



FIRSTRAND Bank Limited

FIRSTRAND BANK LIMITED

(Registration Number 1929/001225/06)

(incorporated with limited liability in South Africa)

ZAR30,000,000,000

Note Programme

On 24 August 2010, FirstRand Bank Limited (the “**Issuer**” or “**FirstRand**”) established a ZAR30,000,000,000 Note Programme (the “**Programme**”) pursuant to a programme memorandum dated 24 August 2010 (the “**Previous Programme Memorandum**”). This Programme Memorandum supersedes and replaces the Previous Programme Memorandum in its entirety. Any notes (the “**Notes**”) issued under the Programme on or after 29 November 2011 (the “**Programme Date**”) are issued subject to the provisions described herein and further subject to all applicable laws and, in the case of Notes listed on the JSE or such other Relevant Stock Exchange(s) as may be determined by the Issuer in accordance with the listings requirements of the JSE or the listings requirements of such other or additional Relevant Stock Exchange(s) if any. This Programme Memorandum will not apply to any Notes issued under the Programme before the Programme Date, and the Previous Programme Memorandum will continue to apply to such Notes.

Capitalised terms used in this Programme Memorandum are, unless separately defined, defined in the section of this Programme Memorandum headed “*Terms and Conditions of the Notes*” (the “**Terms and Conditions**”) and/or in the section of this Programme Memorandum headed “*Credit-Linked Annex – Additional Terms and Conditions of Credit-Linked Notes*” (the “**Credit-Linked Terms and Conditions**”), as applicable, and as amended and/or supplemented in the Applicable Pricing Supplement.

This Programme Memorandum will apply to Notes issued under the Programme on or after the Programme Date in an aggregate outstanding Nominal Amount which will not exceed ZAR30,000,000,000 unless such amount is increased by the Issuer in the manner set out in the section of this Programme Memorandum headed “*General Description of the Programme*”.

The types of Notes that may be issued under the Programme will include Standard Notes and/or Structured Notes and/or such other types of Notes as may be determined by the Issuer and the relevant Dealer as specified in the Applicable Pricing Supplement. Structured Notes may comprise, without limitation, Equity Linked Notes, Single Index Notes, Equity Basket Notes, Basket of Indices Notes, Currency Linked Notes, Credit Linked Notes, Commodity Linked Notes and/or other types of Notes that are designated by the Issuer as “*Non-Standard Structured Notes*”. Deposit Notes may also be issued under the Programme.

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. Each Applicable Pricing Supplement will set out certain information with respect to Notes of the relevant Series, including the denomination of each Note, the aggregate principal amount of the Notes being issued, the currency of the Notes, the designation, the aggregate number and type of Notes, the date of issue, the issue price, the redemption amount, the redemption date or dates and such other terms applicable to the particular Series of Notes as are specified therein (including any changes to the Terms and Conditions set out in this Programme Memorandum).

This Programme Memorandum has been approved by the JSE. A Tranche of Notes may be listed on the JSE or on such other or additional Relevant Stock Exchange(s) as may be determined by the Issuer, subject to all applicable laws. Unlisted Notes may also be issued under the Programme. The holders of Notes that are not listed on the JSE will have no recourse against the JSE Guarantee Fund and/or the BESA Guarantee Fund Trust, as the case may be. Claims against the JSE Guarantee Fund and/or the BESA Guarantee Fund Trust, as the case maybe, may only be made in respect of the trading of Notes listed on the JSE and in accordance with the rules of the JSE Guarantee Fund and/or the BESA Guarantee Fund Trust, as applicable. Unlisted Notes are not 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 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 Relevant Stock 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 “*Key Features of the 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 ongoing basis. References in this Programme Memorandum to the “**relevant Dealer**” shall be, in the case of Notes being (or intended to be) placed by more than one Dealer, to all Dealers agreeing to place such Notes.

As at the Programme Date, the Notes to be issued under this Programme are not rated by any rating agency, however, the Issuer may at any time obtain a rating from a rating agency for the Programme or any issue of Notes issued pursuant to the terms of the Programme. 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.

SEE “RISK FACTORS” FOR A DISCUSSION OF CERTAIN INFORMATION THAT SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS IN NOTES. THIS PROGRAMME MEMORANDUM DOES NOT DESCRIBE ALL OF THE RISK FACTORS RELATING TO AN INVESTMENT IN AN ISSUE OF NOTES. THE APPLICABLE PRICING SUPPLEMENT IN RESPECT OF AN ISSUE OF NOTES MAY CONTAIN ADDITIONAL RISK FACTORS IN RESPECT OF SUCH NOTES.

Arranger, Dealer and JSE Debt Sponsor
FirstRand Bank Limited,
acting through its Rand Merchant Bank division

29 November 2011

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Important Notices

Capitalised terms used in this section headed “Important Notices” shall bear the same meanings as used in the Terms and Conditions and/or the Credit-Linked Terms and Conditions, as applicable, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.

Investing in Notes under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer to fulfil its obligations under the Notes are described in the section of this Programme Memorandum headed “Risk Factors”.

FirstRand Bank Limited (the “**Issuer**”) accepts full responsibility for the accuracy of the information contained in this Programme Memorandum and all documents incorporated by reference (see the section of this Programme Memorandum headed “*Information Incorporated by Reference*”) and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Programme Memorandum is, to the best of its knowledge, in accordance with the facts and does not omit anything which would make any statement false or misleading and all reasonable enquiries to ascertain such facts have been made. This Programme Memorandum contains all information required by law and the listing requirements of the JSE.

The JSE takes no responsibility for the contents of this Programme Memorandum, any Applicable Pricing Supplements, or the annual reports of the Issuer (as amended or restated from time to time), makes no representation as to the accuracy or completeness of any of the foregoing documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of this Programme Memorandum, any Applicable Pricing Supplements, or the annual reports of the Issuer (as amended or restated from time to time).

Certain information identified as such in this Programme Memorandum has been extracted from independent sources identified in this Programme Memorandum. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by the relevant sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Programme Memorandum is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see the section of this Programme Memorandum headed “*Information 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 form part of this Programme Memorandum.

The Arranger, the Dealers, the JSE Debt Sponsor and the other professional advisers named herein have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Arranger, the Dealer(s), the JSE Debt Sponsor and the 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 Dealer(s), the JSE Debt Sponsor and the 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 information supplied by the Issuer in connection with the Programme and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger, the Dealer(s), the JSE Debt Sponsor or the 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, the Dealer(s), the JSE Debt Sponsor or any other professional advisers 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 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 or invitation by or on behalf of the Issuer, the Arranger, the Dealer(s), the JSE Debt Sponsor or the other professional advisers to any person to subscribe for or to purchase any Notes.

The delivery of this Programme Memorandum does not at any time imply that the information contained herein concerning the Issuer 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 at any time subsequent to the date indicated in the document containing the same. 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 Applicable Pricing Supplement will specify the nature of the responsibility taken by the Issuer for the information relating to any underlying equity security, index, debt security, credit, currency exchange rate, commodity, commodity index or other item(s) (each a “**Reference Item**”) (if applicable) to which the relevant Structured Notes relate and which is contained in such Applicable Pricing Supplement. However, unless otherwise expressly stated in the relevant Applicable Pricing Supplement, any information contained therein relating to a Reference Item will only consist of extracts from, or summaries of, information contained in financial and other information released publicly by the issuer, owner or sponsor, as the case may be, of such Reference Item or which is otherwise publicly available. The Issuer will, unless otherwise expressly stated in the relevant Applicable Pricing Supplement, accept responsibility for accurately reproducing such extracts or summaries (insofar as it is applicable), but the Issuer will not accept any further or other responsibility (express or implied) in respect of such information.

Investors should conduct their own investigations into the relevant Reference Item and, in deciding whether to purchase Structured Notes, investors should form their own views of the merits of such an investment based upon such investigations and not in reliance solely upon any information given in the Programme Memorandum or any Applicable Pricing Supplement.

The Issuer in its capacity as Issuer or any affiliates of the Issuer may hold, retain, buy or sell any Reference Item and may hold, retain, buy or sell any Notes issued under the Programme and/or enter into transactions relating thereto or derived therefrom, from time to time, in such amounts, with such purchasers and/or counterparties and at such prices (including at different prices) and on such terms as any such entity may determine as part of its business and/or any hedging transactions in connection with the arrangements described in this document or otherwise. In addition the Issuer or any affiliate of the Issuer may enter into arrangements with Underlying Companies and/or Reference Entities (as defined in the terms of the relevant Notes) the effect or consequence of which may be to affect the price of Underlying Securities, Reference Items and/or the Structured Notes or which otherwise may have an effect on the relevant Reference Item (as the case may be) and/or the Structured Notes.

Neither this Programme Memorandum nor any Applicable Pricing Supplement constitutes an offer to sell or the solicitation of an offer to buy or an invitation to subscribe for or purchase any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction (see the section of this Programme Memorandum headed “*Subscription and Sale*”).

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. The Issuer, the Arranger, the Dealer(s), the JSE Debt Sponsor and the other professional advisers do not represent 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 assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arranger, the Dealer(s), the JSE Debt Sponsor and the 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 all applicable laws and regulations.

Persons into whose possession this Programme Memorandum or any Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Programme Memorandum and the offer or sale of Notes in the United States of America, the United Kingdom and South Africa.

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 (as defined in the Securities Act) under the Securities Act.

All references in this document to “**Rand**”, “**ZAR**”, “**South African Rand**”, “**R**” and “**cent**” refer to the currency of South Africa and all references to “**U.S. Dollar**”, “**US\$**” or “**Dollars**” shall be a reference to the currency of the United States of America.

Where any term is defined within the context of any particular clause or section in this Programme Memorandum, the term so defined, unless it is clear from the clause or section in question that the term so defined has limited application to the relevant clause or section, shall bear the meaning ascribed to it for all purposes in this Programme Memorandum, unless qualified by the terms and conditions of any particular Tranche of Notes as set out in the Applicable Pricing Supplement or unless the context otherwise requires. Expressions defined in this Programme Memorandum shall bear the same meanings in supplements to this Programme Memorandum which do not themselves contain their own definitions.

In connection with the issue and distribution of any Tranche of Notes under the Programme, the Issuer or any 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 debt listings requirements of the JSE and approved by 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. Such stabilising shall be carried out in accordance with all applicable laws, regulations and rules.

RISK FACTORS

Capitalised terms used in this section headed "Risk Factors" shall bear the same meanings as used in the Terms and Conditions and/or the Credit-Linked Terms and Conditions, as applicable, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.

The Issuer believes that the factors outlined below may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described below. The value of the Notes could decline due to any of these risks, and investors may lose some or all of their investment.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it, or which it may not currently be able to anticipate. Accordingly, the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive.

Prospective investors should also read the detailed information set out elsewhere in this Programme Memorandum to reach their own views prior to making any investment decision.

Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme

Risks relating to the Issuer

The investments, business, profitability and results of operations of the Issuer may be adversely affected as a result of volatility in the economy and financial markets or a deterioration in the conditions thereof.

The Issuer's businesses are inherently subject to the risk of economic and market fluctuations as well as the effects of these. In particular, the Issuer's activities are subject to interest rate risks and may in some cases also be subject to foreign exchange, bond and equity price risks. Changes in interest rate levels, yield curves and spreads may affect the interest rate margin realised between lending and borrowing costs. The performance of financial markets may cause changes in the value of the Issuer's investment and trading portfolios. The Issuer has implemented risk management methods to mitigate and control these and other market risks to which the Issuer is exposed. However, it is difficult to predict with accuracy changes in economic or market conditions and to anticipate the effects that such changes could have on the Issuer's financial performance. Should market circumstances deteriorate, this could lead to a decline in credit quality, decreases in asset prices, increases in defaults and non-performing debt and/or a worsening of general economic conditions in the markets in which the Issuer operates, all of which may materially adversely affect the Issuer's business, profitability and results of operations.

Furthermore it is not possible to predict what structural and/or regulatory changes may result from market conditions or whether such changes may be materially adverse to the Issuer and its prospects.

Risk Management

The Issuer, in common with other issuers in South Africa and elsewhere, is exposed to commercial and market risks in its ordinary course of business, the most significant of which are credit risk, market risk, liquidity risk, interest rate risk, operational risk and foreign exchange risk. Credit risk is the risk of loss due to non-performance of a counterparty in respect of any financial or performance obligation due to deterioration in the financial status of the counterparty. Market risk is the risk of loss on trading instruments and portfolios due to changes in market prices and rates. Liquidity risk is the inability to discharge funding or trading obligations which fall due at market related prices. Interest rate risk is defined as the sensitivity of the balance sheet and income statement to unexpected, adverse movements of interest rates. Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Foreign exchange risk is the risk of losses occurring or a foreign investment's value changing from movement in foreign exchange rates.

In addition, the Issuer is also exposed to counterparty credit risk, equity investment risk, strategic risk, business risk, volume and margin risk, reputational risk, macroeconomic risk and environmental, social and governance risk. Counterparty credit risk is the risk of a counterparty to a bilateral contract, transaction or agreement defaulting prior to

the final settlement of the transaction's cash flows. Equity investment risk is the risk of an adverse change in the fair value of an investment in a company, fund or any other financial instrument, whether listed, unlisted or bespoke. Strategic risk is the risk to current or prospective earnings arising from adverse business decisions or the improper implementation of such decisions. Business risk is the risk to earnings and capital from potential changes in the business environment, client behaviour and technological progress. Volume and margin risk is the risk that the capital base is negatively impacted by a downturn in revenue due to market factors (for example, margin compression), combined with the risk that the cost base is inflexible. Reputational risk is the risk of reputational damage due to compliance failures, pending litigation or bad press reports. Macroeconomic risk is the risk to the business due to changes in macroeconomic conditions, global economic conditions or credit shocks. Environmental, social and governance risks focus on the environmental, social and governance issues which may impact the Issuer's ability to successfully and sustainably implement business strategy.

Any failure to control these risks adequately or unexpected developments in the future economic environment could have an adverse effect on the financial condition and reputation of the Issuer (see “*Risk Management*” below).

Concentration Risk

The Issuer's business is significantly focused on the South African markets and therefore faces a geographic concentration risk. Any adverse changes affecting the South African economy are likely to have an adverse impact on the Issuer's loan portfolio and, as a result, on its financial condition and results of its operations.

Liquidity Risk

Structural characteristics impacting the funding profile of South African banks

The banking sector in South Africa is characterised by certain structural features such as a low discretionary savings rate and a higher degree of contractual savings that are captured by institutions such as pension funds, provident funds and providers of asset management services. A portion of these contractual savings translate into institutional funding (comprising wholesale funding from financial institutions across a range of deposits, loans and financial instruments) for banks, which has higher liquidity risk than retail deposits.

Given these structural issues, and as a result of the significant growth in risk weighted assets between 2005 and 2007, South African banks' overall proportion of institutional funding increased. This is reflected in the table below which sets out the Bank's analysis of the composition of the funding base for the South African banking sector. In preparing this table, the Bank has grouped together certain data sourced from SARB BA900 consolidated banking sector returns as at 30 June 2011 into the broad categories identified in the table. SARB BA900 returns are filed by all banks and branches in South Africa which are subject to regulation by SARB.)

	30 June 2011 (% of funding liabilities to the public)			
Funding source	Total	Short-term (<1 month)	Medium-term (1 to 6 months)	Long-term (>6 months)
Foreign*	5	5	3	8
Other	1	1	2	2
Public sector	8	11	9	2
Retail	21	27	20	6
Corporate	21	29	11	9
Institutional	44	27	55	73

Source: South African banking sector aggregate SARB BA900 returns (30 June 2011), FirstRand research.

* This category includes all funds and deposits which are not denominated in South African Rand regardless of source.

As retail funding represents only 21 per cent of the banking sector's funding base this means that short-term, expensive institutional deposits are utilised to fund longer-dated assets such as mortgages. Liquidity risk in the South African banking system is therefore structurally higher than in most other markets.

However, this risk is to some extent mitigated by the following factors:

- the “closed Rand” system, whereby all Rand transactions (whether physical or derivative) have to be cleared and settled in South Africa through registered bank and clearing institutions domiciled in South Africa. The Issuer is one of the major clearing/settlement banks;
- the institutional funding base is fairly stable as it is, in effect, recycled contractual retail savings;
- the country has a prudential exchange control framework in place; and
- South African banks have a low dependence on foreign currency funding (i.e. low roll-over risk).

These factors contributed to South Africa's resilience during the recent global financial crisis.

Although the Issuer believes that its level of access to domestic and international inter-bank and capital markets and its liquidity risk management policy allow and will continue to allow the Issuer to meet its short-term and long-term liquidity needs, any maturity mismatches may have a material adverse effect on its financial condition and results of operations. Furthermore, there can be no assurance that the Issuer will be successful in obtaining additional sources of funds on acceptable terms or at all.

Changing regulatory environment

The Issuer is subject to the laws, regulations, administrative actions and policies of South Africa and each other jurisdiction in which it operates, and the Issuer's activities may be constrained by such regulations. Changes in supervision and regulation, particularly in South Africa, could materially affect the Issuer's business, the products or services offered, the value of its assets and its financial condition. Although the Issuer works closely with its regulators and continually monitors the situation, future changes in regulation, fiscal or other policies cannot be predicted and are beyond the control of the Issuer.

The global banking sector is experiencing increased political and regulatory pressures, and some of these pressures will materialise in South Africa. In December 2010, the Basel Committee on Banking Supervision (“**BCBS**”) published two documents proposing fundamental reforms to the regulatory capital and liquidity framework (referred to as “**Basel III**”). The Basel III guidelines propose two new liquidity metrics: the Liquidity Coverage Ratio (“**LCR**”), effective 1 January 2015, which measures short-term liquidity stress and the Net Stable Funding Ratio (“**NSFR**”), effective 1 January 2018, which measures the stability of long-term structural funding. Considering South Africa's G20 membership and its status as a Basel Committee member country, it is expected to adopt these requirements.

The BCBS has put processes in place to ensure the rigorous and consistent global implementation of the Basel III framework. The standards will be phased in gradually so that the banking sector can move to the higher liquidity standards while supporting lending to the economy. Both the LCR and the NSFR will be subject to an observation period and will include a review clause to address any unintended consequences.

Given the structural features identified above and a relative shortage of assets in South Africa that would qualify as Level I liquid assets under the Basel III framework, the South African banking sector (including the Issuer) would not comply with the Basel III NSFR and LCR requirements based on their current funding profiles. These issues have been recognised by the South African Regulators, banking industry and the National Treasury of South Africa. In response, and under the guidance of the National Treasury of South Africa, a structural funding and liquidity task team has been established and mandated to assess the impact and subsequently make recommendations to the South African Finance Ministry on how the banking industry effectively deals with the proposed regulations.

The SARB is engaging the banking industry with regards to the national discretion items that are allowed in the Basel III framework. The consultation process is on-going and will continue during the monitoring period. Although the SARB is expected to implement the Basel III framework, it is not currently clear what final regulations relating to Basel III will be implemented in South Africa, when they will be adopted, or when the deadline for implementation will be. The Issuer is therefore not currently able to predict whether the implementation in South Africa of the liquidity requirements of the Basel III framework will have a material impact on the Issuer's financial condition, business or results of operations.

Competitive Landscape

The Issuer is subject to significant competition from other major banks operating in South Africa, including competitors that may have greater financial and other resources, and, in certain markets, from international banks. Many of these banks operating in the Issuer's markets compete for substantially the same customers as the Issuer. Competition may increase in some or all of the Issuer's principal markets and may have an adverse effect on its financial condition and results of operations.

The Issuer is subject to capital requirements that could limit its operations

The Issuer is subject to capital adequacy guidelines adopted by the SARB, which provide for a minimum target ratio of capital to risk-adjusted assets. Any failure by the Issuer to maintain its ratios may result in sanctions against the Issuer which may in turn impact on its ability to fulfil its obligations under the Notes.

In particular, certain provisions of the Banks Act have been amended, with effect from 1 January 2008, as read with the “*Regulations Relating to Banks*” promulgated under section 90 of the Banks Act (the “**Regulations Relating to Banks**”), in order, among other things, to provide for the requirements applicable to the issue by a bank of notes that qualify as “primary capital”, “secondary share capital” or “tertiary capital” (each as defined in the Banks Act). The Banking Supervision Department of the South African Reserve Bank has recently circulated draft amendments to the Regulations Relating to Banks. The proposed amendments are aimed at aligning the Regulations Relating to Banks with principles contained in the enhancements to Basel II finalised by BCBS in July 2009 to incorporate new capital requirements to include the effects of stressed markets, an incremental risk charge for default and rating migration risk of trading book positions and higher risk weightings for resecured exposures (“**Basel 2.5**”). These amendments in draft form only and may be subject to change before implementation.

National Credit Act

The National Credit Act, 2005 (the “**NCA**”), which came into full force and effect on 1 June 2007, has made significant changes to the interest, costs and fees which retail banks and other credit providers may charge consumers in South Africa. The maximum prescribed interest rates which may be levied on credit agreements are set out in the regulations to the NCA. The NCA further stipulates a closed list of costs and fees which may be recovered under a credit agreement in addition to the capital amount and interest. These are an initiation fee, a monthly service fee, default administration costs and collection costs. The initiation fee for arranging the credit agreement may not exceed the maximum prescribed amount, monthly service fees for the banks administration of the agreement are capped, default administration charges must be levied in accordance with the Magistrates Court Act, 1944 and collection costs are also limited. Other charges which may be applicable are strictly regulated and may only be levied if specifically listed in the NCA and to the extent permitted in the NCA. The NCA also requires certain qualifying credit providers to register with the National Credit Regulator, and credit agreements entered into by entities which are not registered credit providers, as is required in terms of the NCA, will be void ab initio. In addition, certain credit agreements which contain unlawful provisions in terms of the NCA could potentially be rendered *void ab initio*.

Companies Act

The Companies Act, 2008 (the “**Companies Act**”) came into force on 1 May 2011. The Companies Act may have an impact on institutional reform, company categorisation, company formation, accountability and transparency, corporate finance, shareholder provisions, director's duties and board governance, fundamental transactions, takeovers and share purchases, the introduction of the concept of business rescue remedies and enforcement, and could have an impact on the rights and duties of the Issuer and Noteholders.

Consumer Protection Act

The Consumer Protection, 2008 (the “**CPA**”) came into effect on 1 April 2011. The CPA will give consumers the right to demand quality service and to full disclosure of the price of goods and services, and protection against false, misleading or deceptive representations.

The CPA will fundamentally change the way business is done in South Africa. It requires businesses to transform the way in which they interact with consumers and to ensure that all dealings with consumers are fair, reasonable and honest. Credit agreements governed by the National Credit Act do not fall within the ambit of the CPA, however, the goods or services that are the subject of the credit agreement are not excluded from the ambit of the CPA. The CPA provides that certain industries may be exempted from particular provisions of the CPA where there are existing

consumer protection regimes in place in respect of those industries. Banks are exempted from section 14 of the CPA which deals with fixed-term contracts as there is concern in the banking industry that the said provision will adversely impact fixed term deposits and bank customer's ability to withdraw such deposit early.

Investors will have to familiarise themselves with the risks associated with this new legislation as it remains untested in a court of law to date.

Risks Relating to the Notes

There is no active trading market for the Notes

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although the Programme is listed on the JSE and applications will be made for the Notes issued under the Programme from time to time to be admitted to listing and to trading on the JSE, there is no assurance that such applications will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

The Notes may be redeemed prior to maturity

Unless in the case of any particular Tranche of Notes the Applicable Pricing Supplement specifies otherwise, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of South Africa or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Terms and Conditions.

In addition, if in the case of any particular Tranche of Notes the Applicable Pricing Supplement specify that the Notes are redeemable at the Issuer's option in certain other circumstances, the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

Because the Global Certificates are held by or on behalf of the CSD, investors will have to rely on the Applicable Procedures for transfer, payment and communication with the Issuer

Notes issued under the Programme may be represented by one or more Global Certificates. Such Global Certificates will be deposited with the CSD. Except in the circumstances described in the relevant Global Certificate, investors will not be entitled to receive Individual Certificates. The CSD will maintain records of the beneficial interests in the Global Certificates. While the Notes are represented by one or more Global Certificates, investors will be able to trade their beneficial interests only through the CSD.

While the Notes are represented by one or more Global Certificates the Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the CSD for distribution to their account holders. A holder of a beneficial interest in a Global Certificate must rely on the procedures of the CSD to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificates.

Holders of beneficial interests in the Global Certificates will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the CSD to appoint appropriate proxies.

General Considerations

The Notes involve a degree of risk, which may include interest rate, corporate, market, foreign exchange, time value and/or political risks, as well as other risks arising from fluctuations in the values of the relevant securities (or basket of securities), index (or basket of indices), commodity (or commodity index) or other Reference Item(s) which may be specified in the Applicable Pricing Supplement, and general risks applicable to the stock market (or markets) and capital markets.

In order to realise a return upon an investment in a Structured Note, an investor must have correctly anticipated the timing and magnitude of an anticipated increase or the absence of a decrease of the value of the relevant Reference Item(s) relative to the Issue Price and must also be correct about when any change will occur. If the value of the Reference Item(s) does not increase, or decreases, as the case may be, before such Structured Note is redeemed, part of the investor's investment in such Structured Note may be lost on such redemption. Other than in respect of Notes which are redeemable prior to the Maturity Date at the option of the Noteholder, the only means by which a Noteholder can realise value from its Notes prior to their Maturity Date is to sell such Notes at their then market price in the secondary market (if available) (see "*Possible Illiquidity of the Secondary Market*" below). Fluctuations in the value of the relevant index or basket of indices (including the prices of securities included in an Index or Basket of Indices) will affect the value of Single Index Notes and Basket of Indices Notes. Fluctuations in the price of the relevant equity security or value of the basket of equity securities will affect the value of Equity Linked Notes and Equity Basket Notes. In both these cases and in the case of Currency Linked Notes, fluctuations in the value of the currency or currencies in or to which the notes or the Underlying Securities or Index are denominated or linked will also affect the value of such notes. Also, due to the character of the particular markets on which most equity securities are traded, the absence of last sale information and the limited availability of quotations for such equity securities may make it difficult for many investors to obtain timely, accurate data for the price or yield of such equity securities.

Fluctuations in the value of a Relevant Commodity or Commodity Index may affect the value of Commodity Linked Notes. An investment in Commodity Linked Notes may bear similar market risks to a direct investment in the Relevant Commodity(ies) and investors should take advice accordingly.

Prospective investors in Notes should understand the risks of transactions involved in the Relevant Notes and should reach an investment decision only after careful consideration of the suitability of such Notes in the light of their particular financial circumstances, information set forth herein and any other available information regarding the relevant Notes and the Reference Item(s) to which the value of such Notes may relate. Where the Issuer is required to redeem the Notes prior to the Maturity Date at the option of the Noteholders an investor should understand the consequences of liquidating any investment in the Notes by redeeming such investment as opposed to selling it. This includes knowing when the Notes are redeemable and how to redeem them.

The Issuer may vary the manner in which a particular series of Notes are redeemed. At its sole and unfettered discretion, it may elect not to pay the relevant Noteholders the Redemption Amount or the Early Redemption Amount, as the case may be, or to deliver or, in the case of a Structured Note, procure delivery of the relevant Underlying Securities or Deliverable Obligations to the relevant Noteholders, as the case may be, and in lieu thereof, deliver or procure the delivery of the relevant Underlying Securities or Deliverable Obligations or make payment of the Redemption Amount or the Early Redemption Amount on the Maturity Date or the Early Redemption Payment Date, as the case may be, to the relevant Noteholders. See Condition 10 (*Redemption and Purchase*) of the Terms and Conditions.

The Notes may not be a suitable investment for all investors

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Programme Memorandum or any Applicable Pricing Supplement or supplement to this Programme Memorandum;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact of this investment will have on the potential investor's overall investment portfolio.

Disrupted Days and Disruption Events

Where the Structured Notes are Equity Basket Notes, Equity Linked Notes, Single Index Notes or Basket of Indices Notes, and a Disrupted Day is specified as applying in the Applicable Pricing Supplement, the Calculation Agent may determine that an event giving rise to a Disrupted Day has occurred at any relevant time. Where the Structured Notes are Currency Linked Notes, the Calculation Agent may determine that a Disruption Event has occurred at any relevant time. Where the Structured Notes are Commodity Linked Notes, the Calculation Agent may determine that a Commodity Market Disruption Event has occurred at any relevant time. Any such determination may have an effect on the timing of valuation and consequently the value of the Structured Notes and/or may delay settlement in respect of the Structured Notes. Perspective purchasers should review the Terms and Conditions of the Structured Notes and the Applicable Pricing Supplement to ascertain whether and how such provisions apply to the Structured Notes. See "*Time Lag After Redemption*" below and Condition 12 (*Rights of the Issuer in the Event of a Disrupted Day or Disruption Event*) of the Terms and Conditions.

Settlement Risk

Where the Notes provide for physical delivery, the Calculation Agent may determine that a Settlement Disruption Event is subsisting. Any such determination may affect the value of the Structured Notes and/or may delay settlement in respect of the Structured Notes.

Certain Factors Affecting the Value and Trading Price of Structured Notes

Generally, Structured Notes offer investment diversification opportunities, but also pose some additional risks with regard to interim value. The interim value of Structured Notes varies with the price and/or level of the Reference Item and is affected by a number of other factors, including but not limited to:

- (i) the value and volatility of the Reference Item(s);
- (ii) where the Reference Item(s) is/are equity securities, the dividend rate on the Reference Item(s) and the financial results and prospects of the issuer of each Reference Item;
- (iii) market interest rates;
- (iv) fluctuations in currency exchange rates;
- (v) fluctuations in commodities prices;
- (vi) the liquidity of the Structured Notes or any Reference Item(s) in the secondary market;
- (vii) the time remaining to any redemption date or the maturity date; and
- (viii) economic, financial and political events in one or more jurisdictions, including factors affecting capital markets generally and stock exchange(s) on which any Reference Item or Structured Notes may be traded.

There can be no assurance that a Noteholder will be able to sell any Structured Notes prior to maturity at a price equal to or greater than the market value of the Structured Notes on the Issue Date and such Noteholder may only be able to sell the Structured Notes at a discount, which may be substantial to the Issue Price. The past performance of any Reference Item should not be taken as an indication of the future performance of that Reference Item during the term of any Structured Note.

Some Notes are not principal protected and Noteholders may lose some or a significant part of their principal. Noteholders may lose the value of their entire investment or part of it, as the case may be.

No Claim against any Reference Item

A Structured Note will not represent a claim in respect of any Reference Item and, in the event that the amount paid by the Issuer on redemption of the Structured Notes is less than the Nominal Amount of the Structured Notes, a Noteholder will not have recourse under a Structured Note to any Reference Item.

Limitations on Redemption

If so indicated in the Applicable Pricing Supplement, the Issuer will have the option to limit the number of Notes which Noteholders (whether or not acting in concert) may require the Issuer to redeem at any one time to the maximum number specified in the Applicable Pricing Supplement (see Condition 14 (*Limits on number of Notes that can be redeemed*) of the Terms and Conditions). In the event that the total number of Notes which Noteholders have requested the Issuer to redeem on any date exceeds such maximum number and the Issuer elects to limit the number of Notes redeemable on such date, a Noteholder may not be able to redeem all the Notes that such holder desires to redeem on such date. Notes to be redeemed on such date will be selected on a *pro rata* basis (unless otherwise specified in the Applicable Pricing Supplement). Unless otherwise specified in the Applicable Pricing Supplement, the Notes in respect of which the Issuer has received requests for redemption from Noteholders but which are not redeemed on such date will be redeemed on the next date on which Notes may be redeemed, subject to the same daily maximum limitation and delayed redemption provisions.

If so indicated in the Applicable Pricing Supplement, the number of Notes which a Noteholder may request the Issuer to redeem on any day may be subject to a specified minimum number of Notes and thereafter to specified integral multiples of Notes. Thus, Noteholders with fewer than the specified minimum number of Notes or specified multiples thereof will either have to sell their Notes or purchase additional Notes, incurring transaction costs in each case, in order to realise their investment. Furthermore, holders of such Notes incur the risk that there may be differences between the trading price of such Notes and the Redemption Amount or Early Redemption Amount, as the case may be, or the value of any Reference Item which the Issuer elects to deliver on redemption of such Notes.

Subject to the immediately following paragraph, when the Issuer elects to deliver Underlying Securities, Structured Notes may only be redeemed in such amounts as will ensure that the number of Underlying Securities to be delivered is equal to an integral multiple of the minimum board lot for the trading of the Underlying Securities on the relevant Exchange as from time to time specified by such Exchange (a “**Board Lot**”) (see Condition 14.4 (*Minimum Board Lot*)). Noteholders who request that the Issuer redeem a holding of Structured Notes which would not result in the purchase of a number of Underlying Securities equal to an integral multiple of the relevant Board Lot, will receive the maximum number of Underlying Securities equivalent to the maximum permissible integral multiple of a Board Lot and may be entitled to a payment in lieu thereof at the option of the Issuer in respect of the remaining Underlying Securities unless any such payment is of a *de minimis* amount, in which case Noteholders shall not receive anything in respect of the remaining Structured Notes. Noteholders will, therefore, either have to sell their Structured Notes or purchase additional Structured Notes, incurring transaction costs in either case, in order to realise their investment.

Time Lag After Redemption

Unless otherwise specified in the Applicable Pricing Supplement, in the case of Notes which the Issuer is required to redeem prior to the Maturity Date at the option of the Noteholder, there will be a time lag between the time a Noteholder gives the instruction to redeem and the time the applicable Early Redemption Amount is determined by the Calculation Agent. Such time lag could be significantly longer, however, particularly in the case of a delay in the redemption of Notes due to there being a limit on the maximum number of Notes redeemable on any one day, following the imposition of any exchange controls or similar regulations affecting the ability to obtain or exchange any relevant currency (or basket of currencies), or following a determination by the Paying Agent, or the Calculation Agent, as applicable, that there is any Settlement Disruption Event or that a Disrupted Day has occurred. The applicable Early Redemption Amount may change significantly during any such period, and such movement or movements could decrease the Early Redemption Amount, and may result in a Noteholder not realising a return on an investment in the Notes.

Hedging

In connection with the offering of the Notes, the Issuer and/or any of its affiliates may enter into one or more hedging transactions with respect to the Reference Item(s) or related derivatives. In connection with such hedging activities or with respect to proprietary or other trading activities by the Issuer and/or any of its affiliates, the Issuer and/or any of its affiliates may enter into transactions in the Reference Item(s) or related derivatives which may, but are not intended to, affect the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interest of the relevant Noteholders.

Possible Illiquidity of the Secondary Market

There can be no assurance as to how Notes will trade in the secondary market or whether such market will be liquid or illiquid. The number of Notes of any Series may be relatively small, further adversely affecting the liquidity of such Notes. The Issuer may list Notes on the JSE or any other exchange as is specified in the Applicable Pricing Supplement or may issue Notes which are not listed on any exchange. However, no assurance can be given that any secondary trading market will develop for the Notes (other than in the case of Deposit Notes, in which case the Issuer undertakes to ensure and maintain a secondary trading market in respect thereof). If Notes are not listed or traded on any exchange, pricing information for such Notes may be more difficult to obtain and the liquidity of such Notes may be adversely affected. Certain Notes are also subject to transfer restrictions. See Condition 4 (*Form and Denomination*), Condition 5 (*Title*) and Condition 18 (*Transfer of Notes*) of the Terms and Conditions.

Termination of the Notes in the Event of Unlawfulness or Impracticability

If the Calculation Agent determines that the Issuer's performance under the Notes, or any arrangements made to hedge the Issuer's obligations under the Notes, have or shall become unlawful or impracticable in whole or in part for any reason, the relevant Issuer may terminate the Notes by paying each holder of such Notes an amount determined by the Calculation Agent. Such termination may result in an investor not realising a return on an investment in the relevant Notes.

Potential Conflicts of Interest

The Issuer and its affiliates may engage in trading and market-making activities and may hold long or short positions in the relevant Reference Item(s) and other instruments or derivative products based on or related to the relevant Reference Item(s) for their proprietary accounts or for other accounts under their management. The Issuer and its respective affiliates may also issue Structured Notes in respect of the relevant Reference Item(s) which are securities, or issue derivative instruments in respect thereof. To the extent that either of the Issuers, directly or through its affiliates, serves as issuer, agent, manager or underwriter of such securities or other instruments, its interests with respect to such products may be adverse to those of the Noteholders. The Issuer or its affiliates may also act as underwriter in connection with future offerings of securities which comprise the Reference Items or may act as financial advisers to certain Underlying Companies or Reference Entities. Such activities could present certain conflicts of interest, could influence the prices of such Reference Items and could adversely affect the value of the Structured Notes.

Deposit Notes

An investment in Deposit Notes exposes Noteholders to risks usually associated with retail depositors and a bank. Each potential investor in a Deposit Note must determine the suitability of that investment in light of its own circumstances. The risks associated with Deposit Notes include, but are not limited to, the following:

- (i) *Issuer Risk*: risk that Issuer will not be able to make payments of interest and/or capital in respect of Deposit Notes as and when required. However, the Issuer is required by regulation to meet certain capital adequacy guidelines in order to ensure that it is in a position to make payments to holders of Deposit Notes as and when required, thereby mitigating such "*Issuer Risk*".
- (ii) *Interest Rate Risk*: in the case of interest-bearing Deposit Notes, fluctuations in short term interest rates. Depending on the Interest Basis specified in respect of the Deposit Notes (if any), the Noteholder may not enjoy full benefit of such fluctuations in short term interest rates as, for example, interest payable in respect of a Floating Rate Note, is calculated for each Interest Period at its commencement and the Deposit Notes will accrue interest at the specified Interest Rate until the interest is reset periodically in accordance with the terms and conditions of the relevant Deposit Notes.

Status of the Notes

The Notes are unconditional, unsubordinated and unsecured obligations of the Issuer and will rank equally among themselves and, with the exception of certain obligations given priority by applicable law, will rank *pari passu* with all other present and future outstanding unsecured and unsubordinated obligations of the relevant Issuer. See Condition 6 (*Status of the Notes*) of the Terms and Conditions.

Taxation

Potential purchasers of Notes should be aware that stamp duty and other taxes and/or charges may be levied in accordance with the laws and practices in the countries where the Notes are transferred and/or where Reference Items are delivered.

The summaries set out under the section of this Programme Memorandum headed “*Taxation*” do not consider the tax treatment of payments in respect of Notes linked to one or more Reference Items (“**Relevant Notes**”). Potential subscribers for or purchasers of Relevant Notes should note that the tax treatment of payments in respect of Relevant Notes may be different (and in some cases significantly different) from that set out in those summaries.

Potential subscribers for or purchasers of Notes who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, potential subscribers for or purchasers should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

Credit Rating

Tranches of Notes issued under the Programme may be rated or unrated. If a rating is assigned to any issue of Notes, the rating may not reflect the potential impact of all risks related to the structure, market, additional factors discussed herein, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Any adverse change in an applicable credit rating could adversely affect the trading prices for the Notes issued under the Programme.

Risks related to the structure of the particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

Index-Linked and Dual Currency Notes

The Issuer may issue Notes the terms of which provide for interest or principal payable in respect of such Note to be determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a “**Relevant Factor**”) or with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- the market price of such Notes may be volatile;
- no interest may be payable on such Notes;
- payments of principal or interest on such Notes may occur at a different time or in a different currency than expected;
- the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero;
- a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

Partly -paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Modification and waivers and substitution

The Terms and Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Risks relating to Credit-Linked Notes

Credit-Linked Notes have a different risk profile to ordinary unsecured debt securities. The return on a Credit-Linked Note is linked to the credit risk of one or more Reference Entities and certain obligations of one or more Reference Entities underlying that Credit-Linked Note. Investing in a Credit-Linked Note is not equivalent to investing directly in shares of any Reference Entity or in any obligation of any Reference Entity, nor is it equivalent to investing or hedging using over-the-counter derivatives.

Terms defined in these risk factors relating to Credit-Linked Notes shall have the meaning given to them in the Credit-Linked Terms and Conditions.

Independent Review and Advice

Each Noteholder is fully responsible for making its own investment decisions as to whether the Credit-Linked Notes (1) are fully consistent with its (or if it is acquiring the Credit-Linked Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and conditions, (2) comply and are fully consistent with all investment policies, guidelines and restrictions applicable to it (or its beneficiary) and (3) are a fit, proper and suitable investment for it (or its beneficiary).

Noteholders are deemed to have sufficient knowledge, experience and professional advice to make their own investment decisions, including, without limitation, their own legal, financial, tax, accounting, credit, regulatory and other business evaluation of the risks and merits of investment in the Credit-Linked Notes. Noteholders should ensure that they fully understand the risks associated with investments of this nature which are intended to be sold only to sophisticated investors.

Noteholders should be aware that neither the Issuer nor any Dealer has any duty to conduct or accepts any responsibility for conducting or failing to conduct any investigation into the business, financial condition, prospects, creditworthiness, status and/or affairs of any Reference Entity and its Obligations, Reference Obligations and Deliverable Obligations. Noteholders are solely responsible for making their own independent appraisal of and investigation into such matters. Purchasers of the Credit-Linked Notes may not rely on the views or advice of the Issuer for any information in relation to any person other than the Issuer itself.

Credit-Linked Notes are complex financial instruments. A prospective investor should not invest in Credit-Linked Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Credit-Linked Notes will perform under changing conditions, the resulting effects on the value of the Credit-Linked Notes and the impact this investment will have on the prospective investor's overall investment portfolio.

Risks related to the structure of a particular issue of Credit-Linked Notes

A number of the Credit-Linked Notes may have features which contain particular risks for prospective investors. Set out below is a description of the most common such features:

Credit-Linked Notes subject to optional redemption by the Issuer after a Credit Event

The Issuer may redeem Credit-Linked Notes (or, if so specified in the Applicable Pricing Supplement, a portion thereof) earlier than the stated Maturity Date if a Credit Event occurs and the Conditions to Settlement specified in the Applicable Pricing Supplement are satisfied. The optional redemption feature of Credit-Linked Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Credit-Linked Notes, the market value of

those Credit-Linked Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

At the time of such optional redemption, an investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Credit-Linked Notes being redeemed. Prospective Noteholders should consider such reinvestment risk in light of other investments available at the time.

Risk of Loss of Interest

Save as otherwise provided in the Applicable Pricing Supplement, interest will cease to accrue on Credit-Linked Notes upon the occurrence of an Event Determination Date.

Risk of Loss of Principal

Investors bear the risk of loss if any Event Determination Date occurs and the Conditions to Settlement, if any, are satisfied. The Cash Settlement Amount in respect of each Cash Settled CLN is likely to be less than the outstanding principal amount of such Credit-Linked Note and may be zero. Similarly the market value of the Deliverable Obligations in respect of each Physically Settled CLN is likely to be less than the outstanding principal amount of such Credit-Linked Note and may be zero.

Determination Agent and Conflict of Interest

Unless otherwise specified in the Applicable Pricing Supplement, the Issuer shall act as the Determination Agent for each Series of Credit-Linked Notes and therefore potential conflicts of interest may exist between the Determination Agent and the Noteholders, including with respect to the exercise of the very broad discretionary powers of the Determination Agent. The Determination Agent has the authority (1) to determine whether a Credit Event has occurred and (2) to determine any resulting adjustments and calculations as described in the Credit-Linked Terms and Conditions. Prospective investors should be aware that any determination made by the Determination Agent may have an impact on the value and financial return of the Credit-Linked Notes. Any such discretion exercised by, or any calculation made by, the Determination Agent (in the absence of manifest or proven error) shall be binding on the Issuer and all Noteholders.

See also “*Risks relating to Settlement Method*” below.

Risks relating to the Credit Derivatives Definitions and the Credit Derivatives Determinations Committees

Credit Derivatives Definitions

The terms and conditions of the Credit-Linked Notes do not incorporate by reference the definitions and provisions of the 2003 ISDA Credit Derivatives Definitions, as amended by the supplements thereto including the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement (the “**July 2009 Supplement**”) published on 14 July 2009 (the “**Credit Derivatives Definitions**”) and there may be differences between the definitions used in the Credit-Linked Terms and Conditions and the Credit Derivatives Definitions. Consequently, investing in Credit-Linked Notes is not exactly equivalent to investing in a credit default swap that incorporates the Credit Derivatives Definitions.

While ISDA has published and supplemented the Credit Derivatives Definitions in order to facilitate transactions and promote uniformity in the credit derivative market, the credit derivative market has evolved over time and is expected to continue to change. Consequently, the Credit Derivatives Definitions and the terms applied to credit derivatives, including Credit-Linked Notes, are subject to interpretation and further evolution. Past events have shown that the views of market participants may differ as to how the Credit Derivatives Definitions operate or should operate. As a result of the continued evolution in the market, interpretation of the Credit-Linked Notes may differ in the future because of future market standards. Such a result may have a negative impact on the Credit-Linked Notes.

There can be no assurances that changes to the terms applicable to credit derivatives generally will be predictable or favourable to the Issuer or Noteholders. Future amendments or supplements to the terms applicable to credit derivatives generally will only apply to Credit-Linked Notes that have already been issued if the Issuer and the Noteholders agree to amend the Credit-Linked Notes to incorporate such amendments or supplements and other conditions to amending the Credit-Linked Notes have been met.

Credit Derivatives Determinations Committees

Credit Derivatives Determinations Committees were established pursuant to the March 2009 Supplement to the 2003 ISDA Credit Derivatives Definitions to make determinations that are relevant to the majority of the credit derivatives market and to promote transparency and consistency. Further information about the Credit Derivatives Determinations Committee may be found at www.isda.org/credit.

Whether or not a Credit Event or Succession Event has occurred, and certain decisions relating thereto, may be dependent on determinations made by the Credit Derivatives Determinations Committee. In certain circumstances, determinations made by the Determination Agent may be overridden by subsequent determinations made by the Credit Derivatives Determinations Committee. If the Determination Agent delivers a Credit Event Notice or Succession Event Notice such notice may be superseded by a determination of the Credit Derivatives Determinations Committee.

In making any determination in its capacity as Determination Agent or Issuer, the Issuer may have regard to (and in certain circumstances, is bound by) decisions made by the ISDA Credit Derivatives Determinations Committee. Further information about the ISDA Credit Derivatives Determinations Committee may be found at www.isda.org/credit.

Exposure to Reference Entities, Obligations, Reference Obligations and Deliverable Obligations

Unless otherwise provided in the Applicable Pricing Supplement, purchasers of Credit-Linked Notes are exposed to the credit risks and other risks associated with the Reference Entities and their Obligations, Reference Obligations, Deliverable Obligations and any relevant jurisdictional risks.

Synthetic Exposure

The Credit-Linked Notes do not represent a claim against any Reference Entity and, in the event of any loss, purchasers of Credit-Linked Notes will not have recourse under the Credit-Linked Notes to any Reference Entity. The Issuer is not obliged to own or hold any Obligation or Reference Obligation, and no inference may be drawn from the Programme Memorandum, the Credit-Linked Annex or any Applicable Pricing Supplement that the Issuer holds any such Obligation or Reference Obligation or has any credit exposure to any Reference Entity. Unless otherwise provided in the Applicable Pricing Supplement, amounts payable under the Credit-Linked Notes are not, in any direct or indirect way, limited by, associated with, or linked or calculated by reference to, any loss of bargain, cost of funding or any other actual loss or cost suffered by the Issuer as a result of its holding or not holding any Obligation or Reference Obligation.

Credit Events

Potential purchasers should note that not all Credit Events have easily ascertainable triggers and disputes can and have arisen as to whether a specific event did or did not constitute a Credit Event. However, under the Credit-Linked Terms and Conditions and subject to any subsequent determinations made by a Credit Derivatives Determinations Committee, the Determination Agent's determination of a Credit Event will, in the absence of manifest error, be conclusive and binding on all persons (including, without limitation, the Noteholders), notwithstanding the disagreement of such persons or other financial institutions, rating agencies or commentators.

Succession Events and Substitute Reference Obligations

Upon the occurrence of a Succession Event, one or more Successor Reference Entity(s) will (unless otherwise specified in the Applicable Pricing Supplement) be deemed to be a Reference Entity in replacement of (or in addition to, as applicable) the Reference Entity originally specified in the Applicable Pricing Supplement. Further, upon a Reference Obligation ceasing to exist in the manner specified in the definition thereof, a Substitute Reference Obligation may be selected. As a result of this, a Series of Credit-Linked Notes may be linked to the credit of certain Reference Entities and its Obligations and Reference Obligations notwithstanding that such Reference Entities, Obligations and Reference Obligations were not specified in the Applicable Pricing Supplement upon issuance of such Series of Credit-Linked Notes.

Redemption after Maturity Date

Redemption may occur irrespective of whether a Credit Event is continuing on or after an Event Determination Date. The Cash Settlement Date or the Physical Settlement Date may be later than the Maturity Date. In certain circumstances, delivery of Deliverable Obligations contained in the Portfolio may be delayed to a date beyond the Physical Settlement Date. The Determination Agent may in certain circumstances elect to extend the maturity of the Credit-Linked Notes by service of an Extension Notice. During the Extension Period an Event Determination Date may occur.

Discretion of Determination Agent

The decision when and whether to deliver a Credit Event Notice and, if applicable, a Notice of Publicly Available Information, is at the sole and absolute discretion of the Determination Agent. Such notices are effective when delivered to the Issuer. The delivery of or failure to deliver such notices to Noteholders will not affect the effectiveness of such notices.

Risks relating to the Settlement Method

The Settlement Method specified in the Applicable Pricing Supplement will affect how the Credit-Linked Notes are redeemed. Prospective investors should assess whether the Settlement Method is appropriate for them prior to investing in the Credit-Linked Notes.

Where the Credit-Linked Notes are Single Reference Entity Cash or Physical CLN, Nth-to-Default Cash or Physical CLN or Basket Cash or Physical CLN, the Issuer may elect the Settlement Method after the occurrence of a Credit Event. Prospective investors should be aware that this may result in a different Settlement Method than the method originally anticipated by the Credit-Linked Notes.

Physical Settlement

Redemption Failure/Alternative Settlement

In relation to a Physically Settled CLN, if the Issuer is unable to Deliver any portion of the Portfolio the Credit-Linked Note may be subject to alternative settlement. If the minimum denomination of Deliverable Obligations is not a whole integral number of the amount of the Portfolio, the Issuer may Deliver such whole integral amount of the Portfolio and cash settle the fractional shortfall.

Noteholder Obligations

If a Credit-Linked Note is a Physically Settled CLN, the Issuer's obligation to Deliver the Portfolio is subject to various conditions, including, without limitation, the obligation of the Noteholder, where the Note is in definitive form, to deliver to the Issuer an Asset Transfer Notice within the prescribed time frame. If a Noteholder fails to do so, the obligations of the Issuer to that Noteholder may be discharged without any payment or Delivery. In any event, no payment or Delivery will be made in respect of a Physically Settled CLN unless the Issuer has received any required instructions, certifications, information and, where applicable, the relevant Credit-Linked Note represented by an Individual Certificate has been delivered and surrendered to the Transfer Agent in accordance with the Terms and Conditions and the Applicable Pricing Supplement.

Auction Settlement

If "*Auction Settlement*" is specified as applicable in respect of any Cash Settled CLN, then the amounts payable by and/or rights and obligations of the parties under such Credit-Linked Note in respect of the relevant Reference Entity or Reference Obligation will be determined in accordance with the Auction Final Price. This may result in a lower recovery value than a Reference Entity or Reference Obligation would have if such Auction Final Price had not been used.

If "*Auction Settlement*" is specified as applicable in respect of any Cash Settled CLN but the Credit Derivatives Determinations Committee does not decide to conduct an Auction with respect to obligations of the relevant Reference Entity satisfying the relevant characteristics as set out in the Applicable Pricing Supplement, then the Fallback Settlement Method shall apply. In such circumstances, either the Final Price will be determined pursuant to the Valuation Method or the Issuer will Deliver to Noteholders the Portfolio.

Cash Settlement

If “*Cash Settlement*” is specified as applicable in respect of any Cash Settled CLN, or deemed to apply pursuant to the Fallback Settlement Method, then the Determination Agent will value the Reference Obligation in accordance with the Valuation Method specified in the Applicable Pricing Supplement. The date, time and method of such Valuation will impact the Final Price.

Investors should note that the Final Price determined in accordance with “*Cash Settlement*” may be significantly different to the Auction Final Price.

Other Credit-Linked Note risk factors

Recent Market Developments

Hedging

In the ordinary course of their business, including without limitation in connection with their market-making activities, the Issuer, the Dealer and/or any Agent or any Affiliate of any of them (each such entity, a “**Programme Party**”) may effect transactions for their own account or for the account of their customers and hold long or short positions in any applicable Reference Obligation or related derivatives. In addition, in connection with the offering of the Credit-Linked Notes, the Issuer and/or any other Programme Party may enter into one or more hedging transactions with respect to any applicable Reference Obligation or related derivatives. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer and/or any other Programme Party, the Issuer and/or any other Programme Party may enter into transactions with respect to any applicable Reference Obligation or related derivatives which may affect the market price, liquidity or value of the Credit-Linked Notes and which could be deemed to be adverse to the interests of the relevant Noteholders. The Issuer and/or any other Programme Party may pursue such hedging or related derivatives actions and take such steps as they deem necessary or appropriate to protect their interests without regard to the consequences for any Noteholder.

No Guarantee of Performance

The Credit-Linked Notes constitute direct, unsubordinated and unsecured obligations of the Issuer that are linked to the credit risk of the Reference Entities and/or Reference Obligations specified in the Applicable Pricing Supplement. No Programme Party guarantees the performance of or otherwise stands behind the performance of any Reference Entity or Reference Obligation or is under any obligation to make good losses suffered as a result of Credit Events.

Provision of Information

A Programme Party, whether by virtue of the types of relationships described herein or otherwise, may possess information in relation to any Reference Entity, any Affiliate of a Reference Entity, any Reference Obligation or any guarantor that is or may be material in the context of the Credit-Linked Notes and that may or may not be publicly available or known to the Noteholders or any other person. The Credit-Linked Notes will not create any obligation on the part of any such Programme Party to disclose any such relationship or information (whether or not confidential).

INFORMATION INCORPORATED BY REFERENCE

Capitalised terms used in this section headed “Information Incorporated by Reference” shall bear the same meanings as used in the Terms and Conditions and/or the Credit-Linked Terms and Conditions, as applicable, except to the extent that they are separately defined in this section or it is clearly inappropriate from the context.

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) in respect of any issue of Notes under the Programme, the 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 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 by the Securities Exchange News Service (“SENS”) 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 the purpose 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).

Copies of this Programme Memorandum and the documents specified above as containing information incorporated by reference in this Programme Memorandum, as well as upon motivated request the most recently obtained beneficial disclosure report made available by the Participant to the CSD, may be inspected or obtained, free of charge, at the registered office of the Issuer. Requests for such documents should be directed to the Issuer at its registered office as set at the end of this Programme Memorandum. This Programme Memorandum, as amended and/or restated and/or supplemented from time to time, all Applicable Pricing Supplements and the audited annual financial statements of the Issuer are also available on the Issuer’s website, www.firstrand.co.za. In addition, this Programme Memorandum, as amended and/or restated and/or supplemented from time to time, and all Applicable Pricing Supplements will be filed with the JSE which will publish such document on its website at www.jse.co.za. This Programme Memorandum does not constitute an offer or invitation by or on behalf of the Issuer, the Arranger and the Dealer, the Debt Sponsor, other professional advisors of the Issuer or the JSE to any person in any jurisdiction to subscribe for or purchase any Notes.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Programme Memorandum shall not form part of this Programme Memorandum.

SUPPLEMENT TO THIS PROGRAMME MEMORANDUM

Capitalised terms used in this section headed “Supplement to this Programme Memorandum” shall bear the same meanings as used in the Terms and Conditions and/or the Credit-Linked Terms and Conditions, as applicable, except to the extent that they are separately defined in this section or it is clearly inappropriate from the context.

The Issuer will, for so long as any Note remains outstanding and listed on the JSE, publish a new Programme Memorandum or a supplement to this Programme Memorandum, as the case may be, if:

- (1) a change in the condition (financial or otherwise) of the Issuer has occurred which is material in the context of the Notes and the Issuer’s payment obligations thereunder; or
- (2) an 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
- (3) any of the information contained in this Programme Memorandum becomes outdated in a material respect; or
- (4) this Programme Memorandum no longer contains all the material correct information required by the Applicable Procedures,

provided that, in the circumstances set out in paragraphs (3) and (4) above, no new Programme Memorandum or supplement to this Programme Memorandum, as the case may be, is required in respect of the Issuer’s annual financial statements if such annual financial statements are incorporated by reference into this Programme Memorandum and such annual financial statements are published, as required by the Companies Act, and submitted to the JSE within six months after the financial year end of the Issuer.

Any such new Programme Memorandum or Programme Memorandum as supplemented shall be deemed to have been substituted for the previous Programme Memorandum from the date of its issue.

KEY FEATURES OF THE PROGRAMME

Capitalised terms used in this section headed “Key Features of the Programme” shall bear the same meanings as used in the Terms and Conditions and/or the Credit-Linked Terms and Conditions, as applicable, except to the extent that they are separately defined in this section or it is clearly inappropriate from the context.

The following overview of key features of the Programme does not purport to be complete and is qualified in its entirety by the remainder of this Programme Memorandum.

PARTIES

Issuer	FirstRand Bank Limited.
Arranger	The Issuer.
Dealer	The Issuer and/or any other additional Dealer appointed under the Programme by the Issuer from time to time, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer’s right to terminate the appointment of such Dealer.
JSE Debt Sponsor	The Issuer, or such other entity appointed by the Issuer from time to time.
Calculation Agent, Paying Agent and Transfer Agent	The Issuer, unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as Calculation Agent, Paying Agent or Transfer Agent, as the case may be, in the place of the Issuer in which event the other entity shall act in such capacity in respect of that Tranche or Series of Notes as specified in the Applicable Pricing Supplement.
CSD	Strate Limited (Registration Number 1998/022242/06), registered as a central securities depository in terms of the Securities Services Act or such additional, alternative or successor central securities depository as may be agreed between the Issuer and the relevant Dealer(s).
JSE	The JSE Limited (Registration Number 2005/022939/06), a licensed financial exchange in terms of the Securities Services Act or any exchange which operates as a successor exchange to the JSE.

GENERAL

Denomination of Notes	<p>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.</p> <p>Notes (other than (a) Deposit Notes and, (b) Structured Notes pursuant to which the repayment of the Final Redemption Amount is fully dependent on the performance of the Reference Item) will be issued with a minimum Specified Denomination of ZAR100,000.</p> <p>Structured Notes pursuant to which the Final Redemption Amount is fully dependent on the performance of the Reference Item will not be subject to any minimum Specified Denomination required by applicable law or regulation. In the case of a Deposit Note, the minimum Deposit by a Noteholder</p>
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is ZAR10 000 or such other minimum Deposit amount as specified in the Applicable Pricing Supplement. There is no maximum limit on the amount that a Noteholder may invest in a Deposit Note provided that such Deposit Notes are traded in integral multiples of ZAR100 or as otherwise specified in the Applicable Pricing Supplement.

Description of Programme	FirstRand Bank Limited ZAR30,000,000,000 Note Programme.
Distribution	Notes may be offered by way of private placement, auction, bookbuild or any other means permitted by applicable law as determined by the Issuer and the relevant Dealer(s) and reflected in the Applicable Pricing Supplement.
Emigrant Blocked Rand	Emigrant Blocked Rand may be used to subscribe for, or purchase, Notes, subject to the Exchange Control Regulations.
Form of Notes	Notes will be issued in certificated form or electronically in uncertificated form as described in the section of this Programme Memorandum headed " <i>Form of the Notes</i> ".
Governing Law	The Terms and Conditions, the Credit-Linked Terms and Conditions and 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) or Interest Payment Date(s)	Such period(s) or date(s) as may be indicated in the Applicable Pricing Supplement.
Issue and Transfer Taxes	As at the Programme Date, 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 " <i>South African Taxation</i> "). Any future transfer duties and/or taxes that may be introduced in respect of (or be applicable to) the transfer of Notes will be for the account of Noteholders.
Issue Price	Notes may be issued on a fully paid or 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 has been approved by the JSE. Notes issued under the Programme may be listed on the JSE or on such other or additional Relevant Stock 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. The Applicable Pricing Supplement will specify whether or not a Tranche of Notes will be listed and, if so, on which Relevant Stock Exchange(s).
Maturities of Notes	Notes may be issued with any maturity date or Notes may be issued with no maturity date.

Noteholders

The holders of Notes who are recorded as the holders of the Registered Notes (as recorded in the Register).

The CSD's Nominee will be named in the Register as the registered Noteholder of each Tranche of Notes in uncertificated form or which is represented by a Global Certificate and which is listed on the JSE. Each holder of Notes which is represented by an Individual Certificate will be named in the Register as the registered Noteholder of such Notes.

Notes

Standard Notes and Structured Notes may be issued under the Programme.

The types of Structured Notes that may be issued under the Programme include the following:

- (a) **Equity Linked Notes**, being notes in respect of an equity security;
- (b) **Single Index Notes**, being notes relating to a particular Index;
- (c) **Equity Basket Notes**, being notes in respect of a basket of equity securities;
- (d) **Basket of Indices Notes**, being notes in respect of a basket of indices;
- (e) **Currency Linked Notes**, being notes relating to a particular currency or currency pair;
- (f) **Credit Linked Notes**, being notes relating to the credit of a specified entity, entities or basket of reference entities and Notes will be issued on such terms as may be determined by the Issuer and as specified in the Credit-Linked Annex and the Applicable Pricing Supplement; and
- (g) **Commodity Linked Notes**, being notes relating to a particular commodity or commodities or, a particular index or indices comprising various commodities.

Other types of Structured Notes may from time to time be issued under the Programme, subject to, if such Structured Notes are to be listed, the approval of the JSE, or its successor, or such other or further exchange or exchanges as may be selected by the Issuer. Any such other Structured Notes will be designated "*Non-Standard Structured Notes*", and the Applicable Pricing Supplement pertaining to the issue of any such Non-Standard Structured Notes will specify all the terms and conditions applicable thereto, which may or may not include certain or all of the terms and conditions set out in the Terms and Conditions contained herein.

Deposit Notes (which may be either Standard Notes or Structured Notes) may also be issued under the Programme.

Rating

As at the Programme Date, this Programme Memorandum has not been rated by any rating agency.

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 provided that the Rating Agency has confirmed in

writing that all of its respective current Rating(s) of Tranches of Notes then in issue will not be downgraded or withdrawn as a result of the issue of such unrated Tranche of Notes. 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) and not 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.

The Applicable Pricing Supplement may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as indicated in the Applicable Pricing Supplement.

Register

The Register of Noteholders maintained by the Transfer 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, the United Kingdom, the European Economic Area 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.

Settlement

Listed Notes will be cleared and settled in accordance with the listings requirements of the JSE or such other or additional Relevant Stock Exchange(s) and the rules of the CSD. Listed 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 clearing through any additional clearing system as may be agreed. As of the Programme Date, the Participants who are also the approved Settlement Agents are Absa Bank Limited, FirstRand Bank Limited, Nedbank Limited, the Standard Bank of South Africa Limited and the South African Reserve Bank. If applicable, 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).

Size of the Programme

As at the Programme Date, the Programme Amount is ZAR30,000,000,000. The Issuer may from time to time increase the Programme Amount. Subject to the Applicable Procedures, all

applicable laws and the Programme Agreement (as defined in the section of this Programme Memorandum headed “*Subscription and Sale*”), the Issuer may, without the consent of Noteholders, increase the Programme Amount by delivering a notice thereof to the Noteholders in accordance with Condition 22 (*Notices*) of the Terms and Conditions, and to the Arranger, the Dealer(s), the JSE and the CSD. Upon such notice being given to the Noteholders and the conditions set out in the Programme Agreement 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.

Specified Currency

South African Rand or, subject to all applicable laws and, in the case of Notes listed on the JSE and the rules of the JSE, such other currency as is specified in the Applicable Pricing Supplement.

Status of Notes

The 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. The Notes (other than Deposit Notes) do not evidence deposits of the Issuer and are not insured by any government agency. Deposit Notes evidence deposits of the Issuer and will be treated as such for purposes of the Banks Act.

Taxation

A summary of the applicable tax legislation in respect of the Notes as at the Programme Date is set out in the section of this Programme Memorandum headed “*South African Taxation*”. The summary does not constitute tax advice. Potential investors in the Notes should, before making an investment in the Notes, consult their own professional advisors as to the potential tax consequences of, and their tax positions in respect of, an investment in the Notes.

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.

Withholdings Tax

As at the Programme Date, all payments in respect of the Notes will be made without withholding or deduction for or on account of taxes levied in South Africa. In the event that withholding tax or such other deduction is required by law, then the Issuer will, subject to the exceptions in Condition 15 (*Taxation*) of the Terms and Conditions, pay such additional amounts as shall be necessary in order that the net amounts received by the Noteholders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been payable in respect of the Notes in the absence of such withholding or deduction.

FORMS OF THE NOTES

Capitalised terms used in this section entitled “Form of the Notes” shall bear the same meanings as used in the Terms and Conditions and/or the Credit-Linked Terms and Conditions, as applicable, 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, Bearer Notes or Order Notes as specified in the Applicable Pricing Supplement.

The Notes may be listed on the JSE and/or a successor exchange to the JSE or such other or further exchange or exchanges as the Issuer may select in relation to an issue and specify in the Applicable Pricing Supplement.

Registered Notes

A Tranche of Registered Notes will be issued in certificated form or uncertificated form as specified in the Applicable Pricing Supplement. Each Tranche of Notes which is listed on the JSE will be held in the CSD in the name of, and for the account of, the CSD’s Nominee. A Tranche of unlisted Notes may also be held in the CSD.

Notes issued in certificated form

A Tranche of Registered Notes which is listed on the JSE and/or lodged and immobilised in the CSD may, subject to applicable laws and the Applicable Procedures, be issued in certificated form. If applicable, each such Tranche of Registered Notes will be represented by a single Global Certificate in registered form, and the CSD’s Nominee will be named in the Register as the registered Noteholder of such Tranche of Registered Notes (see “*Beneficial Interests in Notes held in the CSD*” below). Unlisted Registered Notes may also be lodged and immobilised in the CSD, in the form of a Global Certificate.

Each Global Certificate will be physically deposited with and lodged in the CSD.

All certificated Registered Notes which are not represented by a Global Certificate, will be represented by single Individual Certificates in registered form. Registered Notes represented by Individual Certificates will be registered in the Register in the name of the individual Noteholders of such Notes.

Title to Registered Notes represented by Certificates will pass upon registration of transfer in accordance with Condition 18.1.2 (*Transfer of Registered Notes represented by Certificates*) of the Terms and Conditions.

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

Payments of all amounts due and payable in respect of Registered Notes represented by 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 Registered 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 Registered Notes which is listed on the JSE may, subject to applicable laws and Applicable Procedures, be issued in uncertificated form in terms of section 37 of the Securities Services Act.

Registered Notes issued in uncertificated form will not be represented by any certificate or written instrument. A Tranche of Registered Notes issued in uncertificated form will be held by the CSD, and the CSD’s Nominee 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 Registered Notes which is listed on the JSE will either be issued in certificated form and lodged in the CSD under a Global Certificate or be issued in uncertificated form and held in the CSD. A Tranche of unlisted Registered Notes may also be lodged in the CSD under a Global Certificate. While a Tranche of

Registered Notes is held in its entirety in the CSD, the CSD's Nominee will be named in the Register as the sole Noteholder of the Registered Notes in that Tranche.

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

The CSD maintains central securities accounts only for Participants. As at the date of the Programme Memorandum, the Participants are Absa Bank Limited, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited and the South African Reserve Bank. 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 Bank S.A./N.V. as operator of the Euroclear System ("Euroclear") and Clearstream Banking, société anonyme, (Clearstream Luxembourg) ("Clearstream") may hold Registered 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 Registered 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 Registered Notes standing to the account of any person shall be *prima facie* proof of such Beneficial Interest. The CSD's Nominee (as the registered Noteholder of such Notes named in the Register) will be treated by the Issuer, the Paying Agent, the Transfer Agent and the relevant Participant as the holder of that outstanding Nominal Amount of such Registered 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 security 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 Registered Notes represented by an Individual Certificate in accordance with Condition 16 (*Exchange of Beneficial Interests and Replacement of Certificates*) of the Terms and Conditions.

Bearer and Order Notes

Bearer Notes issued in bearer form and Order Notes issued in order form and which are interest bearing may, if indicated in the Applicable Pricing Supplement, have interest coupons and, if indicated in the Applicable Pricing Supplement, Talons for further Coupons attached on issue. Notes repayable in instalments may have Receipts for the payment of the instalments of principal (other than the final instalment) attached on issue, as if indicated in the Applicable Pricing Supplement.

Title to Bearer Notes and/or Receipts, Coupons and Talons attached on issue to the Certificate evidencing such Bearer Notes will pass by delivery of such Certificate, Receipt, Coupon or Talon (as the case may be). Title to Order Notes and/or any Receipts, Coupons and Talons attached on issue to the Certificate evidencing such Order Note, will pass by way of endorsement and delivery of such Certificate, Receipt, Coupon or Talon (as the case may be).

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes to be issued by the Issuer pursuant to this Programme Memorandum. A Tranche or Series 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 and any Annex specified to be applicable in such Applicable Pricing Supplement. Where an Annex is specified in the Applicable Pricing Supplement for any Tranche or Series of Notes, the below Terms and Conditions shall be subject to the contrary provisions contained in such Annex. In all cases, the Terms and Conditions and the provisions of any such Annex shall be subject to the Applicable Pricing Supplement relating to a Tranche or Series of Notes, and will not apply to the extent they are inconsistent with the provisions of that Applicable Pricing Supplement. Words and expressions defined or used in the Applicable Pricing Supplement shall have the same meaning where used in these Terms and Conditions and any applicable Annex unless the context otherwise requires or unless otherwise stated. All capitalised terms that are not defined in these Terms and Conditions will have the meaning given to them in the applicable Annex or the Applicable Pricing Supplement. References in these Terms and Conditions or any Annex to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

Any reference in the following Terms and Conditions to legislation or a statute shall be to such legislation or statute as amended, varied or re-enacted from time to time.

1. INTRODUCTION

- (a) *Programme:* FirstRand Bank Limited (the “**Issuer**”) has established a Note Programme (the “**Programme**”) for the issuance of up to ZAR30,000,000,000 in aggregate Nominal Amount of notes (the “**Notes**”).
- (b) *Applicable Pricing Supplement:* Notes issued under the Programme are issued in series (each a “**Series**”) and each Series may comprise one or more tranches (each a “**Tranche**”) of Notes. Before the Issuer issues any Tranche of Notes, the Issuer shall complete and sign the Applicable Pricing Supplement, based on the *pro forma* Applicable Pricing Supplement included in this Programme Memorandum, setting out details of such Notes. The Applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Tranche of Notes. The Applicable Pricing Supplement for each Tranche of Notes is (to the extent relevant) incorporated herein for the purposes of those Notes and supplements these Terms and Conditions. If there is any conflict or inconsistency between the provisions set out in the Applicable Pricing Supplement and the provisions set out in the following Terms and Conditions, then the provisions in the Applicable Pricing Supplement will prevail.
- (c) *The Notes:* All subsequent references in these Terms and Conditions to “**Notes**” are to the Notes which are the subject of the Applicable Pricing Supplement. Copies of the Applicable Pricing Supplement are available for inspection at the registered office of the Issuer.

2. 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:

“**Acceleration Notice**” has the meaning set out in Condition 20.1 (*Events of Default*);

“**Affected Jurisdiction**” means the jurisdiction of the Hedge Positions as specified in the Applicable Pricing Supplement;

“**Affiliate**” means, in relation to the Issuer, any Subsidiary of the Issuer or a Holding Company of the Issuer or any other Subsidiary of that Holding Company;

“**Agents**” means the Calculation Agent(s), the Determination Agent(s), the Paying Agent(s) and the Transfer Agent(s) and “**Agent**” means, as the context requires, any one of them;

“**Annex**” means, with respect to any Series of Notes, any annex setting out additional terms and conditions in respect of such Notes which is specified as being applicable in the Applicable Pricing Supplement;

“**Announcement Date**” means (a) in respect of a Merger Event or Nationalisation or Delisting, the date of the first public announcement of a firm intention, in the case of a Merger Event, to merge or to make an offer and, in the case of a Nationalisation, to nationalise (whether or not amended or on the terms originally announced) and, in the case of a Delisting, the date of the first public announcement by the Exchange that the relevant shares will cease to be listed, traded or publicly quoted, that leads to the Merger Event or the Nationalisation or Delisting, as the case may be, and (b) in respect of an Insolvency, the date of the first public announcement of the institution of a proceeding, presentation of a petition or passing of a resolution (or other analogous procedure in any jurisdiction) that leads to the Insolvency, in each case as determined by the Determination Agent;

“**Applicable Pricing Supplement**” means, 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 *pro forma* applicable pricing supplement which is set out in the section of the Programme Memorandum entitled “*Pro Forma Applicable Pricing Supplement*”;

“**Applicable Procedures**” means the rules and operating procedures for the time being of the CSD and the JSE, as the case may be;

“**Averaging Date**” means, in respect of each Valuation Date, each date specified or otherwise determined in the manner specified in the Applicable Pricing Supplement (or, if such day is not a Scheduled Trading Day, the next following Scheduled Trading Day);

“**Bank Account**” means the cash account of the Paying Agent at the Relevant Clearing System as notified by the Paying Agent when requested by the relevant Noteholder or the Issuer, as the case may be;

“**Banks Act**” means the Banks Act, 1990;

“**Basket Companies**” means, in relation to a particular Tranche of Notes, the companies identified in the Applicable Pricing Supplement as the companies whose securities and/or equity units comprise the Basket of Securities for such Tranche of Notes;

“**Basket of Commodities**” means, in relation to a particular Tranche of Notes, a basket composed of Relevant Commodities and/or Commodity Indices in the relative proportions specified in the Applicable Pricing Supplement;

“**Basket of Commodities Note**” means a Note, payments in respect of which will be calculated by reference to a Basket of Commodities as specified in the Applicable Pricing Supplement;

“**Basket of Indices**” means, in relation to a particular Tranche of Notes, a basket composed of each Index specified in the Applicable Pricing Supplement in the relative proportions indicated in the Applicable Pricing Supplement;

“**Basket of Indices Note**” means a Note, payments in respect of which will be calculated by reference to a Basket of Indices as are specified in the Applicable Pricing Supplement;

“**Basket of Securities**” means, in relation to a particular Tranche of Notes, a basket composed of Underlying Securities of each of the Basket Companies specified in the Applicable Pricing Supplement in the relative proportions and numbers of Underlying Securities of each Basket Company specified in the Applicable Pricing Supplement;

“**Basket of Shares**” means, in relation to a particular Tranche of Notes, a basket composed of Shares of each Basket Company specified in the Applicable Pricing Supplement in the relative proportions and numbers of Shares of each Basket Company specified in the Applicable Pricing Supplement;

“**Bearer**” means the bearer of a Certificate evidencing a Bearer Note or of a Receipt or Coupon attached to

such Certificate in issue;

“**Bearer Note**” means a Note payable to the Bearer thereof, transferable by way of delivery in accordance with Condition 18.2 (*Transfer of Bearer Notes*) and the term “*Bearer Note*” shall include the rights to payment of any interest or principal represented by a Coupon or Receipt (if any) attached on issue to the Certificate evidencing such Bearer Note;

“**Beneficial Interest**” means, 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 41(1) of the Securities Services Act, the nominal value of which beneficial interest, in relation to any number of Notes in that Tranche, is determined by 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 in section 41(3) of the Securities Services Act;

“**BESA Guarantee Fund Trust**” means the guarantee fund trust established and operated by the Bond Exchange of South Africa Limited, prior to its merger with the JSE on 22 June 2009 and, as at the Programme Date, operated by the JSE as a separate guarantee fund, in terms of sections 9(1)(e) and 18(2)(x) of the Securities Services Act or any successor fund;

“**Board Lot**” means the minimum board lot for the trading of the Underlying Securities on the relevant Exchange as from time to time specified by such Exchange;

“**Board Lot Payment**” has the meaning given to it in Condition 14.4 (*Minimum Board Lot*);

“**Books Closed Period**” means the period, as specified in the Applicable Pricing Supplement, commencing after the Last Day to Register, during which transfer of the Notes will not be registered, or such shorter period as the Issuer may decide in order to determine those Noteholders entitled to receive interest;

“**Business Day**” means a day which is both:

- (a) a day (other than a Saturday or Sunday or public holiday within the meaning of the Public Holidays Act, 1994) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Johannesburg and any Additional Business Centre specified in the Applicable Pricing Supplement; and
- (b) either:
 - (i) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant currency (if other than Johannesburg and any Additional Business Centre specified in the Applicable Pricing Supplement); or
 - (ii) in relation to any sum payable in euro, a day on which the TARGET System is open,

save that, if the Applicable Pricing Supplement so provides, “*Business Day*” shall include a Saturday;

“**Business Day Convention**” means any of the business day conventions specified in Condition 8.8 (*Business Day Convention*);

“**Calculation Agent**” means 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;

“**Cash Account**” means the cash account at the Relevant Clearing System designated by a Noteholder in a Maturity Redemption Notice, an Early Redemption Notice or a Noteholder’s Notice, as the case may be, or otherwise notified to the Issuer;

“**Certificate**” means a Global Certificate and/or an Individual Certificate, as the context requires;

“**Change in Law**” means that, on or after the Issue Date of any Series of Notes (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in good faith that (i) it has become illegal to hold, acquire, deal in or dispose of the Underlying Securities or any other property or assets comprised in an Index, any Currency, any Future Contracts or Commodities or contracts in securities, options, futures, derivatives or foreign exchange relating to such Notes, or (ii) it will incur a materially increased cost in performing its obligations under such Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

“**Class of Noteholders**” means the holders of a Series of Notes or, where appropriate, the holders of different Series of Notes;

“**Clearing System**” means, in respect of an Underlying Security relating to a Physically Settled Transaction, the clearing system specified as such for such Underlying Security in the Applicable Pricing Supplement or any successor to such clearing system as determined by the Determination Agent. If the Applicable Pricing Supplement does not specify a Clearing System, the Clearing System will be the principal domestic clearing system customarily used for settling trades in the relevant Underlying Security. If the Clearing System ceases to settle trades in such Underlying Security, the Determination Agent will, acting in good faith and in a commercially reasonable manner, select another method of delivery;

“**Clearing System Business Day**” means, in respect of a Clearing System, any day on which such Clearing System is (or, but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions;

“**Commodity Business Day**” means, in respect of a Commodity Linked Note, (a) in respect of any Note for which the Commodity Reference Price is a price announced or published by an Exchange, a day that is (or would have been, but for the occurrence of a Commodity Market Disruption Event) a day on which that Exchange is open for trading during its regular trading session, notwithstanding any such Exchange closing prior to its scheduled closing time and (b) in respect of any Note for which the Commodity Reference Price is not a price announced or published by an Exchange, a day in respect of which the relevant Price Source published (or would have published, but for the occurrence of a Commodity Market Disruption Event) a price;

“**Commodity Business Day Convention**” means, in respect of a Commodity Linked Note, any of the business day conventions specified in Condition 8.8 (*Business Day Convention*);

“**Commodity Index**” means, in relation to a Commodity Linked Note, an index comprising various commodities, as is specified in the Applicable Pricing Supplement;

“**Commodity Linked Note**” means a Note, payments in respect of which will be calculated by reference to the price of a Relevant Commodity, Commodity Index or a Basket of Commodities, each as specified in the Applicable Pricing Supplement;

“**Commodity Reference Price**” means, in relation to a Commodity Linked Note, the commodity reference price specified in the Applicable Pricing Supplement;

“**Common Monetary Area**” means South Africa, Lesotho, Namibia, and Swaziland;

“**Companies Act**” means the Companies Act, 2008;

“**Component**” means in relation to an Index, any security which comprises such Index;

“**Coupon**” means an interest coupon evidencing title to an interest payment in respect of an interest bearing Note which is a Bearer Note or an Order Note, attached to the Certificate evidencing such interest

bearing Note;

“**CSD**” means Strate, or its nominee, operating in terms of the Securities Services Act (or any successor legislation thereto), or any additional or alternate depository approved by the Issuer;

“**CSD’s Nominee**” means a wholly owned subsidiary of the CSD approved by the Registrar of Securities Services in terms of the Securities Services Act, and any reference to “*CSD’s Nominee*” shall, whenever the context permits, be deemed to include any successor nominee operating in terms of the Securities Services Act;

“**Currency**” means the money in use of a country;

“**Currency Amount**” means, whenever an amount is denominated in a currency other than the Settlement Currency and is specified to be determined by reference to a Currency Amount, such amount converted to the relevant Settlement Currency using the Currency Rate;

“**Currency Linked Note**” means a Note, payments in respect of which are made in such currencies and by reference to such rates of exchange and/or formulae, as specified by the Issuer in the Applicable Pricing Supplement;

“**Currency Rate**” means:

- (a) the rate determined by the Determination Agent equal to the rate of conversion of the currency of the Deliverable Obligation into the Settlement Currency by reference to:
 - (i) if the Settlement Currency is US Dollars, the Federal Reserve Bank of New York 10:00 am (New York time) mid-point rate as displayed on Reuters page FEDSPOT on the date that the Notice of Physical Settlement is deemed given, or in such other manner as it shall in a commercially reasonable manner determine; or
 - (ii) if the Settlement Currency is Euro, the MEAN price as displayed on Reuters Page EUROFX/1 as of 12:00 pm (London time) on the date that the Notice of Physical Settlement is deemed given, or in such other commercially reasonable manner as it shall determine; or
- (b) if the Settlement Currency is not US Dollars or Euro, the rate determined by the Determination Agent in its sole and absolute discretion in a commercially reasonable manner;

“**Daily Maximum Amount**” has the meaning given to it in Condition 14.3 (*Maximum number of Notes redeemable on any particular day*);

“**Day Count Fraction**” means, 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:

- (a) if “**Actual/Actual (ICMA)**” is so specified:
 - (i) where the Calculation Period is equal to or shorter than the Determination Period during which it falls, the actual number of days in the Calculation Period divided by the product of (A) the actual number of days in such Regular Period and (B) the number of Regular Periods in any year; and
 - (ii) 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 (x) the actual number of days in such Regular Period and (y) 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 (x) the actual number of days in such Regular

Period and (y) the number of Regular Periods normally ending in any year;

- (b) if “**Actual/365**” “**Actual/Actual (ISDA)**” is so specified, means the actual number of days in the Calculation Period divided by 365 (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 and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Calculation Period divided by 365;
- (d) if “**Actual/360**” is so specified, means the actual number of days in the Calculation Period divided by 360;
- (e) if “**30/360**”, “**360/360**” or “**Bond Basis**” is so specified, means the number of days in the Calculation period divided by 360, calculated on a formula basis as follows:

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

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, in which case **D₁** will be 30; 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 and **D₁** is greater than 29, in which case **D₂** will be 30;

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

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

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, in which case **D₁** will be 30; 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, in which case **D₂** will be 30;

- (g) if “**30E/360 (ISDA)**” is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

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, in which case **D₁** will be 30; 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, in which case **D₂** will be 30;

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

“**Default Rate**” means in relation to a Tranche of Notes, the default rate specified as such in the Applicable Pricing Supplement;

“**Delisting**” means, in respect of any Underlying Securities, that the Exchange announces that pursuant to the rules of such Exchange, the Underlying Securities cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union);

“**Deliverable Obligations**” has the meaning set out in the Applicable Pricing Supplement;

“**Delivery Date**” means, with respect to a Deliverable Obligation, the date such Deliverable Obligation is delivered and, with respect to a Commodity Linked Note, the date specified in the Applicable Pricing Supplement;

“**Deposits**” means, with respect to a Deposit Note, the amount deposited by the Noteholder with the Issuer, in terms of which the Issuer issues to that Noteholder a Deposit Note subject to the Terms and Conditions;

“**Deposit Note**” means either a Standard Note or Structured Note which represents the aggregate principal amount of Deposits made by a Noteholder with the Issuer.

“Determination Agent” means RMB, unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as Determination Agent in respect of that Tranche or Series of Notes; provided that such entity has been approved by the relevant Exchange, if applicable. All determinations made by the Determination Agent pursuant to these Terms and Conditions will be notified to the Paying Agent in accordance with Condition 22 (*Notices*);

“Determination Date” means the date on which the level of an Index is to be calculated;

“Disappearance of Commodity Reference Price” means, in respect of a Commodity Linked Note, (a) the permanent discontinuation of trading in the relevant Futures Contract on the relevant Exchange; (b) the disappearance of, or of trading in, the Relevant Commodity; or (c) the disappearance or permanent discontinuance or unavailability of a Commodity Reference Price, notwithstanding the availability of the related Price Source or the status of trading in the relevant Futures Contract or the Relevant Commodity;

“Disrupted Day” means (a) except with respect to a Multi-exchange Index, any Scheduled Trading Day on which a relevant Exchange or Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred, and (b) with respect to any Multi-exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor fails to publish the level of the Index, (ii) the Related Exchange fails to open for trading during its regular trading sessions, or (iii) a Market Disruption Event has occurred;

“Disruption Event” has the meaning set out in Condition 12.3 (*Currency Linked Notes*);

“Disruption Redemption Amount” means the Redemption Amount or Early Redemption Amount, as the case may be, calculated by the Determination Agent in its absolute discretion following the occurrence of a Disruption Event taking into consideration all available information that it deems relevant less the costs to the Issuer of unwinding any underlying related hedging arrangements;

“Dual Currency Notes” means Notes which pay interest in a base currency and the principal in a non-base currency or *vice versa*;

“Dual Exchange Rate” means, with respect to any Exchange Rate, that the Exchange Rate splits into dual or multiple currency exchange rates;

“Due and Payable Amount” means the amount that is due and payable under (and in accordance with the terms of) a Deliverable Obligation on the Delivery Date, whether by reason of acceleration, maturity, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts);

“Early Closure” means (a) except with respect to a Multi-exchange Index, the closure on any Exchange Business Day of the relevant Exchange (or in the case of a single index note or basket of Indices Note, any relevant Exchange(s) relating to securities that comprise 20 percent or more of the level of the relevant Index) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or any Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time or the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day, and (ii) the submission deadline of orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day, and (b) with respect to any Multi-Exchange Index, the closure on any Exchange Business Day of the Exchange in respect of any Component or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or related Exchange, as the case may be, at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or Related Exchange, as the case may be, on such Exchange Business Day, and (ii) the submission deadline for orders to be entered into such Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day;

“Early Redemption Amount” means, in relation to any particular Tranche of Notes, the amount specified in, or determined in the manner specified in, the Applicable Pricing Supplement, or in all other cases, at the sole discretion of the Determination Agent, which will always be rounded down to the nearest minimum unit of the currency in which the payment of the Early Redemption Amount is made or,

in relation to the early redemption of Notes pursuant to Condition 13.1.1 (*Consequences of Merger Events*), the Merger Event Settlement Amount, at which the Notes will be redeemed by the Issuer prior to the Maturity Date;

“**Early Redemption Date**” means, in relation to a particular Tranche of Notes, subject to Conditions 12 (*Rights of the Issuer in the event of a Disrupted Day or Disruption Event*) and 13 (*Adjustments*), the date on which the Issuer is obliged to redeem Notes pursuant to Condition 10.4 (*Early Redemption following the occurrence of a Tax Event, Change in Law, Hedging Disruption and/or Increased Cost of Hedging*) or Condition 20.1 (*Events of Default*), being the dates specified in the Applicable Pricing Supplement and in the absence of any such specification, shall be deemed to be the second Business Day after the Special Redemption Notice or the Acceleration Notice, as the case may be, is received (unless otherwise stated in the Applicable Pricing Supplement) provided that, in the case of a redemption pursuant to Condition 10.4 (*Early Redemption following the occurrence of a Tax Event, Change in Law, Hedging Disruption and/or Increased Cost of Hedging*), the Early Redemption Date must fall no later than 2 (two) Business Days prior to the Maturity Date;

“**Early Redemption Notice**” means the notice referred to in Condition 11.3.1.2;

“**Early Redemption Payment Date**” means the date specified as such in the Applicable Pricing Supplement and if no such date is specified, shall be the Early Redemption Date or the earliest practicable date thereafter;

“**Endorsement**” means an “*indorsement*”, *mutatis mutandis*, within the meaning defined in the Bills of Exchange Act, 1964;

“**Endorsement in Blank**” means an Endorsement which specifies no named Payee;

“**Equity Basket Note**” means a Note, payments in respect of which will be calculated by reference to the Basket of Securities as specified in the Applicable Pricing Supplement;

“**Equity Linked Note**” means a Note, payments in respect of which will be calculated by reference to the Underlying Security or Securities as specified in the Applicable Pricing Supplement;

“**Event of Default**” means any of the events described in Condition 20.1 (*Events of Default*);

“**Exchange**” means:

- (a) (i) in respect of an Index relating to Single Index Notes or Basket of Indices Notes other than a Multi-exchange Index, each exchange or quotation system specified as such for such Index or Indices in the Applicable Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the shares underlying such Index or Indices has temporarily relocated provided that the Determination Agent has determined that there is comparable liquidity relative to the shares underlying such Index or Indices on such temporary substitute exchange or quotation system as on the original Exchange, and (ii) with respect to any Multi-exchange Index, and in respect of each Component, the principal stock exchange on which such Component is principally traded, as determined by the Determination Agent;
- (b) in respect of an Underlying Security relating to Equity Linked Notes or Equity Basket Notes, each exchange or quotation system specified as such for each Underlying Security in the Applicable Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Underlying Security has temporarily relocated provided that the Determination Agent has determined that there is comparable liquidity relative to such Underlying Security on such temporary substitute exchange or quotation system as on the original Exchange; and
- (c) in respect of a Relevant Commodity relating to Commodity Linked Notes, each exchange or principal trading market specified in the Applicable Pricing Supplement or Commodity Reference Price;

“Exchangeable Notes” means 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 Business Day” means (a) except with respect to a Multi-exchange Index, any Scheduled Trading Day on which each Exchange is open for trading during its regular trading sessions, notwithstanding any such Exchange closing prior to its Scheduled Trading Time, and (b) with respect to a Multi-exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor publishes the level of the Index, and (ii) the Related Exchange is open for trading during its regular trading session, notwithstanding any Exchange or Related Exchange closing prior to its Scheduled Closing Time;

“Exchange Disruption” means (a) except with respect to a Multi-exchange Index, any event (other than Early Closure) that disrupts or impairs (as determined by the Determination Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Underlying Securities on the Exchange (or, in the case of a Single Index Notes or Basket of Indices Note, on any relevant Exchange(s) relating to securities that comprise 20 percent or more of the level of the relevant Index), or (ii) to effect transactions in, or obtain market value for, the Relevant Currency or the Underlying Security or the relevant Index (or any Component thereof), and (b) with respect to any Multi-exchange Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Determination Agent) the ability of market participants in general to effect transactions in, or obtain market values for (i) any Component on the Exchange in respect of such Component, or (ii) futures or options contracts relating to the Index on the Related Exchange;

“Exchange Period” means, 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” means 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” means 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;

“Exchange Rate” means the rate of exchange of the Currency of one country or the Currency of another country, as specified in the Applicable Pricing Supplement;

“Exchange Rate Time” means the time or times on the relevant Pricing Date at which the relevant Exchange Rate will be taken for conversion into the Currency in which any Redemption Amount or Early Redemption Amount as the case may be, in respect of an issue of Notes is to be paid;

“Extraordinary Resolution” means a resolution passed at a meeting (duly convened) of the Noteholders by a majority consisting of not less than 66⅔% (sixty six and two thirds per cent) of the Persons voting thereat upon a show of hands or if a poll be duly demanded then by a majority consisting of not less than 66⅔% (sixty six and two thirds per cent.) of the votes given on such poll;

“Final Broken Amount” means, in relation to a Tranche of Notes, the final broken amount specified as such in the Applicable Pricing Supplement;

“Final Price” means the price of Reference Obligation, expressed as a percentage, determined in accordance with the Valuation Method specified in the Applicable Pricing Supplement;

“Final Redemption Amount” means the amount of principal specified in the Applicable Pricing Supplement payable in respect of each Note upon the Maturity Date;

“Financial Indebtedness” means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (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 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;

“**Fixed Coupon Amount**” means, in relation to a Fixed Rate Note, the amount of interest payable on each Interest Payment Date as specified in the Applicable Pricing Supplement;

“**Fixed Rate**” means interest determined at a fixed rate of interest;

“**Fixed Rate Notes**” means Notes which will bear interest at the fixed Interest Rate, as indicated in the Applicable Pricing Supplement;

“**Floating Rate**” means interest determined at a floating rate of interest;

“**Floating Rate Notes**” means Notes which will bear interest at a floating Interest Rate as indicated in the Applicable Pricing Supplement and more fully described in Condition 8.2 (*Interest on Floating Rate Notes*);

“**Futures Contract**” means, in relation to a Commodity Linked Note, in respect of Commodity Reference Price, the contract for future delivery of a contract size in respect of the relevant Delivery Date relating to the Relevant Commodity or Commodity Index referred to in that Commodity Reference Price;

“**Futures or Options Exchange**” means the relevant exchange in options or futures contracts on the relevant Underlying Securities or the Relevant Index, as the case may be, as determined by the Determination Agent in its absolute discretion;

“**Global Certificate**” means, in relation to a Tranche of Notes which is issued in certificated form and immobilised in the CSD, a certificate in definitive registered form deposited with and lodged in the CSD and registered in the name of the CSD’s Nominee, representing all of the Notes in that Tranche (other than those Notes in that Tranche (if any) which are represented by Individual Certificates);

“**Governmental Authority**” means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial market (including the central bank) of the countries for which the Relevant Currencies are the lawful currencies;

“**Group**” means the Issuer and its consolidated Subsidiaries;

“**Guarantee**” means, in relation to any Financial Indebtedness of any Person, any obligation of another Person to pay such Financial Indebtedness including (without limitation):

- (a) any obligation to purchase such Financial Indebtedness;
- (b) any obligation to lend money, to purchase or subscribe for shares or other securities or to purchase assets or services in order to provide funds for the payment of such Financial Indebtedness;
- (c) any indemnity against the consequences of a default in the payment of such Financial Indebtedness; and
- (d) any other agreement to be responsible for such Financial Indebtedness;

“**Hedging Disruption**” means that the Issuer is unable, after using commercially reasonable efforts to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk of issuing and performing its obligations with respect to the relevant Tranche of Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s);

“**Hedging Positions**” means any purchase, sale, entry into or maintenance of one or more (a) positions or contracts in securities, options, futures, derivatives or foreign exchange, (b) stock loan transactions, or (c) other instruments or arrangements (howsoever described) by the Issuer or any of its Affiliates in order to hedge individually or on a portfolio basis, the Issuer’s obligations in respect of the Notes;

“**Higher Redemption Amount**” means, in relation to a Tranche of Notes, the higher redemption amount specified as such in the Applicable Pricing Supplement;

“**Holding Company**” means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary;

“**Illiquidity Disruption**” means, in relation to an Exchange Rate, the occurrence of an event whereby it becomes impossible to obtain a firm quote of the Settlement Rate for an amount to be determined by the Determination Agent on the Valuation Date (or, if different, the day on which rates for that Valuation Date would, in the ordinary course, be published or announced by the relevant price source);

“**Implied Yield**” means the yield accruing on the Issue Price of Zero Coupon Notes, as specified in the Applicable Pricing Supplement;

“**Income Tax Act**” means the Income Tax Act, 1962;

“**Increased Cost of Hedging**” means that the Issuer would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk of issuing and performing its obligations with respect to the relevant Tranche of Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging;

“**Index**” means any Proprietary Index or such other index as is specified in the Applicable Pricing Supplement, all as more particularly described in the Applicable Pricing Supplement pertaining to a particular Tranche of Notes;

“**Indexed Linked Interest Notes**” means 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**” means an Indexed Linked Interest Note and/or an Indexed Linked Redemption Note, as applicable;

“**Indexed Linked Redemption Notes**” means Notes in respect of which the Final Redemption Amount is calculated by reference to an index and/or a formula as may be indicated in the Applicable Pricing Supplement;

“**Indices**” means more than one Index;

“**Individual Certificate**” means a Note in the definitive registered form of a single certificate and being a certificate exchanged for Beneficial Interest in accordance with Condition 16 (*Exchange of Beneficial Interests and Replacement of Certificates*) and any further certificate issued in consequence of a transfer thereof;

“Initial Broken Amount” means, in relation to a Tranche of Notes, the initial broken amount specified as such in the Applicable Pricing Supplement;

“Insolvency” means that by reason of the voluntary or involuntary liquidation, bankruptcy or insolvency of or any analogous proceeding affecting an Underlying Company, (a) all the Underlying Securities of that Underlying Company are required to be transferred to a trustee, liquidator or other similar official or (b) holders of the Underlying Securities of that Underlying Company become legally prohibited from transferring them;

“Instalment Amount” means 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 Notes” means 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;

“Instalment Dates” means, in relation to a Tranche of Instalment Notes, the dates specified as such in the Applicable Pricing Supplement;

“Interest Amount” means the amount of interest payable in respect of each Nominal Amount of Fixed Rate Notes, Floating Rate Notes and Indexed Notes, as determined in accordance with Condition 8 (*Payments*);

“Interest Basis” means the basis upon which interest will be determined on any Tranche of Notes as specified in the Applicable Pricing Supplement;

“Interest Commencement Date” means 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” means, in relation to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;

“Interest Payment Date” means the Interest Payment Date(s) specified in the Applicable Pricing Supplement or, if no express Interest Payment Date(s) is/are specified in the Applicable Pricing Supplement, the last day of the Interest Period commencing on the preceding Interest Payment Date, or, in the case of the first Interest Payment Date, commencing on the Interest Commencement Date;

“Interest Period” means, in respect of any Tranche of Notes, the period from and including one Interest Payment Date (or, in the case of the first Interest Period, the Interest Commencement Date) up to but excluding the next (or first) Interest Payment Date, or such other meaning as may be set out in the Applicable Pricing Supplement;

“Interest Rate” means the rate or rates of interest applicable to Notes, other than Zero Coupon Notes, as indicated in the Applicable Pricing Supplement;

“ISDA” means the International Swaps and Derivatives Association Inc.;

“ISDA Definitions” means the 2006 ISDA Definitions published by ISDA (as amended, supplemented, revised or republished from time to time) as specified in the Applicable Pricing Supplement;

“Issue Date” means, in relation to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;

“Issue Price” means, in relation to a Tranche of Notes, the price specified as such in the Applicable Pricing Supplement;

“Issuer” means 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;

“**Issuer Redemption Notice**” has the meaning set out in Condition 11.3.1.3;

“**JSE**” means the JSE Limited (registration number 2005/022939/06), a licensed financial exchange in terms of the Securities Services Act or any exchange which operates as a successor exchange to the JSE;

“**JSE Guarantee Fund**” means the JSE Guarantee Fund established and operated by the JSE, in terms of the of the rules of the JSE, as required by sections 9(1)(e) and 18(2)(x) of the Securities Services Act or any successor fund;

“**Last Day to Register**” means, with respect to a particular Series of Notes (as reflected in the Applicable Pricing Supplement), the last date or dates preceding a Payment Day on which the Transfer Agent will accept Transfer Forms and record the transfer of Notes in the Register for that particular Series of Notes and whereafter the Register is closed for further transfers or entries until the Payment Day;

“**Mandatory Exchange**” means, in relation to a Tranche of Notes, the mandatory exchange specified as such in the Applicable Pricing Supplement;

“**Margin**” means, in relation to a Tranche of Notes (where applicable), the margin specified as such in the Applicable Pricing Supplement;

“**Market Disruption Event**” means (a) in respect of any Note relating to an Underlying Security, a currency, a rate of exchange and/or a formula or any Note relating to an Index other than a Multi-exchange Index, the occurrence or existence of (in each case if specified as applicable in the Applicable Pricing Supplement) (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Determination Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, (iii) an Early Closure or (iv) any event which disrupts or impairs the ability of the Issuer or of any market participants to effect transactions in, or obtain market values for, future, options or derivative contract relating to the Underlying, the Relevant Currency or an Index (including a Proprietary Index) other than a Multi-exchange Index. For the purposes of determining whether any of a Trading Disruption, Exchange Disruption or Early Closure exists in respect of an Index at any time, if a Market Disruption Event occurs in respect of a security included in the Index at any time then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the index attributable to that security and (y) the overall level of the Index, in each case immediately before the Market Disruption Event occurred, and (b) with respect to a Multi-exchange Index either (i)(A) the occurrence or existence, in respect of any Component, of: (1) a Trading Disruption in respect of such Component Security, which the Determination Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component is principally traded; (2) an Exchange Disruption in respect of such Component, which the Determination Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component is principally traded; OR (3) an Early Closure in respect of such Component; AND (B) the aggregate of all Component in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of the Index; OR (ii) the occurrence or existence, in respect of futures or options contracts relating to the Index, of: (A) a Trading Disruption; (B) an Exchange Disruption, which in either case the Determination Agent determines is material, at any time during the one hour period that ends at the Valuation Time in respect of the Related Exchange; or (C) an Early Closure, in each case in respect of such futures or options contracts.

For the purposes of determining whether a Market Disruption Event exists in respect of a Component at any time, if a Market Disruption Event occurs in respect of such Component at that time, then the relevant percentage contribution of that Component to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that Component to (y) the overall level of the Index, in each case using the official opening weightings as published by the Sponsor as part of the market “opening data”.

“**Material Change in Content**” means, in respect of a Commodity Linked Note, the occurrence since the Trade Date of a material change in the content, composition or constitution of the relevant Commodity or relevant Futures Contract;

“**Material Change in Formula**” means, in respect of a Commodity Linked Note, the occurrence of a material change in the formula for or method of calculating the relevant Commodity Reference Price since the Trade Date;

“**Maturity Date**” means, in relation to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement, subject to the Modified Following Business Day Convention unless otherwise specified in such Applicable Pricing Supplement;

“**Maturity Notice Time**” has the meaning set out in the relevant Applicable Pricing Supplement, in the absence of which it shall be deemed to be 10:00 am Johannesburg time;

“**Maturity Redemption Notice**” has the meaning set out in Condition 11.3.1.1;

“**Merger Date**” means, in respect of a Merger Event, the date upon which all holders of the relevant Underlying Shares (other than, in the case of a takeover offer, Underlying Shares owned or controlled by the offeror) have agreed or have irrevocably become obliged to transfer their Underlying Shares;

“**Merger Event**” means in respect of any relevant Underlying Shares, any:

- (a) reclassification or change of such Underlying Shares that results in a transfer of or an irrevocable commitment to transfer 20 per cent. or more of such Underlying Shares outstanding;
- (b) consolidation, amalgamation, merger or binding share exchange of the Underlying Company with or into another entity (other than a consolidation, amalgamation, merger or binding share exchange in which such Underlying Company is the continuing entity and which results in a reclassification or change of less than 20 per cent. of the relevant Underlying Shares outstanding);
- (c) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity for such Underlying Shares that results in a transfer of or an irrevocable commitment to transfer 20 per cent. or more of such Underlying Shares (other than such Underlying Shares owned or controlled by the offeror); or
- (d) consolidation, amalgamation, merger or binding share exchange of the Underlying Company or its subsidiaries with or into another entity in which the Underlying Company is the continuing entity and which does not result in a reclassification or change of all such Underlying Shares outstanding but results in the outstanding Underlying Shares (other than Underlying Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Underlying Shares immediately following such event,

if, in each case, the date on which the Determination Agent determines that such event occurs is on or before, in the case of a Physically Settled Transaction, the Maturity Date, or in any other case, the Valuation Date in respect of the relevant Note;

“**Merger Event Settlement Amount**” means an amount which the Determination Agent in its sole and absolute discretion, determines is the fair value to the Noteholder of a Note with terms that would preserve for the Noteholder the economic equivalent of any payment or delivery (assuming satisfaction of each applicable condition precedent) to which the Noteholder would have been entitled under the relevant Note after that date but for the occurrence of the Merger Event;

“**Minimum Redemption Amount**” means, in relation to a Tranche of Notes, the minimum redemption amount specified as such in the Applicable Pricing Supplement;

“**Mixed Rate Notes**” means 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 Interest Notes, each as indicated in the Applicable Pricing Supplement and as more fully described in Condition 8.4 (*Mixed Rate Notes*);

“**Multi-exchange Index**” means any Index specified as such in the relevant Applicable Pricing Supplement;

“**Nationalisation**” means that all the Underlying Shares or all the assets or substantially all the assets of the Underlying Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity;

“**Nominal Amount**” means, 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;

“**Noteholders**” means the holders of the Registered Notes (as recorded in the Register) and/or the Bearers of the Bearer Notes and/or the Payees of the Order Notes;

“**Noteholders’ Exchange Right**” means, 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 *in lieu* of cash from the Issuer upon redemption of such Notes;

“**Noteholder’s Notice**” means a notice in a form provided by, and available from, the Issuer at its registered office as set out at the end of this Programme Memorandum which, *inter alia*, contains details of the relevant Noteholder’s Cash Account and Securities Account;

“**Notes**” means Standard Notes and/or Structured Notes issued or to be issued by the Issuer under the Programme, pursuant to this Programme Memorandum, together with Receipts and/or Coupons (if any);

“**Number of Underlying Securities**” means in the case of (a) an Equity Linked Note, the number of Underlying Securities specified as such in the Applicable Pricing Supplement and (b) no Equity Basket Note, the number of Underlying Securities of each Underlying Company comprised in the Basket of Securities, as specified in the Applicable Pricing Supplement;

“**Obligations**” in respect of a Credit Linked Note, has the meaning set out in the Applicable Pricing Supplement;

“**Optional Redemption Amount**” means, in relation to a Tranche of Notes, the optional redemption amount specified as such in the Applicable Pricing Supplement;

“**Optional Redemption Date**” means, in relation to a Tranche of Notes, subject to Condition 12 (*Rights of the Issuer in the event of a Disrupted Day or Disruption Event*), the date(s) specified as such in the Applicable Pricing Supplement and in the absence of any such specification, shall be deemed to be the second Business Day after the Early Redemption Notice is received (unless otherwise stated in the Applicable Pricing Supplement); provided that the Optional Redemption Date (or the last such date specified in the Applicable Pricing Supplement) must fall no later than 2 (two) Business Days prior to the Maturity Date;

“**Optional Redemption Payment Date**” means the date specified as such in the Applicable Pricing Supplement and if no such date is specified, shall be the Optional Redemption Date or the earliest practicable date thereafter;

“**Order Note**” means a Note payable to the Payee thereon, transferable by way of Endorsement and delivery in accordance with Condition 18.3 (*Transfer of Order Notes*) and the term “*Order Note*” shall include the rights to interest or principal represented by a Coupon or Receipt (if any) attached on issue to the Certificate evidencing such Order Note;

“**Outstanding**” means, 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 moneys wherefor (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 10 (*Redemption and*

Purchase);

- (d) those which have become prescribed under Condition 19 (*Prescription*);
- (e) those represented by those mutilated or defaced Certificates which have been surrendered in exchange for replacement Certificates pursuant to Condition 16 (*Exchange of Beneficial Interests and Replacement of 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 Certificates alleged to have been lost, stolen or destroyed and in respect of which replacement Certificates have been issued pursuant to Condition 16 (*Exchange of Beneficial Interests and Replacement of 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 23 (*Modification*) and 24 (*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 (unless and until ceasing to be so held) shall be deemed not to be Outstanding;

“**Participant**” means a Person accepted by the CSD as a participant in terms of section 34 of the Securities Services Act, and who is approved by the CSD, in terms of the rules of the CSD, as a settlement agent to perform electronic settlement of funds and scrip;

“**Partly Paid Notes**” means 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);

“**Payee**” means a Person reflected (either as the subscriber or by way of Endorsement) as the payee on a Certificate evidencing an Order Note or a Receipt or Coupon attached thereto on issue and to whom such Certificate, Receipt or Coupon (as the case may be) has been delivered;

“**Paying Agent**” means RMB, or such other entity appointed by the Issuer as Paying Agent, in which event that other entity shall act as Paying Agent in respect of that Tranche or Series of Notes;

“**Payment Day**” means any day which is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (i) the relevant place of presentation;
 - (ii) Johannesburg;
 - (iii) any Additional Business Centre specified in the Applicable Pricing Supplement; and
- (b) either:
 - (i) in relation to any sum payable in a currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant currency; or
 - (ii) in relation to any sum payable in Euro, a day on which the TARGET System is open;

“**Person**” means any individual, company, corporation, firm, partnership, joint venture, association,

organisation, state or agency of state or other entity, whether or not having separate legal personality;

“Physical Delivery Date” means in relation to Underlying Securities to be delivered, subject to Condition 11.6 (*Settlement Disruption Event*), in respect of any Note, the date following a Maturity Date or Early Redemption Date, as the case may be, being the first day on which settlement of a sale of such Underlying Securities executed on that Maturity Date or Early Redemption Date, as the case may be, customarily would take place through the relevant Clearing System unless otherwise specified in the Applicable Pricing Supplement;

“Physical Settled Transaction” means in relation to any particular Tranche of Notes, Notes in respect of which Underlying Securities may, at the option of the Issuer or the Noteholder (as the case may be) be delivered to the Noteholder, the delivery of which amounts to **“Physical Settlement”**;

“Postponement” in relation to Commodity Linked Notes has the meaning set out in Condition 12.6 (*Commodity Linked Notes*);

“Potential Adjustment Event” means any of the following:

- (a) a subdivision, consolidation or reclassification of the relevant Underlying Securities (unless a Merger Event), or, a free distribution or dividend of any such Underlying Shares to existing holders by way of bonus, capitalization or similar issue;
- (b) a distribution or dividend to existing holders of the relevant Underlying Securities of (i) such Underlying Securities, or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Underlying Company equally or proportionately with such payments to holders of such Underlying Securities, or (iii) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other) at less than the prevailing market price as determined by the Determination Agent;
- (c) an extraordinary dividend;
- (d) a call by the Underlying Company in respect of the relevant Underlying Securities that are not fully paid;
- (e) a repurchase by the Underlying Company of relevant Underlying Securities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (f) in respect of the Underlying Company, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Underlying Company pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Determination Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (g) any other similar event that may have a diluting or concentrative effect on the theoretical value of the relevant Underlying Securities;

“Previous Programme Memorandum” means the programme memorandum dated 24 August 2010;

“Price Source” means, in respect of a Commodity Linked Note, the publication (or such other origin of reference, including an Exchange) containing (or reporting) the Specified Price (or prices from which the Specified Price is calculated) as specified in the relevant Commodity Reference Price or otherwise in the Applicable Pricing Supplement containing the Commodity Reference Price;

“Price Source Disruption” means:

- (a) in relation to an Exchange Rate in respect of a Currency Linked Note, it becomes impossible to obtain the Settlement Rate on the Valuation Date (or, if different, the day on which rates for that Valuation Date would, in the ordinary course, be published or announced by the relevant price

source); and

- (b) in respect of a Commodity Linked Note (i) the failure of the Price Source to announce or publish the Specified Price (or the information necessary for determining the Specified Price) for the relevant Commodity Reference Price; or (ii) the temporary or permanent discontinuance or unavailability of the Price Source;

“**Pricing Date**” means, in respect of a Commodity Linked Note, the date specified in the Applicable Pricing Supplement;

“**Principal Subsidiary**” means a Subsidiary of the Group whose (a) total profits, before tax and extraordinary items represent in excess ten percent (10%) of the consolidated total profits, before tax and extraordinary items of the Issuer and its Subsidiaries, or (b) total value of net assets represent in excess ten percent (10%) of the total value of all consolidated net assets owned by the Issuer and its Subsidiaries in each case calculated by reference to the latest audited financial statements of each Subsidiary and the latest audited consolidated financial statements of the Issuer and its Subsidiaries but if a Subsidiary has been acquired or sold since the date as at which the latest audited consolidated financial statements of the Issuer and its Subsidiaries were prepared, the financial statements shall be adjusted in order to take into account the acquisition or sale of that Subsidiary (that adjustment being certified by the Issuer as representing an accurate reflection of the revised consolidated profits before interest and tax or turnover of the Issuer and its Subsidiaries). If requested, the Auditors can provide a report addressed to the directors of the Issuer as to proper extraction of the figures used by the directors of the Issuer in determining the Principal Subsidiaries of the Issuer and mathematical accuracy of the calculations;

“**Programme**” means the FirstRand Bank Limited ZAR30,000,000,000 Note Programme under which the Issuer may from time to time issue Notes;

“**Programme Amount**” means 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 ZAR30,000,000,000 or such increased amount as is determined by the Issuer from time to time, subject to the Applicable Procedures and applicable laws, as set out in the section of this Programme Memorandum entitled “*General Description of the Programme*”;

“**Programme Memorandum**” means this programme memorandum dated 29 November 2011 which will apply to all Notes issued under the Programme on or after the Programme Date and which in respect of such Notes, supersedes and replaces the Previous Programme Memorandum in its entirety;

“**Proprietary Index**” means any proprietary index created by the Issuer or an associate of the Issuer and described in the Applicable Pricing Supplement;

“**Put**” means, in relation to a Physically Settled Transaction the right of the Issuer, if it so elects and subject to compliance with the Terms and Conditions, to transfer or procure the transfer of the Underlying Securities and Transfer Documentation to, or to the order of, the Noteholders as specified in the relevant Maturity Redemption Notice, *in lieu* of paying the Final Redemption Amount or Optional Redemption Amount or Early Redemption Amount, as the case may be;

“**Rate Calculation Date**” means the Valuation Date or the Averaging Date, as appropriate;

“**Rating**” means, in relation to a Tranche of Notes (where applicable), the rating of the Tranche of Notes granted by the Rating Agency, specified in the Applicable Pricing Supplement;

“**Rating Agency**” means any rating agency(ies) as is/are appointed by the Issuer for the purpose of a Tranche of Notes and as specified in the Applicable Pricing Supplement;

“**Receipt**” means a receipt evidencing title to payment of an Instalment Amount payable in an Instalment Note which is a Bearer Note or an Order Note, attached upon issue to the Certificate representing such Instalment Note;

“**Redemption Expenses**” means in respect of any Note or Notes, any expenses (other than in relation to Taxes) payable on or in respect of or in connection with the redemption of such Note or Notes;

“Redemption Notice Time” means, in relation to a particular Tranche of Notes the time specified in the Applicable Pricing Supplement as the time by which an Issuer Redemption Notice, Early Redemption Notice or Noteholder’s Notice, as the case may be, has to be delivered to the Relevant Clearing System for that Issuer Redemption Notice, Early Redemption Notice or Noteholder’s Notice, as the case may be, to be deemed to have been deposited with it/them on that Business Day and, in the absence of any such specification shall be deemed to be 10am Johannesburg time;

“Reference Asset” means, in respect of any Note, any Underlying Security, Underlying Share, Deliverable Obligation or other non-cash asset, the price or level of which determines the Final Redemption Amount or the Early Redemption Amount of such Note;

“Reference Banks” means four leading banks in the South African inter-bank market selected by the Calculation Agent;

“Reference Item” means any underlying equity security, index, debt security, credit, currency exchange rate, commodity, commodity index or other item(s) to which a Structured Note relates;

“Reference Price” means, in relation to a Tranche of Notes (where applicable), the price specified as such in the Applicable Pricing Supplement;

“Reference Rate” means the rate specified as such in the Applicable Pricing Supplement;

“Register” means the register maintained by the Issuer in terms of Condition 17 (*Register*), including any sub-register, as the case may be;

“Registered Note” means a Note issued in registered form and transferable in accordance with Condition 18.1 (*Transfer of Registered Notes*);

“Regular Period” means:

- (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;
- (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, where “*Regular Date*” means the day and month (but not the year) on which any Interest Payment Date falls; and
- (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 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 other than the Interest Payment Date falling at the end of the irregular Interest Period;

“Related Exchange” means, subject to the proviso below, in respect of an Index relating to Single Index Notes, Basket of Indices Notes or an Underlying Security relating to Equity Linked Notes or Equity Basket Notes, each exchange or quotation system specified as such for such Index or Share in the Applicable Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures and options contracts relating to such Index or such Share has temporarily relocated (provided that the Determination Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index or such Share on such temporary substitute exchange or quotation system as on the original Related Exchange), provided, however that where “All Relevant Stock Exchanges” is specified as the Related Exchange in the Applicable Pricing Supplement, “Related Exchange” shall mean each exchange or quotation system where trading has a material effect (as determined by the Determination Agent) on the overall market for futures or options contracts relating to such Index or such Share;

“Relevant Clearing System” means, as appropriate, Strate and/or such other Relevant Clearing System,

as the case may be, through which interests in Notes are to be held and through an account at which the Notes are to be cleared specified in the Applicable Pricing Supplement;

“**Relevant Commodity**” means, in respect of a Commodity Linked Note, the commodity specified in the Applicable Pricing Supplement;

“**Relevant Commodity Price**” means, in respect of a Commodity Linked Note, for any Pricing Date, the price, expressed as a price per unit of the Relevant Commodity or the price of the Commodity Index, determined with respect to that day for the specified Commodity Reference Price as specified in the Applicable Pricing Supplement;

“**Relevant Currencies**” means those currencies specified in the Applicable Pricing Supplement which comprise each Exchange Rate;

“**Relevant Date**” means the earlier to occur of:

- (a) the date on which all amounts due in respect of such Note have been paid; or
- (b) five days after the date on which the full amount of the moneys payable have been recovered by the Paying Agent and notice to that effect has been given to Noteholders in accordance with Condition 22 (*Notices*);

“**Relevant Index**” means in respect of a Single Index Note or a Basket of Indices Notes, the relevant index or indices identified in the Applicable Pricing Supplement as the Index or Indices pertaining to a particular Tranche of Notes;

“**Relevant Rules**” means the Rules of the Relevant Clearing System;

“**Relevant Screen Page**” means, 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;

“**Relevant Stock Exchange**” means, in respect of any Tranche of Notes, the stock exchange upon which such Notes are listed as specified in the Applicable Pricing Supplement, if any;

“**Representative**” means a Person duly authorised to act on behalf of a Noteholder, the Transfer Agent and the Paying 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, the Transfer Agent or the Paying Agent (as the case may be);

“**RMB**” means FirstRand Bank Limited (registration number 1929/001225/06) (acting through its Rand Merchant Bank division), a public company with limited liability duly incorporated in accordance with the company laws of South Africa;

“**Scheduled Closing Time**” means, in respect of any Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after-hours or other trading outside regular trading session hours;

“**Scheduled Trading Day**” means:

- (a) except with respect to a Multi-exchange Index, any day on which each Exchange and each Related Exchange are scheduled to open for trading for their respective regular trading sessions; and
- (b) with respect to any Multi-exchange Index, any day on which (i) the Index Sponsor is scheduled to publish the level of the Index and (ii) the Related Exchange is scheduled to be open for trading for

its regular trading session;

“**Securities Account**” means the securities account of a Noteholder at the Relevant Clearing System to which Notes are credited;

“**Securities Act**” means the US Securities Act of 1933;

“**Securities Services Act**” means the Securities Services Act, 2004;

“**Security Interest**” means any mortgage, charge, pledge, lien or other security interest including, without limitation, to anything analogous to any of the foregoing under the laws of any jurisdiction of a secured claim to a creditor but excluding statutory preferences and any security interest arising by operation of law;

“**Series**” means a Tranche of Notes together with any further Tranche or Tranches of Notes which are:

- (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;

“**Settlement Currency**” means the currency specified as such in the Applicable Pricing Supplement;

“**Settlement Disruption Event**” means in relation to an Underlying Security, an event beyond the control of the parties as a result of which the relevant Clearing System cannot clear the transfer of such Underlying Security;

“**Settlement Price**” means, for the purposes of Condition 14.4 (*Minimum Board Lot*), the price of the Underlying Securities or Relevant Index as determined by the Determination Agent in its absolute discretion;

“**Settlement Rate**” means, in relation to an Exchange Rate, for any Valuation Date in respect of a Maturity Date or an Early Redemption Date (as the case may be) the currency exchange rate equal to (a) the Settlement Rate specified or otherwise determined as provide in the Applicable Pricing Settlement or, (b) if a Settlement Rate or a means of determining a Settlement Rate is not so specified, the Spot Rate for that Valuation Date;

“**Share**” means an equity security;

“**Single Index Note**” means a Note, payments in respect of which will be calculated by reference to the particular Index as specified in the Applicable Pricing Supplement;

“**Special Redemption Notice**” has the meaning set out in Condition 11.3.1.4;

“**Specified Currency**” means, in relation to each Note in a Tranche of Notes, subject to all applicable laws, the currency specified in the Applicable Pricing Supplement;

“**Specified Denomination**” means, in relation to each Note in a Tranche of Notes, the amount specified as such in the Applicable Pricing Supplement;

“**Specified Office**” of any Agent or the Issuer means the address specified in respect of it in the Applicable Pricing Supplement or such other address as any such Agent or the Issuer (as the case may be) may specify by notice, in the case of any Agent, to the Issuer or, in the case of the Issuer to the Noteholders which change of address shall in each case be notified to the Noteholders in accordance with Condition 22 (*Notices*);

“**Specified Price**” means, in respect of a Commodity Linked Note, the price specified in the Applicable Pricing Supplement;

“**Sponsor**” means, in relation to an Index, the corporation or entity that is responsible for setting and reviewing the rules and procedures, and the methods of calculation and adjustments, if any, related to the relevant Index;

“**Spot Rate**” means, for any date, the exchange rate(s) determined in accordance with the method specified in the Applicable Pricing Supplement, or if not specified, the exchange rate at the time at which such exchange rate(s) is/are to be determined for foreign exchange transactions in the relevant Currencies for value on that date as determined by the Determination Agent in its absolute discretion;

“**South Africa**” means the Republic of South Africa;

“**Standard Note**” means a Note which does not relate to any Reference Item, and in terms of which the interest is determined and payable on the Interest Basis specified in the Applicable Pricing Supplement;

“**Strate**” means Strate Limited (registration number 1998/022242/06), a public company with limited liability duly incorporated in accordance with the company laws of South Africa;

“**Structured Note**” means a Note which relates to a Reference Item specified in the Applicable Pricing Supplement. Structured Notes may comprise Equity Linked Notes, Equity Basket Notes, Single Index Notes, Basket of Indices Notes, Currency Linked Notes, Credit Linked Notes, Commodity Linked Notes or Non-Standard Structured Notes, or a combination of the foregoing, depending on the Type of Structured Note specified in the Applicable Pricing Supplement;

“**Subsidiary**” means, in relation to a Person (the “**first Person**”) at any particular time, any other Person (the “**second Person**”) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise;

“**Sub-register**” means a Sub-register as contemplated in section 91A of the Companies Act;

“**Sub-unit**” means, with respect to any currency, the lowest amount of such currency that is available as legal tender in the country of such currency;

“**TARGET Business Day**” means a day on which the TARGET System is operating;

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System (or if such system ceases to be operative, such other system (if any) determined by the Determination Agent to be a suitable replacement);

“**Tax Event**” means an event where, as a result of a Tax Law Change, (a) the Issuer has paid or will or would on the next Interest Payment Date be required to pay additional amounts as provided or referred to in Condition 15 (*Taxation*); or (b) in respect of the Issuer’s obligation to make any payment of interest 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 taxation liabilities in South Africa, or such entitlement is materially reduced, and in each case the Issuer cannot avoid the foregoing in connection with the Notes by taking measures reasonably 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), unless otherwise specified in the Applicable Pricing Supplement;

“**Taxes**” means any tax, duty, impost, levy, charge or contribution in the nature of taxation or any withholding or deduction for or on account thereof, including (but not limited to) any applicable stock exchange tax, turnover tax, stamp duty, stamp duty reserve tax and/or other Taxes chargeable or payable in connection with any redemption of a Note and/or payment of the Final Redemption Amount, Optional Redemption Amount, the Early Redemption Amount, the Cash Settlement Amount or the Disruption Redemption Amount (as the case may be) and/or the transfer or delivery of Underlying Securities and/or the relevant Transfer Documentation (including, in the case of an Underlying Security that is an equity unit, the transfer or delivery of any security comprised in such equity unit);

“**Tax Law Change**” means a change in or proposed change in, or amendment or proposed amendment to, the laws or regulations of South Africa, or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), whether or not having retrospective effect, which change or amendment is announced on or after the Issue Date;

“**Tender Offer**” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or Person that results in such entity or Person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent and less than 100 per cent of the outstanding voting shares of the Underlying Company as determined by the Determination Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Determination Agent deems relevant;

“**Tender Offer Date**” means, in respect of a Tender Offer, the date on which voting shares in the amount of the applicable percentage threshold are actually purchased or otherwise obtained (as determined by the Determination Agent);

“**Terms and Conditions**” means the terms and conditions incorporated in this section of the Programme Memorandum entitled “*Terms and Conditions of the Notes*” and in accordance with which the Notes will be issued;

“**Trading Disruption**” means:

- (a) (i) except with respect to a Multi-exchange Index, any suspension of, impairment of or limitation imposed on trading by the Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or Related Exchange or otherwise (A) relating to the Underlying Security on the Exchange, or in the case of a Single Index Note or Basket of Indices Note on any relevant Exchange(s) relating to securities or any Component that comprise 20 per cent or more of the level of the relevant Index or Indices, or (B) in futures or options contracts relating to the Underlying Securities, the Relevant Currency or the relevant Index or Indices on any relevant Related Exchange; and (ii) with respect to any Multi-exchange Index any suspension of or limitation imposed on trading by the Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or Related Exchange or otherwise (A) relating to any Component on the Exchange in respect of such Component; or (B) in futures or options contracts relating to the Index (or any Component thereof) on the Related Exchange; or
- (b) in respect of Commodity Linked Notes, the material suspension of, or the material limitation imposed on, trading in the Futures Contract or the Relevant Commodity on the Exchange or in any additional futures contract, options contract or commodity on any Exchange as specified in the Applicable Pricing Supplement. For these purposes:
 - (i) a suspension of the trading in the Futures Contract or the Relevant Commodity on any Commodity Business day shall be deemed to be material only if:
 - (A) all trading in the Futures Contract or the Relevant Commodity is suspended for the entire Pricing Date; or
 - (B) all trading in the Futures Contract or the Relevant Commodity is suspended subsequent to the opening of trading on the Pricing Date, trading does not recommence prior to the regularly scheduled close of trading in such Futures Contract or such Relevant Commodity on such Pricing Date and such suspension is announced less than one hour preceding its commencement; and
 - (ii) a limitation of trading in the Futures Contract or the Relevant Commodity on any Commodity Business Day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the Futures Contract or the Commodity may fluctuate and the closing or settlement price of the Futures Contract or the Commodity on such day is at the upper or lower limit of that range;

“**Tranche**” means, in relation to any particular Series, all Notes which are identical in all respects (including as to listing);

“**Transaction**” means a particular Tranche of Notes;

“**Transfer Agent**” means RMB, unless the Issuer elects to appoint another entity as a Transfer Agent in which event that other entity shall act as a Transfer Agent in respect of that Tranche or Series of Notes;

“**Transfer Documentation**” means, for each Tranche of Notes, such documentation as is generally acceptable for settlement of transfer of Underlying Securities or Deliverable Obligations on the relevant Exchange or through the Relevant Clearing System including, without limitation, stock notes and/or stock transfer forms in the case of settlement on the JSE;

“**Transfer Form**” means the written form for the transfer of a Note, in the form approved by the Transfer Agent, and signed by the transferor and transferee;

“**Underlying Company**” means the company which is the issuer of the Underlying Securities specified in the Applicable Pricing Supplement;

“**Underlying Security**” means, in relation to a particular Tranche of Notes as appropriate, an Underlying Share or the underlying bonds or debt securities to which such Notes relate specified as such in the Applicable Pricing Supplement;

“**Underlying Share**” means, in relation to a particular Tranche of Notes, a share or equity unit to which a Note relates or in the case of a Basket of Shares a share or equity unit forming part of a Basket of Shares to which such Note relates;

“**Valid Date**” shall mean a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the relevant Valuation Date does not or is not deemed to occur;

“**Valuation Date**” means, in relation to a particular Tranche of Notes, the date specified as such in the Applicable Pricing Supplement (or, if such date is not an Exchange Business Day the next following Business Day) unless there is a Disrupted Day in respect of any relevant Underlying Security or Index on that day in which event Condition 12 (*Rights of the Issuer in the event of a Disrupted Day or Disruption Event*) will apply and provided that such date is at least two Business Days prior to the Maturity Date (other than where the Notes are redeemed early pursuant to Condition 10.2 (*Early Redemption at the Option of Noteholders*), 10.3 (*Early Redemption at the Option of the Issuer*) or 10.4 (*Early Redemption following the occurrence of a Tax Event, Change in Law, Hedging Disruption and/or Increased Cost of Hedging*) in which case it will be the second Business Day preceding the Early Redemption Date);

“**Valuation Method**” means, in respect of a Credit Linked Note, the valuation method specified in the Applicable Pricing Supplement;

“**Valuation Time**” means the time specified as such in the Applicable Pricing Supplement, or if no such time is specified, Scheduled Closing Time on the relevant Exchange on the Valuation Date or Averaging Date, as the case may be, in relation to each Index or Underlying Security to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time. In relation to a Multi-exchange Index, “Valuation Time” means (a) for the purposes of determining whether a Market Disruption Event has occurred: (i) in respect of any Component, the Scheduled Closing Time on the Exchange in respect of such Component, and (ii) in respect of any options contracts or future contracts on the Index, the close of trading on the Related Exchange; and (b) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor;

“**Volatility**” means, in respect of any Exchange Business Day, the volatility (calculated by referring to the closing price of the relevant Underlying Securities on the Exchange) for a period equal to the number of days between the Announcement Date and the Maturity Date;

“**ZAR**” means the lawful currency of South Africa, being South African Rand, or any successor currency;

“**ZAR-JIBAR-SAFEX**” means 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**” means 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.

3. **ISSUE**

- 3.1 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.
- 3.2 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.
- 3.3 The applicable Terms and Conditions of a Tranche of Notes are incorporated by reference into the 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 Certificate(s) representing the Notes in that Tranche.

4. **FORM AND DENOMINATION**

4.1 **Form**

4.1.1 **General**

- 4.1.1.1 A Tranche of Notes may be issued in the form of listed or unlisted Registered Notes, Bearer Notes or Order Notes as specified in the Applicable Pricing Supplement.
- 4.1.1.2 A Tranche of Notes may be listed on the JSE or on such other or further Relevant Stock Exchange(s) as may be determined by the Issuer, subject to any applicable laws. Unlisted Notes may also be issued under the Programme.

4.1.2 **Registered Notes**

A Tranche of Registered Notes will be issued in certificated form, as contemplated in Condition 4.1.2.1, or in uncertificated form, as contemplated in Condition 4.1.2.2, as specified in the Applicable Pricing Supplement. Each Tranche of Notes which is listed on the JSE whether issued in certificated form or in uncertificated form, will be held in the CSD, as contemplated in Condition 4.1.2.3. A Tranche of unlisted Notes may also be held in the CSD, as contemplated in Condition 4.1.2.3.

4.1.2.1 **Notes issued in certificated form**

- 4.1.2.1.1 Each Tranche of Registered Notes which is listed on the JSE and/or lodged and immobilised in the CSD may, subject to applicable laws and the Applicable Procedures, be issued in certificated form. If applicable, each such Tranche of Registered Notes will be represented by a Global Certificate, and the CSD's Nominee will be named in the Register as the registered Noteholder of that Tranche of Notes. Each Global Certificate will be physically deposited with and lodged in the CSD.
- 4.1.2.1.2 All Registered Notes issued in certificated form which are not represented by a Global Certificate will be represented by Individual Certificates.

4.1.2.2 **Notes issued in uncertificated form**

A Tranche of Registered Notes which is listed on the JSE may, subject to applicable laws and Applicable Procedures, be issued in uncertificated form in terms of section 37 of the Securities Services Act. Registered Notes issued in uncertificated form will be held in the CSD. Registered Notes issued in uncertificated form will not be represented by any certificate or written instrument. A Registered Note which is represented by an Individual Certificate may be replaced by uncertificated securities in terms of section 37 of the Securities Services Act.

4.1.2.3 **Beneficial Interests in Notes held in the CSD**

4.1.2.3.1 A Tranche of Registered Notes which is listed on the JSE will either be issued in certificated form and lodged in the CSD under a Global Certificate or be issued in uncertificated form and held in the CSD. A Tranche of unlisted Registered Notes may also be held in the CSD in the form of a Global Certificate.

4.1.2.3.2 The CSD will hold Registered Notes subject to the Securities Services Act and the Applicable Procedures.

4.1.2.3.3 All amounts to be paid and all rights to be exercised in respect of Registered Notes held in the CSD will be paid to and may be exercised only by the CSD's Nominee for the holders of Beneficial Interests in such Registered Notes.

4.1.2.3.4 A holder of a Beneficial Interest shall only be entitled to exchange such Beneficial Interest for Registered Notes represented by an Individual Certificate in accordance with Condition 16 (*Exchange of Beneficial Interests and Replacement of Certificates*).

4.1.3 **Bearer Notes and Order Notes**

Bearer Notes and Order Notes will be issued in certificated form and will be evidenced by Individual Certificates. Bearer Notes or Order Notes, other than Zero Coupon Notes, may have Coupons (as indicated in the Applicable Pricing Supplement) attached to the Certificate on issue. Instalment Notes which are Bearer Notes or Order Notes may have Receipts (as indicated in the Applicable Pricing Supplement) attached to the Certificate on issue.

4.2 **Denomination**

The Aggregate Nominal Amount, Specified Currency and Specified Denomination of the Notes of any Tranche will be specified in the Applicable Pricing Supplement. Notes (other than Deposit Notes and Structured Notes in terms of which repayment of the Final Redemption Amount at least equal to, or greater than, the Nominal Amount of such Notes is not guaranteed by the Issuer) will be issued with a minimum Specified Denomination of ZAR100,000. Structured Notes in terms of which the repayment of the Final Redemption Amount at least equal to, or greater than, the Nominal Amount is not guaranteed by the Issuer will not be classified as Deposit Notes and are not subject to any minimum Specified Denomination by any applicable laws or regulations unless otherwise specified. The Specified Denominations of such Structured Notes will be specified in the Applicable Pricing Supplement.

4.3 **Recourse to the JSE Guarantee Fund and/or the BESA Guarantee Fund Trust**

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

5. TITLE

5.1 Registered Notes

5.1.1 Registered Notes issued in certificated form

5.1.1.1 The CSD's Nominee will be named in the Register as the registered holder of each Tranche of Registered Notes which is represented by a Global Certificate.

5.1.1.2 Each holder of Registered Notes represented by an Individual Certificate will be named in the Register as the registered holder of such Registered Notes.

5.1.1.3 Title to Registered Notes will pass upon registration of transfer in the Register in accordance with Condition 18.1.2 (*Transfer of Registered Notes represented by Certificates*).

5.1.1.4 The Issuer, the Transfer Agent and the Paying Agent shall recognise a Noteholder 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.

5.1.2 Registered Notes issued in uncertificated form

The CSD's Nominee will be named in the Register as the registered holder of each Tranche of Registered Notes which is issued in uncertificated form.

5.1.3 Beneficial Interests in Registered Notes held in the CSD

5.1.3.1 While a Tranche of Registered Notes is held in its entirety in the CSD, the CSD's Nominee will be named in the Register as the sole Noteholder of the Registered Notes in that Tranche.

5.1.3.2 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.

5.1.3.3 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.

5.1.3.4 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 Registered 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 Registered Notes standing to the account of such Person shall be prima facie proof of such Beneficial Interest. The CSD's Nominee (as the registered holder of such Registered Notes named in the Register) will be treated by the Issuer, the Paying Agent, the Transfer Agent and the relevant Participant as the holder of that aggregate Nominal Amount of such Registered Notes for all purposes.

5.1.3.5 Beneficial Interests in Registered Notes may be transferred only in accordance with the Applicable Procedures. Such transfers will not be recorded in the Register and the CSD's Nominee will continue to be reflected in the Register as the registered holder of such Registered Notes, notwithstanding such transfers.

- 5.1.3.6 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.

5.2 Bearer Notes

Title to Bearer Notes (including rights to Instalment Amounts and/or interest thereon, as applicable) will pass by delivery of the Certificate evidencing such Note or of the Receipt and/or Coupon relating thereto, as the case may be, in accordance with Condition 18.2 (*Transfer of Bearer Notes*). The Issuer, the Transfer Agent and the Paying Agent may deem and treat the Bearer of any such Certificate, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes.

5.3 Order Notes

Title to Order Notes (including rights to Instalment Amounts and/or interest thereof, as applicable) will initially pass by Endorsement and delivery of the Certificate evidencing such Note or of the Receipt and/or Coupon relating thereto, as the case may be, in accordance with Condition 18.3 (*Transfer of Order Notes*). Any Certificate evidencing an Order Note or such Receipt or Coupon upon which the last Endorsement is an Endorsement in Blank shall be treated as a Bearer Note, for so long as not subject to further Endorsement. The Issuer and the Transfer Agent may deem and treat the Person who from the face of the Certificate, Receipt or Coupon relating to an Order Note appears to be the Payee thereto as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or notice of any previous loss or theft thereof) for all purposes and payment to such Person or their Representative shall discharge the Issuer from all liability to the Payee in relation to such Certificate, Receipt or Coupon, as the case may be, even if such Endorsement has been forged or made without authority. Provided the Issuer pays any amount due upon presentation and surrender of a Certificate evidencing an Order Note, or any Receipt or Coupon attached thereto on issue, in good faith, it shall not be incumbent upon the Issuer or the Transfer Agent to determine or prove that the Endorsement of the Payee making such Endorsement was made by or under the authority of the Person whose Endorsement it purports to be.

6. STATUS OF NOTES

The Notes are 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 that is both mandatory and of general application) equally with all other unsecured and unsubordinated obligations of the Issuer from time to time outstanding. The Notes (other than Deposit Notes) do not evidence deposits of the Issuer and are not insured by any government agency. Deposit Notes evidence deposits of the Issuer and will be treated as such for purposes of the provisions of, without limitation, the Banks Act.

7. DEPOSIT NOTES

Deposit Notes, in aggregate, represent the Aggregate Nominal Amount of Deposits made by the Notesholders with the Issuer. The nominal amount of the Deposit, without any interest, will be unconditionally repaid to the Noteholders on the Maturity Date as specified in the Applicable Pricing Supplement. The amount of interest payable in respect of Deposit Notes (if any) is indicated in the Applicable Pricing Supplement. Notwithstanding Condition 17 (*Register*), the Register shall not be closed during the Books Closed Period in respect of Deposit Notes and any trades of Deposit Notes during that will be ex-interest (if applicable).

Deposit Notes will be issued in uncertificated form. Notwithstanding Deposit Notes being Registered Notes, Beneficial Interests in a Deposit Note may not be exchanged for Notes in definitive form represented by an Individual Certificate as contemplated in Condition 16.1 (*Exchange of Beneficial Interests*). Noteholders may request a written instrument evidencing the Aggregate Nominal Amount of Deposit Notes held by that Noteholder from its Participant.

8. 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.

8.1 Interest on Fixed Rate Notes

Unless otherwise specified in the Applicable Pricing Supplement, six-monthly interest on Fixed Rate Notes is payable in arrear on the Interest Payment Dates.

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 at the rate(s) per annum equal to the Interest Rate specified in the Applicable Pricing Supplement, payable in arrear on each Interest Payment Date in each year specified in the Applicable Pricing Supplement and on the date of early redemption in accordance with Condition 10 (*Redemption and Purchase*) or the Maturity Date, as the case may be, if either such date does not fall on an Interest Payment Date.

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

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

- 8.1.1 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
- 8.1.2 if a Final Broken Amount is specified in the Applicable Pricing Supplement, then the final Interest Amount shall equal the Final Broken Amount.

Save as provided above, if interest is required to be calculated for a period other than a full Interest Period, such interest shall be calculated by applying the Interest Rate specified in the Applicable Pricing Supplement to each Specified Denomination, multiplying the product 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.

8.2 Interest on Floating Rate Notes

General

Floating Rate Notes will bear interest on such basis as indicated in the Applicable Pricing Supplement which shall either be (i) on such basis of a reference rate appearing on the agreed screen page of a commercial quotation service, or (ii) on such other basis as may be set out in the Applicable Pricing Supplement.

Interest Payment Dates

Each Floating 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, and such interest will be payable in arrear on the Interest Payment Date(s) in each year specified in the Applicable Pricing Supplement and on the date of early redemption in accordance with Condition 10 (*Redemption and Purchase*) or the Maturity Date, as the case may be, if either such date does not fall on an Interest Payment Date.

Rate of Interest

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

Minimum and/or Maximum Rate of Interest

If the Applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then the Interest Rate for such Interest Period shall in no event be less than such Minimum Rate of Interest and/or if it specifies a Maximum Rate of Interest for any Interest Period, then the Interest Rate for such Interest Period shall in no event be greater than such Maximum Rate of Interest.

Determination of Interest Rate and Calculation of Interest Amount

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

Interest Determination, Screen Rate Determination including Fallback Provisions

Where Screen Rate Determination is specified in the Applicable Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period will be either:

- (a) if the Relevant Screen Page is available,
 - (i) the offered quotation (if only one quotation appears on the screen page); or
 - (ii) 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 11.00 a.m. (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 Calculation 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 Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations; or
- (b) if the Relevant Screen Page is not available or if, in the case of (i) above, no such offered quotation appears or, in the case of (ii) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph, the Calculation Agent shall request the principal Johannesburg office of each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 11.00 a.m. (Johannesburg time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Interest Rate 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 Calculation Agent; or
- (c) if the Interest Rate cannot be determined by applying the provisions of (a) and (b) above, the Interest Rate for the relevant Interest Period shall be the rate per annum which the Calculation

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 Calculation Agent by the Reference Banks or any two or more of them, at which such banks offered, at approximately 11.00 a.m. (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 two of the Reference Banks provide the Calculation Agent with such offered rates, the Interest Rate for the relevant Interest Period will be determined by the Calculation 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 11.00 a.m. (Johannesburg time) on the relevant Interest Determination Date, by the Reference Banks plus or minus (as appropriate) the Margin (if any). If the Interest Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the Interest Rate 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).

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 Interest Rate in respect of such Notes will be determined as provided in the Applicable Pricing Supplement.

Where ISDA Determination is specified in the Applicable Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate 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 Calculation Agent for that swap transaction under the terms of an agreement incorporating the most recent ISDA Definitions and under which:

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

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.

Notification of Interest Rate and Interest Amount

The Issuer will cause the Interest Rate 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 exchange or authority as soon as possible after their determination but in any event no later than the fourth Business Day thereafter. 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 exchange or authority and to the Noteholders in accordance with Condition 22 (*Notices*).

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 Condition 8.2 (*Interest*

on *Floating Rate Notes*), by the Calculation 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 Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

8.3 **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.

8.4 **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, Floating Rate Note, Index Linked Interest Note or Dual Currency 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, Index Linked Interest Notes or Dual Currency Notes, as the case may be.

8.5 **Indexed Linked Interest Notes**

In the case of Indexed Linked Interest Notes, if the Interest Rate or Interest Amount falls to be determined by reference to an index and/or a formula, such rate or amount of interest payable in respect of Interest Period shall be determined in the manner specified in the Applicable Pricing Supplement. Any interest so accruing shall fall due for payment on the Applicable Interest Payment Date(s) in each year and on the date of early redemption in accordance with Condition 10 (*Redemption and Purchase*) or the Maturity Date, as the case may be, if either such date does not fall on an Interest Payment Date.

8.6 **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.

8.7 **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 (save in the case of Zero Coupon Notes) continue to accrue at the Default Rate specified in the Applicable Pricing Supplement until the date on which all amounts due in respect of such Note have been paid, or, in respect of uncertificated Notes or Notes evidenced by a Global Certificate, 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 22 (*Notices*).

8.8 **Business Day Convention**

8.8.1 If (a) there is no numerically corresponding day of the calendar month in which an Interest Payment Date should occur, or (b) if any date (including, for the avoidance of doubt, an Interest Payment Date, Maturity Date or Early Redemption Date) which is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then such date will be adjusted according to the Business Day Convention specified in the Applicable Pricing Supplement.

8.8.2 If any date applicable to a Commodity Linked Note that is specified to be subject to adjustment in accordance with a Commodity Business Day Convention would otherwise fall on a day that is not

a Commodity Business Day, such date will be adjusted according to the Commodity Business Day Convention specified in the Applicable Pricing Supplement.

- 8.8.3 If the Business Day Convention or Commodity Business Day Convention is:
- 8.8.3.1 the “**Following Business Day Convention**”, such date shall be postponed to the first following day that is a Business Day or a Commodity Business Day, as the case may be;
 - 8.8.3.2 the “**Modified Following Business Day Convention**”, such date shall be postponed to the first following day that is a Business Day or a Commodity Business Day, as the case may be, unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day or a Commodity Business Day, as the case may be;
 - 8.8.3.3 the “**Nearest Business Day Convention**”, such date will be the first preceding day that is a Business Day or a Commodity Business Day, as the case may be, if the relevant date otherwise falls on a day other than a Sunday or a Monday and will be the first following day that is a Business Day or a Commodity Business Day, as the case may be, if the relevant date otherwise falls on a Sunday or a Monday;
 - 8.8.3.4 the “**Preceding Business Day Convention**”, such date shall be brought forward to the first preceding day that is a Business Day or a Commodity Business Day, as the case may be;
 - 8.8.3.5 the “**FRN Convention**”, “**Floating Rate Convention**” or “**Eurodollar Convention**”, such date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the Applicable Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred provided, however, that:
 - 8.8.3.5.1 if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day or a Commodity Business Day, as the case may be in that calendar month;
 - 8.8.3.5.2 if any such date would otherwise fall on a day which is not a Business Day or a Commodity Business Day, as the case may be, then such date will be the first following day which is a Business Day or a Commodity Business Day, as the case may be, unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day or a Commodity Business Day; and
 - 8.8.3.5.3 if the preceding such date occurred on the last day in a calendar month which was a Business Day or a Commodity Business Day, as the case may be, then all subsequent such dates will be the last day which is a Business Day or a Commodity Business Day, as the case may be, in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred,

and if “**No Adjustment**” is specified in the Applicable Pricing Supplement, the relevant date shall not be adjusted in accordance with any Business Day Convention or Commodity Business Day Convention, as the case may be.

9. PAYMENTS

9.1 Payments – Registered Notes

Payments of principal and/or interest in respect of Registered Notes represented by an Individual Certificate shall be made to the Transfer Agent, who will in turn, acting on behalf of the Issuer, 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 Transfer Agent.

Payments of principal and/or interest in respect of uncertificated Registered Notes or Registered Notes represented by a Global Certificate will 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 Registered Notes or to the registered holder of such Global Certificate(s).

9.2 **Payments – Bearer Notes**

Payments of interest in respect of Bearer Notes will be made to the Bearer only against presentation and surrender by the Bearer or its Representative of the relevant Coupon or (in respect of interest bearing Bearer Notes issued without Coupons) only against presentation by the Bearer or its Representative of the relevant Certificate. Payments of Instalment Amounts in respect of Bearer Notes will be made to the Bearer only following presentation and surrender by the Bearer or its Representative of the relevant Receipt or (in respect of Bearer Notes issued without Receipts) only against presentation by the Bearer or its Representative of the relevant Certificate. Payments of the final instalment of principal in respect of Bearer Notes will be made to the Bearer only following presentation and surrender by the Bearer or its Representative of the Certificate evidencing such Bearer Notes. Upon surrender as aforesaid, the Bearer or its Representative shall be required to nominate in writing to the Paying Agent a bank account within South Africa (or any Other Banking Jurisdiction specified in the Applicable Pricing Supplement) into which the relevant payment must be made and provide details of its address (being an address within South Africa or any Other Banking Jurisdiction specified in the Applicable Pricing Supplement).

Payments of interest in respect of Bearer Notes shall be made in accordance with Condition 9.4 (*Method of Payment*) only following surrender of the relevant Coupon to the Paying Agent.

No payment in respect of the final redemption of a Bearer Note shall be made until the later of:

- 9.2.1 the Relevant Date; and
- 9.2.2 the date on which the Certificate in respect of the Note to be redeemed has been surrendered to the Paying Agent.

Upon final redemption as aforesaid, all unmatured Coupons (if applicable) relating to Bearer Notes (whether or not surrendered with the relevant Certificate) shall become void and no payment shall be made thereafter in respect of them.

9.3 **Payments – Order Notes**

Payments of interest in respect of Order Notes will be made to the Payee only following presentation and surrender by the Payee or its Representative of the relevant Coupon or (in respect of interest bearing Order Notes issued without Coupons) only against presentation by the Payee or its Representative of the relevant Certificate. Payments of Instalment Amounts in respect of Order Notes will be made to the Noteholder only following presentation and surrender by the Payee or its Representative of the relevant Receipt or (in respect of Order Notes issued without Receipts) only against presentation by the Payee or its Representative of the relevant Certificate. Payments of the final instalment of principal in respect of Order Notes will be made to the Payee only following presentation and surrender by the Payee or its Representative of the Certificate evidencing such Order Notes. Upon presentation and/or surrender as aforesaid, the Payee or its Representative shall be required to nominate in writing to the Paying Agent a bank account within South Africa (or any Other Banking Jurisdiction specified in the Applicable Pricing Supplement) into which the relevant payment must be made and provide details of its address (being an address within South Africa or any Other Banking Jurisdiction specified in the Applicable Pricing Supplement).

No payment in respect of the final redemption of an Order Note shall be made until the later of:

- 9.3.1 the Relevant Date; and

- 9.3.2 the date on which the Certificate in respect of the Note to be redeemed has been surrendered to the Paying Agent.

Upon final redemption as aforesaid, all unmatured Coupons (if applicable) relating to Order Notes (whether or not surrendered with the relevant Certificate) shall become void and no payment shall be made thereafter in respect of them.

9.4 **Method of Payment**

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

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 (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:

- 9.4.1 the address of the Noteholder of Registered Notes as set forth in the Register or, in the case of joint Noteholders of Registered Notes, the address set forth in the Register of that one of them who is first named in the Register in respect of that Note;
- 9.4.2 the address nominated by the Bearer or the Payee in respect of Bearer Notes or Order Notes, as the case may be, upon surrender in accordance with Condition 9.2 (*Payments – Bearer Notes*) or 9.3 (*Payments – Order Notes*), as the case may be.

Each such cheque shall be made payable to the relevant Noteholder or, in the case of joint Noteholders of Registered Notes, the first one of them named in the Register. Cheques may be posted by ordinary post, provided that neither the Issuer nor the Paying 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 9.4 (*Method of Payment*).

In the case of joint Noteholders of Registered Notes 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.

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 15 (*Taxation*).

9.5 **Payment Day**

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.

9.6 **Interpretation of Principal and Interest**

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

- 9.6.1 any additional amounts which may be payable with respect to principal under Condition 15 (*Taxation*);
- 9.6.2 the Final Redemption Amount of the Notes or the Early Redemption Amount of the Notes, as the case may be;

- 9.6.3 the Optional Redemption Amount(s) (if any);
- 9.6.4 in relation to Instalment Notes, the Instalment Amounts;
- 9.6.5 in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 15 (Taxation)); and
- 9.6.6 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.

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 15 (Taxation).

10. REDEMPTION AND PURCHASE

10.1 Redemption at Maturity

Subject to the provisions of Condition 11 (Redemption Procedures) and unless previously redeemed or purchased and cancelled as specified below, each Note (other than a Credit Linked Note) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the Applicable Pricing Supplement in the Settlement Currency on the Maturity Date, subject to any applicable fiscal or other laws or regulations and subject to and in accordance with the terms and conditions set out herein and in the Applicable Pricing Supplement. Payment of any applicable Taxes and Redemption Expenses shall be made by the relevant Noteholder, and the Issuer shall not have any liability in respect thereof.

If “*Physical Settlement*” is specified as applicable in the Applicable Pricing Supplement, the Issuer may, on the redemption of a Note, elect to deliver the Reference Assets to which such Note relates on the relevant Physical Delivery Date, and the Noteholder shall be obliged to accept such Reference Assets and pay any applicable Taxes and Redemption Expenses in accordance with Conditions 11.5 (*Settlement by the Issuer*) and 15 (*Taxation*) below. By delivering in writing to the Relevant Clearing System (with a copy to the Paying Agent) a duly completed irrevocable Maturity Redemption Notice, a Noteholder will be deemed to have agreed to such form of settlement as the Issuer shall elect.

If the Issuer does not elect to deliver the Reference Assets, the Paying Agent shall give notice to the relevant Noteholders in accordance with Condition 22 (*Notices*) of the Final Redemption Amount payable in cash in respect of each note as soon as practicable after calculation of such amount.

10.2 Early Redemption at the Option of Noteholders

If “*Early Redemption at the Option of Noteholders*” is specified as applicable in the Applicable Pricing Supplement, the Noteholders of any Tranche of Notes may (having given not less than 30 (thirty) days’ notice (or such other period of notice as may be specified in the Applicable Pricing Supplement) require the Issuer to redeem Notes on any Optional Redemption Date in the manner specified herein and in the Applicable Pricing Supplement. Following the exercise of this option by the holder of any Note of such Tranche in accordance with the provisions of Condition 11 (*Redemption Procedures*), the Issuer will redeem the relevant Note(s), subject to and in accordance with the terms specified in the Applicable Pricing Supplement, in whole (or, if specified as applicable in the Applicable Pricing Supplement, in part), on the Optional Redemption Date, and the relevant Noteholder(s) will receive from the Issuer on the relevant Optional Redemption Payment Date the Optional Redemption Amount in respect of such Note(s) subject to any applicable fiscal or other laws or regulations and subject to and in accordance with the terms and conditions set out herein and in the Applicable Pricing Supplement. Payment of any applicable Taxes and Redemption Expenses shall be made by the relevant Noteholder, and the Issuer shall not have any liability in respect thereof.

If “*Physical Settlement*” is specified as applicable in the Applicable Pricing Supplement, the Issuer may, on the redemption of a Note, elect to deliver on the relevant Physical Delivery Date the Reference Assets or to which such Note relates, and the Noteholder shall be obliged to accept such Reference Assets and pay any applicable Taxes and Redemption Expenses in accordance with

Conditions 11.5 (*Settlement by the Issuer*) and 15 (*Taxation*) below. By delivering in writing to the Relevant Clearing System (with a copy to the Paying Agent) a duly completed irrevocable Early Redemption Notice, a Noteholder will be deemed to have agreed to such form of settlement as the Issuer shall elect.

If the Issuer does not elect to deliver the Reference Assets, the Paying Agent shall give notice to the relevant Noteholders in accordance with Condition 22 (*Notices*) of the Optional Redemption Amount payable in cash in respect of each Note being redeemed as soon as practicable after calculation of such amount.

10.3 **Early Redemption at the Option of the Issuer**

If “*Early Redemption at the Option of the Issuer*” is specified as applicable in the Applicable Pricing Supplement or pursuant to Condition 13.1.1 (*Consequences of Merger Events*) or 13.1.2 (*Nationalisation, Insolvency and Delisting*), the Issuer may (having given not less than 30 (thirty) days’ notice (or such other period of notice as may be specified in the Applicable Pricing Supplement) to the Noteholders in accordance with Condition 22 (*Notices*)) redeem the Notes of any Tranche on any Optional Redemption Date. If the Issuer exercises this option in accordance with the provisions of Condition 11 (*Redemption Procedures*), it will redeem the Notes of such Tranche, subject to and in accordance with the terms specified herein and in the Applicable Pricing Supplement, in whole (or, if specified as applicable in the Applicable Pricing Supplement, in part) on the Optional Redemption Date, and the Noteholders will receive from the Issuer on the relevant Optional Redemption Payment Date, the Optional Redemption Amount in respect of such Notes subject to any applicable fiscal or other laws or regulations and subject to and in accordance with the terms and conditions set out herein and in the Applicable Pricing Supplement. Payment of any applicable Taxes and Redemption Expenses will be made by the Noteholders, and the Issuer shall not have any liability in respect thereof.

If “*Physical Settlement*” is specified in the Applicable Pricing Supplement, the Issuer may, on the redemption of a Note, elect to deliver the Reference Assets to which such Note relates on the relevant Physical Delivery Date, and the Noteholder shall be obliged to accept such Reference Assets and pay any applicable Taxes and Redemption Expenses, in accordance with Conditions 11.5 (*Settlement by the Issuer*) and 15 (*Taxation*) below. By delivering in writing to the Relevant Clearing System (with a copy to the Paying Agent) a duly completed irrevocable Noteholder’s Notice, a Noteholder will be deemed to have agreed to such form of settlement as the Issuer shall elect.

If the Issuer does not elect to deliver the Reference Assets, the Paying Agent shall give notice to the relevant Noteholders, in accordance with Condition 22 (*Notices*), of the Optional Redemption Amount payable in cash in respect of each Note as soon as practicable after calculation of such amount.

10.4 **Early Redemption following the occurrence of a Tax Event, Change in Law, Hedging Disruption and/or Increased Cost of Hedging**

If so specified in the Applicable Pricing Supplement, the Issuer may redeem the Notes of any Tranche at any time prior to the Maturity Date following the occurrence of a Tax Event and/or a Change in Law, and/or a Hedging Disruption and/or an Increased Cost of Hedging. If the Issuer exercises this option in accordance with the provisions of Condition 11 (*Redemption Procedures*), it will redeem the Notes of such Tranche, subject to and in accordance with the terms specified in the Applicable Pricing Supplement, in whole (but not in part) on the Early Redemption Date, and the Noteholders will receive from the Issuer on the relevant Early Redemption Payment Date the Early Redemption Amount referred to in Condition 10.5 (*Early Redemption Amounts*) in respect of such Notes, subject to any applicable fiscal or other laws or regulations and subject to and in accordance with the terms and conditions set out herein and in the Applicable Pricing Supplement. Payment of any applicable Taxes and Redemption Expenses will be made by the Noteholders, and the Issuer shall not have any liability in respect thereof.

If “*Physical Settlement*” is specified in the Applicable Pricing Supplement, the Issuer may, on the redemption of a Note, elect to deliver on the relevant Physical Delivery Date the Reference Assets to which such Note relates, and the Noteholder shall be obliged to accept such Reference Assets and pay

any applicable Taxes and Redemption Expenses in accordance with Conditions 11.5 (*Settlement by the Issuer*) and 15 (*Taxation*) below. By delivering in writing to the Relevant Clearing System (with a copy to the Paying Agent) a duly completed irrevocable Noteholder's Notice, a Noteholder will be deemed to have agreed to such form of settlement as the Issuer shall elect.

If the Issuer does not elect to deliver the Reference Assets, the Paying Agent shall give notice to the relevant Noteholders, in accordance with Condition 22 (*Notices*), of the Early Redemption Amount payable in cash in respect of each Note as soon as practicable after calculation of such amount.

10.5 **Early Redemption Amounts**

For the purpose of Condition 10.4 (*Early Redemption following the occurrence of a Tax Event, Change in Law, Hedging Disruption and/or Increased Cost of Hedging*) and Condition 20 (*Events of Default*), the Notes will be redeemed at the Early Redemption Amount calculated as follows:

- 10.5.1 in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or
- 10.5.2 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 Pricing Supplement, at their Nominal Amount; or
- 10.5.3 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 on the basis of the Relevant Day Count Fraction 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; or
- 10.5.4 in the manner set out in the Applicable Pricing Supplement in respect of any Tranche of Notes.

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, or such other calculation basis as may be specified in the Applicable Pricing Supplement.

10.6 **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 10.4 (*Early Redemption following the occurrence of a Tax Event, Change in Law, Hedging Disruption and/or Increased Cost of Hedging*) or 20 (*Events of Default*), the Early Redemption Amount will be determined pursuant to Condition 10.5 (*Early Redemption Amounts*).

10.7 **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 10 (*Redemption and Purchase*) and the Applicable Pricing Supplement. In the case of early redemption in accordance with Conditions 10.4 (*Early Redemption following the occurrence of a Tax Event, Change in Law, Hedging Disruption and/or Increased Cost of Hedging*) or 20 (*Events of Default*), the Early Redemption Amount will be determined pursuant to Condition 10.5 (*Early Redemption Amounts*).

10.8 **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 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.

10.9 **Purchases**

The Issuer or any of its Subsidiaries may at any time purchase Notes at any price in the open market or otherwise. Such Notes may, subject to applicable law, be held, resold, or, at the option of the Issuer, surrendered to the Transfer Agent for cancellation.

10.10 **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 a Certificate are cancelled, the Transfer Agent shall deliver a Certificate to such Noteholder in respect of the balance of the Notes.

10.11 **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 this Condition 10 (*Redemption and Purchase*) or upon its becoming due and repayable as provided in Condition 20 (*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 10.5.3 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) days after the date on which the full amount of the moneys payable has been received by the CSD, and notice to that effect has been given to the Noteholder in accordance with Condition 22 (*Notices*).

10.12 **Applicable Procedures**

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

11. **REDEMPTION PROCEDURES**

11.1 **General**

The redemption of Notes of any Tranche shall be effected only in accordance with this Condition 11 (*Redemption Procedures*) unless different procedures are specified in the Applicable Pricing Supplement.

11.2 **Restrictions**

In certain circumstances specified in the Applicable Pricing Supplement, selling restrictions or certification requirements in addition to those described in the Programme Memorandum may apply.

11.3 **Redemption Notices**

11.3.1 **Redemption Notices generally**

11.3.1.1 **Where Notes are being redeemed on the Maturity Date**

Unless otherwise specified in the Applicable Pricing Supplement, payment of the Final Redemption Amount to the relevant Noteholder on the Maturity Date or, in the case of a Structured Note, delivery of the Reference Assets on the Physical Delivery Date to, or to the order of, the relevant Noteholder is conditional upon the Noteholder delivering in writing to the Issuer, a duly completed irrevocable notice (a "**Maturity Redemption Notice**") in the

form provided by, and available from, the Issuer at its Specified Office not later than the Maturity Notice Time on the Maturity Date. The Maturity Redemption Notice may specify that it is subject to certain specified additional conditions or requirements.

11.3.1.2 **Where Notes are being redeemed by the Issuer at the request of a Noteholder pursuant to Condition 10.2**

Unless otherwise specified in the Applicable Pricing Supplement, payment of the Optional Redemption Amount to the relevant Noteholder or, in the case of a Structured Note, delivery of the Reference Assets on the Physical Delivery Date to, or to the order of, the relevant Noteholder is conditional upon such Noteholder delivering in writing to the Issuer, a duly completed irrevocable notice (an “**Early Redemption Notice**”) in the form provided by, and available from, the Issuer at its Specified Office. Such Early Redemption Notice must be received no later than the Redemption Notice Time on the Optional Redemption Date. Any Early Redemption Notice (in writing) received after the Redemption Notice Time on a given Business Day shall be deemed to be received on the next succeeding Business Day, provided such date falls no later than two Business Days prior to the Maturity Date, in which event the Notes will be redeemed on the Maturity Date in accordance with Condition 10.1 (*Redemption at Maturity*).

11.3.1.3 **Where Notes are being redeemed by the Issuer pursuant to Condition 10.3**

Unless otherwise specified in the Applicable Pricing Supplement, if the Issuer wishes to redeem the Notes of any Tranche pursuant to Condition 10.3 (*Early Redemption at the Option of the Issuer*), the Issuer must give Noteholders notice of redemption (an “**Issuer Redemption Notice**”) in accordance with Condition 22 (*Notices*) (which notice will be irrevocable and will specify the Optional Redemption Amount or, in the case of a Structured Note, if the Issuer elects to deliver Reference Assets, *in lieu* of paying the Optional Redemption Amount, the Reference Assets to be delivered upon redemption of each Structured Note) and at the same time deliver a copy of the Issuer Redemption Notice to the Paying Agent and the Relevant Clearing System.

An Issuer Redemption Notice given in respect of any Tranche of Notes must be received no later than the Redemption Notice Time on the Optional Redemption Date. Any Issuer Redemption Notice (in writing) received after the Redemption Notice Time on a given Business Day shall be deemed to be received on the next succeeding Business Day, provided it falls no later than two Business Days prior to the Maturity Date, in which event the Notes will be redeemed on the Maturity Date in accordance with Condition 10.1 (*Redemption at Maturity*).

Unless otherwise specified in the Applicable Pricing Supplement, payment of the Optional Redemption Amount to the relevant Noteholder on the Optional Redemption Payment Date or delivery of the Reference Assets on the Physical Delivery Date, to or to the order of the relevant Noteholder is conditional upon the Noteholder delivering in writing to the Relevant Clearing System, with a copy to the Paying Agent, a duly completed Noteholder’s Notice not later than the Redemption Notice Time on the Optional Redemption Date, which notice may specify that it is subject to any additional conditions or requirements specified in the Issuer Redemption Notice.

11.3.1.4 **Where Notes are being redeemed by the Issuer pursuant to Condition 10.4**

Unless otherwise specified in the Applicable Pricing Supplement, if the Issuer wishes to redeem the Notes of any Series pursuant to Condition 10.4 (*Early Redemption following the occurrence of a Tax Event, Change in Law, Hedging Disruption and/or Increased Cost of Hedging*), the Issuer must give Noteholders notice of redemption (a “**Special Redemption Notice**”) in accordance with Condition 22 (*Notices*) (which notice will be irrevocable and will specify the Early Redemption Amount or, in the case of a Structured Note, if the Issuer elects to deliver Reference Assets *in lieu* of paying the Early Redemption Amount, the Reference Assets to be delivered upon redemption of each Structured Note) and at the same time deliver a copy of the Special Redemption Notice to the Paying Agent.

A Special Redemption Notice given in respect of any Tranche of Notes must be given no later than the Redemption Notice Time on the Early Redemption Date. Any Special Redemption Notice (in writing) received after the Redemption Notice Time on a given Business Day shall be deemed to be received on the next succeeding Business Day, provided it falls no later than two Business Days prior to the Maturity Date, in which event the Notes will be redeemed on the Maturity Date in accordance with Condition 10.1 (*Redemption at Maturity*).

Unless otherwise specified in the Applicable Pricing Supplement, payment of the Early Redemption Amount to the relevant Noteholder on the Early Redemption Payment Date or delivery of the Reference Assets on the Physical Delivery Date, to or to the order of the relevant Noteholder is conditional upon the Noteholder delivering in writing to the Relevant Clearing System, with a copy to the Paying Agent, a duly completed Noteholder's Notice not later than the Redemption Notice Time on the Early Redemption Date, which notice may specify that it is subject to any additional conditions or requirements specified in the Special Redemption Notice.

11.3.2 **Effect of Redemption Notices**

11.3.2.1 **Effect of Maturity Redemption Notice and Noteholder's Notice where Notes are being redeemed on the Maturity Date or pursuant to Condition 10.3 or 10.4**

A Maturity Redemption Notice or a Noteholder's Notice, as the case may be, if delivered in accordance with Condition 11.3.1.1, 11.3.1.3 or 11.3.1.4, as the case may be, shall, *inter alia*, constitute and be substantially to the following effect:

- 11.3.2.1.1 an irrevocable notice requiring the Issuer to redeem the Notes therein referred to as permitted by Condition 10.3 (*Early Redemption at the Option of the Issuer*) or Condition 10.4 (*Early Redemption following the occurrence of a Tax Event, Change in Law, Hedging Disruption and/or Increased Cost of Hedging*), as the case may be, and notification of the number and Tranche of Notes which the Issuer wishes to redeem, subject to the minimum and maximum redemption requirements and integral multiples requirements specified in Condition 14 (*Limits on number of Notes that can be redeemed*);
- 11.3.2.1.2 an irrevocable instruction to the Relevant Clearing System to debit the designated Securities Account for each Note to be redeemed on the Maturity Date or Optional Redemption Date or Early Redemption Date, as the case may be;
- 11.3.2.1.3 where the Notes are being cash settled, an irrevocable instruction to the Relevant Clearing System to credit the Cash Account of the Noteholder at the Relevant Clearing System, as appropriate, with the Final Redemption Amount or the Optional Redemption Amount or the Early Redemption Amount, as the case may be, on the Maturity Date or the Optional Redemption Payment Date or the Early Redemption Payment Date, as the case may be;
- 11.3.2.1.4 if the Applicable Pricing Supplement specifies that "*Physical Settlement*" is applicable and the Issuer elects to deliver the Underlying Securities *in lieu* of paying the Final Redemption Amount or Optional Redemption Amount or Early Redemption Amount, as the case may be, notification of the name and address of the Person or bank or broker to whom the Reference Assets should be transferred and of the name and address of the Person or bank or broker to whom the Transfer Documentation in respect of the Reference Assets should be delivered (if the Reference Assets are equity units such information should relate to each security comprised in such equity units) and notification of the name and the number of the Noteholder's Cash Account with the Relevant Clearing System to be credited with any cash payable by the Issuer, in the event of a Settlement Disruption Event or otherwise;
- 11.3.2.1.5 notification of the name(s) and number(s) of the relevant Securities Account(s) and Cash Account(s);

11.3.2.1.6 an undertaking by the relevant Noteholder to pay any applicable Redemption Expenses in accordance with Condition 11.5 (*Settlement by the Issuer*) and an authority to debit a specified account of the Noteholder at the Relevant Clearing System in respect thereof; and

11.3.2.1.7 an undertaking by the relevant Noteholder to pay any applicable Taxes in accordance with Conditions 11.5 (*Settlement by the Issuer*) and 15 (*Taxation*).

11.3.2.2 **Effect of Early Redemption Notice where Notes are being redeemed by the Issuer at the request of a Noteholder**

If the Applicable Pricing Supplement specifies that the Notes may be redeemed by the Issuer at the request of Noteholders pursuant to Condition 10.2 (*Early Redemption at the Option of Noteholders*), an Early Redemption Notice delivered in accordance with Condition 11.3.1.2 shall, *inter alia*, constitute and be substantially to the following effect:

11.3.2.2.1 an irrevocable notice of the intention of the Noteholder to require the Issuer to redeem the Notes therein referred to as permitted by Condition 10.2 (*Early Redemption at the Option of Noteholders*) and notification of the number and Tranche of Notes which the Noteholder wishes the Issuer to redeem, subject to the minimum and maximum redemption requirements and integral multiples requirements specified in Condition 14 (*Limits on number of Notes that can be redeemed*); provided that if the number of Notes specified in the Early Redemption Notice exceeds the number of Notes held in the Securities Account specified therein, such Early Redemption Notice shall be void;

11.3.2.2.2 an irrevocable instruction to the Relevant Clearing System to notify the Paying Agent of the Noteholder's election to require the Issuer to effect such redemption and instructing it to debit the designated Securities Account for each Note to be redeemed on the Optional Redemption Date;

11.3.2.2.3 where the Notes are being cash settled, an irrevocable instruction to the Relevant Clearing System to credit the Cash Account of the Noteholder at the Relevant Clearing System, as appropriate, with the Optional Redemption Amount on the Optional Redemption Payment Date;

11.3.2.2.4 if the Applicable Pricing Supplement specify that "*Physical Settlement*" is applicable and the Issuer elects to deliver the Reference Assets *in lieu* of paying the Optional Redemption Amount, notification of the name and address of the Person or bank or broker to whom the Reference Assets should be transferred and the name and address of the Person or bank or broker to whom the Transfer Documentation in respect of the Reference Assets should be delivered (if the Reference Assets are equity units such information should relate to each security comprised in such equity units) and notification of the name and the number of the Noteholder's Cash Account with the Relevant Clearing System to be credited with any cash payable by the Issuer in the event of a Settlement Disruption Event or otherwise;

11.3.2.2.5 notification of the name(s) and number(s) of the relevant Securities Account(s) and Cash Account(s);

11.3.2.2.6 an undertaking to pay any applicable Redemption Expenses in accordance with Condition 11.5 (*Settlement by the Issuer*) and an authority to debit a specified account of the Noteholder at the Relevant Clearing System in respect thereof; and

11.3.2.2.7 an undertaking by the relevant Noteholder to pay any applicable Taxes in accordance with Conditions 11.5 (*Settlement by the Issuer*) and 15 (*Taxation*).

11.3.3 **US Certification requirements - Type 1 US Commodities Restrictions**

If the Applicable Pricing Supplement indicates that Type 1 US Commodities Restrictions apply, the Noteholder must certify in the following form (or such other form of certification as may be agreed between the Issuer or one of its affiliates and the Noteholder to equivalent effect) in connection with a redemption notice:

“(a) Neither the person holding the Notes referred to in this redemption notice, nor any person on whose behalf the Notes are being held when redeemed, is a US person or a person within the United States (as such terms are defined in Regulation S under the US Securities Act of 1933, as amended) or (b) the person redeeming the Notes, and each person on whose behalf the Notes are being redeemed or who is the beneficial owner thereof, is an Eligible Contract Participant (as such term is defined in the Commodity Exchange Act).

We understand that this notice is required in connection with certain securities, commodities and other legislation in the United States. If administrative or legal proceedings are commenced or threatened in connection with which this notice is or might be relevant, we irrevocably authorise you to produce this notice or a copy thereof to any interested party in such proceedings.”

11.3.4 **US Certification requirements - Type 2 US Commodities Restrictions**

If the Applicable Pricing Supplement indicates that Type 2 US Commodities Restrictions apply, the Noteholder must certify in the following form (or such other form of certification as may be agreed between the Issuer or one of its affiliates and the Noteholder to equivalent effect) in connection with a redemption notice:

“Neither the person holding the Notes referred to in this redemption notice, nor any person on whose behalf the Notes are being held when redeemed, is a US person or a person within the United States (as such terms are defined in Regulation S under the US Securities Act of 1933, as amended).

We understand that this notice is required in connection with certain securities, commodities and other legislation in the United States. If administrative or legal proceedings are commenced or threatened in connection with which this notice is or might be relevant, we irrevocably authorise you to produce this notice or a copy thereof to any interested party in such proceedings.”

11.4 **Liability**

Redemption of the Notes, payments by the Issuer, and any Paying Agent and, in the case of Structured Notes, any transfer of the Reference Assets or Deliverable Obligations by the Issuer and/or any Paying Agent will be subject in all cases to all applicable fiscal and other laws, regulations and practices in force at such time (including, without limitation, any relevant exchange control laws or regulations and the Relevant Rules) and neither the Issuer nor any Paying Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all commercially reasonable efforts, as a result of any such laws, regulations and practices. Neither the Issuer nor any Paying Agent shall under any circumstances be liable for any acts or defaults of the Relevant Clearing System in the performance of their respective duties in relation to the Notes or, in the case of Structured Notes, in relation to the delivery of Reference Assets, the acts or defaults of the relevant Exchanges.

11.5 **Settlement by the Issuer**

Subject to compliance by the Noteholder with the redemption procedures set out herein (and in the Applicable Pricing Supplement, where specified), the Issuer will, where applicable, comply with the following:

11.5.1 Settlement by delivery of Reference Assets

- 11.5.1.1 Redemption Expenses and Taxes associated with, in the case of a Structured Note, the delivery of any Reference Assets (including for the avoidance of doubt, in the case of an equity unit, the securities comprised in such equity unit) will be for the account of the relevant Noteholder. No delivery by the Issuer of a fraction of Reference Assets shall be made. Structured Notes redeemed at the same time by the same Noteholder will be aggregated for the purpose of determining the aggregate number of Reference Assets to be delivered; and in the case of Equity Basket Notes, Notes redeemed at the same time by the same Noteholder shall be aggregated for the purpose of determining the aggregate number of Equity Baskets of Securities to be delivered and the aggregate number of each of the Reference Assets forming part of the relevant Equity Basket of Securities to be delivered. Where there is a fraction of a Reference Asset, a Noteholder will be entitled to receive an amount in cash rounded to the nearest whole unit of currency *in lieu* of such fraction.
- 11.5.1.2 No Noteholder will be entitled to receive dividends declared or paid in respect of any Reference Assets or to any other rights relating to or arising out of any such Reference Assets if the record date for the relevant dividend or relevant right in respect of such Reference Assets falls before the relevant Physical Delivery Date.
- 11.5.1.3 If the Issuer has elected to make a delivery of the Reference Assets, but any Redemption Expenses incurred by the Issuer have not been credited to the Bank Account of the Paying Agent (in favour of the Issuer), then the Issuer shall be under no obligation to transfer the Reference Assets or make any payment of any nature to the relevant Noteholder in respect of the Notes being redeemed, and the Maturity Redemption Notice, Early Redemption Notice or Noteholder's Notice, as the case may be, delivered in respect of such Notes shall thereafter be null and void for all purposes.
- 11.5.1.4 If the Issuer elects to deliver Reference Assets *in lieu* of the Final Redemption Amount (or the Optional Redemption Amount or the Early Redemption Amount), then, as soon as practicable after the Valuation Date, it will confirm to the Relevant Clearing System and to the Paying Agent the Reference Assets being delivered upon redemption of each Note and the amount of any Taxes which the Issuer or the relevant Paying Agent is required to withhold or deduct and any Redemption Expenses incurred by the Issuer relating thereto. Subject to receipt of such information and subject to compliance by the Noteholder with the redemption procedure set out herein (and in the Applicable Pricing Supplement, where specified), the Relevant Clearing System will on or before the Physical Delivery Date transfer from the Cash Account of the relevant Noteholder to the account of the Paying Agent an amount equal to (i) any such Taxes and (ii) any such Redemption Expenses.
- 11.5.1.5 The Issuer will ensure that delivery of the Reference Assets to the Noteholder takes place on the Physical Delivery Date. In the event that a Noteholder requests that delivery of the Reference Assets be made at a location or in a method that is different from that in the Applicable Pricing Supplement, the Issuer will, without any obligation whatsoever and provided that no additional unreimbursed costs are incurred, seek to deliver the Reference Assets to such location and/or by such method. Settlement will take place in accordance with the relevant method of settlement.
- 11.5.1.6 Unless notified to the contrary, the Issuer shall, subject as provided below, on the relevant Physical Delivery Date deliver or procure the delivery of the Transfer Documentation relating to the Reference Assets being so transferred (or in the case of a Reference Asset that is an equity unit, the Transfer Documentation in respect of such equity unit) to or to the order of the Noteholder or to such bank or broker as the Noteholder has specified in the relevant Maturity Redemption Notice.
- 11.5.1.7 The Issuer will, if it does not elect to deliver the Reference Assets *in lieu* of payment of the Final Redemption Amount (or the Optional Redemption Amount or the Early Redemption Amount), and subject to compliance by the Noteholder with the redemption procedure set out herein (and in the Applicable Pricing Supplement, where specified), pay or cause to be paid, on the relevant Maturity Date, the Final Redemption Amount (or the Optional Redemption

Amount or the Early Redemption Amount) (less any Taxes or Redemption Expenses that the Issuer is authorised or required to deduct) to the Relevant Clearing System for credit to the relevant Noteholder's Cash Account designated in the relevant Maturity Redemption Notice for value on the Maturity Date or the Optional Redemption Payment Date or Early Redemption Payment Date, as the case may be. The Issuer shall not be liable for the failure of any third party to credit the Noteholder's Cash Account or for payment effected to Persons not entitled thereto.

11.5.2 **Cash Settlement**

In respect of each Note being redeemed, the Issuer will pay or cause to be paid, on the relevant Maturity Date (or Optional Redemption Payment Date or Early Redemption Payment Date), the Final Redemption Amount (or Optional Redemption Amount or Early Redemption Amount) (less any Taxes or Redemption Expenses that the Issuer is authorised to deduct) to the Relevant Clearing System for credit to the relevant Noteholder's Cash Account designated in the relevant Redemption Notice for value on the Maturity Date (or Optional Redemption Payment Date or Early Redemption Payment Date). The Issuer shall not be liable for the failure of any third party to credit the Noteholder's Cash Account or for payment effected to Persons not entitled thereto.

11.6 **Settlement Disruption Event**

If the Issuer has elected to deliver Reference Assets *in lieu* of paying the Final Redemption Amount or the Optional Redemption Amount or the Early Redemption Amount, as the case may be, in respect of Structured Notes and a Settlement Disruption Event prevents the delivery of such Reference Assets on the Physical Delivery Date, then the Physical Delivery Date will be the first succeeding day on which delivery of the Reference Assets can take place through the relevant Clearing System unless a Settlement Disruption Event prevents settlement on each of the 10 (ten) relevant Clearing System Business Days immediately following the original date that, but for the Settlement Disruption Event, would have been the Physical Delivery Date.

In that case, the Issuer may in its sole discretion elect to (i) satisfy its obligations in respect of the relevant Note by payment in cash of the Final Redemption Amount or the Optional Redemption Amount or the Early Redemption Amount, as the case may be, not later than the third Business Day following the date that the notice of such election is given to Noteholders in accordance with Condition 22 (*Notices*), or (ii) if the Reference Assets can be delivered in any other commercially reasonable manner, as determined by the Issuer in its sole discretion, designate that the Physical Delivery Date will be the first day on which settlement of a sale of the Reference Assets executed on that tenth Relevant Clearing System Business Day customarily would take place using such other commercially reasonable manner of delivery (which other manner of delivery will be deemed the Relevant Clearing System for the purposes of delivery of the relevant Reference Assets). All determinations made by the Issuer will be conclusive and binding upon the Noteholders and the Issuer except in the case of manifest error.

For so long as the delivery of the Reference Assets in respect of any Note is not practicable by reason of a Settlement Disruption Event, the relevant Noteholders shall not be entitled to any payment, whether of interest or otherwise, on such Note as a result of any delay in the delivery of the Reference Assets pursuant to this paragraph.

11.7 **Determinations where Notes are being redeemed by the Issuer on the Maturity Date or on the Optional Redemption Date or on the Early Redemption Date**

Any determinations as to whether a Maturity Redemption Notice, an Early Redemption Notice or a Noteholder's Notice, as the case may be, is duly completed and in proper form shall be made by the Relevant Clearing System in consultation with the Paying Agent and shall be conclusive and binding on the Issuer, the Paying Agents and the relevant Noteholder. Any Maturity Redemption Notice, Early Redemption Notice or Noteholder's Notice, as the case may be, so determined to be incomplete or not in proper form or which is not copied to the Paying Agent immediately after being sent to the Relevant Clearing System shall be null and void unless the Issuer agrees otherwise. If such Maturity Redemption Notice, Early Redemption Notice or Noteholder's Notice, as the case may be, is subsequently corrected to the satisfaction of the Relevant Clearing System, it shall be deemed to be a

new Maturity Redemption Notice, Early Redemption Notice or Noteholder's Notice, as the case may be, submitted at the time such correction is delivered to the Relevant Clearing System. The Relevant Clearing System shall use all reasonable endeavours promptly to notify the Noteholder submitting a Maturity Redemption Notice, an Early Redemption Notice or Noteholder's Notice, as the case may be, if it has determined that such Maturity Redemption Notice, Early Redemption Notice or Noteholder's Notice, as the case may be, is invalid or incomplete. In the absence of negligence or wilful misconduct on its part, the Relevant Clearing System shall not be liable to any Person with respect to any action taken or omitted to be taken by it in connection with such notification to a Noteholder or such determination.

11.8 **Effect of Early Redemption Notice, Issuer Redemption Notice and Special Redemption Notice**

11.8.1 **Where Notes are being redeemed by the Issuer at request of Noteholder pursuant to Condition 10.2**

Delivery of an Early Redemption Notice by facsimile shall constitute an irrevocable election by the relevant Noteholder to require the Issuer to redeem the Notes specified therein. After the delivery of such Early Redemption Notice, the relevant Noteholder may not transfer such Notes. If, notwithstanding the foregoing, any Noteholder does so transfer or attempts so to transfer such Notes, the Noteholder will be liable to the Issuer for any loss, costs and expenses suffered or incurred by the Issuer or any of its Affiliates through which it has hedged its position, including those suffered or incurred as a consequence of the Issuer or any of its Affiliates through which it has hedged its position having terminated or commenced any related hedging arrangements in reliance on the relevant Early Redemption Notice and subsequently (i) entering into replacement hedging arrangements in respect for such Notes or (ii) paying any amount on the subsequent redemption of such Notes without having entered into any replacement hedging arrangements.

11.8.2 **Where Notes are being redeemed by the Issuer pursuant to Condition 10.3 (*Early Redemption at the Option of the Issuer*) or 10.4 (*Early Redemption following the occurrence of a Tax Event, Change in Law, Hedging Disruption and/or Increased Cost of Hedging*)**

Upon the expiry of an Issuer Redemption Notice or a Special Redemption Notice, as the case may be, that has been given in the prescribed manner, the Issuer shall, subject to the requirements of these Terms and Conditions, be bound to redeem the Notes of the relevant Tranche unless previously redeemed or purchased and cancelled.

11.9 **Currency**

11.9.1 **Exchange Date**

Where the price(s) for the Reference Assets or Relevant Index is (are) quoted in a currency other than the currency in which any cash settlement in respect of the relevant Notes is required to be made, the exchange rate for conversion into the currency in which any cash settlement in respect of the relevant Notes is required to be made will be that determined by the Paying Agent by reference to the relevant Reuters page or other reference source specified in the Applicable Pricing Supplement or will be the exchange rate quoted by the reference bank or relevant central bank specified in the Applicable Pricing Supplement, at a time or times on the Valuation Date as specified in the Applicable Pricing Supplement or, if no such time is specified, then at 3:00 pm (Johannesburg time) on the Valuation Date.

11.9.2 **Change in Currency**

11.9.2.1

If at any time there is a change in the currency of a country such that the central bank of that country recognises more than one currency or currency unit as the lawful currency of that country, then references in, and obligations arising under, the Notes at the time of any such change that are expressed in the currency of that country shall be translated into, and/or any amount becoming payable under the Notes thereafter as specified in these Terms and Conditions shall be paid in, the currency or currency unit of that country, and in the manner, designated by the Determination Agent.

- 11.9.2.2 Any such translation shall be made at the official rate of exchange recognised for that purpose by the central bank of such country.
- 11.9.2.3 Where such a change in currency occurs, the Certificate in respect of the Notes then Outstanding and the Terms and Conditions relating to such Notes shall be amended in the manner agreed by the Issuer and the Paying Agent so as to reflect the change and, so far as practicable, to place the Issuer and the Paying Agent and the Noteholders in the same position each would have been in had no change in currency occurred (such amendments to include, without limitation, changes required to reflect any modification to Business Day or other conventions arising in connection with such change in currency), provided that any such amendments will only be made in a manner that is consistent with the hedging arrangements entered into by the Issuer in connection with such Notes. All amendments made pursuant to this Condition 11.9.2 (*Change in Currency*) will be binding upon the Noteholders.
- 11.9.2.4 Notification of any amendments made to the Notes pursuant to this Condition 11.9.2 (*Change in Currency*) will be made in accordance with Condition 22 (*Notices*), which will state *inter alia* the date on which such amendments are to take or took effect, as the case may be.

12. RIGHTS OF THE ISSUER IN THE EVENT OF A DISRUPTED DAY OR DISRUPTION EVENT

12.1 Equity Linked Notes and Equity Basket Notes

If, in the opinion of the Determination Agent, any Valuation Date is a Disrupted Day, then:

- 12.1.1 in the case of an Equity Linked Note in respect of which the Applicable Pricing Supplement specifies only one type of Underlying Security, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the original date that, but for the Disrupted Days, would have been the Valuation Date (the “**Scheduled Valuation Date**”) is a Disrupted Day, in which case that eighth Scheduled Trading Day shall be deemed to be the Valuation Date notwithstanding the fact that it is a Disrupted Day, and the Determination Agent shall estimate in good faith the relevant Exchange traded price for such Underlying Securities that would have prevailed on that eighth Scheduled Trading Day but for that Disrupted Day;
- 12.1.2 in the case of Equity Basket Notes, the Valuation Date for each Underlying Security not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Underlying Security affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day, in which case that eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the relevant Underlying Security notwithstanding the fact that it is a Disrupted Day and the Determination Agent shall estimate the relevant Exchange traded price for such Underlying Security that would have prevailed on that eighth Scheduled Trading Day but for that Disrupted Day.

All determinations made by the Determination Agent pursuant to this Condition 12.1 (*Equity Linked Notes and Equity Basket Notes*) will be conclusive and binding on the Noteholders, the Paying Agents and the Issuer except in the case of manifest error. Notice of the Exchange’s traded price for the relevant Underlying Securities, determined in accordance with this Condition 12.1 (*Equity Linked Notes and Equity Basket Notes*), shall only be provided to those Noteholders affected by the occurrence of the Disrupted Days.

12.2 Single Index Notes and Basket of Indices Notes

If, in the opinion of the Determination Agent, a Valuation Date is a Disrupted Day, then:

- 12.2.1 in the case of Single Index Notes, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case (a) the eighth Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact

that such day is a Disrupted Day, and (b) the Determination Agent shall determine the level of the Index in the manner set out in the Applicable Pricing Supplement or, if not set out or not practicable, shall determine the level of the Index as of the Valuation Time on the eighth Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the relevant Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security included in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant Underlying Security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant Underlying Security as of the Valuation Time on that eighth Scheduled Trading Day); or

- 12.2.2 in the case of Basket of Indices Notes, the Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index affected by the occurrence of a Disrupted Day (each an “**Affected Index**”) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Index, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Index. In that case (a) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Index, notwithstanding the fact that such day is a Disrupted Day, and (b) the Determination Agent shall determine the level of the Basket of Indices using, in relation to the Affected Index, the level of that Index determined in the manner set out in the Applicable Pricing Supplement or, if not set out or if not practicable, using the level of that Index as of the Valuation Time on that eighth Scheduled Trading Day determined in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security included in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day).

In the case of a Disrupted Day occurring prior to the Valuation Date, the level of any Index calculated by the Determination Agent in accordance with this Condition 12.2 (*Single Index Notes and Basket of Indices Notes*) shall only be notified to those Noteholders (if any) seeking to redeem their Notes at the time of the occurrence of the Disrupted Days.

12.3 **Currency Linked Notes**

12.3.1 **Determination of Disruption Event**

If, in the opinion of the Determination Agent, a Disruption Event (as defined below) has occurred and is continuing on any Valuation Date, then such Valuation Date shall be postponed to the first following Business Day in respect of which there is no such Disruption Event; provided, however, that in no event shall the Valuation Date be later than the eighth Business Day after the Maturity Date or the Optional Redemption Date or the Early Redemption Date, as the case may be, and, if a Disruption Event in relation to an Exchange Rate is continuing on such eighth Business Day, the Valuation Date shall be such eighth Business Day and the Issuer shall pay *in lieu* of payment of the Final Redemption Amount or the Optional Redemption Amount or the Early Redemption Amount, as the case may be, on the Maturity Date or Optional Redemption Date or Early Redemption Date, as the case may be, the Disruption Redemption Amount (as defined below) on the third Business Day following such eighth Business Day. All determinations made by the Determination Agent pursuant to this Condition 12.3 (*Currency Linked Notes*) will be conclusive and binding on the Noteholders and the Issuer except in the case of manifest error. Notice of the Disruption Redemption Amount, determined in accordance with this Condition 12.3 (*Currency Linked Notes*), shall only be provided to holders of Notes affected by the Disruption Event.

“**Disruption Event**”, in respect of Currency Linked Notes, means the occurrence of any of the following events:

- 12.3.1.1 Price Source Disruption;
- 12.3.1.2 Illiquidity Disruption;

- 12.3.1.3 Dual Exchange Rate;
- 12.3.1.4 any other event that, in the opinion of the Determination Agent, materially affects dealings in the Notes of any Tranche or affects the ability of the Issuer to meet any of its obligations under the Notes of any Tranche or under any related hedge transactions.

12.3.2 **Calculation of Rates for Certain Settlement Rate Options**

- 12.3.2.1 If any of the Exchange Rates specified in the Applicable Pricing Supplement are published or announced by more than one price source and the price source referred to in such Applicable Pricing Supplement fails to publish or announce that Exchange Rate on the Rate Calculation Date (or, if different, the day on which rates for that date would, in the ordinary course, be published or announced by such price source), then the Spot Rate for that Rate Calculation Date will be determined by the Determination Agent in its absolute discretion.
- 12.3.2.2 If the Exchange Rates specified in the Applicable Pricing Supplement are reported, sanctioned, recognised, published, announced or adopted (or are the subject of other similar action) by the relevant Governmental Authority (as defined below), and such Exchange Rate ceases to exist and is replaced by a successor currency exchange rate that is reported, sanctioned, recognised, published, announced or adopted (or other similar action) by such Governmental Authority (the “**Official Successor Rate**”), then the Spot Rate for the relevant Rate Calculation Date will be determined by the Determination Agent in its absolute discretion.
- 12.3.2.3 For the purposes of determining the Spot Rate for any Rate Calculation Date in any case where the Spot Rate for a Rate Calculation Date is based on information obtained from the Reuters Monitor Money Rates Service or the Dow Jones Telerate Service, the Spot Rate will be subject to the corrections, if any, to that information subsequently displayed by that source within one hour of the time when such rate is first displayed by such notice.
- 12.3.2.4 Notwithstanding Condition 12.3.2.3, in any case where the Spot Rate for a Rate Calculation Date is based on the information published or announced by a Governmental Authority in the relevant country, the Spot Rate will be subject to the correction, if any, to that information subsequently published or announced by that source within the shorter of the period of five days from the Rate Calculation Date and the period expiring on the Business Day prior to the Maturity Date or Optional Redemption Payment Date or Early Redemption Payment Date, as the case may be.

12.4 **Averaging**

In the case of an Averaging Date being a Disrupted Day if, in relation to “Averaging Date Disruption”, the consequence specified in the Applicable Pricing Supplement is:

- 12.4.1 “**Omission**”, then such Averaging Date will be deemed not to be a relevant Averaging Date, provided that if through the operation of this provision there would not be an Averaging Date with respect to the relevant Valuation Date, then Condition 12.1 (*Equity Linked Notes and Equity Basket Notes*) or 12.2 (*Single Index Notes and Basket of Indices Notes*), as the case may be, will apply for the purposes of determining the relevant level, price or amount on the final Averaging Date with respect to that Valuation Date as if such Averaging Date were a Valuation Date that was a Disrupted Day. If any Averaging Dates in relation to a Valuation Date occur after that Valuation Date as a result of the occurrence of a Disrupted Day, then the relevant Maturity Date, Physical Delivery Date, Optional Redemption Payment Date or Early Redemption Payment Date, as the case may be, shall be determined by reference to the last such Averaging Date as though it were that Valuation Date; or
- 12.4.2 “**Postponement**”, then Condition 12.1 (*Equity Linked Notes and Equity Basket Notes*) or 12.2 (*Single Index Notes and Basket of Indices Notes*), as the case may be, will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be

an Averaging Date. If any Averaging Date in relation to a Valuation Date occurs after that Valuation Date as a result of the occurrence of a Disrupted Day, then the relevant Maturity Date, Physical Delivery Date, Optional Redemption Date or Early Redemption Payment Date, as the case may be, shall be determined by reference to the last such Averaging Date as though it were that Valuation Date; or

12.4.3 “**Modified Postponement**”, then:

12.4.3.1 in the case of an Equity Linked Note or a Single Index Note, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (i) that eighth Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date), and (ii) the Determination Agent shall determine the relevant level or price for that Averaging Date in accordance with Condition 12.1 (*Equity Linked Notes and Equity Basket Notes*) or 12.2 (*Single Index Notes and Basket of Indices Notes*), as the case may be; and

12.4.3.2 in the case of an Equity Basket Note or a Basket of Indices Note, the Averaging Date for each Underlying Security or Relevant Index not affected by the occurrence of a Disrupted Day shall be the date specified in the Applicable Pricing Supplement as an Averaging Date in respect of the relevant Valuation Date, and the Averaging Date for an Underlying Security or Relevant Index affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Underlying Security or Relevant Index. If the first succeeding Valid Date in respect of such Underlying Security or Relevant Index has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in relation to the relevant Scheduled Valuation Date, then (i) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in respect of such Underlying Security or Relevant Index and (ii) the Determination Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with Condition 12.1 (*Equity Linked Notes and Equity Basket Notes*) or 12.2 (*Single Index Notes and Basket of Indices Notes*), as the case may be.

12.5 **Index Modification, Cancellation, Disruption or Adjustment Event**

If:

12.5.1 on or prior to any date on which the level of an Index is to be calculated, including without limitation any Averaging Date (the “**Determination Date**”), in respect of Single Index Notes or Basket of Indices Notes, a relevant Index sponsor (a “**Sponsor**”) announces that it will make a material change in the formula for or the method of calculating that Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation and other routine events) (an “**Index Modification**”) or permanently cancels the Index and no successor Index exists (an “**Index Cancellation**”); or

12.5.2 on any Determination Date in respect of Single Index Notes or Basket of Indices Notes the Sponsor fails to calculate and announce a relevant Index (an “**Index Disruption**” and together with an Index Modification and an Index Cancellation, an “**Index Adjustment Event**”),

then the Determination Agent shall on each relevant Determination Date determine if such Index Adjustment Event has a material effect on the relevant Notes and if so shall calculate the level of that Index by using, *in lieu* of a published level for the relevant Index, the level for that Index as at that Determination Date as determined by the Determination Agent in accordance with the formula for and method of calculating that Index last in effect prior to that Index Adjustment Event, but using only those securities that constituted the relevant Index immediately prior to that Index Adjustment Event (other than those securities that have since ceased to be listed on any relevant Exchange).

In the event that the Determination Agent determines that it can no longer continue to calculate such Index, the Determination Agent shall in its sole discretion rebase the Notes against a comparable Index so as to maintain the economic equilibrium of the Notes. If the Determination Agent determines in its absolute discretion that this is not possible, the Issuer may on such date elect to redeem the Notes in accordance with the applicable provisions of Condition 10 (*Redemption and Purchase*) and pay the Early Redemption Amount in respect of such Notes.

12.6 **Commodity Linked Notes**

12.6.1 **ISDA Determination**

In relation to Commodity Linked Notes, in determining the Relevant Commodity Price for a Relevant Commodity or a Commodity Index, the terms of the 2005 ISDA Commodity Definitions, as published by ISDA and as amended and updated as at the Issue Date of the first Tranche of the Notes of a Series (the “**ISDA Commodity Definitions**”) shall be incorporated in the Applicable Pricing Supplement such that:

- 12.6.1.1 the Commodity Reference Price is as specified in the Applicable Pricing Supplement;
- 12.6.1.2 the Specified Price is as specified in the Applicable Pricing Supplement;
- 12.6.1.3 the Delivery Date (if any) is as specified in the Applicable Pricing Supplement; and
- 12.6.1.4 the Pricing Date(s) is/are date(s) as specified in the Applicable Pricing Supplement.

12.6.2 **Commodity Market Disruption Event and Disruption Fallback**

If, in the opinion of the Determination Agent, a Commodity Market Disruption Event (as defined below) has occurred and is continuing on any Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published by the Price Source), the Relevant Commodity Price for that Pricing Date will be determined by the Determination Agent in accordance with the first applicable Disruption Fallback (as defined below) that provides a Relevant Commodity Price.

12.6.3 **Common Pricing**

With respect to Notes relating to a Basket of Commodities, if “Common Pricing” has been selected in the Applicable Pricing Supplement as:

- 12.6.3.1 “**Applicable**” then, no date will be a Pricing Date unless such date is a day on which all referenced Commodity Reference Prices (for which such date would otherwise be a Pricing Date) are scheduled to be published or announced, as determined on the Trade Date of the Notes as of the time of issue of the Note.
- 12.6.3.2 “**Inapplicable**” then, if the Determination Agent determines that a Commodity Market Disruption Event has occurred or exists on the Pricing Date in respect of any Relevant Commodity and/or Commodity Index in the basket (the “**Affected Commodity**”), the Relevant Commodity Price of each Relevant Commodity and/or Commodity Index within the basket which is not affected by the occurrence of a Commodity Market Disruption Event shall be determined on its scheduled Pricing Date and the Relevant Commodity Price for the Affected Commodity shall be determined in accordance with the first applicable Disruption Fallback that provides a Relevant Reference Price.
- 12.6.3.3 All determinations made by the Determination Agent pursuant to this Condition 12.6 (*Commodity Linked Notes*) will be conclusive and binding on the Noteholders and the Issuer except in the case of manifest error.

12.6.4 **Correction to Published Prices**

For purposes of determining or calculating the Relevant Commodity Price, if the price published or announced on a given day and used or to be used by the Determination Agent to determine the Relevant Commodity Price is subsequently corrected and the correction is published or announced by the Person responsible for that publication or announcement within 30 (thirty) days after the original publication or announcement, the Determination Agent may, in its sole discretion, recalculate relevant payment amount, using such corrected price. The Determination Agent shall notify the Issuer of any such correction, the revised Relevant Commodity Price and the relevant payment amount, as a result of that correction.

The Issuer reserves the right (such right to be exercised in the Issuer's sole and unfettered discretion and without any liability whatsoever) to make such adjustments as it believes appropriate in circumstances where an event or events occur that the Issuer believes, in its sole discretion, should, in the context of the issue of Notes and the obligations of the Issuer thereunder, give rise to such adjustment as is necessary to preserve the economic equivalent of the obligations of the Issuer under the Notes and to maintain the economic equilibrium of the Notes.

12.6.5 **Adjustments to Commodity Index**

12.6.5.1 If a Commodity Index with respect to a Commodity Reference Price is permanently cancelled or is not calculated and announced by the sponsor of such Commodity Index or any of its affiliates (together the "**Sponsor**") but (a) is calculated and announced by a successor sponsor (the "**Successor Sponsor**") acceptable to the Determination Agent, or (b) replaced by a successor index (the "**Successor Index**") using, in the determination of the Determination Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of such Commodity Index, then the Commodity Reference Price will be determined by the Index so calculated and announced by that Successor Sponsor or that Successor Index, as the case may be.

12.6.5.2 If, for a Commodity Index with respect to a Commodity Reference Price, on or prior to the Maturity Date or Optional Redemption Date or Early Redemption Date, as the case may be, (a) the Sponsor makes a material change in the formula for or the method of calculating such Commodity Index or in any other way materially modifies such Commodity Index (other than a modification prescribed in that formula or method to maintain the Commodity Index in the event of changes in constituent commodities and weightings and other routine events), or (b) the Sponsor permanently cancels the Commodity Index, or (c) the Sponsor fails to calculate and announce the Commodity Index for a continuous period of three Trading Days and the Determination Agent determines that there is no Successor Sponsor or Successor Index, then the Determination Agent may at its option (in the case of (a)) and shall (in the case of (b) and (c)) (such events (a) (b) and (c) to be collectively referred to as "**Index Adjustment Events**") calculate the relevant Specified Price using *in lieu* of the published level for that Commodity Index (if any), the level for that Commodity Index as at the relevant determination date as determined by the Determination Agent in accordance with the formula for and method of calculating that Commodity Index last in effect prior to the relevant Index Adjustment Event (as the case may be), but using only those futures contracts that comprised that Index immediately prior to the relevant Index Adjustment Event (as the case may be) (other than those futures contracts that have ceased to be listed on any relevant exchange).

12.6.6 **Adjustments to payment dates or settlement dates**

If, as a result of a delay pursuant to the occurrence of a Commodity Market Disruption Event or Index Adjustment Event, a Relevant Commodity Price is unavailable to determine any amount payable on any scheduled payment date or settlement date, that payment date or settlement date will be delayed to fall on the second Business Day following the determination of the Relevant Commodity Price under the Disruption Fallback provision or Adjustments to Commodity Index provision, as the case may be. If a corresponding amount would otherwise have been payable in respect of the Notes on the same date that the delayed amount would have been payable but for the delay, the payment date or settlement date for that corresponding amount will be delayed to the same extent.

12.6.7 **Definitions for Commodity Linked Notes**

“**Commodity Market Disruption Event**” means the occurrence of any of the following events:

12.6.7.1 with respect to a Relevant Commodity:

12.6.7.1.1 Price Source Disruption;

12.6.7.1.2 Trading Disruption;

12.6.7.1.3 Disappearance of Commodity Reference Price;

12.6.7.1.4 Material Change in Formula;

12.6.7.1.5 Material Change in Content; and

12.6.7.1.6 any additional Commodity Market Disruption Events specified in the Applicable Pricing Supplement.

12.6.7.2 with respect to a Commodity Index:

12.6.7.2.1 a temporary or permanent failure by the applicable exchange or other price source to announce or publish (a) the final settlement price for the Commodity Reference Price or (b) closing price for any futures contract included in the Commodity Reference Price;

12.6.7.2.2 a material limitation, suspension or disruption of trading in one or more of the futures contracts included in the Commodity Reference Price which results in a failure by the exchange on which each applicable futures contract is traded to report a closing price for such contract on the day on which such event occurs or any succeeding day on which it continues; or

12.6.7.2.3 the closing price for any futures contract included in the Commodity Reference Price is a “limit price”, which means that the closing price for such contract for a day has increased or decreased from the previous day’s closing price by the maximum amount permitted under applicable exchange rules.

“**Disruption Fallback**” means a source or method that may give rise to an alternative basis for determining the Relevant Commodity Price in respect of a specified Commodity Reference Price when a Commodity Market Disruption Event occurs or exists on a day that is a Pricing Date in respect of the relevant Note. A Disruption Fallback is applicable if it is specified in the Applicable Pricing Supplement or, if no Disruption Fallback is specified in the Applicable Pricing Supplement, shall be deemed to mean:

(a) With respect to a Relevant Commodity, (in the following order):

(i) Fallback Reference Price (if applicable);

(ii) Delayed Publication or Announcement and Postponement (each to operate concurrently with the other and each subject to a period of two consecutive Commodity Business Days (measured from and including the original day that would otherwise have been the Pricing Date); provided, however, that the price determined by Postponement shall be the Relevant Commodity Price only if Delayed Publication or Announcement does not yield a Relevant Price within that two consecutive Commodity Business Days); and

(iii) Calculation Agent Determination.

(b) With respect to a Commodity Index, the following fallback determination mechanism:

- (i) with respect to each futures contract included in the Commodity Reference Price which is not affected by the Market Disruption Event, the Relevant Commodity Price will be based on the closing prices of each such contract on the applicable determination date;
- (ii) with respect to each futures contract included in the Commodity Reference Price which is affected by the Market Disruption Event, the Relevant Commodity Price will be based on the closing prices of each such contract on the first day following the applicable determination date on which no Market Disruption Event is occurring with respect to such contract;
- (iii) subject to paragraph (iv) below, the Determination Agent shall determine the Relevant Commodity Price by reference to the closing prices determined in paragraphs (i) and (ii) above using the then-current method for calculating the Relevant Commodity Price; and
- (iv) where a Commodity Market Disruption Event with respect to one or more futures contracts included in the Commodity Reference Price continues to exist (measured from and including the first day following the applicable determination date) for five consecutive Trading Days, the Determination Agent shall determine the Relevant Commodity Price in good faith and in a commercially reasonable manner.

“**Fallback Reference Price**”, in respect of Commodity Linked Notes, means that the Determination Agent will determine the Relevant Commodity Price based on the price for that Pricing Date of the first alternate Commodity Reference Price, if any, specified in the Applicable Pricing Supplement and not subject to a Commodity Market Disruption Event.

“**Calculation Agent Determination**” in respect of Commodity Linked Notes, means that the Determination Agent will determine the Relevant Commodity Price (or a method for determining the Relevant Commodity Price), taking into consideration the latest available quotation for the relevant Commodity Reference Price and any other information that in its sole discretion it deems relevant.

“**Delayed Publication or Announcement**”, in respect of Commodity Linked Notes, means that the Relevant Commodity Price for a Pricing Date will be determined based on the Specified Price in respect of the original day scheduled as such Pricing Date that is published or announced by the relevant Price Source retrospectively on the first succeeding Commodity Business Day on which the Commodity Market Disruption Event ceases to exist, unless that Commodity Market Disruption Event continues to exist (measured from and including the original day that would otherwise have been the Pricing Date) or the Relevant Commodity Price continues to be unavailable for two consecutive Commodity Business Days. In that case, the next Disruption Fallback specified in the Applicable Pricing Supplement will apply.

“**Postponement**”, in respect of Commodity Linked Notes, means that the Pricing Date will be deemed, for purposes of the application of this Disruption Fallback, to be the first succeeding Commodity Business Day on which the Commodity Market Disruption Event ceases to exist, unless that Commodity Market Disruption Event continues to exist for two consecutive Commodity Business Days (measured from and including the original day that would otherwise have been the Pricing Date). In that case, the next Disruption Fallback specified in the Applicable Pricing Supplement will apply.

“**Trading Day**” means, for the purposes of “Disruption Fallback” and Condition 12.6.5 (*Adjustments to Commodity Index*), a day when:

- (a) the Determination Agent is open for business in Johannesburg; and
- (b) the exchanges of all futures contracts included in the Commodity Reference Price are open for trading.

13. ADJUSTMENTS

13.1 Equity Linked Notes and Equity Basket Notes

The Issuer may at any time determine and declare that a Potential Adjustment Event has occurred. Following such declaration by the Issuer of any Potential Adjustment Event, the Determination Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Underlying Shares and, if so, will (a) make the corresponding adjustment(s), relevant to the exercise, settlement, payment or other terms of the Notes as the Determination Agent determines appropriate to account for that diluting or concentrative effect and (b) determine the effective date(s) of the adjustment(s). The Determination Agent may (but need not) determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of such Potential Adjustment Event made by an options exchange to options on the relevant Underlying Shares traded on that options exchange.

13.1.1 Consequences of Merger Events

Following the occurrence of any Merger Event (as determined by the Determination Agent in its sole discretion), the Issuer shall either (a) make such adjustment as it, in its sole discretion, considers appropriate, if any, to the formula for the Final Redemption Amount and/or the Optional Redemption Amount and/or the Early Redemption Amount set out in the Applicable Pricing Supplement, the number of Underlying Shares to which each Structured Note relates, the number of securities constituting a Basket of Securities, the amount, the number of or title of shares or other securities which may be delivered under such Structured Notes and, in any case, any other variable relevant to the redemption, settlement or payment terms of the relevant Structured Notes and/or any other adjustment, which change or adjustment shall be effective as soon as practicable after the date upon which all, or substantially all, holders of the Underlying Shares (other than, in the case of a takeover, Underlying Shares owned or controlled by the offeror) become bound to transfer the Underlying Shares held by them; or (b) if the Determination Agent determines that no adjustment that it could make under (a) will produce a commercially reasonable result, determine that the relevant Structured Notes should be redeemed early. If the Issuer determines that the relevant Structured Notes should be redeemed early, then the relevant Structured Notes shall be so redeemed and the relevant Issuer's obligations under the Structured Notes shall be satisfied in full upon payment of the Merger Event Settlement Amount on the Early Redemption Payment Date.

13.1.2 Nationalisation, Insolvency and Delisting

Any of the Noteholders, the Issuer, the Determination Agent or the Paying Agent shall, upon becoming aware of the occurrence of a Nationalisation, Insolvency or Delisting, notify the Issuer, the Paying Agent, the Determination Agent or the Noteholders, as the case may be, of such an event.

As a consequence of a Nationalisation, Insolvency or Delisting, the Structured Notes will be redeemed as of the Announcement Date and the Issuer will pay to the Noteholder the amount specified in Condition 13.1.3 (*Payment to the Noteholder upon a Nationalisation, Insolvency or Delisting*) or such other amount as may be specified in the Applicable Pricing Supplement.

13.1.3 Payment to the Noteholder upon a Nationalisation, Insolvency or Delisting

13.1.3.1 If Condition 13.1.2 (*Nationalisation, Insolvency or Delisting*) applies, then the Issuer will (unless otherwise specified in the Applicable Pricing Supplement) pay to the Noteholder an amount determined as provided in Condition 13.1.3.2, such payment to be made not later than three Business Days following the determination by the Determination Agent of such amount (denominated in the currency for settlement of the transaction as determined by the Determination Agent).

13.1.3.2 The amount to be paid by the Issuer to the Noteholder under Condition 13.1.3.1 will be the amount determined by the Determination Agent after the date of the occurrence of the Nationalisation, Insolvency or Delisting, as the case may be, failing which it will be determined by the Determination Agent and based on quotations sought by it from four

leading market dealers. Each quotation will represent the quoting dealer's expert opinion as to the fair value to the Noteholder on terms that would preserve for the Noteholder the economic equivalent of any payment or delivery (assuming satisfaction of each applicable condition precedent) by the parties in respect of the Structured Notes that would have been required after that date but for the occurrence of the Nationalisation, Insolvency or Delisting. Each quotation will be calculated on the basis of the following information provided by the Determination Agent (and such other factors as the quoting dealer deems appropriate):

- 13.1.3.2.1 a volatility equal to the average of the volatility of the relevant Underlying Shares for each Exchange Business Day during the two-year historical period ending on the Announcement Date of the Nationalisation, Insolvency or Delisting;
- 13.1.3.2.2 expected dividends for the period from the Issue Date to the expected Maturity Date based on, and payable on the same dates as, amounts determined by the Determination Agent to have been paid in respect of gross ordinary cash dividends on the relevant Underlying Shares in the calendar year ending on the Announcement Date; and
- 13.1.3.2.3 a value ascribed to the relevant Underlying Shares equal to the consideration, if any, paid in respect of such Underlying Shares to holders of such Underlying Shares at the time of the Nationalisation or Insolvency.

If more than three quotations are provided, the amount will be the arithmetic mean of the quotations, without regard to the quotations having the highest and the lowest values. If exactly three quotations are provided, the amount will be the quotation remaining after disregarding the highest and the lowest quotations. For this purpose, if more than one quotation has the same highest or lowest value, then one of such quotations will be disregarded. If two quotations are provided, the amount will be the arithmetic mean of the quotations. If one quotation is provided, the amount will equal the quotation. If no quotation is provided, the amount will be determined by the Determination Agent in its absolute discretion.

13.1.4 **Tender Offers**

If there occurs a Tender Offer (as determined by the Determination Agent in its absolute discretion), then on or after the relevant Tender Offer Date, the Underlying Company and the Underlying Shares will not change, but the Determination Agent shall either (a) make such adjustment to the exercise, settlement, payment or other terms of the relevant Notes as the Determination Agent considers appropriate to account for the economic effect on the relevant Notes of such Tender Offer and determine the effective date of that adjustment or (b) if the Determination Agent determines that no adjustment that it could make under (a) will produce a commercially reasonable result, determine that the relevant Notes should be redeemed early.

If the Issuer determines that the relevant Notes should be redeemed early, then the relevant Notes shall be so redeemed and the relevant Issuer's obligations under the Notes shall be satisfied in full upon payment of the Merger Event Settlement Amount on the Early Redemption Payment Date.

13.1.5 **Substitution of Shares**

If Substitution of Shares is specified as applicable in the Applicable Pricing Supplement, if any Share shall be affected by a Merger Event, Tender Offer, Nationalisation, Insolvency or Delisting, as the case may be, (the "**Affected Shares**") then without prejudice to any other rights that the Issuer may have under the Notes, the Issuer or the Determination Agent on its behalf shall have the discretion to substitute the Affected Shares with substitute shares (the "**Substitute Shares**") as selected by the Determination Agent in its sole discretion for inclusion in the Basket of Shares as of the Announcement Date or the Tender Offer Date (such dates together, the "**Relevant Date**"), as the case may be.

The Substitute Shares shall have such criteria as the Determination Agent deems appropriate including, but not limited to, the following:

- 13.1.5.1 the Substitute Shares shall be of same broad economic sector as the Underlying Company of the Affected Shares;
- 13.1.5.2 the issuer of the Substitute Shares shall be of a similar international standing and creditworthiness as the Underlying Company of the Affected Shares; and
- 13.1.5.3 the Substitute Shares shall not be a Share already in the Basket of Shares.

The Initial Price of the Substitute Shares shall be determined in accordance with the following:

$$\text{Initial Price} = \text{Substitute Price} \times (\text{Affected Share}(k)/\text{Affected Share}(j))$$

where:

“**Substitute Price**” means the official closing price per Share of the relevant Substitute Shares as of the Valuation Time on the dates on which the Affected Share(j) is determined or if such date is not a Scheduled Trading Date on the relevant Exchange in respect of the Substitute Shares, the following Scheduled Trading Date of the Substitute Shares.

“**Affected Share(k)**” means the Initial Price of the relevant Affected Shares; and

“**Affected Share(j)**” means the last closing price per Share of the Affected Shares on or prior to the Relevant Date.

The Determination Agent shall notify the Noteholders as soon as practicable after the selection of the Substitute Shares and the failure by the Determination Agent to give such notice shall not however prejudice or invalidate the Substitute Shares being included in the Basket of Shares as of the time and date specified above.

13.2 **Single Index Notes and Basket of Indices Notes**

In relation to Single Index Notes and Basket of Indices Notes, the following adjustments will occur in the following circumstances:

13.2.1 **Third Party Calculation of the Index or Substitution of Index with Substantially Similar Calculation**

If an Index is (a) not calculated and announced by the Sponsor but is calculated and announced by a successor sponsor acceptable to the Determination Agent or (b) replaced by a successor index using, in the determination of the Determination Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then (i) the index as calculated and announced by the successor sponsor or (ii) the successor index, will be deemed to be the Index.

13.2.2 **Correction of an Index**

If the level of an Index published on any Determination Date and used or to be used by the Determination Agent to determine the relevant Index value is subsequently corrected and the correction is published by the Sponsor or a successor sponsor prior to the second Exchange Business Day preceding the Maturity Date or the Optional Redemption Date or the Early Redemption Date, as the case may be, the Determination Agent shall recalculate the Final Redemption Amount or the Optional Redemption Amount or the Early Redemption Amount, as the case may be, using such corrected level of the relevant Index. The Determination Agent shall notify the Issuer and the Paying Agent and the Paying Agent shall notify the Noteholders of (a) that correction and (b) the amount that is payable as a result of that correction.

13.3 **Other Adjustments**

Adjustments will not be made in any circumstances other than those set out above, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole and unfettered discretion and without any liability whatsoever) to make such adjustments as it believes appropriate (including, without limitation, adjustment to the Terms and Conditions) in circumstances where an event or events occur that the Issuer believes, in its sole discretion and notwithstanding any prior or concurrent adjustment made pursuant to the above, should, in the context of the issue of Notes and the obligations of the Issuer thereunder, give rise to such adjustment as is necessary to preserve the economic equivalent of the obligations of the Issuer under the Notes and to maintain the economic equilibrium of the Notes.

Notwithstanding that an adjustment is required to be made by the provisions of this Condition 13 (*Adjustments*) in respect of any event affecting an Underlying Company or its Underlying Securities, or an Index or its Sponsor, the Issuer reserves the right not to make that adjustment if, at the time the adjustment is to be made pursuant thereto, an option on the relevant Underlying Share or Index is traded on any Futures or Options Exchange and no adjustment is made by that Futures or Options Exchange to the entitlement under that traded option in respect of that event.

13.4 **Notice of Adjustments**

All determinations made by the Determination Agent or the Issuer pursuant to this Condition 13 (*Adjustments*) shall be conclusive and binding on the Noteholders except in the case of manifest error. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 22 (*Notices*).

13.5 **Required Certifications**

Notwithstanding the redemption of any Structured Notes under this Condition 13 (*Adjustments*), the holder of any such Structured Notes shall not be entitled to receive payment for such Structured Notes until such time as it shall have delivered a notice containing the information required by Conditions 11.3.2.1 and 11.3.2.2 (as applicable), together with the relevant US certification as required by Conditions 11.3.3 (*US Certificate Requirements – Type 1 US Commodities Restrictions*) and 11.3.4 (*US Certification Requirements – Type 2 US Commodities Restrictions*) (as appropriate) to the Relevant Clearing System (with a copy to the Paying Agent).

14. **LIMITS ON NUMBER OF NOTES THAT CAN BE REDEEMED**

14.1 **Minimum and maximum number of Notes redeemable**

In respect of each Tranche of Notes, where redemption in part is specified as applicable in the Applicable Pricing Supplement, the redemption amount in connection with an early redemption pursuant to Condition 10 (*Redemption and Purchase*) or 11 (*Redemption Procedures*) must be of an aggregate Nominal Amount equal to or greater than the Minimum Redemption Amount (if any) or equal to or less than the Higher Redemption Amount (if any), each as indicated in the Applicable Pricing Supplement.

14.2 **Multiples of Notes redeemable**

In respect of each Tranche of Notes, where redemption in part has been permitted in the Applicable Pricing Supplement, the Applicable Pricing Supplement shall specify the multiple of Notes, if any, that a Noteholder may require the Issuer to redeem at any one time in connection with an early redemption pursuant to Condition 10 (*Redemption and Purchase*) or 11 (*Redemption Procedures*), and such Notes may only be redeemed by a Noteholder in integral multiples thereof.

14.3 **Maximum number of Notes redeemable on any particular day**

If the Applicable Pricing Supplement specifies that the Notes are redeemable at the option of the Noteholders pursuant to Condition 10.2 (*Early Redemption at the Option of Noteholders*), the

Applicable Pricing Supplement may specify the maximum number of Notes redeemable (the “**Daily Maximum Amount**”) on any particular day. If the Paying Agent determines on the Optional Redemption Date that Early Redemption Notices given by Noteholders pursuant to Condition 10.2 (*Early Redemption at the Option of Noteholders*) in respect of more than the Daily Maximum Amount have been received by the Relevant Clearing System from any single Noteholder or from a group of Noteholders acting in concert, then the Paying Agent may deem the Optional Redemption Date for Notes up to this Daily Maximum Amount (selected, in each case, by the Paying Agent on a *pro rata* basis, to the extent possible, (failing which such selection to be by lot in accordance with the rules of the Relevant Clearing System) to ensure that such Noteholder or group of Noteholders submitting an Early Redemption Notice pursuant to Condition 10.2 (*Early Redemption at the Option of Noteholders*) is, notwithstanding the provisions of this Condition 14.3 (*Maximum number of Notes redeemable on any particular day*), complying with Conditions 14.1 (*Minimum and Maximum number of Notes redeemable*) and 14.2 (*Multiples of Notes redeemable*) to be such day, and the Optional Redemption Date for each additional number of Notes up to this Daily Maximum Amount (and any remaining number thereof) to be each of the succeeding Business Days until all Notes, in respect of which Early Redemption Notices given by Noteholders pursuant to Condition 10.2 (*Early Redemption at the Option of Noteholders*) have been received, have been attributed with an Optional Redemption Date.

14.4 **Minimum Board Lot**

Notwithstanding Conditions 14.1 (*Minimum and Maximum number of Notes redeemable*), 14.2 (*Multiples of Notes redeemable*) and 14.3 (*Maximum number of Notes redeemable on any particular day*), Structured Notes may only be redeemed in such amounts as will ensure that the number of Underlying Securities to be delivered is equal to an integral multiple of a Board Lot. Underlying Securities will be delivered by the Issuer only in integral multiples of the applicable Board Lot. In circumstances where Structured Notes are not capable of being redeemed in amounts that would result in the purchase of a number of Underlying Securities equal to an integral multiple of the relevant Board Lot, the Issuer shall pay the Noteholder an amount (a “**Board Lot Payment**”) equal to:

$$(B - D) \times C \times E$$

where:

- B = the number of the Noteholder’s Structured Notes that are being redeemed;
- C = the number of Underlying Securities or equity units in respect of which the Noteholder is entitled to receive delivery on redemption of a Structured Note;
- D = the maximum number of the Noteholder’s Structured Notes that can be redeemed on the Maturity Date or Early Redemption Date, as the case may be, and would result in the purchase of Underlying Securities equal to an integral multiple of the relevant Board Lot;
- E = the Settlement Price of the Underlying Securities on the Valuation Date;

unless the amount of any such Board Lot Payment is less than ZAR1 or its equivalent in the relevant currency, in which case, no Board Lot Payment shall be made.

15. **TAXATION**

A Noteholder whose Notes are redeemed shall pay all Taxes payable in connection with (a) the payment of the Interest Amount, or the redemption of such Notes and/or the payment of the Final Redemption Amount and/or the Optional Redemption Amount and/or the Early Redemption Amount and/or the Cash Settlement Amount and/or the Disruption Redemption Amount or (b) the transfer or delivery of Reference Assets and/or the relevant Transfer Documentation (including, in the case of a Reference Asset that is an equity unit, the transfer or delivery of any security comprised in such equity unit) as a

result of such redemption. The Issuer is not liable for or otherwise obliged to pay any Taxes that may arise as a result of the ownership, transfer, redemption or enforcement of any Note.

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.

In such event, the Issuer will 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:

- 15.1 held by or on behalf of a Noteholder, who is liable for such taxes or duties in respect of such Note by reason of his having some connection with the Republic of South Africa other than the mere holding of such Note or the receipt of principal or interest in respect thereof; or
- 15.2 held by or on behalf of a Noteholder who would not be liable or subject to the withholding or deduction by making a declaration of non-residency or other similar claim for exemption to the relevant tax authority (the effect of which is not to require the disclosure of the identity of the relevant Noteholder); or
- 15.3 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 taxable income (as defined in section 1 of 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
- 15.4 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 the same for payment on such thirtieth day; or
- 15.5 if such withholding or deduction arises through the exercise by revenue authorities of special powers in respect of tax defaulters.

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.

16. EXCHANGE OF BENEFICIAL INTERESTS AND REPLACEMENT OF CERTIFICATES

16.1 Exchange of Beneficial Interests

- 16.1.1 The holder of a Beneficial Interest in Notes may, in terms of the Applicable Procedures and subject to section 44 of the Securities Services Act, by written notice to the holder's nominated Participant (or, if such holder is a Participant, the CSD), request that such Beneficial Interest be exchanged for Notes in definitive form represented by an Individual Certificate (the "**Exchange Notice**"). The Exchange Notice shall specify (a) the name, address and bank account details of the holder of the Beneficial Interest and (b) the day on which such Beneficial Interest 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.
- 16.1.2 The holder's nominated Participant will, following receipt of the Exchange Notice, through the CSD, notify the Transfer Agent that it is required to exchange such Beneficial Interest for Notes represented by an Individual Certificate. The Transfer Agent will, as soon as is practicable but within 14 (fourteen) 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 Transfer 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.

16.1.3 In the case of the exchange of a Beneficial Interest in a Tranche of Notes which is lodged in the CSD under a Global Certificate:

16.1.3.1 the CSD's Nominee will surrender the relevant Global Certificate to the Transfer Agent at its Specified Office;

16.1.3.2 the Transfer Agent will, in accordance with the Applicable Procedures, procure the splitting of the relevant Global Certificate and the preparation of a new Global Certificate representing the balance of the Notes (if any) in the relevant Tranche still held by the CSD;

16.1.3.3 the Issuer will, through its nominated Participant, procure that the new Global Certificate (if applicable) is deposited with and lodged in the CSD and registered in the Register in the name of the CSD's Nominee;

16.1.3.4 the original Global Certificate will be cancelled and retained by the Transfer Agent.

16.1.4 In the case of the exchange of a Beneficial Interest in Notes issued in uncertificated form:

16.1.4.1 the CSD's Nominee will surrender (through the CSD system) such uncertificated Notes to the Transfer Agent at its Specified Office;

16.1.4.2 the Transfer Agent will obtain the release of such uncertificated Notes from the CSD in accordance with the Applicable Procedures.

16.1.5 An Individual Certificate shall, in relation to a Beneficial Interest:

16.1.5.1 in a Tranche of Notes which is held in the CSD under a Global Certificate, 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

16.1.5.2 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 Transfer 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.

16.2 **Replacement**

If any Certificate, Receipt or Coupon is worn out, mutilated, defaced, stolen, destroyed or lost it may be replaced at the Specified Office of the Transfer 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 Transfer Agent may reasonably require. Mutilated or defaced Certificates, Receipts or Coupons must be surrendered at the Specified Office of the Transfer Agent before replacements will be issued.

16.3 **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 16.3 (*Death and Sequestration or liquidation of Noteholder*) or of his title as the Issuer and the Transfer Agent shall

require, be registered himself as the holder of such Notes or, subject to the Applicable Procedures, this Condition 16.3 (*Death and Sequestration or liquidation of Noteholder*) and Condition 18.1.2 (*Transfer of Registered Notes represented by 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.

16.4 **Costs**

The costs and expenses of the printing, issue and delivery of each Global Certificate shall be borne by the Issuer. The costs and expenses of the printing, issue and delivery of each Individual Certificate and all Taxes and any and all governmental charges or insurance charges that may be imposed in relation to 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.

17. **REGISTER**

The Register shall be kept at the Specified Offices of the Transfer Agent. The Register shall reflect the number of Registered Notes issued and Outstanding, the date upon which each of the Noteholders was registered as such and whether they are Registered Notes, Bearer Notes or Order Notes. The Register shall contain the name, address, and bank account details of the Noteholders of Registered Notes. The Register shall set out the Nominal Amount of the Notes issued to such Noteholders and shall show the date of such issue. The Register shall show the serial number of Individual Certificates issued in respect of any Notes. The Register shall be open for inspection during the normal business hours of the Issuer to any Noteholder or any person authorised in writing by any Noteholder. The Transfer Agent shall not be obliged to record any transfer while the Register is closed. The Transfer Agent shall not be bound to enter any trust into the Register or to take notice of any or to accede to any trust executed, whether express or implied, to which any Note may be subject. The Register shall be closed from the Last Day to Register until each payment date of principal and interest in respect of the Notes, as the case may be.

The Transfer Agent shall alter the Register in respect of any change of name, address or bank account number of any of the Noteholders of any Registered Notes of which it is notified in accordance with these Terms and Conditions.

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

18. **TRANSFER OF NOTES**

18.1 **Transfer of Registered Notes**

18.1.1 **Transfer of Beneficial Interests in Registered Notes held in the CSD**

18.1.1.1 Beneficial Interests may be transferred only in accordance with the Applicable Procedures through the CSD.

18.1.1.2 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.

18.1.1.3 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.

18.1.1.4 Transfers of Beneficial Interests in Registered Notes will not be recorded in the Register and the CSD's Nominee will continue to be reflected in the Register as the Noteholder of such Notes notwithstanding such transfers.

18.1.2 **Transfer of Registered Notes represented by Certificates**

18.1.2.1 In order for any transfer of Registered Notes represented by a Certificate to be recorded in the Register, and for such transfer to be recognised by the Issuer:

18.1.2.1.1 the transfer of such Registered Notes must be embodied in a Transfer Form;

18.1.2.1.2 the Transfer Form must be signed by the registered Noteholder of such Registered Notes and the transferee, or any authorised representatives of that registered Noteholder or transferee;

18.1.2.1.3 the Transfer Form must be delivered to the Transfer Agent at its Specified Office together with the Certificate representing such Registered Notes for cancellation.

18.1.2.2 Registered Notes represented by a Certificate may only be transferred, in whole or in part, in amounts of not less than the Specified Denomination (or any multiple thereof).

18.1.2.3 Subject to this Condition 18.1.2 (*Transfer of Registered Notes represented by Certificates*), the Transfer 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 Registered Notes represented by a Certificate (or the relevant portion of such Registered Notes) in the Register, and authenticate and deliver to the transferee at the Transfer Agent's Specified Office or, at the risk of the transferee, send by mail to such address as the transferee may request, a new Certificate in respect of the Registered Notes transferred reflecting the outstanding Nominal Amount of the Registered Notes transferred.

18.1.2.4 Where a Noteholder has transferred a portion only of Registered Notes represented by a Certificate, the Transfer Agent will authenticate and deliver to such Noteholder at the Transfer Agent's Specified Office or, at the risk of such Noteholder, send by mail to such address as such Noteholder may request, at the risk of such Noteholder, a new Certificate representing the balance of the Registered Notes held by such Noteholder.

18.1.2.5 The transferor of any Registered Notes represented by a Certificate will be deemed to remain the owner thereof until the transferee is registered in the Register as the holder thereof.

18.1.2.6 Before any transfer of Registered Notes represented by a 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 Transfer Agent may reasonably require as to the identity and title of the transferor and the transferee.

18.1.2.7 No transfer of any Registered Notes represented by a Certificate will be registered whilst the Register is closed as contemplated in Condition 17 (*Register*).

18.1.2.8 If a transfer of any Registered Notes represented by a Certificate is registered in the Register, the Transfer Form and cancelled Certificate will be retained by the Transfer Agent.

18.1.2.9 If a transfer is registered then the transfer form and cancelled Certificate will be retained by the Transfer Agent.

18.1.2.10 In the event of a partial redemption of Notes under Condition 10.3 (*Early Redemption of the Option at the Issuer*), the Transfer Agent shall not be required in terms of Condition 10.3 (*Early 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).

18.2 **Transfer of Bearer Notes**

Bearer Notes (including rights to Instalment Amounts and/or interest thereon, as applicable) may be transferred by the delivery of the Certificate evidencing such Bearer Note or the relevant Receipt or

Coupon relating thereto, as the case may be. Where the last Endorsement on a Certificate evidencing an Order Note or a Receipt or Coupon relating thereto is an Endorsement in Blank, then such Certificate, Receipt or Coupon, as the case may be, shall be treated as evidencing a Bearer Note.

18.3 **Transfer of Order Notes**

Order Notes (including rights to Instalment Amounts and/or interest thereon, as applicable) may be transferred by the Endorsement of the Certificate evidencing such Order Note or Receipt or Coupon relating thereto, as the case may be, by the old Payee and the delivery of such Certificate, Receipt or Coupon to the new Payee.

18.4 **Prohibition on Stripping**

Where so specified in the Applicable Pricing Supplement, Bearer Notes or Order Notes which are issued with Receipts and/or Coupons attached and which are redeemable at the option of the Issuer and/or Noteholders shall be issued subject to the condition that the relevant Notes (including rights to Instalment Amounts and/or interest thereon, as applicable) may only be transferred to a single transferee at a time and accordingly that the various rights in respect of such Notes may not be stripped and transferred to various transferees at different times.

19. **PRESCRIPTION**

The Notes, Receipts and Coupons will become void unless presented for payment of principal within a period of three years after their redemption date, save that claims against the Issuer under any Certificate, Receipt or Coupon constituting a “*bill of exchange or other negotiable instrument*” in accordance with section 11 of the Prescription Act, 1969 will prescribe within a period of six years after their redemption date.

20. **EVENTS OF DEFAULT**

20.1 **Events of Default**

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

20.1.1 *Non-payment*: the Issuer fails to pay any amount of principal in respect of the Notes within 5 (five) calendar days of the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within 10 (ten) calendar days of the due date for payment thereof; or

20.1.2 *Breach of other obligations*: the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes and such default remains unremedied for 30 (thirty) calendar days after written notice thereof, has been delivered by any Noteholder to the Issuer or to the Specified Office of the Transfer Agent (addressed to the Issuer); or

20.1.3 *Cross-default of Issuer or Principal Subsidiary*:

20.1.3.1 any Financial Indebtedness of the Issuer or any of its Principal Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;

20.1.3.2 any such Financial Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Issuer or (as the case may be) the relevant Principal Subsidiary or (provided that no Event of Default, howsoever described, has occurred) any Person entitled to such Financial Indebtedness; or

20.1.3.3 the Issuer or any of its Principal Subsidiaries fails to pay when due any amount payable by it under any Guarantee of any Financial Indebtedness;

provided that the amount of Financial Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any Guarantee referred to in sub-paragraph

(iii) above individually or in the aggregate exceeds ZAR200,000,000 (or its equivalent in any other currency or currencies); or

- 20.1.4 *Unsatisfied judgment*: one or more judgment(s) or order(s) from which no further appeal is permissible under applicable law for the payment of any amount in excess of ZAR200,000,000 (or its equivalent in any other currency or currencies) is rendered against the Issuer or any of its Principal Subsidiaries and continue(s) unsatisfied and unstayed for a period of 30 (thirty) calendar days after the date(s) thereof or, if later, the date therein specified for payment; or
- 20.1.5 *Security enforced*: any present or future Security Interest created by the Issuer or any Principal Subsidiary over all or a substantial part of its undertaking, assets and revenues for an amount at the relevant time in excess of ZAR200,000,000 (or its equivalent in any other currency or currencies) becomes enforceable and any step is taken to enforce it (including, but not limited to, the taking of possession or the appointment of a receiver, administrative receiver, manager or other similar Person or analogous event) unless such enforcement is discharged within 45 (forty-five) calendar days or the Issuer or Principal Subsidiary (as the case may be) is contesting such enforcement in good faith; or
- 20.1.6 *Insolvency etc.*: (a) the Issuer or its Principal Subsidiaries becomes insolvent or is unable to pay its debts as they fall due, (b) an administrator, curator, judicial manager or liquidator is appointed (or application for any such appointment is made) in respect of the Issuer or any of its Principal Subsidiaries or in respect of the whole or a substantial part of the undertaking, assets and revenues of the Issuer or any of its Principal Subsidiaries, (c) the Issuer or any of its Principal Subsidiaries takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Financial Indebtedness or any Guarantee of any Financial Indebtedness given by it or (d) the Issuer or any of its Principal Subsidiaries ceases or threatens to cease to carry on all or any substantial part of its business (otherwise than (i) in the case of a Principal Subsidiary of the Issuer for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent; or (ii) in the case of the Issuer, in respect of a Solvent Reconstruction); or
- 20.1.7 *Winding-up etc.*: an order is made or an effective resolution is passed for the winding-up, liquidation, administration or dissolution of the Issuer or any of its Principal Subsidiaries (otherwise than (a) in the case of a Principal Subsidiary of the Issuer for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent; or (b) in the case of the Issuer, in respect of a Solvent Reconstruction); or
- 20.1.8 *Analogous event*: any event occurs which under the laws of South Africa or other relevant jurisdiction in the case of a Principal Subsidiary has an analogous effect to any of the events referred to in Conditions 20.1.4 to 20.1.7 above; or
- 20.1.9 *Failure to take action etc.*: any action, condition or thing at any time required to be taken, fulfilled or done in order (a) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Notes, (b) to ensure that those obligations are legal, valid, binding and enforceable and (c) to make the Note Certificates admissible in evidence in the courts of South Africa is not taken, fulfilled or done; or
- 20.1.10 *Unlawfulness*: it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes,

then any Note may, by written notice (the “**Acceleration Notice**”) from the Noteholder thereof to the Issuer and delivered to the Issuer, be declared immediately due and payable, whereupon it shall become immediately due and payable at its Early Redemption Amount referred to in Condition 10.5 (*Early Redemption Amounts*) together with accrued interest (if any) without further action or formality.

20.2 **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 22 (*Notices*) and the JSE in writing.

21. **CALCULATION AGENTS, DETERMINATION AGENTS, PAYING AGENTS, TRANSFER AGENTS**

21.1 **Changes in Agents**

Any third party appointed by the Issuer as Calculation Agent, Determination Agent, Paying Agent, Transfer Agent or otherwise shall act solely as the agents 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.

21.2 **Calculations**

The Paying Agents, the Calculation Agents and the Determination Agents, as appropriate, shall have no responsibility for errors or omissions in any calculations and determinations made hereunder, and all such calculations and determinations shall (save in the case of manifest error) be final and binding on the Issuer, the Paying Agents, the Calculation Agents, the Determination Agents and the Noteholders.

22. **NOTICES**

22.1 **Notice by the Issuer**

22.1.1 All notices to Noteholders in respect of Registered Notes 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.

22.1.2 In the event of there being any Individual Certificates (whether evidencing Registered Notes, Bearer Notes or Order Notes) in issue, notices to such Noteholders shall be published:

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

22.1.2.2 for so long as the Notes are listed on the JSE or such other Relevant Stock Exchange, a daily newspaper of general circulation in the city in which the JSE or such other Relevant Stock 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

22.1.3 For as long as any of the Notes are represented by a Global Certificate, all notices in respect of such Notes shall be by way of delivery by the Issuer via the relevant Settlement Agent of the relevant notice to the CSD and the JSE or such other Relevant Stock Exchange on which the Notes are listed for communication by them to holders of Beneficial Interests in Notes represented by the Global Certificate.

22.2 **Notice by the Noteholders**

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 Certificate, Coupon or Receipt at the office of the Transfer Agent specified in the Applicable Pricing Supplement. For so long as any of the Notes are represented by a Global Certificate, notice may be given by any holder of a Beneficial Interest in Notes represented by a Global Certificate to the Issuer via the relevant Settlement Agent in accordance with the Applicable Procedures, in such manner as the Issuer and the relevant Settlement Agent 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.

22.3 **Notice in relation to Notes listed on the Interest Rate Market of the JSE**

For so long as any Notes are listed on the Interest Rate Market of the JSE, notwithstanding Conditions 22.1 (*Notice by the Issuer*) and 22.2 (*Notice by the Noteholders*), all notices in respect of such JSE-listed Notes, shall be made by way of an announcement on the Securities Exchange News Service.

23. **MODIFICATION**

23.1 The Issuer may effect, without the consent of the relevant Class of Noteholders, any modification of the Terms and Conditions which is of a formal, minor or 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, provided that the JSE shall be notified where such Notes are listed. Any modification of these Terms and Conditions which may have a direct effect in the Issuer's compliance with the listing requirements of the JSE will require the approval of the JSE. 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 and to the Relevant Stock Exchange in accordance with Condition 22 (*Notices*) as soon as practicable thereafter.

23.2 Save as provided in Condition 23.1 (*Modification*), no modification of these Terms and Conditions may be effected unless:

23.2.1 in writing and signed by or on behalf of the Issuer and by or on behalf of the members of the relevant Class of Noteholders holding not less than 66 $\frac{2}{3}$ per cent. in Nominal Amount, of the Notes in that Class for the time being Outstanding; or

23.2.2 sanctioned by an Extraordinary Resolution of the relevant Class of Noteholders.

24. **MEETINGS OF NOTEHOLDERS**

24.1 **Convening of meetings**

The Issuer may at any time convene a meeting of all Noteholders or holders of any Class of Notes, and shall be obliged to do so upon the request in writing of Noteholders holding not less than 10 per cent. of the aggregate Nominal Amount of all Notes or Notes in that Class, as the case may be, for the time being Outstanding. Should the Issuer fail to requisition a meeting within 10 (ten) days of such a request 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 22 (*Notices*). A meeting so convened will be convened as nearly as possible in the same manner as that in which meetings may be convened by the Issuer.

24.2 **Notice**

24.2.1 At least 21 (twenty one) 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 Transfer Agent (with a copy to the Issuer). Every such meeting shall be held at such time and place as the Transfer 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 Officers of the Transfer Agent by no later than 24 hours before the time fixed for the meeting.

24.2.2 A requisition notice by Noteholders requesting a meeting of Noteholders pursuant to Condition 24.1 (*Convening of meetings*) above 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 Offices of the Issuer.

24.3 **Proxy**

- 24.3.1 A Noteholder may by an instrument in writing (a “**form of proxy**”) signed by the holder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation, appoint any person (a “**proxy**”) to act on his or its behalf in connection with any meeting or proposed meeting of the Noteholders.
- 24.3.2 Any Noteholder which is a corporation 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.
- 24.3.3 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.

24.4 **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 24 (*Meetings of Noteholders*). Should the Noteholder requisition a meeting, and the Issuer fails to call such a meeting within 10 (ten) 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 chairman of an adjourned meeting need not be the same person as was chairman of the original meeting.

24.5 **Quorum**

At any such meeting one or more Noteholders present in person, by Representative or by proxy, holding in aggregate not less than 30 (thirty) per cent. of the Nominal Amount of Notes for the time being Outstanding shall form a quorum for the transaction of business. The quorum at any such meeting for passing an Extraordinary Resolution shall (subject as provided below) be one or more Noteholders of that Class present or represented by proxies or Representatives and holding or representing in the aggregate a clear majority in Nominal Amount of the Notes held by the applicable Class for the time being Outstanding. At any meeting the business of which includes any of the following matters (“**Reserved Matters**”), shall only be capable of being effected after having been approved by Extraordinary Resolution namely -

- 24.5.1 modification of the Maturity Date of any Notes or reduction or cancellation of the Nominal Amount payable upon; or
- 24.5.2 reduction or cancellation of the amount payable or modification of the payment date in respect of any interest in respect of the Notes or variation of the method of calculating the Interest Rate in respect of the Notes; or
- 24.5.3 reduction or increase of any Minimum Interest Rate and/or Maximum Interest Rate specified in the Applicable Pricing Supplement of any Note; or
- 24.5.4 modification of the currency in which payments under the Notes are to be made; or
- 24.5.5 modification of the majority required to pass an Extraordinary Resolution; or
- 24.5.6 the sanctioning of any such scheme or proposal as is described in Condition 24.13 (*Powers*) below; or
- 24.5.7 alteration of this proviso or the proviso to Condition 24.7 (*Notice following adjournment*) below.

At any meeting whose business includes any of such matters, the quorum shall be one or more Noteholders of that Class present or represented by proxies or Representatives and holding or

representing in the aggregate not less than 66.67 per cent. in Nominal Amount of the Notes of that Class for the time being Outstanding. An Extraordinary Resolution passed at any meeting of the holders of Notes of that Class will be binding on all holders of Notes, whether or not they are present at the meeting. No amendment to or modification of the Conditions may be effected without the written agreement of the Issuer.

24.6 **Adjournment of meetings**

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.

If within thirty minutes after the time fixed for any such meeting a quorum is not present, then:

- 24.6.1 in the case of a meeting requested by Noteholders, it shall be dissolved; or
- 24.6.2 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 Transfer Agent; provided, however, that:
 - 24.6.2.1 the meeting shall be dissolved if the Issuer so decides; and
 - 24.6.2.2 no meeting may be adjourned more than once for want of a quorum subject to as provided in Condition 24.7 below.

No business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which adjournment took place.

24.7 **Notice following adjournment**

Condition 24.2 (*Notice*) above shall apply to any meeting which is to be resumed after adjournment for want of a quorum save that:

- 24.7.1 14 (fourteen) 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
- 24.7.2 the notice shall state that (except in the circumstances where sub-paragraph 24.7.3 below applies) 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;
- 24.7.3 in relation to any adjourned meeting the business of which includes any of Reserved Matter, the quorum shall be one or more Noteholders present in person, by Representative or by proxy holding or representing not less than one third in aggregate Nominal Amount of the Notes for the time being Outstanding.

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

24.8 **Participation**

The following may attend and speak at a meeting:

- 24.8.1 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;
- 24.8.2 any officer or duly appointed representative of the Issuer and every other person authorised in writing by the Issuer, provided that such person shall not be entitled to vote, other than as a proxy or Representative;

- 24.8.3 the legal counsel to the Issuer;
- 24.8.4 the Transfer Agent;
- 24.8.5 any other person approved by the Noteholders at such meeting; and
- 24.8.6 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.

24.9 **Show of hands**

Except where otherwise provided, every resolution proposed to be passed at a meeting shall be decided in the first instance by a show of hands. Unless a poll is validly demanded before or at the time that the result is declared, 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.

24.10 **Poll**

A demand for a poll 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). The poll may be taken immediately or after such adjournment as the Chairperson directs, but any poll demanded on the election of the Chairperson or on any question of adjournment shall be taken at the meeting without adjournment. A valid demand for a poll shall not prevent the continuation of the relevant meeting for any other business as the Chairperson directs.

24.11 **Votes**

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 Class of Notes Outstanding held or represented by him. For the avoidance of doubt, the holders of Coupons or Receipts shall be entitled to receive notice of and to attend and speak at any meeting in respect of which they fall within the Series of Noteholders but no such person shall have rights to vote at such meetings.

Notwithstanding any other provision contained in this Condition 24 (*Meetings of Noteholders*), the CSD's Nominee shall vote on behalf of holders of Beneficial Interests of Uncertificated Notes and Notes represented by a Global Certificate in accordance with the Applicable Procedures.

In the case of a voting tie, the Chairperson shall have a casting vote.

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.

A majority shall be required to ordinarily pass a resolution of Noteholders.

24.12 **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 Transfer 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 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.

24.13 **Powers**

A meeting of Noteholders will have power (exercisable by Extraordinary Resolution), without prejudice to any other powers conferred on it or any other person:

- 24.13.1 power to sanction any compromise or arrangement proposed to be made between the Issuer and the Class of Noteholders or any of them;
- 24.13.2 power to approve the substitution of any entity for the Issuer which shall be proposed by the Issuer;
- 24.13.3 power to sanction any abrogation, modification, compromise or arrangement in respect of the rights of the Class of Noteholders against the Issuer or against any of its property whether such rights shall arise under the Notes or otherwise;
- 24.13.4 power to assent to any modification of the provisions contained in the Terms and Conditions which shall be proposed by the Issuer;
- 24.13.5 power to give any authority or sanction which under the Terms and Conditions is required to be given by Extraordinary Resolution;
- 24.13.6 power to appoint any persons (whether Noteholders or not) as a committee or committees to represent the interests of the Noteholders of that Class and to confer upon such committee or committees any powers or discretions which the Noteholders could themselves exercise by Extraordinary Resolution;
- 24.13.7 power to sanction any scheme or proposal for the exchange or sale of the Notes for, or the conversion of the Notes into or the cancellation of the Notes in consideration of, shares, stocks, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any entity (corporate or otherwise) formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration for cash.

24.14 **Binding effect of resolutions**

Any resolution passed at a meeting of a Class of Noteholders duly convened shall be binding upon all Noteholders of that Class whether or not present at such meeting and whether or not voting, and each Noteholder of that Class shall be bound to give effect to it accordingly.

An Extraordinary Resolution shall be binding upon all Noteholders whether or not present at such meeting and whether or not voting, and each of the Noteholders shall be bound to give effect to it accordingly.

24.15 **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 within 14 (fourteen) days of the conclusion of the meeting in accordance with Condition 22 (*Notices*). Non-publication shall not invalidate any such resolution.

24.16 **Minutes**

Minutes shall be made of all resolutions and proceedings of meetings by the Transfer 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.

25. **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 Outstanding Notes.

26. **SEVERABILITY**

Should any of the provisions contained in the Terms and Conditions of the Notes be, or become, invalid, the validity of the remaining provisions shall not be affected in any way.

27. **GOVERNING LAW**

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.

CREDIT-LINKED ANNEX – ADDITIONAL TERMS AND CONDITIONS OF CREDIT-LINKED NOTES

*The terms and conditions applicable to Credit-Linked Notes shall comprise the Terms and Conditions and the additional terms and conditions set out below (the “**Credit-Linked Terms and Conditions**”), in each case subject to completion and/or amendment in the Applicable Pricing Supplement.*

If there is any conflict or inconsistency between provisions set out in the Terms and Conditions and the Credit-Linked Terms and Conditions set out below, the Credit-Linked Terms and Conditions shall prevail. If there is any conflict or inconsistency between provisions set out in the (i) the Terms and Conditions and/or the Credit-Linked Terms and Conditions and (ii) the Applicable Pricing Supplement, the Applicable Pricing Supplement shall prevail.

Capitalised 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

The following capitalised terms used in these Credit-Linked Terms and Conditions shall have the meanings set out below, except where the context otherwise requires or as may be modified and/or supplemented by the Applicable Pricing Supplement:

“**Accelerated or Matured**” means an obligation under which the total amount owed, whether at maturity, by reason of acceleration, upon termination or otherwise (other than amounts in respect of default interest, indemnities, tax gross-ups and other similar amounts), is, or on or prior to the Delivery Date will be, due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws;

“**Accreted Amount**” means, with respect to an Accreting Obligation, an amount equal to (a) the sum of (i) the original issue price of such obligation and (ii) the portion of the amount payable at maturity that has accreted in accordance with the terms of the obligation (or as otherwise described below), less (b) any cash payments made by the obligor thereunder that, under the terms of such obligation, reduce the amount payable at maturity (unless such cash payments have been accounted for in sub-paragraph (a)(ii) above), in each case calculated as of the earlier of (x) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (y) the Delivery Date or Relevant Valuation Date, as the case may be. Such Accreted Amount shall include any accrued and unpaid periodic cash interest payments (as determined by the Determination Agent) only if “Include Accrued Interest” is specified as being applicable in the Applicable Pricing Supplement. If an Accreting Obligation is expressed to accrete pursuant to a straight-line method or if such Obligation's yield to maturity is not specified in, nor implied from, the terms of such Obligation, then, for the purposes of (a) and (b) above, the Accreted Amount shall be calculated using a rate equal to the yield to maturity of such Obligation. Such yield shall be determined on a semi-annual bond equivalent basis using the original issue price of such obligation and the amount payable at the scheduled maturity of such obligation, and shall be determined as of the earlier of (x) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (y) the Delivery Date or Relevant Valuation Date, as the case may be. The Accreted Amount shall exclude, in the case of an Exchangeable Obligation, any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities into which such obligation is exchangeable;

“**Accreting Obligation**” means any obligation (including, without limitation, a Convertible Obligation or an Exchangeable Obligation), the terms of which expressly provide for an amount payable upon acceleration equal to the original issue price (whether or not equal to the face amount thereof) plus an additional amount or amounts (on account of original issue discount or other accruals of interest or principal not payable on a periodic basis) that will or may accrete, whether or not (a) payment of such additional amounts is subject to a contingency or determined by reference to a formula or index or (b) periodic cash interest is also payable;

“**Additional Credit Event**” means an additional credit event as defined in the Applicable Pricing Supplement;

“Additional EDD Interest Amount” means an amount in the Specified Currency determined by the Determination Agent in respect of each Note equal to the sum of:

- (a) each amount of interest that would have been payable in respect of each Note, but for the operation of Credit-Linked Conditions 2 (*Credit Event Terms*), 6 (*Interest Postponement*) and 10 (*Reversals and Adjustment to Event Determination Dates*) and the original determination of the Event Determination Date, on each Interest Payment Date falling after the date originally determined to be the Event Determination Date, to and including the Interest Recommencement Date; and
- (b) interest accrued on each such amount on a daily basis at the applicable Overnight Rate as determined by the Determination Agent for the period from, and including, the Interest Payment Date on which the relevant amount of interest that would have been paid but for the original determination of the Event Determination Date to, but excluding, the Interest Recommencement Date. For the avoidance of doubt such interest will be compounded on a daily basis;

“Affiliate” means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, “control” of any entity or person means ownership of a majority of the voting power of the entity or person;

“Alternative Cash Settlement” means the calculation of a cash amount in respect of each Undeliverable Obligation in accordance with the definition of Alternative Cash Settlement Amount;

“Alternative Cash Settlement Amount” means an amount determined by the Determination Agent as an amount equal to the aggregate of all calculations of, with respect to each Undeliverable Obligation in the relevant Portfolio, (a) Final Price or, if available and if determined by the Determination Agent determines it to be appropriate, the Auction Final Price of the relevant Undeliverable Obligation, in accordance with Credit-Linked Condition 9.2.5.2 or 9.2.5.2 (*Physical Settlement*), multiplied by (b) the relevant Outstanding Principal Balance, Due and Payable Amount or Currency Amount as applicable, of the relevant Undeliverable Obligation;

“Applicable Auction” means an Auction which the Determination Agent determines is relevant to a Credit Event with respect to a Reference Entity and Obligations thereof and which relates to deliverable obligations which would constitute Reference Obligation(s) and/or Deliverable Obligation(s), as applicable, under the Credit-Linked Notes (for which purpose the Determination Agent may take into account (a) the credit derivatives transaction(s), credit event, reference entity, obligations and deliverable obligations to which the Auction relates and if the Auction relates to a Restructuring Credit Event, the Scheduled Maturity Date of the Credit-Linked Notes and the scheduled termination date of the credit derivatives transactions covered by the Auction and the maturity date of the deliverable obligations to which the Auction relates, and (b) any credit hedging transaction that the Issuer has entered or may enter into in connection with the Credit-Linked Notes);

“Applicable Credit Derivatives Auction Settlement Terms” means, with respect to a Reference Entity, a Credit Event and an Applicable Auction, the Credit Derivatives Auction Settlement Terms (if any) which the Determination Agent determines are relevant to the Credit-Linked Notes (the Determination Agent may take into account (a) the credit derivatives transaction(s), credit event, reference entity and obligation(s) and deliverable obligations which are the subject of the relevant Credit Derivatives Auction Settlement Terms and the Credit Events. Reference Entities and Obligations and Deliverable Obligations under the Credit-Linked Notes and (b) any credit hedging transaction that the Issuer has entered or may enter into in connection with the Credit-Linked Notes). The Determination Agent shall, as soon as practicable after the relevant Applicable Credit Derivatives Auction Settlement Terms are published, notify the Issuer and the Paying Agent that Applicable Credit Derivatives Auction Settlement Terms have been published with respect to a Reference Entity and a Credit Event and make a copy thereof available for inspection by Noteholders at the specified office of the Paying Agents;

“Applicable DC Credit Event Announcement” means a DC Credit Event Announcement which the Determination Agent determines is an Applicable Resolution. An Applicable DC Credit Event Announcement will be deemed not to have occurred with respect to the Credit-Linked Notes unless (i)

the relevant Credit Event Resolution Request Date relating to the DC Credit Event Announcement and the relevant Credit Event was, in the determination of the Determination Agent, an Applicable Request which occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date) and (ii) the Trade Date occurs on or prior to the Auction Final Price Determination Date, the Auction Cancellation Date or the date that is 21 calendar days following the No Auction Announcement Date, if any, as applicable;

“Applicable DC No Credit Event Announcement” means a DC No Credit Event Announcement which the Determination Agent determines is relevant to the Credit-Linked Notes (for which purpose the Determination Agent may take into account (a) the credit derivatives transaction(s), credit event, reference entity and obligation(s) thereof which are the subject of the DC No Credit Event Announcement and the Credit Events. Reference Entities and Obligations thereof under the Credit-Linked Notes and (b) any credit hedging transaction that the Issuer has entered or may enter into in connection with the Credit-Linked Notes);

“Applicable Request” means a request that a Credit Derivatives Determinations Committee be convened to Resolve the matters described in the definition of Credit Event Resolution Request Date or Succession Event Resolution Request Date, as applicable, which the Determination Agent determines is relevant to the Credit-Linked Notes (for which purpose the Determination Agent may take into account (a) the credit derivatives transaction(s), credit event, succession event, reference entity and obligation(s) thereof which are the subject of the request and the Credit Events, Reference Entities and Obligations thereof under the Credit-Linked Notes and (b) any credit hedging transaction that the Issuer has entered or may enter into in connection with the Credit-Linked Notes);

“Applicable Resolution” means a DC Resolution or DC Credit Event Announcement which the Determination Agent determines is relevant to the Credit-Linked Notes (for which purpose the Determination Agent may take into account (a) the credit derivatives transaction(s), credit event, succession event, reference entity and obligation(s) thereof and any other factor to which such DC Resolution relates and the terms of the Credit-Linked Notes and (b) any hedging transaction that the Issuer has entered or may enter into in connection with the Credit-Linked Notes);

“Applicable Transaction Auction Settlement Terms” means, with respect to a Reference Entity and a Credit Event, the relevant Credit Derivatives Auction Settlement Terms which the Determination Agent determines constitute Applicable Credit Derivatives Auction Settlement Terms;

“Asset Transfer Notice” means a duly completed asset transfer notice substantially in the form obtained from the specified office of the Transfer Agent or any Paying Agent;

“Assignable Loan” means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction of organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if a Reference Entity is guaranteeing such Loan) or any agent, and, if specified as applicable to a Deliverable Obligation Category, the Assignable Loan Deliverable Obligation Characteristic shall be applicable only in respect of obligations within that Deliverable Obligation Category that are Loans;

“Auction” means, with respect to a Reference Entity and a Credit Event, unless otherwise specified in the Applicable Transaction Auction Settlement Terms, an auction pursuant to which an Auction Final Price is to be determined in accordance with an auction procedure set out in the relevant Credit Derivatives Auction Settlement Terms;

“Auction Cancellation Date” means, with respect to an Auction, unless otherwise specified in the relevant Applicable Transaction Auction Settlement Terms, the date on which such Auction was deemed to have been cancelled as announced by ISDA (and/or the administrators specified in the relevant Credit Derivatives Auction Settlement Terms) on its website or such other date as determined and announced in accordance with the relevant Applicable Transaction Auction Settlement Terms;

“Auction Cash Settlement Amount” means an amount in the Specified Currency (rounded to the nearest unit of the Specified Currency (with half of one unit of the specified currency being rounded down to the nearest integral amount of such currency)) as determined by the Determination Agent equal

to the greater of (A)(I) the Credit-Linked Payer Calculation Amount in respect of the relevant Reference Entity, multiplied by (2) the Auction Final Price, minus (3) Unwind Costs and (B) zero;

“**Auction Cash Settlement Date**” means the second Business Day following the Auction Settlement Date determined in accordance with the Applicable Credit Derivatives Auction Settlement Terms or such other date specified in the Applicable Pricing Supplement, as determined by the Determination Agent;

“**Auction Final Price**” means, with respect to an Applicable Auction, unless otherwise specified in the relevant Applicable Transaction Auction Settlement Terms, the price (expressed as a percentage) in respect of the deliverable obligations which would constitute Reference Obligation(s) and/or Deliverable Obligation(s) under the Credit-Linked Notes determined to be the Auction Final Price in accordance with the relevant Applicable Transaction Auction Settlement Terms. The Determination Agent shall as soon as practicable after publication of the Auction Final Price in respect of an Applicable Auction make available for inspection by Noteholders at the specified office of the Paying Agent a copy of the relevant Applicable Transaction Auction Settlement Terms and copies of the relevant publication of the Auction Final Price. Such notice shall be subject to the requirements regarding notices set out in Credit-Linked Condition 4.10 (*Notices*);

“**Auction Final Price Determination Date**” means, with respect to an Applicable Auction, the day, if any, on which the Auction Final Price is determined or such other date as specified in the relevant Applicable Transaction Auction Settlement Terms;

“**Auction Settlement Date**” means the date on which the Noteholders of a Cash Settled CLN are to be paid following the satisfaction of the Conditions to Settlement and where the Auction Settlement provisions in Credit-Linked Condition 9.3 (*Redemption by Auction Settlement*) apply. This date is the number of Business Days specified in the relevant Applicable Transaction Auction Settlement Terms (or, if a number of Business Days is not so specified, 5 Business Days) immediately following the relevant Auction Final Price Determination Date;

“**Bankruptcy**” means a Reference Entity (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due; (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (ii) is not dismissed, discharged, stayed or restrained in each case within 30 calendar days of the institution or presentation thereof; (e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 calendar days thereafter; or (h) causes or is subject to any event with respect to its which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in sub-paragraphs (a) to (g) (inclusive);

“**Basket Cash CLN**” means Cash Redeemed Credit-Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of two or more Reference Entities. Satisfaction of the Conditions to Settlement with respect to any of the Reference Entities will, unless otherwise specified in the Applicable Pricing Supplement, result in the Credit-Linked Notes being proportionally Cash Redeemed;

Basket Cash or Physical CLN” means Credit-Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of two or more Reference Entities. Satisfaction of the Conditions to Settlement with respect to any of the Reference Entities will, unless otherwise specified in the Applicable Pricing Supplement, result in a proportional redemption of the Credit-Linked Notes by (i) “*Auction*

Settlement” or *“Cash Settlement”*, as applicable or (ii) *“Physical Settlement”*, as specified in the Applicable Pricing Supplement as the case may be, at the option of the Issuer;

“Basket Physical CLN” means Physical Redeemed Credit-Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of two or more Reference Entities. Satisfaction of the Conditions to Settlement with respect to any of the Reference Entities will, unless otherwise specified in the Applicable Pricing Supplement, result in a proportional redemption of the Credit-Linked Notes by Physical Settlement;

“Best Available Information” means:

- (a) in the case of a Reference Entity which files information with its primary securities regulator or primary stock exchange that includes unconsolidated, pro forma financial information which assumes that the relevant Succession Event has occurred or which provides such information to its shareholders, creditors or other persons whose approval of the Succession Event is required, that unconsolidated, pro forma financial information and, if provided subsequently to the provision of unconsolidated, pro forma financial information but before the Determination Agent makes its determination for the purposes of the definition of "Successor", other relevant information that is contained in any written communication provided by the Reference Entity to its primary securities regulator, primary stock exchange, shareholders, creditors or other persons whose approval of the Succession Event is required; or
- (b) in the case of a Reference Entity which does not file with its primary securities regulators or primary stock exchange, and which does not provide to shareholders, creditors or other persons whose approval of the Succession Event is required, the information contemplated in (a) above, the best publicly available information at the disposal of the Determination Agent to allow it to make a determination for the purposes of the definition of "Successor",

provided that information which is made available more than 14 calendar days after the legally effective date of the Succession Event shall not constitute Best Available Information;

“Bond” means any obligation of a type included in the Borrowed Money Obligation Category that is in the form of or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money obligation;

“Bond or Loan” means any obligation that is either a Bond or a Loan;

“Borrowed Money” means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit);

“Cancellation Notice” means a notice given by the Determination Agent prior to the Extended Maturity Date upon making a determination in respect of a Reference Entity that:

- (a) no Credit Event or (if Grace Period Extension is applicable in the Applicable Pricing Supplement) Potential Failure to Pay or (if Potential Repudiation/Moratorium is applicable) Potential Repudiation/Moratorium has occurred on or prior to the Scheduled Maturity Date;
- (b) if a Potential Failure to Pay has occurred on or prior to the Scheduled Maturity Date, promptly upon making a determination that no Failure to Pay has occurred with respect to the relevant obligation; or
- (c) if a Potential Repudiation/Moratorium is applicable and has occurred on or prior to the Scheduled Maturity Date, promptly upon making a determination that no Repudiation/Moratorium has occurred with respect to the relevant obligation (such determination being made prior to the Repudiation/Moratorium Evaluation Date);

“**Cash Redeemed**” means a Credit-Linked Note in respect of which, for the relevant Reference Entity, (a) the Settlement Method is specified as “*Cash Settlement*” in the Applicable Pricing Supplement, (b) the Settlement Method is specified as “*Auction Settlement*” and the Fallback Settlement Method is specified as “*Cash Settlement*” in the Applicable Pricing Supplement or (c) the Settlement Method is specified as “*Auction Settlement*” and the Fallback Settlement Method is specified as “*Physical Settlement*” in the Applicable Pricing Supplement but at the relevant time “*Auction Settlement*” is expected to apply;

“**Cash Settled CLN**” means any Credit-Linked Note which is, or is intended to be, Cash Redeemed upon the satisfaction of Conditions to Settlement (including, for the avoidance of doubt, any Cash or Physically Settled CLN that the Issuer elects will be Cash Redeemed);

“**Cash or Physical CLN**” means any Credit-Linked Note which, in respect of the relevant Reference Entity may be Cash Redeemed or Physical Redeemed, at the option of the Issuer, upon satisfaction of the Conditions to Settlement;

“**Cash Settlement Amount**” means the amount specified in the Applicable Pricing Supplement or if no such amount is specified in the Applicable Pricing Supplement, an amount in the Specified Currency (rounded to the nearest unit of the Specified Currency (with half of one unit of the specified currency being rounded down to the nearest integral amount of such currency) as determined by the Determination Agent on the Relevant Valuation Date equal to the greater of (A) (1) the Credit-Linked Payer Calculation Amount in respect of the relevant Reference Entity, multiplied by (2) the Final Price, minus (3) Unwind Costs and (B) zero;

“**Cash Settlement Date**” means, subject to Credit-Linked Condition 7 (*Redemption Suspension*), the date on which the Noteholders of a Cash Settled CLN are to be paid following the satisfaction of Conditions to Settlement and where the Cash Settlement provisions in Credit-Linked Condition 9.1 (*Redemption by Cash Settlement*) apply. This date may be expressed in the Applicable Pricing Supplement as being a specified number of Business Days after the date on which the Final Price is determined or if a number of Business Days is not so specified, three;

“**CLN Dealer**” means, a dealer in obligations of the type of Obligation(s) (as the case may be) for which Quotations are to be obtained (as selected by the Determination Agent) and may include a Noteholder or its Affiliate or as may otherwise be specified in the Applicable Pricing Supplement;

“**Conditionally Transferable Obligation**” means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds, provided, however, that a Deliverable Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Deliverable Obligation other than Bonds (or the consent of the relevant obligor if a Reference Entity is guaranteeing such Deliverable Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Deliverable Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of this definition of Conditionally Transferable Obligation;

For purposes of determining whether a Deliverable Obligation satisfies the requirements of the definition of Conditionally Transferable Obligation, such determination shall be made as of the Delivery Date for the Deliverable Obligation, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Issuer;

“**Conditions to Settlement**” means the occurrence of an Event Determination Date to the extent that such Event Determination Date is not subsequently reversed prior to the Auction Final Price Determination Date, a Valuation Date, the Physical Settlement Date (or, if earlier, a Delivery Date), or the Maturity Date, as applicable, unless “*Physical Settlement*” is specified as the Settlement Method in the Applicable Pricing Supplement (or is applicable pursuant to the Fallback Settlement Method), in which case all of the Conditions to Settlement shall be deemed to be satisfied by the satisfaction of the Notice of Physical Settlement Condition to Settlement on or following the occurrence of an Event

Determination Date. For the avoidance of doubt, if an Event Determination Date is subsequently reversed prior to the relevant Auction Final Price Determination Date, a Valuation Date, the Physical Settlement Date (or, if earlier, a Delivery Date) or the Maturity Date, the Conditions to Settlement shall not be deemed to have been satisfied with respect to the related Credit Event and Reference Entity for the purposes of these Credit-Linked Terms and Conditions;

“**Consent Required Loan**” means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if a Reference Entity is guaranteeing such Loan) or any agent, and, if specified as applicable to a Deliverable Obligation Category, the Consent Required Loan Deliverable Obligation Characteristic shall be applicable only in respect of obligations within the Deliverable Obligation Category that are Loans;

“**Convertible Obligation**” means any obligation that is convertible, in whole or in part, into Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation);

“**Credit Derivatives Auction Settlement Terms**” means any Credit Derivatives Auction Settlement Terms published by ISDA in accordance with the Rules, a form of which will be published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and may be amended from time to time in accordance with the Rules;

“**Credit Derivatives Definitions**” means the 2003 ISDA Credit Derivatives Definitions, as published by the International Swaps and Derivatives Association, Inc. as supplemented by the May 2003 Supplement and the July 2009 Supplement;

“**Credit Derivatives Determinations Committee**” means the committees established by ISDA for purposes of reaching certain DC Resolutions in connection with credit derivative transactions, as more fully described in the Rules;

“**Credit Event**” means one or more of Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium or Restructuring or Additional Credit Event as specified in the Applicable Pricing Supplement. If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defence based upon: (a) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Obligation or, as applicable an Underlying Obligor to enter into any Underlying Obligation, (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described, (c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described, or (d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described;

“**Credit Event Backstop Date**” means:

- (a) for the purposes of any event that constitutes a Credit Event (or with respect to Repudiation/Moratorium, the event described in sub-paragraph (ii) of the definition thereof) for the purposes of certain credit derivatives transactions, as determined by a DC Resolution, the date that is 60 calendar days prior to the Credit Event Resolution Request Date, provided that the Determination Agent determines that the DC Resolution is an Applicable Resolution and the Credit Event Resolution Request Date relates to an Applicable Request; or
- (b) otherwise, the date that is 60 calendar days prior to the earlier of:
 - (i) the first date on which both the Credit Event Notice and, if Notice of Publicly Available Information is specified as a Condition to Settlement in the Applicable Pricing Supplement, the Notice of Publicly Available Information are delivered by the

Determination Agent to the Issuer and the Paying Agent and are effective during the Notice Delivery Period; and

- (ii) in circumstances where (i) the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in sub-paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date are satisfied in accordance with the Rules in relation to an Applicable Request, (II) the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, provided that such Resolution is an Applicable Resolution and (III) the Credit Event Notice and, if Notice of Publicly Available Information is specified as a Condition to Settlement in the Applicable Pricing Supplement, the Notice of Publicly Available Information are delivered by the Determination Agent to the Issuer and the Paying Agent and are effective not more than 14 calendar days after the day on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, the Credit Event Resolution Request Date;

The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention;

“**Credit Event Notice**” means an irrevocable notice from the Determination Agent (which may be in writing (including by facsimile and/or email) and/or by telephone) to the Issuer and the Paying Agent (which the Determination Agent has the right but not the obligation to deliver) that describes a Credit Event that occurred at or after the Credit Event Backstop Date (determined by reference to South African Time) and on or prior to the Extension Date (determined by reference to South African Time);

A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. Where a Restructuring Credit Event occurs in respect of a Reference Entity after a Succession Event has occurred, and the Credit-Linked Notes are to be partially redeemed in accordance with Credit-Linked Condition 12 (*Restructuring Credit Event*), the Credit Event Notice shall specify the Reference Entity that is the subject of the Restructuring Credit Event. In addition, this will not prevent the delivery of Credit Event Notices in respect of other Reference Entities in respect of which Succession Events have occurred. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective;

A Credit Event Notice shall be subject to the requirements regarding notices set out in Credit-Linked Condition 4.10 (*Notices*);

“**Credit Event Portion**” means, subject to Credit-Linked Condition 11 (*Succession Event*), in the case of any Credit Event, a principal amount of the Credit Linked Notes equal to:

- (a) in the case of a Basket Cash CLN, Basket Physical CLN or Basket Cash or Physical CLN, (i) the Credit-Linked Payer Calculation Amount of the Reference Entity in respect of which the Credit Event Notice has been given expressed as a proportion of the aggregate of the Credit-Linked Payer Calculation Amounts of all the Reference Entities specified in the Applicable Pricing Supplement multiplied by (ii) the initial aggregate principal amount of the CLNs; or
- (b) in all other cases, unless otherwise specified in the Applicable Pricing Supplement, 100 per cent. of the then aggregate outstanding principal amount of the CLNs.

“**Credit Event Resolution Request Date**” means, with respect to a notice to ISDA, delivered in accordance with the Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve:

- (a) whether an event that constitutes a credit event for purposes of certain credit derivative transaction(s) has occurred with respect to a particular reference entity or obligation thereof; and
- (b) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred, the date of the occurrence of such event,

the date, as publicly announced by ISDA, that the relevant Credit Derivatives Determinations Committee Resolves to be the first date on which such notice was effective and on which the relevant Credit Derivatives Determinations Committee was in possession, in accordance with the Rules, of publicly available information with respect to the DC Resolutions referred to in (a) and (b) above;

“Credit-Linked Notes” or **“CLNs”** means Notes which are linked to the credit of one or more Reference Entities;

“Credit-Linked Payer Calculation Amount” means the amount and the currency in which the Issuer has purchased credit protection in respect of one or more Reference Entities as set out in the Applicable Pricing Supplement and any references in the Credit Derivatives Definitions to **“Floating Rate Payer Calculation Amount”** shall be deemed to be references to the Credit-Linked Payer Calculation Amount;

“Credit-Linked Conditions” means the additional terms and conditions for Credit-Linked Notes set out in this Credit-Linked Annex as may be modified and/or supplemented in the Applicable Pricing Supplement;

“Currency Amount” means with respect to (a) a Deliverable Obligation specified in the Notice of Physical Settlement that is denominated in a currency other than the Settlement Currency, an amount converted to the Settlement Currency using a conversion rate determined by reference to the Currency Rate and (b) a Replacement Deliverable Obligation specified in a NOPS Amendment Notice, an amount converted to the Settlement Currency (or, if applicable, back into the Settlement Currency) using a conversion rate determined by reference to the Currency Rate, if any, and each Revised Currency Rate used to convert each Replaced Deliverable Obligation Outstanding Amount specified in each NOPS Amendment Notice with respect to that portion of the Credit Derivative Transaction into the currency or denomination of the relevant Replacement Deliverable Obligation;

“Currency Rate” means with respect to (a) a Deliverable Obligation specified in the Notice of Physical Settlement, the rate of conversion between the Settlement Currency and the currency in which the Outstanding Amount of such Deliverable Obligation is denominated that is either (i) determined by reference to the Currency Rate Source as at the Next Currency Fixing Time or (ii) if such rate is not available at such time, determined by the Determination Agent in a commercially reasonable manner and (b) a Replacement Deliverable Obligation specified in a NOPS Amendment Notice, the Revised Currency Rate;

“Currency Rate Source” means the mid-point rate of conversion published by WM//Reuters at 4:00pm (Johannesburg time) or any successor rate source approved by the relevant Credit Derivatives Determinations Committee;

“DC Credit Event Announcement” means, with respect to a Reference Entity, a public announcement by ISDA that the relevant Credit Derivatives Determinations Committee has Resolved that (a) an event that constitutes a credit event for purposes of certain credit derivative transactions has occurred with respect to such Reference Entity (or an Obligation thereof) and (b) the Determination Agent determines that such event occurred on or after the relevant Credit Event Backstop Date (determined by reference to South African Time) and on or prior to the Extension Date (determined by reference to South African Time);

“DC Cut-off Date” means the earliest of (a) the date on which the Credit Derivatives Determinations Committee Resolves that a Credit Event has occurred; (b) the date on which the Credit Derivatives Determinations Committee Resolves that a Credit Event has not occurred; and (c) the date that is 14 calendar days after the date on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine whether a Credit Event has occurred;

“DC No Credit Event Announcement” means, with respect to a Reference Entity, a public announcement by ISDA that the relevant Credit Derivatives Determinations Committee has Resolved, following a Credit Event Resolution Request Date, that the event that is the subject of the notice to ISDA resulting in the occurrence of such Credit Event Resolution Request Date does not constitute a credit event for purposes of the certain credit derivatives transactions with respect to such Reference Entity (or an obligation thereof);

“Default Requirement” means the amount as may be specified as such in the Applicable Pricing Supplement or its equivalent in the relevant Obligation Currency or, if a Default Requirement is not so specified in the Applicable Pricing Supplement, ZAR10,000,000 or its equivalent in the relevant Obligation Currency, in either case as of the occurrence of the relevant Credit Event;

“Deliver” means to deliver, novate, transfer (including, in the case of a Qualifying Guarantee, transfer of the benefit of the Qualifying Guarantee), assign or sell, as appropriate, in the manner customary for the settlement of the applicable Deliverable Obligations (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title and interest in the Deliverable Obligations specified in the Notice of Physical Settlement to the Issuer or the Noteholders, as the case may be, free and clear of any and all liens, charges, claims or encumbrances (including, without limitation, any counterclaim, defence (other than a counterclaim or defence as set out in the definition of Credit Event) or right of set off by or of the Reference Entity or, as applicable, an Underlying Obligor) provided that to the extent that the Deliverable Obligations consist of Direct Loan Participations, **“Deliver”** means to create (or procure the creation of) a participation in favour of the Issuer or the Noteholders, as the case may be, and to the extent that the Deliverable Obligations consist of Qualifying Guarantees, **“Deliver”** means to Deliver both the Qualifying Guarantee and the Underlying Obligation. **“Delivery”** and **“Delivered”** will be construed accordingly. In the case of a Loan, Delivery shall be effected using documentation substantially in the form of the documentation customarily used in the relevant market for Delivery of such Loan at that time;

“Deliverable Obligation” means, subject to Credit-Linked Conditions 12.3 and 12.4 (*Restructuring Credit Event*):

- (a) any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the Applicable Pricing Supplement, as provider of any Qualifying Guarantee), described by the Deliverable Obligation Category and having each of the Deliverable Obligation Characteristics, in each case, as of the Delivery Date (but excluding any Excluded Deliverable Obligation) that is (i) payable in an amount equal to its Outstanding Principal Balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than as set out in the definition of Credit Event) or right of set off by or of a Reference Entity or any applicable Underlying Obligor, and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Delivery Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the Outstanding Principal Balance or Due and Payable Amount being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement;
- (b) subject to the second paragraph in the definition of Not Contingent, each Reference Obligation, unless specified in the Applicable Pricing Supplement as an Excluded Deliverable Obligation;
- (c) solely in relation to a Restructuring Credit Event applicable to a Sovereign Reference Entity, any Sovereign Restructured Deliverable Obligation (but excluding any Excluded Deliverable Obligation) that (i) is payable in an amount equal to its Outstanding Principal Balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than as set out in the definition of Credit Event) or right of set off by or of a Reference Entity or, as applicable, an Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Delivery Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the Outstanding Principal Balance or Due and Payable Amount apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement; and
- (d) any other obligation of a Reference Entity specified as such in the Applicable Pricing Supplement;

“Deliverable Obligation Category” means one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan as specified in the Applicable Pricing Supplement. If any of Payment, Borrowed Money, Loan or Bond or Loan is specified as the Deliverable Obligation Category and more than one of Assignable Loan, Consent Required Loan and Direct Loan Participation are specified as Deliverable Obligation Characteristics, the Deliverable Obligations may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics. No Deliverable Obligation Characteristics are applicable to Reference Obligations Only;

“Deliverable Obligation Characteristics” means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer;

“Delivery Date” means, with respect to the Portfolio, the date such Deliverable Obligations comprised in the Portfolio are Delivered;

“Delivery Expenses” means all costs, taxes, duties and/or expenses, including stamp duty, stamp duty reserve tax and/or other costs, duties or taxes arising from the delivery of the relevant Portfolio payable by Noteholders;

“Direct Loan Participation” means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favour of each Noteholder that provides each Noteholder with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between each Noteholder and either (a) the Issuer (to the extent the Issuer is then a lender or member of the relevant lending syndicate), or (b) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate);

“Domestic Currency” means the currency specified as such in the Applicable Pricing Supplement and any successor currency. If no currency is so specified, the Domestic Currency shall be the lawful currency and any successor currency of (a) the relevant Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the relevant Reference Entity is organised, if the Reference Entity is not a Sovereign. In no event shall Domestic Currency include any successor currency if such successor currency is the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro (or any successor currency to any such currency);

“Downstream Affiliate” means an entity whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, more than 50 per cent. owned, directly or indirectly, by the Reference Entity;

“Due and Payable Amount” means the amount that is due and payable under (and in accordance with the terms of) a Deliverable Obligation on the Delivery Date, whether by reason of acceleration, maturity, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts);

“EDD Adjustment Amount” means an amount in the Specified Currency determined by the Determination Agent in respect of each Credit-Linked Note equal to the sum of:

- (a) each amount of interest in respect of each Credit-Linked Note that would not have been paid (if any) on any Interest Payment Date to Noteholders had the earlier Event Determination Date been the date originally determined as the Event Determination Date; and
- (b) interest accrued on each such amount on a daily basis at the applicable Overnight Rate as determined by the Determination Agent for the period from, and including, the Interest Payment Date on which the relevant interest amount was paid to, but excluding, the date on which the Credit-Linked Notes are redeemed. For the avoidance of doubt, such interest will be compounded on a daily basis;

“**Election Notice**” has the meaning given to it in Credit-Linked Condition 4.3 (*Notices*).

“**Eligible Transferee**” means:

- (a) any
 - (i) bank or other financial institution;
 - (ii) insurance or reinsurance company;
 - (iii) mutual fund, unit trust or similar collective investment vehicle (other than an entity specified in sub-paragraph (c)(i) below); and
 - (iv) registered or licensed broker or dealer (other than a natural person or proprietorship),provided however, in each case that such entity has total assets of at least ZAR5,000,000,000;
- (b) an Affiliate of an entity specified in the preceding sub-paragraph (a);
- (c) each of a corporation, partnership, proprietorship, organisation, trust or other entity:
 - (i) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralised debt obligations, commercial paper conduit or other special purpose vehicle) that (A) has total assets of at least ZAR8,000,000,000 or (B) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least ZAR1,000,000,000; or
 - (ii) that has total assets of at least ZAR5,000,000,000; or
 - (iii) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support or other agreement by an entity described in sub-paragraphs (a), (b), (c)(ii) above or (d) below; or
- (d) a Sovereign, Sovereign Agency or Supranational Organisation,

and where all references in this definition to ZAR include equivalent amounts in other currencies.

“**Enabling Obligation**” means an outstanding Deliverable Obligation that (a) is a Fully Transferable Obligation or a Conditionally Transferable Obligation, as applicable, and (b) has a final maturity date occurring on or prior to the Scheduled Maturity Date and following the Limitation Date immediately preceding the Scheduled Maturity Date (or, in circumstances where the Scheduled Maturity Date occurs prior to the 2.5-year Limitation Date, following the final maturity date of the Latest Maturity Restructured Bond or Loan, if any);

“**Equity Securities**” means:

- (a) in the case of a Convertible Obligation, equity securities (including options and warrants) of the issuer of such obligation or depositary receipts representing those equity securities of the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time; and
- (b) in the case of an Exchangeable Obligation, equity securities (including options and warrants) of a person other than the issuer of such obligation or depositary receipts representing those equity securities of a person other than the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time.

“**Escrow**” means, if Escrow is specified in the Applicable Pricing Supplement as applicable, either the Issuer or the Noteholders may require that settlement of Physical Redeemed CLNs take place through the

use of an Escrow Agent. Any costs or expenses incurred in connection with establishing such escrow arrangement shall be borne by the Noteholders provided that if a party requires that such physical settlement take place through an Escrow Agent, Delivery to the Escrow Agent by a party must occur within the time required for physical settlement in accordance with these Credit-Linked Terms and Conditions as if there were no Escrow Agent;

“**Escrow Agent**” means a financial institution that the Issuer or the Noteholders specify as such (or if a person is not so specified, an independent third party financial institution specified by Issuer prior to the Physical Settlement Date, subject to the terms of the escrow arrangement);

“**Event Determination Date**” means, with respect to a Credit Event:

(a) subject to sub-paragraph (b) of this definition, if neither an Applicable DC Credit Event Announcement nor an Applicable DC No Credit Event Announcement has occurred, the first date on which the Determination Agent determines that both the Credit Event Notice and, if Notice of Publicly Available Information is specified as a Condition to Settlement in the Applicable Pricing Supplement, the Notice of Publicly Available Information are delivered by the Determination Agent and are effective during either:

(i) the Notice Delivery Period; or

(ii) the period (A) from, and including, the date on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters described in sub-paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date and the Determination Agent determines that such Resolution constitutes an Applicable Resolution and (B) to, and including, the date that is 14 calendar days thereafter (provided that the relevant Credit Event Resolution Request Date in respect of an Applicable Request occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)); or

(b) notwithstanding sub-paragraph (a) of this definition, if an Applicable DC Credit Event Announcement has occurred as determined by the Determination Agent, either:

(iii) the Credit Event Resolution Request Date (in respect of the relevant Applicable Request as determined by the Determination Agent), if

(aa) either:

(A) “*Auction Settlement*” is specified as the applicable Settlement Method in the Applicable Pricing Supplement; or

(B) the relevant Credit Event is a Restructuring; and

(bb) the Credit Event Notice is delivered by the Determination Agent to the Issuer and the Paying Agent and is effective on or prior to the Exercise Cut-off Date; or

the first date on which the Credit Event Notice is delivered by the Determination Agent to the Issuer and the Paying Agent and is effective during the Notice Delivery Period or the period from, and including, the date on which ISDA publicly announces the occurrence of the relevant Applicable DC Credit Event Announcement to, and including, the date that is 14 calendar days thereafter (provided that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date) and is an Applicable Request as determined by the Determination Agent), if either:

(aa) “*Auction Settlement*” is not specified as the Settlement Method in the Applicable Pricing Supplement; or

- (bb) “*Auction Settlement*” is specified as the Settlement Method in the Applicable Pricing Supplement, the Credit Event Notice is delivered by the Determination Agent to the Issuer and the Paying Agent and is effective on a date that is later than the relevant Exercise Cut-off Date,

provided that, in the case of sub-paragraph (b) above:

- (1) no Physical Settlement Date, if applicable, or Cash Settlement Date, Auction Cash Settlement Date or Maturity Date has occurred on or prior to the date on which the Applicable DC Credit Event Announcement occurs;
- (2) if any Valuation Date or Delivery Date, as applicable, has occurred as of the date on which the Applicable DC Credit Event Announcement occurs, an Event Determination Date shall be deemed to have occurred only with respect to the Credit Event Portion of the Credit-Linked Notes outstanding to which such Event Determination Date relates, if any, with respect to which no Valuation Date or Delivery Date, as applicable, has occurred; and
- (3) no Credit Event Notice specifying a Restructuring as the only Credit Event has previously been delivered by the Determination Agent to the Issuer and the Paying Agent, (aa) unless the Restructuring specified in such Credit Event Notice is also the subject of the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date or (bb) unless, and to the extent that, the Exercise Amount specified in any such Credit Event Notice was less than the outstanding principal balance of the Credit-Linked Notes;

“**Event Determination Date Reversal**” has the meaning given to it in Credit-Linked Condition 10.3 (*Reversals and Adjustments to Event Determination Dates*);

“**Event Determination Notice**” has the meaning given to it in Credit-Linked Condition 4.2 (*Notices*);

“**Exchangeable Obligation**” means any obligation that is exchangeable, in whole or in part, for Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation);

“**Excluded Deliverable Obligation**” means any obligation of a Reference Entity specified as such or of a type described in the Applicable Pricing Supplement;

“**Excluded Obligation**” means any obligation of a Reference Entity specified as such or of a type described in the Applicable Pricing Supplement;

“**Exercise Amount**” has the meaning given to it in Credit-Linked Condition 12.1 (*Restructuring Credit Event*);

“**Exercise Cut-off Date**” means, with respect to a Credit Event:

- (a) if such Credit Event is not a Restructuring (or if such Credit Event is a Restructuring, neither "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" nor "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the Applicable Pricing Supplement), either:
 - (i) the Relevant City Business Day prior to the Auction Final Price Determination Date in respect of an Applicable Auction, if any;
 - (ii) the Relevant City Business Day prior to the Auction Cancellation Date, if any; or
 - (iii) the date that is 21 calendar days following the No Auction Announcement Date, if any, as applicable; or

- (b) if such Credit Event is a Restructuring and either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the Applicable Pricing Supplement and:
 - (i) the relevant Credit Derivatives Determinations Committee has Resolved that Applicable Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms may be published, the date that is 5 Relevant City Business Days following the date on which ISDA publishes the Final List applicable to such Credit Derivatives Auction Settlement Terms in accordance with the Rules, provided that the Determination Agent determines that such Resolution and Credit Derivatives Auction Settlement Terms constitute an Applicable Resolution and Applicable Credit Derivatives Auction Settlement Terms, as applicable; or
 - (ii) a No Auction Announcement Date occurs pursuant to sub-paragraph (a) of the definition of No Auction Announcement Date, the date that is 21 calendar days following such No Auction Announcement Date;

“**Extended Interest Payment Date**” has the meaning given to it in Credit-Linked Condition 5.1 (*Interest*);

“**Extended Interest Period**” means the period from and including the Scheduled Maturity Date to but excluding the Extended Interest Payment Date;

“**Extended Maturity Date**” means, where an Extension Notice has been served, the date that is 15 Business Days (or such other date as may be specified in the Applicable Pricing Supplement) after the later of (a) Extension Date and (b) if Credit Derivatives Determination Committee Extension is applicable, the DC Cut-Off Date;

“**Extended Physical Settlement Date**” means the date that is the sixtieth Business Day following the Physical Settlement Date;

“**Extension Date**” means, the latest to occur of:

- (a) the Scheduled Maturity Date (if an Extension Notice was served pursuant to sub-paragraph (a) of the definition of Extension Notice);
- (b) the Grace Period Extension Date (if an Extension Notice was served pursuant to sub-paragraph (b) of the definition of Extension Notice) if (i) Grace Period Extension is specified as applicable in the Applicable Pricing Supplement; (ii) the Credit Event that is the subject of the Credit Event Notice or the notice to ISDA resulting in the occurrence of a Credit Event Resolution Request Date, as applicable, is a Failure to Pay Credit Event that occurs after the Final Extension Notice Date (determined by reference to South African Time); and (iii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the Final Extension Notice Date (determined by reference to South African Time); and
- (c) the Repudiation/Moratorium Evaluation Date (if an Extension Notice was served pursuant to sub-paragraph (c) of the definition of Extension Notice) if (i) the Credit Event that is the subject of the Credit Event Notice or the notice to ISDA resulting in the occurrence of a Credit Event Resolution Request Date, as applicable, is a Repudiation/Moratorium for which the event described in sub-paragraph (ii) of the definition of Repudiation/Moratorium occurs after the Final Extension Notice Date (determined by reference to South African Time); (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the Final Extension Notice Date (determined by reference to South African Time); and (iii) the Repudiation/Moratorium Extension Condition is satisfied;

“**Extension Notice**” means a notice from the Determination Agent to the Issuer and the Paying Agent giving notice of the following in relation to a Reference Entity:

- (a) without prejudice to sub-paragraphs (b), (c) and (d) below, that a Credit Event has occurred or may occur on or prior to the Scheduled Maturity Date; or
- (b) (if Grace Period Extension is specified as applicable in the Applicable Pricing Supplement) that a Potential Failure to Pay has occurred or may occur on or prior to the Scheduled Maturity Date; or
- (c) that a Potential Repudiation/Moratorium has occurred or may occur on or prior to the Scheduled Maturity Date. For the purposes of this sub-paragraph (c), the giving of a Repudiation/Moratorium Extension Notice (if on or prior to the Scheduled Maturity Date) shall be deemed to satisfy the requirement to give notice under this definition of Extension Notice. However, the giving of an Extension Notice in accordance with this sub-paragraph (c) shall not in any way preclude the subsequent giving of a Repudiation/Moratorium Extension Notice; or
- (d) if Credit Derivatives Determinations Committee Extension is specified as applicable in the Applicable Pricing Supplement, that (a) a Credit Event Resolution Request Date has occurred and (b) the Credit Derivatives Determinations Committee has not made its determination on or prior to such dates (determined by reference to South African Time);

“**Failure to Pay**” means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure;

“**Fallback Settlement Method**” means, with respect to Credit-Linked Notes for which “*Auction Settlement*” is specified as the Settlement Method in the Applicable Pricing Supplement, the Fallback Settlement Method specified in such Applicable Pricing Supplement or if no Fallback Settlement Method is so specified for Cash Settled CLNs, the Fallback Settlement Method shall be deemed to be “*Cash Settlement*”;

“**Final List**” has the meaning given to that term in the Rules;

“**Final Price**” means the price of the Reference Obligation, Deliverable Obligation or Undeliverable Obligation, expressed as a percentage determined in accordance with the Valuation Method specified in the Applicable Pricing Supplement or, where applicable, Credit-Linked Condition 12 (*Restructuring Credit Event*), with respect to the Relevant Valuation Date;

“**First-to-Default Cash CLN**” means first-to-default Cash Redeemed Credit-Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of two or more Reference Entities. Upon the satisfaction of the Conditions to Settlement with respect to any of the Reference Entities, all the Credit-Linked Notes (other than in the case of a Restructuring Credit Event, where the Credit-Linked Notes may be redeemed in part) will, unless otherwise specified in the Applicable Pricing Supplement, be redeemed by “*Auction Settlement*” or “*Cash Settlement*”, as applicable;

“**First-to-Default Cash or Physical CLN**” means first-to-default Physical Redeemed Credit-Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of two or more Reference Entities. Upon the satisfaction of the Conditions to Settlement with respect to any of the Reference Entities, all the Credit-Linked Notes (other than in the case of a Restructuring Credit Event, where the Credit-Linked Notes may be redeemed in part) will, unless otherwise specified in the Applicable Pricing Supplement, be Cash Redeemed or Physical Redeemed, as the case maybe, at the option of the Issuer;

“**First-to-Default Physical CLN**” means first-to-default physically settled Credit-Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of two or more Reference Entities. Upon the satisfaction of the Conditions to Settlement with respect to any of the Reference Entities, all the Credit-Linked Notes (other than in the case of a Restructuring Credit Event, where the Credit-Linked Notes may be redeemed in part) will, unless otherwise specified in the Applicable Pricing Supplement, be Physical Redeemed;

“First-to-Default Template” means the First to Default Template, as most recently amended or supplemented as at the Issue Date (unless otherwise specified in the Applicable Pricing Supplement) and as published by ISDA;

“Full Quotation” means, in accordance with the Quotation Method, each firm quotation (expressed as a percentage of the Outstanding Principal Balance) obtained from a CLN Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the Reference Obligation or Deliverable Obligation, as the case may be, with an Outstanding Principal Balance equal to the Quotation Amount;

“Fully Transferable Obligation” means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of this definition. For purposes of determining whether a Deliverable Obligation satisfies the requirements of this definition of Fully Transferable Obligation, such determination shall be made (in the case of a Physically Settled CLN) as of the Delivery Date or, as the case may be (in the case of a Cash Settled CLN), the Relevant Valuation Date for the relevant Deliverable Obligation, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Issuer;

“Further Extended Physical Settlement Date” has the meaning given to it in Credit-Linked Condition 9.2.7 (*Redemption by Physical Settlement*);

“Governmental Authority” means any de facto or de jure government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of a Reference Entity or of the jurisdiction of organisation of a Reference Entity;

“Grace Period” means, subject to sub-paragraphs (a) and (b) below, the applicable grace period with respect to payments under the relevant Obligation under the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred, provided that (a) if Grace Period Extension is specified in the Applicable Pricing Supplement as applicable, a Potential Failure to Pay has occurred on or prior to the Scheduled Maturity Date (determined by reference to South African Time), and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled Maturity Date (determined by reference to South African Time), the Grace Period shall be deemed to be the lesser of such grace period and the period specified as such in the Applicable Pricing Supplement or, if no period is specified, 30 calendar days; and (b) if at the later of the Trade Date and the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than 3 Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of 3 Grace Period Business Days shall be deemed to apply to such Obligation; provided that, unless Grace Period Extension is specified as applicable in the Applicable Pricing Supplement, such deemed Grace Period shall expire no later than the Scheduled Maturity Date;

“Grace Period Business Day” means, a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation and if a place or places are not so specified, in the jurisdiction of the Obligation Currency;

“Grace Period Extension Date” means, if (a) Grace Period Extension is specified as applicable in the Applicable Pricing Supplement and (b) a Potential Failure to Pay occurs on or prior to the Scheduled Maturity Date (determined by reference to South African Time), the date that is the number of days in the Grace Period after the date of such Potential Failure to Pay. If Grace Period Extension is not specified as applicable in the Applicable Pricing Supplement, Grace Period Extension shall not apply. If (i) Grace Period Extension is specified as applicable in the Applicable Pricing Supplement, (ii) a Potential Failure to Pay occurs on or prior to the Scheduled Maturity Date (determined by reference to South African Time) and (iii) an Event Determination Date in respect of that Failure to Pay does not occur on or prior to the Notice Delivery Period (including prior to the Trade Date), the later of the Scheduled Maturity Date and the Grace Period Extension Date will be the Maturity Date (even if a Failure to Pay occurs after the Scheduled Maturity Date);

“**G-7 Country**” means the seven nation organisation that was formed in 1976 to attempt to coordinate its members' economic policies (or any country that becomes a member of the group of seven if such group of seven expands its membership), currently comprising of the United States of America, the United Kingdom, Japan, Germany, France, Italy and Canada;

“**Hedge Disruption Event**” means, in the opinion of the Determination Agent, any event as a result of which the Issuer and/or any of its Affiliates and/or its agents has not received the relevant Deliverable Obligations and/or cash under the terms of a Hedge Transaction (the “**Undelivered Portion**”);

“**Hedge Transaction**” means any transaction or trading position entered into or held by the Issuer and/or any of its Affiliates to hedge, directly or indirectly, the Issuer's obligations or positions (whether in whole or in part) in respect of the Credit-Linked Notes;

“**Intervening Period**” means such period of time as any person other than the relevant Noteholder shall continue to be registered as the legal owner of any securities or other obligations comprising the relevant Portfolio Delivered to such Noteholder;

“**ISDA**” means the International Swaps and Derivatives Association, Inc. (or any successor thereto);

“**July 2009 Supplement**” means the July 2009 Supplement to the 2003 ISDA Credit Derivative Definitions, as published by the ISDA;

“**Latest Permissible Physical Settlement Date**” means 30 calendar days following the Physical Settlement Date;

“**Limitation Date**” means the first of 20 March, 20 June, 20 September or 20 December in any year to occur on or immediately following the date that is one of the following numbers of years after the Restructuring Date: 2.5 years (the “**2.5-year Limitation Date**”), 5 years (the “**5-year Limitation Date**”), 7.5 years, 10 years, 12.5 years, 15 years or 20 years (the “**20-year Limitation Date**”), as applicable. Limitation Dates shall not be subject to adjustment in accordance with any Business Day Convention unless otherwise specified in the Applicable Pricing Supplement;

“**Listed**” means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange and, if specified as applicable to an Obligation Category, the Listed Obligation Characteristic shall be applicable only in respect of obligations within that Obligation Category that are Bonds or, if specified as applicable to a Deliverable Obligation Category, the Listing Deliverable Obligation Characteristics shall be applicable only in respect of obligations within that Deliverable Obligation Category that are Bonds;

“**Loan**” means any obligation of a type included in the Borrowed Money Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money;

“**London Business Day**” means a day on which commercial banks and foreign exchange markets are generally open to settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

“**Market Value**” means, with respect to a Reference Obligation or a Deliverable Obligation, as the case may be, on a Valuation Date:

- (a) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);
- (b) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);
- (c) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations:

- (d) if fewer than two Full Quotations are obtained and a Weighted Average Quotation is obtained, such Weighted Average Quotation;
- (e) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained, subject as provided in the definition of Quotation, an amount as determined by the Determination Agent on the next Business Day on which two or more Full Quotations or a Weighted Average Quotation is obtained; and
- (f) if two or more Full Quotations or a Weighted Average Quotation are not obtained on or prior to the tenth Business Day following the applicable Valuation Date the Market Value shall be any Full Quotation obtained from a CLN Dealer at the Valuation Time on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation or Deliverable Obligation, as the case may be, obtained from CLN Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day;

“**Maturity Date**” has the meaning given to it in Credit-Linked Condition 3.3 (*Final Redemption and Maturity Date*);

“**Maximum Maturity**” means an obligation that has a remaining maturity from the Physical Settlement Date or Valuation Date, as the case may be, of not greater than (a) the period specified in the Applicable Pricing Supplement or (b) if no such period is specified in the Applicable Pricing Supplement, 30 years;

“**May 2003 Supplement**” means the May 2003 Supplement to the 2003 ISDA Credit Derivative Definitions, as published by ISDA;

“**Minimum Quotation Amount**” means the amount specified as such in the Applicable Pricing Supplement (or its equivalent in the relevant Obligation Currency) or, if no amount is so specified, the lower of (a) ZAR1,000,000 (or its equivalent in the relevant Obligation Currency) and (b) the Quotation Amount;

“**Modified Eligible Transferee**” means any bank, financial institution or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities and other financial assets;

“**Modified Restructuring Maturity Limitation Date**” means, with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Scheduled Maturity Date, provided that, in circumstances where the Scheduled Maturity Date is later than the 2.5-year Limitation Date, at least one Enabling Obligation exists. If “*Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable*” is specified in the Applicable Pricing Supplement and the Scheduled Maturity Date is later than the 2.5-year Limitation Date and, prior to the 5-year Limitation Date, a Restructured Bond or Loan will not constitute an Enabling Obligation. Notwithstanding the foregoing, if the Scheduled Maturity Date is either (i) on or prior to the 2.5-year Limitation Date or (ii) later than the 2.5-year Limitation Date and on or prior to the 5-year Limitation Date and no Enabling Obligation exists, the Modified Restructuring Maturity Limitation Date will be the 5-year Limitation Date in the case of a Restructured Bond or Loan only;

Subject to the foregoing, in the event that the Scheduled Maturity Date is later than (A) the 2.5-year Limitation Date and no Enabling Obligation exists or (B) the 20-year Limitation Date, the Modified Restructuring Maturity Limitation Date will be the Scheduled Maturity Date;

“**Multiple Holder Obligation**” means an Obligation that (a) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other and (b) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six-and-two-thirds is required to consent to the event which constitutes a Restructuring Credit Event, provided that any Obligation that is a Bond shall be deemed to satisfy the requirement in (b) above;

“**Next Currency Fixing Time**” means 4.00 p.m. (Johannesburg time) on the London Business Day immediately following the date on which the Notice of Physical Settlement or relevant NOPS Amendment Notice, as applicable, is effective;

“**No Auction Announcement Date**” means, with respect to Credit-Linked Notes for which “*Auction Settlement*” is specified as the Settlement Method in the Applicable Pricing Supplement, a Reference Entity and a Credit Event, the date on which the Determination Agent determines that ISDA first publicly announces that:

- (a) no Applicable Transaction Auction Settlement Terms and, if applicable, no Parallel Auction Settlement Terms will be published; or
- (b) following the occurrence of a Restructuring, if either “*Restructuring Maturity Limitation and Fully Transferable Obligation Applicable*” or “*Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable*” is specified in the Applicable Pricing Supplement, no Applicable Transaction Auction Settlement Terms will be published, but Parallel Auction Settlement Terms will be published; or
- (c) the relevant Credit Derivatives Determinations Committee has Resolved that no Auction will be held following a prior public announcement by ISDA to the contrary and the Determination Agent determines that such Resolution is an Applicable Resolution and no Applicable Auction will be held.

“**Non-Succession Event Reference Entities**” has the meaning given to it in Credit-Linked Condition 11.3 (*Succession Event*);

“**Not Bearer**” means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via the Euroclear system, Clearstream International or any other internationally recognised clearing system, and, if specified as applicable to a Deliverable Obligation Category, the Not Bearer Deliverable Obligation Characteristic shall be applicable only in respect of obligations within that Deliverable Obligation Category that are Bonds;

“**Not Contingent**” means any obligation having as of the Delivery Date and all times thereafter an Outstanding Principal Balance or, in the case of obligations that are not Borrowed Money, a Due and Payable Amount, that pursuant to the terms of such obligation may not be reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). A Convertible Obligation, an Exchangeable Obligation and an Accreting Obligation shall constitute Deliverable Obligations that are Not Contingent if such Convertible Obligation, Exchangeable Obligation or Accreting Obligation otherwise meets the requirements of the preceding sentence so long as, in the case of a Convertible Obligation or an Exchangeable Obligation, the right (i) to convert or exchange such obligation or (ii) to require the issuer to purchase or redeem such obligation (if the issuer has exercised the right to pay the purchase or redemption price, in whole or in part, in Equity Securities) has not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Date;

If a Reference Obligation is a Convertible Obligation or an Exchangeable Obligation, then such Reference Obligation may be included as a Deliverable Obligation only if the rights referred to in subparagraphs (i) and (ii) above have not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Date;

“**Not Domestic Currency**” means any obligation that is payable in any currency other than the Domestic Currency;

“**Not Domestic Issuance**” means any obligation other than an obligation that was, at the time the relevant obligation was issued (or reissued, as the case may be) or incurred, intended to be offered for sale primarily in the domestic market of the relevant Reference Entity. Any obligation that is registered or qualified for sale outside the domestic market of the relevant Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the relevant Reference Entity) shall be deemed not to be intended for sale primarily in the domestic market of the Reference Entity;

“Not Domestic Law” means any obligation that is not governed by the laws of (a) the relevant Reference Entity, if such Reference Entity is a Sovereign, or (b) the jurisdiction of organisation of the relevant Reference Entity, if such Reference Entity is not a Sovereign;

“Not Sovereign Lender” means any obligation that is not primarily owed to a Sovereign or Supranational Organisation, including, without limitation, obligations generally referred to as "Paris Club debt";

“Not Subordinated” means an obligation that is not Subordinated to (a) the most senior Reference Obligation in priority of payment or (b) if no Reference Obligation is specified in the Applicable Pricing Supplement, any unsubordinated Borrowed Money obligation of the Reference Entity provided that, if any of the events set forth under sub-paragraph (a) of the definition of Substitute Reference Obligation below has occurred with respect to all of the Reference Obligations or if, with respect to the Reference Obligation, one or more Successors to the Reference Entity have been identified and any one or more such Successors have not assumed the Reference Obligation (each, in each case, a **“Prior Reference Obligation”**) and no Substitute Reference Obligation has been identified for any of the Prior Reference Obligations at the time of the determination of whether an obligation satisfies the "Not Subordinated" Obligation Characteristic or Deliverable Obligation Characteristic, as applicable, "Not Subordinated" shall mean an obligation that would not have been Subordinated to the most senior such Prior Reference Obligation in priority of payment. For purposes of determining whether an obligation satisfies the Not Subordinated Obligation Characteristic or Deliverable Obligation Characteristic, the ranking in priority of payment of each Reference Obligation shall be determined as of the later of (i) the Trade Date specified in the Applicable Pricing Supplement and (ii) the date on which such Reference Obligation was issued or incurred and shall not reflect any change to such ranking in priority of payment after such later date;

“Notice Delivery Period” means the period from and including the Trade Date to and including the Scheduled Maturity Date or, if an Extension Notice has been given, the date that is 14 Business Days (or such other number of days as may be specified in the Applicable Pricing Supplement) after the Extension Date;

“Notice of Physical Settlement” means a notice from the Determination Agent to the Issuer and the Paying Agent that (a) irrevocably confirms that the Issuer will settle in relation to the Credit-Linked Notes and such CLNs shall be Physical Redeemed in accordance with Credit-Linked Condition 9.2 (*Redemption by Physical Settlement*) and (b) contains a detailed description of the Deliverable Obligations that the Issuer will, if the Credit-Linked Notes are to be Physical Redeemed. Deliver to or to the order of the Noteholders, including the outstanding principal balance or Due and Payable Amount, as applicable, (in each case, the **“Outstanding Amount”**) of each such Deliverable Obligation and, if available and applicable, the CUSIP or ISIN number (or if such identifying number is not available, the rate and tenor of each such Deliverable Obligation) and (c) where (i) the relevant Credit Event is a Restructuring, (ii) either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the Applicable Pricing Supplement and (iii) the Scheduled Maturity Date is later than (A) the final maturity date of the Latest Maturity Restructured Bond or Loan, if any, or (B) the 2.5-year Limitation Date contains a detailed description of at least one Enabling Obligation, which description will include the CUSIP or ISIN number, if available and applicable (or, if such identifying number is not available, the rate and tenor), of such Enabling Obligation and any other information necessary to establish that such obligation is an Enabling Obligation;

The Issuer may notify the Noteholders (each such notification a **“NOPS Amendment Notice”** and delivered in accordance with Condition 22 (*Notices*)) that the Issuer is replacing in whole or in part one or more Deliverable Obligations to be Delivered (to the extent such Deliverable Obligation has not previously been Delivered) or the detailed description thereof specified in the Notice of Physical Settlement or a prior NOPS Amendment Notice. A NOPS Amendment Notice shall contain a revised detailed description of each replacement Deliverable Obligation that Issuer expects to Deliver (each, a *“Replacement Deliverable Obligation”*) and shall also specify the Outstanding Amount of each Deliverable Obligation identified in the Notice of Physical Settlement or a prior NOPS Amendment Notice, as applicable, that is being replaced (with respect to each such Deliverable Obligation, the *“Replaced Deliverable Obligation Outstanding Amount”*). The Outstanding Amount of each Replacement Deliverable Obligation identified in a NOPS Amendment Notice shall be determined by

applying the Revised Currency Rate to the relevant Replaced Deliverable Obligation Outstanding Amount. Each such NOPS Amendment Notice must be effective on or prior to the Physical Settlement Date (determined without reference to any such change resulting from such NOPS Amendment Notice). Notwithstanding the foregoing, the Issuer may correct any errors or inconsistencies in the detailed description of the Deliverable Obligations contained in the Notice of Physical Settlement or any NOPS Amendment Notice, as applicable by notice to the Noteholders (in accordance with Condition 22 (*Notices*)) prior to the relevant Delivery Date, it being understood that such notice of correction shall not constitute a NOPS Amendment Notice. A Notice of Physical Settlement shall be subject to the requirements regarding notices set out in Credit-Linked Conditions 4.7 and 4.9 (*Notices*);

“**Notice of Physical Settlement Condition to Settlement**” will be deemed to have been satisfied by the delivery by the Determination Agent of a Notice of Physical Settlement to the Issuer and the Paying Agent that is effective subject, where applicable, to Credit-Linked Condition 7 (*Redemption Suspension*), on or prior to 2 (two) Business Days following the date that is:

- (a) subject to sub-paragraph (b) of this definition, the later of:
 - (i) the 30th calendar day (subject to adjustment in accordance with any applicable Business Day Convention) after the Event Determination Date; and
 - (ii) the tenth calendar day after either (I) the date of the relevant DC Credit Event Announcement, if any, or (II) the date on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters described in sub-paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date, if any, as applicable; or
- (b) if “*Physical Settlement*” is specified as applicable pursuant to the Fallback Settlement Method and the Notes are to be Physical Redeemed and:
 - (i) the relevant Credit Event is not a Restructuring (or, if such Credit Event is a Restructuring, neither “Restructuring Maturity Limitation and Fully Transferable Obligation Applicable” nor “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable” is specified in the Applicable Pricing Supplement), the 30th calendar day after the Auction Cancellation Date or the No Auction Announcement Date, as applicable; or
 - (ii) the relevant Credit Event is a Restructuring and either “Restructuring Maturity Limitation and Fully Transferable Obligation Applicable” or “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable” is specified in the Applicable Pricing Supplement, either:
 - (I) the 30th calendar day after:
 - (A) a No Auction Announcement Date occurring pursuant to sub-paragraph (a) of the definition of No Auction Announcement Date, if any; or
 - (B) a No Auction Announcement Date occurring pursuant to sub-paragraph (c) of the definition of No Auction Announcement Date, if any, in circumstances where no Parallel Auction will be held; or
 - (C) the Auction Cancellation Date, if any, as applicable; or
 - (II) the Relevant City Business Day immediately following the later of the Parallel Auction Final Price Determination Date, if any (or, if more than one should occur, the last Parallel Auction Final Price Determination Date), and the Parallel Auction Cancellation Date, if any (or, if more than one should occur, the last Parallel Auction Cancellation Date), as applicable, in circumstances where either:

- (A) a No Auction Announcement Date occurs pursuant to sub-paragraph (b) of the definition of No Auction Announcement Date and the Determination Agent has not exercised any Movement Option; or
- (B) a No Auction Announcement Date occurs pursuant to sub-paragraph (c) of the definition of No Auction Announcement Date in circumstances where one or more Parallel Auctions will be held,

provided that in the case of sub-paragraph (a)(ii) and sub-paragraph (b) of this definition, the relevant Credit Event Resolution Request Date occurred on or prior to the date described in sub-paragraph (a)(i) of this definition;

For purposes of determining whether the Notice of Physical Settlement Condition to Settlement has been satisfied, the effective date of delivery of the Notice of Physical Settlement (whether or not subsequently changed) shall be used;

“Notice of Publicly Available Information” means an irrevocable notice from the Determination Agent to the Issuer and the Paying Agent (in writing (including by facsimile and/or email) and which the Determination Agent has the right but not the obligation to deliver) that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice. In relation to a Repudiation/Moratorium Credit Event, the Notice of Publicly Available Information must cite Publicly Available Information confirming the occurrence of both sub-paragraphs (i) and (ii) of the definition of Repudiation/Moratorium. The notice must contain a copy, or a description in reasonable detail, of the relevant Publicly Available Information. If Notice of Publicly Available Information is specified as applicable in the Applicable Pricing Supplement and a Credit Event Notice or Repudiation/Moratorium Extension Notice, as applicable, contains Publicly Available Information, such Credit Event Notice or Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information. A Notice of Publicly Available Information shall be subject to the requirements regarding notices set out in Credit-Linked Condition 4.10 (*Notices*);

“Nth-to-Default Cash CLN” means any First-to-Default Cash CLN or any other Nth-to-default Cash Redeemed Credit-Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of two or more Reference Entities. Upon the satisfaction of the Conditions to Settlement with respect to any of the relevant Reference Entities, all the Credit-Linked Notes (other than in the case of a Restructuring Credit Event, where the Credit-Linked Notes may be redeemed in part) will, unless otherwise specified in the Applicable Pricing Supplement, be Cash Redeemed; where “Nth” means any ordinal number, as specified in the Applicable Pricing Supplement. For the avoidance of doubt, such CLNs may not be required to be redeemed upon the first occurrence of a Credit Event in respect of a Reference Entity in respect of which credit protection has been purchased by the Issuer from the Noteholders;

“Nth-to-Default Cash or Physical CLN” means any First-to-Default Cash or Physical CLNs or any other Nth-to-default Credit-Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of two or more Reference Entities. Upon the satisfaction of the Conditions to Settlement with respect to any of the relevant Reference Entities, all the Credit-Linked Notes (other than in the case of a Restructuring Credit Event, where the Credit-Linked Notes may be redeemed in part) will, unless otherwise specified in the Applicable Pricing Supplement, be (i) Cash Redeemed or (ii) Physical Redeemed, as the case may be, at the option of the Issuer; where “Nth” means any ordinal number, as specified in the Applicable Pricing Supplement. For the avoidance of doubt, such CLNs may not be required to be redeemed upon the first occurrence of a Credit Event in respect of a Reference Entity in respect of which credit protection has been purchased by the Issuer from the Noteholders;

“Nth-to-Default Physical CLN” means any First-to-Default Physical CLN or any other Nth-to-default basket physically settled Credit-Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of two or more Reference Entities. Upon the satisfaction of the Conditions to Settlement with respect to any of the relevant Reference Entities, all the Credit-Linked Notes (other than in the case of a Restructuring Credit Event, where the Credit-Linked Notes may be redeemed in part) will, unless otherwise specified in the Applicable Pricing Supplement, be Physical Redeemed: where

"Nth" means any ordinal number, as specified in the Applicable Pricing Supplement. For the avoidance of doubt, such CLNs may not be required to be redeemed upon the first occurrence of a Credit Event in respect of a Reference Entity in respect of which credit protection has been purchased by the Issuer from the Noteholders;

"Obligation" means (a) any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the Applicable Pricing Supplement, as provider of any Qualifying Guarantee) described by the Obligation Category specified in the Applicable Pricing Supplement, and having the Obligation Characteristics specified in the Applicable Pricing Supplement (but excluding any Excluded Obligation), in each case, as of the date of the event which constitutes the Credit Event which is the subject of either the Credit Event Notice or the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date, as applicable, (b) each Reference Obligation, unless specified in the Applicable Pricing Supplement as an Excluded Obligation, and/or (c) any other obligation of a Reference Entity specified as such in the Applicable Pricing Supplement;

"Obligation Acceleration" means one or more Obligations in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations;

"Obligation Category" means Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, only one of which shall be specified in the Applicable Pricing Supplement;

"Obligation Characteristics" means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance as specified in the Applicable Pricing Supplement;

"Obligation Currency" means the currency or currencies in which an Obligation is denominated;

"Obligation Default" means one or more Obligations in an aggregate amount of not less than the Default Requirement have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (howsoever described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations;

"Officer's Certification" means a certificate signed by a director (or other substantively equivalent title) of the Determination Agent which shall certify the occurrence of a Credit Event with respect to a Reference Entity;

"Original Bonds" has the meaning given to it in Credit-Linked Condition 9.2.7 (*Redemption by Physical Settlement*);

"Original Loans" has the meaning given to it in Credit-Linked Condition 9.2.7 (*Redemption by Physical Settlement*);

"Outstanding Amount" has the meaning given to it in Credit-Linked Condition 12.2 (*Restructuring Credit Event*);

"Outstanding Principal Balance" means:

- (a) with respect to any Accreting Obligation, the Accreted Amount thereof;
- (b) with respect to any Exchangeable Obligation that is not an Accreting Obligation, the outstanding principal balance of such obligation excluding any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities into which such obligation is exchangeable; and
- (c) with respect to any other Obligation, the outstanding principal balance of such Obligation;

“Overnight Rate” means the overnight rate for deposits in the relevant currency as determined by the Determination Agent, in good faith having regard to any then existing market practice;

“Partial Principal Amount” has the meaning given to it in Credit-Linked Condition 11.1 or 11.2 (*Succession Event*), as applicable;

“Payment” means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money;

“Payment Requirement” means the amount specified as such in the Applicable Pricing Supplement or its equivalent in the relevant Obligation Currency or, if a Payment Requirement is not so specified in the Applicable Pricing Supplement, ZAR1,000,000 or its equivalent in the relevant Obligation Currency, in either case as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable;

“Permitted Currency” means (a) the legal tender of any G-7 Country; or (b) the legal tender of any country which, as of the date of such change, is a member of the Organisation for Economic Cooperation and Development and has a local currency long-term debt rating of either AAA or higher assigned to it by S&P, Aaa or higher assigned to it by Moody's or AAA or higher assigned to it by Fitch Ratings;

“Physical Determination Date” has the meaning given to it in Credit-Linked Condition 4.5 (*Notices*);

“Physical Redeemed” means a Credit-Linked CLN in respect of which, for the relevant Reference Entity, (a) the Settlement Method is specified as *“Physical Settlement”* in the Applicable Pricing Supplement or (b) the Settlement Method is specified as *“Auction Settlement”* and the Fallback Settlement Method is specified as *“Physical Settlement”* in the Applicable Pricing Supplement but at the relevant time *“Physical Settlement”* is expected to apply;

“Physical Settlement Date” means the last day of the longest Physical Settlement Period following the satisfaction of all applicable Conditions to Settlement provided that if the Final Price of any Undeliverable Obligations has not been determined by the Business Day immediately preceding the Physical Settlement Date, the Physical Settlement Date shall be the second Business Day after such Final Price is determined;

“Physical Settlement Period” means the number of Business Days specified as such in the Applicable Pricing Supplement or, if a number of Business Days is not so specified, then, with respect to a Deliverable Obligation specified in the Notice of Physical Settlement or any NOPS Amendment Notice, as applicable, the longest number of Business Days for settlement in accordance with the current market practice of such Deliverable Obligation, as determined by the Determination Agent;

“Physically Settled CLN” means any Credit-Linked Note which is, or is intended to be, Physical Redeemed upon the satisfaction of Conditions to Settlement (including, for the avoidance of doubt, any Cash or Physically Settled CLN that the Issuer elects to Physical Redeem);

“Portfolio” means all Deliverable Obligations comprising the Credit Event Portion as selected by the Determination Agent on behalf of the Issuer in its sole discretion, having an Outstanding Principal Balance (in the case of Deliverable Obligations that are Borrowed Money) or a Due and Payable Amount (in the case of Deliverable Obligations that are not Borrowed Money) (or the equivalent Specified Currency amount converted at the Currency Rate) on the Physical Settlement Date up to the Credit-Linked Payer Calculation Amount where:

- (a) in the case of such Deliverable Obligations that are Borrowed Money, the relevant Outstanding Principal Balance should include accrued but unpaid interest (as determined by the Determination Agent) if "Include Accrued Interest" is specified as applying in the Applicable Pricing Supplement, but should exclude accrued but unpaid interest if "Exclude Accrued Interest" is specified as applying in the Applicable Pricing Supplement, and if neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified as applying in the Applicable Pricing Supplement, should exclude accrued but unpaid interest; and
- (b) if an obligation by its terms represents or contemplates an obligation to pay an amount greater than the Outstanding Principal Balance of such obligation as of the Delivery Date as a result

of the occurrence or non-occurrence of an event or circumstance, the Outstanding Principal Balance of such obligation shall not include any additional amount that would be payable upon the occurrence or non-occurrence of such event or circumstance;

For the avoidance of doubt, the Determination Agent (which if not the Issuer, shall be done on behalf of the Issuer) shall be entitled to select any of the Deliverable Obligations irrespective of their market value;

“Potential Cash Settlement Event” means an event beyond the control of the Issuer (including, without limitation, failure of the relevant clearance system; or the failure to obtain any requisite consent with respect to the Delivery of Loans or the non-receipt of any such requisite consents or any relevant participation On the case of Direct Loan Participation) is not effected; or due to any law, regulation or court order, (but excluding market conditions) or any contractual, statutory and/or regulatory restriction relating to the relevant Deliverable Obligation, or due to the failure of the Noteholder to give the Issuer details of accounts for settlement; or a failure of the Noteholder to open or procure the opening of such accounts or if the Noteholders are unable to accept Delivery of the Portfolio for any other reason);

“Potential Failure to Pay” means the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement (if any) under one or more Obligations, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations, in accordance with the terms of such Obligations at the time of such failure;

“Potential Repudiation/Moratorium” means the occurrence of an event described in sub-paragraph (a) of the definition of Repudiation/Moratorium;

“Programme Transaction Type Standard Terms” means, unless other specified in the Applicable Pricing Supplement, in respect of any Transaction Type specified in the Applicable Pricing Supplement as a Reference Entity the relevant Transaction type Standard Terms corresponding to such Entity Type contained in Appendix 1 hereto.

For the avoidance of doubt, the Programme Transaction Type Standard Terms can also apply to Cash Settled CLNs;

“Public Source” means (a) each source of Publicly Available Information specified as such in the Applicable Pricing Supplement (or, if a source is not so specified, each of Bloomberg Service, Dow Jones Telerate Service, Reuter Monitor Money Rates Services, Dow Jones News Wire, Wall Street Journal, New York Times, Nihon Keizai Shinbun, Asahi Shinbun, Yomiuri Shinbun, Financial Times, La Tribune, Les Echos and The Australian Financial Review (and successor publications), the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources) and (b) each announcement published by ISDA on its website;

“Publicly Available Information” means information that reasonably confirms any of the facts relevant to the determination that the Credit Event or Potential Repudiation/Moratorium, as applicable, described in a Credit Event Notice or Repudiation/Moratorium Extension Notice has occurred and which (a) has been published in or on not less than two Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information; provided that, if the Determination Agent or the Issuer or any of their Affiliates is cited as the sole source of such information, then such information shall not be deemed to be Publicly Available Information unless the Determination Agent or the Issuer or any of their Affiliates is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation, (b) is information received from or published by (i) a Reference Entity (or a Sovereign Agency in respect of a Reference Entity which is a Sovereign) or (ii) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation, (c) is information contained in sub-paragraph (d) of the definition of Bankruptcy against or by a Reference Entity, or (d) is information contained in any order, decree, notice or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body.

In the event that the Determination Agent or the Issuer is (i) the sole source of information in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for

the Obligation with respect to which such Credit Event has occurred and (ii) a holder of such Obligations, the Determination Agent or the Issuer as the case may be shall be required to deliver an Officer's Certification.

In relation to any information of any type described in (b), (c) and (d) above, the party receiving such information may assume that such information has been disclosed to it without violating any law, agreement or understanding regarding the confidentiality of such information and that the party delivering such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to the party receiving such information. Publicly Available Information need not state:

- (a) in relation to the definition of Downstream Affiliate, the percentage of Voting Shares owned, directly or indirectly, by the Reference Entity; and
- (b) that such occurrence:
 - (i) has met the Payment Requirement or Default Requirement;
 - (ii) is the result of exceeding any applicable Grace Period; or
 - (iii) has met the subjective criteria specified in certain Credit Events.

“Qualifying Affiliate Guarantee” means a Qualifying Guarantee provided by a Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of that Reference Entity;

“Qualifying Guarantee” means an arrangement evidenced by a written instrument pursuant to which a Reference Entity irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an obligation (the **“Underlying Obligation”**) for which another party is the obligor (the **“Underlying Obligor”**). Qualifying Guarantees shall exclude any arrangement (a) structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement or (b) pursuant to the terms of which the payment obligations of the Reference Entity can be discharged, reduced, or otherwise altered or assigned (other than by operation of law) as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). The benefit of a Qualifying Guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation;

In the event that an Obligation or a Deliverable Obligation is a Qualifying Guarantee, the following will apply:

- (i) For purposes of the application of the Obligation Category or the Deliverable Obligation Category, the Qualifying Guarantee shall be deemed to be described by the same category or categories as those that describe the Underlying Obligation.
- (ii) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, both the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the Applicable Pricing Supplement from the following list: Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency and Not Domestic Law. For these purposes, unless otherwise specified in the Applicable Pricing Supplement, (i) the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro shall not be a Domestic Currency and (ii) the laws of England and the laws of the State of New York shall not be a Domestic Law.
- (iii) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the Applicable Pricing Supplement from the following list: Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer.

- (iv) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.
- (v) The terms “*Outstanding Principal Balance*” and “*Due and Payable Amount*” (as they are used in the Credit-Linked Conditions), when used in connection with Qualifying Guarantees are to be interpreted to be the then Outstanding Principal Balance or Due and Payable Amount, as applicable, of the Underlying Obligation which is supported by a Qualifying Guarantee.

“**Qualifying Participation Seller**” means any participation seller that meets the requirements specified in the related Confirmation. If no such requirements are specified, there shall be no Qualifying Participation Seller;

“**Quotation**” means, in respect of Reference Obligations or Deliverable Obligations, as the case may be, each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage with respect to a Relevant Valuation Date in the manner that follows:

- (a) The Determination Agent shall attempt to obtain Full Quotations with respect to each Relevant Valuation Date from five or more CLN Dealers. If the Determination Agent is unable to obtain two or more such Full Quotations on the same Business Day within+ 3 Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the Relevant Valuation Date) the Determination Agent shall attempt to obtain Full Quotations from five or more CLN Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation.
- (b) If the Determination Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the tenth Business Day following the Relevant Valuation Date the Quotations shall be deemed to be any Full Quotation obtained from a CLN Dealer at the Valuation Time on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation or Deliverable Obligation, as the case may be, obtained from CLN Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day;
- (c)
 - (vi) If “*Include Accrued Interest*” is specified in the Applicable Pricing Supplement in respect of Quotations, such Quotations shall include accrued but unpaid interest;
 - (vii) if “*Exclude Accrued Interest*” is specified in the Applicable Pricing Supplement in respect of Quotations, such Quotations shall not include accrued but unpaid interest; and
 - (viii) If neither “*Include Accrued Interest*” nor “*Exclude Accrued Interest*” is specified in the Applicable Pricing Supplement in respect of Quotations, the Determination Agent shall determine based on then current market practice in the market of the Reference Obligation or Deliverable Obligation, as the case may be, whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination.
- (d) If any Quotation obtained with respect to an Accreting Obligation is expressed as a percentage of the amount payable in respect of such obligation at maturity, such Quotation will instead be expressed as a percentage of the Outstanding Principal Balance for the purposes of determining the Final Price.

“**Quotation Amount**” means with respect to a Reference Obligation or a Deliverable Obligation, the amount specified in the Applicable Pricing Supplement (which may be specified by reference to an

amount in a currency or by reference to Representative Amount) or, if no amount is so specified, the Credit-Linked Payer Calculation Amount (or, its equivalent in the relevant Obligation Currency converted by the Determination Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained);

“**Quotation Method**” means the applicable Quotation Method specified in the Applicable Pricing Supplement by reference to one of the following terms:

- (a) “*Bid*” means that only bid quotations shall be requested from CLN Dealers;
- (b) “*Offer*” means that only offer quotations shall be requested from CLN Dealers; or
- (c) “*Mid-market*” means that bid and offer quotations shall be requested from CLN Dealers and shall be averaged for purposes of determining a relevant CLN Dealer's quotation;

If a Quotation Method is not specified in the Applicable Pricing Supplement, Bid shall apply;

“**Reference Entity**” or “**Reference Entities**” means the reference entity or reference entities specified in the Applicable Pricing Supplement and any Successor either (a) as determined by the Determination Agent on or following the Trade Date or (b) identified by the Determination Agent by reference to a public announcement by ISDA on or following the Trade Date that the relevant Credit Derivatives Determinations Committee has Resolved, in respect of a Succession Event Resolution Request Date, a Successor in accordance with the Rules;

“**Reference Obligation**” means (a) the Reference Obligation specified in the Applicable Pricing Supplement, or (b) any Substitute Reference Obligation;

“**Reference Obligations Only**” means any obligation that is a Reference Obligation and no Obligation Characteristics or, as the case may be, Deliverable Obligation Characteristics shall be applicable to Reference Obligations Only;

“**Reference Price**” means the percentage specified as such in the Applicable Pricing Supplement or, if a percentage is not so specified, 100 per cent;

“**Relevant City Business Day**” has the meaning given to that term in the Rules;

“**Relevant Obligations**” mean the Obligations constituting Bonds and Loans of the Reference Entity outstanding immediately prior to the effective date of the Succession Event, excluding any debt obligations outstanding between the Reference Entity and any of its Affiliates, as determined by the Determination Agent. The Determination Agent will determine the entity which succeeds to such Relevant Obligations on the basis of the Best Available Information. If the date on which the Best Available Information becomes available or is filed precedes the legally effective date of the relevant Succession Event, any assumptions as to the allocation of obligations between or among entities contained in the Best Available Information will be deemed to have been fulfilled as of the legally effective date of the Succession Event, whether or not this is in fact the case;

“**Relevant Valuation Date**” means the relevant Valuation Date or Undeliverable Valuation Date, as the case may be;

“**Remaining Amount**” has the meaning given to it in Credit-Linked Condition 11.1 (*Succession Event*);

“**Representative Amount**” means an amount that is representative for a single transaction in the relevant market and at the relevant time such amount to be determined by the Determination Agent;

“**Repudiation/Moratorium**” means the occurrence of both of the following events:

- (a) an authorised officer of a Reference Entity or a Governmental Authority (i) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement or (ii) declares

or imposes a moratorium, standstill, roll-over or deferral, whether *de facto* or *de jure*, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement; and

- (b) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date;

“Repudiation/Moratorium Evaluation Date” means, if a Potential Repudiation/ Moratorium occurs on or prior to the Scheduled Maturity Date, (a) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (i) the date that is 60 days after the date of such Potential Repudiation/Moratorium and (ii) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (b) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 days after the date of such Potential Repudiation/Moratorium; provided that, in either case, the Repudiation/Moratorium Evaluation Date shall occur no later than the Scheduled Maturity Date unless the Repudiation/Moratorium Extension Condition is satisfied. If (A) the Repudiation/Moratorium Extension Condition is satisfied and (B) an Event Determination Date in respect of that Repudiation/Moratorium does not occur on or prior to the final day of the Notice Delivery Period, the later of the Scheduled Maturity Date and the Repudiation/Moratorium Evaluation Date will be the Maturity Date (even if a Repudiation/Moratorium occurs after the Scheduled Maturity Date);

“Repudiation/Moratorium Extension Condition” is satisfied if:

- (a) the Determination Agent determines that ISDA has publicly announced pursuant to a valid request that was made, in accordance with the Rules, and effectively received on or prior to the date that is 14 (fourteen) calendar days after the Scheduled Maturity Date that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the relevant Reference Entity and that such event occurred on or prior to the Scheduled Maturity Date (determined by reference to South African Time) and such Resolution constitutes an Applicable Resolution; or
- (b) otherwise by the delivery by the Determination Agent to the Issuer and the Paying Agent of a Repudiation/Moratorium Extension Notice and, if Notice of Publicly Available Information is specified as a Condition to Settlement in the Applicable Pricing Supplement, a Notice of Publicly Available Information that are each effective on or prior to the date that is 14 calendar days after the Scheduled Maturity Date;

In all cases, the Determination Agent may determine that the Repudiation/Moratorium Extension Condition has not been satisfied, or is not capable of being satisfied, if, or to the extent that, ISDA publicly announces, pursuant to a valid request that was delivered in accordance with the Rules and effectively received on or prior to the date that is 14 calendar days after the Scheduled Maturity Date, that the relevant Credit Derivatives Determinations Committee has Resolved that either (A) an event does not constitute a Potential Repudiation/Moratorium with respect to an Obligation of the relevant Reference Entity or (B) an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the relevant Reference Entity but that such event occurred after the Scheduled Maturity Date (determined by reference to South African Time), in each case provided that the Determination Agent determines such Resolution is an Applicable Resolution;

“Repudiation/Moratorium Extension Notice” means an irrevocable notice (which may be in writing (including by facsimile and/or email) and/or by telephone) from the Determination Agent to the Issuer and the Paying Agent that describes a Potential Repudiation/Moratorium that occurred on or prior to the Scheduled Maturity Date (determined by reference to South African Time). A Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and indicate the date of the occurrence. The Potential Repudiation/Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is effective;

A Repudiation/Moratorium Extension Notice shall be subject to the requirements regarding notices set out in Credit-Linked Condition 4.10 (*Notices*);

“**Resolve**”, “**Resolved**”, “**Resolves**” and “**Resolving**” means, with respect to a Credit Derivatives Determinations Committee, the making of a specific determination in accordance with the relevant Rules (and each such determination, a “**DC Resolution**”);

“**Restructured Bond or Loan**” means an Obligation which is a Bond or Loan and in respect of which a Restructuring that is the subject of a Credit Event Notice has occurred;

“**Restructuring**” means:

- (a) that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of the Obligation or is announced (or otherwise decreed) by a Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation, and such event is not expressly provided for under the terms of such Obligation in effect as of the later of (1) the relevant Credit Event Backstop Date and (2) the date as of which such Obligation is issued or incurred:
 - (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
 - (ii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
 - (iii) a postponement or other deferral of a date or dates for either (1) the payment or accrual of interest or (2) the payment of principal or premium;
 - (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
 - (v) any change in the currency or composition of any payment of interest or principal to any currency which is not a Permitted Currency;
- (b) Notwithstanding the provisions of (a) above, none of the following shall constitute a Restructuring:
 - (i) the payment in euro of interest or principal in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
 - (ii) the occurrence of, agreement to or announcement of any of the events described in sub-paragraphs (a)(i) to (v) due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
 - (iii) the occurrence of, agreement to or announcement of any of the events described in sub-paragraphs (a)(i) to (v) in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity;
- (c) For purposes of sub-paragraphs (a) and (b) above and (d) below, the term "Obligation" shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the Applicable Pricing Supplement, as provider of any Qualifying Guarantee. In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in

sub-paragraph (a) shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in sub-paragraph (b) shall continue to refer to the Reference Entity;

- (d) Unless Multiple Holder Obligation is specified as not applicable in the Applicable Pricing Supplement, then, notwithstanding anything to the contrary in sub-paragraph (a), (b) or (c) above, the occurrence of, agreement to or announcement of any of the events described in sub-paragraphs (a)(i) to (v) shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation;

“Restructuring Credit Event” has the meaning given to it in Credit-Linked Condition 12.1 (*Restructuring Credit Event*);

“Restructuring Date” means, with respect to a Restructured Bond or Loan, the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring;

“Restructuring Maturity Limitation Date” means, with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Scheduled Maturity Date, provided that, in circumstances where the Scheduled Maturity Date is later than the 2.5-year Limitation Date, at least one Enabling Obligation exists. Notwithstanding the foregoing, if the final maturity date of the Restructured Bond or Loan with the latest final maturity date of any Restructured Bond or Loan occurs prior to the 2.5-year Limitation Date (such Restructured Bond or Loan, a "Latest Maturity Restructured Bond or Loan") and the Scheduled Maturity Date occurs prior to the final maturity date of such Latest Maturity Restructured Bond or Loan, then the Restructuring Maturity Limitation Date will be the final maturity date of such Latest Maturity Restructured Bond or Loan;

In the event that the Scheduled Maturity Date is later than (a)(i) the final maturity date of the Latest Maturity Restructured Bond or Loan, if any, or (ii) the 2.5-year Limitation Date, and, in either case, no Enabling Obligation exists or (b) the 20-year Limitation Date, the Restructuring Maturity Limitation Date will be the Scheduled Maturity Date;

“Revised Currency Rate” means, with respect to a Replacement Deliverable Obligation specified in a NOPS Amendment Notice, the rate of conversion between the currency in which the Replaced Deliverable Obligation Outstanding Amount is denominated and the currency in which the Outstanding Amount of such Replacement Deliverable Obligation is denominated that is determined either (a) by reference to the Currency Rate Source as at the Next Currency Fixing Time or (b) if such rate is not available at such time, by the Determination Agent in a commercially reasonable manner;

“Rules” means, with respect to a Credit Derivatives Determinations Committee, the Credit Derivatives Determinations Committees Rules as published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof;

“Scheduled Maturity Date” means the date specified as such in the Applicable Pricing Supplement which date shall not be subject to adjustment in accordance with any Business Day Convention unless otherwise specified in the Applicable Pricing Supplement;

“Settlement Currency” means the currency specified in the Applicable Pricing Supplement or, if no currency is so specified, the currency of denomination of the Credit-Linked Payer Calculation Amount;

“Settlement Date” means the latest of the Auction Settlement Date, the Cash Settlement Date, the Physical Settlement Date, the Delivery Date, the Latest Permissible Physical Settlement Date, the Extended Physical Settlement Date or the Further Extended Physical Settlement Date, as the case may be;

“Settlement Method” means if (a) *“Auction Settlement”* is specified as the applicable Settlement Method in the Applicable Pricing Supplement, auction settlement pursuant to Credit-Linked Condition 9.3 (*Redemption by Auction Settlement*), (b) *“Cash Settlement”* is specified as the applicable Settlement Method in the Applicable Pricing Supplement, cash settlement pursuant to Credit-Linked Condition 9.1 (*Redemption by Cash Settlement*) or (c) *“Physical Settlement”* is specified as the applicable Settlement

Method in the Applicable Pricing Supplement, physical settlement pursuant to Credit-Linked Condition 9.2 (*Redemption by Physical Settlement*);

“**Single Reference Entity Cash CLN**” means single Reference Entity Cash Redeemed Credit-Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of only one Reference Entity;

Upon the satisfaction of the Conditions to Settlement in respect of such Reference Entity, the Credit-Linked Notes will, unless otherwise specified in the Applicable Pricing Supplement, be Cash Redeemed;

“**Single Reference Entity Cash or Physical CLN**” means single Reference Entity Credit-Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of only one Reference Entity. Upon the satisfaction of the Conditions to Settlement in respect of such Reference Entity, the Credit-Linked Notes will, unless otherwise specified in the Applicable Pricing Supplement, be redeemed by (i) “*Auction Settlement*” or “*Cash Settlement*”, as applicable, or (ii) “*Physical Settlement*”, as the case may be, at the option of the Issuer;

“**Single Reference Entity Physical CLN**” means single Reference Entity Physically Redeemed Credit-Linked Notes where the Issuer purchases credit protection from the Noteholders in respect of only one Reference Entity. Upon the satisfaction of the Conditions to Settlement in respect of such Reference Entity, the Credit-Linked Notes will, unless otherwise specified in the Applicable Pricing Supplement, be redeemed by Physical Settlement;

“**Sovereign**” means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) thereof;

“**Sovereign Agency**” means any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) of a Sovereign;

“**Sovereign Restructured Deliverable Obligation**” means an Obligation of a Sovereign Reference Entity (a) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice has occurred and (b) described by the Deliverable Obligation Category specified in the Applicable Pricing Supplement, and, subject as set out in the definition of Deliverable Obligation Category, having each of the Deliverable Obligation Characteristics, if any, specified in the Applicable Pricing Supplement, in each case, immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring without regard to whether the Obligation would satisfy such Deliverable Obligation Category or Deliverable Obligation Characteristics after such Restructuring;

“**Specified Number**” means (a) the number of Public Source(s) specified in the Applicable Pricing Supplement, or if no number is specified in the Applicable Pricing Supplement, two and (b) where the Publicly Available Information is an ISDA publication, one;

“**Standard Alternative Cash Settlement Specifications**” means, for the purposes of determining the Final Price in relation to the Alternative Cash Settlement Amount pursuant to Credit-Linked Condition 9.2 (*Redemption by Physical Settlement*) only, the following terms shall be defined as follows (notwithstanding the definitions of such terms in this Credit-Linked Condition 1):

- (a) “**Indicative Quotation**” means, in accordance with the Quotation Method, each quotation obtained from a CLN Dealer at the Valuation Time for (to the extent reasonably practicable) an amount of the Undeliverable Obligation, as the case may be, equal to the Quotation Amount, which reflects such CLN Dealer’s reasonable assessment of the price of such Undeliverable Obligation, as the case may be, based on such factors as such CLN Dealer may consider relevant, which may include historical prices and recovery rates.
- (b) “**Market Value**” means, with respect to an Undeliverable Obligation on a Valuation Date, (i) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the same highest and lowest values (and, if more than one such Full Quotations have the same highest or lowest value, then one of such highest or

lowest Full Quotations shall be disregarded); (ii) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (iii) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations; (iv) if fewer than two Full Quotations are obtained and a Weighted Average Quotation is obtained, such Weighted Average Quotation; (v) if Indicative Quotations are specified as applying in the Applicable Pricing Supplement and exactly three Indicative Quotations are obtained, the Indicative Quotation remaining after disregarding the highest and lowest Indicative Quotations (and, if more than one such Indicative Quotations have the same highest or lowest value, then one of such highest or lowest Indicative Quotations shall be disregarded); (vi) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained (and, if Indicative Quotations are applicable, fewer than three Indicative Quotations are obtained) then, an amount as determined by the Determination Agent on the next Business Day on which at least two Full Quotations or a Weighted Average Quotation or, if applicable, three Indicative Quotations are obtained; and (vii) if fewer than two Full Quotations are obtained, no Weighted Average Quotation is obtained (and, if Indicative Quotations are applicable, fewer than three Indicative Quotations are obtained) on the same Business Day on or prior to the tenth Business Day following the Valuation Date, the Market Value shall be any Full Quotation obtained from a CLN Dealer at the Valuation Time on such tenth Business Day or, if no Full Quotation is obtained, the weighted average of any firm quotations (or, if applicable, Indicative Quotations) for the Undeliverable Obligation obtained from CLN Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations (or, if applicable, Indicative Quotations) were not obtained on such day.

- (c) **“Quotation”** means each Full Quotation, the Weighted Average Quotation and, if Indicative Quotations are specified as applying in the Applicable Pricing Supplement, each Indicative Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:
- (i) The Determination Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more CLN Dealers. If the Determination Agent is unable to obtain two or more such Full Quotations on the same Business Day within 3 Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the Relevant Valuation Date) the Determination Agent shall attempt to obtain Full Quotations from five or more CLN Dealers, and, if two or more Full Quotations are not available, a Weighted Average Quotation. If two or more such Full Quotations or a Weighted Average Quotation are not available on any such Business Day and Indicative Quotations are specified as applying in the Applicable Pricing Supplement, the Determination Agent shall attempt to obtain three Indicative Quotations from five or more CLN Dealers.
 - (ii) If the Determination Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation (or, if Indicative Quotations are specified as applying in the Applicable Pricing Supplement, three Indicative Quotations) on the same Business Day on or prior to the tenth Business Day following the Valuation Date, the Quotations shall be deemed to be any Full Quotation obtained from a CLN Dealer at the Valuation Time on such tenth Business Day or, if no Full Quotation is obtained, the weighted average of any firm quotations (or, if applicable, Indicative Quotations) for the Undeliverable Obligation obtained from CLN Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations (or, if applicable, Indicative Quotations) were not obtained on such day.
 - (iii) The Determination Agent shall determine, based on the then current market practice in the market of the relevant Undeliverable Obligation whether such Quotations shall

include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination.

- (iv) If any Quotation obtained with respect to an Accreting Obligation is expressed as a percentage of the amount payable in respect of such obligation at maturity, such Quotation will instead be expressed as a percentage of the Outstanding Principal Balance for purposes of determining the Final Price.
- (d) “**Quotation Amount**” is deemed to be, with respect to each type or issue of Undeliverable Obligation an amount equal to the Outstanding Principal Balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency converted by the Determination Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained), as applicable, of such Undeliverable Obligation;
- (e) “**Quotation Method**” is deemed to be Bid;
- (f) “**Reference Obligation**” is deemed to be each Undeliverable Obligation;
- (g) “**Valuation Date**” is deemed to be the date that is 2 Business Days after the Latest Permissible Physical Settlement Date;
- (h) “**Valuation Method**” is deemed to be the highest Quotation obtained by the Determination Agent with respect to the Valuation Date, unless fewer than two Full Quotations are obtained (or, if applicable, fewer than three Indicative Quotations are obtained) and no Weighted Average Quotation applies in which case "Valuation Method" is deemed to be Market Value;
- (i) “**Valuation Time**” is the time specified as such in the Applicable Pricing Supplement, or, if no time is so specified, 11.00 a.m. in the principal trading market for the Undeliverable Obligation;
- (j) “**Weighted Average Quotation**” means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from CLN Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Undeliverable Obligation with an Outstanding Principal Balance of as large a size as available but less than the Quotation Amount that in aggregate are approximately equal to the Quotation Amount;

“**Subordination**” means, with respect to an obligation (the “**Subordination Obligation**”) and another obligation of the Reference Entity to which such obligation is being compared (the “**Senior Obligation**”), a contractual, trust or similar arrangement providing that (a) upon the liquidation, dissolution, reorganisation or winding up of the Reference Entity, claims of the holders of the Senior Obligation will be satisfied prior to the claims of the holders of the Subordinated Obligation or (b) the holders of the Subordinated Obligation will not be entitled to receive or retain payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the Senior Obligation. Subordinated will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall not be taken into account where the Reference Entity is a Sovereign;

“**Substitute Reference Obligation**” means one or more obligations of the Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the Applicable Pricing Supplement, as provider of any Qualifying Guarantee) that will replace one or more Reference Obligations, identified by the Determination Agent in accordance with the following procedures:

- (a) In the event that (i) a Reference Obligation is redeemed in whole or (ii) in the opinion of the Determination Agent (A) the aggregate amounts due under any Reference Obligation have been materially reduced by redemption or otherwise (other than due to any scheduled

redemption, amortisation or prepayments), (B) any Reference Obligation is an Underlying Obligation with a Qualifying Guarantee of a Reference Entity and, other than due to the existence or occurrence of a Credit Event, the Qualifying Guarantee is no longer a valid and binding obligation of such Reference Entity enforceable in accordance with its terms, or (C) for any other reason, other than due to the existence or occurrence of a Credit Event, any Reference Obligation is no longer an obligation of a Reference Entity, the Determination Agent shall identify one or more Obligations to replace such Reference Obligation;

- (b) Any Substitute Reference Obligation or Substitute Reference Obligations shall be an Obligation that (i) ranks *pari passu* in priority of payment with such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as of the date as of which such Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such date), (ii) preserves the economic equivalent, as closely as practicable as determined by the Determination Agent, of the delivery and payment obligations of the Issuer under the Credit-Linked Notes and (iii) is an obligation of the relevant Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the Applicable Pricing Supplement, as provider of a Qualifying Guarantee). The Substitute Reference Obligation or Substitute Reference Obligations identified by the Determination Agent shall, without further action, replace such Reference Obligation or Reference Obligations;
- (c) If more than one specific Reference Obligation is identified as a Reference Obligation in relation to the Credit-Linked Notes, any of the events set forth under sub-paragraph (a) above has occurred with respect to one or more but not all of the Reference Obligations, and the Determination Agent determines that no Substitute Reference Obligation is available for one or more of such Reference Obligations, each Reference Obligation for which no Substitute Reference Obligation is available shall cease to be a Reference Obligation;
- (d) If more than one specific Reference Obligation is identified as a Reference Obligation in relation to CLNs, any of the events set forth under sub-paragraph (a) above has occurred with respect to all of the Reference Obligations, and the Determination Agent determines that at least one Substitute Reference Obligation is available for any such Reference Obligation, then each such Reference Obligation shall be replaced by a Substitute Reference Obligation and each Reference Obligation for which no Substitute Reference Obligation is available will cease to be a Reference Obligation;
- (e) If (i) more than one specific Reference Obligation is identified as a Reference Obligation in relation to the Credit-Linked Notes, any of the events set forth under sub-paragraph (a) above has occurred with respect to all of the Reference Obligations, and the Determination Agent determines that no Substitute Reference Obligation is available for any of the Reference Obligations, or (ii) only one specific Reference Obligation is identified as a Reference Obligation in relation to the Credit-Linked Notes, any of the events set forth under section (a) above has occurred with respect to such Reference Obligation and the Determination Agent determines that no Substitute Reference Obligation is available for that Reference Obligation, then the Determination Agent shall continue to attempt to identify a Substitute Reference Obligation until the Extension Date. If (A) either the Credit-Linked Notes are to be Cash Redeemed and the Cash Settlement Amount is determined by reference to a Reference Obligation or the Credit-Linked Notes are to be Physical Redeemed and the Reference Obligation is the only Deliverable Obligation, and (B) on or prior to the Extension Date (determined by reference to South African Time), a Substitute Reference Obligation has not been identified, the Issuer's obligations under the Credit-Linked Notes shall cease as of the end of the day on the Extension Date (determined by reference to South African Time);
- (f) For purposes of identification of a Reference Obligation, any change in the Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, convert such Reference Obligation into a different Obligation;

“**Succeed**”, for the purposes of the provisions relating to the determination of Successor, means, with respect to a Reference Entity and its Relevant Obligations (or, as applicable, obligations), that a party other than such Reference Entity (i) assumes or becomes liable for such Relevant Obligations (or, as

applicable, obligations) whether by operation of law or pursuant to any agreement or (ii) issues Bonds that are exchanged for Relevant Obligations (or, as applicable, obligations), and in either case such Reference Entity is no longer an obligor (primarily or secondarily) or guarantor with respect to such Relevant Obligations (or, as applicable, obligations). The determinations required pursuant to the definition of "Successor" shall be made, in the case of an exchange offer, on the basis of the Outstanding Principal Balance of Relevant Obligations tendered and accepted in the exchange and not on the basis of the Outstanding Principal Balance of Bonds for which Relevant Obligations have been exchanged;

"Succession Event" means (a) with respect to a Reference Entity that is not a Sovereign, an event such as a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event in which one entity succeeds to the obligations of another entity, whether by operation of law or pursuant to any agreement or (b) with respect to a Reference Entity that is a Sovereign, an event such as an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other event that results in any direct or indirect successor(s) to such Reference Entity, as determined by the Determination Agent. Notwithstanding the foregoing, "Succession Event" shall not include an event (i) in which the holders of obligations of the Reference Entity exchange such obligations for the obligations of another entity, unless such exchange occurs in connection with a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event or (ii) with respect to which the legally effective date (or, in the case of a Reference Entity that is a Sovereign, the date of occurrence) has occurred prior to the applicable Succession Event Backstop Date (determined by reference to South African Time);

"Succession Event Backstop Date" means:

- (a) for purposes of any event that constitutes a Succession Event for the purposes of certain credit derivative transactions, as determined by DC Resolution, the date that is 90 calendar days prior to the relevant Succession Event Resolution Request Date (determined by reference to South African Time), provided that the Determination Agent determines that such DC Resolution constitutes an Applicable Resolution; or
- (b) otherwise, the date that is 90 calendar days prior to the earlier of (A) the date on which the Succession Event Notice is effective and (B) in circumstances where (I) the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in sub-paragraphs (a) and (b) of the definition of Succession Event Resolution Request Date are satisfied in accordance with the Rules, (II) the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters and (III) the Succession Event Notice is delivered by the Determination Agent to the Issuer and the Paying Agent not more than 14 calendar days after the day on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, the Succession Event Resolution Request Date, provided that the Determination Agent determines that such DC Resolutions constitute Applicable Resolutions;

The Succession Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention unless otherwise specified in the Applicable Pricing Supplement.

"Succession Event Notice" means an irrevocable notice from the Determination Agent (which may be in writing (including by facsimile and/or email) and/or by telephone) to the Issuer and the Paying Agent that describes a Succession Event that occurred on or after the relevant Succession Event Backstop Date (determined by reference to South African Time).

A Succession Event Notice must contain a description in reasonable detail of the facts relevant to the determination, pursuant to the definition of Successor, of (a) whether a Succession Event has occurred and (b) if relevant, the identity of any Successor(s).

A Succession Event Notice shall also be subject to the requirements regarding notices set out in Credit-Linked Condition 4.9 (*Notices*);

"Succession Event Reference Entity" has the meaning given to it in Credit-Linked Condition 11.3 (*Succession Event*).

“Succession Event Resolution Request Date” means, with respect to a notice to ISDA, delivered in accordance with the Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve:

- (a) whether an event that constitutes a Succession Event for purposes of certain credit derivatives transactions has occurred with respect to the relevant Reference Entity; and
- (b) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred, (i) with respect to a Reference Entity that is not a Sovereign, the legally effective date of such event or (ii) with respect to a Reference Entity that is a Sovereign, the date of the occurrence of such event,

the date, as publicly announced by ISDA, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective, provided that the Determination Agent determines that such request and the Resolution constitute an Applicable Request and an Applicable Resolution;

“Successor” means:

- (a) in relation to a Reference Entity that is not a Sovereign, the entity or entities, if any, determined as set out below:
 - (i) if one entity directly or indirectly succeeds to 75 per cent or more of the Relevant Obligations of the Reference Entity by way of a Succession Event, that entity will be the sole Successor in respect of such Reference Entity;
 - (ii) if only one entity directly or indirectly succeeds to more than 25 per cent. (but less than 75 per cent.) of the Relevant Obligations of the Reference Entity by way of a Succession Event and not more than 25 per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than 25 per cent of the Relevant Obligations will be the sole Successor in respect of such Reference Entity;
 - (iii) if more than one entity each directly or indirectly succeeds to more than 25 per cent of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than 25 per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than 25 per cent of the Relevant Obligations will each be a Successor, and the terms of Credit-Linked Condition 11 (*Succession Event*) shall be applicable;
 - (iv) if one or more entities each directly or indirectly succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and more than 25 per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a Successor, and the terms of Credit-Linked Condition 11 (*Succession Event*) shall be applicable;
 - (v) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than 25 per cent of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity and the terms of Credit-Linked Condition 11 (*Succession Event*) shall be applicable; and
 - (vi) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than 25 per cent of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations (or, if two or more entities succeed to an equal percentage of Relevant Obligations, the entity from among those entities which

succeeds to the greatest percentage of obligations of the Reference Entity) will be the sole Successor; and

- (b) in relation to a Sovereign Reference Entity, any direct or indirect successor(s) to that Reference Entity irrespective of whether such successor(s) assumes any of the obligations of such Reference Entity.

With respect to any Reference Entity (other than a Sovereign Reference Entity), the Determination Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than 14 calendar days after the legally effective date of the relevant Succession Event), and with effect from the legally effective date of the Succession Event whether the relevant thresholds set forth in sub-paragraph (a) above have been met, or which entity qualifies under sub-paragraph (a)(vi) above, as applicable, provided that the Determination Agent will not make such determination if, at such time, either (A) ISDA has publicly announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in sub-paragraph (a) above, in sub-paragraph (a) of the definition of “Succession Event Resolution Request Date” and sub-paragraph (b)(i) of the definition of “Succession Event Resolution Request Date”, are satisfied in accordance with the Rules (until such time, if any, as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor) or (B) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event for purposes of the certain credit derivative transactions has occurred, and in each case the Determination Agent determines that such DC Resolution is an Applicable Resolution. In calculating the percentages used to determine whether the relevant thresholds set forth in the definition of “Successor” have been met, or which entity qualifies under sub-paragraph (a)(vi) of such definition, the Determination Agent shall use, with respect to each applicable Relevant Obligation included in such calculation, the amount of the liability with respect to such Relevant Obligation listed in the Best Available Information and shall notify the Issuer (or, if the Determination Agent is the Issuer, the Noteholders) of such calculation.

With respect to any Sovereign Reference Entity, the Determination Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than 14 calendar days after the date of the occurrence of the relevant Succession Event), and with effect from the date of the occurrence of the Succession Event, each Sovereign and/or entity, if any, that qualifies under sub-paragraph (b) above; provided that the Determination Agent will not make such determination if, at such time, either (i) ISDA has publicly announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in sub-paragraph (b) above and sub-paragraphs (a) and (b)(i) of the definition of “Succession Event Resolution Request Date” are satisfied in accordance with the Rules (until such time, if any, as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor) or (ii) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event has occurred and the Determination Agent determines that such DC Resolution is an Applicable Resolution. A copy of the notice of any determination of a Successor shall be given to Noteholders in accordance with Condition 22 (*Notices*).

Where:

- (i) a Reference Obligation is specified in the Applicable Pricing Supplement; and
- (ii) one or more Successors to the Reference Entity have been identified; and
- (iii) any one or more such Successors have not assumed the Reference Obligation,

a Substitute Reference Obligation will be determined in accordance with the definition of Substitute Reference Obligation.

“**Successor Reference Entity**” has the meaning given to it in Credit-Linked Condition 11.1.1 (*Succession Event*);

“Supranational Organisation” means any entity or organisation established by treaty or other arrangement between two or more Sovereigns or the Sovereign Agencies of two or more Sovereigns and includes, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development;

“Suspension Event” means the Determination Agent determines that a public announcement has been made by ISDA that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in sub-paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date are satisfied in accordance with the Rules and such announcement relates to a Reference Entity and Credit Event under the Credit-Linked Notes;

“Suspension Event Cessation Date” means, with respect to a Suspension Event, the date on which the Determination Agent determines that ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved either (a) the matters described in the definition of Suspension Event or (b) not to determine such matters;

“Trade Date” means the date from which the credit protection purchased by the Issuer commences, as specified in the Applicable Pricing Supplement or if not so specified, the Issue Date;

“Transaction Type” means for the purposes of the application of the Programme Transaction Type Standard Terms to Credit Linked Notes, each Reference Entity designated as either (1) Africa Corporate; or (2) Africa Sovereign in the Applicable Pricing Supplement;

“Transferable” means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction provided that none of the following shall be considered contractual, statutory or regulatory restrictions:

- (a) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation); or
- (b) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds,

and, if specified as applicable to a Deliverable Obligation Category, the Transferable Deliverable Obligation Characteristic shall be applicable only in respect of obligations within that Deliverable Obligation Category that are not Loans;

“Undeliverable Obligation” means in the case of a Physical Settled CLN, any Deliverable Obligation which is the subject of the Potential Cash Settlement Event and/or a Hedge Disruption Event;

“Undeliverable Valuation Date” means the date that is 2 Business Days after the latest of the Latest Permissible Physical Settlement Date, the Extended Physical Settlement Date or the Further Extended Physical Settlement Date, as the case may be;

“Unwind Costs” means the amount specified in the Applicable Pricing Supplement or if “Standard Unwind Costs” are specified in the Applicable Pricing Supplement, an amount determined by the Determination Agent equal to the sum of (without duplication) all costs, fees, charges, expenses (including loss of funding), tax and duties incurred by the Issuer and/or any of its Affiliates in connection with the redemption of the Credit-Linked Notes and the related termination, settlement or re-establishment of any hedge or related trading position, such amount to be apportioned pro rata amongst each nominal amount of CLNs in the Calculation Amount;

“Valuation Date” means the date that is the number of calendar days or Business Days (as specified in the Applicable Pricing Supplement) after the Conditions to Settlement have been satisfied (or in the case of a Basket Cash CLN, Basket Physical CLN or Basket Cash or Physical CLN, each date on which the

Conditions to Settlement have been satisfied) or, if no date is so specified, the date that is 5 Business Days after the Conditions to Settlement have been satisfied;

“Valuation Method”:

(a) The following Valuation Methods may be specified in the Applicable Pricing Supplement for a CLN with only one Reference Obligation and only one Valuation Date:

- (i) “*Market*” means the Market Value determined by the Determination Agent with respect to the Valuation Date; or
- (ii) “*Highest*” means the highest Quotation obtained by the Determination Agent with respect to the Valuation Date.

If no such Valuation Method is specified in the Applicable Pricing Supplement, the Valuation Method shall be Market.

(b) The following Valuation Methods may be specified in the Applicable Pricing Supplement for a CLN with only one Reference Obligation and more than one Valuation Date:

- (i) “*Average Market*” means the unweighted arithmetic mean of the Market Values determined by the Determination Agent with respect to each Valuation Date; or
- (ii) “*Highest*” means the highest Quotation obtained by the Determination Agent with respect to any Valuation Date; or
- (iii) “*Average Highest*” means the unweighted arithmetic mean of the highest Quotations obtained by the Determination Agent with respect to each Valuation Date.

If no such Valuation Method is specified in the Applicable Pricing Supplement, the Valuation Method shall be Average Market.

(c) The following Valuation Methods may be specified in the Applicable Pricing Supplement for a CLN with more than one Reference Obligation and only one Valuation Date:

- (i) “*Blended Market*” means the unweighted arithmetic mean of the Market Value for each Reference Obligation determined by the Determination Agent with respect to the Valuation Date;
- (ii) “*Blended Highest*” means the unweighted arithmetic mean of the highest Quotations obtained by the Determination Agent for each Reference Obligation with respect to the Valuation Date;
- (iii) “*Weighted Blended Market*” means the weighted arithmetic mean of the Market Value for each Reference Obligation determined by the Determination Agent with respect to the Valuation Date, such weighting to be made on such terms as the Determination Agent determines appropriate, which may, without limitation be by reference to hedging arrangements of the Issuer and/or any of its Affiliates in respect of the Credit-Linked Notes; or
- (iv) “*Weighted Blended Highest*” means the weighted arithmetic mean of the highest Quotations obtained by the Determination Agent for each Reference Obligation with respect to the Valuation Date, such weighting to be made on such terms as the Determination Agent determines appropriate, which may, without limitation be by reference to hedging arrangements of the Issuer and/or any of its Affiliates in respect of the Credit-Linked Notes.

If no such Valuation Method is specified in the Applicable Pricing Supplement, the Valuation Method shall be Weighted Blended Market.

- (d) The following Valuation Methods may be specified in the Applicable Pricing Supplement for a CLN with more than one Reference Obligation and more than one Valuation Date:
- (i) “*Average Blended Market*” means, using values with respect to each Valuation Date determined by the Determination Agent in accordance with the Blended Market Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each Valuation Date;
 - (ii) “*Average Blended Highest*” means, using values with respect to each Valuation Date determined by the Determination Agent in accordance with the Blended Highest Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each Valuation Date;
 - (iii) “*Weighted Average Blended Market*” means, using values with respect to each Valuation Date determined by the Determination Agent in accordance with the Blended Market Valuation Method, the weighted arithmetic mean of the values so determined with respect to each Valuation Date, such weighting to be made on such terms as the Determination Agent determines appropriate, which may, without limitation be by reference to hedging arrangements of the Issuer and/or any of its Affiliates in respect of the Credit-Linked Notes; or
 - (iv) “*Weighted Average Blended Highest*” means, using values with respect to each Valuation Date determined by the Determination Agent in accordance with the Blended Highest Market Valuation Method, the weighted arithmetic mean of the values so determined with respect to each Valuation Date, such weighting to be made on such terms as the Determination Agent determines appropriate, which may, without limitation be by reference to hedging arrangements of the Issuer and/or any of its Affiliates in respect of the Credit-Linked Notes.

If no such Valuation Method is specified in the Applicable Pricing Supplement, the Valuation Method shall be Weighted Average Blended Market.

- (e) Notwithstanding sub-paragraphs (a) to (d) above, if Quotations include Weighted Average Quotations or fewer than two Full Quotations, the Valuation Method shall be Market, Average Market, Blended Market or Average Blended Market, as the case may be;

“**Valuation Time**” means the time specified in the Applicable Pricing Supplement or, if no time is so specified, 11.00 a.m. (Johannesburg time) in the principal trading market for the Reference Obligation or Undeliverable Obligation, as the case may be;

“**Voting Shares**” shall mean those shares or other interests that have the power to elect the board of directors or similar governing body of an entity;

“**Weighted Average Quotation**” means, in accordance with the bid quotations provided by the CLN Dealers, the weighted average of firm quotations obtained from the CLN Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Reference Obligation or Deliverable Obligation, as the case may be, with an Outstanding Principal Balance of as large a size as available but less than the Quotation Amount (but of a size equal to the Minimum Quotation Amount or, if quotations of a size equal to the Minimum Quotation Amount are not available, quotations as near in size as practicable to the Minimum Quotation Amount) that in the aggregate are approximately equal to the Quotation Amount.

2 CREDIT EVENT TERMS

The Applicable Pricing Supplement shall specify:

- 2.1 the type of Credit-Linked Notes which may be any of the following:
 - 2.1.1 Single Reference Entity Cash CLN;

- 2.1.2 Single Reference Entity Physical CLN;
- 2.1.3 Single Reference Entity Cash or Physical CLN;
- 2.1.4 Nth-to-Default Cash CLN;
- 2.1.5 Nth-to-Default Physical CLN;
- 2.1.6 Nth-to-Default Cash or Physical CLN;
- 2.1.7 Basket Cash CLN;
- 2.1.8 Basket Physical CLN;
- 2.1.9 Basket Cash or Physical CLN; or
- 2.1.10 Credit-Linked Notes of a type other than those set Credit-Linked Note Conditions 2.1.1 to 2.1.9 above as specified in the Applicable Pricing Supplement (including, without limitation, Credit-Linked Notes which are a combination of one or more of the above, for example, notes which have different settlement methods for Bonds and Loans);
- 2.2 the Reference Entity or Reference Entities in respect of which a Credit Event may occur (which shall include any Successor(s) thereto);
- 2.3 the Reference Obligation(s) (if any) in respect of each Reference Entity;
- 2.4 the Settlement Method and, if applicable, the Fallback Settlement Method;
- 2.5 whether the Programme Transaction Type Standard Terms are applicable and, if so, the relevant Transaction Type(s), as the case may be;
- 2.6 the Trade Date and the Scheduled Maturity Date;
- 2.7 the Credit-Linked Payer Calculation Amount in respect of each Reference Entity;
- 2.8 the relevant Credit Events, including (i) whether Grace Period Extension applies (which enables a Potential Failure to Pay that occurred prior to the Scheduled Maturity Date but that resulted in a Failure to Pay after the Scheduled Maturity Date to be a Credit Event), (ii) whether there is any Default Requirement or Payment Requirement for an amount other than ZAR10,000,000 and ZAR1,000,000 respectively (or their respective equivalent in the relevant Obligation Currency), and (iii) where Restructuring is specified as an applicable Credit Event, whether “*Restructuring Maturity Limitation and Fully Transferable Obligation Applicable*” applies or, as the case may be, “*Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable*” applies or otherwise if neither applies;
- 2.9 the Obligations in respect of which the Credit Event may occur, including the Obligation Category and the Obligation Characteristics;
- 2.10 the Deliverable Obligations that may be Delivered or used to calculate the Cash Settlement Amount or Alternative Cash Settlement Amount, as the case may be, including the Deliverable Obligation Category and the Deliverable Obligation Characteristics;
- 2.11 the relevant Conditions to Settlement that have to be satisfied upon the occurrence of a Credit Event;
- 2.12 whether “*Extension Interest*” is applicable; and
- 2.13 if “*Auction Settlement*” is specified as the Settlement Method, whether Credit Derivatives Determinations Committee Extension is applicable.

3 FINAL REDEMPTION AND MATURITY DATE

3.1 Notwithstanding anything to the contrary in Condition 9 (*Redemption and Purchase*) of the Terms and Conditions, unless either:

3.1.1 the Credit-Linked Notes have been previously redeemed or purchased and cancelled; or

3.1.2 an Event Determination Date has occurred in respect of a Reference Entity but no settlement, nor any action to effect settlement, has occurred on or prior to the Maturity Date,

the Issuer will redeem each Credit-Linked Note on the Maturity Date in an amount equal to its outstanding principal amount together with interest accrued or any redemption premium in accordance with the Applicable Pricing Supplement.

3.2 The Determination Agent may deliver to the Issuer and the Paying Agent an Extension Notice at any time prior to 11.00 a.m. (Johannesburg time) 2 (two) Business Days prior to the Scheduled Maturity Date (the “**Final Extension Notice Date**”). As soon as reasonably practicable after receipt of an Extension Notice, the Issuer shall promptly inform the Paying Agent and the Noteholders in accordance with Condition 22 (*Notices*).

3.3 For the purposes of Credit-Linked Notes, “**Maturity Date**” means the later of:

3.3.1 the Scheduled Maturity Date; and

3.3.2 the date which is 3 (three) Business Days following the earlier of:

3.3.2.1 the date on which the Cancellation Notice is given; or

3.3.2.2 the Extended Maturity Date.

If an Event Determination Date occurs on or prior to the Extended Maturity Date, provided that in the case of Physically Settled CLNs, the Notice of Physical Settlement has been delivered by the Physical Determination Date, redemption of the Credit-Linked Notes shall be subject to and in accordance with the relevant provisions of these Credit-Linked Terms and Conditions.

4 NOTICES

4.1 In accordance with these Credit-Linked Terms and Conditions, the Determination Agent may deliver a Credit Event Notice and (if applicable) a Notice of Publicly Available Information to the Issuer and the Paying Agent at any time during the Notice Delivery Period.

4.2 The Issuer shall give notice or shall procure that notice is given (the “**Event Determination Notice**”) to the Paying Agent and the Noteholders in accordance with Condition 22 (*Notices*), that an Event Determination Date has occurred as soon as reasonably practicable after receiving notification of such Event Determination Date from the Determination Agent.

4.3 Where the Credit-Linked Notes are Single Reference Entity Cash or Physical CLN, Nth-to-Default Cash or Physical CLN or Basket Cash or Physical CLN, the Issuer shall give notice or shall procure that notice is given (the “**Election Notice**”) to the Paying Agent, the Determination Agent and the Noteholders in accordance with Condition 22 (*Notices*) on or before the tenth calendar day after the Event Determination Date, that the Issuer elects that the Credit-Linked Notes will be Cash Redeemed or Physical Redeemed, as the case may be.

4.4 Where the Credit-Linked Notes are Nth-to-Default Cash CLNs or Nth-to-Default Physical CLNs or Nth-to-Default Cash or Physical CLNs, the Determination Agent may give a Credit Event Notice (and the Notice of Publicly Available Information and/or Notice of Physical Settlement, as applicable) in respect of a Credit Event that has occurred in relation to any of the Reference Entities (which Credit Event may or may not be the first to occur). If a Credit Event occurs with respect to

more than one Reference Entity on the same day, the Determination Agent shall in its sole discretion select which Reference Entity shall be deemed to be subject to the Credit Event provisions, if any.

4.5 Where Restructuring is specified in the Applicable Pricing Supplement as being an applicable Credit Event, there may be more than one Event Determination Date in respect of the same Reference Entity as further described in Credit-Linked Condition 12 (*Restructuring Credit Event*) below. In addition, in the case of a Basket Cash CLN, Basket Physical CLN or Basket Cash or Physical CLN, there may be multiple Event Determination Dates but, other than as set out in the preceding sentence, only one Event Determination Date in respect of each Reference Entity. An Event Determination Date in respect of more than one Reference Entity may occur on any one date. The provisions set out in these Credit-Linked Terms and Conditions set out the mechanics that apply in respect of one Reference Entity and shall apply severally to each Reference Entity for a Basket Cash CLN, Basket Physical CLN or Basket Cash or Physical CLN.

4.6 In the case of a Physically Settled CLN, a Notice of Physical Settlement must be delivered by the Determination Agent to the Paying Agent, the Noteholders and the Issuer on or before the 30th calendar day after the relevant Event Determination Date (such 30th calendar day being the “**Physical Determination Date**”). For purposes of determining whether such Notice of Physical Settlement has been so delivered by the Physical Determination Date, the effective date of delivery of the Notice of Physical Settlement (whether or not subsequently changed) shall be used. Notices to Noteholders shall be delivered in accordance with Condition 22 (*Notices*).

If a Notice of Physical Settlement is not delivered on or before the Physical Determination Date, the Credit-Linked Notes will then be redeemed in accordance with Credit-Linked Condition 9.1 (*Redemption by Cash Settlement*) except that for the purposes of interpreting such Credit-Linked Condition 9.1 (*Redemption by Cash Settlement*), the Cash Settlement Date shall be deemed to be 5 (five) Business Days after the Physical Determination Date.

4.7 Where an Event Determination Date Reversal has occurred pursuant to Credit-Linked Condition 10 (*Reversals and Adjustments to Event Determination Dates*), the Issuer shall give notice or shall procure that notice is given to the Paying Agent, the Determination Agent and the Noteholders in accordance with Condition 22 (*Notices*), of the occurrence of such Event Determination Date Reversal.

4.8 In the case of a Cash Settled CLN where “*Auction Settlement*” is specified as the Settlement Method, if, pursuant to Credit-Linked Condition 9.3 (*Redemption by Auction Settlement*), the Fallback Settlement Method is to apply, the Issuer shall give notice or shall procure that notice is given to the Paying Agent, the Determination Agent and the Noteholders in accordance with Condition 22 (*Notices*) that the Fallback Settlement Method, as specified in the Applicable Pricing Supplement, is to apply.

4.9 Where Repudiation/Moratorium is specified in the Applicable Pricing Supplement as being an applicable Credit Event, the Determination Agent may give a Repudiation/Moratorium Extension Notice to the Issuer and the Paying Agent (which may also be deemed to be an Extension Notice for the purposes of Credit-Linked Condition 3 (*Final Redemption and Maturity Date*)) in accordance with the terms thereof.

4.10 In relation to the delivery by the Determination Agent to the Issuer and/or the Paying Agent of any notice pursuant to these Credit-Linked Terms and Conditions, a notice delivered on or prior to 4.00 p.m. (Johannesburg time) on a Business Day will be effective on such Business Day. A notice delivered after 4.00 p.m. (Johannesburg time) on a Business Day or on a day which is not a Business Day will be deemed effective on the next following Business Day, regardless of the form in which it is delivered. For purposes of this Credit-Linked Condition 4.10, a notice given by telephone will be deemed to have been delivered at the time the telephone conversation takes place. If the notice is delivered by telephone, a written confirmation will be executed and delivered confirming the substance of that notice within 1 (one) Business Day of that notice.

4.11 As soon as reasonably practicable after the service of any notice on the Issuer in accordance with these Credit-Linked Terms and Conditions, the Issuer shall promptly inform the Paying Agent and the

Noteholders of the content of such notices in accordance with Condition 22 (*Notices*) (if the Paying Agent and the Noteholders have not already received a copy of such notice).

5 INTEREST

5.1 Subject to Credit-Linked Condition 6 (*Interest Postponement*) and Credit-Linked Condition 5.2 below, if:

5.1.1 an Extension Notice has been given; and

5.1.2 “*Extension Interest*” is specified as being applicable in the Applicable Pricing Supplement,

the Credit-Linked Notes will (unless one or more Event Determination Dates occur in which case Credit-Linked Condition 5.2 below applies in respect of the Credit Event Portion) continue to bear interest from (and including) the Scheduled Maturity Date to (but excluding) the earlier of:

5.1.3 the Extended Maturity Date;

5.1.4 the date on which a Cancellation Notice is deemed to be delivered (such date, the “**Extended Interest Payment Date**”).

Such interest will be payable by the Issuer in arrears on the Extended Interest Payment Date in an amount determined by the Determination Agent equal to the sum for each day in the Extended Interest Period of the product of (a) the Calculation Amount per Notes on such day, (b) the Issuer’s overnight deposit rate for deposits in the Settlement Currency for such day and (c) the applicable Day Count Fraction. If “*Extension Interest*” is specified as not applicable in the Applicable Pricing Supplement, no interest shall accrue or be payable on each such Credit-Linked Note in respect of any period on or following the Scheduled Maturity Date, notwithstanding that the Maturity Date occurs following such date.

5.2 Upon the occurrence of an Event Determination Date and subject to Credit-Linked Condition 10 (*Reversals and Adjustments to Event Determination Dates*), interest on the Credit Event Portion of the Credit-Linked Notes shall cease to accrue in the manner specified in the Applicable Pricing Supplement. The Applicable Pricing Supplement may specify that:

5.2.1 interest ceases to accrue from the Interest Payment Date immediately preceding the Event Determination Date (or, in the case of the first Interest Period, the Interest Commencement Date);

5.2.2 interest ceases to accrue from (but excluding) the Event Determination Date; or

5.2.3 interest ceases to accrue from the Interest Payment Date immediately preceding the relevant Cash Settlement Date, Auction Settlement Date, Physical Settlement Date or Delivery Date, as applicable (or, in the case of the first Interest Period, the Interest Commencement Date).

6 INTEREST POSTPONEMENT

6.1 If on or prior to any Interest Payment Date:

6.1.1 an Applicable Request in respect of a Credit Event has been made; and

6.1.2 no Applicable Resolution has been published in respect of such Applicable Request,

the payment of interest (if any) scheduled to be paid to Noteholders on or about such Interest Payment Date will be suspended. If in connection with such Applicable Request either:

6.1.3 an Applicable DC Credit Event Announcement is made but the Determination Agent determines that the Event Determination Date relating thereto is a date falling after such Interest Payment Date; or

6.1.4 an Applicable DC No Credit Event Announcement is made,

payment of the suspended interest will be made 2 (two) Business Days after the date the Event Determination Date is so determined or the date of the Applicable DC No Credit Event Announcement, as applicable. If in connection with such Applicable Request, an Applicable DC Credit Event Announcement is made and the Determination Agent determines that the Event Determination Date relating thereto is a date falling on or prior to such Interest Payment Date, no payment of the suspended interest will be made.

6.2 No additional amount in respect of interest and no adjustment shall be made to the amount of any interest in connection with the delay or postponement of any payment of interest pursuant to Credit-Linked Condition 6.1. The Issuer shall endeavour to give notice to the Noteholders in accordance with Condition 22 (*Notices*) as soon as reasonably practicable should any payment of interest be suspended and/or postponed pursuant to this Credit-Linked Condition 6.

7 REDEMPTION SUSPENSION

If, following the determination of an Event Determination Date in accordance with sub-paragraph (a) of the definition of Event Determination Date but prior to the Maturity Date, the Cash Settlement Date, the Auction Cash Settlement Date, the relevant Physical Settlement Date, a Delivery Date or, to the extent applicable, a Valuation Date, as applicable, the Determination Agent determines that a Suspension Event has occurred, the timing requirements relating to notices of physical settlement and the timing requirements of Credit-Linked Conditions 3 (*Final Redemption and Maturity Date*), 9.1 (*Redemption by Cash Settlement*), 9.2 (*Redemption by Physical Settlement*) and 9.3 (*Redemption by Auction Settlement*) of these Credit-Linked Terms and Conditions, as applicable, or any other provision of these Credit-Linked Terms and Conditions and the Notes that pertains to redemption and settlement, shall toll and remain suspended until the Suspension Event Cessation Date. During such suspension period, the Determination Agent and the Issuer is not obliged to take any action in connection with the redemption and settlement of the Notes. The relevant timing requirements and redemption and settlement provisions, as applicable, that have previously tolled or been suspended shall resume on the Business Day following the relevant Suspension Event Cessation Date with the benefit of the full day notwithstanding when the tolling or suspension began in accordance with this Credit-Linked Condition 7. Without prejudice to any amounts payable pursuant to Credit-Linked Condition 10 (*Reversals and Adjustments to Event Determination Dates*) of these Credit-Linked Terms and Conditions, no additional amounts shall be payable by the Issuer in connection with any such suspension.

8 DETERMINATION AGENT

Unless otherwise specified in the Applicable Pricing Supplement:

8.1 the Issuer shall act as the Determination Agent for the purposes of these Credit-Linked Terms and Conditions;

8.2 any determination, discretion or calculation of the Issuer or the Determination Agent as may be specified in these Credit-Linked Terms and Conditions will be made in the sole and absolute discretion of the Issuer or the Determination Agent, as applicable, and neither assume any obligation to, or relationship of agency or trust with, any Noteholders or any other person. Furthermore, each Noteholder agrees that neither the Issuer nor the Determination Agent is acting as fiduciary for or as an advisor to such Noteholder in respect of its duties as Issuer or Determination Agent. In making any such determination or calculation or exercising any such discretion, neither the Issuer nor the Determination Agent shall be required to take into account any person's interest other than its own and shall in all respects act as an arm's length contractual party;

8.3 the Determination Agent shall be responsible for, *inter alia*:

8.3.1 determining whether a Credit Event has occurred and serving a Credit Event Notice;

8.3.2 serving an Extension Notice;

- 8.3.3 determining a Successor Reference Entity or Successor Reference Entities and making any other determinations required to be made under Credit-Linked Condition 11 (*Succession Event*);
- 8.3.4 identifying and determining a Substitute Reference Obligation;
- 8.3.5 determining the Final Price in accordance with the applicable Valuation Method;
- 8.3.6 converting the Quotation Amount into the relevant Obligation Currency;
- 8.3.7 determining the Currency Rate;
- 8.3.8 determining the Representative Amount; and
- 8.3.9 determining the number of Business Days in each Physical Settlement, and

whenever the Determination Agent is required to act or to exercise judgment, it will do so in good faith and in a commercially reasonable manner;

- 8.4 if any of the matters set out in this Credit-Linked Condition 8 are decided and/or determined by a Credit Derivatives Determinations Committee, the Determination Agent shall follow such decision or determination to the extent such decision and/or determination is applicable to any Series of Credit-Linked Notes.

9 REDEMPTION

9.1 Redemption by Cash Settlement

- 9.1.1 Notwithstanding anything to the contrary in Condition 10 (*Redemption and Purchase*), in the case of a Cash Settled CLN where either:
 - 9.1.1.1 “*Cash Settlement*” is specified as the Settlement Method in the Applicable Pricing Supplement; or
 - 9.1.1.2 “*Cash Settlement*” is specified as the Fallback Settlement Method and the Fallback Settlement Method applies,

upon the satisfaction of the Conditions to Settlement on or prior to the last day of the Notice Delivery Period, the Issuer shall redeem the relevant Credit Event Portion of the Credit-Linked Notes on the Cash Settlement Date by payment of the relevant Cash Settlement Amount to the Noteholders. The Cash Settlement Amount shall be apportioned *pro rata* among the Noteholders, with the resultant figure rounded downwards to the nearest sub-unit of the relevant Specified Currency.

- 9.2 **Redemption by Physical Settlement** Notwithstanding anything to the contrary in Condition 10 (*Redemption and Purchase*) of the Terms and Conditions, in the case of a Physically Settled CLN, upon the satisfaction of the Conditions to Settlement by the Physical Determination Date, the Issuer shall redeem the relevant Credit Event Portion of the Credit-Linked Notes on or prior to the relevant Physical Settlement Date by using its reasonable endeavours to Deliver, subject to Credit-Linked Conditions 9.2.2 and 9.2.3 below, the relevant Portfolio to the Noteholders, in each case, to be apportioned *pro rata* among such Noteholders.

- 9.2.2 If the Credit-Linked Notes are partially redeemed, the relevant Credit-Linked Note or, if the Credit-Linked Notes are represented by a Global Certificate or Individual Certificate, as the case may be, such Global Certificate or an Individual Certificate, as the case may be, shall be endorsed to reflect such partial redemption in accordance with the Applicable Procedures. If the Credit-Linked Notes are represented by a Global Certificate, delivery of the Portfolio will (subject as provided below) be made against presentation or surrender, as the case may be, of the relevant Global Certificate at the Specified Office of the Paying Agent. A record of each delivery made against presentation or surrender of such Global Certificate will be made on such Global Certificate on behalf of the Issuer by the Paying Agent to which such Global Certificate is presented for the purpose of making such delivery, and such record shall be prima facie evidence that the delivery in question has been

made. The CSD's Nominee, as the registered holder of Credit-Linked Notes represented by a Global Certificate shall be the only person entitled to receive delivery of the relevant Portfolio in respect of Credit-Linked Notes in accordance with the Applicable Procedures and the Issuer will be discharged by delivery to, or to the order of, the CSD in respect of each amount so delivered. Each of the persons shown in the records of the CSD as the beneficial holder of a particular nominal amount of Credit-Linked Notes must look solely to CSD for its share of each delivery so made by the Issuer to, or to the order of, the CSD. No person other than a holder shall have any claim against the Issuer in respect of any deliveries due on Credit-Linked Notes represented by a Global Certificate. No person shall have any claim against the Paying Agent in respect of any deliveries due on such Credit-Linked Notes.

For the avoidance of doubt, no Asset Transfer Notice will be required.

- 9.2.4 If the Credit-Linked Notes are represented by an Individual Certificate, in order to obtain delivery of the pro rata share of the Portfolio in respect of any such Credit-Linked Note represented by an Individual Certificate, the relevant Noteholder must deliver to the Transfer Agent or the Paying Agent, in each case with a copy to the Issuer, not later than the close of business in each place of reception on the Asset Transfer Notice Cut-Off Date specified in the Applicable Pricing Supplement, a duly completed Asset Transfer Notice.

Forms of the Asset Transfer Notice may be obtained during normal business hours from the Specified Office of the Transfer Agent and the Credit-Linked Note must be delivered together with the duly completed Asset Transfer Notice.

An Asset Transfer Notice must:

- 9.2.4.1 specify the name and address of the relevant Noteholder, the person from whom the Issuer may obtain details for the delivery of the relevant Portfolio and any details required for delivery of the relevant Portfolio set out in the Applicable Pricing Supplement;
- 9.2.4.2 include an undertaking to pay all Delivery Expenses;
- 9.2.4.3 specify an account to which any amount payable or any other cash amounts specified in the Applicable Pricing Supplement as being payable are to be paid; and
- 9.2.4.4 authorise the production of such notice in any applicable administrative or legal proceedings.

No Asset Transfer Notice may be withdrawn after receipt thereof by the Transfer Agent. After delivery of an Asset Transfer Notice, the relevant Noteholder may not transfer the Credit-Linked Notes which are the subject of such notice.

Failure to properly complete and deliver an Asset Transfer Notice may result in such notice being treated as null and void. Any determination as to whether such notice has been properly completed and delivered as provided in the Terms and Conditions shall be made by the Transfer Agent after consultation with the Issuer, and shall be conclusive and binding on the Issuer and the relevant Noteholder.

- 9.2.5 If the Issuer is unable to Deliver any portion of the Portfolio on or prior to the Physical Settlement Date due to any Potential Cash Settlement Event or Hedge Disruption Event, rendering it impossible, impracticable (including if unduly burdensome) or illegal for the Issuer to Deliver or for the Noteholder to accept Delivery of any portion of the Portfolio on or prior to the Physical Settlement Date, then on such date the Issuer shall give notice to the Paying Agent and the Noteholders (in accordance with Condition 22 (*Notices*)) of its inability to Deliver any portion of the Portfolio and shall:

- 9.2.5.1 Deliver that portion of the Portfolio in respect of which Delivery is possible and legal and the Issuer shall continue to endeavour to Deliver any Undeliverable Obligation; and

- 9.2.5.2 if any Undeliverable Obligations have not been delivered on or prior to the Latest Permissible Physical Settlement Date, then Alternative Cash Settlement shall apply to such Undeliverable Obligations as determined by the Determination Agent on the Undeliverable Valuation Date.

The Issuer shall pay the Noteholders an amount equal to the Alternative Cash Settlement Amount (based on and determined by the Determination Agent in its sole discretion, with respect to each Undeliverable Obligation, (1) the Final Price calculated in accordance with the Alternative Cash Settlement Specifications specified in the Applicable Pricing Supplement, or (2) if the Determination Agent determines that there has been an Applicable Auction and an Auction Final Price has been published, such Auction Final Price, or (3) if no Alternative Cash Settlement Specifications are specified in the Applicable Pricing Supplement, the Standard Alternative Cash Settlement Specifications) to be apportioned pro rata amongst the Noteholders on the Settlement Date.

- 9.2.6 If the Issuer is unable to Deliver any portion of the Portfolio:

- 9.2.6.1 on the Physical Settlement Date other than as a result of a Potential Cash Settlement Event (for the avoidance of doubt, including the occurrence of a Hedge Disruption Event), the Issuer may continue to attempt to Deliver the Deliverable Obligations that are Bonds or Loans by the Extended Physical Settlement Date or, if applicable pursuant to Credit-Linked Condition 9.2.7 below, the Further Extended Physical Settlement Date;

- 9.2.6.2 on or prior to the Extended Physical Settlement Date or Further Extended Physical Settlement Date rendering it impossible, impracticable (including if unduly burdensome) or illegal for the Issuer to Deliver or for the Noteholder to accept Delivery of any portion of the Portfolio on or prior to the Extended Physical Settlement Date or Further Extended Physical Settlement Date, then on such date the Issuer shall give notice to the Paying Agent and the Noteholders (in accordance with Condition 22 (*Notices*)) of its continued inability to Deliver any portion of the Portfolio and Alternative Cash Settlement shall apply to such Undeliverable Obligations as determined by the Determination Agent on the Undeliverable Valuation Date. For the avoidance of doubt, the Alternative Cash Settlement Amount shall be determined by the Determination Agent in accordance with Credit-Linked Condition 9.2.5 above).

- 9.2.7 If, under the terms of a Hedge Transaction, any Bonds or Loans comprising part of the relevant Deliverable Obligations (“**Original Bonds**” and “**Original Loans**”, respectively) may not be received by the Issuer and/or any of its Affiliates on or before the Extended Physical Settlement Date but the Issuer and/or any of its Affiliates may, in accordance with the terms of the Hedge Transaction, receive or otherwise obtain such Original Bonds or such Original Loans or other Bonds or Loans in lieu thereof on or before the date falling 3 (three) Business Days (in a case where Original Bonds may be received or otherwise obtained after the Extended Physical Settlement Date) or 10 (ten) Business Days (in a case where Original Loans or other Loans or Bonds in lieu thereof may be received or otherwise obtained after the Extended Physical Settlement Date) after the Extended Physical Settlement Date, the Issuer shall be entitled to Deliver such relevant Deliverable Obligations to a date falling up to 3 Business Days or 10 (ten) Business Days, respectively, after the Extended Physical Settlement Date, or to such earlier date as the Determination Agent may select in its absolute discretion (the “**Further Extended Physical Settlement Date**”). The Determination Agent shall notify the Issuer and the Paying Agent of such Further Extended Physical Settlement Date. As soon as reasonably practicable after receiving such notice from the Determination Agent, the Issuer shall give notice or procure that notice is given to the Paying Agent and the Noteholders in accordance with Condition 22 (*Notices*). If the Issuer has failed to deliver all, or part of, such relevant Deliverable Obligations by such Further Extended Physical Settlement Date, the provisions of Credit-Linked Condition 9.2.6 above shall apply.

- 9.2.8 Where a Noteholder holds more than one Credit-Linked Note, the Credit-Linked Notes held by such Noteholder and the Outstanding Principal Balance of the Deliverable Obligations to be Delivered in respect of each Credit-Linked Note held by such Noteholder shall be aggregated for the purposes of this Credit-Linked Condition 9.2.

- 9.2.9 If the nominal amount of the Deliverable Obligations to be Delivered in respect of the relevant Credit-Linked Note(s) to be redeemed pursuant to this Credit-Linked Condition 9.2 on any occasion is not equal to an authorised denomination (or integral multiple thereof) of such Deliverable

Obligations then the nominal amount of Deliverable Obligations to be Delivered will be rounded down to the nearest authorised denomination or multiple thereof, or, if none, zero. In such circumstances, the Deliverable Obligations that were not capable of being Delivered shall, if and to the extent practicable, be sold by an agent appointed by the Issuer for such purpose and, if they are so sold, each Noteholder shall receive an amount in cash equal to his *pro rata* share of the sale proceeds.

- 9.2.10 The Delivery of any of the Deliverable Obligations pursuant to the provisions of these Credit-Linked Terms and Conditions shall be made in such commercially reasonable manner as the Determination Agent shall, in its sole discretion, determine to be appropriate for such Delivery. Any recordation, processing or similar fee reasonably incurred by the Issuer and payable to the agent under a Loan in connection with an assignment (where Deliverable Obligations include Assignable Loans or Consent Required Loans) shall be payable by the Issuer and the relevant Noteholder equally. Any other expenses arising from the Delivery and/or transfer of the Deliverable Obligations shall be for the account of the relevant Noteholder or the Issuer, as appropriate, determined in accordance with the current market conventions. Delivery and/or transfer of the Deliverable Obligations shall be delayed until all expenses relating to such Delivery or transfer payable by the Noteholders have been paid to the satisfaction of the Issuer.
- 9.2.11 After delivery of any Deliverable Obligation and for the Intervening Period, none of the Issuer, the Determination Agent, the Paying Agent and any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Noteholder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of such securities or obligations, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities or obligations or (iii) be under any liability to a Noteholder in respect of any loss or damage which such Noteholder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such securities or obligations.

9.3 Redemption by Auction Settlement

- 9.3.1 Notwithstanding anything to the contrary in Condition 10 (*Redemption and Purchase*), in the case of a Cash Settled CLN where “*Auction Settlement*” is the applicable Settlement Method specified in the Applicable Pricing Supplement, the Issuer shall redeem the relevant Credit Event Portion of the Credit-Linked Notes on the Auction Cash Settlement Date by payment of the relevant Auction Cash Settlement Amount to the Noteholders. The Auction Cash Settlement Amount shall be apportioned *pro rata* among the Noteholders, with the resultant figure rounded downwards to the nearest sub-unit of the relevant Specified Currency.
- 9.3.2 Without prejudice to the foregoing, but without duplication of settlement, if the Determination Agent **determines** with respect to a Credit Event and any relevant Applicable Request, Applicable Resolution and/or Applicable Auction, that:
- 9.3.1.1 an Auction Cancellation Date has occurred;
- 9.3.1.2 a No Auction Announcement Date has occurred (and, in circumstances where such No Auction Announcement Date occurs pursuant to sub-paragraph (b) of the definition of No Auction Announcement Date, the Determination Agent has not exercised the Movement Option);
- 9.3.1.3 ISDA has publicly announced that a relevant Credit Derivatives Determinations Committee has Resolved, following a relevant Credit Event Resolution Request Date, not to determine the matters described in the definitions of Credit Event Resolution Request Date;
- 9.3.1.4 an Event Determination Date was determined pursuant to sub-paragraph (a) of the definition of Event Determination Date and no relevant Credit Event Resolution Request Date has occurred on or prior to the date falling 3 (three) Business Days after such Event Determination Date; or
- 9.3.1.5 an Event Determination Date was determined pursuant to sub-paragraph (b)(ii) of the definition of Event Determination Date,

then the Issuer shall, subject to the occurrence of a Credit Event and satisfaction of the Conditions to Settlement, notwithstanding that “*Auction Settlement*” is specified as the Settlement Method in the Applicable Pricing Supplement, redeem each Credit-Linked Note in accordance with:

- (a) Credit-Linked Condition 9.1 (*Redemption by Cash Settlement*) if “*Cash Settlement*” is specified in the applicable terms as the Fallback Settlement Method; or
- (b) Credit-Linked Condition 9.2 (*Redemption by Physical Settlement*) if “*Physical Settlement*” is specified in the applicable terms as the Fallback Settlement Method.

9.4 Election of Cash or Physical Settlement

Where the Issuer has delivered an Election Notice pursuant to Credit-Linked Condition 4.3 (*Notices*) and has elected that the relevant Cash or Physical CLN will be:

9.4.1 Cash Redeemed, such Cash or Physical CLN shall be deemed to be a Cash Settled CLN and redeemed in accordance with Credit-Linked Condition 9.1 (*Redemption by Cash Settlement*) or Credit-Linked Condition 9.3 (*Redemption by Auction Settlement*), as applicable; and

9.4.2 Physical Redeemed, such Cash or Physical CLN shall be deemed to be a Physically Settled CLN and redeemed in accordance with Credit-Linked Condition 9.2 (*Redemption by Physical Settlement*).

9.5 Discharge of Obligations

9.5.1 In the case of a Cash Settled CLN where “*Cash Settlement*” is specified as the Settlement Method or “*Cash Settlement*” is specified as the Fallback Settlement Method, payment by the Issuer of the Cash Settlement Amount to the Noteholders shall discharge all obligations of the Issuer to the Noteholders in respect of the relevant Credit Event Portion of such Credit-Linked Note.

9.5.2 In the case of a Cash Settled CLN where “*Auction Settlement*” is specified as the Settlement Method, payment by the Issuer of the Auction Cash Settlement Amount to the Noteholders shall discharge all obligations of the Issuer to the Noteholders in respect of the relevant Credit Event Portion of such Credit-Linked Note.

9.5.3 In the case of a Physically Settled CLN, Delivery of the Portfolio and/or payment in full of any Alternative Cash Settlement Amount required to be paid pursuant to these Credit-Linked Terms and Conditions, as the case may be, where appropriate, by the Issuer to the Noteholders pursuant to the provisions of these Credit-Linked Terms and Conditions shall discharge all obligations of the Issuer to the Noteholders in respect of the relevant Credit Event Portion of such Credit-Linked Note.

10 REVERSALS AND ADJUSTMENTS TO EVENT DETERMINATION DATES

10.1 Notwithstanding anything to the contrary in these Credit-Linked Terms and Conditions:

10.1.1 no Event Determination Date will occur; and

10.1.2 any Event Determination Date which had previously been determined with respect to an event shall be deemed not to have occurred, if the Determination Agent determines that, prior to:

- (a) the relevant Auction Final Price Determination Date in respect of an Applicable Auction;
- (b) a related Valuation Date;
- (c) any relevant Physical Settlement Date (or, if earlier, a Delivery Date), or
- (d) any other relevant date relating to the redemption of Credit-Linked Notes,

an Applicable DC No Credit Event Announcement occurs with respect to the relevant Reference Entity or Obligation thereof.

- 10.2 If, following the occurrence of a Credit Event and satisfaction of the Conditions to Settlement in respect of a Reference Entity, the related Event Determination Date is deemed to have occurred on a date that is earlier than the date originally determined to be the Event Determination Date for the purposes of the Credit-Linked Note as a result of the application of the definition of Event Determination Date and/or any Applicable Request or Applicable Resolution then:
- 10.2.1 if the Notes are redeemed pursuant to Credit-Linked Condition 9.1 (*Redemption by Cash Settlement*) or Credit-Linked Condition 9.3 (*Redemption by Auction Settlement*), an amount equal to the relevant EDD Adjustment Amount (if any) shall be deducted to the fullest extent possible from the relevant Cash Settlement Amount or Auction Cash Settlement Amount, as applicable; or
- 10.2.2 if the Notes are redeemed pursuant to Credit-Linked Condition 9.2 (*Redemption by Physical Settlement*), the EDD Adjustment Amount (if any) shall be deemed to be a Delivery.
- 10.3 Without prejudice to Credit-Linked Condition 9.2 (*Redemption by Physical Settlement*), if an Applicable DC No Credit Event Announcement occurs following the determination of an Event Determination Date but prior to:
- 10.3.1 the related Auction Final Price Determination Date in respect of an Applicable Auction;
- 10.3.2 a related Valuation Date;
- 10.3.3 any related Physical Settlement Date (or, Delivery Date if earlier); or
- 10.3.4 any other relevant date relating to the redemption of the Credit-Linked Notes, as applicable,

then the Event Determination Date originally determined for the purposes of such Credit-Linked Notes shall be deemed not to have occurred (an “**Event Determination Date Reversal**”). The occurrence of an Event Determination Date Reversal shall not prejudice the occurrence or determination of any subsequent Event Determination Date(s) in relation to the relevant Reference Entity (if applicable). Notwithstanding Credit-Linked Condition 5 (*Interest*), if an Event Determination Date Reversal occurs, each Credit-Linked Note shall recommence to accrue interest (in accordance with the Conditions and Credit-Linked Condition 5 (*Interest*) from the Interest Payment Date (the “**Interest Recommencement Date**”)) immediately following the relevant Applicable DC No Credit Event Announcement, and an amount equal to the Additional EDD Interest Amount shall be payable on such Interest Recommencement Date. For the avoidance of doubt, in no circumstances shall interest accrue on any Note on or after the Maturity Date or Extended Maturity Date.

11 SUCCESSION EVENT

- 11.1 Where the Credit-Linked Notes are Single Reference Entity Cash CLNs, Single Reference Entity Physical CLNs or Single Reference Entity Cash or Physical CLNs:
- 11.1.1 Where a Succession Event has occurred in respect of a Reference Entity and more than one Successor has been identified, each Successor will be a Reference Entity (each a “**Successor Reference Entity**”) for the purposes of the affected Credit-Linked Notes and, for the avoidance of doubt, such Reference Entity shall no longer be a Reference Entity.
- 11.1.2 If one or more of the Successor Reference Entities have not assumed the Reference Obligation (if any) specified in the Applicable Pricing Supplement, the Determination Agent may select a Substitute Reference Obligation in accordance with the definition of “*Substitute Reference Obligation*”.
- 11.1.3 Where a Credit Event occurs in respect of a Successor Reference Entity:

- (a) the provisions of Credit-Linked Condition 2 (*Credit Event Terms*) to Credit-Linked Condition 10 (*Reversals and Adjustments to Event Determination Dates*) (both inclusive) and Credit-Linked Condition 12 (*Restructuring Credit Event*) shall be deemed to apply to the principal amount represented by that Successor Reference Entity only (the “**Partial Principal Amount**”) and all the provisions shall be construed accordingly; and
 - (b) the relevant Credit-Linked Notes shall be redeemed *pro rata* in an amount equal to the Partial Principal Amount only so that an amount equal to the outstanding principal amount of the Credit-Linked Notes immediately prior to the redemption thereof less the Partial Principal Amount shall remain outstanding (the “**Remaining Amount**”) and interest shall accrue on the Remaining Amount as provided for in Credit-Linked Condition 5 (*Interest*) (adjusted in such manner as the Determination Agent in its sole and absolute discretion determines to be appropriate).
- 11.1.4 The provisions of these Credit-Linked Terms and Conditions shall apply to any subsequent Credit Event Notices delivered in respect of any of the other Reference Entities that are identified as a result of the Succession Event.
- 11.2 Where the Credit-Linked Notes are Basket Cash CLNs, Basket Physical CLNs or Basket Cash or Physical CLNs:
- 11.2.1 Where a Succession Event has occurred in respect of a Reference Entity and more than one Successor has been identified, each Successor will be a Reference Entity (each a “**Successor Reference Entity**”) for the purposes of the affected Credit-Linked Notes and, for the avoidance of doubt, such Reference Entity shall no longer be a Reference Entity (unless it is also a Successor). The Credit-Linked Payer Calculation Amount for each Successor Reference Entity shall be equal to the Credit-Linked Payer Calculation Amount of the original Reference Entity divided by the number of Successor Reference Entities, provided that where the Successor Reference Entity is also a Reference Entity, the Credit-Linked Payer Calculation Amount of the Successor Reference Entity determined as aforesaid shall be added to the subsisting Credit-Linked Payer Calculation Amount of such Reference Entity.
- 11.2.2 Following the occurrence of a Succession Event, upon the satisfaction of the Conditions to Settlement with respect to any of the Reference Entities unaffected by a Succession Event, the Credit Event Portion (for the avoidance of doubt, as defined in paragraph (a) of such definition) of the affected Credit-Linked Notes will be redeemed in accordance with the provisions of these Credit-Linked Terms and Conditions relating to Basket Cash CLNs, Basket Physical CLNs or Basket Cash or Physical CLNs.
- 11.2.3 Where a Credit Event occurs in respect of a Successor Reference Entity, the provisions of Credit-Linked Condition 2 (*Credit Event Terms*) to Credit-Linked Condition 10 (*Reversals and Adjustments to Event Determination Dates*) (both inclusive) and Credit-Linked Condition 12 (*Restructuring Credit Event*) shall be deemed to apply to the Credit-Linked Payer Calculation Amount of the relevant Successor Reference Entity only (the “**Partial Principal Amount**”) and all the provisions shall be construed accordingly. Each Note shall thereafter be redeemed in a proportion equal to the relevant proportion which the Partial Principal Amount bears to the aggregate outstanding principal amount of the Credit-Linked Notes as of the Issue Date.
- 11.2.4 Following a partial redemption of the Credit-Linked Notes pursuant to Credit-Linked condition 11.2.3 above, interest shall accrue on the remaining outstanding principal amount of the Credit-Linked Notes as provided for in Credit-Linked Condition 5 (*Interest*) (adjusted in such manner as the Determination Agent in its sole and absolute discretion determines to be appropriate).
- 11.2.5 The provisions of these Credit-Linked Terms and Conditions shall apply to any subsequent Credit Event Notices delivered in respect of any Reference Entities following the occurrence of a Succession Event. For the avoidance of doubt, the provisions of this Credit-Linked Condition 11.1 shall apply to each Succession Event.
- 11.3 Where the Credit-Linked Notes are Nth-to-Default Cash CLNs, Nth-to-Default Physical CLNs or Nth-to-Default Cash or Physical CLNs: Where a Succession Event has occurred in respect of a

Reference Entity (other than a Reference Entity in respect of which a Credit Event has occurred) (such Reference Entity, a “**Succession Event Reference Entity**” and the Reference Entities unaffected by such Succession Event, the “**Non-Succession Event Reference Entities**”) and more than one Successor has been identified, the affected Credit-Linked Notes shall include a Successor (selected by the Determination Agent in its sole and absolute discretion) and each and every one of the Non-Succession Event Reference Entities. Where there is one or more Successor or Successors, and such Successor or Successors is also a Non-Succession Event Reference Entity, then each such Non-Succession Event Reference Entity shall continue to be Reference Entities and the Determination Agent shall select an entity to replace the relevant Succession Event Reference Entity, which replacement entity shall be a Successor which is not also a Non-Successor Reference Entity' or another entity which has a rating (by any of Standard and Poor's, Moody or Fitch) equal to or better than the Succession Event Reference Entity and which falls within the same Transaction Type as the Succession Event Reference Entity. The Credit-Linked Payer Calculation Amount for the entity selected by the Determination Agent as aforesaid shall be equal to the Credit-Linked Payer Calculation Amount of the Succession Event Reference Entity.

- 11.3.2 Following the occurrence of a Succession Event, satisfaction of the Conditions to Settlement with respect to the relevant Reference Entity will cause the Credit-Linked Notes to be redeemed in accordance with the provisions of these Credit-Linked Terms and Conditions relating to Nth-to-Default Cash CLNs, Nth-to-Default Physical CLNs or Nth-to-Default Cash or Physical CLNs, as the case may be (including, but not limited to, Credit-Linked Condition 4.3). For the avoidance of doubt, the Credit-Linked Notes shall be redeemed in an amount equal to the Credit-Linked Payer Calculation Amount for the Reference Entity in respect of which a Credit Event occurs.
- 11.3.3 The provisions of these Credit-Linked Terms and Conditions shall apply to any subsequent Credit Event Notices delivered in respect of any Reference Entities following the occurrence of a Succession Event. For the avoidance of doubt, the provisions of this Credit-Linked Condition 11.3 shall apply to each Succession Event.
- 11.4 Where the Credit-Linked Notes are Basket Cash CLNs, Basket Physical CLNs or Basket Cash or Physical CLNs, notwithstanding Credit-Linked Conditions 11.1 to 11.3 above, if, at any time, upon the occurrence of a Succession Event or otherwise, two or more Reference Entities are the same entity as determined by the Determination Agent in its absolute discretion, they shall thereafter be deemed only to be one such Reference Entity and the Credit-Linked Payer Calculation Amount in respect of such Successor Reference Entity shall be equal to the sum of the Credit-Linked Payer Calculation Amounts in respect of each of the original Reference Entities which were subject to the Succession Event.
- 11.5 Where the Credit-Linked Notes are Nth-to-Default Cash CLNs, Nth-to-Default Physical CLNs or Nth-to-Default Cash or Physical CLNs, or Basket Cash CLNs, Basket Physical CLNs or Basket Cash or Physical CLNs, notwithstanding Credit-Linked Conditions 11.1 to 11.3 above, if Substitution of Reference Entity(ies) is specified as being applicable in the Applicable Pricing Supplement, the “*Additional Provisions where Substitution is Applicable*” contained in the First-to-Default Template, as determined by the Determination Agent in its absolute discretion, shall be deemed to apply *mutatis mutandis* in connection with any Succession Event referred to in Credit-Linked Conditions 11.2 or 11.3 above.
- 11.6 In the case of each of Credit-Linked Conditions 11.1 to 11.5 above, any determinations and calculations and adjustment to the Applicable Pricing Supplement relating to, connected with or as a result of a Succession Event or otherwise shall be made by the Determination Agent in its sole discretion and in good faith and, in the absence of manifest error, shall be conclusive and binding on all parties. The Determination Agent may agree to such other conforming and consequential changes as it shall deem appropriate to give effect to this Credit-Linked Condition 11. The Applicable Pricing Supplement may be amended and restated at such time to reflect the effect of a Succession Event or otherwise without the consent of the Noteholders and the Noteholders are deemed to agree to this provision by purchasing the Credit-Linked Notes.

12 RESTRUCTURING CREDIT EVENT

12.1 If Restructuring is specified in the Applicable Pricing Supplement as being an applicable Credit Event, (i) either “*Restructuring Maturity Limitation and Fully Transferable Obligation Applicable*” or “*Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable*” is specified in the Applicable Pricing Supplement and (ii) a Restructuring Credit Event occurs, then unless otherwise specified in the Applicable Pricing Supplement, the Determination Agent may deliver multiple Credit Event Notices with respect to such Credit Event (a “**Restructuring Credit Event**”). Accordingly, notwithstanding anything to the contrary in Credit-Linked Conditions 2 (*Credit Event Terms*) to 11 (*Succession Event*) (both inclusive), where a Restructuring Credit Event has occurred and the Determination Agent has delivered a Credit Event Notice for an amount that is less than the aggregate outstanding principal amount of the Credit-Linked Notes or the Credit-Linked Payer Calculation Amount immediately prior to the delivery of such Credit Event Notice (the **Exercise Amount**), the provisions of Credit-Linked Conditions 2 (*Credit Event Terms*) to 11 (*Succession Event*) (both inclusive) shall be deemed to apply to a principal amount equal to the Exercise Amount only and all the provisions shall be construed accordingly.

12.2 The Credit-Linked Notes shall be redeemed *pro rata* in an amount calculated by reference to the Exercise Amount only. The Credit-Linked Notes in an amount equal to the aggregate outstanding principal amount of the Credit-Linked Notes immediately prior to the redemption thereof less an amount calculated by reference to the Exercise Amount shall remain outstanding (the **Outstanding Amount**) and interest shall accrue on the Outstanding Amount as provided for in Credit-Linked Condition 5 (*Interest*) (adjusted in such manner as the Determination Agent in its sole and absolute discretion determines to be appropriate).

The provisions of these Credit-Linked Terms and Conditions shall apply to any subsequent Credit Event Notices delivered in respect of the Reference Entity that was the subject of the Credit Event Notice referred to above on the basis that:

12.2.1 the Exercise Amount in connection with a Credit Event Notice describing a Credit Event other than a Restructuring must be equal to the then outstanding Credit-Linked Payer Calculation Amount (and not a portion thereof); and

12.2.2 the Exercise Amount in connection with a Credit Event Notice describing a Restructuring Credit Event must be an amount that is at least 1,000,000 units of the currency (or, if Japanese Yen, 100,000,000 units) in which the Credit-Linked Payer Calculation Amount is denominated or any integral multiple thereof or the entire then outstanding Credit-Linked Payer Calculation Amount.

In the case of an Nth-to-Default Cash CLN, an Nth-to-Default Physical CLN or an Nth-to-Default Cash or Physical CLN, once the Conditions to Settlement have been satisfied in respect of the relevant Reference Entity where the Credit Event is a Restructuring Credit Event, no further Credit Event Notices may be delivered in respect of any other Reference Entity referenced by such CLN. In addition, this will not prevent the delivery of Credit Event Notices in relation to any other Reference Entities in respect of which a Succession Event has occurred.

12.3 In the case of a Physically Settled CLN, if “*Restructuring Maturity Limitation and Fully Transferable Obligation Applicable*” is specified in the Applicable Pricing Supplement and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be specified in the Notice of Physical Settlement or any NOPS Amendment Notice and may be included in the Portfolio only if it (i) is a Fully Transferable Obligation and (ii) has a final maturity date not later than the Restructuring Maturity Limitation Date.

12.4 In the case of a Physically Settled CLN, if “*Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable*” is specified in the Applicable Pricing Supplement and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be specified in the Notice of Physical Settlement or any NOPS Amendment Notice and may be included in the Portfolio only if it (i) is a Conditionally Transferable Obligation and (ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date.

In the event that the requisite consent in relation to a Deliverable Obligation which is a Conditionally Transferable Obligation is refused (whether or not a reason is given for such refusal and, where a reason is given for such refusal, regardless of that reason) or is not received by the Physical Settlement Date, the Issuer shall promptly notify the relevant Noteholders of such refusal (or deemed refusal) and:

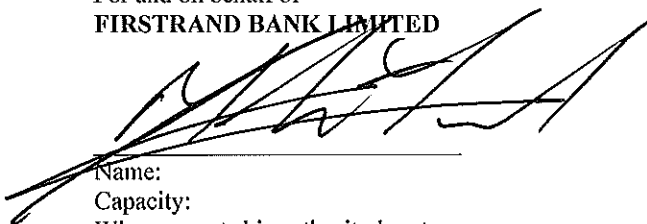
- 12.4.1 each such Noteholder may designate a third party (which may or may not be an Affiliate of such Noteholder) to take Delivery of the Deliverable Obligation on its behalf; and
- 12.4.2 if a Noteholder does not designate a third party that takes Delivery on or prior to the date which is 3 (three) Business Days after the Physical Settlement Date, then the Issuer will redeem the Credit-Linked Notes which have not been Delivered by payment of the relevant Alternative Cash Settlement Amount to such Noteholder.
- 12.5 If the provisions of this Credit-Linked Condition 12 apply in respect of the Credit-Linked Notes, on redemption of part of each such Credit-Linked Notes, the relevant Credit-Linked Note or, if the Credit-Linked Notes are represented by a Global Note, such Global Note shall be endorsed to reflect such partial redemption.

13 AMENDMENTS OF CREDIT-LINKED CONDITIONS IN ACCORDANCE WITH MARKET CONVENTION

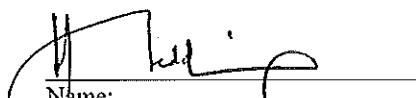
Subject to Condition 23.2 of the Terms and Conditions, the Determination Agent may from time to time amend any provision of these Credit-Linked Terms and Conditions to incorporate and/or reflect further or alternative documents from time to time published by ISDA with respect to the settlement of credit derivative transactions and/or the operation or application of determinations by the ISDA Credit Derivatives Determinations Committees which the Determination Agent determines in a commercially reasonable manner are necessary or desirable to reflect or govern market practice for credit derivative transactions. Any amendment made in accordance with this Credit-Linked Condition 13 shall be notified to Noteholders in accordance with Condition 22 (*Notices*) of the Terms and Conditions.

SIGNED at Sunderland this 29 day of September 2011.

For and on behalf of
FIRSTRAND BANK LIMITED


Name:
Capacity:
Who warrants his authority hereto

For and on behalf of
FIRSTRAND BANK LIMITED


Name:
Capacity:
Who warrants his authority hereto

APPENDIX 1 – PROGRAMME TRANSACTION TYPE STANDARD TERMS

PART A

AFRICA CORPORATE CONVENTION TERMS

Calculation Agent City:	Johannesburg	
Business Days:		
All Guarantees:	Applicable	
Credit Event:	Bankruptcy	
	Failure to Pay	
	Grace Period Extension:	Applicable
	Obligation Acceleration	
	Repudiation/Moratorium	
	Restructuring	
	Multiple Holder Obligation:	Applicable for Loans and Not Applicable for Bonds.
Obligation(s):	Obligation Category:	Bond or Loan
	Obligation Characteristics:	Not Subordinated Not Domestic Currency Not Domestic Law Not Domestic Issuance
Deliverable Obligations:	Deliverable Obligation Category:	Bond or Loan
	Deliverable Obligation Characteristics:	Not Subordinated Specified Currency Not Domestic Issuance Not Contingent Transferable Not Bearer Assignable Loan Consent Required Loan Not Domestic Law

PART B
AFRICA SOVEREIGN CONVENTION TERMS

Calculation Agent City:	Johannesburg	
Business Days:		
All Guarantees:	Applicable	
Credit Event:	Failure to Pay	
	Grace Period Extension:	Applicable
	Obligation Acceleration	
	Repudiation/Moratorium	
	Restructuring	
	Multiple Holder Obligation:	Not Applicable
Obligation(s):	Obligation Category:	Bond
	Obligation Characteristics:	Not Subordinated Not Domestic Currency Not Domestic Law Not Domestic Issuance
Deliverable Obligations:	Deliverable Obligation Category:	Bond
	Deliverable Obligation Characteristics:	Not Subordinated Specified Currency Not Domestic Law Not Contingent Not Domestic Issuance Transferable Not Bearer

SUMMARY OF PROVISIONS RELATING TO THE SETTLEMENT, CLEARING AND TRANSFER OF NOTES

Capitalised terms used in this section headed "Summary of Provisions Relating to the Settlement, Clearing and Transfer of Notes" shall bear the same meanings as used in the Terms and Conditions and/or the Credit-Linked Terms and Conditions, as applicable, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.

Notes listed on the JSE and/or held in the CSD

Each Tranche of Notes which is listed on the JSE in certificated form or in uncertificated form 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 JSE and held in the CSD or a Tranche of unlisted Notes held in the CSD, as the case may be, 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 JSE 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 only for the Participants. The Participants are also approved settlement agents of the JSE. As at the Programme Date, the Participants which are approved by the JSE, in terms of the debt listings requirements of the JSE, as Settlement Agents to perform electronic settlement of funds and scrip are ABSA Bank Limited, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited and the South African Reserve Bank. The Participants are in turn required to maintain securities accounts for their clients. The clients of Participants may include the holders of Beneficial Interests in the Notes issued in uncertificated form or (represented by a Global Certificate) or their custodians. The clients of Participants, as the holders of the Beneficial Interests in the Notes or as custodians for such holders, may exercise their rights in respect of the Notes held by them in the CSD only through the Participants. 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 Participants (Settlement Agents, which is currently the Standard Bank of South Africa Limited).

Settlement and clearing

Participants will be responsible for the settlement of scrip and payment transfers through the CSD, the JSE and the South African Reserve Bank.

While a Tranche of Notes is held in the CSD, the CSD's Nominee, a wholly owned subsidiary of the CSD approved by the Registrar of Securities Services in terms of the Securities Services Act, and any reference to "*CSD's Nominee*" shall, whenever the context permits, be deemed to include any successor nominee operating in terms of the Securities Services Act, will be named in the Register as the sole 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's Nominee 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 Principal Amount of Notes, a certificate or other document issued by the CSD or the relevant Participant, as the case may be, as to the Principal Amount of such Notes standing to

the account of such person shall be *prima facie* proof of such Beneficial Interest. The CSD's Nominee (as the registered Noteholder of such Notes named in the Register) will be treated by the Issuer, the Paying Agent, the Transfer Agent and the relevant Participant as the holder of that aggregate Principal Amount of such Notes for all purposes.

Payments of all amounts in respect of a Tranche of Notes which is listed on the JSE in uncertificated form and/or held in the CSD under a Global Certificate will be made to the CSD's Nominee, 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's Nominee, as the registered Noteholder of such Notes.

Payments of all amounts in respect of a Tranche of Notes which is listed on the JSE and/or held in the CSD under a Global Certificate will be recorded by the CSD's Nominee, as the registered Noteholder of such Notes, distinguishing between interest and principal, and such record of payments by the CSD's Nominee, as the registered Noteholder of such Notes, shall be *prima facie* proof of such payments.

Transfers and exchanges

Title to Beneficial Interest 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 18 (*Transfer of Notes*) of the Terms and Conditions.

Records of payments, trust and voting

Neither the Issuer nor the Paying 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. Neither the Issuer nor the Paying Agent nor the Transfer 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 Guarantee Fund and BESA Guarantee Fund Trust

The holders of Notes that are not listed on the JSE will have no recourse against the JSE Guarantee Fund and/or the BESA Guarantee Fund Trust, as the case may be. Claims against the JSE Guarantee Fund and/or the BESA Guarantee Fund Trust, as the case may be, may only be made in respect of the trading of the Notes listed on the JSE and in accordance with the rules of the JSE Guarantee Fund and/or the BESA Guarantee Fund Trust, as applicable. Unlisted Notes are not regulated by the JSE

Notes listed on any Relevant Stock Exchange other than (or in addition to) the JSE

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

Individual Certificates

All Notes not represented by a Global Certificate or in uncertificated form, including Bearer Notes and Order Notes shall be issued in definitive form, in the form of Individual Certificates. Notes issued in the form of

Bearer Notes or order form of Order Notes, and which are interest bearing, have Coupons attached on issue and, if indicated in the Applicable Pricing Supplement, Talons attached on issue. Notes repayable in instalments have Receipts for the payment of the instalments of principal (other than the final instalment) attached on issue.

Title to Bearer Notes and/or Receipts and Coupons and Talons attached on issue to the Certificate evidencing such Bearer Note will pass by delivery of such Certificate, Receipt, Coupon or Talon (as the case may be). Title to Order Notes and/or any Receipts, Coupons and Talons attached on issue to the Certificate evidencing such Order Note, are transferable by way of endorsement and delivery of such Certificate, Receipt, Coupon or Talon (as the case may be).

DESCRIPTION OF FIRSTRAND BANK LIMITED

OVERVIEW

FirstRand Bank Limited (the “**Bank**” or “**FRB**”) was incorporated and registered in South Africa on 11 January 1929 under registration number 1929/001225/06 and is a public company with limited liability duly registered under the company and banking laws of South Africa. The Bank provides a comprehensive range of retail, commercial, corporate and investment banking services in South Africa and niche products through its branches in India and London. As at 30 June 2011, the Bank was the third largest bank in South Africa measured by total assets (according to statistics published by the SARB (Source: BA900, SARB)). As at 30 June 2011, the Bank had total assets of R616.7 billion, compared to R576.4 billion as at 30 June 2010. The Bank's profit attributable to ordinary shareholders amounted to R7.8 billion for the year ended 30 June 2011, up from R5.3 billion for the year ended 30 June 2010.

The Bank is 100 per cent owned by FirstRand Limited (“**FirstRand**” together with its subsidiaries the “**Group**”). Listed on the JSE Limited (“**JSE**”) and the Namibian Stock Exchange. FirstRand is one of the largest financial institutions in South Africa and provides banking and insurance products and services to retail, commercial, corporate and public sector customers in South Africa and several African countries. FirstRand's market capitalisation was R111.9 billion as at 30 June 2011.

The Bank has three major divisions which are separately branded. The major divisions of the Bank are Rand Merchant Bank (“**RMB**”), the investment bank; First National Bank (“**FNB**”), the retail, commercial and wholesale bank; and WesBank, an instalment finance provider.

The RMB, FNB and WesBank brands are also franchises through which the Group carries out certain other activities. As discussed further below in the section headed “*Corporate and Operating Structure of FirstRand and the Bank*”, the activities of FNB, RMB and WesBank are carried out through three wholly owned subsidiaries of FirstRand, namely, the Bank, FirstRand EMA Holdings Limited (“**FREMA**”) and FirstRand Investment Holdings (Pty) Limited (“**FRIHL**”). There is therefore a distinction between the branded divisions of the Bank and the Group-wide franchises which use the same brands. See the section headed “*Business of the Bank*” for a description of the activities of FNB, RMB and WesBank which are carried out by the Bank.

The Bank holds a full banking licence granted by the South African Registrar of Banks and is authorised as a financial services provider in South Africa by the Registrar of Financial Services Providers. The Bank is also an authorised dealer in foreign exchange in terms of the Exchange Control Regulations of the South African Reserve Bank (“**SARB**”). It is a Central Securities Depository Participant in Strate Limited and is a member of the JSE.

HISTORY

The Bank was incorporated and registered in South Africa on 11 January 1929 under registration number 1929/001225/06 and is a public company with limited liability duly registered under the company laws of South Africa. The Bank's headquarters and registered address are located at 4 Merchant Place, Corner of Fredman Drive and Rivonia Road, Sandton 2196, South Africa (telephone number: +27 11 282-4000; fax number: +27 11 282-1699).

Although the Bank was formally incorporated in 1929, the current structure of the Bank is the result of a merger in 1998 of the financial services interests of RMB Holdings Limited (“**RMBH**”) and the Anglo American Corporation which together formed FirstRand. Anglo American Corporation had become the majority shareholder of FNB in 1986 when Barclays UK divested from South Africa and sold Barclays National Bank which was renamed FNB. FNB and RMB currently operate as divisions of the Bank and are two of the Group's major franchises.

RMB was originally incorporated in 1977 under the name of Rand Consolidated Investments, which specialised in leveraged leasing and off-balance sheet financing.

In July 2010, FirstRand reorganised the corporate structure of the Group, including the Bank. See “*Corporate and Operating Structure of FirstRand and the Bank*” below.

STRATEGY

The Group's utilisation of its platforms in the execution of strategy

The Group's operating structure consists of its three major "operating franchises" (FNB, RMB and WesBank), through which it carries out its activities and executes its strategy. However, its corporate structure (from a legal entity perspective) consists principally of FirstRand and its three wholly-owned major subsidiaries, namely the Bank, FREMA and FRIHL. Depending on the nature of a particular product or service or the jurisdiction in which it is carried out, the various activities managed by a single franchise may be attributable to one or more of these three subsidiaries. For example, the Group's strategy is to grow its African franchise. When it first enters a market, it may do so by establishing a representative office, which enables it to gain an understanding of local market conditions and the operating environment. Such a representative office would form part of the Bank. Should the Group grow this operation into a fully-fledged full-service subsidiary, for example, it would house such a subsidiary in FREMA (and no longer in the Bank).

Similarly, the Group's franchises also include some non-banking activities which are housed outside of the Bank). For example, the private equity businesses which form part of RMB's portfolio form part of FRIHL's activities and are not activities of the Bank. Therefore it is important to view the Group's strategy in the context of its operating and corporate structure in order to understand the impact that it has on the Bank.

FirstRand's objective

FirstRand's objective is to be the African financial services group of choice, creating long term franchise value and delivering superior and sustainable economic returns to its shareholders within acceptable levels of volatility, underpinned by alignment of shareholder value creation and management remuneration. This objective is driven through two clear growth strategies:

- become a predominant South African player focusing on both existing markets and those markets where it is currently under-represented, such as retail banking in the mass and wealth markets and increasing exposure to certain investment grade corporate counterparts. In the process, the Group hopes to re-balance its asset portfolio and grow its client franchises more rapidly than its trading businesses; and
- to grow further its existing African franchise, targeting those markets that are expected to produce above average domestic growth and are strongly positioned to benefit from the trade and investment flows between Africa and Asia, particularly China and India.

These strategies are executed through FNB, RMB and WesBank, the Group's "operating franchises". These franchises represent a portfolio of separately branded profit centres and each franchise strives to be a leader in its respective markets through the delivery of:

- superior and sustainable economic profits;
- positive recognition by employees, customers and other stakeholders; and
- precise execution.

The collective leadership of FirstRand, including the FirstRand Chief Executive Officer ("CEO"), Chief Operating Officer and the franchise CEOs, determines the Group strategy and is accountable for the overall performance of the Group. Each franchise then takes ownership of their respective strategies, which are executed within the boundaries of the Group's vision and shared business philosophy.

Focus on markets where the Group is currently under-represented

FNB

FNB's strategy, aligned with the overall FirstRand strategy, is to grow its domestic franchise in market segments where it is currently under-represented and target selected African countries for investment. It enters these markets focusing on innovative products and delivery channels, especially favouring electronic platforms.

FNB has identified certain growth opportunities within the mass, wealth and corporate segments and executed on a number of these and other operational initiatives.

Over the past five years FNB has been very successful in growing its franchise in the mass market through its strategy of delivering innovative and low-cost transactional banking services. FNB now has over four million customers in this segment. However, despite recent growth, it remains relatively under-represented in lending activities to customers in the mass market segment. To address this, FNB will continue with the rollout of its EasyPlan strategy, which represents a low-cost banking offering to mass segment customers. The EasyPlan branches are well positioned in mass market activity hubs, are open longer than the traditional branches and are supported by low cost channels for lending, insurance, savings and transactional products and services. EasyPlan is not only a lending strategy, it is supported by a strong transactional banking platform with many innovative electronic channels such as cellphone banking and the automatic deposit terminals (“ADTs”) (automatic teller machines (“ATMs”) where customers can deposit cash or pay bills and which is processed immediately). These channels are ideally constructed for customers who want cheaper and convenient ways to transfer money and pay their bills. The FNB EasyPlan offering is competitively priced which should support further growth in this segment.

Effective January 2011, FNB acquired 100 per cent. of Barnard Jacobs Mellet’s (“BJM”) highly regarded private client and stockbroking business which has now been integrated with the existing Wealth segment. This has enabled FNB to offer customers in the Wealth segment a more comprehensive range of products and services which may ultimately be marketed under the award-winning Ashburton brand.

In terms of its growth strategy in Africa, FNB continues to expand its operating platforms in Zambia and Mozambique. Regulatory approval has been obtained in Tanzania for the establishment of a full-service retail and commercial bank which has commenced operations. Alongside other FirstRand franchises, FNB continues to assess opportunities in identified priority countries such as Nigeria and Ghana.

RMB

RMB’s risk appetite framework remains central to ensuring that its portfolio continues to reflect the appropriate mix of client, trading and investing activities in order to preserve and enhance the quality of earnings. Ongoing strategic imperatives remain anchored around strengthening the client franchise both locally and regionally with trading and investing activities being scaled appropriately.

Previously the Group serviced its large corporate customers through two separate franchises, FNB and RMB. FNB Corporate offered transactional banking products and services, whereas RMB provided pure investment banking. However, as customers increasingly required a more integrated interface, the Group considered that it was not providing an optimal offering to those customers.

As a first step to resolving this issue, in the 2010 financial year the Group merged the relationship management teams of FNB and RMB to create an integrated client coverage capability (the “Coverage Team”) and placed them under common leadership at RMB. This has already yielded benefits across the corporate and investment banking (“CIB”) activities of both RMB and FNB. In the 2011 financial year, the Group completed a strategic review of its corporate transactional banking activities and this resulted in FNB’s Global Transactional Services (“GTS”) also transferring to RMB. The objective of this move is to ensure that all CIB activities are integrated at a client and product level. Alan Pullinger, CEO of RMB, is now also head of CIB with FNB GTS reporting to him. The aim of these changes is to support growth in the corporate banking segment where the Group is currently under-represented relative to its size.

Good progress has been made on initiatives aimed at growing the African franchise. The focus has been on building investment banking and trading activities in jurisdictions where FNB currently operates as well as capturing trade and investment flows into Africa from key Asian markets such as India and China. During 2011 financial year, RMB deployed investment banking and trading resources into FNB's Namibia, Botswana, Zambia and Mozambique operations as well as expanding the Coverage Team to include resources focused exclusively on Africa. A number of transactions in key sectors such as resources, commodities, energy and property were concluded in Africa. Representative offices in Angola and Kenya have been commissioned and the Nigerian representative office continues to function as a valuable hub for activities in West African markets.

Wesbank

WesBank continues to focus on its core strategy of partnering with key industry players through representation at the point of sale. These alliances, across both the retail and corporate business divisions, are an important source of new business flows.

In line with FirstRand's strategy to target those domestic segments where its operating franchises may be under-represented, WesBank has been executing on specific strategies to grow in fleet management and full maintenance rentals with larger corporate asset finance customers and in the public sector. Full maintenance rentals are rental agreements with a maintenance element where the client only rents the asset, whilst WesBank manages the use and maintenance of the asset, retains residual value risk and generally takes the asset back on termination. Initiatives in the larger corporate sector are gaining good traction. Although the opportunities in full maintenance leasing and in the public sector remain meaningful, the lead times to significant revenue inflows are proving longer than anticipated and are only likely to realise over the medium term.

In addition, WesBank is leveraging off the FNB platform and presence in certain African jurisdictions, both established and developing, where asset finance opportunities have been identified. In this regard, WesBank deployed resources to focus on building the asset finance operations in Africa, agreed an operating model with FNB and is in the process of identifying priority market segments and specific strategies in various African countries.

CORPORATE AND OPERATING STRUCTURE OF FIRSTRAND AND THE BANK

The Group's banking operations include the activities carried out by the Bank through its divisions as well as the banking of operations of FNB in Namibia, Botswana, Lesotho, Swaziland, Mozambique, Zambia and Tanzania (the “**FNB Africa Subsidiaries**”). The FNB Africa subsidiaries are housed in FREMA, a wholly owned subsidiary of FirstRand, and their activities are therefore not carried out by the Bank. In addition, certain activities of FNB, RMB and WesBank are housed in FRIHL and thus are not aggregated in the financial results of the Bank (including, for example, RMB's private equity business).

On 25 November 2009, in order to simplify the Group's structure, FirstRand announced plans to reorganise the corporate structure of the Group (the “**Reorganisation**”). As part of the Reorganisation, the Bank ceased to be a subsidiary of FirstRand Bank Holdings Limited (“**FRBH**”, together with its subsidiaries, the “**FirstRand Banking Group**”) and became a direct wholly owned subsidiary of FirstRand. FirstRand is therefore now a bank controlling company for the purposes of the Banks Act.

The Reorganisation received relevant shareholder and regulatory approval and became effective on 1 July 2010. The principal elements of the Reorganisation in so far as they relate to the Bank are as follows:

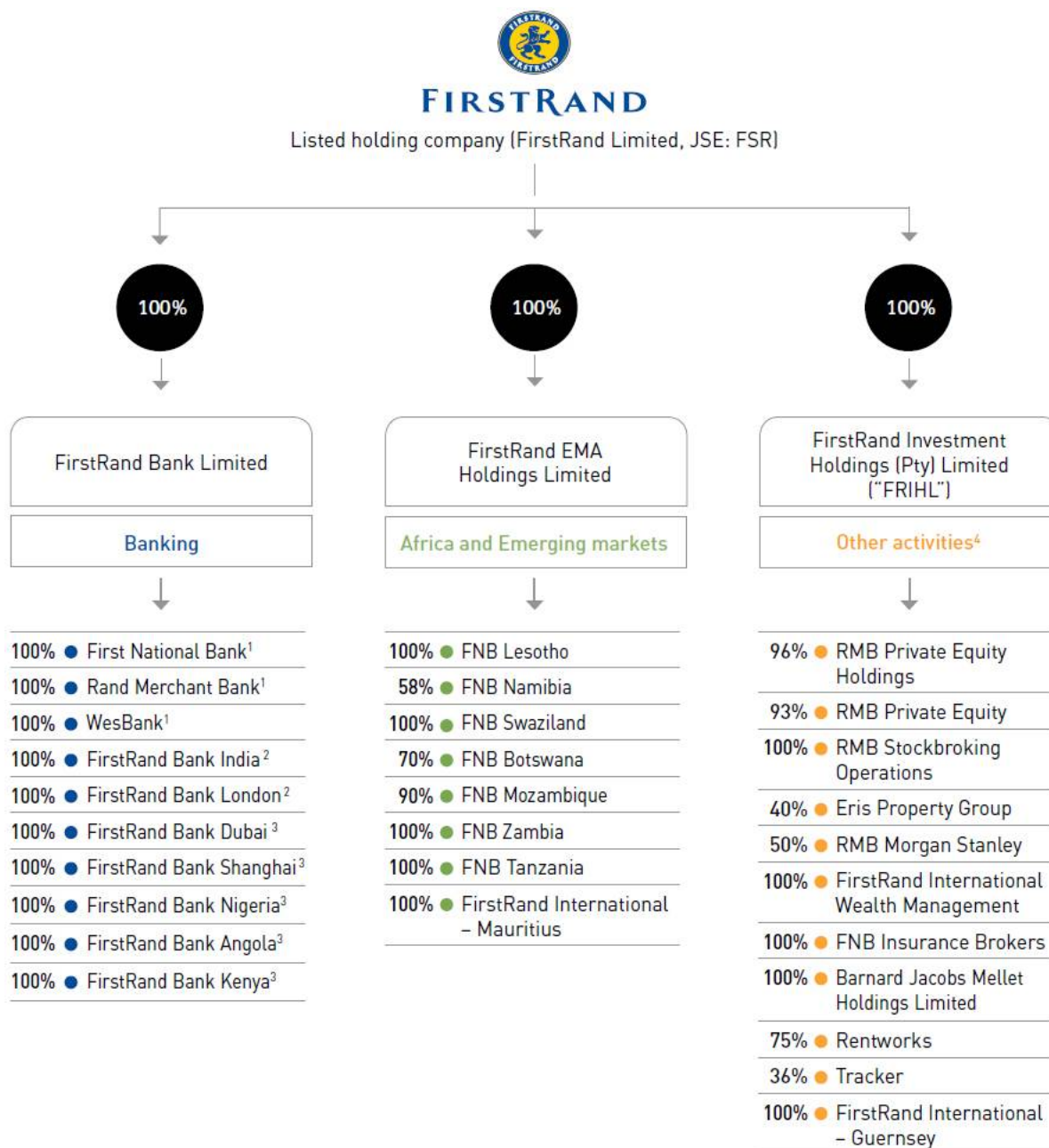
As a result of the Reorganisation, the Bank is now a direct wholly owned subsidiary of FirstRand and ceased to have any material subsidiaries or associates. Its shares in various subsidiaries were sold to FRIHL (a wholly owned subsidiary of FirstRand) and RMB Investments & Advisory (Pty) Limited (a subsidiary of FRIHL). The businesses of eBucks.com Holdings Limited and its subsidiaries were incorporated into FNB, a division of the Bank, and thereafter the shares of eBucks.com Holdings Limited held by the Bank were sold to FRIHL. The businesses of FNB Insurance Brokers Holdings (Pty) Limited and its subsidiaries have been incorporated into FNB, a division of the Bank and thereafter the shares of FNB Insurance Brokers Holdings (Pty) Limited, formerly held by FRBH were sold to FRIHL. From 1 July 2010, the financial results of the Bank reflect the activities of the divisions of the Bank, its branches in London and India, as well as representative offices in Angola, Dubai, Nigeria and Shanghai.

FRBH now holds only the FirstRand Banking Group's business interests on the rest of the African continent, and has changed its name to FirstRand EMA Holdings Limited.

All other entities in the former FirstRand Banking Group which are not referred to above are held under FRIHL, which includes a consolidation of the shareholdings of businesses to be conducted under RMB Investments & Advisory (Pty) Limited.

Unless stated otherwise, references to the operations and financial performances of FNB, RMB and WesBank in this Programme Memorandum refer to the operations and financial performance of the Bank. FirstRand's simplified corporate structure is shown in the diagram below.

Simplified Group structure (showing major legal entities)



Structure shows effective shareholding [consolidated]

- 1 Division
- 2 Branch
- 3 Representative office
- 4 For segmental analysis purposes entities included in FRIHL are reported as part of the results of managing franchise

The Bank is not dependent on any of its subsidiaries, or any of the other subsidiaries of FirstRand.

The Bank's authorised share capital is 2,000,000 ordinary shares with a par value of R2 per share, 5 billion redeemable preference shares with a par value of R0.0001 per share, 50,000 Class "R" redeemable preference

shares with a par value of R0.0001 per share and 100,000,000 non-redeemable non-cumulative preference shares with a par value of R0.01 per share.

As at 30 June 2011, the Bank had issued share capital of 1,866,833 ordinary shares with a par value of R2 per share, 2,385 redeemable preference shares with a par value of R0.0001 per share, 2,406 Class “R” redeemable preference shares with a par value of R0.0001 per share and 3,000,000 non-redeemable non-cumulative preference shares with a par value of R0.01 per share, all of which were held by FRBH and following the Reorganisation, are still held by FREMA (formerly FRBH).

There are no formal shareholder agreements in place.

BUSINESS OF THE BANK

Overview

The Bank provides a comprehensive range of retail, commercial, corporate and investment banking products and services in South Africa through its three major divisions: RMB, the investment bank; FNB, the retail and commercial bank; and WesBank, an instalment finance business.

The table set out at note 36 of the Bank’s annual report for the year ended 30 June 2011, which has been incorporated by reference into this Programme Memorandum, sets out the segmental performance of the principal divisions. It also includes information on selected balance sheet items.

FNB

FNB offers a diverse set of financial products and services to the retail and corporate market segments ranging from the consumer, small business and rural markets to medium-sized corporates, and government entities. FNB's products include mortgage loans, credit and debit cards, personal loans and investment products. FNB's services include transactional banking and deposit-taking, card acquiring, credit facilities and FNB distribution channels (namely the branch network, ATMs, call centres, cellphone and internet channels).

As at 30 June 2011, the Bank had issued share capital of 1,866,833 ordinary shares with a par value of R2 per share, 2,385 redeemable preference shares with a par value of R0.0001 per share, 2,406 Class “R” redeemable preference shares with a par value of R0.0001 per share and 3,000,000 non-redeemable non-cumulative preference shares with a par value of R0.01 per share, all of which were held by FRBH and following the Reorganisation, are still held by FREMA (formerly FRBH).

FNB follows a segment strategy. It has segmented its customer base as follows: mass, consumer, wealth, commercial and public sector.

Mass segment

This segment focuses on individuals earning less than ZAR100,000 per annum and is principally serviced by FNB Smart branded products and services. The business lines and products that form part of the mass segment include:

- Smart and Mzansi accounts;
- Microloans (“**SmartSpend**”);
- Cellphone banking and Prepaid products;
- Housing finance (“**SmartBond**” and “**Smart Housing Plan**”);
- FNB Connect; and
- FNB EasyPlan.

Consumer segment

This segment focuses on providing financial services solutions to customers with incomes ranging from ZAR100,000 to ZAR1.1 million per annum, as well as certain other sub-segment groups (youth and teenagers, students, graduates and seniors). The business lines and products that form part of the Consumer segment include:

- Cheque & Transmission products, including overdrafts;
- Investments & equity products;
- Personal loans (including student loans);
- FNB Insurance Brokers;
- eBucks (FRB's customer loyalty/rewards programme);
- FNB HomeLoans (including One Account);
- Card Issuing;
- Retail Foreign Exchange services; and
- Consumer Electronic banking (FNB Online).

Wealth segment

This segment focuses on providing financial services solutions to customers with incomes above ZAR1.1 million per annum, as well as offering products from group related entities which offer certain trust, fiduciary and offshore investment services to customers. The Wealth segment spans the following separately branded businesses:

- RMB Private Bank; and
- FNB Private Clients.

Commercial segment

This segment provides financial solutions, including working capital, structured finance, investment products, transactional banking and term loans to mid-corporate, business and small business sub-segments, and includes the following product lines:

- Small Business, Business and Medium Corporate transactional and overdraft products;
- Investment products;
- Commercial property finance;
- Debtor finance;
- FNB Leveraged finance, Black Economic Empowerment funding, franchises, tourism, agriculture and start-ups; and
- Merchant Service (SpeedPoint).

Public sector

This segment offers transactional banking services and products to National, Provincial and Local Government. Other clients include state-owned enterprises, universities and public schools. It also provides working capital and other short and long-term finance products. This segment is reported under “*FNB Other and Support*” in the Bank’s financial statements.

Global Transactional Services

This segment provides large corporate customers, financial institutions and certain state-owned enterprises, as defined in schedule 2 of the Public Finance Management Act, 1999, with global transactional banking capabilities as well as cash flow optimisation and working capital solutions.

- Global transactional banking solution and associated working capital solutions
- Electronic Cash Solutions (SmartBox);
- International banking; and
- Custody services.

In the 2010 financial year FNB Corporate’s relationship management team was integrated with RMB to establish a single Coverage Team. Subsequently, the majority of the business units that remained in FNB Corporate were reorganised to form GTS. Following a strategic review of the Group’s corporate transactional banking activities it was agreed that FNB, GTS and RMB should be under common leadership. As a result, FNB’s GTS business remains FNB “branded” but now reports to the CEO of RMB and Head of Corporate and Investment Banking effective 1 July 2011.

WesBank

WesBank provides instalment credit finance to both the retail and corporate market and provides both asset-based finance and fleet-management solutions. WesBank’s strategy of partnering with motor manufacturers and distributors is a significant factor in the growth of its business and the position that it holds in the financing of motor vehicles.

Key areas of WesBank’s strategy include the following:

- *Partnerships:* WesBank creates and maintains consistent, mutually beneficial partnerships with critical industry players including manufacturers, dealers, suppliers and distributors.
- *Distribution channels:* WesBank sources its vehicle finance business primarily through motor dealers with whom it establishes service relationships. WesBank makes use of a joint alliance strategy amongst selected dealers to ensure critical mass.
- *Product innovation:* WesBank seeks to provide innovative value-added products to its customers, through its dealer channel.
- *Customer service:* WesBank is committed to providing a high quality of customer service, which is measured through regular customer satisfaction surveys.

WesBank’s major business units are described below.

WesBank Motor: WesBank Motor provides vehicle finance to the retail sector. WesBank Motor sources its business primarily through motor dealers and is informally known as the “dealer bank”. Through its dealer strategy, WesBank aims to dominate the point of sale. It makes use of a joint alliance strategy amongst selected dealers to ensure critical mass. WesBank Motor has also established strong relationships with motor manufacturers. These relationships have enabled WesBank to offer vehicle finance and insurance in partnership with the manufacturers trading under the brands of Nissan Finance, GMSA Financial Services, Fiat Finance,

Volkswagen Financial Services, Audi Financial Services, Honda Finance and Peugeot Financial Services, amongst others.

WesBank Corporate: WesBank Corporate specialises in financing all moveable assets such as plant, machinery, aircraft, computers, office equipment and vehicle fleets. WesBank offers a full range of financing products including instalment sales, financial and operating leases, rentals, loans, full maintenance leases and discounting facilities. Lines of credit are established for corporate customers, allowing customers flexibility to draw down on these facilities as the need for additional finance arises. WesBank Corporate prides itself on its ability to structure asset finance packages for customers so as to derive optimum benefit from cash flows. It places maximum emphasis on building and maintaining relationships with its customers. WesBank Corporate also collaborates with RMB on mutual wholesale customers and with FNB on mutual commercial customers to provide clients with a consolidated offering. WesBank Corporate has also created a number of profit sharing alliances, similar to those in the Motor division, with industry suppliers, manufacturers and distributors. These include Bell Equipment, Caterpillar, National Airways Corporation, the Spar Group, Afgri Limited and Komatsu, amongst others.

WesBank Personal Loans: WesBank Personal Loans provides personal loans, largely to mid-level customers. Loan applications are made to a central call centre where applications are recorded using call voice logging. The loan products are marketed to customers through a number of direct marketing strategies.

RMB

RMB is the investment banking arm of the Bank. RMB's portfolio spans investment banking; fixed income, currencies and commodities; and equity trading. RMB's private equity and principal investing businesses are carried out by FRIHL and not by the Bank. RMB services corporate, institutional and public sector clients across all industries.

RMB's four major divisions are described in more detail below.

Investment Banking

Investment Banking comprises the majority of RMB's debt and advisory businesses. It focuses on servicing leading listed and unlisted companies across all industries, as well as financial institutions and government organisations. Within Investment Banking there are a number of industry or product specialist groups:

- *Corporate Finance:* offers a range of advisory services, including mergers and acquisitions, capital raising solutions, and equity and debt restructuring.
- *Leveraged Finance:* finances management buy-outs, leveraged buy-outs and other forms of acquisition finance.
- *Resources Finance:* provides advice and finance in the resource sector of the economy.
- *Infrastructure Finance:* provides finance for large scale infrastructure projects in South Africa and the rest of Africa, including rail, road, ports, telecommunications, and water projects.
- *Property and Asset Finance:* RMB is a major asset financier in the South African market, providing finance for a range of assets such as commercial, industrial and retail properties, as well as moveable assets such as rolling stock, aeroplanes and port equipment.
- *Debt Capital Markets:* enables RMB's clients to access the local and international capital markets through debt raising and securitisations.

Fixed Income, Currencies and Commodities ("FICC")

FICC includes fixed income, currency, credit and commodity trading activities both in South Africa and internationally. Its activities cover market making and execution services for clients, structured solutions, proprietary trading and agency services. Within FICC the specialist groups are:

- *Sales and Structuring*: provides trading, execution, agency (such as prime broking) and structured solutions to corporate, retail and institutional clients and local and non-resident banks.
- *Fixed Interest Trading*: provides trading services in fixed income securities and derivatives as well as proprietary trading.
- *Foreign Exchange Trading*: provides foreign exchange trading services in currency spot, forwards, options and derivatives across major traded currencies, Rand and other African currencies as well as proprietary trading.
- *Commodities*: provides a range of commodity trading, execution and structuring solutions across the major commodity classes – soft (agricultural) commodities, energy, base- and precious metal groups as well as proprietary trading.

Equities

The equities business that fall within the scope of the Bank include equity structuring, some agency services (such as futures clearing and securities lending) and proprietary trading in local equities. Other equities business (such as stockbroking) is carried out by FRIHL and not the Bank.

CORPORATE CENTRE

The Corporate Centre includes various centralised risk and finance functions, including Group Treasury, Balance Sheet Management (“**BSM**”), Capital Management & Performance Measurement, Group Finance, Information & Technology, Enterprise Risk Management (“**ERM**”), Regulatory Risk Management (“**RRM**”), and Group Internal Audit.

- BSM plays a vital role in defining the Bank's core macroeconomic view and associated risk scenarios, which are used for planning and stress testing purposes.
- Group Treasury is responsible for managing the Bank's funding and liquidity position, and ensuring that business strategies are aligned with funding constraints.
- Capital Management retains responsibility for capital planning and advises the Board, as well as the Executive committee, on potential capital actions, dividend strategy and other capital management related topics.
- The ERM functions provide central independent oversight and risk control as part of the Bank's risk governance structure.
- The RRM function ensures that business practices, policies, frameworks and approaches across the organisation are consistent with applicable laws.
- Group Internal Audit provides independent assurance of the adequacy and effectiveness of risk management practices.

LOAN PORTFOLIO

Introduction

As at 30 June 2011, the Bank's total gross advances (before impairments but after interest in suspense) amounted to R436.6 billion compared to R409.3 billion as at 30 June 2010, representing 70 per cent. and 70 per cent. (after impairments), respectively, of the Bank's total assets as at such dates.

The Bank primarily provides advances to retail customers and 59 per cent. of total gross advances were made to individuals in the year ended 30 June 2011 (59 per cent. for the preceding financial year). Home loans constituted the largest category of advances. The Bank advanced R152.7 billion by way of home loans, constituting 35 per cent. of total gross advances (before impairments) as at 30 June 2011 (compared to R146.9 billion comprising 36 per cent. of total gross advances (before impairments) as at 30 June 2010).

Loan Portfolio structured by category

The following table sets out the composition of the Bank's advances by category as at 30 June 2011 and 2010 (including interest in suspense):

<i>Category analysis</i>	As at 30 June 2011		As at 30 June 2010	
	<i>(R million)</i>	<i>Share per cent.</i>	<i>(R million)</i>	<i>Share per cent.</i>
Overdraft and managed accounts	24,243	5.5	22,962	5.6
Loans to other financial institutions	9,303	2.1	5,101	1.2
Card loans.....	10,766	2.5	10,744	2.6
Instalment sales	70,621	16.1	62,693	15.3
Lease payments receivable	15,238	3.5	17,529	4.3
Property finance	164,718	37.6	158,118	38.5
Home Loans	152,703	34.8	146,896	35.7
Commercial property finance.....	12,015	2.7	11,222	2.7
Personal loans.....	12,160	2.8	8,825	2.1
Preference share advances.....	25,652	5.8	23,600	5.7
Other.....	25,460	5.8	18,984	4.6
Assets under agreement to resell.....	30,257	6.9	38,109	9.3
Investment bank term loans.....	50,181	11.4	44,490	10.8
NOTIONAL value of gross advances.....	438,599	100	411,155	100
TOTAL Net Advances.....	429,134		401,279	

Contingent Liabilities

The Bank has commitments and contingent liabilities in respect of, *inter alia*, guarantees and letters of credit on behalf of its customers. The following table sets out details of the Bank's contingencies and commitments as at 30 June 2011 and 2010.

<i>Category analysis</i>	As at 30 June 2011		As at 30 June 2010	
	<i>(R million)</i>	<i>Share per cent.</i>	<i>(R million)</i>	<i>Share per cent.</i>
Guarantees	24,901	23.5	26,054	29.1
Acceptances.....	300	0.3	299	0.3
Letters of credit	6,063	5.7	5,362	6.0
Irrevocable commitments	58,438	55.2	48,692	54.5
Other.....	16,217	15.3	8,993	10.1
TOTAL contingencies	105,919	100	89,400	100
Legal proceedings	63		44	
Claims:				
Contingent liabilities in respect of certain outstanding claims.....	150		150	
Reciprocal claims against other institutions qualifying as contingent assets	(134)		(134)	
Commitments in respect of capital expenditure and long-term investments approved by directors:				
Contracted for	356		165	
Not contracted for	3,006		1,861	

Loan Portfolio Structure by Sector

The following table sets out certain information as to the structure of the Bank's loan portfolio by economic sector, as at 30 June 2011 and 2010 (including interest in suspense):

<i>Category analysis</i>	As at 30 June 2011		As at 30 June 2010	
	<i>(R million)</i>	<i>Share per cent.</i>	<i>(R million)</i>	<i>Share per cent.</i>
Agriculture	12,760	2.9	11,268	2.7
Banks and financial services	55,426	12.6	60,197	14.7
Building and property development	21,688	4.9	16,237	3.9
Government, Land Bank and public authorities	14,646	3.3	13,358	3.2
Individuals	257,671	58.8	240,602	58.5
Manufacturing and commerce	30,689	7.0	28,173	6.9
Mining	9,998	2.3	8,020	2
Transport and communication	11,745	2.7	11,834	2.9
Other services	23,976	5.5	21,466	5.2
NOTIONAL value of gross advances.....	438,599	100	411,155	100
TOTAL Net Advances.....	429,134		401,279	

Geographical concentration of loans

The Bank has a significant geographical concentration of loans issued to borrowers in South Africa. Loans to borrowers in South Africa constituted 97 per cent of gross advances as at 30 June 2011 (with more than 97 per cent at the end of the previous financial year).

The following table sets out a geographical analysis (based on credit risk) of the Bank's notional loan portfolio as at 30 June 2011 and 2010 (including interest in suspense):

<i>Category analysis</i>	As at 30 June 2011		As at 30 June 2010	
	<i>(R million)</i>	<i>Share per cent.</i>	<i>(R million)</i>	<i>Share per cent.</i>
South Africa	423,205	96.5	400,766	97.5
Other Africa.....	2,937	0.7	2,145	0.5
United Kingdom.....	8,783	2.0	6,785	1.7
Other.....	3,674	0.8	1,459	0.3
TOTAL.....	438,599	100	411,155	100

Risk Analysis – Residential Mortgages

The tables below provide the balance-to-valuation distribution for the Bank's residential mortgage portfolios over time as well as the aging of the residential mortgage portfolios for the periods indicated and are unaudited.

Residential mortgages balance-to-value distribution (based on original value)

Residential mortgages balance to original value (%)	Year ended 30 June 2011 (as % of total book)	Year ended 30 June 2010 (as % of total book)
≤ 70	45	37
71-80	13	13
81-90	15	16
91-100	21	25
> 100	6	9

Source: FirstRand Limited's Risk Report for the year ended 30 June 2011

The recent focus on loan-to-value ratios for new business resulted in a slight improvement in the balance to original value ratio.

Residential mortgages balance-to-value distribution (based on market value)

Residential mortgages balance to market value (%)	Year ended 30 June 2011 (as % of total book)	Year ended 30 June 2010 (as % of total book)
≤ 70	44	58
71-80	15	15
81-90	17	17
91-100	16	7
> 100	8	3

Source: FirstRand Limited's Risk Report for the year ended 30 June 2011

The balance-to-market value ratio shows a significant proportion of the book in the lower risk categories.

Residential mortgages age distribution

	Year ended 30 June 2011 (as % of total book)	Year ended 30 June 2010 (as % of total book)
1 – 12 months	15	13
12 – 24 months	12	11
Older than 24 months	73	76

Source: FirstRand Limited's Risk Report for the year ended 30 June 2011

For the year ended 30 June 2011, FNB HomeLoans arrears continued on a downward trend and similar trends were also observed in the WesBank (vehicle and asset finance) and Credit Card portfolios for the same period.

Analysis Of NPLs

The following table sets out certain information relating to the bank's non-performing loans ("NPLs") for the years ended 30 June 2011 and 30 June 2010.

<i>R million/%</i>	NPLs			NPLs as a % of advances	
	<i>2011</i>	<i>2010</i>	<i>% change</i>	<i>2011</i>	<i>2010</i>
Retail	14,373	16,637	(14)	5.97	7.33
Residential mortgages	10,293	12,196	(16)	6.72	8.26
Credit card.....	446	672	(34)	4.15	6.28
Vehicle and asset finance	2,895	3,000	(4)	4.58	5.12
Other retail	739	769	(4)	5.47	7.70
Corporate/Wholesale	4,753	4,075	17	2.51	2.26
FNB Commercial	1,866	1,916	(3)	6.06	6.80
WesBank Business and Commercial.....	1,121	1,578	(29)	3.76	5.62
FNB Corporate.....	18	1	>100	0.71	0.04
RMB.....	1,748	580	>100	1.38	0.47
Corporate centre and other	(36)	(56)	(36)	n/a	n/a
Total NPLs	19,090	20,656	(8)	4.37	5.05
Of which:					
Accrual book	17,354	20,101	(14)	5.46	6.77
Fair value book.....	1,736	555	>100	1.46	0.49

Despite debt counselling and market factors prolonging the work out processes and causing NPLs to remain at high levels, the Bank's credit strategy to reduce NPLs continues to yield favourable results in most retail portfolios. New inflows of NPLs are reducing and accounts in default are being resolved. In the corporate/wholesale portfolios the rise in NPLs is due to challenges in the commercial property finance sector. The overall result is a ratio of NPLs to gross advances of 4.37 per cent. at June 2011, improving from the 5.05 per cent. reported at June 2010.

Analysis of income statement credit impairments

The following table sets out an analysis of the Bank's impairment charges for the years ended 30 June 2011 and 30 June 2010.

<i>R million/%</i>	Total impairment charge			As a % of average advances	
	<i>2011</i>	<i>2010</i>	<i>% change</i>	<i>2011</i>	<i>2010</i>
Retail	2,717	4,105	(34)	1.16	1.85
Residential mortgages	1,203	1,378	(13)	0.80	0.95
Credit card.....	149	776	(81)	1.39	6.92
Vehicle and asset finance	646	943	(31)	1.06	1.71
Other retail	719	1,008	(29)	6.12	10.01

<i>R million/%</i>	Total impairment charge			As a % of average advances	
	<i>2011</i>	<i>2010</i>	<i>% change</i>	<i>2011</i>	<i>2010</i>
Corporate/Wholesale	751	1,201	(37)	0.41	0.68
FNB Commercial	333	441	(24)	1.13	1.59
WesBank Business and Commercial.....	444	711	(38)	1.53	2.40
FNB Corporate.....	9	34	(74)	0.43	0.68
RMB.....	(35)	15	(>100)	(0.03)	0.01
Corporate centre and other	(169)	(191)	(>100)	n/a	n/a
Total NPLs	3,637	5,115	(29)	0.86	1.27
Of which:					
Accrual book	(146)	(299)	(51)	(0.03)	(0.08)
Fair value book.....	3,783	5,414	(30)	0.89	1.35

The Bank's impairment charges are continuing to decline steadily. The impairment charge of 1.27 per cent. as at 30 June 2010 reduced to 0.86 per cent. as at 30 June 2011 due to improved credit quality, the interest rate environment and increased post write-off recoveries.

Further information relating to the Bank's NPLs, impairments and coverage ratios are set out in Notes 3 and 4 of the supplementary information appended to the Bank's annual report for the year ended 30 June 2011 and incorporated into the Base Prospectus by reference.

Conduit programmes

The Group's conduit programmes are debt capital market vehicles which provide investment grade South African corporate counterparties with a source of funding alternative to direct access to the capital markets via their own note programmes and traditional bank funding. They also provide institutional investors with highly-rated short-term alternative investments. All the assets originated for the conduit programmes are rigorously evaluated as part of the ordinary credit approval process applicable to any other corporate exposure held by the Group.

The Bank has a contingent exposure of R12,671 million in the form of liquidity facilities it has granted to these conduits. It has a further R753 million in contingent exposure in the form of a guarantee it has extended to one of the conduit vehicles for credit enhancement purposes. All liquidity facilities granted to the conduit vehicles rank as senior, unsecured and unsubordinated obligations of the Bank in terms of payment priority in the event of drawdown and attract economic capital as if the underlying assets held in the vehicles were held by the Bank.

MANAGEMENT

The board of directors of the Bank (the "**Board**") is responsible for reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, monitoring corporate performance and overseeing major capital expenditures, acquisitions and disposals.

The Bank has a unitary Board. Its chairman is non-executive, but not independent in terms of the "King III" definition. "King III" is a report on corporate governance in South Africa, which came into effect in March 2010. It classifies a director as "independent" for these purposes if, among other things, the director has not served in an executive capacity within a company for three years prior to appointment. The Board comprises nineteen directors of whom two serve in an executive capacity. Twelve of the Board's directors are independent directors. Non-executive directors comprise individuals of high calibre with diverse backgrounds and expertise. The Bank complies with "King III". The Board meets quarterly. Two further meetings are scheduled to approve

the annual financial statements and to review strategic plans and the proposed budgets. Additional meetings are convened as and when necessary.

To fulfil their responsibilities, Board members have access to accurate, relevant and timely information. Any director may call on the advice and services of the company secretary, who gives guidance on legislative or procedural matters.

There is a formal transparent Board nomination process. Non-executive directors are appointed (subject to re-appointment and to the applicable provisions of the Companies Act relating to removal) and retire by rotation, every three years. Re-appointment of non-executive directors is not automatic.

The Board consists of nineteen members elected by the general shareholders' meeting. The current members of the Board and their position within the Board, as well as their position within the board of directors of other members of the Group, are set out below:

Name	Position
Lauritz Lanser Dippenaar	Chairman of the Board, Chairman of FirstRand and Director of RMBH
Sizwe Errol Nxasana	Chief Executive Officer of the Bank, Director of FirstRand and FREMA, Director of FRIHL
Vivian Wade Bartlett.....	Director of FirstRand
Johan Petrus Burger	Financial Director of the Bank and Financial Director of FirstRand, Group Operating Officer, Director of FREMA and FRIHL
Patrick Maguire Goss	Director of FirstRand and RMBH
Paul Kenneth Harris	Director of FirstRand and RMBH
William Rodger Jardine.....	Director of FirstRand
Ethel Matenge-Sebesho.....	Director of FirstRand
Ronald Keith Store	Director of FirstRand
Benedict James Van der Ross	Director of FirstRand
Jurie Johannes Human Bester	Director of FirstRand
Leon Crouse	Director of FirstRand and RMBH
Jan Hendrik van Greuning.....	Director of FirstRand
Matthys Hendrik Visser	Director of FirstRand
Nolulamo Gwagwa.....	Director of FirstRand
Amanda Tandiwe Nzimande	Director of FirstRand
Kgotso Buni Schoeman.....	Director of FirstRand
Deepak Premnarayen.....	Director of FirstRand

The business address of the members of the Board is the Bank's registered office. The names, and certain other information about each of the current members of the Board and their activities, are set out below:

Lauritz Lanser Dippenaar, MCom, CA(SA)

Mr. Dippenaar graduated from Pretoria University, qualified as a Chartered Accountant with Aiken & Carter (now KPMG) and worked with the Industrial Development Corporation before becoming co-founder of RCI. RCI acquired control of RMB in 1985, and Mr. Dippenaar became an executive director of RMB. He was appointed managing director in 1988, which is a position he held until 1992, when RMBH acquired a controlling interest in Momentum Life Assurers. He was appointed as executive chairman of Momentum Life Assurers, a post he occupied until becoming chief executive officer of FirstRand in 1998. In December 2005 he moved to a non-executive position in the Group. He was elected to the position of Chairman of FirstRand and the Banking Group in November 2008.

Directorships – FirstRand (Chairman), MMI Holdings Limited (Chairman), RMB Holdings Limited, RMI Holdings Limited

Sizwe Errol Nxasana, BCompt, CA(SA)

Mr. Nxasana is a Chartered Accountant and holds a Bachelor of Commerce (University of Fort Hare). He started his career at Unilever and Price Waterhouse and in 1989 established Sizwe & Co, the first black-owned audit practice in South Africa. In 1996 he became the founding partner of Nkonki Sizwe Ntsaluba, the first black-owned national firm of accountants in South Africa and was national managing partner until 1998 when he joined Telkom SA as Chief Executive Officer. He joined the Bank as CEO in January 2006.

Directorships – FirstRand (CEO), FREMA, MMI Holdings Limited, FRIHL.

Paul Kenneth Harris, MCom

Mr. Harris graduated from the University of Stellenbosch and joined the Industrial Development Corporation. He was a co-founder of RCI in 1977. RCI acquired control of RMB in 1985, and he became an executive director of RMB. He spent four years in Australia where he founded Australian Gilt Securities (later to become RMB Australia) and returned to South Africa in 1991 as deputy managing director of RMB. In 1992, he took over as chief executive officer of RMB. Subsequent to the formation of FirstRand, he was appointed chief executive officer of FRBH in 1999, a position he held until December 2005, when he was appointed chief executive officer of FirstRand.

Directorships – FirstRand, Remgro Limited, RMB Holdings Limited, RMI Holdings Limited, MMI Holdings Limited.

Johan Petrus Burger, BCom(Hons), CA(SA)

Mr. Burger is a Chartered Accountant and joined RMB in 1986. During his initial period at RMB, he held the position of Chief Financial Officer (“CFO”) of the Treasury Division. He was appointed financial director of RMB in 1995 with responsibility for finance, taxation, credit, risk management and internal audit. During 1998, he served as Chairman of the

Executive Committee of RMB. Since the restructuring of FirstRand banking operations in February 1999, Mr. Burger has had responsibility as financial director of the Bank for finance, risk management, internal audit, credit, taxation, development of performance/profit models for the banking group and the Group secretarial office.

Directorships – FirstRand, FREMA, MMI Holdings Limited, FRIHL.

William Rodger Jardine, BSc, MSc

Mr. Jardine is CEO of the Aveng Group, a JSE-listed company. After graduating from Wayne State University in 1991, he assumed the role of co-ordinator for the ANC's desk of Science and Technology. In 1995 he joined the Department of Science and Technology as director general, a role he fulfilled for five years. Mr. Jardine joined Kagiso Media in 1999 as chief executive officer. In November 2006 he became chief operating officer of Kagiso Trust Investments.

He is a trained physicist and obtained a Bachelor of Science (BSc) and a Master of Science (MSc) degree from Haverford College, Pennsylvania (United States).

Mr. Jardine is an executive director of the Aveng Group and also served as chairman of the CSIR and the Nuclear Energy Corporation of South Africa (NECSA) for six years.

Directorships – FirstRand

Ronald Keith Store, CA(SA)

Mr. Store joined Deloitte in 1960 and qualified as a Chartered Accountant in 1964. He was appointed a partner of Deloitte in 1973. A specialist in financial institutions and the banking industry, he founded the firm's Financial Institutions Services Team in 1986 and served as partner in charge for fifteen years. Mr. Store has provided consultancy services to most South African banks and also to the World Bank.

Mr. Store was elected to the board of Deloitte in 1995 and was the non-executive chairman from 2001. He was also a member of the Global Board of Deloitte Touche Tohmatsu and has served on the Global Governance Committee.

Mr. Store was a founder member of the Banking Interest Group of the South African Institute of Chartered Accountants and served as its first chairman. He is currently a member of the Policy Board for Financial Regulation and was a member of the Standing Committee for the Revision of the South African Banks Act. He convenes and lectures on financial regulation for the University of Johannesburg, where he holds a part time professorship.

In 2002 Mr. Store was appointed as an exclusive advisor to the Banking Supervision Department of the SARB. After retiring from Deloitte, Mr. Store was appointed as non-executive director of the Bank. In March 2007, Mr. Store was appointed Chairman of the Audit Committee of the Bank.

Directorships – FirstRand

Vivian Wade Bartlett, AMP (Harvard), FIBSA

Mr. Bartlett started his career with Barclays Bank Dominium, Colonial and Overseas South Africa, which subsequently became First National Bank of Southern Africa in 1987. After some four years of overseas secondments, he returned to South Africa in 1992 where he served as general manager and managing director in various group companies until being appointed as group managing director and chief executive officer of First National Bank of Southern Africa in 1996. In 1998, he was appointed deputy chief executive officer of the Bank, a position he held until his retirement in 2004.

Directorships – FirstRand, FirstRand STI Holdings Limited, Makalani Holdings Limited – Chairman

Patrick Maguire Goss, BEcon(Hons), BAccSc (Hons), CA(SA)

Mr. Goss, after graduating from the University of Stellenbosch, served as President of the Association of Economics and Commerce Students, representing South Africa at The Hague and Basel. He thereafter qualified as a Chartered Accountant with Ernst and Young and then joined the Industrial Development Corporation where he worked for two years. A former chairman of the Natal Parks Board, his family interests include Umngazi River.

Directorships – FirstRand, AVI Limited, RMB Holdings Limited, RMI Holdings Limited

Benedict James Van der Ross, Dip Law (UCT)

Mr. Van der Ross has a diploma in Law from the University of Cape Town and was admitted to the Cape Side Bar as an attorney and conveyancer. Thereafter he practiced for his own account for 16 years. He became an executive director with the Urban Foundation for five years up to 1990 and thereafter of the Independent Development Trust where he was deputy chief executive officer from 1995 to 1998. He acted as chief executive officer of the South African Rail Commuter Corporation from 2001 to 2003 and as chief executive officer of Business South Africa from 2003 to 2004. He was appointed to the board of The Southern Life Association in 1986.

Directorships – FirstRand, Lewis Stores Limited, Nasionale Pers Limited, Pick 'n Pay Stores Limited, Strategic Real Estate Management – Chairman, MMI

Holdings Limited, Makalani Holdings Limited

Ethel Matenge-Sebesho, CAIB (SA), MBA

Mrs. Matenge-Sebesho was appointed to the Board of Directors on 28 August 2006.

She has 19 years experience working in different roles within the banking sector in South Africa.

Directorships – FirstRand

Leon Crouse, CA(SA)

Mr Crouse studied at the Nelson Mandela Metropolitan

University in Port Elizabeth and after obtaining a Certificate in the Theory of Accounting in 1976, he qualified as a Chartered Accountant (SA) in 1977. During his professional career of more than 30 years, he gained financial knowledge and experience by lecturing at the University of Stellenbosch and holding various financial management positions in the sectors of telecommunications, luxury goods, chemicals and clothing and textiles.

He joined the former Rembrandt Group in 1986 in which year he transferred to Switzerland to hold the position of Financial Controller of Compagnie Financière Richemont AG and to be part of the team that unbundled the luxury goods business from the Rembrandt Group to form Richemont and list it on the Swiss, Luxembourg and South African Stock Exchanges.

In 1993, as a Rembrandt appointee, he returned to South Africa to become a founder member of the Vodacom Group executive team. Rembrandt, at the time, held a 15 per cent. interest in Vodacom. During his nearly 15 year career at Vodacom, he served as general manager, Finance between 1993 and 1996 and as CFO from 1996 until March 2008. He joined Remgro in April 2008 as designate Director, Group Finance and was appointed to the board of Remgro on 18 June 2008.

Directorships – FirstRand, Remgro Limited, RMBH and Total South Africa (Pty) Limited.

Jurie Johannes Human Bester, BSc Eng Elect (Pret) ISMP (Harvard)

Mr Bester was appointed to the Board on 17 June 2008.

Mr Bester has broad experience and expertise in all aspects of senior management, strategic planning, banking management treasury management, financial market analysis, financial market trading, investment management, credit risk management and risk management.

Mr Bester joined the Group in November 1997 as Risk Manager of RMB and was Group Risk Manager until he retired in December 2005.

Mr Bester serves on the FirstRand International Board and on various Committees within the Banking Group.

Directorships – FirstRand

Jan Hendrik van Greuning, CA(SA), CA(Canada), CFA, D.Compt (Accounting Science) and D.Com (Economics)

Dr van Greuning joined the World Bank in 1994 from the South African Reserve Bank, where he served as Registrar of Banks (1990 – 1994) and financial manager (1986 – 1989). Prior to that he was a partner with Deloitte, where he had spent ten years.

During his World Bank career, Dr van Greuning worked in the Financial Sector Development Department as well as the Europe and Central Asia region before moving to the World Bank Treasury, until his retirement in late 2009. He has worked extensively on financial regulatory, securities

accounting and operational risk management issues.

His World Bank publication on International Financial Reporting Standards (IFRS – A Practical Guide) has appeared in five editions and he has co-authored "Analysing Banking Risk" (three editions), "Risk Analysis for Islamic Banks" (1st edition November 2007) as well as International Financial Statement Analysis (CFA Institute – November 2008). Some of the books have been translated into more than fifteen languages.

Directorships – FirstRand

Matthys Hendrik Visser, B Comm (Hons), CA(SA)

Mr Visser is a chartered accountant who qualified with Arthur Young & Company in Cape Town before joining Rembrandt Group Limited where he held a number of positions, including financial director in 1991 and Managing Director in 1992. He is currently CEO of Remgro Limited.

Directorships – FirstRand, Remgro Limited, RMB Holdings Limited, RMI Holdings Limited

Nolulamo Gwagwa, BA (Fort Hare), MTRP (Natal), MSc (*cum laude*), (London), PhD (London)

Lulu Gwagwa worked as a town planner in the private, public and NGO sectors between 1981 and 1986, whereafter she proceeded to further her studies. In 1992 she joined the University of Natal as a senior lecturer in the Department of Town and Regional Planning. In 1995 she was appointed as a deputy director general in the national Department of Public Works, where she was responsible for the national public works programme and the transformation of the construction industry.

From 1998 to 2003 she was the chief executive officer of the Independent Development Trust. She is currently the chief executive officer of Lereko Investments

Directorships: FirstRand, Development Bank of Southern Africa, Massmart Holdings and Sun International

Amanda Tandiwe Nzimande, CA(SA), Diploma in Company Law (Wits)

Tandi Nzimande is the chief financial officer at WDB Investment Holdings, the investment vehicle for the WDB Trust. Her role includes overseeing the financial area of WDB Investment Holdings as well as executing transactions and monitoring of ongoing investment relationships.

She qualified in 1996 as a chartered accountant while with KPMG. She was a senior associate in the investment banking division of Deutsche Bank where she spent five years gaining experience in mergers and acquisitions internationally and in South Africa.

Directorships: FirstRand, Paracon Holdings, RMB Asset Management (Proprietary) Ltd, WDB Investment Holdings (Proprietary) Ltd and FirstRand STI Holdings Limited (Outsurance)

Kgotso Buni Schoeman, BA Economics

Kgotso Schoeman is currently the chief executive officer of Kagiso Trust. He has been involved with the trust for over 14

years. He led the team that developed the new strategy of the trust from being a general conduit grant funding agency to a development and implementing agency in the early education and rural finance development fields. He is currently heading negotiations with the provincial education department and the private sector to secure long term partnership for possible national rollout on a programme to improve rural education. He has considerable experience in programme design and management. He has over the past ten years participated as a team member or led a number of projects including: the Alexandra Renewal Programme, the Local Economic Development Study for the Amajuba Municipality in Newcastle, the Impact Study of the SMME Micro-financing sector around the Tshwane area and the Public Participation Process that led to Robben Island gaining world heritage status.

Directorships: FirstRand, and Kagiso Trust Investments and its subsidiaries.

Deepak Premnarayen, BA Economics (Hons)
India

Mr Premnarayen started his career as a management trainee in 1968 with New India Assurance. He later moved to Citibank and then Reckitt & Coleman in India. In 1998 he founded the ICS Group to pursue emerging infrastructure development opportunities in India. He continues to serve as Chairman of the ICS Group, which has now broadened its interests to include asset management, property management and related services, and hospitality. He acts as FirstRand's mentor in India and is a member of its Advisory Board.

Directorships – FirstRand, ICS Group, Triangle Real Estate India Fund LLC (Mauritius) and Noida Toll Bridge Company

Additionally, the Bank has a company secretary, BW Unser, who is suitably qualified and was appointed by the Board in 1998. He is, *inter alia*, responsible for the duties stipulated in Section 88 of the South African Companies Act. Mr Unser is available at the Specified Office of the Issuer during working hours.

Conflicts of Interest

All directors of the Bank serve as directors of one or more of the Bank's affiliates (including FirstRand and other companies within the Group). The Bank engages in transactions with some of these affiliates, including transactions in the ordinary course of business. See "*Related Party Transactions*" below.

All of the directors of the Bank are also directors of the Bank's parent company, FirstRand, and they therefore also owe duties in that capacity to FirstRand as well as to the Bank. It is possible that the duties which these directors owe to FirstRand may potentially conflict with their duties to the Bank.

In respect of potential conflicts of interest that may arise in the future, the Bank has processes for the management of such conflicts such that it does not expect that any actual conflict of interest would arise.

Other than as described above, there is no potential conflict of interests between any duties which the members of the Board owe to the Bank and their private interests or other duties.

As described below in "*Risk Management*", the Board discharges its duties through several FirstRand committees and sub-committees. Although the Group and the Bank each has its own board of directors, there is a single set of governance committees for the Group and each of its major subsidiaries, including the Bank.

FirstRand committees responsible for the Bank include the following:

FirstRand Audit Committee

The current members of the Audit Committee are as follows:

Name	Position
Jan Hendrik van Greuning	Chairman
Vivian Wade Bartlett	Member
Leon Crouse	Member
Ethel Matenge-Sebesho	Member
Ronald Keith Store	Member

The Audit Committee is responsible for considering the annual financial statements for approval by the Board, and monitoring the quality of the internal controls and processes of the Bank and the implementation of corrective actions. The committee meets quarterly.

FirstRand Risk Capital Management and Compliance Committee (“RCC Committee”)

The current members of the RCC Committee are as follows:

Name	Position
Jurie Johannes Human Bester	Chairman
Ronald Keith Store	Member
Leon Crouse	Member
Jan Hendrik van Greuning	Member

The RCC Committee is responsible for approving the risk management policy, standards and processes, monitoring the Bank's risk assessments and the effectiveness of risk management and high priority corrective actions. The RCC Committee has delegated responsibility for a number of specialist topics to various subcommittees as described further in "*Risk Management*" below. The committee meets quarterly.

FirstRand Large Exposures Credit Committee

The current members of the Large Exposures Credit Committee are:

Name	Position
Ronald Keith Store	Chairman
Vivian Wade Bartlett	Member
Johan Petrus Burger	Member
Sizwe Nxasana	Member
William Rodger Jardine	Member

Benedict James Van der Ross

Member

The Large Exposures Credit Committee is responsible for approving credit exposures in excess of 10 per cent of the Bank's capital. The committee meets quarterly.

FirstRand Director's Affairs and Governance Committee

The current members of the Director's Affairs and Governance Committee are:

Name	Position
William Rodger Jardine	Chairman
Leon Crouse	Member
Vivian Wade Bartlett	Member
Laurie Dippenaar	Member
Patrick Maguire Goss	Member
Ronald Keith Store	Member
Benedict Jamesvan der Ross	Member
Ethel Matenge-Sebesho	Member
Jurie Johannes Human Bester	Member
Jan Hendrik van Greuning	Member
Matthys Hendrik Visser	Member
Paul Kenneth Harris	Member
Nolulamo Gwagwa	Member
Amanda Tandiwe Nzimande	Member
Kgotso Buni Schoeman	Member
Deepak Premnarayen	Member

The objective of this committee is to assist the Board in discharging its responsibilities relative to corporate governance structures, matters relating to performance and remuneration of directors, the appointment of new directors, the effectiveness of the board and succession planning at executive level. The committee meets quarterly.

FirstRand Credit Committee

The current members of the Credit Committee are:

Name	Position
Jurie Johannes Human Bester	Member
Johan Petrus Burger	Member

The Credit Committee is responsible for credit approvals of group or individual credit facilities in excess of subcommittee mandates and limits and approves all wholesale credit policies. The committee meets weekly.

EMPLOYEES

As at 30 June 2011 the Bank had approximately 30,221 employees, compared to 31,288 as at 30 June 2010. The approximate number of employees within each of the Bank's major divisions and its Corporate Centre is set out below:

• FNB	25,436
• RMB	1,425
• WesBank	2,545
• Corporate Centre	815

To date, the Bank has not experienced industrial action or other work stoppages resulting from labour disputes.

COMPETITION

In South Africa, there are currently 12 registered banks with local control, 6 registered banks with foreign control, 12 branches of foreign banks, 2 registered mutual banks, and 41 representative offices of foreign banks (Source: SARB website). As at 30 June 2011, the South African banking sector had total assets of R3.1 trillion according to statistics published by the SARB (Source: BA900, June 2011).

In addition to the Bank, the largest banks in South Africa (and the Bank's principal competitors) are Absa Bank Limited, Nedbank Limited and The Standard Bank of South Africa Limited. The following table sets out total assets and capital and reserves for each:

	Total Assets	Capital and Reserves
	<i>(R billion)</i>	
Absa Bank Limited.....	669.0	51.9
FirstRand Bank Limited	610.6	41.0
Nedbank Limited.....	550.4	36.9
The Standard Bank of South Africa Limited.....	804.2	50.3

Source: SARB BA900, June 2011

The Bank's competitors also include Investec Bank Limited, as well as the local operations of international banks.

CAPITAL ADEQUACY

The Bank is subject to regulatory capital requirements. The capital adequacy of the Bank is measured in terms of the South African Banks Act.

The Bank's capital planning process ensures that its total capital adequacy and Tier 1 ratios remain within approved ranges or above target levels across economic and business cycles. The Bank is appropriately capitalised under a range of normal and severe scenarios as well as a range of stress events.

The Bank currently finds itself in an environment of significant regulatory uncertainty. Although many of the Basel III changes have been finalised, these proposals are yet to be outlined in South African regulations. The Bank has increased its targeted ranges in anticipation of the implementation of Basel III even though the levels in South Africa are not yet finalised. The current approach to capital levels is conservative and the Bank would prefer to maintain strong capital ratios at the upper end of its targeted band.

The Board-approved capital plan is reviewed as part of the Group's International Capital Adequacy Process ("ICAAP"), with the stress testing framework being an extension to the process. These processes are under continuous review and refinement and continue to inform the targeted buffer.

For the year ended 30 June 2011, the Bank excluding subsidiaries and branches operated above its targeted capitalisation range with a total capital adequacy of 14.2 per cent. and a solid Tier 1 ratio of 12.4 per cent.

Enhancements to the Basel II framework - Basel 2.5

The BCBS introduced enhancements to the market risk and securitisations framework, effective 1 January 2012. These revisions incorporate new capital requirements to include the effects of stressed markets (stressed Value-at-Risk, "VaR"), an incremental risk charge for default and rating migration risk of trading book positions and higher risk weightings for resecured exposures. The SARB has issued a set of draft regulations which cover the revised market risk and securitisation proposals of Basel 2.5, as well as introducing a scalar for credit risk. These regulations will be implemented at the beginning of 2012. The draft regulations currently do not make provision for the proposed Basel III framework discussed below.

Basel III

The final Basel III framework "A global regulatory framework for resilient banks and banking systems" was issued in December 2010. The new regulations will be phased in from 1 January 2013 onwards with full compliance of capital levels (including buffers) by 1 January 2019.

Quantitative impact studies are currently being completed by regulators to assess the impact of the new Basel III rules. This exercise will be performed every six months. The Group has been involved in this exercise and current calculations result in lower Tier 1 and total capital adequacy ratios for the Group. However, the Bank will remain above the current regulatory minimum and internal minimum requirements. The targeted capital levels may be further revisited once the Basel III proposals are incorporated into the SARB regulations. The Group expects further guidance from the SARB during the first quarter of 2012.

The targeted capital levels as well as the current ratios (as at 30 June 2011) for FRB (excluding branches, subsidiaries and associates) are summarised in the table below:

	Actual	Target	Regulatory minimum
Capital adequacy ratio (%)	14.2	11.5 -13.0	9.50*
Tier 1 ratio (%).....	12.4	10.50	7.00
Core Tier 1 ratio (%)	11.4	9.0 - 10.5	5.25

* The regulatory minimum excludes the bank specific (Pillar 2b) add on.

The following table shows the composition of regulatory capital (financial resources) for the Bank as at 30 June 2011, while the subsequent tables provide a breakdown of risk weighted assets and the respective approaches for calculating them.

FRB*					
30	June	%	30	June	%
2011			2010		

	FRB*					
	30 June 2011		30 June 2010			
		%		%		%
	(R million)					
Ordinary shareholders equity as per IFRS**	37,965		33,085			
Less: non-qualifying reserves**	(333)		(477)			
Cash flow reserve**	452		466			
Available-for-sale reserve**	(443)		(532)			
Share-based payment reserve**	(342)		(411)			
Ordinary shareholders equity qualifying as capital	37,632		32,608			
Ordinary share capital and share premium**	11,459		10,969			
Reserves	26,173		21,639			
Non-cumulative non-redeemable preference shares*	3,000		3,000			
Less: total impairments	(3,295)		(2,323)			
Excess of expected loss over eligible provisions (50%)	(907)		(379)			
First loss credit enhancements in respect of securitisation structures (50%)	(71)		(45)			
Qualifying capital in branches	(1,732)		(1,732)			
Other impairments	(585)		(167)			
Total Tier 1 capital	37,337	12.4	33,285	11.7		
Upper Tier 2 instruments	1,042		1,068			
Tier 2 subordinated debt instruments	5,349		5,914			
Less: total impairments	(978)		(424)			
Excess of expected loss over eligible provisions (50%)	(907)		(379)			
First loss credit enhancements in respect of securitisation structures (50%)	(71)		(45)			
Total Tier 2 capital	5,413	1.	6,558	2.1		
Total qualifying capital and reserves	42,750	14.2	39,843	14.0		

* Reflects solo supervision, i.e. FRB excluding branches, subsidiaries and associates

** Audited

Risk weighted assets for each risk type

	FRB#			
	30 June 2011		30 June 2010	
	RWA	Capital requirement*	RWA	Capital requirement*
	(R million)			
Credit risk	226,678	21,534	210,328	19,981
Operational risk	42,659	4,05	38,223	3,63
Market risk	7,016		4,669	
Equity investment risk	10,460		16,835	1,59
Other risk	14,027	1,33	13,690	1,30
Total RWA	300,840	28,581	283,745	26,956

Reflects solo supervision, i.e. FRB excluding branches, subsidiaries and associates

* Capital requirements calculated at 9.5 per cent of RWA

The table below provides the RWA numbers per Basel II approach for each risk type as at 30 June 2011.

	R million
Credit risk	
Advanced Internal Ratings Based Approach ("AIRB")	226,678
Corporate, banks and sovereigns	92,642
SME	37,584
Residential mortgages	42,388

Qualifying revolving retail	9,003
Other retail	40,481
Securitisation exposure.....	4,580
Equity investment risk	10,460
Simple risk weighted method.....	10,460
Operational risk	42,659
Advanced measurement Approach.....	42,659
Market risk*	7,016
Internal Model Approach	7,016

* includes banking and trading book

In addition to the regulatory capital requirements, the Bank also calculates its economic capital requirements on the basis of a number of internally developed models. It defines economic capital as the level of capital it must hold, commensurate to its risk profile under severe stress conditions to give comfort to a range of stakeholders that it will be able to satisfy all its obligations to third parties with a desired degree of certainty, and that it would continue to operate as a going concern. The Bank aims to back all economic risks with Tier 1 capital. It uses the allocation of capital based on risk capacity as a steering tool and for performance measurement purposes.

LEGAL PROCEEDINGS

The Bank has been, and continues to be, the subject of legal proceedings and adjudications from time to time.

There are a number of legal or potential claims against the Bank, the outcome of which cannot at present be foreseen. These claims are not regarded by management as material either on an individual or collective basis.

However, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Bank is aware), in the 12 months prior to the date of this Programme Memorandum, which may have or have had in the recent past, a significant effect on the financial position or profitability of the Bank and its subsidiaries.

PROPERTY

As at 30 June 2011, the Bank held the freehold title to land and buildings with a net book value of R3,301 million and leasehold title to properties with a net book value of R2,097 million compared to R3,140 million and R2,106 million respectively as at 30 June 2010.

INSURANCE

The Bank has a comprehensive insurance programme with cover for bankers bond, computer crime, professional indemnity, directors and officers liability, assets and liabilities. Regular benchmarking reviews of policy provisions, covers and limits ensure that the level of risk mitigation is adequate in relation to the Bank's risk profile.

All cover is placed at Group level to maximise on economies of scale and to ensure all entities are included.

IT/TECHNOLOGY

Information technology is an integral part of the Bank's operations. The Bank is continually seeking to improve the operating features and security of its IT systems, in particular for new technologies to support and enhance its business strategies.

Information risk management within the Group not only involves securing bank information and systems, but also entails the application of risk management principles to ensure efficient, reliable and timely delivery of information.

FUNDING

See the "Risk Factors – Liquidity Risk – Structural characteristics impacting the funding profile of South African banks" section above for a discussion of certain structural characteristics of the South Africa banking

sector which are relevant to the Bank's funding sources and strategy. In this section, "institutional funding" refers to wholesale funding from financial institutions across a range of deposits, loans and financial instruments.

Funding strategy

FirstRand's objective is to fund its activities in a sustainable, diversified, efficient and flexible manner, underpinned by strong counterparty relationships within prudential limits and requirements. The objective is to maintain natural market share, but also to outperform at the margin, which will provide the Group with a natural liquidity buffer. The four building blocks of our funding strategy are discussed in more detail below.

Diversification

The Group views funding diversification from a number of different perspectives:

- Segments – the Group has a strong and stable deposit franchise, which spans the retail, commercial and corporate segments. Institutional funding represents approximately 40 per cent of the Group's total funding and this reliance represents a risk concentration that is actively managed through the holding of appropriate liquidity buffers and continued focus on lengthening the term profile.
- Country and currency of issue – the Bank has access to a variety of funding and capital markets offshore and locally, including South Africa, Europe, Asia, Australia and Botswana in ZAR, USD, GBP, EUR, AUD and BWP.
- Instrument types and maturity profile – the Group funds itself with a variety of different funding instruments, including negotiable certificates of deposits ("NCDs"), fixed and floating rate notes, syndicated loans, development finance facilities, vanilla and structured capital market issuances, and various retail and corporate products.

The Bank seeks to broaden its investor base as far as possible, while actively pursuing an investor relations strategy.

An analysis of the Bank's funding base is provided in the tables in the following pages.

The table below provides an historic analysis of the Bank's funding sources and reflects the stability of and reliance on institutional funding as at the dates indicated.

	30 June 2008	31 December 2008	30 June 2009	31 December 2009	30 June 2010	31 December 2010	30 June 2011
Institutional	39%	39%	40%	41%	42%	41%	40%
Corporate	25%	24%	23%	23%	22%	22%	21%
Retail	15%	16%	16%	16%	16%	16%	16%
SME	6%	6%	6%	5%	5%	5%	5%
Public	8%	8%	8%	7%	8%	8%	9%
Foreign	6%	5%	5%	5%	5%	6%	5%
Other	2%	1%	1%	2%	2%	2%	3%
TOTAL	R450bn	R455bn	R449bn	R456bn	R481bn	R512bn	R516bn

A historical analysis of the average maturity of the Bank's institutional funding base as at the dates indicated is provided in the table below, and it shows that the Bank has reduced its reliance on short-term funding over time.

Term profile of institutional funding base (unaudited)

	30 June 2008	31 December 2008	30 June 2009	31 December 2009	30 June 2010	31 December 2010	30 June 2011
Short Term (0 to 1 month)	48%	46%	43%	40%	42%	40%	42%
Medium Term (1 to 6 months)	13%	21%	18%	29%	17%	24%	18%
Long Term (>6 months)	38%	32%	40%	31%	41%	36%	40%
TOTAL	R174bn	R176bn	R179bn	R187bn	R202bn	R209bn	R209bn

Another key aspect of the Bank's funding strategy is to enjoy as much flexibility as possible when seeking access to the widest range of funding markets, debt investors and products. The Bank's strategy for public issuance generally revolves around the establishment of a yield curve of liquid, actively traded benchmark bonds.

The table below sets out the maturity profile as at 30 June 2011 of all outstanding capital markets instruments issued by the Bank. The Bank does not have concentration risk in any one year.

FirstRand Bank capital markets instruments (unaudited)

<i>Maturity</i>	Senior <i>(R million)</i>	Senior - Inflation Linked <i>(R million)</i>	Subordinated Debt <i>(R million)</i>	EMTN Issuance <i>(R million)</i>	Credit Linked Notes <i>(R million)</i>	Total <i>(R million)</i>
2011	707	1,681	-	-	501	2,890
2012	206	-	1,307	4,877	122	6,511
2013	2,871	3,879	-	-	104	6,854
2014	5,524	308	1,793	-	331	7,957
2015	3,756	8	-	-	702	4,465
2016	1,944	-	100	2,387	-	4,431
2017	21	-	100	-	-	121
2018	1,442	-	2,975	68	-	4,486
2020	107	-	-	-	-	107
2022	-	331	-	-	-	331
2023	-	3,565	-	-	-	3,565
2024	706	-	216	-	-	922
2028	-	540	-	-	-	540
2031	131	-	-	-	-	131
2033	-	425	-	-	-	425
2045	198	-	-	-	-	198

Efficiency

The Group's aim is to fund the balance sheet in the most efficient manner, taking into account the liquidity risk management framework, as well as regulatory and rating agency requirements.

To ensure maximum efficiency and flexibility in accessing funding opportunities, the Group has established a range of debt programmes. The Group's strategy for public issuance is to create actively-traded benchmarks, which facilitate secondary market liquidity in both domestic and offshore markets. The value of this strategy is that it assists the Group to identify cost-effective funding opportunities.

The market benchmark cost for money market funding is measured by the spread above the 3-month Johannesburg Interbank Acceptance Rate (“**JIBAR**”) paid on a 1-year floating rate note. This 1-year spread has reduced significantly during the 2011 financial year.

While money market spreads have reduced (as described above), longer dated funding spreads remain relatively high. This coincides with banks lengthening their funding profile over the year and therefore there has been greater supply of issuance in the long end.

Although the average ZAR funding cost has been quite stable year-on-year, the Group has increased the term of funding raised, thereby reducing the liquidity mismatch. This was achieved through a focus on longer term issuance (two, three and four year) as well as a preference for three to nine-month terms over 12 months due to favourable pricing in that area of the curve.

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Flexibility

Another key aspect of the Group's strategy is to achieve maximum flexibility as far as access to the widest range of funding markets, debt investors and products is concerned. As market preferences and investor demands change, the Group is required to operate in a number of jurisdictions, legal entities and operating platforms. The dynamic environment requires an appropriate and up-to-date funding platform infrastructure to leverage the Group's globally integrated approach to debt pricing and risk management in a responsive and effective manner.

The Group has a track record of differentiating itself through new and innovative funding mechanisms. It constantly reviews new proposals relating to funding strategies based on forecast balance sheet structures, in order to anticipate and plan for future funding and structural liquidity requirements.

Strong Counterparty Relationships

The Group places great value on its established strong relationships with investors and is committed to keeping investors fully informed. Therefore an active marketing approach is embedded in the funding strategy. Through forums such as conference calls, domestic and international roadshows and investor presentations, the Group aims to extend its investor base, and keep stakeholders up to date on its financial performance and counterparty status.

Deposits

The following table sets out the Bank's deposit and current accounts (in R millions) for the years ended 30 June 2011 and 2010. (Note that "Deposits and current accounts" include both amounts deposited by customers, as well as institutional funding via debt capital market issuances but excluding subordinated debt).

	At as 30 June 2011			At as 30 June 2010		
	At amortised cost	Designated fair value	Total	At amortised cost	Designated fair value	Total
From banks and financial institutions	22,060	61,630	83,690	12,813	55,730	68,543
In the normal course of business .	22,060	29,656	51,716	12,813	23,343	36,156
Under repurchase agreements	–	31,974	31,974	-	32,387	32,387
From customers	291,076	21,151	312,227	234,025	89,392	323,417
Current accounts.....	188,030	2,678	190,708	171,945	138	172,083
Savings accounts	2,377	–	2,377	1,897	–	1,897
Term deposits.....	100,669	18,473	119,142	60,183	89,254	149,437
Other deposits	45,809	51,680	97,489	627	61,171	61,798
Negotiable certificates of deposit	45,215	23,928	69,145	4	34,715	34,719
Buy backs.....	–	9,172	9,172	–	8,704	8,704
Other deposits	594	18,580	19,174	623	17,752	18,375
Totals	358,945	134,461	493,406	247,465	206,293	453,758
Total liabilities			576,053			540,761

The vast majority of the Bank's funding is denominated in Rand, although the Bank accepts deposits and funding in other currencies.

The table set out at note 42 of the Bank's annual report for the year ended 30 June 2011, which has been incorporated by reference into this Programme Memorandum, sets out the maturity analysis of the Bank's balance sheet based on the remaining period from year end to maturity.

Securitisation

From an accounting perspective, traditional securitisations are treated as sales transactions. At inception, the assets are sold to a special purpose vehicle at carrying value and no gains or losses are recognised. The securitisation entities are subsequently consolidated into the Group for financial reporting purposes. Following the Reorganisation, the securitisation entities will be reconsolidated into FRIHL for financial reporting purposes. For synthetic securitisations, the credit derivatives used in the transaction are recognised at fair value, with any fair value adjustments reported in profit or loss.

Traditional and synthetic securitisations

The following tables show synthetic securitisations currently in place as well as the rating distribution of any exposures retained by the Group. Whilst national scale ratings have been used in this table, global scale equivalent ratings are used for internal risk management purposes. All assets in these vehicles were originated by FRB and in each of these transactions FRB acted as originator, servicer and swap counterparty.

Securitisation transactions (unaudited)

FirstRand Limited
Securitisation Transactions

R million	Asset type	Year initiated	Expected close	Rating agency	Assets securitised	Assets outstanding		Notes outstanding		Retained exposure	
						June 2011	June 2010	June 2011	June 2010	June 2011	June 2010
	Traditional securitisations				14 784	5 476	3 907	5 474	4 276	1 261	254
Nitro 3	Retail: Auto loans	2007	2011	Moody's and Fitch	5 000	-	736	-	1 129	-	39
Ikhaya 1	Retail: Mortgages	2007	2011	Fitch	1 900	1 164	1 317	1 131	1 321	84	87
Ikhaya 2	Retail: Mortgages	2007	2012	Fitch	2 884	1 625	1 854	1 580	1 826	148	128
Turbo Finance	Retail: Auto loans	2011	2013	Moody's and Fitch	3 620	2 687	-	2 763	-	1 028	-
	Synthetic securitisations				22 000	20 000	22 000	20 000	22 000	18 262	19 138
Procul	Retail: Auto loans	2002	2010	Fitch	2 000	-	2 000	-	2 000	-	875
Fresco II	Corporate receivables	2007	2013	Fitch	20 000	20 000	20 000	20 000	20 000	18 262	18 263
Total					36 784	25 476	25 907	25 474	26 276	19 523	19 392

Rating distribution of retained securitisation exposure (unaudited)

FirstRand Limited											
Rating distribution of retained securitisation exposures											
R million	AAA(zaf)	AA+(zaf)	AA(zaf)	A+(zaf)	A(zaf)	BBB+(zaf)	BBB(zaf)	BB(zaf)	B+(zaf)	Not Rated	Total
Traditional											
At 30 June 2011	596	-	5	-	4	-	374	-	-	282	1 261
At 30 June 2010	15	-	10	-	4	15	-	-	-	210	254
Synthetic											
At 30 June 2011	17 840	-	-	-	-	-	-	180	53	190	18 262
At 30 June 2010	17 991	-	180	53	-	-	-	-	-	914	19 138

RISK MANAGEMENT

FirstRand's primary business objective is the generation of sustainable profits. The effective management of financial and non financial risk is seen as fundamental for the successful and sustainable realisation of the Group's strategic objectives. Risk taking is an essential part of the Group's business and FirstRand thus explicitly recognises risk assessment, monitoring and management as core competencies and important differentiators in the competitive environment in which it operates.

The Group defines risk widely – as any factor that, if not adequately assessed, monitored and managed, may prevent it from achieving its business objectives or result in adverse outcomes, including damage to its reputation.

The heads of individual businesses are supported in this task by deployed risk management functions that participate in all business decisions. The heads of risk for the individual franchises have a direct reporting line to the head of the relevant franchise. In addition, to ensure the independence of deployed risk management functions, the franchise heads of risk also have a reporting line to the Bank's Chief Risk Officer (“CRO”).

Risk governance

The Board retains ultimate responsibility for ensuring that risks are adequately identified, measured, monitored and managed. The Group believes that a culture focused on risk paired with an effective governance structure is a prerequisite for managing risk effectively.

In addition, effective risk management requires multiple points of control or safeguards that should be applied consistently at various levels throughout the organisation. There are three primary lines of control across the Group's operations:

1. *Risk ownership* – Risk taking is inherent in the individual businesses' activities. Business management carries the primary responsibility for the risks in its business, in particular with respect to identifying and managing risk appropriately;
2. *Risk control* – Business heads are supported in this by deployed risk management functions that are involved in all business decisions and are represented at an executive level across all franchises. These are overseen by an independent, central risk control function, ERM.
3. *Independent assurance* – The third major control point involves functions providing independent assurance on the adequacy and effectiveness of risk management practices across the Group. These are the internal audit functions at a business and at a Group level.

The risk management structure described above is set out in the Business Performance and Risk Management Framework (“**BPRMF**”). As a policy of both the Board and the executive committee, it delineates the roles and responsibilities of key stakeholders in business, support and control functions across the various franchises and the Group. The BPRMF explicitly recognises the three lines of control listed above.

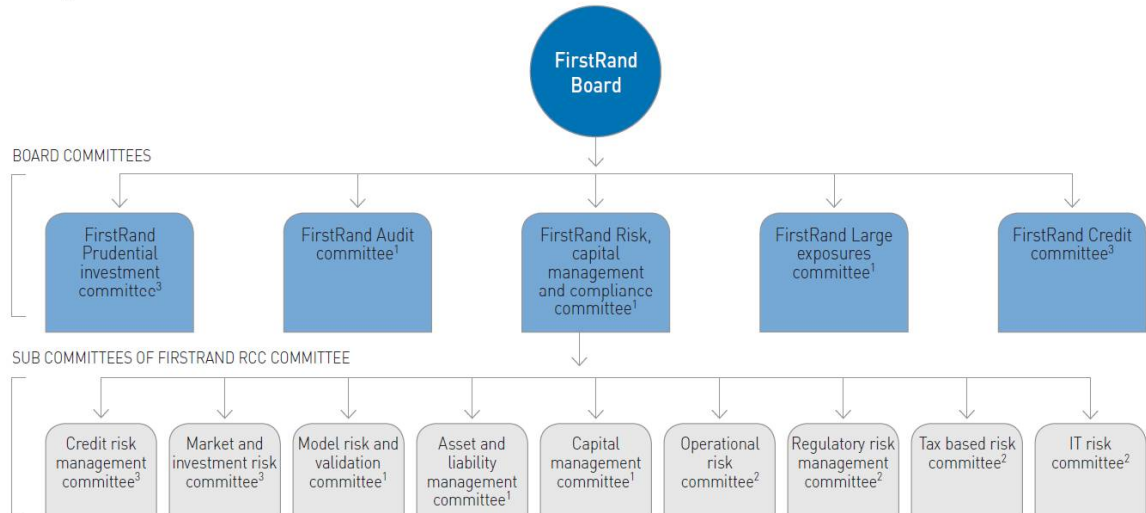
In line with the Group's corporate governance framework, the Board retains ultimate responsibility for ensuring that risks are adequately identified, measured, managed and monitored across the banking operations. The Board discharges its duty through relevant policies and frameworks as well as several board committees and subcommittees, as illustrated in the chart below. Although the Group and the Bank each has its own board of directors, there is a single set of governance committees for the Group and all three its major subsidiaries (i.e. the Bank, FREMA and FRIHL).

The primary board committee overseeing risk matters is the Risk Capital Management and Compliance (“**RCC**”) committee. It has delegated responsibility for a number of specialist topics to various subcommittees, as outlined in the chart below. A number of the individual committees' members are non-executives, further strengthening the Group's central, independent risk oversight and control functions.

Additional risk, audit and compliance committees exist in each franchise, the governance structures of which align closely with that of the Group. The board committees are staffed by members of the respective franchise committees so as to ensure a common understanding of the challenges businesses face and how these are addressed across the Group.

The table below sets out the risk governance structure for the Group and each franchise.

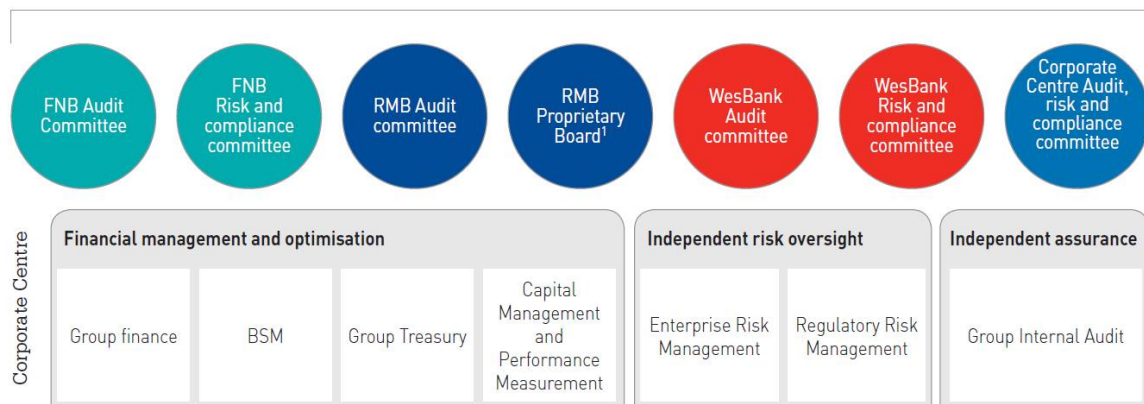
Risk governance structure



1. Chairperson is an independent non executive board member.
2. Chairperson is an external member.
3. Chairperson is member of senior executive management. The FirstRand Credit and Credit risk management committees have non-executive board representation.

Franchise risk governance structure

Franchise committees support FirstRand in the third line of control access across the Group



1. The RMB Proprietary Board is the Risk and regulatory committee for RMB.

The table below sets out the risk governance structure for the Group and each franchise.

Responsibilities of the committees in the risk governance structure

	Committee	Responsibility
Board committees	FirstRand Prudential investment committee	<ul style="list-style-type: none"> ensures investment exposures comply with FirstRand's prudential investment guidelines.
	FirstRand Audit committee	<ul style="list-style-type: none"> considers the annual financial statements for approval by the Board; and monitors the quality of the internal financial controls and processes of FirstRand and the implementation of corrective actions.
	FirstRand Risk, capital management and compliance committee	<ul style="list-style-type: none"> approves risk management policies, standards and processes; monitors Group risk assessments; monitors the effectiveness of risk management and high priority corrective actions; monitors the Group's risk profile; and approves risk and capital targets, limits and thresholds.
	FirstRand Large exposures committee	<ul style="list-style-type: none"> approves credit exposures in excess of 10% of the Group's capital.
	FirstRand Credit committee	<ul style="list-style-type: none"> credit approvals of group or individual credit facilities in excess of sub-committee mandates and limits; and approves all wholesale credit policies.
Sub-committees of the FirstRand RCC committee	Credit risk management committee	<ul style="list-style-type: none"> approves credit risk management policies, standards, processes and new business origination within risk appetite; monitors effectiveness of credit risk management processes, credit risk profile and impairment charges; monitors scenario and sensitivity analysis, stress tests, credit economic capital and credit concentrations; and approves all retail and commercial credit policies.
	Market and investment risk committee	<ul style="list-style-type: none"> approves market and investment risk management policy, standards and processes; monitors the effectiveness of market and investment risk management processes; monitors the market and investment risk profile; and approves market and investment risk-related limits.
	FSR Model risk and validation committee	<ul style="list-style-type: none"> considers and approves all material aspects of model validation work including credit rating and estimation, internal models for market risk and advanced measurement operational risk models for the calculation of regulatory capital requirements.
	Asset and liability committee	<ul style="list-style-type: none"> approves and monitors effectiveness of management policies and processes for interest rate risk in the banking book and liquidity risk.
	Capital management committee	<ul style="list-style-type: none"> approves policies and principles relating to the management process of accounting, regulatory and economic capital; and approves buffers over regulatory capital and monitors capital adequacy ratios.
	Operational risk committee	<ul style="list-style-type: none"> monitors risk management processes, operational risk management, and effectiveness of risk management, process breakdowns and corrective actions.
	Regulatory risk management committee	<ul style="list-style-type: none"> approves regulatory risk management principles, frameworks, plans, policies and standards; and monitors the effectiveness of regulatory risk management, breaches and corrective action taken across the Group.
	Tax-based risk committee	<ul style="list-style-type: none"> monitors tax management processes, effectiveness of tax management process and corrective actions.
	IT risk committee	<ul style="list-style-type: none"> approves group-wide information and technology risk policies and standards to ensure the protection of information assets.

Risk management framework

The governance structure described above is set out in the BPRMF. As a policy of both the Board and the executive committee of the Group it delineates the roles and responsibilities of key stakeholders in business, support and control functions across the various franchises and the Group.

The BPRMF stipulates that the head of each business unit is responsible for managing risk in line with the BPRMF and other relevant frameworks of the Group or divisional boards. As such, it emphasises the embedding of risk management as a core discipline and the requirement for giving explicit consideration to potential risks in all business decisions in line with the Group's focus on ensuring the sustainability of earnings. Business ownership of risk and responsibility for risk management constitutes the first line of control applied across the Group.

The heads of individual businesses are supported in this task by deployed risk management functions that participate in all business decisions. The heads of risk for the individual franchises have a direct reporting line to the Bank's Chief Risk Officer but also retain a second reporting line into the head of the respective franchise. As such, deployed risk functions are embedded in the business units. They are represented on the respective franchises' executive committees and are involved in strategy setting and business decision-making while remaining independent from a governance perspective with a primary focus on risk identification, measurement and control. The deployed risk management functions are overseen centrally by ERM, and together form the second line of risk controls across the Bank.

ERM is headed by the Chief Risk Officer, who is also a member of the executive committee. To ensure the independence of deployed risk management functions, the following also fall within the purview of the ERM function:

- agreeing deployed and divisional risk plans;
- reporting and escalation of risk matters;
- reviewing skill placement at divisional level and below; and
- performance assessment and remuneration of risk personnel.

The third line of control is provided by the independent audit function, both at the level of individual businesses and at a Group level. The Group Internal Audit department reports to the Board through the Group audit committee, and provides assurance on the implementation of risk frameworks and the integrity, accuracy and completeness of risk reports submitted to the individual franchise boards and the Group's RCC committee.

Risk appetite

The level of risk the Group is willing to take on – its risk appetite – is determined by the board, which also assumes responsibility for ensuring that risks are adequately managed and controlled through its RCC committee and its sub-committees.

The risk appetite framework sets out specific principles, objectives and measures that link diverse considerations such as strategy setting, risk considerations, target capitalisation levels and acceptable levels of earnings volatility. As each franchise is ultimately tasked with the generation of sustainable returns, risk appetite acts as a constraint on the assumption of ever more risk in the pursuit of profits – both in quantum and in kind. For example, a marginal increase in return in exchange for disproportionately more volatile earnings is not acceptable. Similarly, certain types of risk, such as risks to its reputation, are incompatible with the business philosophy and thus fall outside its risk appetite.

In addition to these considerations, risk appetite finds its primary quantitative expression in two measures, namely:

- the level of earnings growth and volatility the Group is willing to accept from certain risks that are core to its business; and
- the level of capitalisation to maintain regulatory capital requirements and a capital buffer for unforeseen events and business expansion and the return achieved on capital allocated.

These two measures define the risk capacity and this expression of risk appetite is calibrated against broader financial targets. As a function of the business environment and stakeholders' expectations and together with the primary risk appetite measures, these provide firm boundaries for the organisation's chosen path of growth.

In setting the risk appetite, the executive committee and the board balance the organisation's overall risk capacity with a bottom up view of the planned risk profile for each business. It is in this process that the Group ultimately seeks to achieve an optimal trade off between its ability to take on risk and the sustainability of the returns it delivers to its shareholders.

Risk appetite measures are included in all management reports across the businesses, as well as at board level. These measures are continually refined as more management information is available and stress test results are reported and discussed. Within the Group context, earnings are seen as the primary source of loss absorptions under adverse conditions. The Group's capacity to absorb earnings volatility and fluctuations is therefore supported by the generation of sustainable profits. The earnings buffer and capital provide protection against unexpected events.

RISK PROFILE

The Group is exposed to a number of risks that are inherent in its operations. Identifying, assessing, pricing and managing these risks appropriately are core competencies of the individual business areas. The major risk types to which the Bank is exposed include:

- *Credit risk* is the risk of loss due to the non performance of a counterparty in respect of any financial or performance obligation. For fair value portfolios, the definition of credit risk is expanded to include the risk of losses through fair value changes arising from changes in credit spreads. Credit risk also includes credit default risk, pre-settlement risk, country risk, concentration risk and securitisation risk.
- *Counterparty credit risk* is defined as the risk of a counterparty to a bilateral contract, transaction or agreement defaulting prior to the final settlement of the transaction's cash flows.
- *Market risk* in the trading book is the risk of adverse revaluation of any financial instrument as a consequence of changes in market prices or interest rates.
- *Equity investment risk* - the risk of an adverse change in the fair value of an investment in a company, fund or any other financial instrument, whether listed, unlisted or bespoke.
- *Foreign exchange and translation risk in the banking book* - Foreign exchange risk is the risk of losses occurring or a foreign investment's value changing from movements in foreign exchange rates. A bank has net open positions in foreign exchange, and as such is exposed to currency risk in its foreign currency positions and foreign investments. Translation risk is the risk associated with banks that deal in foreign currencies or hold foreign assets. The greater the proportion of asset, liability and equity classes denominated in a foreign currency, the greater the translation risk.
- *Liquidity risk* - Liquidity risk is the risk that a bank will not be able to meet all payment obligations as liabilities fall due. It is also the risk of not being able to realise assets when required to do so to meet repayment obligations in a stress scenario.
- *Interest rate risk in the banking book* is defined as the sensitivity of the balance sheet and income statement to unexpected, adverse movements in interest rates.
- *Operational risk* is defined as the risk of loss resulting from inadequate or failed internal processes and systems or from external events and human error. It includes fraud and criminal activity (internal and external), project risk, legal risk, business continuity, information and IT risk, process and human resources risk.
- *Regulatory risk* is the risk of statutory or regulatory sanction and material financial loss or reputational damage as a result of a failure to comply with any applicable laws, regulations or supervisory requirements.
- *Strategic risk* is the risk to current or prospective earnings arising from adverse business decisions or the improper implementation of such decisions.

- *Business risk* is the risk to earnings and capital from potential changes in the business environment, client behaviour and technological progress. It is often termed volume and margin risk and relates to the Bank's ability to generate sufficient levels of revenue to offset its costs. This includes the risk of adverse changes in the macro and global economic conditions.
- *Volume and margin risk* is the risk that the capital base is negatively impacted by a downturn in revenue due to market factors (e.g. margin compression), combined with the risk that the cost base is inflexible.
- *Reputational risk* is the risk of reputational damage due to compliance failures, pending litigations or bad press reports.
- *Macroeconomic risk* is the risk to the business due to changes in macroeconomic conditions, global economic conditions or credit shocks.
- *ESG risks* focus on the environmental, social and governance issues which impact the Bank's ability to successfully and sustainably implement business strategy.

A comprehensive overview of the Bank's risk profile is provided in the Risk and Capital Management report (pages 3 to 70 of the Bank's annual report for the year ended 30 June 2011), which is incorporated by reference into this Programme Memorandum.

THE BANKING SECTOR IN SOUTH AFRICA

The South African banking system is well developed and effectively regulated, comprising a central bank, several large, financially strong banks and investment institutions, and a number of smaller banks. Many foreign banks and investment institutions have also established operations in South Africa over the past decade. The South African Government (the “**Government**”) is a subscriber to the IMF and World Bank regulations and policies. South African banks are regulated by the SARB, and the Basel II framework was implemented in South Africa through amendments to the Banks Act and the promulgation of the Regulations relating to Banks, which became effective on 1 January 2008. South Africa is a member of the International Liaison Group of the Basel Committee.

The National Payment System Act, No. 78 of 1998 was introduced to bring the South African financial settlement system in line with international practice and systematic risk management procedures. The Payment Association of South Africa, under the supervision of the SARB, has facilitated the introduction of payment clearing house agreements. It has also introduced agreements pertaining to settlement, clearing and netting agreements, and rules to create certainty and reduce systemic and other risks in inter-bank settlement. These developments have brought South Africa in line with international inter-bank settlement practice. Electronic banking facilities are extensive, with a nationwide network of automatic teller machines and internet banking being available.

Regulation

Financial regulation legislation in South Africa is increasingly following international best practice through the accords of international bodies such as the Bank of International Settlements (“**BIS**”); the International Organization of Securities Commissions; and the International Association of Insurance Supervisors. Banks in South Africa are governed by various Acts and legislation, most significantly the Banks Act, which is primarily based on similar legislation in the United Kingdom, Australia and Canada.

South African Government Policy Priorities

The Government recently issued a policy paper, “*A Safer Financial Sector to Serve South Africa Better*”, which enunciates its strategic regulatory objectives. The document identifies four policy priorities to reform the financial sector, namely: financial stability; consumer protection and market conduct; expanding access of financial services through inclusion; and combating financial crime. Achieving these objectives will evidently necessitate a change in the South African regulatory landscape from both a structural and a policy perspective including the introduction of a “twin-peaks” approach to financial sector regulation in terms of which macro prudential regulation will be mandated separately from market conduct and consumer protection regulation.

The Government seeks to ensure financial stability through macro prudential regulation in line with international standards and measures including: improving the quality of capital; reducing procyclicality; setting leverage and liquidity ratios; and issuing compensation guidelines. It further requires swift regulatory action to prevent contagion and proposes a more intense, intrusive and effective form of regulation. The perimeters of regulation will be expanded to cover all sources of systemic risk, the regulation of all private pools of capital, for example, hedge funds and over-the-counter derivatives, and unregulated financial activities such as the functioning of credit rating agencies.

The Government also seeks to further eliminate lending malpractices, protect customers and reduce systemic risk through increased market conduct regulation. A new retail banking market conduct and consumer protection regulator will be appointed. The regulator will have a purview over the full range of retail banking including regulation of banking charges. The legislative framework that underpins market conduct and consumer protection includes the following legislation: Financial Advisory and Intermediary Act 37 of 2002, the Consumer Protection Act 68 of 2008, the National Credit Act 34 of 2005 as well a comprehensive set of principles relating to Treating Customers Fairly as released by the Financial Services Board under its Discussion Paper (April 2010) and Treating Customers Fairly – The Roadmap (March 2011).

Anti-money laundering regulations

The Government has identified the combating of financial crime as policy priority. South Africa has a well established anti-money laundering (“**AML**”) and counter terror financing (“**CTF**”) legislative framework

(which includes but is not limited to the Financial Intelligence Centre Act 38 of 2001). The mutual evaluation report issued by the Financial Action Task Force, (an inter-governmental body whose purpose is the development and promotion of national and international anti-money laundering and counter terror financing policies) confirmed that South Africa has demonstrated a strong commitment to implementing AML/CTF systems facilitated by close cooperation and coordination among a variety of government departments and agencies. The authorities have sought to construct a system which uses, as its reference, the relevant United Nations Conventions and the international standards as set out by the Financial Action Task Force. The Government also recognises the importance of being able to effectively respond to international instruments such as sanctions resolutions.

The Issuer has implemented an AML framework which includes CTF policies and takes measures to effect continuous improvement in its processes to address the global AML and CTF risks.

South African Reserve Bank

The SARB is responsible for bank regulation and supervision in South Africa with the purpose of achieving a sound, efficient banking system in the interest of the depositors of banks and the economy as a whole. The SARB holds various international memberships including the G-20, the International Monetary Fund (“IMF”), the BIS and the Committee of Central Bank Governors in the Southern African Development Community. The SARB serves on various BIS committees including the Basel Committee on Banking Supervision and the Committee on Payments and Settlement Systems. The SARB performs its function of bank regulation and supervision through its Bank Supervision Department, which issues banking licences to institutions and monitors their activities under the applicable legislation. The Registrar of Banks has extensive regulatory and supervisory powers. Every bank is obliged to furnish certain prescribed returns to the Registrar of Banks in order to enable him to monitor compliance with the formal, prudential and other requirements imposed on banks by, *inter alia*, the Banks Act. Such regulations may be, and are, amended from time to time in order to provide for amendments and additions to the prescribed returns, and the frequency of submission thereof. The Registrar of Banks acts with relative autonomy in executing his duties, but has to report annually to the Minister of Finance, who in turn has to table this report in Parliament.

In terms of the Banks Act, the Bank Supervision Department of the SARB, among other things, supervises banking groups on a consolidated basis from the bank controlling company downwards. In this regard, controlling companies of banks are required to submit, on a quarterly basis, a consolidated supervision return which includes information on all of the entities within that banking group that potentially constitute a material or significant risk to that banking group. The return covers issues such as group capital adequacy, group concentration risk, intra-group exposures and group currency risk. Moreover, a bank controlling company is also required to furnish the regulator, on a quarterly basis, with bank consolidated and group consolidated information which includes a detailed balance sheet, an off-balance sheet activities return and an income statement.

A banking group is required to satisfy the regulator's requirements in respect of the adequacy and effectiveness of its management systems for monitoring and controlling risks, including those in its offshore operations, and the integrity of its accounting records and systems. Banking groups are required to comply with the provisions of the Banks Act as well as with all financial and prudential requirements, including minimum capital and liquidity requirements, which are actively monitored by the banking regulator. In addition, banking groups have to satisfy the banking regulator's requirements pertaining to issues such as overall financial soundness worldwide, including the quality of its loan assets and the adequacy of its provisioning policy. As part of its supervisory process, the banking regulator undertakes on-site and off-site examinations.

The Issuer, as a banking group, is supportive of the SARB's objectives and endorses improvements in risk management and governance practices as an active participant in the new regulatory landscape. The same approach is also applied in respect of the Issuer's cooperation with other regulatory authorities and much effort and resources are dedicated in a cost efficient manner in order to reap maximum benefits emanating from the implementation of best practice and the resultant enablement of its global business activities.

Currently the banking industry works within a three tiered framework:

1. the Banks Act (effecting changes to the Banks Act requires Parliamentary approval);

2. the South African Regulations relating to Banks (changes to the Regulations require the approval of the South African Minister of Finance);
3. Banks Act Circulars, directives and guidance notes.
 - Circulars may be issued by the Registrar of Banks to furnish banks with guidelines regarding the application and interpretation of the provisions of the Banks Act.
 - Guidance notes may be issued by the Registrar of Banks in respect of market practices that banks may or may not consider in the conduct of their business and which are not mandatory for banks to implement but merely provide banks with further information.
 - Directives may be issued by the Registrar of Banks, after consultation with the affected parties, to prescribe certain processes or procedures to be followed by banks with regard to certain processes or procedures necessary in the administration of the Banks Act. It is obligatory for banks to comply with its prescriptions.

The Banks Act and Regulations Relating to Banks, circulars, directives and guidance notes issued by the Registrar of Banks set out the framework governing the formal relationship between South African banks and the Bank Supervision Department. Pursuant to this legislation, the Bank and representatives of the Registrar of Banks meet at regular bilateral meetings (between the Bank's Board of Directors and the Bank Supervision Department of the SARB), annual trilateral meetings (between the Bank's Board of Directors, the Bank Supervision Department of the SARB and the Bank's auditors) and prudential meetings (with the heads of each of the Bank's business divisions). The Bank also engages in frequent on-site reviews with the Registrar of Banks' supervisory team which cover a range of topics including an assessment of the Bank's performance against its peer group.

In response to fundamental weaknesses in international financial markets, revealed by the recent global financial crisis, the Bank Supervision Department has commenced the process of amending the banking legislative framework to incorporate measures issued by the various international standard-setting bodies such as the Basel Committee and the G-20. These new or amended requirements and standards aim to, among other things, enhance the Basel II framework, enforce a build up of high-quality capital in banks and mitigate procyclicality, improve over-the-counter derivative markets, reform compensation practices to support financial stability and support the transparent assessment of countries' national regulatory systems.

The South African banking regulator is currently finalising proposed amendments to the banking legislative framework in its ongoing effort to incorporate measures issued by the various international standard-setting bodies. The current proposed changes, which will become effective from 1 January 2012, are best described as enhancements to the Basel II framework. It covers enhancements of all three pillars of the Basel II framework, including revisions to the Basel II Market Risk Framework, higher capital requirements for trading, derivative, securitisation and resecuritisation activities, supplemental guidance in order to address the flaws in risk management practices which were revealed by the global financial crisis, the raising of standards for governance and risk management in banks and banking groups and the strengthening of disclosure requirements in order to further reduce market uncertainties regarding issues such as the strength of banks' balance sheets related to capital market activities. The enhancements to the Basel II framework requires proposed amendments to both the Banks Act and the Regulations relating to Banks.

The prudential regulation and supervision of banks furthermore assists the SARB in its pursuit of financial system stability. Similar to other central banks, the SARB is placing increased emphasis on macro prudential aspects of financial stability.

The Bank's relationship with the Office of the Registrar of Banks is managed by a dedicated regulatory risk management department (which reports to the CEO's office) to ensure open, constructive and transparent lines of communication. Meetings, updates, trends and strategies are reported to the Registrar of Banks on a regular basis. The Bank also employs a senior, independent compliance officer to ensure adherence to the applicable legislation.

The Bank views its relationship with the Registrar of Banks as being of the utmost importance and it is committed to fostering sound banking principles for the industry as a whole. In this regard, the Bank is a

member of the Banking Association of South Africa, whose role is to establish and maintain the best possible platform on which banking groups can conduct competitive, profitable and responsible banking.

In light of the recent various global initiatives to strengthen the resilience of the banking sector in response to the global financial crisis, the Banking Supervision Department of the SARB has commenced with a process to comprehensively amend the regulatory framework. In this regard, various amendments to both the Banks Act and the Regulations Relating to Banks have been proposed with the effective date thereof scheduled for 1 January 2012.

Current Environment

As at 30 June 2011, there were 12 registered banks, 2 mutual banks, 12 local branches of foreign banks and 41 foreign banks with approved representative offices in South Africa. The five largest commercial banks by assets (Source: BA900, June 2011) are Absa Bank Limited, FirstRand Bank Limited, Investec Bank Limited, Nedbank Limited and The Standard Bank of South Africa Limited, which continue to consolidate their position in the retail market (accounting for some 91 per cent. of deposits and 92 per cent. of total assets). Investment and merchant banking remains the most competitive sector in the industry. According to the SARB, the banking sector in South Africa had total assets of ZAR3.1 trillion as at 30 June 2011 (Source: BA900, June 2011).

SOUTH AFRICAN EXCHANGE CONTROL

Capitalised terms used in this section headed “South African Exchange Control” 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 clearly inappropriate from the context.

The information below is a summary and intended as a general guide to the position under the Exchange Control Regulations as at the Programme Date. The Exchange Control Regulations are subject to change at any time without notice. The contents of this section headed “South African Exchange Control” do not constitute exchange control advice and do not purport to describe all of the considerations that may be relevant to a prospective subscriber for or purchaser of any Notes. Prospective subscribers for or purchasers of any Notes should consult their professional advisors in this regard.

*For the purposes of the discussion below, the “**Common Monetary Area**” means South Africa, Lesotho, Namibia and Swaziland.*

Non-South African resident Noteholders and emigrants from the Common Monetary Area

Dealings in the Notes and the performance by the Issuer of its obligations under the Notes and the applicable Terms and Conditions may be subject to the Exchange Control Regulations.

Emigrant Blocked Rand

Blocked Rand may be used for the subscription for or purchase of Notes. Any amounts payable by the Issuer in respect of the Notes subscribed for or purchased with Blocked Rand may not, in terms of the Exchange Control Regulations, be remitted out of South Africa or paid into any non-South African bank account.

Emigrants from the Common Monetary Area

Any Individual Certificates issued to Noteholders who are emigrants from the Common Monetary Area will be endorsed “*emigrant*”. Such restrictively endorsed Certificates shall be deposited with an authorised foreign exchange dealer controlling such emigrant’s blocked assets.

In the event that a Beneficial Interest in Notes is held by an emigrant from the Common Monetary Area through the CSD, the securities account maintained for such emigrant by the relevant Participant will be designated as an “*emigrant*” account.

Any payments of interest and/or principal due to a Noteholder who is an emigrant from the Common Monetary Area will be deposited into such emigrant Noteholder’s Blocked Rand account, as maintained by an authorised foreign exchange dealer. The amounts are not freely transferable from the Common Monetary Area and may only be dealt with in terms of the Exchange Control Regulations.

Non-residents of the Common Monetary Area

Any Individual Certificates issued to Noteholders who are not resident in the Common Monetary Area will be endorsed “*non-resident*”. In the event that a Beneficial Interest in Notes is held by a non-resident of the Common Monetary Area through the CSD, the securities account maintained for such Noteholder by the relevant Participant will be designated as a “*non-resident*” account.

It will be incumbent on any such non-resident Noteholder to instruct the non-resident’s nominated or authorised dealer in foreign exchange as to how any funds due to such non-resident in respect of Notes are to be dealt with. Such funds may, in terms of the Exchange Control Regulations, be remitted abroad only if the relevant Notes are acquired with foreign currency introduced into South Africa and provided that the relevant Individual Certificate has been endorsed “*non-resident*” or the relevant securities account has been designated as a “*non-resident*” account, as the case may be.

As at the Programme Date, no exchange control approval is required in respect of the Programme and/or the Notes.

SOUTH AFRICAN TAXATION

Capitalised terms used in this section headed "South African Taxation" shall have the same meanings as defined in the Terms and Conditions, unless they are defined in this section or this is clearly inappropriate from the context.

The following is a general description of certain 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. 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. This summary is based upon the law as in effect on the Programme Date and is subject to any change in law that may take effect after such date.

Withholding Tax

Under current taxation law in South Africa, all payments made under the Notes to resident and non-resident Noteholders will be made free of withholding or deduction for or on account of any taxes, duties, assessments or governmental charges in South Africa. However, there will be withholding tax ("WHT") on interest payments to non-residents (excluding controlled foreign companies) at 10%, effective from 1 January 2013. This WHT will apply to interest as defined in section 24J(1) of the South African Income Tax Act, No. 58 of 1962 (the "**Income Tax Act**") (refer below) or deemed interest as contemplated in section 8E(2) of the Income Tax Act. There are exemptions, which include interest paid by any South African bank in respect of any debt, excluding "back to back" arrangements between non-residents and a South African bank. As the Issuer is a bank, the interest paid by it will not attract WHT. The legislation may be subject to change before it is implemented on 1 January 2013.

Securities Transfer Tax (STT)

No STT is payable on the issue or transfer of Notes (bonds) under the South African Securities Transfer Tax Act, No 25 of 2007, because they do not constitute securities for the purposes of that Act.

Value-Added Tax (VAT)

No VAT is payable on the issue or transfer of Notes.

Notes (bonds) constitute "*debt securities*" as defined in section 2(2)(iii) of the South African Value-Added Tax Act, No. 89 of 1991. The issue, allotment, drawing, acceptance, endorsement or transfer of ownership of a debt security is a financial service, which is exempt from VAT in terms of section 12(a) of that Act.

Commissions, fees or similar charges raised for the facilitation of these services will however be subject to VAT at the standard rate (currently 14 per cent.), 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.

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 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 applicable double taxation treaties). Interest income is deemed to be derived from a South African source if it is derived from the utilisation or application in South Africa by any person of funds or credit obtained in terms of any form of "interest-bearing arrangement". The Notes will constitute an "interest-bearing arrangement". The place of utilisation or application of funds will, unless the contrary is proved, be deemed, in the case of a juristic person (being anyone other than a natural person), to be that juristic person's place of effective management. The Issuer has its place of effective management in South Africa as at the Programme Date. Accordingly, if the funds raised from the issuance of

any Tranche of Notes are applied by the Issuer in South Africa, the interest earned by a Noteholder will be deemed to be from a South African source and 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).

Under section 24J of the Income Tax Act, 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, unless an election has been made by the Noteholder (if the Noteholder is entitled under Section 24J of the Income Tax Act to make such election) to treat its Notes as trading stock on a mark-to-market basis. This day-to-day basis accrual is determined by calculating the yield to maturity and applying it to the capital involved for the relevant tax period. In practice the premium or discount is treated as interest for the purposes of the exemption under section 10(1)(h) of the Income Tax Act.

Under 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 that person:

- (a) is a natural person who was physically present in South Africa for a period exceeding 183 days in aggregate during that year of assessment; or
- (b) at any time during that year of assessment, carried on business through a permanent establishment 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. Furthermore, certain entities may be exempt from South African income tax. Purchasers are 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.

Capital Gains Tax

Capital gains and losses of residents of South Africa on the disposal of Notes are subject to South African capital gains tax, unless the Notes are purchased for re-sale in the short term at a profit or as part of a scheme of profit making, in which case the proceeds will be subject to South African income tax. Any discount or premium on acquisition which has already been treated as interest for income tax purposes, under section 24J of the Income Tax Act will not be taken into account when determining any capital gain or loss. Under section 24J(4A) of the Income Tax Act a loss on disposal will, to the extent that it has previously been included in taxable income (as interest), be allowed as a deduction from the taxable income of the holder when it is incurred and accordingly will not give rise to a capital loss.

Capital gains tax under 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 attributable to a permanent establishment of that person through which a trade is carried on in South Africa during the relevant year of assessment.

Purchasers are advised to consult their own professional advisers as to whether a disposal of Notes will result in a liability to capital gains tax.

Definition of interest

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.

SUBSCRIPTION AND SALE

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

The Notes will be distributed by the Issuer and/or any person appointed as Dealer by the Issuer in terms of a programme agreement (if any) relating to the Programme.

Selling Restrictions

South Africa

Prior to the issue of any Tranche of Notes under the Programme, the 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

The Notes have not been and will not be registered under the United States Securities Act of 1933, (as amended) (the "**Securities Act**") or under the regulations of the U.S. Office of the Comptroller of the Currency or under any other U.S. securities laws 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.

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:

- (a) the Notes in that Tranche have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account of or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act;
- (b) it has not offered, sold or delivered any Notes in that Tranche and will not offer, sell or deliver any Notes in that Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of such Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons;
- (c) it will send to each Dealer to which it sells any of such Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of such Notes within the United States or to, or for the account or benefit of, U.S. persons; and
- (d) it, its affiliates and any persons acting on its or any of its affiliates behalf have not engaged and will not engage in any directed selling efforts in the United States (as defined in Regulation S under the Securities Act) with respect to the Notes in that Tranche and it, its affiliates and any persons acting on its or any of its affiliates' behalf have complied and will comply with the offering restrictions requirements of Regulation S.

Within 40 days after the commencement of the offering of any Series 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 if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

United Kingdom

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, warrant and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (of one year or more) (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act, 2000 (the “FSMA”) by the Issuer);
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FMSA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

European Economic Area

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, in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (a) in the period beginning on the date of publication of a prospectus in relation to those Notes which have been approved by the competent authority in that Relevant Member State in accordance with the Prospectus Directive and/or, where appropriate, published in another Relevant Member State and notified to the competent authority in that Relevant Member State in accordance with Article 18 of the Prospectus Directive and ending on the date which is 12 months after the date of such publication;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so are authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43,000,000; and (iii) an annual net turnover of more than €50,000,000 as shown in its last annual or consolidated accounts; or
- (d) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “*offer of Notes to the public*” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus

Directive in that Member State and the expression “*Prospectus Directive*” means Directive 2003/71/EC as amended, superseded or re-instated and includes any relevant implementing measure in each Relevant Member State.

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 any jurisdiction in which it subscribes or procures the subscription of Notes, offers or sells Notes or possesses or distributes this Programme Memorandum and will obtain any consent, approval or permission required by it for the purchase, offer or sale by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales;
- (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 THE DEALER(S) REPRESENT THAT NOTES MAY AT ANY TIME LAWFULLY BE SOLD IN COMPLIANCE WITH ANY APPLICABLE REGISTRATION OR OTHER REQUIREMENTS IN ANY JURISDICTION, OR PURSUANT TO ANY EXEMPTION AVAILABLE THEREUNDER OR ASSUMES ANY RESPONSIBILITY FOR FACILITATING SUCH SALE.

PRO FORMA APPLICABLE PRICING SUPPLEMENT

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



FIRSTRAND Bank Limited

FIRSTRAND BANK LIMITED

(Registration Number 1929/001225/06)

(incorporated with limited liability in South Africa)

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] Under its ZAR30,000,000,000 Note Programme

This document constitutes the Applicable Pricing Supplement relating to the issue of the Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the “**Terms and Conditions**”) set forth in the Programme Memorandum dated [29] November 2011 (the “**Programme Memorandum**”). This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum. 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. Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meaning ascribed to them in the Terms and Conditions. To the extent that certain provisions of the *pro forma* Pricing Supplement do not apply to the Notes described herein, they may be deleted in this Applicable Pricing Supplement or indicated to be not applicable.

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Applicable Pricing Supplement.]

Description of the Notes

- | | |
|-------------------------------------|--|
| 1. Issuer: | FirstRand Bank Limited |
| 2. Status of Notes: | Unsecured |
| 3. Form of Notes: | [Listed] [Unlisted] [Registered Notes] [Bearer Notes] [Order 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 and lodged in the CSD under a single Global Certificate.] |
| 4. Series Number: | [] |
| 5. Tranche Number: | [] |
| 6. Specified Currency of the Notes: | [] |
| 7. Aggregate Nominal Amount: | |

- (a) Series: []
- (b) Tranche: []
8. Nominal Amount per Note: []
9. Specified Denomination and number of Notes: []
10. Issue Date of the Notes: []
11. Issue Price of the Notes: []% ([] percent) of par
12. Relevant Stock Exchange: [JSE] [Other] [N/A]
13. Integral multiples of Notes required for transfer: [] [N/A]
14. Type of Notes: [Standard Notes] [Structured Notes]
15. If Structured Notes: *(if “Structured Notes” is not specified, delete the remaining sub-paragraphs of this paragraph and insert “N/A”)*
- (a) Type of Structured Notes: [Equity Linked Notes]
[Single Index Notes]
[Equity Basket Notes]
[Basket of Indices Notes]
[Currency Linked Notes]
[Credit Linked Notes]
[Commodity Linked Notes]
[Non-Standard Structured Notes]
- (b) Capital guarantee [Yes] [No]
16. Deposit Notes [Yes] [No]
17. Redemption/Payment Basis: [Redemption at par]
[Indexed Redemption Notes]
[Dual Currency Notes]
[Partly Paid Notes]
[Instalment Notes]
[Exchangeable Notes]
[Other (*specify*)]
18. Automatic/Optional Conversion from one Redemption/Payment Basis to another: [*insert details including date for conversion*] [N/A]
19. Partly Paid Note Provisions: [Applicable] [N/A] *(if not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Amount of each payment comprising the issue Price: []
- (b) Dates upon which each payment is to be made by a Noteholder: []
- (c) Consequences (if any) of failure to make such payment by Noteholder: []

- (d) Interest rate to accrue on the first and subsequent instalments after the due date for payment of such instalments: []% ([] per annum

Provisions relating to interest (if any) payable on the Note

20. General Interest Provisions

- (a) Interest payable on the Note: [Yes] [No]
- (b) Interest Basis: [Fixed Rate Note]
[Floating Rate Note]
[Zero Coupon Note]
[Index Linked Interest Note]
[Other (*specify*)]
[N/A]
- (c) Automatic/Optional Conversion from one Interest Basis to another: [*insert details including date for conversion*] [N/A]
- (d) Interest Commencement Date: [] [N/A]
- (e) Default Rate: [] [N/A]

21. Fixed Rate Note Provisions:

- [Applicable] / [N/A] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (a) Interest Rate[s]: [[]% ([] percent) per annum payable [on the Maturity Date / annually/ semi-annually / quarterly / monthly] in arrear]
- (b) Interest Payment Date[s]: [[] in each year] [Maturity Date] [adjusted in accordance with [*specify Business Day Convention and any applicable Additional Business Centre(s) for the definition of "Business Day"*] / not adjusted]
- (c) Fixed Coupon Amount[s]: [] per Nominal Amount
- (d) Initial Broken Amount: [] per Nominal Amount payable on the Interest Payment Date falling on []
- (e) Final Broken Amount: [] per Nominal Amount payable on the Interest Payment Date falling on []
- (f) Day Count Fraction: [Actual/Actual (ICMA)] [Actual/365] [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]

22. Floating Rate Note Provisions:

- [Applicable] / [N/A] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (a) Manner in which the Interest Rate[s] is/are to be determined: [Screen Rate Determination] [ISDA Determination] [Other (*specify other basis for interest rate*)]
- (b) Party responsible for calculating the Interest Rate[s] and Interest Amount[s] (if not the Calculation Agent): [*Name*] shall be the Calculation Agent (*no need to specify if the Calculation Agent is to perform this function*)
- (c) If Screen Rate Determination:
- Reference Rate: [JIBAR] [Other (*specify*)]
 - Interest Determination [The first day of each Interest Period] [Other (*give*

- Date[s]: *details*]
- Relevant Screen Page and Reference Code: []
 - Relevant Time: []
 - Relevant Financial Centre: []
- (d) If ISDA Determination:
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
 - ISDA Definitions to apply: [Yes] [No]
- (e) Margin[s]: [[+/-][]% ([] percent) per annum]
- (f) Minimum Rate[s] of Interest: []
- (g) Maximum Rate[s] of Interest: []
- (h) Interest Payment Date[s]: [[] in each year] [Maturity Date] [adjusted in accordance with *specify Business Day Convention and any applicable Additional Business Centre(s) for the definition of "Business Day"*] / not adjusted]
- (i) Interest Period[s]: [As stated in Condition 2 (*Interpretation*)] [Other (*specify*)]
- (j) Specified Period: [] [N/A] (*Specified Period and Interest Payment Dates are alternatives. A Specified Period, rather than specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, the Floating Rate Convention or the Eurodollar Convention. Otherwise insert "N/A"*)
- (k) Day Count Fraction: [Actual/Actual (ICMA)] [Actual/365] [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]
- (l) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on the Floating Rate Notes, if different from those set out in the Terms and Conditions []
23. **Zero Coupon Note Provisions:** [Applicable] / [N/A] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (a) Implied Yield: []% ([] percent) per annum
 - (b) Reference Price: []
 - (c) any other formula/basis for determining amount payable: []
24. **Index Linked Interest Note Provisions:** [Applicable] / [N/A] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (a) Index/Formula: [*Give or annex details*]
 - (b) Party responsible for calculating the Interest Rate[s] and Interest [*Name*] shall be the Calculation Agent (*no need to specify if the Calculation Agent is to perform this*

- Amount[s] (if not the Calculation Agent): *function*
- (c) Provisions for determining the Interest Amount(s) where calculation by reference to the Index and/or Formula is impossible or impracticable: []
- (d) Interest Payment Date[s]: [[] in each year] [Maturity Date] [adjusted in accordance with *[specify Business Day Convention and any applicable Additional Business Centre(s) for the definition of "Business Day"]*] / not adjusted]
- (e) Interest Period[s]: [As stated in Condition 2 (*Interpretation*)] [Other (*specify*)]
- (f) Additional Business Centre[s]: []
- (g) Minimum Rate[s] of Interest: []
- (h) Maximum Rate[s] of Interest: []
- (i) Day Count Fraction: [Actual/Actual (ICMA)] [Actual/365] [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]
- (j) Market Disruption or Settlement Disruption Events: [*Describe any market disruption or settlement disruption events that affect the Index*]
- (k) Other terms relating to the method of calculating interest (e.g.: Day Count Fraction, rounding up provision): []
25. **Dual Currency Note Provisions:** [Applicable] / [N/A] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (a) Rate of Exchange/method of calculating Rate of Exchange: [*Give details*]
- (b) Party responsible for calculating the principal and/or interest due (if not the Calculation Agent): [*Name*] shall be the Calculation Agent (*no need to specify if the Calculation Agent is to perform this function*)
- (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: []
26. **Mixed Rate Note Provisions:** [Applicable] / [N/A] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
- 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 Interest Notes: []
- (d) Dual Currency Notes: []
- (e) Other Notes: []

Provisions relating to redemption

27. Exchange Rate Time: [] [N/A]
28. Maturity Date: [] [subject as provided in Credit-Linked Condition 3 (*Final Redemption and Maturity Date*)]
29. Early Redemption following the occurrence of:
- (a) Tax Event: [Applicable] [N/A]
 - (b) Change in Law: [Applicable] [N/A]
 - (c) Hedging Disruption: [Applicable] [N/A]
 - (d) Increased Cost of Hedging: [Applicable] [N/A]
30. Early Redemption at the Option of the Issuer: [Applicable] [N/A] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (a) Optional Redemption Date[s]: []
 - (b) Optional Redemption Amount[s] and method, if any, of calculation of such amount[s]: []
 - (c) Optional Redemption Payment Date: [Optional Redemption Date] [Other (*specify*)]
 - (d) Notice period: [As stated in Condition 10.3 (*Early Redemption at the Option of the Issuer*)] [Other (*specify*)]
 - (e) If redeemable in part: [Applicable] [N/A]
 - Minimum Redemption Amount(s): []
 - Higher Redemption Amount(s) []
31. Early Redemption at the Option of the Noteholders: [Applicable] [N/A] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (a) Optional Redemption Date[s]: []
 - (b) Optional Redemption Amount[s] and method, if any, of calculation of such amount[s]: []
 - (c) Optional Redemption Payment Date: [Optional Redemption Date] [Other (*specify*)]
 - (d) Notice period: [As stated in Condition 10.2 (*Early Redemption at the Option of Noteholders*)] [Other (*specify*)]
 - (e) Daily Maximum Amount: [] [N/A]
 - (f) If redeemable in part: [Applicable] [N/A]
 - Minimum Redemption Amount(s): []
 - Higher Redemption Amount(s) []
32. Valuation Date: [] [N/A]
33. Valuation Time: [] [N/A]
34. Market Disruption Event: [Applicable] [N/A] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (a) Trading Disruption: [Applicable] [N/A]

	(b) Exchange Disruption:	[Applicable] [N/A]
	(c) Early Closure:	[Applicable] [N/A]
35.	(a) Averaging Dates:	[] [N/A]
	(b) Consequences of an Averaging Date being a Disrupted Day:	[Omission] [Postponement] [Modified Postponement] [N/A]
36.	Final Redemption Amount:	[]% ([] percent) of par
	In cases where the Note is an Indexed Linked Redemption Note or other variable-linked Note:	[give or annex details] [N/A] (if not applicable, delete the remaining sub-paragraphs of this paragraph)
	(a) Index/Formula/variable:	[]
	(b) Party responsible for calculating the Final Redemption Amount (if not the Calculation Agent):	[]
	(c) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable:	[]
	(d) Determination Date[s]:	[]
	(e) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:	[]
	(f) Payment Date:	[]
	(g) Minimum Final Redemption Amount:	[]
	(h) Maximum Final Redemption Amount:	[]
37.	Early Redemption Amount:	[In relation to an Early Redemption in accordance with Condition 10.5 (<i>Early Redemption Amounts</i>), an amount in [] as determined by the Determination Agent in its sole discretion using its reasonable judgement] [Other (<i>specify</i>)]
38.	Settlement Currency:	[]
39.	The maximum and minimum number of Business Days prior to the Early Redemption Date on which Issuer Redemption Notices and Special Redemption Notices must be given by the Issuer:	[2 (two), as stated in the Terms and Conditions] [Other (<i>specify</i>)]
40.	Time for receipt of Early Redemption Notice and/or Noteholder's Notice:	[10:00 am Johannesburg time, as stated in the Terms and Conditions] [Other (<i>specify</i>)]
41.	Redemption Notice Time:	[10:00 am Johannesburg time, as stated in the Terms and Conditions] [Other (<i>specify</i>)]
42.	Procedures for giving Issuer Redemption Notice if other than as specified in Condition 10.3 (<i>Redemption</i>	[] [N/A]

- Notices*):
43. Procedure for giving Special Redemption Notice if other than as specified in Condition 10.3 (*Redemption Notices*): [] [N/A]
44. Basis for selecting Notes where Daily Maximum Amount is exceeded if other than on a pro rata basis: [] [N/A]
45. Additional provisions relating to the redemption of the Notes: [] [N/A]
46. **Instalment Note Provisions:** [Applicable] [N/A] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (a) Instalment Dates: []
- (b) Instalment Amounts (expressed as a percentage of the aggregate Nominal Amount of the Notes): []
47. **Exchangeable Notes Provisions:** [Applicable] [N/A] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (a) Mandatory Exchange applicable: [Yes] [No]
- (b) Noteholders' Exchange Rights applicable: [Yes] [No]
- (c) Exchange Securities: []
- (d) Manner of determining Exchange Price: []
- (e) Exchange Period: []
- (f) Other terms or special conditions: []
48. **Equity Linked Notes, Equity Basket Notes Provisions:** [Applicable] [N/A] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (a) Whether the Notes relate to a single equity security or a basket of equity securities (each, an "**Underlying Security**") and the identity of the relevant issuer(s) and class of the Underlying Security (each, an "**Underlying Company**"): [Single Underlying Security]
[Basket of Underlying Securities]
(*If the Notes are listed on an Exchange, give or annex details of the Underlying Security(ies) and Underlying Company(ies)*)
- (b) Whether redemption of the Notes will be by (i) Cash Settlement, (ii) Physical Settlement or (iii) in certain circumstances depending on the closing price of the Underlying Securities, Cash Settlement or Physical Delivery at the option of the Issuer: [Cash Settlement]
[Physical Settlement]
[In the event of (*describe triggers linked to the closing price of the Underlying Securities*), Cash Settlement or Physical Delivery at the option of the Issuer]
- (c) Exchange[s]: []
- (d) Related Exchange[s]: []
- (e) Exchange Rate: [*Insert Details*] [N/A]
- (f) Weighting for each Underlying: [*Insert Details*] [N/A]

	Security comprising the basket:	
	(g) Delivery provisions for Underlying Securities (including details of who is to make such delivery):	[As stated in the Terms and Conditions] [Other (specify)] (only applicable where Physical Delivery is, depending on the closing price of the Underlying Securities, available at the option of the Issuer)
	(h) Substitution of Shares:	[Applicable] [N/A]
	(i) Physical Settlement:	[Applicable] [N/A] (if not applicable, delete the remaining sub-paragraphs of this paragraph)
	- legislation under which the Underlying Securities are created	[]
	- form of the Underlying Securities	Bearer/Registered form certificate/uncertificated form [If in uncertificated form, specify entity responsible for record keeping]
	- currency of the Underlying Securities	[]
	- description of the rights, including limitations thereon, attached to the Underlying Securities	[Dividend rights] [Voting rights] [Pre-emption rights] [Right to share of profits] [Share in surplus of liquidation] [Redemption/Conversion rights]
	- restrictions, if any, on the free transferability of the Underlying Securities	[]
	(j) Other terms or special conditions:	[]
49.	Single Index Notes, Basket of Indices Notes Provisions:	[Applicable] [N/A] (if not applicable, delete the remaining sub-paragraphs of this paragraph)
	(a) Whether the Notes relate to a single index or a basket of indices and the identity of the relevant Index/Indices and details of the relevant sponsors:	[Single Index] [Basket of Indices] (Give or annex details)
	(b) Exchange[s]:	[] [The/Each Index is a Multi-Exchange Index]
	(c) Related Exchange[s]:	[] [All Relevant Stock Exchanges]
	(d) Weighting for each Index comprising the basket:	[] (Insert details) [N/A]
	(e) Other terms or special conditions:	[]
50.	Currency Linked Notes Provisions:	[Applicable] [N/A] (if not applicable, delete the remaining sub-paragraphs of this paragraph)
	(a) Relevant Currency:	[]
	(b) Other terms or special conditions:	[]
51.	Credit Linked Notes Provisions:	[Applicable] [N/A] (if not applicable, delete the remaining sub-paragraphs of this paragraph)
	(a) Type of Credit-Linked Notes:	[Single Reference Entity Cash CLN] [Single Reference Entity Physical CLN]

- [Single Reference Entity Cash or Physical CLN]
- [Nth-to-Default Cash CLN]
[Nth-to-Default Physical CLN]
[Nth-to-Default Cash or Physical CLN]
- [Basket Cash CLN]
[Basket Physical CLN]
[Basket Cash or Physical CLN]
- (b) Whether Programme Transaction Type Standard Terms applicable: [Applicable] [N/A] (*Note: This can apply for Cash Settled CLNs*)
- (c) Reference Entity[ies] and the related Reference Obligations, Obligations and/or Deliverable Obligations: [] (*Insert details of the underlying Reference Entity(ies), Reference Obligations and, if applicable, Obligations and/or Deliverable Obligations*)
- (d) Transaction Type(s): [] [N/A] (*Note: Specify Transaction Type(s) where the Programme Transaction Type Standard Terms apply.*)
- (e) Substitution of Reference Entity(ies) is applicable: [Applicable]/[N/A]
- (f) All Guarantees: [Programme Transaction Type Standard Terms apply] or [Applicable]/[N/A]
- (g) Reference Price: [100 per cent]
- (h) Credit-Linked Payer Calculation Amount: [] (*Insert details*)
- (i) Scheduled Termination Date: [] (*Insert details*)

Terms relating to Credit Events

Credit Event Provisions:

- (j) Credit Events: [Programme Transaction Type Standard Terms apply]
or
[Bankruptcy]
[Failure to Pay]
[Grace Period Extension: [Applicable]/[N/A]]
[Grace Period: [] (*Specify if not fallback in the Credit Linked Annex*)]
[Obligation Acceleration]
[Obligation Default]
[Repudiation/Moratorium]
[Restructuring]
[Restructuring Maturity Limitation and Fully Transferable Obligation: [Applicable]/[N/A]]
[Modified Restructuring Maturity Limitation and Conditionally Transferable Obligations: [Applicable]/[N/A]]
[Multiple Holder Obligation: [Applicable]/[N/A]]
[Default Requirement: *Insert details*]
[Payment Requirement: *Insert details*]
- (k) Additional Credit Events: [None]/(*specify details*)
- (l) Potential Repudiation/Moratorium: [Applicable]/[N/A]
- (m) Credit Event Portion: [Applicable]/[N/A] (*if Applicable, specify relevant*)

Credit Event Portion)

- (n) [For Nth-to-Default CLNS only, specify N:] []

Obligations:

- (o) Obligation Category: [Programme Transaction Type Standard Terms apply]
(*Select only one*) or
[Payment]
[Borrowed Money]
[Reference Obligation Only]
[Bond]
[Loan]
[Bond or Loan]
- (p) Obligation Characteristics: [Programme Transaction Type Standard Terms apply]
(*Select all of which apply*) or
[Not Subordinated]
[Specified Currency: [Standard] [Other (*Specify*)]]
[Not Sovereign Lender]
[Not Domestic Currency]
[Domestic Currency means: []]
[Not Domestic Law]
[Domestic Law means: []]
[Listed]
[Not Domestic Issuance]
- (q) Additional Obligations: []/[N/A]
- (r) Excluded Obligations: [None]/ [] (*Specify details*)

Terms relating to settlement following a Credit Event

- (s) Conditions to Settlement: [Credit Event Notice]
[Notice of Publicly Available Information]
[Public Sources: [*Insert details*]]
[Specified Number: [Two] []]
[Notice of Physical Settlement]
[Other Programme Transaction Type Standard Terms apply (if any)]
- (t) Settlement Currency: []
- (u) Settlement Method: [Cash Settlement] / [Physical Settlement] / [Auction Settlement]
- (v) Fallback Settlement Method: [Cash Settlement] / [Physical Settlement] / [N/A]
- (w) Credit Derivatives
Determinations Committee
Extension: [Applicable]/[N/A]

Terms relating to redemption by Auction Settlement

- (x) Auction Cash Settlement Amount: [As defined in Credit-Linked Condition 1 (*Interpretation*)]/
[] (*Specify other*)
- (y) Auction Cash Settlement Date: [As defined in Credit-Linked Condition 1 (*Interpretation*)]/
[] (*Specify other*)

Terms relating to redemption by Cash Settlement

- (z) Valuation Date: []/[N/A]

- (aa) Valuation Time: []/[N/A]
- (bb) Valuation Method: [Highest]/[Market]/ [] (*Specify other*)
- (cc) Quotation Amount: [N/A]/ [] (*Specify details*)
- (dd) Quotation Method: [Bid]/[Offer]/[Mid-market]
- (ee) Minimum Quotation Amount: [N/A]/ [] (*Specify details*)
- (ff) CLN Dealer(s): [N/A]/ [] (*Specify details*)
- (gg) Specified Currency: [N/A]/ [] (*Specify details*)
- (hh) Cash Settlement Date: [N/A]/ [] (*Specify details*)

Cash Settlement:

- (ii) Cash Settlement Amount: [N/A]/ [] (*Specify details*) (*If no such amount is specified, the Cash Settlement Amount shall be an amount in the Specified Currency as determined by the Determination Agent in accordance with the definition of “Cash Settlement Amount” in Credit-Linked Condition 1 (Interpretation)*)

- (jj) Cash Settlement of Loan: [N/A] [If one or more Loans are included in the Portfolio of Deliverable Obligations, then the Issuer shall redeem a corresponding portion of the Notes by making a payment to the Noteholders of an amount equal to the Loan Settlement Amount to be apportioned *pro rata* amongst the Noteholders on the Settlement Date.

“**Loan Settlement Amount**” means the aggregate cash amount representing the portion of the Portfolio represented by Loans, calculated using the relevant Final Price for each Loan multiplied by the relevant nominal amount of each Loan in the Portfolio.]

- (kk) Quotations: [N/A]/[Include Accrued Interest]/[Exclude Accrued Interest] (*If neither “Include Accrued Interest” nor “Exclude Accrued Interest” is specified, the Determination Agent shall determine in accordance with the definition of “Quotations” in Credit-Linked Condition 1 (Interpretation)*)

- (ll) Alternative Cash Settlement Amount: [N/A]/ [] (*Specify details*)

Terms relating to redemption by Physical Settlement

Physical Settlement:

- (mm) Physical Settlement Date: [N/A]/ [] (*Specify details*)
- (nn) Physical Settlement Period: [N/A]/ [] (*Specify details*)
- (oo) Asset Transfer Notice Cut-Off Date (if applicable) to be delivered pursuant to Credit-Linked Condition 9.2.4: [N/A]/ [] Business Days after the Notice of Physical Settlement has been sent by the Issuer to the Noteholders pursuant to Credit-Linked Term 4 (*Notices*)

Deliverable Obligations

- (pp) Deliverable Obligation Category: [N/A] [Programme Transaction Type Standard Terms apply]
or
[[Payment]
[Borrowed Money]

[Reference Obligations Only]
 [Bond]
 [Loan]
 [Bond or Loan]

(qq) Deliverable Obligation [N/A] [Programme Transaction Type Standard Terms apply]
 Characteristics: or
 [Not Subordinated]
 [Specified Currency]
 [Not Sovereign Lender]
 [Not Domestic Currency]
 [Not Domestic Law]
 [Listed]
 [Not Contingent]
 [Not Domestic Issuance]
 [Assignable Loan]
 [Consent Required Loan]
 [Direct Loan Participation]
 [Qualifying Participation Seller]
 [Transferable]
 [Maximum Maturity: [] years]
 [Accelerated or Matured]
 [Not Bearer]

(rr) Excluded Deliverable [N/A]/ [] (*Specify details*)
 Obligations:

(ss) Accrued Interest: [N/A] [Include Accrued Interest] [Exclude Accrued Interest]

(tt) Alternative Cash Settlement: [N/A] [Standard Alternative Cash Settlement Specifications apply] [] (*Specify details*)

(uu) Escrow: [Applicable]/[N/A]

Terms relating to Interest Provisions on the Notes

(vv) Extension Interest for purposes of Credit-Linked Condition 5.1: [Applicable]/[N/A]

(ww) Cessation of Interest: [Interest ceases to accrue from the Interest Payment Date immediately preceding the Event Determination Date (or, in the case of the first Interest Period, the Interest Commencement Date)]

[Interest ceases to accrue from (but excluding) the Event Determination Date]

[Interest ceases to accrue from the Interest Payment Date immediately preceding the relevant Cash Settlement Date, Physical Settlement Date or Delivery Date, as applicable (or, in the case of the first Interest Period, the Interest Commencement Date)]

Further Provisions / Amendments

(xx) Unwind Costs: [] / [Standard Unwind Costs]

(yy) Additional provisions / amendments to the Credit-Linked Conditions: [] (*insert any additional requirements/ conditions for physical delivery of Portfolio*)

52. **Commodity Linked Notes Provisions:** [Applicable] [N/A] (*if not applicable, delete the*

remaining sub-paragraphs of this paragraph)

- (a) Trade Date: []
- (b) Relevant Commodity/ies or Commodity Index/Indices: []
- (c) Commodity Reference Price: [*specify Commodity Reference Price*]
- (d) Exchange: []
- (e) Specified Price: [[Bid] [Asked] [Average of high and low prices][Final settlement price]]
[Morning fixing]
[Other (*specify*)]
(if appropriate, specify time as of which the price will be determined)
- (f) Delivery Date: [] (*specify whether price based on spot market, First Nearby Month, Second Nearby Month, etc.*)
- (g) Pricing Date: [], subject to adjustment in accordance with the Commodity Business Day Convention.
- Common Pricing: [Applicable] [N/A]
(include only if Basket of Commodities)
- (h) Commodity Market Disruption Events: [As stated in Condition 12.6 (*Commodity Linked Notes*)]
[*specify any other applicable additional Commodity Market Disruption Events*]
- Disruption Fallback[s]: [As stated in Condition 12.6 (*Commodity Linked Notes*)]
[*specify any other applicable additional Disruption Fallback(s)*]
- Additional provisions for Trading Disruption: [N/A]
[If Trading Disruption applies, specify any additional futures contracts, options contracts or commodities and the related exchange to which Trading Disruption relates]
- (i) Commodity Business Day[s]: []
- (j) Commodity Business Day Convention: [Following Business Day Convention]
[Modified Following Business Day Convention]
[Nearest Business Day Convention]
[Preceding Business Day Convention]
[No Adjustment]
- (k) Other terms or special conditions: []

Provisions relating to settlement

53. Settlement type: [Cash Settlement] [Physical Settlement] [Cash or Physical Settlement at the Issuer's option, provided certain conditions are met with respect to the closing price of the Underlying Security]
54. Board Lot: [Applicable] [N/A]
55. Currency in which cash settlement will be made: []
56. Early Redemption Payment Date: [As defined in Condition 2 (*Interpretation*)]

57. Clearing System: [Other (*specify*)]
[]
58. Physical Delivery Date: [As defined in Condition 2 (*Interpretation*)]
[Other (*specify*)]
- Definitions**
59. Definition of Business Day: [As defined in Condition 2 (*Interpretation*)]
[Other (*specify*)]
60. Definition of Exchange Business Day: [As defined in Condition 2 (*Interpretation*)]
[Other (*specify*)]
61. Definition of Maturity Notice Time: [As defined in Condition 2 (*Interpretation*)]
[Other (*specify*)]
62. Definition of Issuer Tax Event: [As defined in Condition 2 (*Interpretation*)]
[Other (*specify*)]
- General Provisions**
63. Business Day Convention: [Floating Rate Convention]
[FRN Convention]
[Eurodollar Convention]
[Following Business Day Convention]
[Modified Following Business Day Convention]
[Nearest Business Day Convention]
[Preceding Business Day Convention]
[No Adjustment]
64. Relevant Clearing System: [Strate]
[*Specify details if different*]
65. (a) Reuters page(s) (or other reference source) from which the exchange rate for currency conversion will be taken when calculating the Redemption Amount and/or the Early Redemption Amount, or [] [N/A]
- (b) the Reference Bank or Central Bank quoting the exchange rate for conversion pursuant to Condition 11.9.1 (*Exchange Date*) [] [N/A]
66. Last Day to Register: []
67. Books Closed Period[s]: The Register will be closed from [] to [] and from [] to [] (all dates inclusive) in each year until the Maturity Date
68. Determination Agent: []
69. Specified Office of the Determination Agent: []
70. Specified Office of the Issuer: []
71. Calculation Agent: []

72. Specified Office of the Calculation Agent: []
73. Paying Agent: []
74. Specified Office of the Paying Agent: []
75. Transfer Agent: []
76. Specified Office of the Transfer Agent: []
77. Provisions relating to stabilisation: []
78. Stabilising manager: []
79. Additional Selling Restrictions: []
80. ISIN No.: []
81. Stock Code: []
82. Method of distribution: [Syndicated] [Non-syndicated]
83. If syndicated, names of Managers: [] [N/A]
84. If non-syndicated, name of Dealer: [] [N/A]
85. Governing law (if the laws of South Africa are not applicable): []
86. Other Banking Jurisdiction: []
87. Surrendering of Notes in the case of Notes represented by a Certificate: [] days after the date on which the Certificate in respect of the Note to be redeemed has been surrendered to the Issuer
88. Use of proceeds: []
89. Pricing Methodology: [Standard JSE pricing methodology / other – insert details] [N/A]
90. Ratings: [The short term unsecured obligations of the Issuer are rated [] by Standard & Poor's, [] by Moody's and [] by Fitch Ratings Limited and the long-term obligations of the Issuer are rated [] by Standard & Poor's, [] by Moody's and [] by Fitch Ratings Limited.
- For the avoidance of doubt, the Notes have not been individually rated.] [N/A]
- [The Notes to be issued have been rated:
- [S & P: []]
- [Moody's: []]
- [Fitch: []]
- [[Other]: []]]
91. Receipts attached? [Yes] [No]
- If yes, number of Receipts attached: []
92. Coupons attached? [Yes][No]
- If yes, number of Coupons attached: []
93. Stripping of Receipts and/or Coupons prohibited as provided in Condition 18.4 [Yes] [No]

(Prohibition on Stripping):

94. Any Conditions additional to, or modified from, those set forth in the Terms and Conditions: [] [N/A]
95. The following Relevant Annex(es) and further provisions shall apply to the Notes [Credit Linked Annex and the further Credit-Linked Note provisions set out in the Credit-Linked Terms and Conditions]
[Others – Specify]

Responsibility:

The Issuer accepts full responsibility for the information contained in this Applicable Pricing Supplement. 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 Applicable Pricing Supplement is in accordance with the facts and does not omit anything which would make any statement false or misleading and all reasonable enquiries to ascertain such facts have been made. This Applicable Pricing Supplement contains all information required by law and the debt listings requirements of the JSE.

The JSE takes no responsibility for the contents of the Programme Memorandum, this Applicable Pricing Supplement, or the annual report (as amended or restated from time to time), makes no representation as to the accuracy or completeness of any of the foregoing documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the Programme Memorandum, this Applicable Pricing Supplement, or the annual report (as amended or restated from time to time). The Issuer accepts full responsibility for the accuracy of the information contained in the Programme Memorandum, this Applicable Pricing Supplement, and the annual report (as amended or restated from time to time), except as otherwise stated herein.

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

SIGNED at _____ on this _____ day of _____ 200●

For and on behalf of
FIRSTRAND BANK

Name:
Capacity:
Who warrants his authority hereto

Name:
Capacity:
Who warrants his authority hereto

GENERAL INFORMATION

1. **Authorisation**

The establishment of the Programme was authorised by written resolutions of the Board of Directors of the Issuer passed on 12 July 2010. The update of the Programme was authorised by round robin resolutions of the Board of Directors of the Issuer passed on 29 September 2011. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

2. **Material Change**

Save as disclosed in this Programme Memorandum and after due and careful enquiry, the Issuer hereby confirms that as at the Programme Date, there has been no material change in the financial or trading condition of the Issuer since the date of the Issuer's latest audited financial statements. This statement has not been confirmed nor verified by the auditors of the Issuer.

3. **Litigation**

Save as disclosed herein, neither the Issuer nor any of its respective 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) which may have or have had a significant effect on the financial position of the Issuer or its consolidated subsidiaries.

4. **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 2009, 2010 and 2011 and, in respect of those years, have issued unqualified audit reports.

5. **Documents Available**

So long as Notes are capable of being issued under the Programme, copies of the documents incorporated under the section headed "*Information Incorporated by Reference*" will, when published, be available at the registered office of the Issuer as set out at the end of this Programme Memorandum. The audited annual financial statements of the Issuer are available on the Issuer's website, www.firststrand.co.za. This Programme Memorandum, as amended and/or restated and/or supplemented from time to time, and all Applicable Pricing Supplements are also available on the Issuer's website. In addition, this Programme Memorandum, as amended and/or restated and/or supplemented from time to time, and all Applicable Pricing Supplements will be filed with the JSE which will publish such document on its website, www.jse.co.za.

6. **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.

ISSUER

FirstRand Bank Limited
(Registration Number 1929/001225/06)
Registered Office:
8th Floor
1 Merchant Place
Cnr Rivonia Road and Fredman Drive
Sandton, 2196
South Africa
Contact: Ms G Raine

**PAYING AGENT, CALCULATION AND
DETERMINATION AGENT**

**Rand Merchant Bank,
a division of FirstRand Bank Limited**
(Registration Number 1929/001225/06)
Registered Office:
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Sandton, 2196
South Africa
Contact: Ms G Raine

TRANSFER AGENT

**Rand Merchant Bank,
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Sandton, 2196
South Africa
Contact: Listings SSC
Tel: (011) 282 8963/8690/8730
Fax: (011) 282 8867/4408

ARRANGER, DEALER AND DEBT SPONSOR

**Rand Merchant Bank,
a division of FirstRand Bank Limited**
(Registration Number 1929/001225/06)
Registered Office:
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Cnr Rivonia Road and Fredman Drive
Sandton, 2196
Contact: Ms G Raine

LEGAL ADVISERS TO THE ISSUER, ARRANGER AND DEALER

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65 West Street
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South Africa
Contact: Mr LC Shawe

AUDITORS TO THE ISSUER

PricewaterhouseCoopers Incorporated

(Registration Number 1998/012055/21)

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South Africa

Contact: Mr J Grosskopf

Deloitte & Touche

The Woodlands

Woodlands Drive

Woodmead

Sandton, 2012

South Africa

Contact: Mr K Black