect of the Notes by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of South Africa or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law, and provided that all payments by or on behalf of the Issuer in respect of the Notes will be made subject to any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any amended or successor provisions), any regulations or agreements thereunder, official interpretations thereof, any intergovernmental approach thereto, or implementing legislation adopted by another jurisdiction in connection with these provisions (for a summary of the current law in relation to the withholding or deduction of taxes levied in South Africa, see "*South African Taxation*" below).

12.2. In such event, the Issuer will, subject to the Issuer's right to redeem such Notes in terms of Condition 11.2 (*Redemption for Tax Reasons or following the occurrence of a Change in Law*) above, pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, as the case may be, in the absence of such withholding or deduction, except that no such additional amounts shall be payable with respect to any Note:

12.2.1. held by or on behalf of a Noteholder who is liable for such taxes or duties in respect of such Note by reason of the Noteholder's having some connection with South Africa other than the mere holding of such Note or the receipt of principal or interest in respect thereof; or

12.2.2. held by or on behalf of a Noteholder who could lawfully avoid (but has not so avoided) such withholding or deduction by complying with any statutory

requirements or requirements of an administrative nature imposed by the South African revenue authorities in force time to time, including, without limitation, by making a declaration of non-residence or other similar claim or filing for exemption to which it is entitled to the relevant tax authority or the Issuer Agent (the effect of which is not to require the disclosure of the identity of the relevant Noteholder); or

- 12.2.3. held by or on behalf of a Noteholder who could lawfully reduce (but has not so reduced) such withholding or deduction by complying with any statutory requirements or requirements of an administrative nature imposed by the South African revenue authorities in force from time to time, including, without limitation, by making a declaration of non-residence or other similar claim or filing for the reduction to which it is entitled to the relevant tax authority or the Issuer Agent (the effect of which is not to require the disclosure of the identity of the relevant Noteholder) – provided that this exception shall only apply to that portion of the withholding or deduction which could lawfully have been so reduced; or
- 12.2.4. held by or on behalf of a Noteholder in circumstances where such party could lawfully reduce the amount of taxation otherwise levied or leviable upon the principal or interest by virtue of the application of any tax treaty or non-South African tax laws applicable to such Noteholder, whether by way of a tax credit, rebate deduction or reduction equal to all or part of the amount withheld or otherwise, and whether or not it is actually claimed and/or granted and/or allowed and in these circumstances the additional amount shall only be payable to the extent that such amount could not be so reduced; or
- 12.2.5. where such withholding or deduction is in respect of taxes levied or imposed on interest or principal payments only by virtue of the inclusion of such payments in the income or taxable income (as defined in section 1 of the Income Tax Act) or capital gain (as contemplated in paragraph 3 of Schedule 8 to the Income Tax Act) or taxable capital gain (as defined in paragraph 1 of Schedule 8 to the Income Tax Act) of any Noteholder; or
- 12.2.6. in respect of any present or future taxes, duties, assessments or governmental charges of whatever nature which are payable otherwise than by withholding from payment of principal or interest, if any, with respect to such Note; or
- 12.2.7. where (in the case of payment of principal and/or interest which is conditional on surrender and/or presentation of the relevant Individual Certificate in accordance with the Terms and Conditions) the relevant Individual Certificate is surrendered and/or presented for payment more than 30 (thirty) days after the Relevant Date,

except to the extent that the Noteholder thereof would have been entitled to an additional amount on presenting or surrendering the Individual Certificate for payment on such thirtieth day; or

- 12.2.8. if such withholding or deduction arises through the exercise by revenue authorities of special powers in respect of tax defaulters; or
 - 12.2.9. if such withholding or deduction arises in terms of the US Foreign Account Tax Compliance Act (“**FATCA**”), any regulations or agreements thereunder, official interpretations thereof, any intergovernmental approach thereto, or implementing legislation adopted by another jurisdiction in connection with FATCA; or
 - 12.2.10. where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC (or any other directive implementing the conclusions of the 2312th Economic and Financial Affairs Council (ECOFIN) meeting of 26 and 27 November 2000) on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such directive; or
 - 12.2.11. where any combination of the scenarios or occurrences contemplated in Conditions 12.2.1 to 12.2.10 above occurs.
- 12.3. Any reference in these Terms and Conditions to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under these Terms and Conditions or under any undertakings given in addition to, or in substitution for, these Terms and Conditions.
- 12.4. The Issuer is not liable for or otherwise obliged to pay any taxes that may arise as a result of the ownership, transfer or redemption of any Note.
- 12.5. If the Issuer becomes subject generally at any time to any taxing jurisdiction, authority or agency other than or in addition to South Africa, references in Conditions 11.2 (*Redemption for Tax Reasons or following the occurrence of a Change in Law*) and 12 (*Taxation*) to South Africa shall be read and construed as references to South Africa and/or to such other jurisdiction, authority or agency.

13. **EXCHANGE OF BENEFICIAL INTERESTS AND REPLACEMENT OF INDIVIDUAL CERTIFICATES**

13.1. Exchange of Beneficial Interests

- 13.1.1. The holder of a Uncertificated Notes or a Beneficial Interest in Notes may, in terms of the Applicable Procedures and subject to section 34(e) of the Financial Markets Act, read together with section 54 of the Companies Act (or such other relevant

section of any successive legislation), by written notice to the holder's nominated Participant (or, if such holder is a Participant, the CSD), request that such holding be exchanged for Notes in definitive form represented by an Individual Certificate (the "**Exchange Notice**"). The Exchange Notice shall specify (i) the name, address and bank account details of the holder of the Uncertificated Notes or Beneficial Interest therein and (ii) the day on which such holding is to be exchanged for an Individual Certificate; provided that such day shall be a Business Day and shall fall not less than 30 (thirty) calendar days after the day on which such Exchange Notice is given (the "**Exchange Date**").

- 13.1.2. The holder's nominated Participant will, following receipt of the Exchange Notice, through the CSD, notify the Issuer Agent that it is required to exchange such Beneficial Interest for Notes represented by an Individual Certificate. The Issuer Agent will, as soon as is practicable but within 14 (fourteen) calendar days after receiving such notice, in accordance with the Applicable Procedures, procure that an Individual Certificate is prepared, authenticated and made available for delivery, on a Business Day falling within the aforementioned 14 (fourteen) day period, to the Participant acting on behalf of the holder of the Beneficial Interest in respect of the conversion at the specified office of the Issuer Agent; provided that joint holders of a Beneficial Interest shall be entitled to receive only one Individual Certificate in respect of that joint holding, and the delivery to one of those joint holders shall be delivery to all of them.
- 13.1.3. In the case of the exchange of a Beneficial Interest in Notes issued in uncertificated form:
- 13.1.3.1. the CSD shall, prior to the Exchange Date, surrender (through the CSD system) such uncertificated Notes to the Issuer Agent at its specified office; and
- 13.1.3.2. the Issuer Agent will obtain the release of such uncertificated Notes from the CSD in accordance with the Applicable Procedures.
- 13.1.4. An Individual Certificate shall, in relation to a Beneficial Interest:
- 13.1.4.1. in a Tranche of Notes which is held in the CSD, represent that number of Notes as have, in the aggregate, the same aggregate Nominal Amount of Notes standing to the account of the holder of such Beneficial Interest; or
- 13.1.4.2. in any number of Notes issued in uncertificated form of a particular aggregate Nominal Amount standing to the account of the holder

thereof, represent that number of Notes of that aggregate Nominal Amount,

as the case may be, and shall otherwise be in such form as may be agreed between the Issuer and the Issuer Agent; provided that if such aggregate Nominal Amount is equivalent to a fraction of the Specified Denomination or a fraction of any multiple thereof, such Individual Certificate shall be issued in accordance with, and be governed by, the Applicable Procedures.

13.1.5. Subject always to Applicable Laws and the Applicable Procedures, upon the replacement of a Beneficial Interest in Notes with Notes in definitive form represented by an Individual Certificate in accordance with this Condition 13 (*Exchange of Beneficial Interests and Replacement of Individual Certificates*), such Notes (now represented by an Individual Certificate) will cease to be listed on the Financial Exchange and will no longer be lodged in the CSD. Notes represented by Individual Certificates will be registered in the Register in the name of the individual Noteholders of such Notes.

13.2. Replacement

If any Individual Certificate is worn out, mutilated, defaced, stolen, destroyed or lost it may be replaced at the specified office of the Issuer Agent, on payment by the claimant of such costs and expenses as may be incurred in connection therewith and the provision of such indemnity as the Issuer and the Issuer Agent may reasonably require. Mutilated or defaced Individual Certificates must be surrendered at the specified office of the Issuer Agent before replacements will be issued.

13.3. Death and sequestration or liquidation of Noteholder

Any person becoming entitled to registered Notes in consequence of the death, sequestration or liquidation of the holder of such Notes may, upon producing evidence to the satisfaction of the Issuer that he holds the position in respect of which he proposes to act under this Condition 13.3 (*Death and sequestration or liquidation of Noteholder*) or of his title as the Issuer and the Issuer Agent shall require, be registered as the holder of such Notes or, subject to the Applicable Procedures, this Condition 13.3 (*Death and sequestration or liquidation of Noteholder*) and Condition 15.2 (*Transfer of Notes represented by Individual Certificates*), may transfer such Notes. The Issuer and (if applicable) the CSD and the relevant Participant shall be entitled to retain any amount payable upon the Notes to which any person is so entitled until such person shall be registered as aforesaid or shall duly transfer the Notes.

13.4. Costs

The costs and expenses of the printing, issue and delivery of each Individual Certificate and all taxes and governmental charges and insurance charges that may be imposed in relation to such Individual Certificate and/or the printing, issue and delivery of such Individual Certificate shall be borne by the holder of the Notes represented by that Individual Certificate. Separate costs and expenses relating to the provision of Individual Certificates and/or the transfer of Notes may be levied by other persons, such as a Participant, under the Applicable Procedures, and such costs and expenses shall not be borne by the Issuer.

14. **REGISTER**

14.1. The Register of Noteholders shall:

- 14.1.1. be kept at the specified office of the Issuer Agent or such other person as may be appointed for the time being by the Issuer to maintain the Register;
- 14.1.2. contain the names, addresses and bank account numbers of the registered Noteholders;
- 14.1.3. show the total Nominal Amount of the Notes held by Noteholders;
- 14.1.4. show the dates upon which each of the Noteholders was registered as such;
- 14.1.5. show the serial numbers of the Individual Certificates and the dates of issue thereof;
- 14.1.6. be open for inspection at all reasonable times during business hours on Business Days by any Noteholder or any person authorised in writing by a Noteholder; and
- 14.1.7. be closed during each Books Closed Period.

14.2. The Issuer Agent shall alter the Register in respect of any change of name, address or account number of any of the Noteholders of which it is notified.

14.3. Except as provided for in these Terms and Conditions or as required by law, in respect of Notes, the Issuer will only recognise a Noteholder as the owner of the Notes registered in that Noteholder's name as per the Register.

14.4. Except as provided for in these Terms and Conditions or as required by law, the Issuer shall not be bound to enter any trust in the Register or to take notice of or to accede to the execution of any trust (express, implied or constructive) to which any Individual Certificate may be subject.

15. TRANSFER OF NOTES

15.1. Transfer of registered Notes

15.1.1. Transfer of Beneficial Interests in Notes held in the CSD

- 15.1.1.1. Beneficial Interests may be transferred only in accordance with the Applicable Procedures through the CSD.
- 15.1.1.2. Transfers of Beneficial Interests to and from clients of Participants occur by way of electronic book entry in the Securities Accounts maintained by the Participants for their clients, in accordance with the Applicable Procedures.
- 15.1.1.3. Transfers of Beneficial Interests among Participants occur through electronic book entry in the central Securities Accounts maintained by the CSD for the Participants, in accordance with the Applicable Procedures.
- 15.1.1.4. Transfers of Beneficial Interests in Notes will not be recorded in the Register and the CSD will continue to be reflected in the Register as the Noteholder of such Notes notwithstanding such transfers.

15.2. Transfer of Notes represented by Individual Certificates

- 15.2.1. In order for any transfer of Notes represented by an Individual Certificate to be recorded in the Register, and for such transfer to be recognised by the Issuer:
 - 15.2.1.1. the transfer of such Notes must be embodied in a Transfer Form;
 - 15.2.1.2. the Transfer Form must be signed by the registered Noteholder of such Notes and the transferee, or any authorised representatives of that registered Noteholder or transferee; and
 - 15.2.1.3. the Transfer Form must be delivered to the Issuer Agent at its specified office together with the Individual Certificate representing such Notes for cancellation.
- 15.2.2. Notes represented by an Individual Certificate may only be transferred, in whole or in part, in amounts of not less than the Specified Denomination (or any multiple thereof).
- 15.2.3. Subject to this Condition 15.2 (*Transfer of Notes represented by Individual Certificates*), the Issuer Agent will, within 3 (three) Business Days of receipt by it

of a valid Transfer Form (or such longer period as may be required to comply with any Applicable Laws and/or Applicable Procedures), record the transfer of Notes represented by an Individual Certificate (or the relevant portion of such Notes) in the Register, and authenticate and deliver to the transferee at the Issuer Agent's specified office or, at the risk of the transferee, send by mail to such address as the transferee may request, a new Individual Certificate in respect of the Notes transferred reflecting the outstanding Nominal Amount of the Notes transferred.

- 15.2.4. Where a Noteholder has transferred a portion only of Notes represented by an Individual Certificate, the Issuer Agent will authenticate and deliver to such Noteholder at the Issuer Agent's specified office or, at the risk of such Noteholder, send by mail to such address as such Noteholder may request, a new Individual Certificate representing the balance of the Notes held by such Noteholder.
- 15.2.5. The transferor of any Notes represented by an Individual Certificate will be deemed to remain the owner thereof until the transferee is registered in the Register as the holder thereof.
- 15.2.6. Before any transfer of Notes represented by an Individual Certificate is registered in the Register, all relevant transfer taxes (if any) must have been paid by the transferor and/or the transferee and such evidence must be furnished as the Issuer and the Issuer Agent may reasonably require as to the identity and title of the transferor and the transferee.
- 15.2.7. No transfer of any Notes represented by an Individual Certificate will be registered whilst the Register is closed as contemplated in Condition 14 (*Register*).
- 15.2.8. If a transfer of any Notes represented by an Individual Certificate is registered in the Register, the Transfer Form and cancelled Individual Certificate will be retained by the Issuer Agent.
- 15.2.9. If a transfer is registered then the Transfer Form and cancelled Individual Certificate will be retained by the Issuer Agent.
- 15.2.10. In the event of a partial redemption of Notes under Condition 11.3 (*Redemption of the Option at the Issuer*), the Issuer Agent shall not be required in terms of Condition 11.3 (*Redemption of the Option at the Issuer*), to register the transfer of any Notes during the period beginning on the tenth day before the date of the partial redemption and ending on the date of the partial redemption (both inclusive).
- 15.2.11. The Notes shall, upon transfer, be fully paid up.

16. PRESCRIPTION

The Notes will prescribe unless presented for payment of principal and interest within a period of 3 (three) years after their redemption date, save that any Individual Certificate constituting a “*bill of exchange or other negotiable instrument*” in accordance with section 11 of the Prescription Act, 1969 (as amended from time to time) will prescribe unless presented for payment of principal and interest within a period of 6 (six) years from the Relevant Date.

17. EVENTS OF DEFAULT

17.1. Senior Notes

17.1.1. This Condition 17.1 (*Senior Notes*) only applies to Senior Notes.

17.1.2. If, for any particular Series of Notes, one or more of the following events (“**Events of Default**”) shall have occurred and be continuing:

17.1.2.1. the Issuer fails to pay any Nominal Amount due under the Senior Notes on its due date for payment thereof and any such failure continues for a period of 7 (seven) Business Days after the due date for payment; or

17.1.2.2. the Issuer fails to pay any interest due under the Senior Notes on its due date for payment thereof and any such failure continues for a period of 14 (fourteen) Business Days after the due date for payment; or

17.1.2.3. the Issuer fails to perform or observe any of its other material obligations or undertakings (not specifically covered elsewhere in this clause 17.1 (*Senior Notes*)) under or in respect of any of the Senior Notes and such failure continues for a period of 30 (thirty) calendar days after receipt by the Issuer of a notice from the Senior Noteholders (in accordance with Condition 19 (*Notices*)) in respect of such failure specifying the failure and requesting the Issuer to remedy same; or

17.1.2.4. the Issuer fails to remedy a breach of Condition 7 (*Negative Pledge*) within 21 (twenty-one) Business Days of receiving written notice from the Senior Noteholders demanding such remedy; or

17.1.2.5. the Issuer or any Principal Subsidiary, as the case may be, defaults in the payment of the principal or interest, or any obligations in respect of Material Indebtedness of or assumed by the Issuer or any

Principal Subsidiary, as the case may be, when and as the same shall become due and payable and where notice has been given to the Issuer or any Principal Subsidiary, as the case may be, of the default and if such default shall have continued for more than the grace or notice period (if any) applicable thereto and the time for payment of such interest or principal or other obligation has not been effectively extended or if any such obligations constituting a Material Indebtedness of or assumed by the Issuer or any Principal Subsidiary, as the case may be, shall have become repayable before the due date thereof as a result of acceleration of maturity by reason of the occurrence of any event of default thereunder; or

17.1.2.6. any action, condition or thing, including obtaining any consent, licence approval or authorisation now or in future necessary to enable the Issuer to comply with its respective obligations under the Notes is not in place or any such consent, licence, approval or authorisation shall be revoked, modified, withdrawn or withheld or shall cease to be in full force and effect, resulting in the Issuer being unable to perform any of its payment or other obligations in terms of the Notes and the Issuer fails to remedy such circumstances within 21 (twenty-one) Business Days of receiving written notice from the Noteholders demanding such remedy; or

17.1.2.7. the Issuer or any Principal Subsidiary, as the case may be, initiates or consents to judicial proceedings relating to itself, an order by any court of competent jurisdiction or authority for the liquidation, winding-up, dissolution, curatorship or analogous proceedings of the Issuer or any Principal Subsidiary, as the case may be, is made whether provisionally (and not dismissed or withdrawn within 21 (twenty one) Court Days thereof) or finally, or the Issuer or any Principal Subsidiary, as the case may be, is placed under voluntary liquidation or curatorship, provided that no liquidation, curatorship, winding-up, dissolution, judicial management or analogous proceedings shall constitute an Event of Default if (i) the liquidation, curatorship, winding-up, dissolution, business rescue, judicial management or analogous proceedings is for the purposes of effecting an amalgamation, merger, demerger, consolidation, reorganisation or other similar arrangement within the Issuer or any of its Subsidiaries with any third party; or (ii) the liquidation, curatorship, winding-up, dissolution, business rescue, judicial management or analogous

proceedings is for the purposes of effecting an amalgamation, merger, demerger, consolidation, reorganisation or other similar arrangement, the terms of which were approved by an Extraordinary Resolution of Noteholders before the date of the liquidation, curatorship, winding-up, dissolution, business rescue, judicial management or analogous proceedings; or

- 17.1.2.8. the Issuer or any Principal Subsidiary, as the case may be, initiates or consents to the commencement of judicial proceedings relating to itself under any applicable compromise with creditors, liquidation, curatorship, winding-up or insolvency or other similar laws or compromises or attempts to compromise, with its creditors generally (or any significant class of creditors) or any meeting of creditors is convened by the Issuer or any Principal Subsidiary, as the case may be, to consider a proposal for an arrangement or compromise with its creditors generally (or any significant class of its creditors), save for any such initiation, consent, attempt or convening of a meeting which relates to the Issuer or any of its Principal Subsidiaries and is for the purposes of an internal reconstruction or reorganisation within the Issuer or any of its Subsidiaries; or
- 17.1.2.9. a person validly attaches in execution the whole or a material part of the undertaking or assets of the Issuer or any Principal Subsidiary, as the case may be, or an execution or attachment or other process is validly levied, enforced upon, sued out or put in force against the whole or a material part of the undertaking or assets of any of them in both instances following a judgement against the Issuer or any Principal Subsidiary, as the case may be, by a court of competent jurisdiction and such is not discharged within 21 (twenty one) Court Days; or
- 17.1.2.10. the Issuer or any Principal Subsidiary, as the case may be, ceases to carry on the whole or a substantial part of its business, or otherwise as approved by an Extraordinary Resolution of the Senior Noteholders and the Issuer or any Principal Subsidiary, as the case may be, stops payment of, or is unable to, or admits to being unable to, pay its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts (or any class of its debts) pursuant to or for the purposes of any Applicable Law; or

- 17.1.2.11. any step is taken by or under any authority with a view to the seizure, compulsory acquisition, expropriation or nationalisation of the Issuer or any Principal Subsidiary, as the case may be, or a material part of the assets of the Issuer or any Principal Subsidiary, as the case may be or any of the securities issued by the Issuer or any Principal Subsidiary, as the case may be; or
- 17.1.2.12. any other Event of Default provided for such Series, as specified in the Applicable Pricing Supplement,

then any Senior Noteholder may, by written notice to the Issuer at the registered office of the Issuer, effective upon the date of receipt thereof by the Issuer, declare the Senior Note held by that Senior Noteholder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 11.9 (*Early Redemption Amounts*)), together with accrued interest (if any) to the date of repayment, or as specified in the Applicable Pricing Supplement, without any further action or formality, provided that although an amount may be due it will not be regarded as being payable if the Issuer withholds or refuses to make any such payment in order to comply with any law or regulation of South Africa or to comply with any order of a court of competent jurisdiction.

- 17.1.3. To determine whether Financial Indebtedness or a Guarantee in respect of Financial Indebtedness, as the case may be, constitutes Material Indebtedness for the purposes of Condition 17.1.2.5, any Financial Indebtedness or Guarantee in respect of Financial Indebtedness which is in a currency other than South African Rand shall be converted by the Issuer Agent into South African Rand at the spot rate for the sale of South African Rand against the purchase of the relevant currency quoted by any leading bank of South Africa selected at the time of the relevant default (as contemplated in Condition 17.1.2.5) under the relevant Financial Indebtedness or Guarantee in respect of Financial Indebtedness, as the case may be.

17.2. Subordinated Notes

- 17.2.1. If the Issuer defaults in relation to Subordinated Notes in the payment of any amount payable in respect of such Notes, and such default continues for a period of 7 (seven) Business Days after receiving written notice from any of the holders of Subordinated Notes, any holder of a Subordinated Note may, subject as provided below, at its discretion and without further notice, institute proceedings

for the winding-up of the Issuer and/or prove in any winding-up of the Issuer but take no further action in respect of that default.

- 17.2.2. If an order is made or an effective resolution is passed for the winding-up, liquidation or curatorship of the Issuer (other than pursuant to a Solvent Reconstruction), then any holder of Subordinated Notes issued by the Issuer may by written notice to the Issuer at its registered office, require that its Subordinated Notes are immediately due and repayable at their Early Redemption Amount together with the accrued interest to the date of payment, save that the Noteholders of Subordinated Notes may only receive payment once all the other creditors of the Issuer whose claims rank above those of the holders of Subordinated Notes have been paid in full.

For purposes of this Condition 17.2.2, “**Solvent Reconstruction**” means the event where an order is made or an effective resolution is passed for the winding-up or curatorship of the Issuer, other than under or in connection with a scheme of amalgamation or reconstruction not involving a bankruptcy or insolvency where the obligations of the Issuer in relation to the outstanding Notes are assumed by the successor entity to which all, or substantially all, of the property, assets and undertaking of the Issuer are transferred or where an arrangement with similar effect not involving bankruptcy or insolvency is implemented.

17.3. Tier 2 Notes

- 17.3.1. This Condition 17.3 (*Tier 2 Notes*) applies only to Tier 2 Notes, is only for the benefit of Tier 2 Noteholders and is subject to Condition 6.9 (*No default*).
- 17.3.2. Notwithstanding any of the provisions below in this Condition 17.3 (*Tier 2 Notes*), the remedies available to Tier 2 Noteholders in circumstances where payment of principal or interest (as the case may be) has become due and payable, but remains unpaid, are limited to the right to institute winding-up proceedings. If the Issuer fails to pay any amount due and payable in respect of any Series of Tier 2 Notes and the failure to pay has continued for more than 10 (ten) Business Days following the service on the Issuer of a written notice requiring that breach to be remedied (unless such non-payment is caused by an administrative error or technical difficulties affecting the transfer of funds and is remedied within 3 (three) Business Days after the due date), any Tier 2 Noteholder of that Series may, subject to Condition 6.2 (*Status of Tier 2 Notes*), and subject as provided below, at its discretion and without further notice, institute proceedings for the winding-up of the Issuer, but may not take any other action in respect of that default; provided that no action may be taken by a Tier 2 Noteholder if the Issuer withholds

or refuses to make any such payment in order to comply with any Applicable Law or to comply with any order of a court of competent jurisdiction. Where there is doubt as to the validity or applicability of any such Applicable Law or order, the Issuer will not be in default if it acts on the advice given to it by independent legal advisers of recognised standing during the aforementioned grace period.

- 17.3.3. If an order is made or an effective resolution is passed for the winding-up of the Issuer (other than pursuant to a Solvent Reconstruction), each Tier 2 Noteholder may, by written notice to the Issuer as its Specified Office, effective upon the date of receipt thereof by the Issuer, declare the Tier 2 Notes held by such Tier 2 Noteholder to be forthwith due and payable whereupon those Tier 2 Notes shall become forthwith due and payable at the Early Redemption Amount, together with accrued interest (if any) to the date of payment (or as otherwise specified in the Applicable Pricing Supplement), subject to Condition 6.2 (*Status of Tier 2 Notes*) (and specifically Condition 6.2.3 (*Subordination*)), provided that no such action may be taken by a Tier 2 Noteholder if the Issuer withholds or refuses to make any such payment in order to comply with any Applicable Law or to comply with any order of a court of competent jurisdiction.
- 17.3.4. Without prejudice to Conditions 17.3.2 and 17.3.3, if the Issuer breaches any of its obligations under the Tier 2 Notes (other than any payment obligation arising out of or in connection with the Tier 2 Notes, including but not limited to in respect of the payment of principal or interest on such Tier 2 Notes), then each Tier 2 Noteholder may, at its discretion and without further notice, but subject to the Regulatory Capital Requirements, bring such proceedings as it may think fit to enforce the obligation in question, provided that the Issuer shall not, as a result of the bringing of any such proceedings, be obliged to pay any sum representing or measured by reference to principal or interest on or satisfy any other payment obligation in relation to such Series of Tier 2 Notes earlier than the same would otherwise have been payable by it.
- 17.3.5. The rights of the holder of a Tier 2 Note shall be subject to any condition which requires such Tier 2 Note to either be Written Off or Converted upon the occurrence of a Trigger Event in accordance with the applicable Regulatory Capital Requirements in respect of Tier 2 Notes (and subject further to the Regulatory Capital Requirements, including such Additional Conditions (if any) as are prescribed by the Relevant Authority in respect of a Tranche of Tier 2 Notes) and as further contemplated in Conditions 6.4 (*Write Off or Conversion of Subordinated Notes*) to 6.14 (*Regulatory Capital Requirements and Additional Conditions*).

17.4. Additional Tier 1 Notes

- 17.4.1. This Condition 17.4 (*Additional Tier 1 Notes*) applies only to Additional Tier 1 Notes, is only for the benefit of Additional Tier 1 Noteholders and is subject to Condition 6.9 (*No default*).
- 17.4.2. Notwithstanding any of the provisions below in this Condition 17.4 (*Additional Tier 1 Notes*):
- 17.4.2.1. the remedies available to Additional Tier 1 Noteholders in circumstances where payment of principal or interest (as the case may be) has become due and payable, but remains unpaid, are limited to the right to institute winding-up proceedings; and
- 17.4.2.2. payment of any Interest Amount in respect of Additional Tier 1 Notes will not be due if the Issuer has elected or is obliged to elect not to pay that Interest Amount (or any portion thereof) pursuant to Condition 8.1 (*Non-payment of interest*).
- 17.4.3. If the Issuer fails to pay any amount falling due in respect of any Series of Additional Tier 1 Notes and the failure to pay has continued for more than 10 (ten) Business Days following the service on the Issuer of a written notice requiring that breach to be remedied (unless such non-payment is caused by an administrative error or technical difficulties affecting the transfer of funds and is remedied within 3 (three) Business Days after the due date), any Additional Tier 1 Noteholder of that Series may, subject to Condition 6.3 (*Status of Additional Tier 1 Notes*), and subject as provided below, at its discretion and without further notice, institute proceedings for the winding-up of the Issuer, but may not take any other action in respect of that default; provided that no action may be taken by an Additional Tier 1 Noteholder if the Issuer withholds or refuses to make any such payment in order to comply with any Applicable Law or to comply with any order of a court of competent jurisdiction. Where there is doubt as to the validity or applicability of any such Applicable Law or order, the Issuer will not be in default if it acts on the advice given to it by independent legal advisers of recognised standing during the aforementioned grace period.
- 17.4.4. Without prejudice to Conditions 17.4.2 and 17.4.3, if the Issuer breaches any of its obligations under the Additional Tier 1 Notes (other than any payment obligation arising out of or in connection with the Additional Tier 1 Notes, including but not limited to in respect of the payment of principal or interest on such Additional Tier 1 Notes), then each Additional Tier 1 Noteholder may, at its

discretion and without further notice, but subject to the Regulatory Capital Requirements, bring such proceedings as it may think fit to enforce the obligation in question, provided that the Issuer shall not, as a result of the bringing of any such proceedings, be obliged to pay any sum representing or measured by reference to principal or interest on or satisfy any other payment obligation in relation to such Series of Additional Tier 1 Notes earlier than the same would otherwise have been payable by it.

- 17.4.5. The rights of the holder of an Additional Tier 1 Note shall be subject to any condition which requires such Additional Tier 1 Note to either be Written Off or Converted upon the occurrence of a Trigger Event in accordance with the applicable Regulatory Capital Requirements in respect of Additional Tier 1 Notes (and subject further to the Regulatory Capital Requirements, including such Additional Conditions (if any) as are prescribed by the Relevant Authority in respect of a Tranche of Additional Tier 1 Notes) and as further contemplated in Conditions 6.4 (*Write Off or Conversion of Subordinated Notes*) to 6.14 (*Regulatory Capital Requirements and Additional Conditions*).

17.5. Notification of Event of Default

If the Issuer becomes aware of the occurrence of any Event of Default, the Issuer shall forthwith notify all Noteholders in accordance with Condition 19 (*Notices*) and the JSE in writing.

18. **ISSUER AGENT AND PARTICIPANT**

- 18.1. Any third party appointed by the Issuer as Issuer Agent, Participant or otherwise shall act solely as the agent of the Issuer and does not assume any obligation towards or relationship of agency or trust for or with any Noteholders. The Issuer is entitled to vary or terminate the appointment of such agents and/or appoint additional or other agents and/or approve any change in the specified office through which any agent acts, provided that there will at all times be an Issuer Agent and Participant with an office in such place as may be required by the Applicable Procedures.
- 18.2. To the extent that the Issuer acts as the Issuer Agent, all references in these Terms and Conditions to:
- 18.2.1. any action, conduct or functions in such role shall be understood to mean that the Issuer shall perform such action, conduct or functions itself; and
- 18.2.2. requirements for consultation, indemnification by or of, payment by or to, delivery by or to, notice by or to, consent by or to or agreement between the Issuer and

such Issuer Agent, as the case may be, shall be disregarded to the extent that the Issuer performs such role.

19. NOTICES

19.1. Notice by the Issuer to Noteholders holding certificated Notes

19.1.1. All notices to Noteholders in respect of Registered Notes issued in certificated form shall be sent by registered mail or delivered by hand to their addresses appearing in the Register. Any such notice shall be deemed to have been given on the 7th (seventh) day after the day on which it is mailed and on the day of delivery if delivered.

19.1.1.1. In the event of there being any Individual Certificates in issue, notices to such Noteholders shall be published:

19.1.1.1.1. in an English language daily newspaper of general circulation in South Africa; and

19.1.1.1.2. for so long as the Notes are listed on the JSE or such other Financial Exchange, a daily newspaper of general circulation in the city in which the JSE or such other Financial Exchange is situated or any electronic news service of general distribution,

and any such notices shall be deemed to have been given on the date of first publication.

19.2. Notice by the Issuer to Noteholders holding uncertificated Notes

For as long as any of the Notes are issued in uncertificated form and are held in their entirety in the CSD, all notices in respect of such Notes shall be by way of delivery by the Issuer to the CSD, the Participants and the JSE or such other Financial Exchange on which the Notes are listed for communication by them to holders of Beneficial Interests in such Notes in accordance with the Applicable Procedures. Each such notice shall be deemed to have been received by the holders of Beneficial Interests on the day of delivery of such notice to the CSD.

19.3. Notice by the Noteholders to the Issuer

A notice to be given by any Noteholder to the Issuer shall be in writing and given by lodging (either by hand delivery or posting by registered mail) that notice, together with a certified copy of the relevant Individual Certificate at the office of the Issuer Agent specified in the Applicable Pricing Supplement. For so long as any of the Notes are issued in uncertificated form, notice

may be given by any holder of a Beneficial Interest in such Notes to the Issuer via the relevant Issuer in accordance with the Applicable Procedures, in such manner as the Issuer and the relevant Issuer may approve for this purpose. Such notices shall be deemed to have been received by the Issuer, if delivered by hand, on the second Business Day after being hand delivered, or, if sent by registered mail, 7 (seven) days after posting.

19.4. Notice in relation to Notes listed on the JSE

In addition to the provisions of Conditions 19.1, 19.2 and 19.3, for so long as any Notes are listed on the JSE, all notices in respect of such JSE-listed Notes, shall be made by way of an announcement on SENS.

20. **AMENDMENT OF THESE CONDITIONS**

- 20.1. Subject to the Companies Act, any regulations promulgated under the Companies Act, the JSE Debt Listings Requirements and the listings requirements of any other applicable Financial Exchange, as the case may be, the Issuer may effect, without the consent of the Noteholders or the relevant Class of Noteholders, any modification of the Terms and Conditions which is of a technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated and the governing law in accordance with which Notes are issued.
- 20.2. Upon making any modification of the Terms and Conditions which is of a technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law as contemplated in Condition 20.1 above, the Issuer will submit the amended Terms and Conditions to the JSE immediately upon finalising such amendments. Thereafter, the Issuer will release an announcement on SENS, providing a summary of the amendments made, and information regarding where the amended Terms and Conditions will be available for inspection.
- 20.3. Save as provided in Condition 20.1, no amendment, variation or modification of these Terms and Conditions may be effected unless:
- 20.3.1. in writing and signed by or on behalf of the Issuer and by or on behalf of the members of the Noteholders or relevant Class of Noteholders holding not less than 66.67% (sixty-six point six seven percent) in Aggregate Nominal Amount, of all of the Notes Outstanding or relevant Class of Notes for the time being Outstanding; or
- 20.3.2. sanctioned by an Extraordinary Resolution of the Noteholders or relevant Class of Noteholders,

provided that no such amendment, variation or modification shall be of any force or effect unless notice of the intention to make such amendment, variation or modification shall have been given to all of the relevant Class of Noteholders in terms of Condition 19 (*Notices*) of the Terms and Conditions.

- 20.4. The Issuer shall be obliged to first obtain approval from the JSE prior to seeking the approval of the Noteholders or relevant Noteholders as contemplated in Condition 20.3, or otherwise making any other modification of the Terms and Conditions applicable to Notes listed on the JSE.
- 20.5. The Issuer shall effect any modification of the Terms and Conditions, strictly in accordance with the JSE Debt Listings Requirements in force from time to time.
- 20.6. Any modification of the Terms and Conditions applicable to Subordinated Capital Notes in accordance with Condition 11.6 (*Substitution or variation*) or this Condition 20 (*Amendment of these Conditions*) is subject, if and to the extent that such consent is required under the Regulatory Capital Requirements, to the Issuer obtaining the consent of the Relevant Authority.
- 20.7. Any such modification shall be binding on the relevant Class of Noteholders and any such modification shall be notified to the relevant Class of Noteholders in accordance with Condition 19 (*Notices*) of the Terms and Conditions as soon as practicable after making such modification.
- 20.8. For the avoidance of doubt:
 - 20.8.1. the provision of any rights of security to or for the benefit of any Class of Noteholders in accordance with Condition 7 (*Negative Pledge*) of the Terms and Conditions or the exercise by the Issuer of its rights under Condition 18 (*The Issuer Agent*) shall not constitute a modification of these Terms and Conditions; and
 - 20.8.2. it is recorded that the Applicable Pricing Supplement in relation to any Tranche of Notes may specify any other terms and conditions which shall, to the extent so specified or the extent inconsistent with the Terms and Conditions, amend, replace or modify the Terms and Conditions for purposes of such Tranche of Notes. The issuing of any Applicable Pricing Supplement shall not constitute an amendment of these Terms and Conditions requiring the approval of the JSE.

21. MEETINGS OF NOTEHOLDERS

21.1. Convening of meetings

The Issuer may at any time convene a meeting of all Noteholders or holders of any Series of Notes, and shall be obliged to do so upon the request in writing of Noteholders holding not less than 10% (ten percent) of the aggregate Nominal Amount of all Notes or Notes in that Series, as the case may be, for the time being Outstanding (a “**requisition notice**”). Should the Issuer fail to requisition a meeting within 30 (thirty) days of such a requisition notice being delivered to the Specified Office of the Issuer, the Noteholders requesting such a meeting may convene such meeting by written notice to the Issuer and the relevant Noteholders to which such meeting applies in accordance with Condition 19 (*Notices*) of the Terms and Conditions. A meeting so convened must be held within 90 (ninety) days from the date of the requisition notice and will be convened as nearly as possible in the same manner as that in which meetings may be convened by the Issuer. All meetings of Noteholders shall comply with the mandatory provisions of the law, including the Companies Act (notwithstanding that the Companies Act refers to meetings of shareholders) and the JSE Debt Listings Requirements in force from time to time.

21.2. Notice

21.2.1. Notice of Written Resolution

21.2.1.1. If Noteholder approval is requested to be given by way of a written resolution, written notice shall be given to the relevant Noteholders and the Issuer Agent (with a copy to the Issuer). The notice shall set out the nature of the business for which the relevant resolution is proposed to be passed, shall include the full text of any resolutions proposed, any restrictions on voting in terms of the Programme Memorandum, the last date on which a Noteholder may submit its vote in writing on the resolution, and the address where the vote must be submitted.

21.2.1.2. The notice will provide the relevant Noteholders with 20 Business Days in which to consider and vote on the relevant written resolution. If the holders in aggregate, of 100% (one hundred percent) of the aggregate Nominal Amount of the Notes Outstanding or relevant Series of Notes Outstanding, as the case may be, pass such relevant written resolution within the 20 Business Day period, then such relevant written resolution shall be deemed to have been passed. Should the relevant Noteholders not pass the relevant written

resolution in the prescribed period of 20 Business Days, such relevant written resolution shall be deemed to have lapsed and a meeting of Noteholders may then be called, in accordance with Condition 21 (*Meetings of Noteholders*).

21.2.1.3. All notices of written resolutions shall comply with the mandatory provisions of the law, including the Companies Act and the JSE Debt Listings Requirements in force from time to time.

21.2.2. Notice of Meetings

21.2.2.1. Unless the holders of 100% (one hundred percent) of the aggregate Nominal Amount of the Notes Outstanding or relevant Series of Notes Outstanding, as the case may be, agree in writing to a shorter period, at least 21 (twenty one) business days' prior written notice (exclusive of the day on which the notice is given and of the day on which the relevant meeting is to be held) specifying the date, time and place of the meeting shall be given to the Noteholders and the Issuer Agent (with a copy to the Issuer). Every such meeting shall be held at such time and place as the Issuer Agent may approve. The notice shall set out the nature of the business for which the meeting is to be held, the full text of any resolutions to be proposed and shall state that a Noteholder may appoint a proxy (as defined below) by delivering a form of proxy (as defined below) to the Specified Office of the Issuer Agent by no later than 24 (twenty-four) hours before the time fixed for the meeting.

21.2.2.2. The Issuer will, for so long as any Note remains Outstanding and listed on the JSE, announce, by electronically publishing such announcement on SENS, or any other similar service, established by the JSE, the notice of meeting, the date that the Issuer has selected to determine which Noteholders recorded in the Register will receive the notice of meeting and the last date by which proxy forms must be submitted.

21.2.2.3. A requisition notice by Noteholders requesting a meeting of Noteholders pursuant to Condition 21.1 (*Convening of meetings*) may consist of several documents in like form, each signed by one or more requisitioning Noteholders. Such a requisition notice will be delivered to the Specified Office of the Issuer.

21.3. Proxy

- 21.3.1. A Noteholder may by an instrument in writing (a “**form of proxy**”) signed by the Noteholder or, in the case of a juristic person, signed on its behalf by an attorney or a duly authorised officer of the juristic person, appoint any Person (a “**proxy**”) to act on his or its behalf in connection with any meeting or proposed meeting of the Noteholders. A Person appointed to act as proxy need not be a Noteholder.
- 21.3.2. Any Noteholder which is a juristic person may by resolution of its directors or other governing body authorise any Person to act as its Representative in connection with any meeting or proposed meeting of the Noteholders.
- 21.3.3. Any proxy or Representative appointed shall, so long as the appointment remains in force, be deemed for all purposes in connection with any meeting or proposed meeting of the Noteholder specified in the appointment, to be the holder of the Notes to which the appointment relates and the holder of the Notes shall be deemed for such purposes not to be the holder. All acts performed by the proxy, and all forms of proxy shall comply with the mandatory provisions of the law, including the Companies Act (notwithstanding that the Companies Act refers to meetings of shareholders) and the JSE Debt Listings Requirements in force from time to time.

21.4. Chairperson

The chairperson (who may, but need not, be a Noteholder) of the meeting shall be appointed by the Issuer. The procedures to be followed at the meeting shall be as determined by the chairperson subject to the remaining provisions of this Condition 21 (*Meetings of Noteholders*). Should the Noteholder requisition a meeting, and the Issuer fail to call such a meeting within 30 (thirty) days of the requisition, then the chairperson of the meeting held at the instance of the Noteholders shall be selected by a majority of Noteholders present in Person, by Representative or by proxy. The chairperson of an adjourned meeting need not be the same Person as was chairperson of the original meeting.

21.5. Quorum

- 21.5.1. At any such meeting one or more Noteholders present in Person, by Representative or by proxy, holding in aggregate not less than 30 (thirty) percent of the Nominal Amount of Notes held by the applicable Class of Noteholders for the time being Outstanding, shall form a quorum for the consideration of an Ordinary Resolution.

- 21.5.2. The quorum at any such meeting for passing an Extraordinary Resolution shall be one or more Noteholders of that Class of Noteholders present or represented by proxies or Representatives and holding or representing in the aggregate a simple majority in Nominal Amount of the Notes held by the applicable Class of Noteholders for the time being Outstanding.
- 21.5.3. No business will be transacted at a meeting of the Noteholders unless a quorum is present at the time when the meeting proceeds to business.
- 21.5.4. If within 1 (one) hour after the time fixed for any such meeting a quorum is not present, then:
- 21.5.4.1. in the case of a meeting requested by Noteholders, it shall be dissolved; or
- 21.5.4.2. in the case of any other meeting, it shall be adjourned for such period (which shall be not less than 14 (fourteen) days and not more than 21 (twenty-one) days) and to such time and place as the chairperson determines and approved by the Issuer Agent; provided, however, that the meeting shall be dissolved if the Issuer so decides.

21.6. Adjournment of meetings

- 21.6.1. Subject to the provisions of this Condition 21 (*Meetings of Noteholders*), the chairperson may, with the consent of (and shall if directed by) any Noteholders, adjourn a meeting of Noteholders or a Class of Noteholders from time to time and from place to place. All adjournments of meetings shall comply with the mandatory provisions of the law, including the Companies Act (notwithstanding that the Companies Act refers to meetings of shareholders) and the JSE Debt Listings Requirements in force from time to time.
- 21.6.2. No business shall be transacted at any adjourned meeting except business left unfinished, and which might lawfully have been transacted, at the meeting from which adjournment took place.

21.7. Notice following adjournment

- 21.7.1. Condition 21.2 (*Notice*) shall apply to any meeting which is to be resumed after adjournment for want of a quorum save that:
- 21.7.1.1. 7 (seven) days' notice (exclusive of the day on which the notice is given and of the day on which the relevant meeting is to be held) shall be sufficient; and

21.7.1.2. the notice shall state that that one or more Noteholders present in Person, by Representative or by proxy whatever the Nominal Amount of the Notes held or represented by them will form a quorum for the purpose of considering any resolution, including an Extraordinary Resolution.

21.7.2. It shall not be necessary to give notice of the resumption of a meeting which has been adjourned for any other reason.

21.8. Participation

The following may attend and speak at a meeting:

21.8.1. Noteholders present, by Representative or by proxy provided that no such Person shall be entitled to attend and speak (or vote) unless he provides proof acceptable to the Issuer that he is a Noteholder, its Representative or proxy if so required by the Issuer to do so;

21.8.2. any officer or duly appointed representative of the Issuer and every other Person authorised in writing by the provided that such Person shall not be entitled to vote, other than as a proxy or Representative;

21.8.3. the legal counsel to the Issuer;

21.8.4. the Issuer Agent;

21.8.5. any other Person approved by the Noteholders at such meeting; and

21.8.6. every director or duly appointed representative of the Issuer and every other Person authorised in writing by the Issuer may attend and speak at a meeting of Noteholders, but shall not be entitled to vote, other than as a proxy or Representative.

21.9. Poll

Except where otherwise provided, every resolution proposed to be passed at a meeting shall be decided in the first instance on a poll. Any resolution proposed on the election of the chairperson or on any question of adjournment shall be taken at the meeting without adjournment.

21.10. Show of hands

A demand for a vote by show of hands shall be valid if it is made by the chairperson, the Issuer or one or more Noteholders present, by Representative or by proxy (whatever the Nominal

Amount of Notes held or represented by them). Unless a resolution has already been validly passed on a poll, the chairperson's declaration that on a show of hands a resolution has been passed, passed by a particular majority, rejected or rejected by a particular majority shall be conclusive, without proof of the number of votes cast for, or against, the resolution. A valid demand for a vote by show of hands shall not prevent the continuation of the relevant meeting for any other business as the chairperson directs.

21.11. Votes

- 21.11.1. Every Noteholder present in Person, by Representative or by proxy and who provided proof acceptable to the Issuer of his entitlement to vote, if so required by the Issuer, shall have one vote per Specified Denomination (or the nearest rounded off multiple thereof) of the relevant Series of Notes Outstanding held or represented by him.
- 21.11.2. The holders of Beneficial Interests in Notes must vote in accordance with the Applicable Procedures. Notwithstanding any other provision contained in this Condition 21 (*Meetings of Noteholders*), the Noteholder in respect of Uncertificated Notes shall vote on behalf of holders of Beneficial Interests in such Notes in accordance with the instructions from the holders of Beneficial Interests conveyed through the Participants in accordance with the Applicable Procedures.
- 21.11.3. Unless the form of proxy states otherwise, a Representative or proxy shall not be obliged to exercise all the votes which he is entitled or cast all the votes which he exercises in the same way.

21.12. Validity of votes by proxies

Any vote by a proxy in accordance with the form of proxy shall be valid even if such form of proxy or any instruction pursuant to which it was given has been amended or revoked, provided that the Issuer Agent or the Issuer at its Specified Office has not been notified in writing of such amendment or revocation by the time which is 24 (twenty four) hours before the time fixed for the relevant meeting. Unless revoked, any appointment of a proxy under a form of proxy in relation to a meeting shall remain in force in relation to any resumption of such meeting following an adjournment.

21.13. Powers

21.13.1. A meeting of Noteholders will have the power, in addition to all powers specifically conferred elsewhere in the Terms and Conditions:

21.13.1.1. by Ordinary Resolution of the Noteholders to give instructions to the Issuer in respect of any matter not covered by the Terms and Conditions (but without derogating from the powers or discretions expressly conferred upon the Issuer by the Terms and Conditions or imposing obligations on the Issuer not imposed or contemplated by the Terms and Conditions or otherwise conflicting with or inconsistent with the provisions of the Terms and Conditions); and

21.13.1.2. by Extraordinary Resolution:

21.13.1.2.1. to sanction any compromise or arrangement proposed to be made between the Issuer and the Class of Noteholders or any of them; or

21.13.1.2.2. assent to any modification of the provisions contained in the Terms and Conditions which shall be proposed by the Issuer.

21.13.2. Unless otherwise specified, decisions of Noteholders are valid if it is made in terms of an Ordinary Resolution.

21.14. Binding effect of resolutions

Any resolution passed in accordance with the provisions hereof and agreed to by the Issuer shall be binding upon all Noteholders whether or not present at such meeting and whether or not voting (or whether or not they signed any written resolution, as the case may be), and each Noteholder shall be bound to give effect thereto.

21.15. Notice of the result of voting on any resolution

Notice of the result of the voting on any resolution (including any Extraordinary Resolution) duly considered by the Noteholders shall be given to the Noteholders via an announcement on SENS within 48 (forty-eight) hours of the conclusion of the meeting or after the responses to the written resolution have been received. Non-publication shall not invalidate any such resolution.

21.16. Minutes

Minutes shall be made of all resolutions and proceedings of meetings by the Issuer Agent and duly entered in books to be provided by the Issuer for that purpose. The chairperson shall sign the minutes, which shall be *prima facie* evidence of the proceedings recorded therein. Unless and until the contrary is proved, every such meeting in respect of which minutes have been summarised and signed shall be deemed to have been duly convened and held and all resolutions passed thereat, or proceedings held, to have been duly passed and held.

22. **FURTHER ISSUES**

The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further Notes having terms and conditions the same as any of the other Notes issued under the Programme or the same in all respects save for the amount and date of the first payment of interest thereon, the Issue Price and the Issue Date, so that the further Notes shall be consolidated to form a single Series with the relevant Outstanding Notes.

23. **GOVERNING LAW**

Unless otherwise specified in the Applicable Pricing Supplement, the Programme Memorandum, the Notes and all rights and obligations to the Notes are governed by, and shall be construed in accordance with, the laws of South Africa in force from time to time.

USE OF PROCEEDS

The net proceeds of the issue of each Tranche of Notes will be applied by the Issuer for its general corporate purposes. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the Applicable Pricing Supplement.

Subject to the applicable Regulatory Capital Requirements, the proceeds of the issue of a Tranche of Tier 2 Notes will rank as Tier 2 Capital, and the proceeds of the issue of a Tranche of Additional Tier 1 Notes will rank as Additional Tier 1 Capital, as specified in the Applicable Pricing Supplement.

SIGNED at SANDTON on this 1 day of NOVEMBER, 2018

For: FIRSTRAND BANK LIMITED

Signature: *Carnita Low*
 who warrants that he / she is duly authorised thereto

Name: CARNITA LOW

Capacity: Authorised Signatory

Signature: *[Signature]*
 who warrants that he / she is duly authorised thereto

Name: ANDRIES DU TOIT

Capacity: Authorised Signatory

DESCRIPTION OF FIRSTRAND BANK LIMITED

All information pertaining, *inter alia*, to the description of the Issuer, its business, legal status, management and corporate governance will be incorporated by reference and will be available on the website of the Issuer, <https://www.firststrand.co.za/InvestorCentre/Pages/debt-programmes.aspx>, and will be amended from time to time.

OVERVIEW OF THE BANKING SECTOR IN SOUTH AFRICA

All information pertaining to the Overview of the Banking Sector in South Africa will be incorporated by reference and will be published on the website of the Issuer, <https://www.firststrand.co.za/InvestorCentre/Pages/debt-programmes.aspx>.

OVERVIEW OF REGULATORY CAPITAL REQUIREMENTS

Words used in this section headed “Overview of Regulatory Capital Requirements” shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.

The information contained below is intended to be a summary of the regulatory capital requirements which may be applicable to Tier 2 Notes and Additional Tier 1 Notes as at the Programme Date, and is subject to change or any Additional Conditions as may be prescribed by the Relevant Authority in respect of a particular Tranche of Subordinated Capital Notes. The summary is of a general nature, is included herein solely for information purposes and does not constitute advice. The Issuer makes no representation and gives no warranty or undertaking, express or implied, and accepts no responsibility for the accuracy or completeness of the information contained in this section.

Prospective investors in the Notes should therefore (i) read the summary below in conjunction with the Banks Act and the applicable Regulations Relating to Banks, including but not limited to regulation 38, and (ii) consult their own professional advisers.

Tier 2 Notes

The issue of Tier 2 Notes requires the prior written approval of the Prudential Authority in terms of section 79(1)(b) of the Banks Act.

Conditions for the issue of Tier 2 Notes

Subordinated Capital Notes the proceeds of which rank as Tier 2 Capital must adhere to the following requirements:

- (a) In the case of any instrument or share that is subordinated to depositors and general creditors:
 - (i) the terms and conditions of the instrument shall contain a provision that requires such instrument, at the option of the Prudential Authority, to either be written off or converted into the most subordinated form of equity upon the occurrence of the trigger event specified in writing by the Prudential Authority, unless duly enforceable legislation is in place that:
 - (A) requires the instrument to be written off upon the occurrence of the aforesaid event; or
 - (B) otherwise requires the instrument to fully absorb loss before tax payers or ordinary depositors are exposed to loss,

and the bank or controlling company complies with such further requirements as may be directed by the Prudential Authority in writing.

Provided that:

- (i) any compensation paid to the instrument holders as a result of the aforesaid write-off shall be paid immediately and in the form of the most subordinated form of equity of the relevant bank or its controlling company, and the bank or controlling company, as the case may be, shall at all times maintain all prior authorisation necessary to immediately issue the relevant number of shares specified in the instrument's terms and conditions should the trigger event occur;
- (ii) the issuance of any new shares as a result of the trigger event shall occur prior to any public sector injection of capital so that the capital provided by the public sector shall not be diluted; and
- (iii) as a minimum, the aforesaid trigger event shall be the earlier of:
 - (aa) a decision that a write off, without which the bank or controlling company would become non-viable, is necessary, as determined by the Prudential Authority; or
 - (bb) the decision to make a public sector injection of capital, or equivalent support, without which the bank or controlling company would have become non-viable, as determined by the Prudential Authority;
- (ii) the bank or controlling company, as the case may be, shall obtain the prior written approval of the Prudential Authority before the instrument or share is issued;
- (iii) the key features of the relevant instruments or shares shall be duly disclosed in the annual financial statements or other relevant disclosures to the general public;
- (iv) the instrument or share:
 - (A) shall be issued and fully paid;
 - (B) shall be neither secured nor covered by any guarantee of the issuer or related or associated entity, or be subject to any other arrangement that legally or economically enhances the seniority of the claim;
 - (C) shall have a minimum original maturity of more than five years, provided that during the fifth year preceding the maturity of the relevant instrument the amount qualifying as tier 2 capital shall be reduced by an amount equal to 20 per cent of the amount so obtained and, annually thereafter, by an amount that in each successive year is increased by 20 per cent of the amount so obtained, as set out in table 1 below:

Table 1

Years to maturity	Qualifying amount included in tier 2 capital	Specified reduction
5 years or more	100%	0%
4 years and more but less than 5 years	80%	20%
3 years and more but less than 4 years	60%	40%
2 years and more but less than 3 years	40%	60%
1 year and more but less than 2 years	20%	80%
Less than 1 year	0%	100%

- (D) shall not contain any provision for step-up or other incentive to redeem;
- (E) shall not have any credit sensitive dividend feature, that is, a dividend or coupon that is periodically reset based in whole or in part on the bank's credit standing or rating;
- (F) shall not be held or acquired by the bank or any person related to or associated with the bank over which the bank exercises or may exercise control or significant influence;
- (G) shall not be funded directly or indirectly by the relevant bank or controlling company;
- (H) may be callable at the sole initiative of the issuer only after a minimum period of five years, provided that:
- (i) the bank shall obtain the prior written approval of the Prudential Authority before exercising the said call;
 - (ii) the bank shall not create any expectation that such call will be exercised;
 - (iii) the bank shall not exercise the call unless the bank:

- (aa) concurrently replaces the called instrument with capital of similar or better quality and the replacement of capital is done at conditions that are sustainable for/with the income capacity of the bank; or
- (bb) demonstrates to the satisfaction of the Prudential Authority that its capital position shall be well above the relevant specified minimum capital requirements after the call option is exercised;
- (v) the investor shall not have any right to accelerate the repayment of future scheduled payments, such as coupon or principal, except in the case of bankruptcy and/or liquidation; and
- (vi) when the instrument or share is issued by a special purpose vehicle or institution, instead of by an operating entity, that is, an entity established to conduct business with clients with the intention of earning a profit in its own right, or the relevant controlling company in the consolidated group, the proceeds shall be immediately available without limitation to an operating entity or the controlling company in a form that meets or exceeds all the relevant criteria for inclusion in tier 2 capital specified above.

Additional Tier 1 Notes

The issue of Additional Tier 1 Notes requires the prior written approval of the Prudential Authority in terms of section 79(1)(b) of the Banks Act.

Conditions for the issue of Additional Tier 1 Notes

Subordinated Capital Notes the proceeds of which rank as Additional Tier 1 Capital must adhere to the following requirements:

- (b) The relevant proceeds of any instrument or share that as a minimum meets or complies with all the conditions specified below may rank as additional tier 1 capital:
 - (i) the terms and conditions of the instrument shall contain a provision that requires such instrument, at the option of the Prudential Authority, to either be written off or converted into the most subordinated form of equity upon the occurrence of the trigger event specified in writing by the Prudential Authority, unless duly enforceable legislation is in place:
 - (A) that requires the instrument to be written off upon the occurrence of the aforesaid event; or
 - (B) that otherwise requires the instrument to fully absorb loss before tax payers or ordinary depositors are exposed to loss,

and the bank or controlling company complies with such further requirements as may be directed by the Prudential Authority in writing.

Provided that:

- (i) any compensation paid to the instrument holders as a result of the aforesaid write-off shall be paid immediately and in the form of the most subordinated form of equity of the relevant bank or its controlling company, and the bank or controlling company, as the case may be, shall at all times maintain all prior authorisation necessary to immediately issue the relevant number of shares specified in the instrument's terms and conditions should the trigger event occur;
- (ii) the issuance of any new shares as a result of the trigger event shall occur prior to any public sector injection of capital so that the capital provided by the public sector shall not be diluted; and
- (iii) as a minimum, the aforesaid trigger event shall be the earlier of:
 - (aa) a decision that a write off, without which the bank or controlling company would become non-viable, is necessary, as determined by the Prudential Authority; or
 - (bb) the decision to make a public sector injection of capital, or equivalent support, without which the bank or controlling company would have become non-viable, as determined by the Prudential Authority;
- (ii) the bank or controlling company, as the case may be, shall obtain the prior written approval of the Prudential Authority before the instrument or share is issued;
- (iii) the key features of the relevant instruments or shares shall be duly disclosed in the annual financial statements or other relevant disclosures to the general public;
- (iv) the instrument or share:
 - (A) shall be issued by the relevant bank or controlling company and shall be paid in full by the relevant investor;
 - (B) shall be neither secured nor covered by a guarantee of the issuer or any related entity, or another arrangement that legally or economically enhances the seniority of the claim;
 - (C) shall be perpetual, that is, the instrument or share shall have no maturity date, and there shall be no provision for step-up or other incentive to redeem the instrument or share;
 - (D) may be callable at the sole initiative of the issuer only after a minimum period of five years, provided that:
 - (i) the relevant bank or controlling company, as the case may be, shall obtain the prior written approval of the Prudential Authority before exercising the said call;

- (ii) neither the bank nor the controlling company shall create any expectation that such call will be exercised;
 - (iii) the bank or controlling company shall not exercise the call unless the bank or controlling company:
 - (aa) concurrently replaces the called instrument with capital of similar or better quality and the replacement of capital is done at conditions that are sustainable for the income capacity of that bank or controlling company; or
 - (bb) demonstrates to the satisfaction of the Prudential Authority that its capital position shall be well above the relevant specified minimum capital requirements after the call option is exercised;
- (E) shall not be held or acquired by the bank or any person related to or associated with the bank over which the bank exercises or may exercise control or significant influence;
- (F) shall not be funded directly or indirectly by the relevant bank or controlling company;
- (G) shall not contain any feature that may hinder any potential future recapitalisation, such as, for example, a provision that requires the issuer to compensate investors if a new instrument is issued at a lower price during a specified time frame;
- (H) shall under no circumstances contribute to liabilities exceeding assets if such a balance sheet test, for example, forms part of any insolvency law or insolvency proceedings, provided that any instrument classified as a liability or equity in terms of a Financial Reporting Standard shall have principal loss absorption through either:
 - (i) conversion to common or ordinary shares at an objective pre-specified trigger point;
 - (ii) a write-down mechanism that allocates losses to the instrument at a pre-specified trigger point, which write-down mechanism, as a minimum:
 - (aa) shall reduce the claim of the instrument in liquidation;
 - (bb) shall reduce the amount re-paid when a relevant related call is exercised; and
 - (cc) shall partially or fully reduce any relevant coupon or dividend payments on the instrument;
- (v) the relevant bank or controlling company shall obtain the prior written approval of the Prudential Authority before any repayment of principal is considered by way of, for example, repurchase or redemption, provided that the bank or controlling company shall not assume or create market expectation that the Prudential Authority will grant approval;

- (vi) the relevant bank or controlling company shall at all times have full discretion regarding any relevant distribution or payment of dividend, provided that:
 - (A) cancellation of a discretionary payment shall not constitute an event of default;
 - (B) the relevant bank or controlling company shall have full access to cancelled payments to meet any relevant obligation as it falls due;
 - (C) any cancellation of a distribution or payment of dividend shall not impose any restriction on the bank or controlling company, except in relation to a distribution to holders of more deeply subordinated shares or instruments;
 - (D) any dividend or coupon payment shall be paid out of distributable reserves, such as retained earnings; and
 - (E) the relevant underlying instrument shall not have any credit sensitive dividend feature, that is, a dividend or coupon that is periodically reset based in whole or in part on the bank or controlling company's credit standing or rating;

- (vii) when the instrument or share is issued by a special purpose vehicle or institution, instead of by an operating entity, that is, an entity established to conduct business with clients with the intention of earning a profit in its own right, or the relevant controlling company in the consolidated group, the proceeds shall be immediately available without limitation to an operating entity or the controlling company in a form that meets or exceeds all the relevant criteria for inclusion in additional tier 1 capital specified above.

SETTLEMENT, CLEARING AND TRANSFER OF NOTES

Words used in this section headed "Settlement, Clearing and Transfer of Notes" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.

Notes listed on the Interest Rate Market of the JSE and/or held in the CSD

Each Tranche of Notes which is listed on the Interest Rate Market of the JSE will be held in the CSD. A Tranche of unlisted Notes may also be held in the CSD.

Clearing systems

Each Tranche of Notes listed on the Interest Rate Market of the JSE and/or unlisted Notes that are held in the CSD will be issued, cleared and settled in accordance with the rules and operating procedures for the time being of the JSE and the CSD through the electronic settlement system of the CSD. Such Notes will be cleared by Participants who will follow the electronic settlement procedures prescribed by the JSE and the CSD.

The CSD has, as the operator of an electronic clearing system, been appointed by the JSE to match, clear and facilitate the settlement of transactions concluded on the JSE. Subject as aforesaid, each Tranche of Notes which is listed on the Interest Rate Market of the JSE and/or unlisted Notes that are held in the CSD will be issued, cleared and transferred in accordance with the Applicable Procedures and the Terms and Conditions, and will be settled through Participants who will comply with the electronic settlement procedures prescribed by the JSE and the CSD. The Notes may be accepted for clearance through any additional clearing system as may be agreed between the JSE, the Issuer and the Dealer(s).

Participants

The CSD maintains accounts for Participants only. As at the date of the Programme Memorandum, the Participants which are approved by the CSD, in terms of the rules of the CSD, and who act as settlement agents to perform electronic settlement of funds and scrip include (but are not limited to) FirstRand Bank Limited, Nedbank Limited, Citibank N.A., South Africa branch, Standard Chartered Bank, Johannesburg branch, Société Générale, Johannesburg branch. The Standard Bank of South Africa Limited and the SARB. Euroclear, as operator of the Euroclear System, and Clearstream will settle off-shore transfers in the Notes through their Participants.

Settlement and clearing

Participants will be responsible for the settlement of scrip and payment transfers through the CSD, the JSE and the SARB.

While a Tranche of Notes is held in its entirety in the CSD, the Register will indicate that the entire Tranche of Notes is held in uncertificated form in the CSD. The party recorded in the Uncertificated Securities Register in

accordance with Applicable Laws and the Applicable Procedures will be named in the Register as the registered Noteholder of the Notes in that Tranche. All amounts to be paid and all rights to be exercised in respect of Notes held in the CSD will be paid to and may be exercised only by the CSD for the holders of Beneficial Interests in such Notes.

In relation to each person shown in the records of the CSD or the relevant Participant, as the case may be, as the holder of a Beneficial Interest in a particular Nominal Amount of Notes, a certificate or other document issued by the CSD or the relevant Participant, as the case may be, as to the Nominal Amount of such Notes standing to the account of such person shall be *prima facie* proof of such Beneficial Interest. The CSD (as the registered Noteholder of such Notes named in the Register) will be treated by the Issuer, the Issuer Agent and the relevant Participant as the holder of that aggregate Nominal Amount of such Notes for all purposes.

Payments of all amounts in respect of a Tranche of Notes issued in uncertificated form and held in the CSD will be made to the CSD, as the registered Noteholder of such Notes, which in turn will transfer such funds, via the Participants, to the holders of Beneficial Interests. Each of the persons reflected in the records of the CSD or the relevant Participant, as the case may be, as the holders of Beneficial Interests in Notes shall look solely to the CSD or the relevant Participant, as the case may be, for such person's share of each payment so made by (or on behalf of) the Issuer to, or for the order of, the CSD, as the registered Noteholder of such Notes.

Payments of all amounts in respect of a Tranche of Notes issued in uncertificated form and held in the CSD will be recorded by the CSD, as the registered Noteholder of such Notes, distinguishing between interest and principal, and such record of payments by the CSD, as the registered Noteholder of such Notes, shall be *prima facie* proof of such payments.

Transfers and exchanges

Title to Beneficial Interests held by clients of Participants indirectly through such Participants will pass on transfer thereof by electronic book entry in the Securities Accounts maintained by such Participants for such clients. Title to Beneficial Interests held by Participants directly through the CSD will pass on transfer thereof by electronic book entry in the central Securities Accounts maintained by the CSD for such Participants. Beneficial Interests may be transferred only in accordance with the Applicable Procedures.

Beneficial Interests may be exchanged for Notes represented by Individual Certificates in accordance with Condition 13.1 (*Exchange of Beneficial Interests*).

Records of payments, trust and voting

Neither the Issuer nor the Issuer Agent will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, Beneficial Interests, or for maintaining, supervising or reviewing any records relating to Beneficial Interests. None of the Issuer, the Issuer Agent will be bound to record any trust in the Register or to take notice of or to accede to the execution of any trust (express, implied or

constructive) to which any Note may be subject. Holders of Beneficial Interests vote in accordance with the Applicable Procedures.

JSE Debt Guarantee Fund Trust

The holders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the JSE Debt Guarantee Fund Trust. Claims against the JSE Debt Guarantee Fund Trust may only be made in respect of the trading of the Notes listed on the Interest Rate Market of the JSE and can in no way relate to a default by the Issuer of its obligations under the Notes listed on the Interest Rate Market of the JSE. Any claims against the JSE Debt Guarantee Fund Trust may only be made in accordance with the rules of the JSE Debt Guarantee Fund Trust. Unlisted Notes are not regulated by the JSE.

Notes listed on any Financial Exchange other than (or in addition to) the Interest Rate Market of the JSE

Each Tranche of Notes which is listed on any Financial Exchange other than (or in addition to) the Interest Rate Market of the JSE will be issued, cleared and settled in accordance with the rules and settlement procedures for the time being of that Financial Exchange. The settlement and redemption procedures for a Tranche of Notes which is listed on any Financial Exchange (other than or in addition to the JSE) will be specified in the Applicable Pricing Supplement.

SUBSCRIPTION AND SALE

Words used in this section headed "Subscription and Sale" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.

The Dealers have in terms of the programme agreement dated on or about the date of this Programme Memorandum, as may be amended, supplemented or restated from time to time (the "**Programme Agreement**"), agreed with the Issuer a basis upon which they may from time to time agree to subscribe for Notes or procure the subscription of the Notes.

Selling restrictions

South Africa

Prior to the issue of any Tranche of Notes under the Programme, each Dealer who has (or will have) agreed to place that Tranche of Notes will be required to represent and agree that it will not solicit any offers for subscription for or sale of the Notes in that Tranche, and will itself not sell the Notes in that Tranche of Notes, in South Africa, in contravention of the Companies Act, the Banks Act, the Exchange Control Regulations and/or any other Applicable Laws and regulations of South Africa in force from time to time.

United States of America: Regulation S, Category 2

The Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") and may not be offered or sold within the United States of America or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and the regulations thereunder.

Each Dealer has agreed that, except as permitted by the Programme Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 (forty) days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period

relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 (forty) days after the commencement of the offering of any Tranche of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

General

Prior to the issue of any Tranche of Notes under the Programme, each Dealer who has (or will have) agreed to place that Tranche of Notes will be required to agree that:

- (a) it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in each jurisdiction in which it purchases, subscribes or procures the subscription for, offers or sells Notes in that Tranche or has in its possession or distributes the Programme Memorandum and will obtain any consent, approval or permission required by it for the purchase, subscription, offer or sale by it of Notes in that Tranche under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, subscription, offers or sales; and
- (b) it will comply with such other or additional restrictions as the Issuer and such Dealer agree and as are set out in the Applicable Pricing Supplement.

Neither the Issuer nor any of the Dealers represent(s) that Notes may at any time lawfully be subscribed for or sold in compliance with any applicable registration or other requirements in any jurisdiction or pursuant to any exemption available thereunder or assume(s) any responsibility for facilitating such subscription or sale.

SOUTH AFRICAN TAXATION

Words used in this section headed "South African Taxation" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.

The following is a general description of certain aspects of current South African tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in that country or elsewhere. South African tax legislation is subject to frequent change and accordingly the comments as set out below may be subject to change, possibly with retrospective effect. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. The Issuer makes no representation and gives not warranty or undertaking, express or implied, and accepts no responsibility for the accuracy or completeness of the information contained in this section.

Income Tax

Under current taxation law effective in South Africa, a "resident" (as defined in section 1 of the Income Tax Act) is subject to income tax on his/her world-wide income. Accordingly, all Noteholders who are "residents" of South Africa will generally be liable to pay income tax, subject to available deductions, allowances and exemptions, on any income (including income in the form of interest) earned pursuant to the Notes.

Non-residents of South Africa are subject to income tax on all income derived from a South African source (subject to domestic exemptions or relief in terms of an applicable double taxation treaty).

Interest derived income is from a South African source if that amount constitutes "interest" as defined in section 24J of the Income Tax Act where that interest:

- (a) is attributable to an amount incurred by a person that is a South African tax resident, unless the interest is attributable to a permanent establishment which is situated outside South Africa; or
- (b) is received or accrues in respect of the utilisation or application in South Africa by any person of funds or credit obtained in terms of any form of interest-bearing arrangement.

Accordingly, if the interest payments in respect of the Notes are from a South African source as set out above, the interest earned by a non-resident Noteholder will be subject to South African income tax unless such interest income is exempt from South African income tax under section 10(1)(h) of the Income Tax Act (see below).

In terms of section 24J of the Income Tax Act, broadly any discount or premium to the Nominal Amount of a Note is treated as part of the interest income on the Note. Interest income which accrues (or is deemed to accrue) to a Noteholder is deemed, in accordance with section 24J of the Income Tax Act, to accrue on a day-to-day basis until that Noteholder disposes of the Note or until maturity. This day-to-day accrual is determined by calculating the yield to maturity and applying it to the capital amount for the relevant tax period. As mentioned, the interest income deemed to accrue to a non-resident Noteholder in terms of section 24J of the Income Tax Act may qualify for the exemption under section 10(1)(h) of the Income Tax Act (see below).

In terms of section 10(1)(h) of the Income Tax Act, interest received by or accruing to a Noteholder who, or which, is not a resident of South Africa, during any year of assessment, is exempt from income tax, unless:

- (c) that person is a natural person who was physically present in South Africa for a period exceeding 183 (one hundred and eighty-three) days in aggregate during the 12 (twelve) month period preceding the date on which the interest is received or accrues by or to that person; or
- (d) the debt from which the interest arises is effectively connected to a permanent establishment of that person in South Africa.

If a Noteholder does not qualify for the exemption under section 10(1)(h) of the Income Tax Act, exemption from, or reduction of, any South African tax liability may be available under an applicable double taxation treaty.

Section 24JB of the Income Tax Act, specific provisions dealing with the taxation of "*financial assets*" and "*financial liabilities*" of "*covered persons*", as defined in section 24JB of the Income Tax Act. If section 24JB applies to the Notes, the tax treatment of the acquisition, holding and/or disposal of the Notes will differ from what is set out in this section. Noteholders should seek advice from their own professional advisers as to whether these provisions may apply to them.

Certain entities may also be exempt from South African income tax. Prospective subscribers for or purchasers of Notes are accordingly advised to consult their own professional advisers as to whether the interest income earned on the Notes will be exempt under section 10(1)(h) of the Income Tax Act or under an applicable double taxation treaty, or whether they constitute entities that are exempt from income tax.

Section 8F of the Income Tax Act applies to "hybrid debt instruments", and section 8FA of the Income Tax Act applies to "hybrid interest" as these terms are defined in the Income Tax Act. Section 8F and 8FA provide that interest incurred or accrued on a hybrid debt instrument and/or hybrid interest are, for purposes of the Income Tax Act, deemed to be a dividend *in specie*. If either of these provisions apply the tax treatment of the interest will differ from what is set out above and such payments may be subject to dividends tax as a result of the deemed classification as dividends *in specie*. The provision of section 8F and 8FA will not apply where the instrument, or the instrument in respect of which any interest is owed, constitutes a tier 1 or tier 2 capital instrument referred to in the regulations issued in terms of section 90 of the Banks Act and which is issued by a bank as defined in section 1 of the Banks Act, or by a controlling company in relation to that bank.

Prospective subscribers for or purchasers of Notes are advised to consult their own professional advisers to ascertain whether the abovementioned provisions may apply to them.

The disposal of the Notes may give rise to income tax implications for any Noteholder that is a resident of South Africa. In respect of non-resident Noteholders, income tax implications may arise should the Notes so disposed of be attributable to a South African permanent establishment of such Noteholder. Prospective subscribers for or purchasers of Notes are advised to consult their own professional advisers to ascertain whether a disposal of the Notes will result in a liability to income tax.

Withholding Tax

There is withholding tax ("**WHT**") on interest payments from a South African source to non-residents at the rate of 15% (fifteen percent). The WHT on interest applies to interest that is paid or that becomes due and payable on or after this date.

To the extent that any interest is paid to Noteholders who are South African tax residents, the WHT on interest will not apply.

The WHT on interest will also not apply to payments made to non-resident Noteholders in respect of any interest paid by a "bank" (defined as, inter alia, any bank as defined in section 1 of the Banks Act), provided no there is not a "back-to-back" arrangement exists between any non-resident Noteholder and the bank. The WHT on interest will also not apply to payments of interest made in respect of any "listed debt", which is defined as debt that is listed on a recognised exchange. The Johannesburg Stock Exchange Limited (JSE) constitutes a recognised exchange in accordance with paragraph 1 of the Eighth Schedule to the Income Tax Act. Other exemptions may apply to interest payments made to non-resident Noteholders.

If interest paid to a Noteholder does not qualify for an exemption under the WHT on interest provisions, an exemption from, or reduction of, any WHT on interest liability may be available under an applicable double taxation treaty.

Documentary requirements exist in order to rely on certain of the exemptions from, or reductions in the rate of, the WHT on interest.

Prospective subscribers for or purchasers of Notes are advised to consult their own professional advisers as to whether the payment of any interest in respect of the Notes will result in a liability for the WHT on interest.

Securities Transfer Tax (STT)

The issue, transfer and redemption of the Notes will not attract securities transfer tax ("**STT**") under the Securities Transfer Tax Act, 2007 (as amended from time to time) (the "**STT Act**") as the Notes do not constitute "securities" as defined in the STT Act. Any future transfer duties and/or taxes that may be introduced in respect of (or applicable to) the transfer of Notes will be for the account of holders of the Notes.

Value-Added Tax (VAT)

No VAT is payable on the issue or transfer of Notes. The issue, sale or transfer of the Notes constitute "financial services" as contemplated in section 2 of the Value-Added Tax Act, 1991 (as amended from time to time) (the "VAT Act"). In terms of section 2 of the VAT Act, the issue, allotment, drawing, acceptance, endorsement or transfer of ownership of a debt security as well as the issue, allotment or transfer of ownership of an equity security or a participatory security, and the buying and selling of derivatives constitute financial services, which are exempt from VAT in terms of section 12(a) of the VAT Act.

Where financial services as contemplated in section 2 are however rendered to non-residents who are not in South Africa at the time the services are rendered, such services will be subject to VAT at the zero rate in terms of section 11(2)(l) of the VAT Act. Commissions, fees or similar charges raised for the facilitation of the issue, allotment, drawing, acceptance, endorsement or transfer of ownership of Notes that constitute "debt securities" as defined in section 2(2)(iii) of the VAT Act will be subject to VAT at the standard rate (currently 15% on or after 1 April 2018), except where the recipient is a non-resident in which case such commissions, fees or similar charges may be subject to VAT at a zero rate as contemplated above.

Investors are advised to consult their own professional advisors as to whether commissions, fees or similar charges raised for the facilitation of the issue, allotment, drawing, acceptance, endorsement or transfer of ownership of the Notes will result in a liability for VAT.

Capital Gains Tax

The provisions relating to capital gains tax apply in respect of the disposal of any asset by certain taxpayers. The word "dispose" is defined in the Eighth Schedule to the Income Tax Act to include, *inter alia*, any action by virtue of which an asset is created, transferred, varied or extinguished. If an asset was acquired, is held and will be disposed of on a speculative basis or as part of a scheme of profit making, the gain should generally be subject to normal tax. Capital gains tax is imposed at lower effective rates in comparison to income tax.

Residents are subject to capital gains tax on all capital gains realised on the disposal of any assets held on a worldwide basis. A non-resident is subject to capital gains tax only in respect of capital gains which are realised from the disposal of (i) "immovable property" (as such term is defined in the Income Tax Act) situated in South Africa or any interest or right of whatever nature of such non-resident to or in immovable property situated in South Africa (as such term is defined in paragraph 2(2) of the Eighth Schedule to the Income Tax Act, being, in essence, equity shares in certain companies, the principal assets of which are "immovable property" located in South Africa), or (ii) assets effectively connected with a permanent establishment of that non-resident in South Africa. A "permanent establishment" is defined (in section 1 of the Income Tax Act) as a permanent establishment as from time to time defined in article 5 of the Model Tax Convention on Income and Capital of the Organisation for Economic Co-operation and Development, with some additions.

The disposal of Notes by residents of South Africa may give rise to capital gains tax implications.

The capital gains tax provisions will not apply to the extent that the holder of the Notes constitutes a "*covered person*", as defined in section 24JB of the Income Tax Act, and section 24JB of the Income Tax Act (see above) applies to the Notes.

Any discount or premium on acquisition of the Notes which has already been treated as interest for income tax purposes under section 24J of the Income Tax Act (see above) will not be taken into account when determining any capital gain or loss. In terms of section 24J(4A) of the Income Tax Act a loss on disposal or redemption of the Notes will, to the extent that it has previously been included in taxable income (as interest), be allowed as a deduction from the income of the holder when it is incurred and accordingly will not give rise to a capital loss.

Capital gains tax in terms of the Eighth Schedule to the Income Tax Act will not be levied in relation to Notes disposed of by a person who is not a resident of South Africa unless the Notes disposed of are effectively connected with a permanent establishment of that person in South Africa.

Prospective subscribers for or purchasers of Notes are advised to consult their own professional advisers as to whether a disposal or redemption of Notes will result in a liability to capital gains tax.

Definition

Unless otherwise stated, the references to "*interest*" above mean "*interest*" as understood in South African tax law. The statements above do not take any account of any different definitions of "*interest*" or "*principal*" which may prevail under any other law or which may be created by the Terms and Conditions of the Notes or any related documentation.

References to "*person*" above shall mean "*person*" within the meaning given in section 1 of the Income Tax Act.

Foreign Account Tax Compliance Act

Pursuant to certain provisions in the U.S. Internal Revenue Code of 1986, commonly known as "FATCA", a foreign financial institution (as defined by FATCA) may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including South Africa) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("IGAs"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect

to payments on instruments such as Notes, such withholding would not apply prior to 1 January 2019 and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Notes (as described under Condition 19 (Further Issues)) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Noteholders should consult their own tax advisers regarding how these rules may apply to their investment in Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "Commission's Proposal") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "participating Member States"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

SOUTH AFRICAN EXCHANGE CONTROL

All information pertaining to the description of “South African Exchange Control” will be incorporated by reference and will be published on the website of the Issuer, www.firststrand.co.za.

GENERAL INFORMATION

Words used in this section headed "General Information" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.

Authorisation

All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of South Africa as at the date of this Programme Memorandum have been given for the establishment of the Programme and the issue of Notes and for the Issuer to undertake and perform its obligations under the Programme Memorandum and the Notes.

Listing

The Programme Memorandum has been approved by the JSE. Notes to be issued under the Programme may be listed on the Interest Rate Market of the JSE or any other Financial Exchange.

Documents Available

For so long as the Programme Memorandum remains registered with the JSE, copies of the following documents will, when published, be available from the registered office of the Issuer as set out at the end of this Programme Memorandum:

- (a) all amendments and supplements to this Programme Memorandum prepared by the Issuer from time to time;
- (b) in respect of any issue of Notes under the Programme, the audited annual financial statements (including, where applicable, the audited interim financial statements), together with such statements, reports and the notes attached to or intended to be read with such financial statements thereto, of the Issuer for its three financial years prior to the date of such issue;
- (c) each Applicable Pricing Supplement relating to any Tranche of Notes issued under the Programme;
- (d) all information pertaining to the Issuer which is relevant to the Programme and/or this Programme Memorandum which is electronically submitted on SENS, or any other similar service, established by the JSE.

This Programme Memorandum will be available on the JSE website, www.jse.co.za, and the audited annual financial statements of the Issuer and this Programme Memorandum are also available on the Issuer's website, www.firststrand.co.za.

Material Change

As at the date of this Programme Memorandum, and after due and careful enquiry, the Issuer is not aware of there having been any material change in the financial or trading position of the Issuer since the date of the Issuer's latest audited financial statements. As at the date of this Programme Memorandum, there has been no involvement by the auditors in making the aforementioned statement.

Litigation

Save as disclosed in this Programme Memorandum, neither the Issuer nor any of its consolidated Subsidiaries is or has been involved in any legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 (twelve) months preceding the date of this Programme Memorandum, which has had or may have had a material effect on the financial position of the Issuer or its consolidated Subsidiaries.

Auditors

PriceWaterhouseCoopers Inc. and Deloitte & Touche have acted as the auditors of the financial statements of the Issuer for the financial years ended 30 June 2018, 2017 and 2016 and, in respect of those years, have issued unqualified audit reports.

Use of Proceeds

The net proceeds of the issue of each Tranche of Notes will be applied by the Issuer for its general corporate purposes. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the Applicable Pricing Supplement.

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